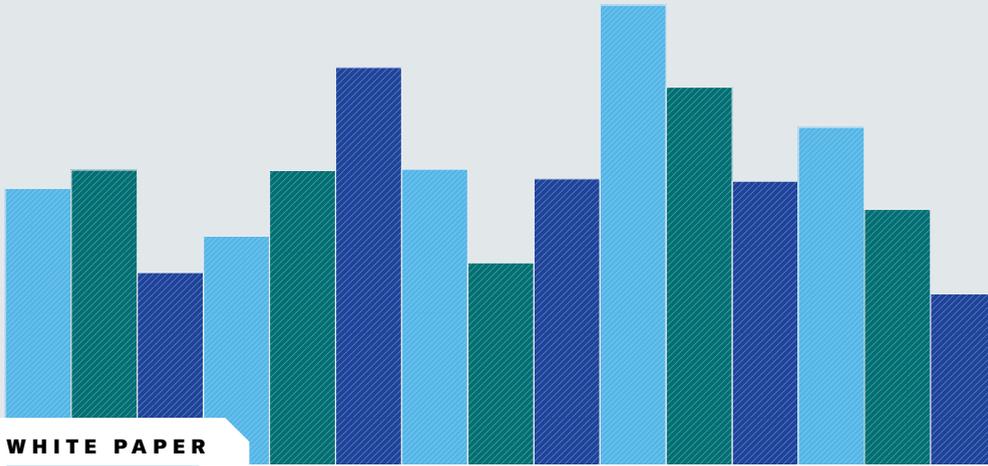


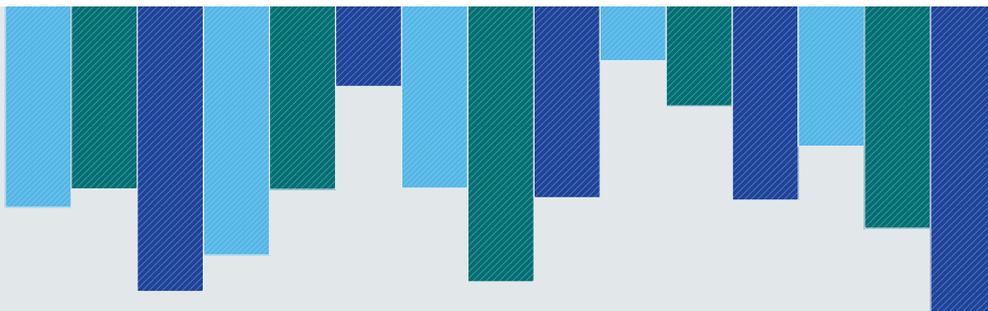


**Harvard  
Business  
Review**

ANALYTIC SERVICES



# Future-Proofing B2B Sales



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## SPONSOR PERSPECTIVE

Selling today requires the ability to adapt to the speed of product innovation and rapidly changing customer expectations, creating an era of perpetual newness. As a result, sales organizations are under increasing pressure to align in response to these forces and unlock the opportunities that maximize value creation for them and for their customers. Adding to this complexity is the arrival of the digital natives, a demographic deeply in tune with digitally powered buying and selling experiences. This dynamic environment requires a new vision for sales that recognizes that every selling journey is different but all are aimed at maximizing value for buyers and sellers.

We believe this new era expands the traditional view of the selling process to incorporate a broader constituency that includes all the departments and processes required for modern selling. In addition, as selling becomes a team sport, data and artificial intelligence can drive greater situational awareness throughout the sales journey. This creates a unique ability to understand, adapt, and accelerate revenue-generating opportunities for sales organizations.

We've sponsored this research by Harvard Business Review Analytic Services to examine the challenges that sales leaders are facing today and discover the critical capabilities that are needed to accelerate revenue-generating customer engagements.

I encourage you to read this report and compare how your sales organization aligns with that of the respondents.

At SAP, we help companies of all sizes run their businesses profitably, adapt continuously, and grow sustainably. We hope that the findings in this report help you in your journey to high-performance selling.



