Sales Leader Spotlight

Digital First, Hybrid Second

With Andy Clement, Chief Customer Officer at Kimberly-Clark Professional
The Chief Sales Officer

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Letter From the Editors

Chief sales officers (CSOs) want to look toward future success in 2022 and are curious what other sales leaders are doing to create a competitive advantage. In Gartner’s latest CSO Pulse Survey, CSOs’ top priority is improving pipeline, which is no different from their priorities in recent years. But there are many moving parts to running a sales organization — which all affect pipeline — so we have gathered our latest research from across strategy, people, process and technology to help CSOs meet their goals in the coming year.

The following survey results collected in the second half of 2021 show where other CSOs are focused in 2022:

• 70% of CSOs expect a budget increase in technology; less than 2% are very satisfied with their current sales technology stack.

• 57% of CSOs are experiencing seller attrition rates higher than their target rates.

• 54% of CSOs are improving strategies to attract/hire high-quality job candidates.

This issue of The Chief Sales Officer starts with a strategic question: are there other ways to generate revenue in addition to sales growth? Mergers and acquisitions (M&A) is one example. CSOs must actively participate in M&A due diligence to ensure expectations — especially with regard to revenue — are grounded in market and organizational realities. Seller turnover is a significant challenge for sales leaders, especially as roles are changing and sellers are returning to the field. A new year amid significant change in deployment approaches is the perfect time to examine sales methodologies and ensure alignment with how buyers and sellers interact. With more than one-third of CSOs agreeing that AI will make a difference, we also provide an introduction to AI for sales. And finally, as CSOs expect to spend more on technology next year, we’ve provided a visual view of the revenue tech stack, which identifies the types of technology needed across the entire revenue cycle.

To see how some of these approaches are put into practice, read our Sales Leader Spotlight with Andy Clement, chief customer officer at Kimberly-Clark Professional. Increasing the returns on key accounts is a critical top-three priority for CSOs and almost half of organizations have rebuilt their key account programs twice in the last seven years due to underperformance. Learn what inspired Clement to revamp Kimberly-Clark’s critical key accounts program. Clement also shares how his organization is both dealing with the changing role of sellers and encouraging their retention. And he offers us a peek at his crystal ball to see what the future has in store for sales leaders.

We hope this issue guides the way to future sales success in 2022 and beyond.

Be well,
Jeffrey L. Cohen and Delainey Kirkwood
The pandemic initially reduced Mergers and Acquisitions (M&A) activity, but pent up demand, lower stock prices and opportunistic buying all suggest robust M&A activity in the near future. Now more than ever, it is important to acknowledge that M&As are high-risk endeavors, and high risk comes with low odds of success.
Yet, CSOs can improve the low odds of success by thoroughly vetting how today’s deals can drive tomorrow’s revenue growth. Savvy CSOs are keenly aware that acquisitions lead to increased revenue obligations. They actively engage in M&A decisions, especially during the due diligence period, to ensure that expectations are grounded in market and organization realities.

Unfortunately, many CSOs do not have previous experience in M&A due diligence and fall prey to the bullish excitement of overly optimistic possibilities. A high-risk endeavor paired with limited previous experience is not a sustainable recipe for success.

However, CSOs can increase their chances of achieving commercial goals by developing a strategy for M&A due diligence. Specifically, CSOs should:

• Plot a path for new sources of differentiation by focusing on evaluation, segmentation, systems and revenue.
• Assess the feasibility of value creation and ROI by modeling future growth expectations and the financial impacts associated with integration.

**Plot a Path for New Sources of Differentiation**

CSOs can benefit from being proactive in their due diligence. To set up for commercial success, they must deliberately plot a path to find new sources of differentiation. In particular, they should ask questions such as:

• How will growth in market share be realized by the commercial team in the combined company?
• What commercial messaging and differentiation is needed to access new markets?
• How will customers access and experience the new products, services and brands?
• What access points can be leveraged or incorporated into existing distribution channels?
• What combined sales, marketing and customer experience technologies are complementary — or potentially disruptive — to enabling revenue goals?

To answer these important questions, CSOs must address the four key components of M&A: evaluation, segmentation, customer experience and systems, and revenue. It is important to understand the interplay between these four major components as shown in Figure 1.

**Figure 1. Four Key M&A Components**

![Figure 1. Four Key M&A Components](Image)
CSOs can bolster their strategy by creating a growth bets playbook that plots a path to new sources of differentiation with the four key M&A components. In this technique, CSOs systematically analyze growth opportunities by charting them as task sequences that correspond with the four key M&A components, as demonstrated in this example:

- **Evaluation**: Develop a baseline revenue plan for combined assets.
- **Segmentation**: Map sales team skills and gaps for new verticals and personas in segments.
- **Customer Experience and Systems**: Optimize sales and channels mix and access.
- **Revenue**: Map the buying process of customers alongside the internal sales process, and resolve any buyer friction points in the selling motion.

