

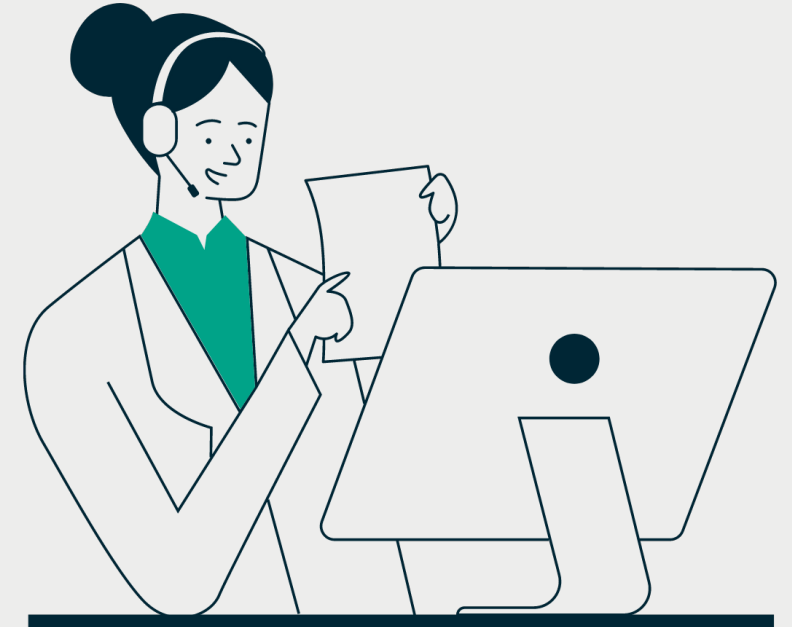
CSG Advisory™

Culture | Strategy | Growth

B2B digital engagements during COVID-19

For sales acceleration

July 2020



Purpose of this document



**Share latest trends/research
around digital selling/marketing**



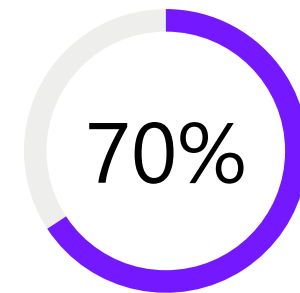
**Help drive sales acceleration
through digital best practices**

This document is a compilation of publicly available reports from McKinsey, BCG & Bain published over last few months of the pandemic.

Executive Summary

- **Preference for digital now ~2X more than traditional sales interactions**; self-serve, digital ordering methods now prioritized.
- **Remote selling is now the norm and perceived to be effective**: 96% of B2B companies have shifted their GTM model during COVID-19; 64% believe the new model is just as effective or more than before.
- **Sales model changes are expected to stay**: 80% are “very likely” and “somewhat likely” to sustain these shifts 12+ months after COVID-19.
- **Suppliers should overinvest in partners** that will likely make strong contributions to future growth, such as those building cutting-edge capabilities.
- **Inside sales will become more prevalent for many B2B companies**, as they realize complex products can be sold through virtual interactions.
- Commercial leaders that **equip their channel partners** to thrive during the pandemic **stand a better chance of maintaining growth** during the downturn and well into the recovery.

Internet use is up 70% since the crisis began



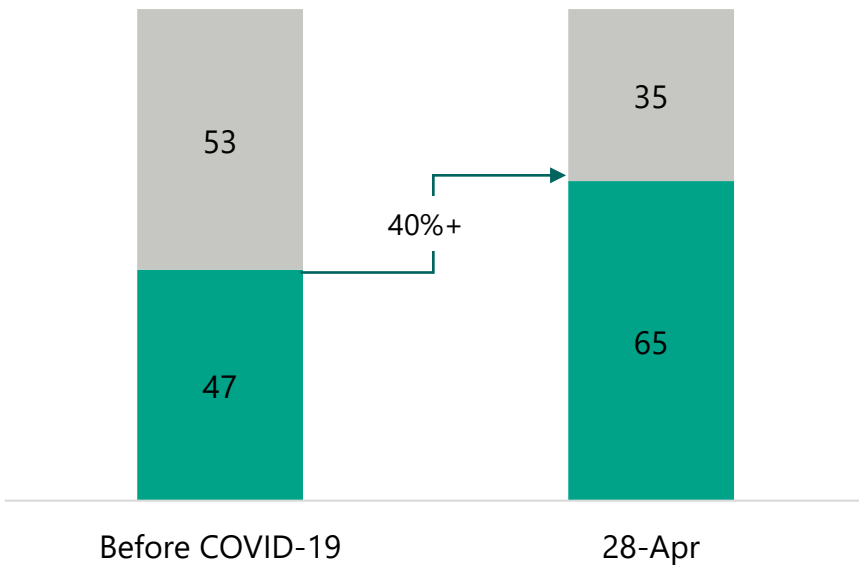
McKinsey: Recent data show that we have vaulted five years forward in consumer and business digital adoption in a matter of around eight weeks.

