



Driven by Insights
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SBI President/ CCO Growth Forum Summary

Co-hosted by Drew Urteaga and Bryan Kurey

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Session Agenda

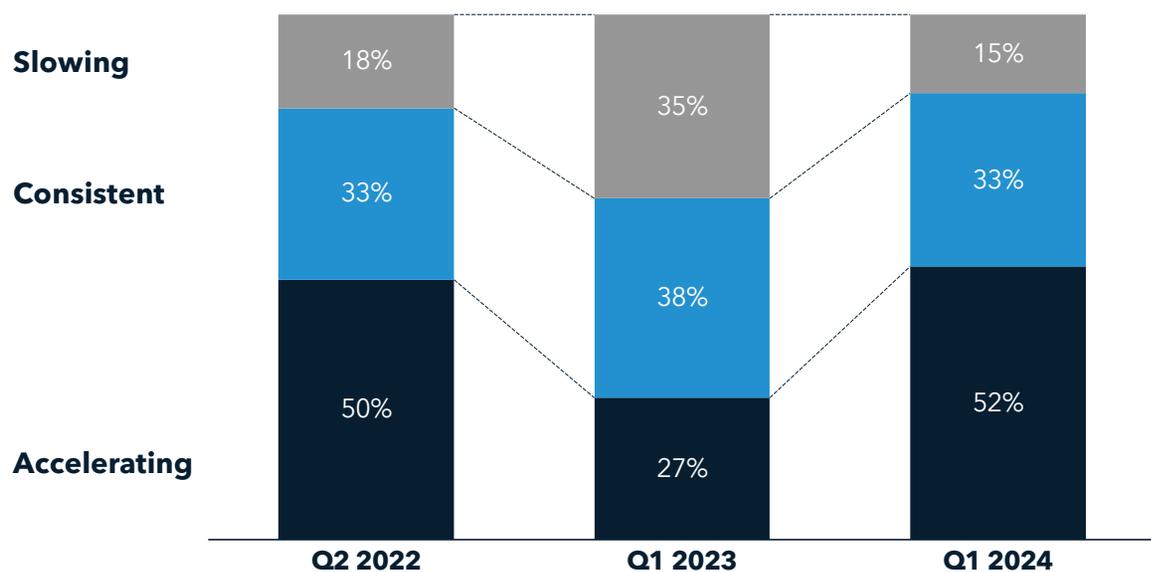
- 01** Welcome & Introductions
- 02** Market Direction
- 03** Growth Risks for 2024
- 04** Advancing Commercial Talent Performance

SBI's President/ CCO Growth Forum brings together business leaders to share perspectives on the future of B2B go-to-market strategies and the best ways to drive unforgettable growth. The group gathered in February 2024 to discuss demand trends and risks to growth in the coming calendar year.

This document includes a selection of slides covered for the group's discussion, along with a summary of insights they shared.

Demand sentiment has rebounded from lows in Q1 2023

CEO Assessment of Demand Indicators for Their Business



Q2 2022 N = 120; Q1 2023 N = 91; Q1 2024 N = 87

Response to question: Q2 2022 and Q1 2023: To what extent do you perceive softening demand indicators for your business?;

Q1 2024: How would you characterize demand indicators for your business?

Source: SBI Q2 2022 CEO Survey; SBI Q1 2023 CEO Survey; SBI Q1 2024 CEO Survey

SBI's surveying indicates demand is accelerating at levels not seen since the middle of 2022. Business leaders in the conversation, while sensing a similar uptick in sentiment, indicated that **the market remains in a "wait and see" mode**. They are seeing optimistic projections and budgeting, but caution in making investment and continued smaller commitments from customers.

Business leaders anticipate that sentiment will continue to regularly shift up and down across the year. As a result, they are **seeking to get much more agile with their planning and execution** to stay productive in this more agile demand environment.

Growth Risk: Old playbooks fail against new buying dynamics

Today's BDTs are larger, have more CEO involvement, and frequently have their decisions overruled by senior executives. All of this adds up to a situation where many commercial teams no longer really understand how their customers buy.

Buying groups are getting larger

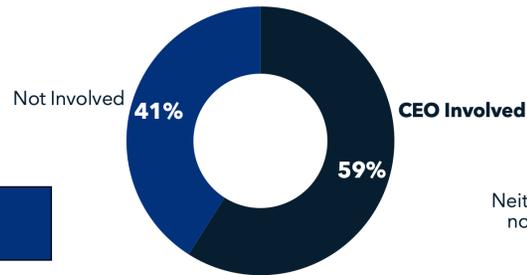
Q: How many people in your organization were members of the buying decision team?



Average BDT has ~11 customer stakeholders

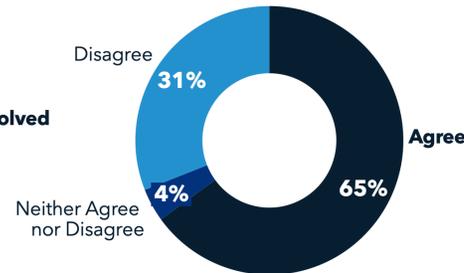
CEO involvement is the norm

Q: Which of the following functions/people in your company were represented in your buying decision team?



