2019-2020 Annual Edition

Top Insights for the C-Suite

How to Excel at Both Strategy and Execution: A Sales Perspective
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How to Excel at Both Strategy and Execution: A Sales Perspective
Business leaders today face a very challenging business environment marked by significant change, competition, uncertainty — and opportunity.

Although many organizations find it hard to accelerate through the kinds of disruptions and mixed signals they face, Gartner research shows that there are ways to position your business to drive through disruption and come out ahead, but it takes concerted action and preparation.
If you’re like most business leaders, you’d probably prefer not to make big moves until the signals are clearer, or you may look for ways to weather uncertainty — perhaps first leveraging low-hanging tactics like cost-cutting to improve a few performance metrics.

But neither a “wait-and-see” approach nor defensive cost-cutting will power you through adversity — not least because today’s current state of uncertainty won’t magically disappear.

There’s little clarity on a range of economic, regulatory, geopolitical and trade issues, and digital disruption has made widespread and multidimensional uncertainty the new normal.

Turns of fortune may be sudden (e.g., enormous security breaches) and can blindside you unexpectedly (e.g., new competition from outside your industry). The g-forces in the turn may be extreme (a nontraditional competitor that doesn’t need to make a profit) and the time to impact short due to digital capabilities (viral anti-brand social media). Turns often coincide, increasing the need to react on different business vectors and requiring a high-performing executive team.

To survive any such turns, organizations must be able to flex as the environment changes. But some progressive business leaders, our research shows, do more than survive; they thrive — by embracing turns as a prime opportunity to seize and sustain a competitive edge.

But winning in the turns in this way requires you to prepare before the turn — whether you’re on the executive committee crafting enterprise strategy or leading your function to execute it.
The risk of paralysis is very real, especially if your organization lacks institutional memory of operating outside of a growth cycle. Many of today’s leaders have, for example, only led strategy and operations during times of growth. Fewer than half of current CxOs were functional heads during the 2008-09 financial crisis, and less than 10% were heading the same function in their current company.

Lack of preparation creates business risk. In today’s business environment, being right is only half the battle. Companies also need to execute at speed — intensely pursuing strategy with confidence and discipline as the environment changes.

This e-book delivers insights from Gartner research in 2019, featuring data and findings from proprietary surveys and engagements. It highlights the actions that progressive functional leaders are taking to improve their execution and drive forward the organization’s objectives, especially through disruptive turns and uncertainty.

These practice-specific insights tackle the very real changes that functional leaders face in their own areas of the organization — from the lack of critical skills and capabilities to evaluating risks and speaking data as a second language — as well as their imperative to execute against the enterprise objectives.

Best regards,

Mike Harris

A Perspective From Mike Harris continued
Uncertain Business Conditions Seen in Unprecedented Market Trends

Trend lines across major indexes

This is the first time since the Great Recession that these trends have converged at post-recovery highs.

- **Business Transformation**
  - Business model transformation
  - M&A transactions

- **Competition**
  - Entrepreneurship health index
  - Top-player dominance

- **Economic Uncertainty**
  - Economic policy uncertainty
  - Probability of recession

- **Employee Power in the Labor Market**
  - Employment rate
  - Employee disengagement index

- **Capital Inefficiency**
  - Corporate debt new issues
  - Corporate capital inefficiency

Scaled from 0% to 100%, and where 0% is the minimum while 100% is the maximum rolling three-year average reached since 2009. Trends are based on well-known indexes and reported benchmarks and both public and proprietary data.

Source: Gartner
What sales leaders should know

In today’s buying environment, the amount of quality information available to customers far exceeds their capacity to consume it. Because of this, customers need sellers who can help them navigate the information landscape to find the answers they need to make better decisions. Sellers who adopt a Sense Making approach to information increase the chances of closing high-quality, low-regret deals by connecting customers to relevant resources, clarifying information complexity and collaborating in customer learning. Chief sales officers should work to embed Sense Making in their hiring, training and enablement strategies.

Nick Toman
Group Vice President
Gartner Research & Advisory
High-performing sales approach for the information era
B2B customers are overwhelmed with high-quality information

Modern B2B buyers overwhelmingly indicate that the information they encounter during their purchase processes is of high quality. Because customers already have access to mostly high-quality information, suppliers cannot reliably differentiate themselves through increased investment in information alone. High-quality information may be essential to any purchase decision, but it may no longer be enough to differentiate one supplier from another.