As CSOs review their M&A growth bets playbook, they should conscientiously evaluate strengths, gaps or uncertainties associated with each task. This information should then be shared with the broader due diligence team to assess risks, discounts or premiums that must be revisited. During this due diligence exercise, CSOs can lay out an action plan to accelerate the differentiation both during due diligence as well as after the acquisition is complete — both of which improve the rates of success and growth.

Once they complete an assessment based on their playbook, CSOs should map the value creators that offer quick wins, improve sales readiness or support future plans for growth. This additional step is to ensure post-M&A sales plans deliver on the expected revenue goals.

Execution risk is a key item often overlooked and should be a key metric when assessing the value creators. CSOs can use a simple 1 to 3 scale for execution risk, with Level 1 being no execution risk and Level 3 high execution risk. This visualization and grading will help prioritize gaps that can be addressed before the deal closes versus long-term future plan gaps.
Model Financial Scenarios and Future Growth Expectations

During the due diligence process — and before they offer their executive support — CSOs must be cognizant of the economic impacts of an acquisition. More specifically, they should fully understand the impact on future revenue expectations. After all, the organization has not only purchased a source of new revenue, but likely also paid a premium on that expected revenue.

The expectations on future revenue vary by organization and by acquisition. CSOs must engage the executive team — most notably the CEO and CFO — to understand the financial consequences and model of the acquisition. Questions to ask include:

• How does this acquisition impact the revenue targets for the next one to three years?
• What cost reductions will be required — and when — that will impact commercial execution?
• How will the speed and magnitude of cost reductions impact future revenue targets?

Once CSOs understand their future obligations, they should assess the sources of revenue as well as the feasibility to meet expected targets. This helps CSOs recognize the commercial dynamics and drivers to achieve commercial success.

Figure 2 represents a revenue waterfall that helps CSOs visualize sources of revenue for meeting top-line expectations.

Conclusion

When CSOs build M&A strategy by plotting new sources of differentiation, analyzing financial impact and assessing expected revenue, they develop a clear understanding of their accountabilities specific to a targeted acquisition. They also significantly increase the odds that today’s deal will successfully drive tomorrow’s revenue growth.

Figure 2. Sales Revenue Waterfall
Illustrative

![Revenue Waterfall Graph]

Source: Gartner

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Become a Client
During what many call the Great Resignation, four million US workers quit their job in July 2021. Additionally, in a recent Gartner pulse survey, 57% of CSOs reported experiencing above-target attrition, with the average increase in seller turnover being 36% above target. Reducing seller turnover becomes a priority for any sales organization at these levels, as replacing a departed seller is costly.
Gartner clients report that replacing a seller can cost anywhere from one-half to two times a seller’s annual targeted earnings. Thus, this turbulent labor market poses challenges to all sales organizations and sales leaders searching for programs to help retain sellers and mitigate talent risks.

So what options do sales leaders have to help improve seller engagement and reduce seller attrition?

An increasingly popular option is to integrate stay conversations into the existing sales management process.

What Are Stay Conversations?

Stay conversations are a semi-structured, one-on-one conversation with the seller, led by their sales manager, their manager once removed or a member of HR. A stay conversation assesses the seller's intent to stay with the organization and improves their engagement. In addition, stay conversations demonstrate a sales manager’s interest in how the seller is doing by asking questions such as:

1. What do you look forward to when you come to work each day?
2. What about your role makes you want to hit the snooze button?
3. Do you believe your work here has meaning?
4. If you could change one thing about your job, what would that be?
5. If you could change one thing about the company, what would that be?

But stay conversations aren't simply about asking the seller questions. Stay conversations are also about engaging with the seller at the right time, in the proper manner and with the right intent.

How Are Stay Conversations Delivered?

Sales managers should deliver stay conversations during regularly planned one on ones with their sellers, but managers need guidance on the correct way to deliver stay conversations. Here are four critical actions to help enable managers to provide effective stay conversations:

1. **Teach managers the critical topics to cover during stay conversations.** Stay conversations should be semi-structured to allow them to flow organically. They should include open-ended and future-focused questions that address the employee experience and individual needs. Poor sales manager preparation for stay conversations will lead to ineffective and unfocused meetings that will not feel tailored to the needs of individual sellers.
Guide managers to conduct stay conversations at the correct times.
Work with sales managers to hold regularly scheduled stay conversations, when possible, months away from annual performance reviews to keep the discussions separate. Being strategic about the timing of stay conversations increases the likelihood that sales managers will determine if the seller wants to leave and implement actions to keep the seller in the organization. Conversely, irregular or poorly timed (i.e., too late) stay conversations will not surface outstanding issues in time to take action before a seller decides to leave.