**Nitin Badjatia**

**Head, Product Marketing and  
Solutions Management**

**SAP Sales Cloud**

**SAP Service Cloud**

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# Future-Proofing B2B Sales



Years before the Covid-19 pandemic occurred, respondents to Gartner’s 2018 report, “The B2B Buying Journey,” cited their skepticism of sales representatives, with 44% of Millennials saying they preferred having no interactions with salespeople during business-to-business (B2B) purchases. Once the pandemic hit and removed opportunities for in-person selling, B2B sales were executed digitally via virtual engagement channels such as phone or video chat. By April 2020, when McKinsey & Co. surveyed B2B leaders about what was more important to customers—digitally enabled sales interactions or traditional interactions—66% chose the former, while only 34% chose traditional interactions. On the selling side, organizations struggled with providing the right tools to make online sales happen, especially with salespeople working from home. When asked about the effectiveness of digital sales, 46% of all respondents reported it was less effective overall.

The combination of these factors has changed the B2B sales process. Today, organizations around the globe are embracing omnichannel selling strategies, a move experts say will be the key to improving sales, boosting revenue, and ensuring customer and employee satisfaction. Getting there will require a rethinking of the salesperson’s role, an examination of how customers want to engage with organizations, a better grasp and use of data, and a willingness

## HIGHLIGHTS

Today, organizations around the globe are **embracing omnichannel selling strategies**, a move experts say will be the key to improving sales, boosting revenue, and ensuring customer and employee satisfaction.

When sales and marketing work together along with other departments within an organization, they can **improve customer retention, raise adoption rates, make it easier to cross- or upsell, and increase customer lifetime value**.

Companies are **seeking new services to sell in a recurring revenue model** alongside traditional products or to bundle with existing products, with good results.



Omnichannel sales strategies allow buyers to interact and transact with an organization across multiple platforms and methodologies, including face-to-face, telephone, videoconferencing, self-service online options, social media, and apps.

to embrace other service and sales models. It also will take a proverbial village, with multiple departments working together to make it happen. Those organizations that can't or won't evolve will be left behind.

“One of the things we're seeing in B2B sales—really in all sales—is people are getting much better at using lots of different ways to communicate with their clients and do what we call at the Kellogg Sales Institute ‘go above and beyond to the point of surprise and delight,’” explains Craig Wortmann, the CEO and founder of the Kellogg Sales Institute at Evanston, Ill.-based Northwestern University's Kellogg School of Management. “Those who don't embrace and utilize these various methods will find themselves in the process of losing deals over and over again.”

The definition of omnichannel sales differs depending on the source. However, at its most basic, omnichannel sales strategies allow buyers to interact and transact with an organization across multiple platforms and methodologies, including face-to-face, telephone, videoconferencing, self-service online options, social media, and apps. It changes the B2B sales paradigm, putting more power in the hands of the buyer. And it's a strategy that's not going away.

According to McKinsey,<sup>1</sup> “Omnichannel is not simply a trend, nor a pandemic workaround—rather, it is a critically important fixture for B2B sales globally.” According to the same research, two out of three buyers prefer remote human interactions or digital self-service to in-person sales. At the same time, the pool of buyers is continuing to widen as Millennials and Generation Z (Gen Z) take on a larger role in business. Today, 60% of all B2B tech buyers are Millennials (ages 25 to 39), and 2% fall into Gen Z (24 and younger), a TrustRadius study found. The same study, called “The 2021 B2B Buying Disconnect,” found 97% of B2B buyers want self-service options for part or all of their buying journeys.

But having omnichannel options doesn't mean salespeople are obsolete. In fact, they may be even more important in an omnichannel world. B2B customers—even those who complete sales online or seek out digitally enabled sales—expect high levels of sales support at all times. A March 2022 survey by Harvard Business Review Analytic Services of 214 respondents from the *Harvard Business Review* user database showed that nearly 80% of respondents report a moderate or significant change in their customers' expectations. **FIGURE 1** More than half (51%) said that their organization is having difficulty keeping pace with the changing demands and expectations of buyers.