Senior executives overrule decisions

Q: The buying group's decisions were often overruled by senior executives.



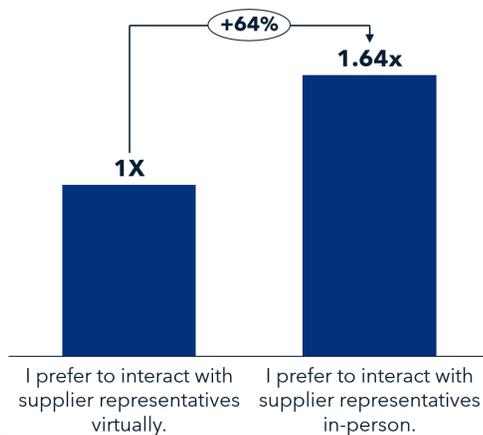
SBI's research confirms and expands the general observation that buying groups are getting larger, more senior, and more unpredictable. The group shared several approaches they are taking to confront this:

- Pushing teams to **align their forecasts** with the more extended cycle times they are now experiencing.
- Spending **more time upstream qualifying and structuring deals** so they are more likely to convert in later stages.
- Training teams on how to **multi-thread at every stage** of the sales cycle.

Growth Risk: Digital fatigue creates more stress and fewer deals

Despite significant supplier investments in digital channels, virtual meeting capabilities, and online engagements, buyers are becoming burned out with virtual engagements. Buyers are now 64% more likely to say they prefer interacting with supplier representatives in person over virtually.

Q: What is your most preferred way to interact with suppliers during the Buying Journey?



N=640 B2B buyers
Source: SBI's 2024 B2B Buyer Survey

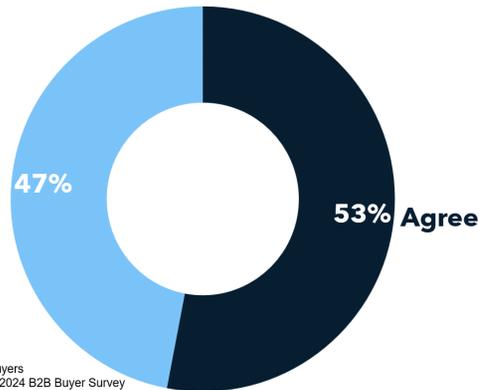
SBI's research reveals a **buyer preference for in-person interaction with suppliers**. Business leader discussions added three insights:

- **Clarify interaction preferences by stage.** Buyers are spending more early-stage time with digital channels, and only after they've built trust do they seek to engage in-person.
- **Be ready to welcome buyers to your location.** Buyers are more likely to want to visit suppliers at their locations for a change of scene. Some are investing in customer experience centers to encourage this engagement.
- **Check your policies.** Travel policies can create contradictions with the message of getting out to see customers, in particular when they haven't changed from more recent savings-focused models.

Growth Risk: More reps, more confusion, less value

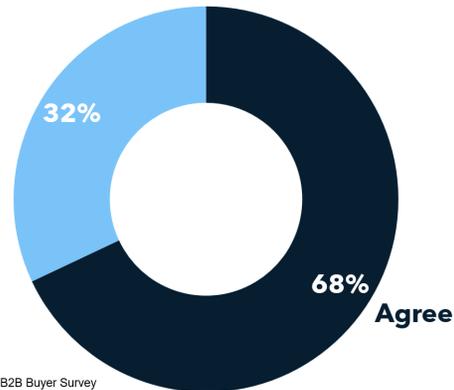
Today, the average B2B buyer works with nearly half a dozen different supplier reps creating a confusing and frustrating experience. While commercial teams are getting larger it isn't clear they're delivering more value:

Q: We talked to an overwhelming number of supplier representatives and honestly, I'm not sure what they all did.



N=640 B2B buyers
Source: SBI's 2024 B2B Buyer Survey
Note: Agree equal 6-7 on a 7-point scale

Q: I felt like I needed to repeat myself every time I spoke with a different person from the Supplier organization



N=640 B2B buyers
Source: SBI's 2024 B2B Buyer Survey
Note: Agree equal 6-7 on a 7-point scale

SBI is finding deepening buyer frustration with the size and lack of coordination among commercial teams. Discussion added several insights:

- The problem isn't role proliferation, it's handoffs. Some noted that growth mode requires new roles for efficiency. Leaders are managing this by ensuring account managers serve as a "captain of the ship". They are also **investing in technology and process standardization to ensure information sharing.**

- Tightening up marketing messaging with growth is critical. As more people onboard and offerings get complex, many are relying on Marketing to ensure core messaging and product clarity don't get diluted.