Work with sales managers and HR Partners to determine action steps after each stay conversation. A key component to the success of stay conversations is the action the organization takes once managers complete them. Stay conversations that reveal seller concerns or problems but don’t identify opportunities for remediation may ultimately prove to be further disengaging. Be clear about how the organization will aggregate and share feedback to support changes and improvements at the individual and organizational level.

Build stay conversations into the culture of the sales organization. Sales leaders should build stay conversations into the standard sales management process as part of regularly scheduled one-on-ones. Aggressive or awkward questioning around seller motivation and engagement during a stay conversation may diminish the feelings of psychological safety, resulting in a lack of sharing authentic feedback.

What Are the Benefits of Stay Conversations?
Stay conversations benefit sellers, sales managers and CSOs in the following ways:

**Sellers** — Stay conversations create feelings of being valued by leadership, improving the employee experience and increasing job satisfaction. Sellers tell Gartner their engagement increases when their organization discusses their future and looks for ways to improve it.

**Sales Managers** — Stay conversations help sales managers:
- Identify who on their team is most at risk to leave.
- Create more time and space to address retention issues within the manager’s control or plan effectively for eventual turnover well ahead of a seller deciding to leave; and
- Neutralize potentially negative seller emotions early before ripple effects may impact others on the team;

**Sales Organization** — Finally, while exit interviews primarily identify the historical triggers for an employee’s decision to leave, stay conversations, and the corresponding feedback managers provide to the organization, provide a clear opportunity to improve the likelihood that more individual sellers stay by improving the seller experience at scale.

Stay conversations require less HR and managerial effort because extensive training and bureaucratic processes are not necessary for a productive discussion. Thus, the only "cost" of a stay conversation is the manager and employee's time to have one, ensuring a high ROI in terms of turnover avoidance on relatively minimal time investment.

Stay conversations are proving to be a critical tool during a period of higher than normal attrition. Sales leaders and their organizations will benefit from ensuring sales managers know what stay conversations are and understand the best ways to deploy them.
CSOs need to consider how they want to approach the return to in-person customer engagement and develop simple operating guidelines for field-based interactions. Without clear strategies and criteria, CSOs risk being overwhelmed with numerous individual requests for in-person client meetings, seller confusion and inconsistent customer expectations.
As organizations start to reopen the workplace, sales leaders must deliberately consider health and safety protocols and how it affects field-based engagement. CSOs want to mitigate risk as they return sellers to the field by reducing human uncertainty (which can be challenging in the face of a health crisis). By staunchly following the action items, CSOs can ensure the safety of their employees to the best of their ability. In organizations where not already mandated, CSOs may want to consider providing educational materials or incentives to encourage seller vaccination (if for no other reason than to avoid potential customer conflict). In addition, to alleviate seller exposure to possible infection and potential spread among sellers and clients, CSOs should consider restricting the number of in-person meetings sellers are assigned per day or per week. Finally, it is imperative to encourage sellers to be self-advocates and make their preferences known with proactive communication.

**Action Items:**

- Confirm your organization’s and your customer’s safety requirements for field selling.
- Verify that local government mandates/requirements permit travel and that your organization/sellers can meet these requirements.
- Verify the meeting location, travel and lodging request meet your organization’s safety requirements.
- Encourage seller vaccination and ensure sellers who travel meet any government/customer vaccination or masking requirements.
- Retrain sellers on safety protocols such as wearing masks, no handshakes, no drink sharing, no hi-fives and limited in-person meetings
- Verify customer participants meet your organization’s vaccination requirements where possible.

**Customer Readiness and Willingness**

Sellers and clients will have different attitudes and risk/reward metrics when deciding to return to the field, it is important to acknowledge both. CSOs need to acknowledge that their return-to-the-field capabilities may be ready, their customers may not be prepared or equipped to handle in-person sellers. To ensure transparency, CSOs may want to gather customer feedback to identify seller support that truly drives value today. CSOs will want to prioritize touchpoints according to the value in-person meetings bring the customer now, and should not assume pre-pandemic norms hold. Additionally, CSOs should confirm in writing the customer’s agreement to have the seller visit. Finally, sales leaders should regularly check for changes in customers’ travel/visit safety protocols to assess reductions in willingness for in-person visits.