The importance of digital sales has doubled over that of traditional sales interactions since the onset of COVID-19

■ Digital ■ Traditional

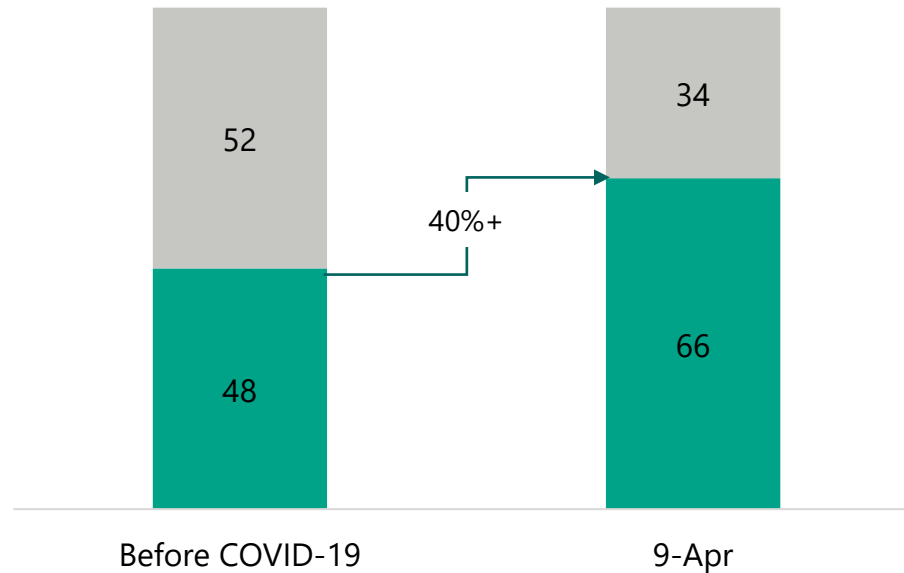
Importance of digital vs. traditional to B2B buyers themselves (points out of 100)

Which method is more important in delivering an overall outstanding sales experience when interacting with your suppliers?



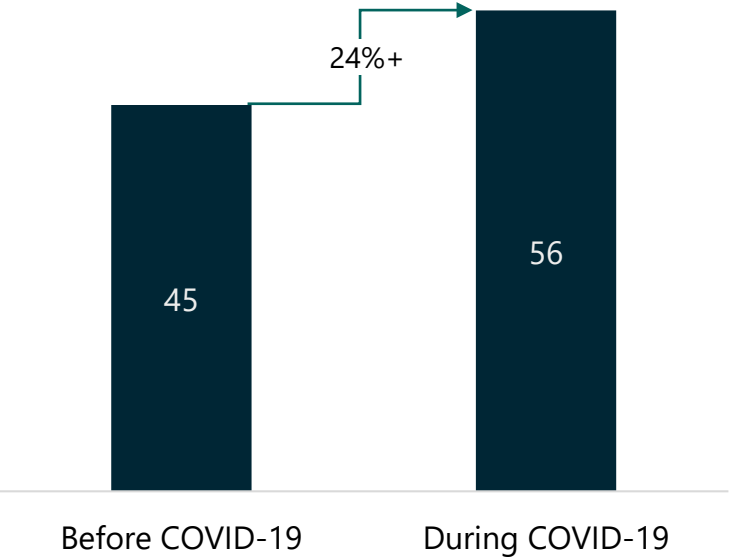
Importance of digital vs. traditional to B2B company customers (points out of 100)

Which method is more important in delivering an overall outstanding sales experience to your customers?