With so much upheaval and change, it's not surprising that organizations are looking for ways to improve the sales process and overcome the myriad challenges they are facing today. According to the Harvard Business Review Analytic Services survey, these challenges include increasingly complex buying cycles, lack of actionable data insights and recommendations for sales, difficulty engaging buyers virtually, and a lack of automation in sales processes, among others.

This report explores how the evolving buying journey and the inclusion of digital-native buyers and sellers across industries are driving change in B2B sales processes, and what organizations must do to succeed and accelerate sales, including creating new selling models, using data to identify the right buyers, and improving sales tools and processes.

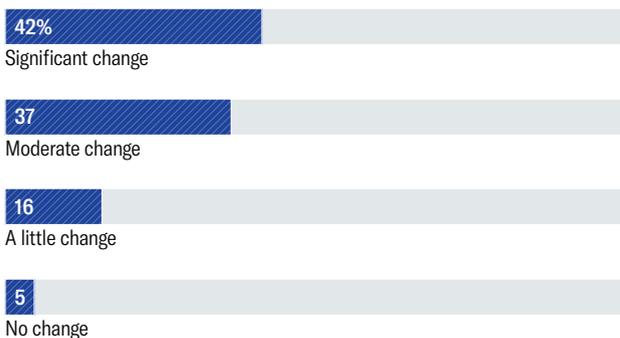
## The Changing Role of the Salesperson

At the beginning of the pandemic, Lion, a brewer and adult beverages company headquartered in Sydney, watched as its

FIGURE 1

### Buyers Demand More

More than 90% of business-to-business organizations are reporting customer expectation changes



Source: Harvard Business Review Analytic Services survey, March 2022

customers closed their doors to the public. Beer kegs, which have a six-week shelf life, sat untapped in pubs and clubs around Australia, says Michelle Lucas, customer product and strategy director at Lion.

To ease the financial burden its customers faced, Lion offered to pick up all the untapped kegs and credited customers for the beer they couldn't sell. This initiative totaled more than \$40 million and took a huge amount of effort to execute behind the scenes. It also changed the way the company interacts with its customers, explains Lucas.

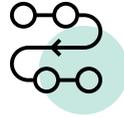
The move to online interactions also made the company reconsider what it could do to make buying as easy as possible for its customers. Lion quickly shifted to digitally enabled sales, with videoconferences, as well as phone calls, replacing face-to-face visits. Buyers have developed a preference for shorter, sharper interactions and making smaller, more frequent purchases in light of unpredictable trading patterns and forecasts.

Lion used to try to influence buyers with its brand story and supporting assets, but understandably, buyers' time is precious, and they need to focus more on running their business, Lucas explains.

Lion has a stable workforce, most of whom have been with the company for years, says Lucas, so the move to online interactions, coupled with an increased number of smaller purchases, was a big change for many of Lion's team members. The organization is supporting these salespeople by providing tools and services, such as a new content management system, demonstrating a growing awareness that the role of the salesperson has evolved from what it was even two years ago.

Frank V. Cespedes, a senior lecturer at Harvard Business School, says organizations must acknowledge changes in the salesperson's role, as well as the shift in buying overall. "For over 60 years, buying and therefore sales models have been conceptualized in terms of what academics call a 'hierarchy of effects' model. And what they mean by that is that the job is to move the prospect along a linear funnel or pipeline from awareness to interest to desire to action, but that's just not the way buying happens today," he says.

In most categories, especially in the B2B space, buyers move between online and off-line at multiple times throughout their buying journeys, explains Cespedes, who is also the author of *Sales Management That Works: How to Sell in a World that Never Stops Changing*. Buyers aren't just going to company websites, either. The typical B2B customer spends time interacting with other prospects or customers on buyer forums, looking at social media influencer posts, and checking out external reviews and user groups. "The big change in the B2B sales process is that many sales models, including deployment and compensation processes, are just out of date. They're out of touch with the way buying actually occurs in the market," Cespedes adds.



