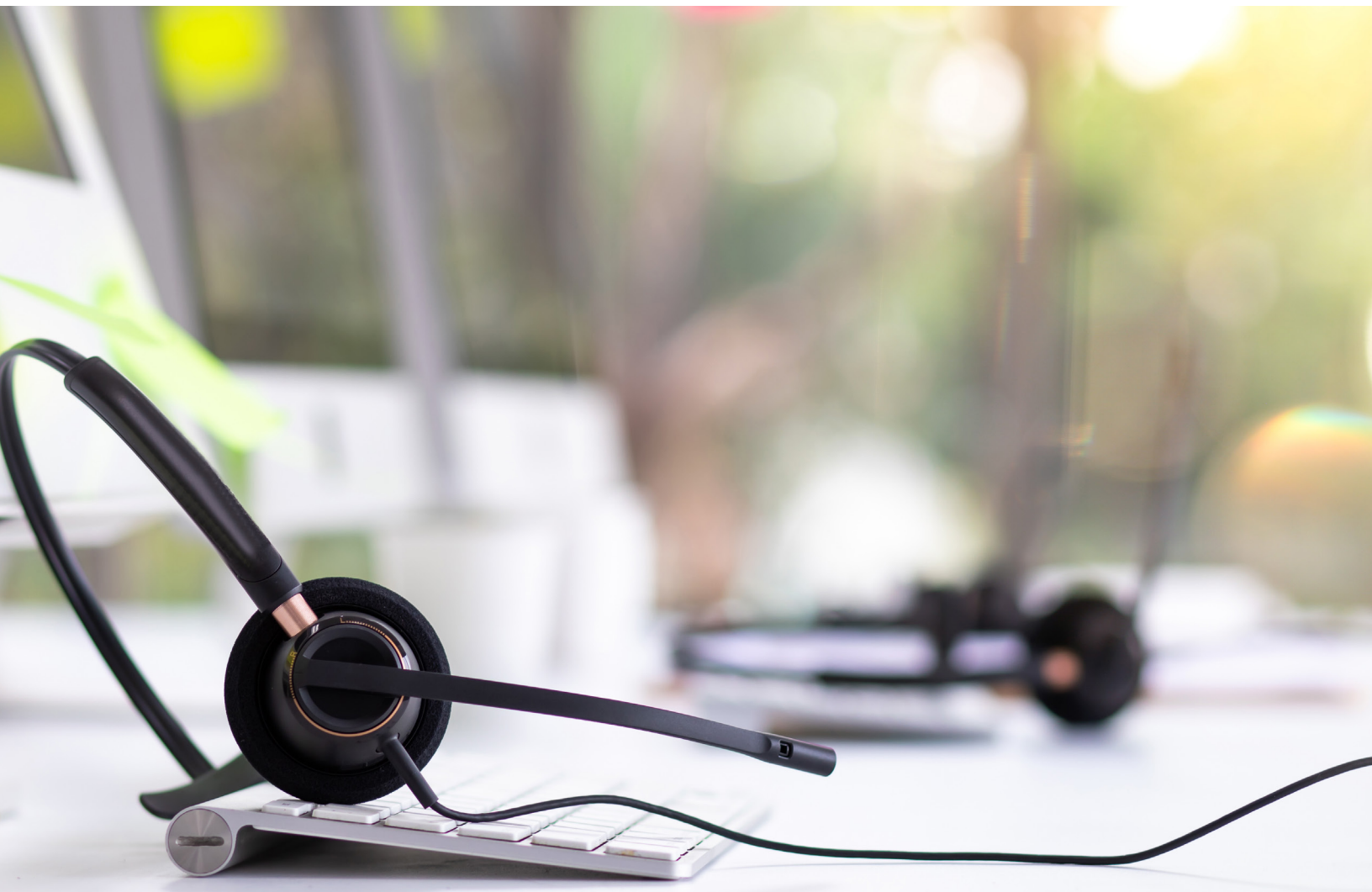


ACCELERATING SALES IN A POST- PANDEMIC WORLD

What is the future of B2B sales and how should organizations rethink their sales approach?