E-commerce revenue is up more than 20% since the onset of COVID-19

Average % of company revenue driven by e-commerce (among companies that sell online)



#1

Live chat rates as top channel for researching suppliers



30%

Increase in customer preference for placing orders on mobile apps

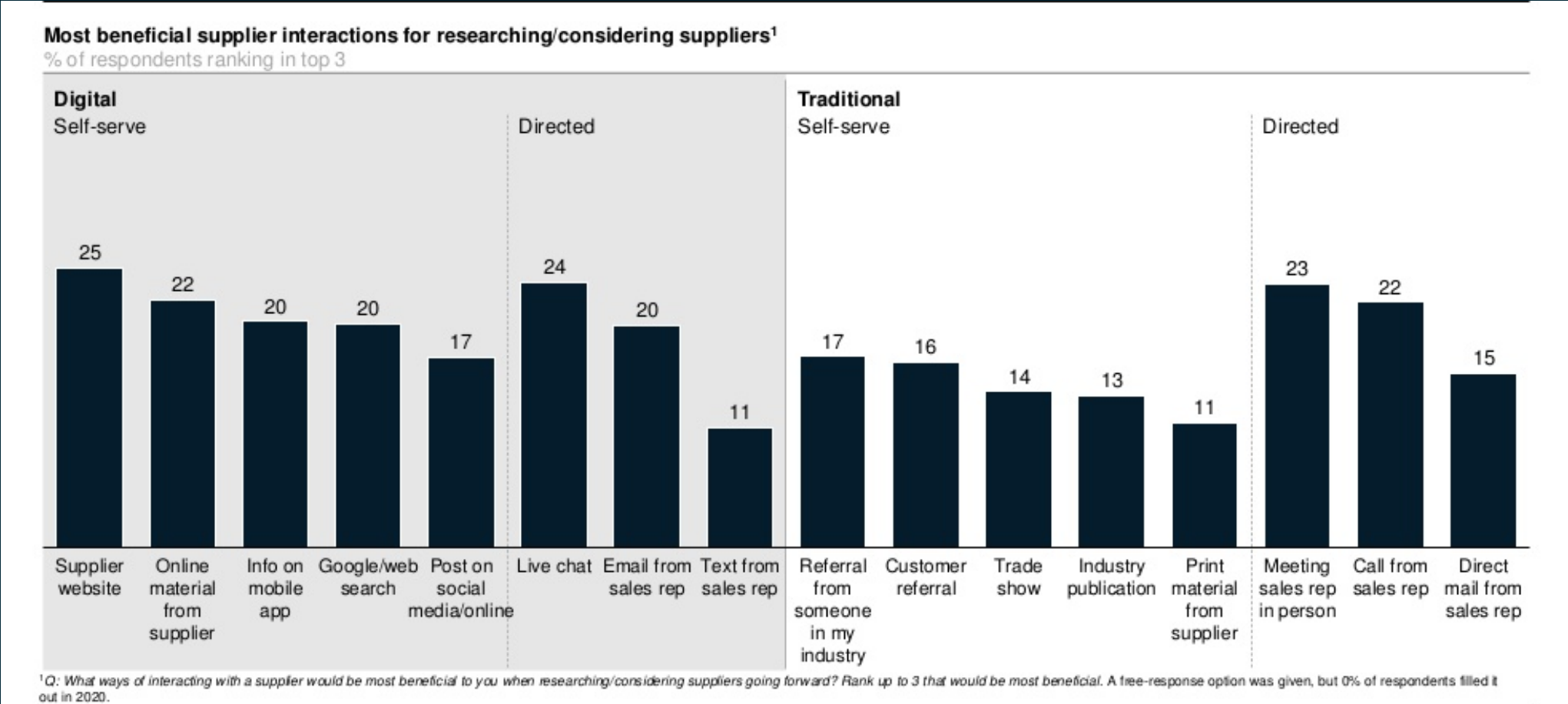


250%

Increase in mobile-app ordering

Source: McKinsey COVID-19 B2B Decision-Maker Pulse#2 4/20-4/27/20 (n=3,755)
COVID-19: Global Briefing – Global health and crisis response, July 2020