**“The big change in the B2B sales process is that many sales models, including deployment and compensation processes, are just out of date. They’re out of touch with the way buying actually occurs in the market,” says Frank V. Cespedes, senior lecturer at Harvard Business School.**

Today, when a buyer makes contact with a salesperson, the buyer likely already has comparative product and pricing information in hand. This reality means the bar is raised quite significantly for B2B salespeople, since they must find new ways to add value to an increasingly digitally enabled sales process with far less time to interact. Personal brands come into play, too, since they matter more today in the age of online selling, says Jeff Fromm, an author and consultant at LaneTerralerver, a customer experience marketing firm.

“There’s going to be increasing importance in establishing gravitas through public relations, content marketing, personal branding, and nontraditional forms of communication to ensure you’re putting yourself in a place where your better prospects will discover you,” he says.

## Challenges in Courting New Customers

When Patrick Schwarz looks at the ways his sales team currently interacts with customers, a lot has changed since March 2020. Schwarz, vice president, customer relationship management and commercial excellence, at GEA Group, a German industrial manufacturer, says digitally enabled interactions with customers grew by triple digits over the past few years. Meanwhile, the actual time spent speaking with those customers declined.

“We had [many] more online meetings during the Covid-19 lockdowns, but the meetings were shorter compared to a physical meeting,” he says. “And when you look at the results, we see that both the customers and us as suppliers are happy. Everyone was satisfied and saw benefits.”

But there is a problem with this paradigm, Schwarz says. “[Reaching people successfully] only counts for existing



## The first step to gaining better access to customers is removing the silos that constrain data and keep salespeople from getting a full view of existing clients.

customers. Finding and developing new customers shows to be more difficult. The data shows that building a relationship becomes difficult in an online-only scenario,” he says.

Indeed, B2B buyers may be more inclined to simply stick with what and whom they know, especially if those suppliers have provided adequate service and support. A January 2021 *Harvard Business Review* article argues that B2B salespeople are challenged with understanding a buyer’s needs, winning trust, demonstrating differentiated value, and understanding buyer decision making.<sup>2</sup>

Organizations can find new customers by focusing on awareness, the toughest part of the sales funnel, says the Kellogg Sales Institute’s Wortmann. There’s research to back up this claim. The March 2022 Harvard Business Review Analytic Services survey found that 36% of B2B organizations have the most difficulty with awareness, the period when a prospect is made aware of a product or solution. Consideration, when buyers consider multiple businesses’ offerings and sales addresses any barriers, was second on the list of difficulties, cited by 32% of respondents.

Organizations can improve awareness by making sure sales and marketing work together smoothly, says Fromm. “The challenge is, in a B2B world, there are many different people engaging with that customer: sales, operations, customer service, accounting. How can you make sure the entire team has access to information and understands the customer’s preferences? Because if you don’t, you’re set up to anger the customer or disappoint them.”

When sales and marketing work together along with other departments within an organization, they can improve customer retention, raise adoption rates, make it easier to cross- or upsell, and increase customer lifetime value.

### Taking a Dive into Data

Both the awareness and consideration stages of the sales funnel can be addressed in the omnichannel world using data.

Data and analytics can help sales organizations figure out where they need to be so they can be discovered by customers, both on- and off-line. Data can also help salespeople uncover customer objections or problems during the consideration process. Companies that can use data to help salespeople understand where a customer is in the buying journey will have an easier conversion process—and happier customers and employees.

The first step to gaining better access to customers is removing the silos that constrain data and keep salespeople from getting a full view of existing clients. Data silos can stem from technological architectures as well as people and process factors. On the technology side, silos occur when different departments store and process data in a bubble—and on separate servers or cloud instances—due to budget or disparate business goals.

The American home appliance company Whirlpool recently rolled out its sales force automation and data analytics in a program to support its sales fusion project. Prior to implementation, the organization struggled with many challenges, says Alfredo Ciarrocchi, EMEA GIS [Europe, Middle East, and Africa geographic information system] sales strategy, operations, markets, and business integration senior manager at Whirlpool.