**Action Items:**

- Monitor for signs that customers are proactively requesting meetings.
- Segment customers based on in-person visit readiness.
- Confirm customers are willing to receive visitors.
- Verify that deals cannot push forward without in-person meetings.
- Validate the most important customer stakeholders’ commitment to being in-person with sellers.
3 Strategic Value to the Organization

Sellers returning to the field brings more than just economic benefits to an organization. It can also provide strategic value.

CSOs must be logical and systematic about deploying their sellers into the field and consider the strategic competitive advantage it can provide. They may want to build a systematic approach through assessing the potential reward/risk of in-person interactions, and provide exceptions to individual requests, but within guardrails. Additionally, CSOs may want to ensure clear and open internal communication on the deciding factors and the goals of field engagement to set seller expectations. It is important to consider the impact of the transition to the field on manager and seller burden. For instance, for sellers who do not meet the criteria for an in-person visit, develop a clear framework of what these sellers can do to still progress the sales cycle.

Action Items:

• Evaluate the strategic segment of each customer to justify the risk and the cost.
• Evaluate the opportunity size to ensure it’s a significant deal and/or enables future growth.
• Determine whether rejecting a face-to-face meeting carries a high opportunity cost.
• Ensure that the organizational budget permits travel that meets all safety obligations.
• Ensure that the travel plan is in alignment with HR, finance and legal guidelines.

4 Buckle Up for “Hybrid” Field-Based Engagement

As more companies move to a remote and/or hybrid work environment, buyers are becoming more accustomed to operating and making decisions in digital and virtual environments. CSOs must anticipate that the future of field-based engagements will differ from pre-pandemic norms.

Many customer engagements will likely be hybrid meetings, with a mix of customer stakeholders who are both in-person and remote. There are two innovative ways that organizations are investing in new ways to return to field selling to accommodate the changing landscape, health and safety restrictions and buyer behavior.

1. Experience Centers

Demonstration days and innovation centers are ceasing to exist in the wake of virtual reality and remote customer engagements. These centers have evolved from places that physically host customers to virtual outreach facilities that reduce travel and exposure. However, they are able to maintain a customer-focused and results-oriented experience with strong business outcomes.

2. Production Studios

As the occurrence of live meetings dwindles, there is a surge in production studios. Production studios are less expensive to execute than live meetings, but require new budget considerations related to technology, staffing and equipment. A pitfall to the at-home production studio is the lack of standardization, which may bring risk to an organization’s brand. To mitigate this risk, CSOs must clearly define seller expectations ensuring that sellers do not develop new commercial messaging.

Conclusion

With CSOs seeing an increase in face-to-face customer meetings in certain markets, now is the time to formulate clear, simple operating guidelines for field-based engagements. CSOs need to communicate their decision process to sellers, alleviate seller confusion and invest in innovative ways to accommodate the hybrid work environment.
Chief Sales Officer Spotlight

Digital First, Hybrid Second

By Jeffrey L. Cohen

An interview with Andy Clement, Chief Customer Officer at Kimberly-Clark Professional about managing strategic changes within sales organizations

Andy Clement

Andy Clement is Chief Customer Officer for Kimberly-Clark Professional, where he leads the North America sales organization and has responsibility for global accounts, global channel partners and global sales capabilities. Prior to this role, Clement was vice president of sales for North America. Clement joined Kimberly-Clark in 1991 as a seller and has had 18 different jobs in 30 years including roles in sales, marketing, strategy, innovation, manufacturing and general management.
Let’s start with your title, Chief Customer Officer. Is the switch from sales to customer in your title mostly symbolic? Or does it really change how you manage the sales organization?

The title chief customer officer is to ensure that our focus within Kimberly-Clark Professional is first and foremost on the customer. Having “customer” in my title indicates the importance of the customer and that I am always representing the customer among my peers, and not just representing sales.

What is a specific example of what representing the customer looks like in practice?

When you represent the customer, you are always keeping their interests in mind. Like other manufacturers, we make decisions on terms or product changes, and when we make these decisions, we always focus on how they will set our customers up for long-term growth.

Our research shows improving returns on key accounts is a top priority for CSOs going into 2022. What led to the decision to revamp your key account program and what does it mean to be a key account for Kimberly-Clark?

A key account is national which means it has at least 25 locations and has the potential for driving sales — that can be retail stores, manufacturing plants, office buildings or lodging facilities. We revamped our program because we were not happy with the growth of our key account program. Much of this was due to our key account managers being responsible for too many accounts at a time and couldn’t always provide the high-level experience that we want to deliver.