It's been one year since COVID-19 impacted individuals, families and businesses in lasting ways. The pandemic has also been a global experiment that forced companies to take their salesforces remote. During this time, most sales teams faced major challenges around engaging with customers remotely, generating enough leads to meet revenue goals, and pushing deals through ever-lengthening sales cycles. A few made bold moves, rethinking their channels, shifting investment aggressively to remote sales models, and training their sellers to work in new ways. But most did not. In fact, most companies made only incremental, reactive changes and have much work to do to adapt their sales approaches to the post-pandemic reality.

COVID-19 resulted in a once in a lifetime disruption that will deeply impact how B2B sales are done in the future. There is a short window of opportunity to decide how to respond. Should you make reactive, incremental changes or fundamentally re-think your sales approach to maximize growth in the upturn?

The AlixPartners 2021 survey of 100 seasoned sales executives in B2B industries provides insight into how companies reacted to the pandemic and what their priorities are coming out of it (figure 1). And with 12 months in the rear view mirror, our results indicate a better way to accelerate the transition to new selling practices to drive top-line growth efficiently.

Despite a desire to grow in new and innovative ways, we saw companies reacting to these pandemic changes by making only the smallest adjustments. Perhaps it was shock and a healthy fear of the unknown. Perhaps there was uncertainty around which customers would buy more, less, or differently — the basics of forecasting and selling were temporarily challenged in ways no one had really seen before. After all, the pandemic presented many unknowns, from what was physically safe, to what companies could deliver and when. Plus, the pandemic threw most of us into home offices with the distraction of domestic responsibilities threatening productivity.

While many companies were getting their bearings with their sales forces working from home, they applied in-person sales methods to phone calls, virtual product demos and other types of online selling. And they did more of it. Unfortunately, this often didn't work. There was rarely a well-considered analysis of roles or costs. There was not enough communication or collaboration with departments that could boost sales. As a result, productivity fell over time.

FIGURE 1: AT A GLANCE; HOW TECH SALES TEAMS RESPONDED DURING THE PANDEMIC



Source: AlixPartners 2021 Sales Executive Survey, (Total 100, Technology n=50, Industrial Industry n=50)

REACTIVE CHANGES WON'T BE ENOUGH: SIMPLE TACTICAL MOVES ARE A MISSED OPPORTUNITY

The pandemic brought meaningful lessons and big questions. One of most important: Where should companies invest their resources to produce the greatest results?

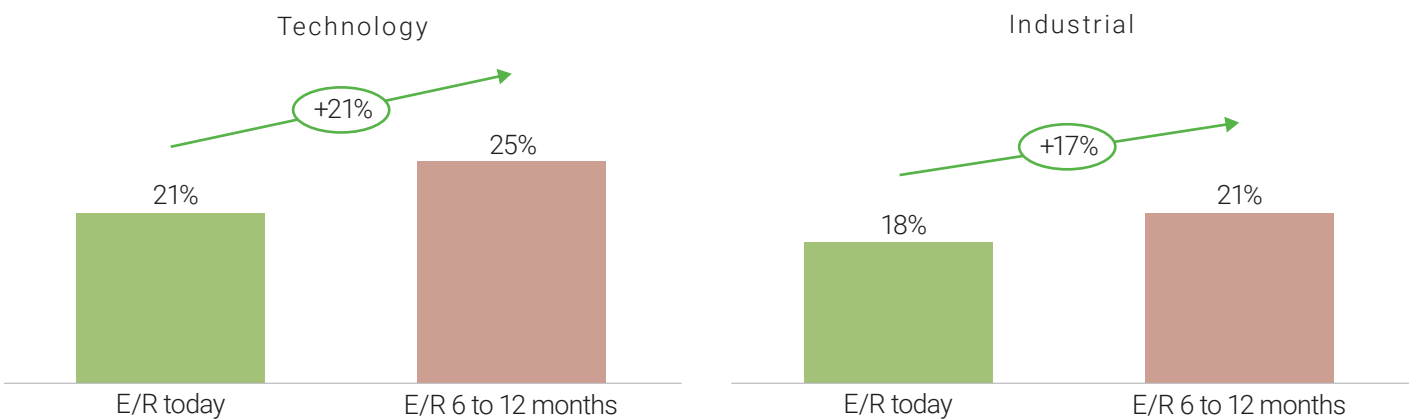
AS WE EMERGE FROM THE PANDEMIC, THE SALES EXECUTIVES WE SURVEYED PLAN TO:

1 INCREASE INVESTMENT IN SALES

When asked how they plan to invest in sales, over 56% of companies said they plan to increase sales spend more than they decreased it in the last year (figure 2).

FIGURE 2: NET INCREASE IN SALES INVESTMENT

Average sales expense expansion (respondents who plan to increase)



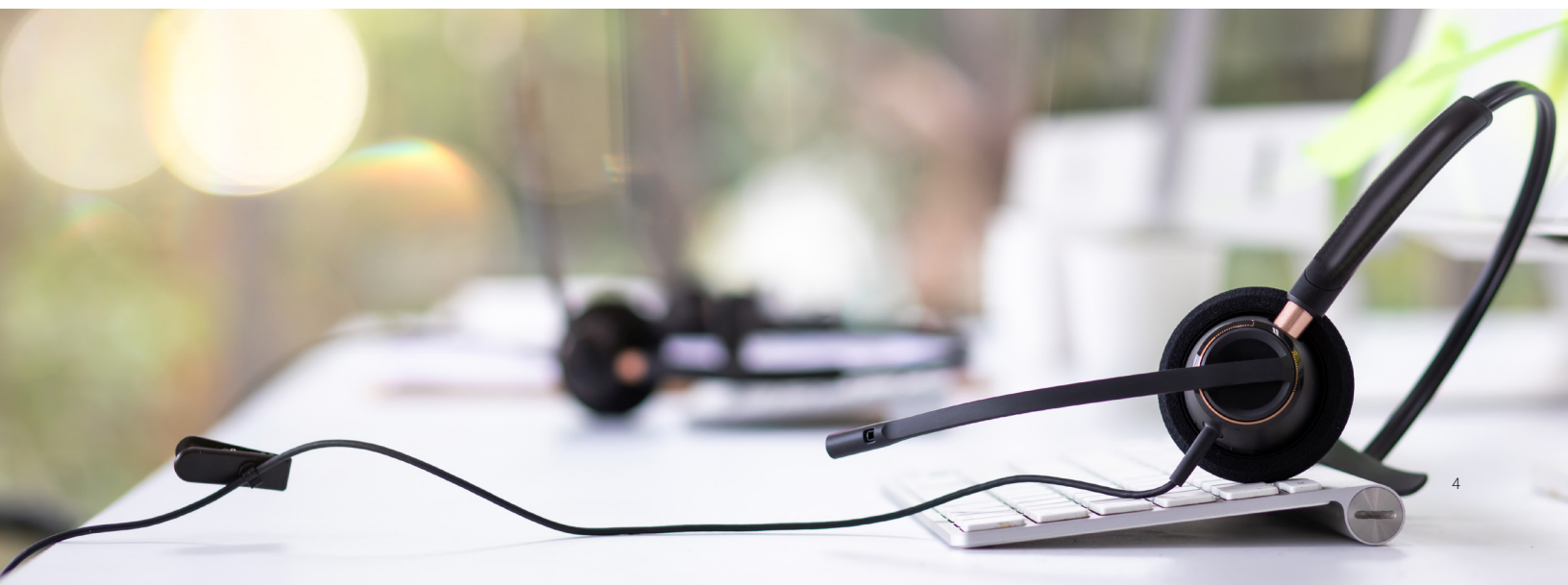
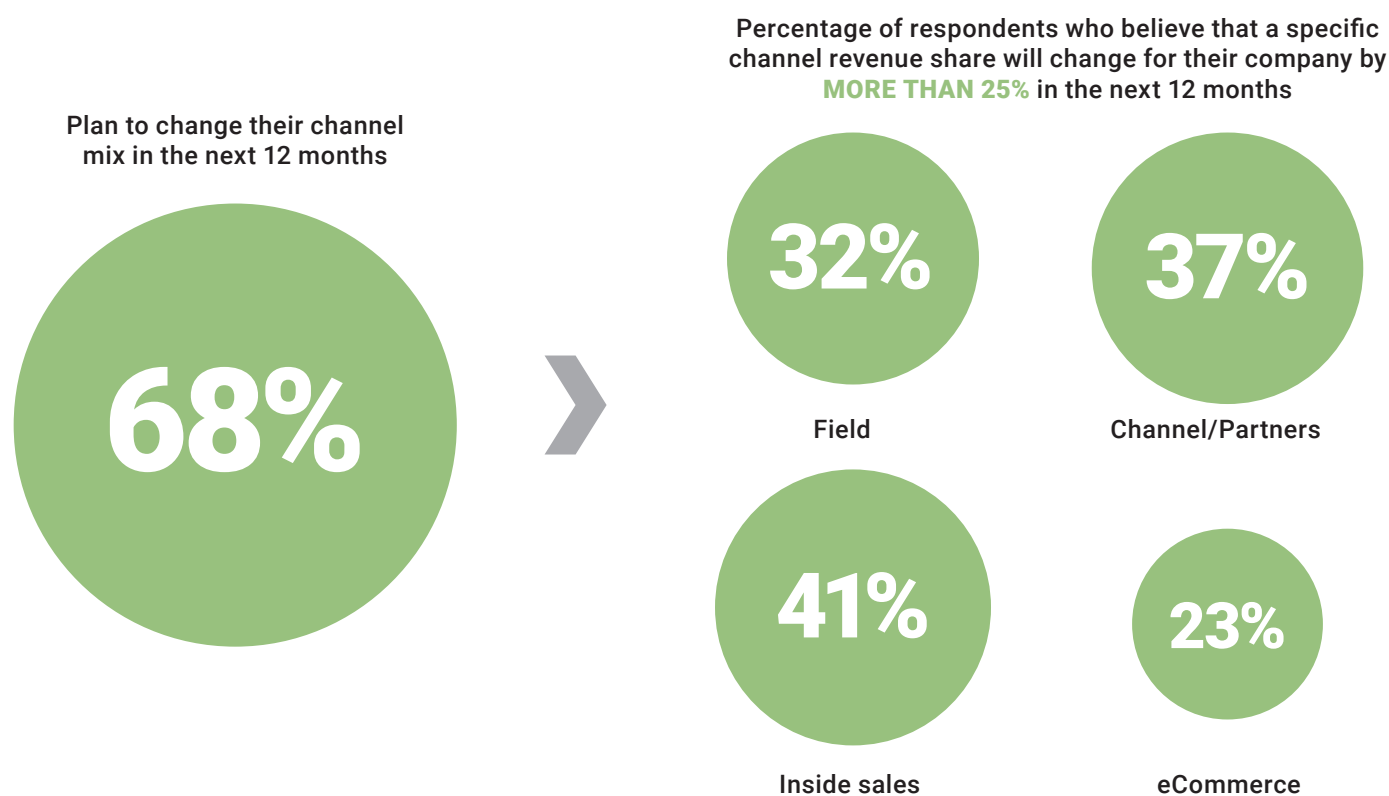
Source: AlixPartners 2021 Sales Executive Survey, (Total 100, Technology n=50, Industrial Industry n=50)

2 CUT BACK ON FIELD REPS AND ADD MORE INSIDE SALES OR ECOMMERCE

From in-person sales reps to sales generated on social media, then closed on websites, we asked companies if they thought the mix of how they used their sales channels would change a year after the pandemic. The answer was a resounding yes. They are looking to determine exactly the right mix of resources to cover their customers and optimize their sales opportunities.

Making the most of their sales channels is the top priority in the coming year for these companies, and about a quarter of them plan to change their channel mix by over 25% of revenue (figure 3).