Digital channel are now seen as the most beneficial for researching suppliers



Actions to improve buyers' digital experience

Sidebar

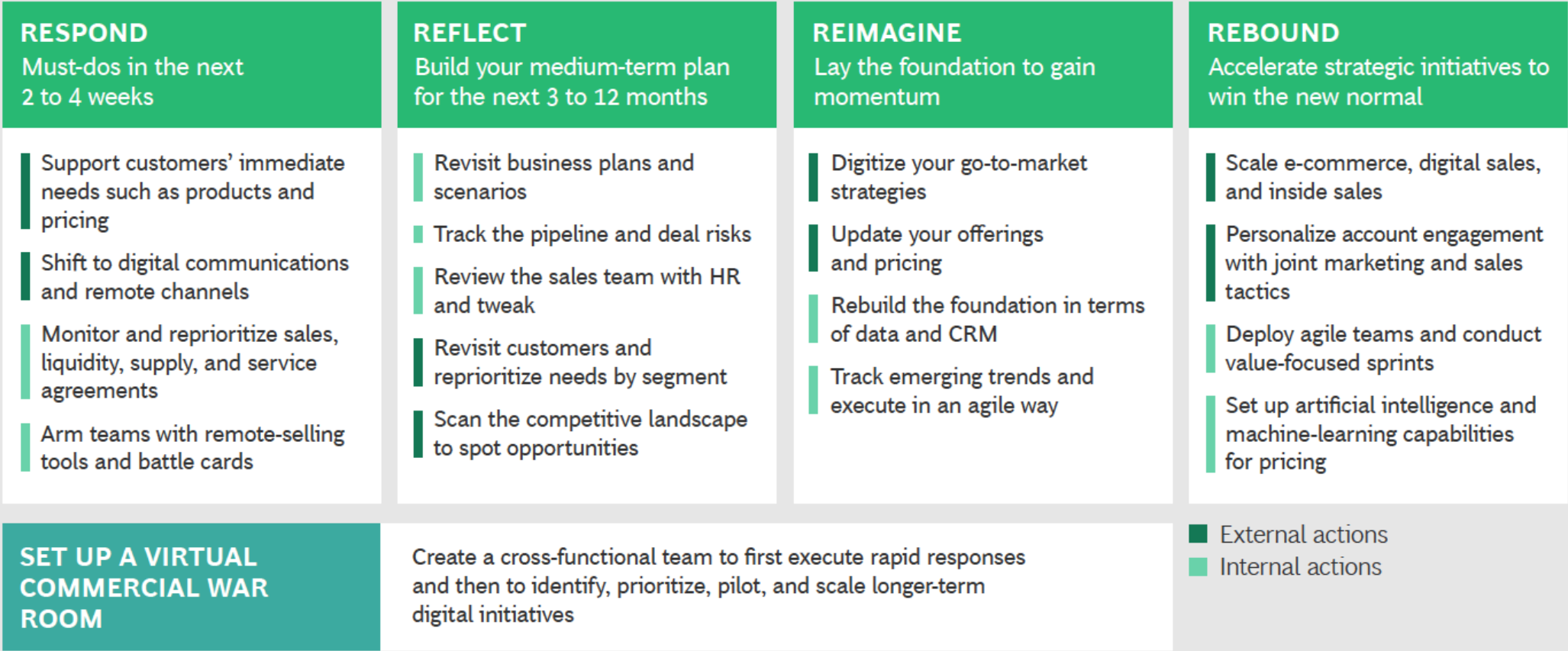
What it means for B2B sellers

Five actions to improve buyers' digital experience.

1. **Improve the self-service options you already have.** For example, on websites, ensure buyers can readily find information, compare options, make purchases, and receive service without live support from sales reps for less complex needs.
2. **Rapidly fix what's broken on websites and mobile apps.** Watch for technical issues in real time and resolve them as they appear. Such no-regrets moves could deliver incremental revenue and improve the digital experience in ways that promote increased loyalty.
3. **Keep the human touch for complex interactions.** Have your sales reps on call to support buyers by phone, videoconference, or webchat, whenever they need it; a 24/7 or 24/5 live presence can be especially meaningful when remote interactions are the only options.
4. **Think like a consumer.** Ensure any e-commerce channel provides a B2C-like experience for every product or service, whether a new purchase or a repeat order. Link e-commerce sales goals to your overall sales targets and incentives systems. Be willing and able to double-count credit when customers interact both digitally and with sales reps.
5. **Measure your progress.** Are you a primary or secondary supplier? What is your churn rate, loyalty score, rate of customer satisfaction? Does your performance vary between digital and in-person interactions?