What are some of the changes you made to the key account program?

We segmented our key accounts into groups so we could give extra focus to the accounts that had the most opportunity for profitable growth. We also transitioned some of the smaller accounts to a digital sales team, freeing up our national account managers to focus on future opportunities.

These changes also allowed for more collaboration across our organization. Our data scientists helped identify the potential key accounts to pursue, while the digital marketing team generated awareness so they knew of Kimberly-Clark Professional products before we contacted them.

Sales leaders tell us they are facing real problems hiring and retaining salespeople. In fact, seller attrition is 36% higher than CSOs’ target. So, has the “Great Resignation” affected you and how have you dealt with it?

Yes, there is a war on talent in every industry right now. For us, we focus on retention, making sure our people are happy in their roles and enjoy the work they do. Over a year ago, we began a development program specifically for our sales leaders and high potential sales professionals. The program provides additional training, recognition, time with senior leaders and the opportunity to solve current business issues. As a result, a majority have since been promoted. They responded to feeling better connected to the organization and appreciated our commitment to their career development.

More than half of sales leaders are focused on improving their hiring strategies in 2022. How are you changing your approach to hiring?

We are looking into different requirements as we recruit for different roles. We are looking for people who are digitally savvy and are comfortable interacting digitally with customers. That is the future of sales.
Hybrid selling is becoming the expected mode for selling. Can you share how Kimberly-Clark Professional is incorporating hybrid selling into your process?

We start with educating our sellers on how buyers have changed. The buyer from four or five years ago wanted to see salespeople in person, on a regular basis, but that is typically no longer their expectation. This was happening before the pandemic, but it has really accelerated since. We have trained our sellers on selling virtually, and have provided guidelines to our sales team for virtual or face-to-face interactions with the buyer at every stage. The guidance for hybrid selling has been well received. I am proud of how our team has adapted to this way of selling.

In a hybrid sales world, what parts of the sales process will either require or be enhanced by physically meeting with a buyer?

I envision the opening and the closing sales calls will be done digitally, but the middle stage is optimized — at least in our business — by an in-person meeting. Going out to see a manufacturing facility, hospital or office building helps us better understand the application to offer more relevant solutions. That is hard to replicate digitally. But for the start and end of the sales cycle, there is no reason we can’t do it the same way we are doing it now, and that’s digitally, especially since sellers have become more adept at operating virtually.

As sales leaders look ahead to 2022, what changes should they expect?

I’d argue that in the past year there has been more change in sales than any other function. Sales will continue to be a hybrid function with a lean towards digital. As things open, we’ll see more in-person calls, but everything starts with digital connections. There will be more use of technology, more data, more AI, and more innovation by the sales team. These were trends that we were already seeing before COVID. Another area that is really changing is the collaboration with marketing. They play a key role in lead generation and are a critical component to our success.
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As organizations attempt to reset their expectations of what normal looks like given all the changes that Gartner has seen in buying and selling, many organizations are making adjustments to their sales methodologies.
Gartner defines a sales methodology as a set of guiding principles an organization deploys through its selling channels to help buyers navigate the purchase process with ease and confidence.

Sales organizations often change sales methodologies to accommodate market dynamics, seller skills and process improvements. According to conversations with Gartner analysts, many sales organizations are changing their sales methodology to address short-term issues, while failing to consider the long-term implications of the choice. To accomplish long-term success, CSOs need to understand the six critical elements of a successful sales methodology launch (see Figure 1), and then establish the tasks needed in each of those components.

**Figure 1. Six Critical Actions of a Successful Sales Methodology Launch**

- **1. Build Cross-Functional Alignment**
- **2. Gain Frontline Sales Leadership Buy-In**
- **3. Plan for Change**
- **4. Determine Reinforcement Activities**
- **5. Plan for Seller and Manager Enablement**
- **6. Determine Measurements for Success**

Source: Gartner
**Action 1**
**Build Cross-Functional Alignment**

CSOs should work with leaders of functions that support the sales team, such as marketing and customer success, to define responsibilities for carrying out the sales methodology to ensure an ongoing commitment to it. This internal team will be responsible for rolling out the sales methodology and will meet regularly to synchronize launch and support efforts.

**Action 2**
**Gain Frontline Sales Leadership Buy-In**

Before launching the sales methodology, frontline sales leadership must believe it will help increase seller success and help buyers. Suggested activities to gain buy-in include:

- Determine the “must-have” behaviors versus the “nice-to-have” behaviors.
- Assess the sales team to determine skill gaps.
- Discuss with sales leadership how the sales methodology will increase seller effectiveness based on assessment results.
- Collect and incorporate feedback from frontline sales management into change management conversations closer to launch.
- Build momentum and excitement for the launch with frontline sales leadership.