FIGURE 3: R&G SALES SURVEY



3 IMPROVE PIPELINE MANAGEMENT AND CROSS-SELLING

When asked about what else they will do post-pandemic, most companies said they plan to improve how they manage their pipelines and forecast, and focus on increasing cross-selling to their existing customers. Managing pricing and customer profitability are also high on the list. These priorities, while potentially transformative, are not very different from what many companies would say in any given year. Much like their reactions to the pandemic were incremental, their moves coming out of it risk being similarly inadequate. Moving resources around

without making fundamental changes to how selling is done and failing to invest in the tools and processes to support remote selling is a sure recipe for disappointing results. For example, the survey indicated that there seems to be no interest in enhancing digital capabilities when it comes to sales, indicating sales organizations think they already have the tools they need. Compensation and sales operations enhancements are also lower on the list of priorities. These are key when changing the mix of sales channels.

HAVE YOU DONE ENOUGH?

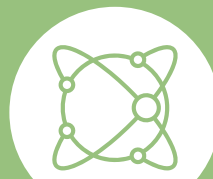
According to our research, incremental increases in video conferencing training or building a larger sales force to make phone calls won't be enough going forward – sales executives need to make step-by-step, well considered structural changes, and make them now.



POST-PANDEMIC SUCCESS REQUIRES CUSTOMER-BACK, ZERO-BASED RE-THINKING OF YOUR SALES MODEL



Don't simply
**'TWEAK THE
OLD MODEL'...**



...instead
**REDEFINE THE
NEW WORLD**

Reset the field sales approach from 2019 with top-down assumptions for continuing remote engagement

For example "travel budgets set at 70% of 2019"



Start 'Customer Back' with how customers WANT to engage, and tailor the right hybrid field/remote, enabled selling model

For example "all sales presentations for midmarket customers will be done remote, freeing up 8% of field sales capacity"

Make low-risk, incremental resource shifts to inside sales and eCommerce

For example "all field sales open roles become inside sales"



"Zero-base" where your teams spend time, and align resources/channels accordingly

For example "professional inside sales function driving 15% more revenue at 5% lower cost"

Apply discrete sales tactics to adjust to the new environment while working within the same operating model

For example "identify cross-sell opportunities through SFDC and push them to the sales rep"



Streamline commercial model, including clear roles, decision rights, and incentives, to drive rigor, collaboration, and speed

For example "redesign pipeline management process so Sales, Marketing, and Support jump on bi-weekly Zoom calls to review pipeline and risks for key accounts"

RISKY? NOT IF YOU TEST THE WATERS AND DO IT WISELY

What to do

What to get right

EVEN THOUGH IT'S HARD TO DO



Clearly define target customer segments, and what sales resources are needed to meet their needs



- Invest heavily in the Voice of Customer to make sure customer interaction needs are at the center of selling efforts every day
- Segment sales teams to optimize customer satisfaction and top line impact, not just cost efficiency



Create a distinct remote selling process and invest in tools and training to support it



- Make the hard decision to replace sales reps with low likelihood of remote selling success
- Enable sales managers to remote-manage, NOT micro-manage, sales reps



Build professional inside sales teams designed and staffed for remote success



- Staff with 'real sellers' and/or candidates committed to building distinctive selling skills
- Provide career path and 'sales' incentives
- Build a technology stack tailored for inside sales



Redesign the commercial operating model to drive rigor, collaboration, and speed



- Set clear roles, decision rights and processes – not everyone gets a say in the final decision
- Set incentives to reward both team and individual performance – best sellers will embrace the mix

We believe these insights mitigate the inherent risks involved in making change.

REMEMBER, SOMETIMES THE ONLY THING RISKIER THAN INITIATING CHANGE IS DOING NOTHING WHILE THE WORLD CHANGES AROUND YOU.

METHODOLOGY

The AlixPartners Sales Survey polled 100 sales executives, 50 from the technology industry and 50 from industrials (e.g., manufacturing, chemical, oil & gas), in the United States. Survey takers had over 10 years of leadership experience in Sales and the revenue of their company was above \$500 million. The poll was conducted online from December 23, 2020 to January 18, 2021.

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ABOUT US

For more than 40 years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges – circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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