The four Rs of the B2B sales response

← Immediate value realization ————— Sustained, longer-term impact →



■ External actions
■ Internal actions

Reinforce discipline in sales cadence

- Too many sales forces have grown lax or inconsistent in maintaining a disciplined sales cadence, such as weekly one-on-one sessions and team meetings between frontline managers and sales representatives (refer to the screenshots).
- With reps working remotely and strong customer relationships being key to stable revenues, this discipline needs attention—though in new formats.



Monthly sales and pipeline reviews

Format	• 60-minute meeting
Objective	<ul style="list-style-type: none"> • Review past sales results; ensure future results • Check that opportunities move forward
Sample agenda	<ul style="list-style-type: none"> • 15 min: Review prior month and year-to-date results • 20 min: Joint review of sales rep's pipeline • 15 min: If results and pipeline are below expectation, review calendar to ensure activity level is sufficient to meet goals • 10–25 min: Strategic dialogue for priority accounts

Weekly one-on-one

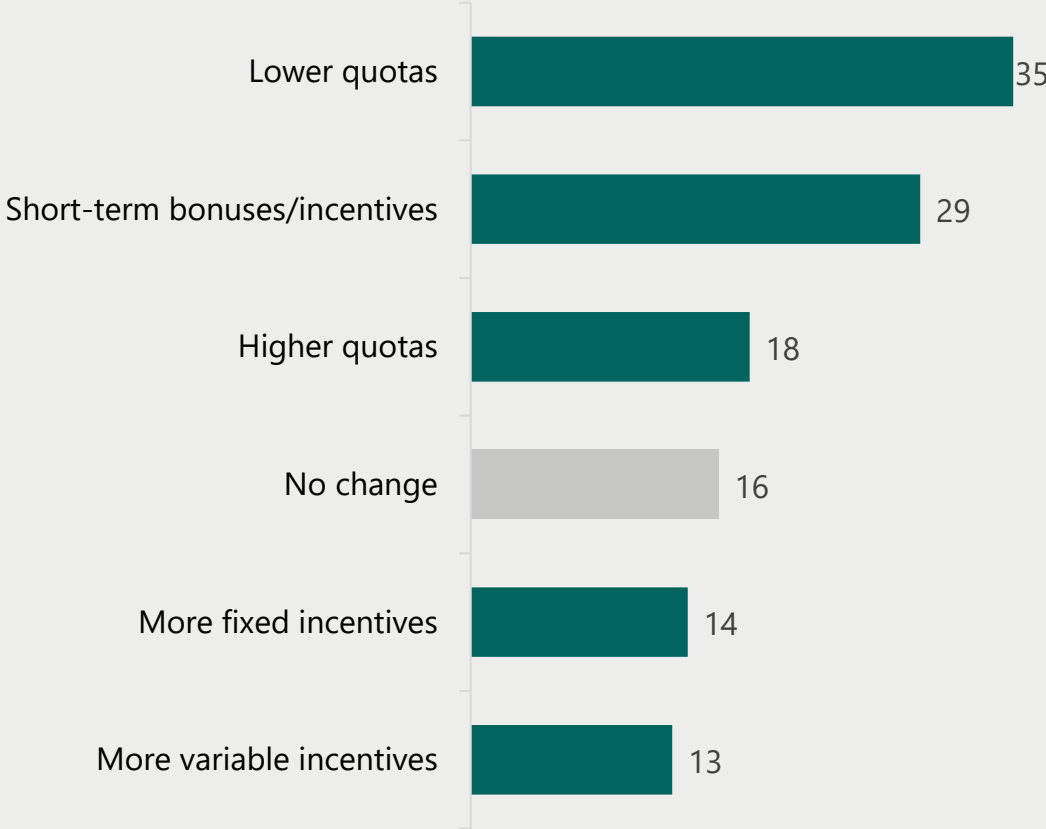
Format	• 30-minute meeting
Objective	<ul style="list-style-type: none"> • Reinforce key behavior change • Provide rep with skill coaching and sales strategies
Sample agenda	<ul style="list-style-type: none"> • 5 min: Progress on previous meeting's objectives • 15–20 min: Advise on selling activities <ul style="list-style-type: none"> – Strategy/sales plays for priority accounts – Behavior/selling skills coaching in the context of upcoming selling activities • 5 min: Address roadblocks or issues • 5 min: Align on next steps