Frontline sales leadership must believe it will help increase seller success and help buyers.

Use these activities to create a feedback loop for the future so the organization can make appropriate changes to its sales methodology. Having a system in place can help prevent conflicts, minimize scope creep and keep everyone focused on launching the methodology.

**Action 3**
**Plan for Change**

Many CSOs falsely assume all sellers, sales managers and supporting functions will realize the importance of the new methodology and will eagerly apply it without needing much more than the initial training. This is referred to as the “False Consensus Effect,” meaning they overestimate the number of other people who — or the extent to which other people — share their opinions, beliefs and behaviors. CSOs should be methodical about their change management strategy and:

- Lay the foundation for a common understanding.
- Align the change journey with the strategy.
- Create the link between the vision, seller actions and customer needs.
- Help sellers and frontline sales managers overcome fears about the future.
**Action 4**

**Determine Reinforcement Activities**

During the launch phase, CSOs should work with supporting sales functions to determine how to reinforce the methodology post-launch. Some examples of reinforcement could include:

- Frequent reinforcement training sessions so sellers and frontline sales managers will feel confident in applying the sales methodology to their daily activities
- Utilizing a podcast format to help train sellers with limited time

Coaching and training will help sellers understand the skills and behaviors needed for success and how the sales methodology fits into their daily activities. Since reinforcement is crucial, determine the cadence for reinforcement training and set expectations for sales managers to coach to these new skills and behaviors.

Set expectations for sales managers to coach to these new skills and behaviors.

**Action 5**

**Plan for Seller and Manager Enablement**

CSOs need to establish and/or create not only the materials that sellers will need to effectively utilize the sales methodology in their daily work but also the tools managers need for coaching. Seller training and enablement could include:

- Reinforcement sessions in small groups
- Digital playbooks showing how to incorporate the methodology into deal flow

For frontline sales managers, consider adding tools and enablement specifically aimed at increasing their confidence in coaching to the new methodology. Some examples include:

- Coaching technologies with customized templates to give better prescriptive guidance
- Conversation intelligence tools to verify sellers are using the new sales methodology
- Competency grids that enable managers to better assess how well their sellers are demonstrating new behaviors

Investing in tools and activities such as these will result in higher adoption rates and lead to a positive business impact.
**Action 6**

**Determine Measurements for Success**

Select the metrics to be tracked and identify other factors besides the new sales methodology that could affect sales success. Establish more criteria than just revenue to track progress, as some factors could inhibit a sales methodology’s effectiveness — such as marketing campaigns, economic changes or competitor initiatives. Some additional metrics to consider include:

- Shortened sales cycles
- Larger deal sizes or bundled solutions
- Higher profit margins
- Fewer discounts given
- Faster ramp times for new hires
- Lower attrition
- Increased seller effectiveness

Tracking several different types of metrics on revenue and effectiveness — in areas that are both objective and subjective — will help uncover minor changes in the short term that could become long-term indicators of success.

By following the six steps outlined here, CSOs can feel confident they’ve successfully launched a sales methodology. Evaluate success by monitoring organizational support and seller adoption.

**Evidence**

This research is based on conversations with numerous Gartner clients and secondary research through publicly available resources.

1. False Consensus Effect, *Psychology*. The false consensus effect is a bias where people overestimate the extent to which their own beliefs, ideas, opinions and general knowledge is already understood and shared by others.

2. 2019 Gartner Sales Coaching Survey. We surveyed over 2,000 sales reps from more than 30 companies to understand the most effective sales coaching practices and conducted qualitative interviews with sales leaders and sellers.
### Project Planning Checklist for a Successful Sales Methodology Launch

**Instructions:** Use this checklist to discuss with business leaders and managers how to build cross-functional support for a successful sales methodology launch.

