Chief Sales Officer Leadership Vision 2023

3 strategic actions for success
It is now accepted that most B2B buyers prefer a seller-free experience, increasingly relying on digital interactions to research solutions, evaluate suppliers and complete a purchase. Beyond the immediate impact on marketing, sales and customer service, this phenomenon also has a profound impact on the sales function.

Sales leaders recognize that siloed commercial processes are a hindrance to creating a superior customer experience. Adding to this challenge, sales operations leaders must adapt to a tumultuous economic environment, marked by inflation, scarcity of talent and supply chain disruptions. These factors interfere with commercial organizations’ ability to help buyers make confident purchase decisions.

These shifts are changing how the sales function supports the commercial organization. Chief sales officers can use this research to help them answer three questions that are key to leading the transformation required to succeed in 2023 and beyond.

Key questions addressed:

1. What must CSOs do to drive revenue growth in a digital sales environment?
2. What must CSOs do to improve sales effectiveness in the face of perpetual and compounding uncertainty?
3. What must CSOs do to attract, retain and motivate high-performing sales talent in today’s environment?
B2B sales is at a tipping point

Heading into 2023, CSOs will have to make key decisions that will shape sales success.

“What changes should I make to drive revenue growth as more customers move to digital buying?”

“How can I help my team win deals with so much uncertainty?”

“How can I build a high-performing sales team in today’s labor market?”

Every decision compounds widening the gap between winners and losers.

Source: Gartner
Key priorities

What must CSOs do to drive revenue growth in a digital sales environment?
Trend #1: Digital commerce overtakes traditional purchases

Digital Commerce Accounts for Majority of B2B Purchases

- Traditional Rep-Led: 28%
- Digital Commerce (Self-Service): 30%
- Digital Commerce (Rep-Assisted): 42%

83% of B2B buyers say they prefer ordering or paying through digital commerce.

n = 461 B2B buyers who completed a recent purchase
Q: How was this significant business purchase completed?
Source: 2021 Gartner B2B Buyer Survey

n = 725 B2B buyers who completed a purchase
Q: Generally as a business customer, to what extent do you agree with each statement.
Source: 2021 Gartner B2B Buyer Survey
Note: Percentage represents respondents who selected at least a 5 ‘Somewhat Agree’ on a 7-point scale.
Digital and seller engagements are falling short

<table>
<thead>
<tr>
<th>Digital engagements are increasing regret</th>
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<tr>
<td>Seamless digital commerce experiences</td>
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<tr>
<td>Buyers skim technical information</td>
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<tr>
<td>Buyers make ill-considered decisions</td>
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<td>B2B buyers are 22% more likely to regret digital commerce purchases.</td>
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<th>More seller involvement isn’t the solution</th>
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<td>Playbooks and scripts to simplify the selling process</td>
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<td>Buyers go along with sales recommendations</td>
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<tr>
<td>Buyers miss opportunities for shared value</td>
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<tr>
<td>Buyers primarily led by sales reps are 63% less likely to complete a high-quality deal.</td>
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Digital and seller engagements **both fail to help customers learn** how to make high-quality and low-regret purchases.

n = 396 B2B buyers who completed a recent purchase
Source: 2021 Gartner B2B Buyer Survey
Note: A high-quality deal is defined as an ambitious or premium purchase that lives up to customers’ expectations (i.e., not regretted).
Build better customer engagements

Digital Engagement
- Prompt self-assessment of learning gaps
- Facilitate group use of digital tools
- Validate buyers’ readiness to move forward

Digital and Human Integration
- Encourage buyers to slow down and reflect on their goals
- Collaborate with buyers to relate and apply information
- Prepare buyers for next set of questions and challenges

Human Engagement
- Foundational Learning
- Application of Learning
- Evaluation of Learning Outcomes

Better customer engagements use:
Customer learning paths designed to deepen customer’s understanding of how to accomplish their goals.

Effective customer learning paths:
Integrate digital and human engagements to help customers understand through three successive learning stages.

Customers who experience learning paths have 147% greater likelihood to buy more than expected.

n = 511 B2B buyers
Source: 2021 Gartner Journey Orchestration Customer Survey
Key priorities

What must CSOs do to drive revenue growth in a digital sales environment?

What must CSOs do to improve sales effectiveness in the face of perpetual and compounding uncertainty?
Trend #2: Uncertainty is disrupting B2B selling

Three Profitability Pressures Disrupting Sales Heading Into 2023

**The Value of Cash**

*Inflation challenges persist.*

**Labor Market Costs**

*Sales talent costs more.*

**Supply Chain Risks**

*Shortages hurt loyalty.*

- **62% of CEOs** see general price inflation as a persistent or long-term issue.
- **Median salaries** for less tenured B2B sales candidates have increased in all the top U.S. metropolitan areas.
- Poor supply chain performance is 2.6x more likely to lead to customer disloyalty than are price increases.

**38%** Insignificant

**62%** Persistent

N = 404 CEOs
Q. “There will be a significant and persistent rise in inflation, but it will level off within three years” and “There will be a significant rise in inflation…lasting three or more years”
Source: 2022 Gartner CEO and Senior Business Executive Survey

Source: Gartner TalentNeuron™ in April 2022

Source: Gartner Supply Chain’s 2021 Customer Experience Survey
Uncertainty is hurting buyers’ confidence and deal quality

What Buyers Experience

Buying Group Turnover
Labor market changes mean buying group stakeholders keep changing.