Planning and execution capabilities and data visibility were missing, so salespeople had to work much harder to get a full view of the customer. In addition, the sales organization isn’t a single team, he says. “We have 35 markets we manage in EMEA, with subsidiaries, sales, marketing teams, and logistics. There have been big changes on those sales teams, but we saw it as a big opportunity.”

The fusion project, called Archer, which Ciarrocchi defines as a strong process review and tool to support the sales teams, was rolled out in phases using a template model. The company rolled the tool out to one country or cluster at a time, duplicating successful strategies and elements as they moved on to the next one.

Today, the related processes and tools are rolled out across Europe and are fully integrated with enterprise resource management tools, merchandising, and other sales back-office functions. “Our sales rep can see in real time what’s happening in the company and in our end-to-end supply chain,” he says. This visibility helps the sales organization avoid making promises it can’t keep. The project also brought customer data that was once “in the pocket of the sales rep” into company systems so everyone who touches the customer knows everything about them.

Whirlpool’s organizational structure is like that of many B2B organizations—siloed departments that act as their own tiny companies. It’s no wonder, then, that data resides in silos for many organizations or that customer insights—including needs, wants, and interactions—are locked away from other



“It’s imperative everyone in the organization has instant access to every discussion with every B2B client. There are companies that do this right and deliver an incredible customer experience, and there are others that don’t integrate technology well,” says Jeff Fromm, a consultant at LaneTerraever.

departments. B2B sales teams know this is a problem and that eliminating silos is a solution. When the Harvard Business Review Analytic Services survey asked executives to rate how important different variables are to having successful sales, 76% cited an ability to provide data-driven recommendations to the sales team as very or extremely important. **FIGURE 2** Being able to identify the right buyers and opportunities was cited as a top choice (extremely important) when it comes to investing time, budget, and resources over the next two years. This need for better data may be why nearly a third (32%) of respondents, when asked to what extent their organizations use collected customer data to customize the buyer’s journey, reported not at all or to a slight extent.

Removing data silos will not only help organizations better target new customers, but it also will help keep the ones they have, says LaneTerraever’s Fromm. “It’s imperative everyone in the organization has instant access to every discussion with every B2B client. There are companies that do this right and deliver an incredible customer experience, and there are others that don’t integrate technology well,” he explains.

### Tapping the Recurring Revenue Model

While data analysis and use can help organizations boost conversion rates and make customers and employees happier, it’s not the only way to increase revenue and meet customer needs. Companies are seeking new services to sell in a recurring revenue model alongside traditional products or to bundle with existing products, with good results.

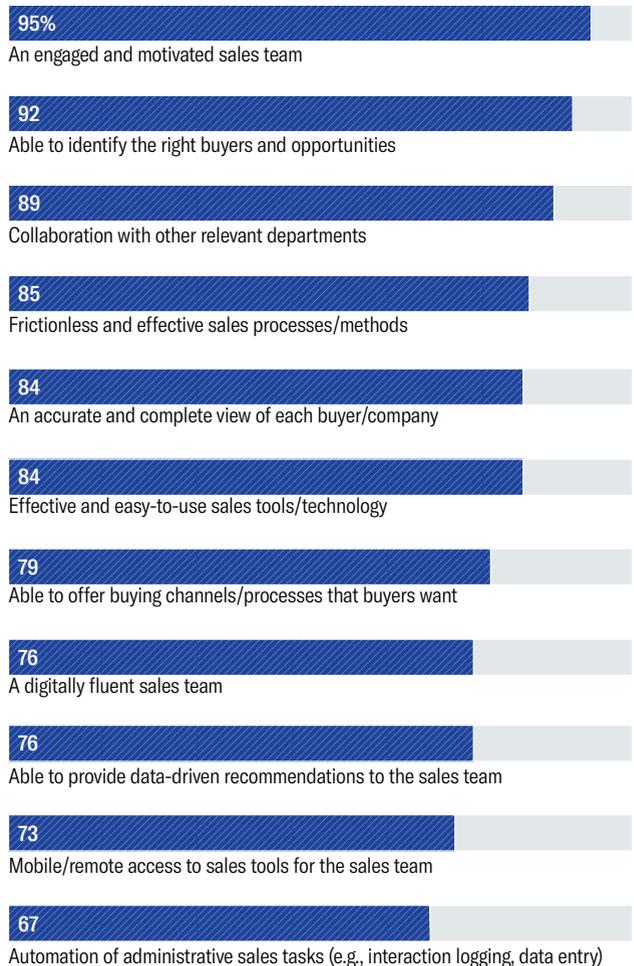
GEA, for example, is capitalizing on two changes in B2B buyer expectations: greater demand for post-sales service and support and product as a service—lease, subscription, or consumption-based services. “We are offering our customers what we call smart digital services like condition monitoring in addition to our core machinery products. That helps us move into the as-a-service business model in the future,” Schwarz says. “It helps us extend our legacy product catalog.”