Quarterly ride-along

Format	• Half to full day
Objective	<ul style="list-style-type: none"> • Observe reps in selling situations • Provide real-time coaching
Sample agenda	<ul style="list-style-type: none"> • Pre-brief • During calls <ul style="list-style-type: none"> – Take notes and document observations with clear examples – Let rep lead meetings; intervene only if necessary – Be present; keep phone and laptop use to a minimum – Provide advice between meetings • 30–45 min: Debrief and provide coaching <ul style="list-style-type: none"> – What went well – Things to do differently – Tactical action plan to improve

More than 80% of B2B companies have adjusted incentives in response to the effects of COVID-19

Sales team incentive structure changes in response to COVID-19
(% of respondents)



Source: McKinsey COVID-19 B2B Decision-Maker Pulse#2 4/20-4/27/20 (n=3,755)

Enablers of virtual selling

Virtual B2B Selling Is Here to Stay
The Covid-19-induced shift toward digital tools and interaction channels has helped dispel four key myths about B2B selling.



Fact or fiction? The four myths of B2B selling
A recent Bain survey, powered by Dynata, of more than 300 B2B buyers and sellers helps dispel some common misconceptions.

Myth	Fact
Field sales reps sell primarily in person	50% of sales interactions were virtual even before the pandemic due to faster communication and cost effectiveness
In-person selling works better than virtual selling	75% of buyers and 54% of sellers agreed, or were neutral, that virtual is as effective for complex products
Virtual sales applies only to small deals or accounts	35% of respondents have bought or sold products priced over \$500,000
Shifts to virtual selling during the pandemic will revert after the crisis	80% of buyers and sellers believe there will be a sustained increase in virtual interactions

How to build a successful virtual sales engine

- Involve** sales reps and managers from the start in designing the model
 - 55% of respondents at VP level or below said field reps would be demoralized or quit if their company moved to a primarily virtual model
 - Only 25% said they would be excited
- Amplify** the voice of the customer on virtual buying preferences
- Invest** in easy-to-use tools for collaboration, training and management
- Integrate** at key connection points such as sales and marketing, field and virtual reps, and technologies
- Plan** the transition to ensure no disruption in customer coverage and service

Empowering Sales Teams with Smart Digital Tools

Successful sales efforts hinge on state-of-the-art digital solutions. Here's how leading organizations make the most of them.

WHEN USED RIGHT, DIGITAL TOOLS CAN BOOST SALES
While having a sound strategy, strong execution and solid talent are essential, so too are digital tools.

Leading companies . . .

- Deploy **25%** more digital tools than low-growth companies
- Are **2X** more likely to maintain best-in-class digital infrastructure
- Are **2X** more likely to curate best-in-class applications

Many sales operations are falling short

Companies need to avoid a few common pitfalls around digital sales management tools.

- Acquiring tools without having the right infrastructure
- Spending too much time on admin tasks and not enough with customers
- Being too skeptical of new tools that might help

Three digital capabilities are key to success

- Data infrastructure:** Avoid storing customer, sales and market data in different places. Silos impede data flow and reliability.
- Core commercial applications:** Use best-in-class platforms to free up reps' time so they can focus on selling.
- Data science and analytics:** Leaders use big data to boost productivity in a number of aspects of sales and marketing.

Read more
How the Best Sales Operations Teams Navigate the Digital Cosmos
www.bain.com/digital-sales

BAIN & COMPANY

Sidebar

What it means for B2B sellers

Four actions to improve remote sales interactions.