B2B buyers spend, on average, 15% of their buying time simply trying to navigate and reconcile information from a variety of sources.

An abundance of quality information not only makes it difficult for suppliers to differentiate themselves, it also makes it difficult for customers to make decisions. As customers encounter quality information, they face several challenges. They may find information from several sources that, while seemingly credible, contradicts other sources.

When several sources of trustworthy information appear to contradict one another, the customer may struggle to reconcile these contradictions or even compare one supplier’s offering to another. B2B buyers spend critical portions of their buying time simply trying to navigate and reconcile information from a variety of sources.

50% of B2B buyers found the amount of trustworthy information overwhelming.

44% of B2B buyers said information from suppliers seemed trustworthy but was contradictory.
Information overload stymies B2B purchases

A customer’s relationship with information throughout the buying journey affects the solution they settle for, as well as their post-purchase sentiment toward that solution. To measure the effect of information on deal outcome, we use the term high-quality, low-regret deal to mean a customer chose an ambitious or premium offering and did not regret the purchase afterward.

If customers struggle to make informed trade-offs between vendors, they are 33% less likely to buy a high-quality, low-regret solution. If they struggle to make informed trade-offs between vendors, they are 33% less likely. To make matters worse, these negative effects are cumulative, meaning if a customer experiences these three information attributes at once, they are 153% less likely to choose a high-quality, low-regret deal.

If customers encounter an overwhelming amount of trustworthy information, they are 54% less likely to choose a high-quality, low-regret deal. On occasions when the information provided by suppliers appeared trustworthy but was contradictory, customers are 66% less likely to buy a high-quality, low-regret solution.

**Impact on closing a high-quality, low-regret deal**

-54% less likely when buyers say the amount of trustworthy information was overwhelming

-66% less likely when buyers say supplier information seemed trustworthy but contradictory

Source: Gartner

Source: 2019 Gartner Buyer Survey
Sense Making is the winning approach

To help boost customer confidence and reduce skepticism, sellers should adopt what Gartner calls a “Sense Making” approach. Rather than overwhelm customers with information, Sense Making helps customers evaluate information so they can prioritize the various information, quantify trade-offs and reconcile conflicting information.

Sellers who use the Sense Making approach are more effective at lowering customer skepticism, as well as building confidence. They acknowledge the existence of competing solutions in the marketplace and an overwhelming amount of information about each of these solutions. These sellers are careful about adding more information to this ecosystem and avoid simply telling customers what to think about their options.

In a world where the primary obstacle to commercial success is less about sellers’ struggle to sell and more about customers’ inability to buy, Sense Making has the greatest commercial impact.

**GARTNER SOLUTION**

Giving
Reps follow the maxim that more is better. They tend to be responsive and comprehensive in the information they provide.

Source: Gartner

Telling
Reps are very forward in providing information and sharing opinions, stories and anecdotes.

Sense Making
Reps carefully share information to guide customers toward a clearer, more rationalized view. They help the customer make sense of and take action on the basis of the information they’ve encountered.

Out of 10 completed deals, eight were high-quality, low-regret when the sales rep used a Sense Making approach, compared to five when “telling” and three when “giving” information.

Source: 2019 Gartner Buyer Survey
The Gartner Expert View

“Sellers need to boost customers’ confidence in their own purchase decisions, not in suppliers’ capabilities.”
Cristina Gomez
Managing VP

“Don’t push even more information on your customers — help them make sense of existing information.”
Brent Adamson
Distinguished VP, Advisory

“ Buyers reward help from sellers in making purchase decisions, but they need to feel some sense of control at the same time.”
Scott Collins
VP, Team Manager
Moving From Insight to Action

Gartner for Sales Leaders

Discover how Gartner supports heads of sales

Gartner for Sales Leaders is the definitive research and advisory resource for sales decision makers. Gartner equips sales leaders and their teams to drive performance across a range of key areas, including sales effectiveness and enablement, sales strategy, and design and sales operations.

In addition, Gartner’s unique blend of insights, advice and tools support the success of sales leaders by:

• Combating commoditization and price-based purchasing
• Unlocking existing account growth potential
• Developing critical seller and manager skills
• Making smarter enablement, digital and technology decisions

Learn more

The Sense Making Seller
Download our e-book to learn more about this powerful approach.

Connect with Gartner today

Gartner equips sales leaders to make the right decisions and stay ahead of change.

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