<table>
<thead>
<tr>
<th>Actions</th>
<th>What To Do</th>
<th>Why To Do It</th>
<th>Approximate Elapsed Time</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong> Build Cross-Functional Alignment</td>
<td>Help marketing and all other supporting sales functions prioritize the sales methodology.</td>
<td>Cross-functional support early and often ensures an ongoing commitment.</td>
<td>3-4 weeks</td>
</tr>
<tr>
<td><strong>2</strong> Gain Frontline Sales Leadership Buy-In</td>
<td>Gather and incorporate feedback from sales leadership.</td>
<td>Builds trust, motivation and momentum in frontline sales leadership.</td>
<td>4-6 weeks</td>
</tr>
<tr>
<td><strong>3</strong> Plan for Change</td>
<td>Determine the who, what, when, where and why and how to collect feedback.</td>
<td>Encourages a positive reception and increases adoption of the sales methodology.</td>
<td>2-3 weeks</td>
</tr>
<tr>
<td><strong>4</strong> Determine Reinforcement Activities</td>
<td>Determine seller and specialized manager coaching reinforcement activities.</td>
<td>Repetition is important for implementation.</td>
<td>4-6 weeks</td>
</tr>
<tr>
<td><strong>5</strong> Plan for Seller and Manager Enablement</td>
<td>Sales enablement, training, and operations should determine all tools and technologies.</td>
<td>Connects the methodology to daily sales activities and increases coaching confidence.</td>
<td>8-10 weeks</td>
</tr>
<tr>
<td><strong>6</strong> Determine Measurements for Success</td>
<td>Work with sales operations to define success criteria and metrics to track.</td>
<td>It’s easier to see changes over time if the “before” state is captured prior to launch.</td>
<td>3-4 weeks</td>
</tr>
</tbody>
</table>

**Total Elapsed Time:** Approximately 12 weeks

**Best Practices**

- ✔️ This checklist does not need to be completed in sequential order, but all items should be completed prior to launching the sales methodology with sellers.
- ✔️ Depending on time, resources and personnel, many of these items can take place in parallel and do not necessarily depend on other items to be complete.

Source: Gartner
Our Most Popular 2021 Webinars for Sales Leaders

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While some CSOs are actively pursuing artificial intelligence solutions, many have deprioritized, underestimating the enormous potential impact and instead focusing on perceived complexity. In a Gartner survey, 88% of CSO’s stated that they have already invested in or are considering investing in AI analytics tools and technologies in 2021.
Despite the interest in capabilities and investment, sales leaders remain uncertain about the near-term benefit of AI. In a recent survey, only 38% of CSOs agreed that artificial intelligence will be a game-changer for B2B sales over the next 3 years.

Given these numbers, there is a mismatch between enthusiasm for and investment in AI and expectations for impact and return on investment. This disconnect is driven in part by an overcrowded and muddled AI market where it can be challenging to differentiate between AI capabilities, assess AI solutions and prioritize use cases.

In this article we will:

- **Outline** the key capabilities and advantages of AI for sales
- **Underscore** key considerations for selecting use case scenarios and adopting AI initiatives
- **Highlight** the most valuable use case scenarios

Based on this information, CSOs can increase confidence in AI capabilities and information to assess and select AI solutions best aligned with their organizational capacity, goals and sales team.

**Artificial Intelligence Capabilities**

CSOs should familiarize themselves with high-level AI concepts and capabilities to better evaluate vendor claims and assess the right solutions to meet their sales organization needs. The following high level definitions of AI for business purposes are a good starting point:

**Artificial intelligence** is a piece of software, designed for specific use cases, that analyzes available data to infer relationships that exist within that dataset ("learn") and uses this understanding to help achieve the desired business outcomes ("apply")

- **Rule-Based Learning:** A traditional subset of AI where software analyzes available data and uses explicitly set rules to determine what action to take (i.e., If X then Y).
- **Machine Learning:** A more advanced subset of AI that involves machines iteratively learning from data, identifying data patterns and uncovering hidden insights without being explicitly programmed to do so.

Machine learning uses four learning functions that range in complexity, which can be used individually or combined to create solutions for complex problems:
• **Supervised learning** draws inferences from data based on example input-output pairs

• **Unsupervised learning** identifies patterns within its own data

• **Reinforcement learning** is where the learning system receives training only in terms of rewards and punishments.

• **Deep learning** uses algorithms inspired by the human brain to aid machines to solve problems with higher accuracy, fewer features and less manual tuning

Given these functions, table 1 outlines how AI capabilities are currently used for sales technology solutions.