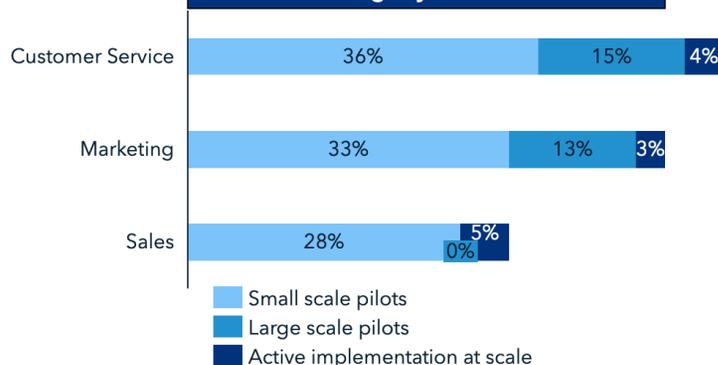
Growth Risk: AI hopes crash into commercial realities

AI expectations are high but actual usage is lagging. Overall, 61% of CEOs anticipate being able to replace some commercial staff with generative AI technology by 2025, but most haven't even started wide-scale deployment.

Percent of CEOs anticipating Gen AI will lead to headcount reductions by role by 2025

Role	%
Marketing	35%
Sales Operations	25%
Customer Success	24%
Sales Enablement	20%
Sales Representatives	14%
Sales Development Reps	14%

Percent of CEOs saying they have Gen AI usage by function



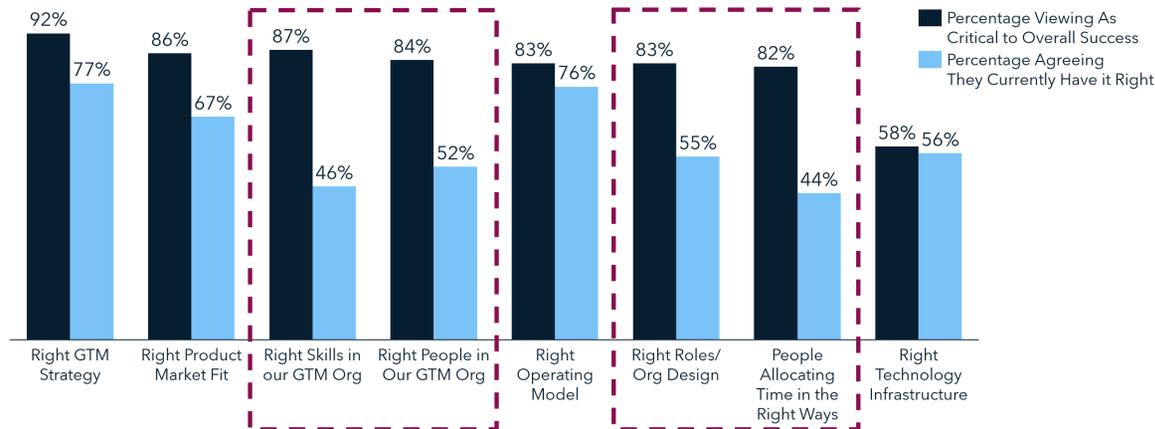
While a significant portion of CEOs are expecting headcount reductions from generative AI, most are still conducting small scale pilots at best. Business leader discussions indicated it's too early to be thinking about AI replacing their commercial teams, likening adoption to the decades spent driving CRM compliance. They mentioned three use cases for now:

- Generative AI can **accelerate time to productivity for onboarding sellers**, as an always-on expert on the product and customers.
- As a copilot in interactions with knowledge of deal histories, generative AI will be more likely to **find the right next actions faster to progress deals**.
- Leaders are seeing sellers **save 2 - 3 hours a week researching clients**

Growth Risk: Significant talent deficiencies

Most CEOs are confident in their GTM strategy, product fit, and operating model but are expressing real concerns about their GTM talent.

CEO Ratings of Criticality and Adequacy of Contributors to Value Creation Goals



N = 87
Source: SBI Q1 2024 CEO Survey

CEOs view talent as critical to their success, but **only half or fewer believe they have their talent well-aligned to their needs**. Discussions emphasized two insights underlying these commercial talent challenges.

- A need to shift the typical emphasis from performance management first, enablement second, and selection third, to instead **invest much more time in selection**.

- This includes (1) **getting much clearer on what to look for in candidates**, particularly as selling and buying journeys are evolving, and (2) placing much **more emphasis on recruiting as a core responsibility for sales managers**.

Take-Aways for Commercial Leaders

1. While demand may be returning, keep a tight handle on execution and build in agility. This will ensure you are able to convert that demand into bookings, or to quickly find efficiencies or pivot commercial approaches in the event of more volatile demand patterns.
2. Refresh your understanding of the buyer. What is their buying process today? How has it changed? What triggers might cause it to change again? How does it line up with your sales process?
3. Make sure your entire go-to-market system – including not just the people who interact directly with customers but also your content and other channels – are well-aligned and creating a seamless customer experience. Role expansion is a key to efficient growth, but it can quickly become a negative if buyers lose confidence in your team.
4. Generative AI transformation and adoption will be slower and bumpier than most expect. Focus on use cases that solve real problems at scale (e.g., onboarding, interaction prep).
5. Get clear on what you need out of your commercial team, and how the skills and competencies required are evolving. Drive those expectations into your candidate selection process, and into your frontline manager understanding of what good looks like.



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