As part of its transition to an as-a-service business, GEA is offering customers the ability to increase the efficiency, availability, and sustainability of the equipment they are purchasing. The new service is designed to reduce equipment

FIGURE 2

### The Key Elements of Successful Sales

Organizations choose what they say is very or extremely important to having successful sales



Source: Harvard Business Review Analytic Services survey, March 2022

**“Omnichannel buying requires a multichannel response, and that’s not easy to manage in a sales process. There are perennial issues of potential channel conflict, but also training, skills, and compensation issues.”**

**Frank V. Cespedes, senior lecturer  
at Harvard Business School**

downtime by anticipating potential problems before they happen. It also helps the customer improve their own business processes, boost their customer satisfaction, and reduce costs, as well. Today, the majority of GEA's customers are interested in this add-on service option.

"[Our customers] needed their data, they needed to have access to their data, and they wanted to have tools like platforms to be able to see and monitor the machines. They were demanding that from us," he adds.

Fromm says this move has been a long time coming, comparing the B2B selling journey to a consumer car purchase. In the beginning, automobile manufacturers were content to sell a big-ticket item, stepping out of the equation until the consumer needed another car. They evolved, however, to capture more revenue by offering products and services such as oil changes.

"There's a tremendous, frequent disconnect between what the company's view of the journey is and the buyer's view of the journey," he says. "The companies that are going to win tomorrow are closing the gap between the physical and digital journeys, as well as understanding that consumers have brand interactions before they physically arrive at your business."

## Meet the Evolving Customer

The focus on digital services is happening in part thanks to the generation of digital natives who grew up with data at their fingertips. But digital tools are easier to use and increasingly embedded in products and services, making buying into an omnichannel process more common and therefore challenging salespeople who aren't keeping up, no matter what generation they fall into, says Harvard Business School's Cespedes. And this reticence and disconnect are more common than many may think.

"Omnichannel buying requires a multichannel response, and that's not easy to manage in a sales process. There are perennial issues of potential channel conflict but also training, skills, and compensation issues," Cespedes says. "When a salesperson has channel responsibilities—as they usually do—as well as selling responsibilities, the individual contributor who took the job because they value autonomy must also become a de facto manager, and that's a tough transition for anybody in an organization at any age. But it's now required for effective business development in most markets."

Organizations can mitigate this disconnect by providing tools and resources, as well as training, to salespeople, since omnichannel selling is something that wasn't taught in business school until recently. GEA's Schwarz says his organization does this by providing a full spectrum of selling tools and entries into the selling process, including a "web shop, interactions via social media and the website, and interactions via telephone."



**It's also important for organizations to make sure that the digital customer-engagement options they provide are actually ones that customers want and can use in order to maximize their competitive advantage.**

GEA also reorganized its selling organization, bringing in new hires who were specifically focused on the digital arm of the business, he says. "We had to adapt our whole organization to be able to cope with that. And to be honest, we're still constantly doing so. We [do] not do one sales training to the whole world, and [then] we're done with that. No. [We constantly] have to adapt and train our people and give them the right support to be able to handle all of these channels."