<table>
<thead>
<tr>
<th>Type of Capability</th>
<th>Description</th>
<th>Potential Application to Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural Language Processing</td>
<td>Recognizes, reads, interprets, tags and generates natural language, such as</td>
<td>• Analyze sales calls for coaching</td>
</tr>
<tr>
<td></td>
<td>emails and sales call transcripts</td>
<td>• Utilize chatbots</td>
</tr>
<tr>
<td>Diagnostic Analysis</td>
<td>Analyzes correlations between variables in a dataset to find existing</td>
<td>• Determine sales segments</td>
</tr>
<tr>
<td></td>
<td>relationships between them to analyze problems and cluster data for sales</td>
<td>• Tiering of customers for level of service</td>
</tr>
<tr>
<td></td>
<td>purposes</td>
<td></td>
</tr>
<tr>
<td>Predictive Analytics</td>
<td>Identifies factors that influence given outcomes and understands how they</td>
<td>Forecast sales pipeline and revenue</td>
</tr>
<tr>
<td></td>
<td>do so to determine future patterns</td>
<td></td>
</tr>
<tr>
<td>Optimization and Prescriptive</td>
<td>Uses optimization techniques to prescribe the best course of action when</td>
<td>Identify and suggest cross-sell and upsell opportunities</td>
</tr>
<tr>
<td>Analytics</td>
<td>making a complex decision that involves trade-offs between business</td>
<td></td>
</tr>
<tr>
<td></td>
<td>objectives and constraints</td>
<td></td>
</tr>
<tr>
<td>Smart Process Automation</td>
<td>Automates higher-order tasks that require complex reasoning to process</td>
<td>Log seller activities from sales technologies to the CRM/SFA tool</td>
</tr>
</tbody>
</table>

Source: Gartner
Selecting the Best AI Use Cases for Your Sales Organization

CSOs looking to adopt AI solutions should consider two main factors: business value and feasibility. Assessments of business value should consider cost efficiency, revenue growth, return on investment and business viability. CSOs can assess feasibility by looking at the factors impacting successful implementation including technology maturity (e.g., data availability, capacity and quality) and external/organizational factors (e.g., staff readiness and ability to upskill and stakeholder adoption). The figure below shows how Gartner ranks different AI use case scenarios based on business value and feasibility.

Use Case Scenarios

Based on our analysis, we have highlighted three priority use cases in Figure 1 that rank high on business value and feasibility. For each use case, we lay out the purpose, approach and advantage of adopting the AI solution.

1. **Price Optimization**
   
   Price optimization helps organizations find the most effective price point or price range for their products and services. To do this, AI software uses historical data to model price against sales goals, identify optimal price points based on goals and constraints, adjust prices and record sales outcomes. Sales leaders and sellers can utilize AI pricing models to discover optimal price points for different products and customer segments to improve sales performance.

2. **Lead Scoring**
   
   Traditional lead scoring can result in qualitative categorization of leads that is prone to biases. Lead scoring using machine learning enables organizations to analyze sales data on past deals using diagnostic and predictive models to determine the characteristics of successful deals. Using this approach, AI algorithms discover implicit characteristics that set successful deals apart from others. They pick out relevant factors for lead scoring (e.g., revenue, profitability, growth potential, cost to serve) and evaluate the relative contribution (or weight) of each factor toward lead conversion.

### Figure 1. AI Use-Case Prism for B2B Sales

Source: Gartner

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**Price Optimization**

Lead Scoring

Cross-Selling and Upselling

Demand Generation

Territory Optimization

Sales Content Personalization

Guided Conversations

Account Intelligence

Relationship Intelligence

Customer Lifetime Value Analysis

Knowledge Management

Sales Forecasting

Opportunity Scoring

Business Value

Medium

Low

Feasibility

High

Medium

Low

High

Medium
The AI model can estimate the likelihood of a lead resulting in a successful sale, which can help sellers prioritize their efforts by focusing on leads with greater likelihood of closing.

### Cross-Selling and Upselling

Organizations can use software with diagnostic AI algorithms to analyze customer purchase data to group customers based on past purchase attributes including size, frequency and type of purchases. This is a three-step process mapped out in the figure below.

The profiles of customer organizations within each of these groups help identify the defining characteristics or blueprint of a typical organization that is likely to make similar purchases. This blueprint for a specific customer helps identify selling opportunities by acting as a barometer for the associated customer group’s purchase preferences.

**Figure 2. AI Guided Cross-Selling and Upselling**

Analysis of Customer Profiles to Identify Selling Opportunities

1. AI analyzes historical sales data across different dimensions of customer profiles.

2. Customers are grouped based on their purchase patterns.

3. Identify cross-selling and upselling opportunities for target customers based on the customer group that they fall in.

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**Conclusion**

Navigating the cost and benefits of AI solutions for sales can be a daunting process, but is something that every CSO should be prioritizing today. CSOs need a clearer, high-level understanding of the key considerations for AI investments and how AI use case solutions can improve seller outcomes. CSOs can use this information to:

- Assess their top priorities for AI to support their sales organizations.
- Evaluate their organization’s capabilities to adopt and successfully implement AI solutions.
- Determine initial use case solutions that are well aligned with the organization’s business value and feasibility.

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*Source: Gartner*
To build an effective revenue technology stack, identify the roadblocks across your revenue process and determine how technology can be applied to address those specific issues.