- Shift face-to-face sellers to digital channels.** Use the digital channels to boost your internal sales and service capability. Convert chatbots into live chats with reps. Equip reps with digital tools (Skype, Zoom, WebEx, etc.), train them to run customer meetings via videoconferencing, and create a "pod" of digital-enablement experts to help sellers use new tools and deal with customer queries.
 - reps to follow up on those leads. Block off time for reps to connect with customers. Personalize digital marketing messages thoughtfully and with the customer clearly at the center. Pull in senior executives to support outstanding proposals or account reviews to help reps and reassure customers.
- Prioritize your pipeline and provide information to reps.** Mine recent online customer searches for leads, focusing on customers who express a need and would likely welcome outreach. Host dedicated time slots and customer-relationship management (CRM) sessions for
 - reflects your customers' needs and current reality.
- Enhance customer intimacy across traditional and digital channels.** Host multi-customer virtual product demos with phone follow-up from reps. Schedule ten-minute videoconference check-ins with your entire book of business. Hold virtual lunches or information-sharing sessions with selected customers, and email tailored content that
 - radically reduce the information customers have to provide before getting information; make digital journeys more relevant with "who I am" and "why I'm here" routing; and eliminate unnecessary steps in click-to-order or click-to-request for faster service.
- Use any free tech and marketing capacity to fix self-service pain points.** For companies with the ability to redirect resources, we recommend taking no-regrets actions that will benefit customers: upgrade online information to make searching easier; radically reduce the information customers have to provide before getting information; make digital journeys more relevant with "who I am" and "why I'm here" routing; and eliminate unnecessary steps in click-to-order or click-to-request for faster service.

McKinsey: The B2B digital inflection point: How sales have changed during COVID-19

Many of the behavior shifts we are seeing today are expected to persist beyond the crisis

Current behavior shifts toward digital activities...		... providing opportunity for persistent market change
Use of technology increased to replace traditional in-person services; UK telemedicine to see "ten years of change in one week" ¹	➤	Customers more comfortable with digital interactions
Use of Zoom and Slack increased; more new users for Zoom YTD than total 2019 ² , for Slack +140% in Q1 2020 compared with Q4 2019 ³	➤	Remote and virtual working models proliferating
Tracking and tracing of individuals via cell-phones implemented to prevent further virus spread ⁴	➤	Data-driven and AI-powered decision making increased, using granular, real-time information
Timely location-specific health guidance via digital apps disseminated, allowing organizations to adapt to local situations ⁵	➤	Adaptive management practices more prevalent, building on collaboration and rapid decision making
Offline marketing campaign dollars reinvested into digital marketing, online-to-offline platforms, and e-commerce ⁵	➤	Fortified technology platforms emerging

The next-normal sales model

How can B2B sellers adapt?



Focus on delivering-in all your sales channels-the 3 things buyers' value most: speed, transparency and expertise



Optimize your e-commerce channel to give buyers ease and convenience, and make sure all your sales channels are integrated and incentivized to collaborate with each other



Fix top buyer frustrations with company websites: long ordering process, difficulty finding products and technical glitches



Remap your customer decision journey to capture changes in the next normal, and use these insights to inform GTM-model adjustments



Create a "pod" of digital-enablement experts to help reps migrate face-to-face sellers to digital channels and help sellers use new tools



Offer the human touch whenever customers need whether for inside sales or field sales

- The pandemic has accelerated previous trends: omnichannel selling, inside sales, tech-enabled selling, and e-commerce
- 79% B2B companies that said they are very or somewhat likely to sustain these shifts for 12+ months post-COVID

Source Credits

- McKinsey & Company:
 - COVID-19 B2B Decision-Maker Pulse#1 3/30-4/9/20 (n=3,619)
 - COVID-19 B2B Decision-Maker Pulse#2 4/20-4/27/20 (n=3,755)
 - COVID-19: Global Briefing – Global health and crisis response, July 2020
 - How B2B sales have changed during COVID-19 – Infographic <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/how-b2b-sales-have-changed-during-covid-19>
 - The B2B digital inflection point: How sales have changed during COVID-19
 - <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-global-b2b-decision-maker-response-to-covid-19-crisis>
 - <https://www.mckinsey.com/business-functions/mckinsey-digital/our-insights/the-covid-19-recovery-will-be-digital-a-plan-for-the-first-90-days>
- BCG
 - Leading Sales through the COVID-19 crisis <https://www.bcg.com/publications/2020/stabilize-increase-sales-through-covid-crisis>
- Bain & Company
 - Virtual B2B selling is here to stay - <https://www.bain.com/insights/virtual-b2b-selling-is-here-to-stay-infographic/>
 - Empowering Sales Teams with Smart Digital Tools - <https://www.bain.com/insights/digital-sales-infographic/>
 - <https://www.bain.com/insights/keep-the-sales-teams-reassured-and-humming/>
 - <https://www.bain.com/insights/unlimited-partners-equipping-your-sales-channel-to-thrive-during-covid-19/>

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Thank you

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www.csg-advisory.com