It's also important for organizations to make sure that the digital customer-engagement options they provide are actually ones that customers want and can use in order to maximize their competitive advantage. Lion is a good example of tailoring digital options to the customer. The company recently implemented an industry-first ordering app and linked web portal so that customers easily can go and scan barcodes on their shelves and place orders instantaneously from their phone. The move was an extension of its post-pandemic focus on creating an omnichannel selling environment.

Lucas says Lion is working on encouraging its customers to embrace the app. It can take some time to change behaviors that are embedded, and customers are generally more comfortable using the web portal than the app, she explains. Once Lion dug into the data and asked its sales team to seek feedback from customers about what would make the app more appealing, Lion discovered that customers are still adjusting to the functionality of the app.

"It really comes back to our customers' purchasing systems. Customers in store have their own point-of-sale purchasing systems, which effectively create an order," Lucas says. Lion's customer systems still align better with the web portal. "But it's really interesting that the research told us that an app would be really valued by customers," Lucas adds. The company expects app adoption rates will increase over time, so she considers the app an investment in the future and a way of getting ahead of the curve.



The addition of omnichannel tools, coupled with the ability to extend the selling cycle with the introduction of value-added services and product as a service, is the future of sales.

Lion's other omnichannel changes designed to meet evolving customer needs have been met with enthusiasm. For example, the organization made internal changes to make its sales team more self-sufficient. Team members can look up invoices for customers instead of having to send them to accounts payable. The salesperson is no longer just the person who comes in, tells the customer what's on special, and hands out free hats for promotions, Lucas explains. Lion also saw strong interest from customers related to its new digital sales team helping them create their own digital catalogs.

"Our customers are more sophisticated and have far more information themselves on hand because they're able to access that online," she says. "They're more invested in having a discussion around insights and information. What is going to drive foot traffic to my venue? How can you help support me [to] make my venue successful? It becomes a relationship discussion around how do I [become] a successful business owner rather than how do I pour more beer?"

Lion is also embracing analytics for the customer journey. Its new advanced analytics team is helping the organization figure out where they need to sell and how by looking for gaps in the marketplace. But they don't stop there, says Lucas. Lion's sales team can use that data to help customers discover successful products and offerings.

## Conclusion

As Harvard Business School professor Linda Hill and her colleagues point out, "While data and digital technologies were once enablers of efficiency and cost-cutting, today they're the engines of innovation and revenue growth, offering

organizations unprecedented opportunities to develop new products and services and even reimagine their businesses."<sup>3</sup>

Hill points to six qualities that digitally mature organizations adopt and embrace, including an intimate and dynamic understanding of the customer and having a culture that's data-informed, not data-driven, among other qualities. Whirlpool's Ciarrocchi says his organization has achieved these capabilities by embracing an omnichannel, customer-centric selling methodology that puts necessary data into the hands of salespeople wherever they are—including in front of the customer.

"We brought to salespeople when they were in front of the customer a dashboard with information so they [could be] fast and quick. We provide to our people the best connection with the company and also with all the information they need," he says. "We have a strong new tool that has the capability to manage the remote connection."

The addition of omnichannel tools, coupled with the ability to extend the selling cycle with the introduction of value-added services and product as a service, is the future of sales. Those organizations that embrace this work and accept the transition are poised for success, says Wortmann.

"If I'm selling a service in addition to a physical product, it changes the nature of the relationship between the seller and the buyer. It extends and deepens the relationship into customer success," he explains. "The sales team has to maintain a prolonged relationship with [the buyer] so they retain that customer month over month, depending on how contracts are structured." Those sales teams that don't will be eaten, Wortmann warns. "A nimbler, more digitally native, magnetic, and unstoppable organization is going to beat you."

## Endnotes

- 1 McKinsey & Co., "Omnichannel in B2B sales: The new normal in a year that has been anything but," March 15, 2021.
- 2 Andris A. Zoltners, PK Sinha, and Sally E. Lorimer, "How to Reach New Customers When You Can't Meet Them in Person," *Harvard Business Review*, January 13, 2021.
- 3 Harvard Business School Working Knowledge, "Where Can Digital Transformation Take You? Insights from 1,700 Leaders," January 2022.



# Harvard Business Review

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