Changing Priorities
Organizations are regularly adjusting growth strategies and goals.

Increasing Purchase Scrutiny
Organizations are reevaluating and reprioritizing all current and future investments.

Where Sellers Struggle

Customer Understanding
Changing priorities and stakeholders make it harder to understand what customers want, leading to increased cycle times.

Customer Engagements
Changing priorities and evaluation criteria make it so diversified playbooks are falling short, leading to lost ‘winnable’ deals.

Operating Model
Limited cross-functional visibility makes omnichannel customers appear unpredictable to sellers, leading to less accurate forecasts.
The path to an adaptive sales organization

How to deal with uncertainty

<table>
<thead>
<tr>
<th>Collect data on customers’</th>
<th>Equip sellers with:</th>
<th>Align customer-facing functions on:</th>
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<tbody>
<tr>
<td>• Information journeys</td>
<td>• Dynamic customer verifiers</td>
<td>• Customer profile</td>
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<tr>
<td>• Emotional journey</td>
<td>• Buyer enablement resources</td>
<td>• Messaging</td>
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<tr>
<td>• Interpersonal dynamics</td>
<td>• Sense Making training</td>
<td>• Measurement</td>
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<th>Use emerging technologies like:</th>
<th>Combined with digital tools like:</th>
<th>With the help of:</th>
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<tr>
<td>• Customer sentiment tracking</td>
<td>• Real-time conversational analytics</td>
<td>• Integrated revenue tech stack</td>
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<tr>
<td>• Customer engagement tracking</td>
<td>• AI-guided next best actions</td>
<td>• Communal data shared across the entire commercial org</td>
</tr>
<tr>
<td>• Conversational intelligence</td>
<td>• Intelligent coordination</td>
<td>• Revenue intelligence solutions</td>
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Source: Gartner
Key priorities

What must CSOs do to drive revenue growth in a digital sales environment?

What must CSOs do to improve sales effectiveness in the face of perpetual and compounding uncertainty?

What must CSOs do to attract, retain and motivate high-performing sales talent in today’s environment?
Three new realities of the sales talent market

1. Hiring is taking longer.

2. Retaining talent is harder.

3. New hires are more expensive.
Building a high-performing sales team is now harder than ever

Realities of sales team building in today’s environment

54% of sellers are actively looking for new jobs

New sales talent is more expensive

Slower hiring increases costs of open territories

10% sales headcount growth often requires 37% new-to-role sellers.

n= 906 B2B Sellers
Source: 2022 Gartner B2B Seller Motivation Survey
a Note: Percentage of sellers who “somewhat agree,” “agree,” or “strongly agree” with the statement: “I am actively looking for a new job opportunity.”
Other data on this slide based on estimates from Gartner client inquiries.
Building a sales force in today’s environment

Focus on drag reduction.

Drag is demotivation away from work. Moving from medium to low drag:

- Improves mean quota attainment
- Reduces active job seeking

28% up 72% down

Redefine the seller role.

Sales roles must change to integrate humans into digital engagements. This will help build the high-performing sales force of the future.

Three areas CSOs must focus on to integrate sellers into digital channels:

1. Diagnose and address the sources of seller drag.
2. Develop a career lattice to provide sellers with growth opportunities.
3. Design opportunities for seller empowerment.

Digital

Human

Deployment models
Talent profiles
Enablement

Source: Gartner

Three ways for CSOs to reduce drag:

n = 832 B2B sellers, 906 B2B sellers
Source: 2022 Gartner B2B Seller Motivation Survey

Source: Gartner
<table>
<thead>
<tr>
<th>Priority</th>
<th>Trend</th>
<th>Challenge</th>
<th>Action</th>
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<tbody>
<tr>
<td><strong>Customer Experience</strong></td>
<td>B2B digital commerce has overtaken seller-led purchases.</td>
<td>Current digital and seller-led engagements create poor customer experience and hurt commercial results.</td>
<td>Create a unified customer engagement strategy focused on customer learning journeys across channels.</td>
</tr>
<tr>
<td><strong>Economic Uncertainty</strong></td>
<td>Constant and compounding disruptions threaten revenue growth.</td>
<td>Sellers struggle to respond to uncertainty’s impact on buying groups.</td>
<td>Adopt a technology-augmented approach to better understand and respond to uncertainty’s impact on customers’ needs.</td>
</tr>
<tr>
<td><strong>Sales Talent Management</strong></td>
<td>Hiring and retaining talent is harder and more expensive than ever.</td>
<td>Constant turnover and longer hiring cycles threaten sales results.</td>
<td>Expand your talent pool by redesigning the traditional sales role and reduce attrition by focusing on reducing seller drag.</td>
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Source: Gartner
How Gartner helps chief sales officers

Compounding disruptions in buying dynamics, the economic environment and sales talent are creating uncertainty in B2B sales. CSOs must frame these challenges and develop actions to drive market growth in 2023 and beyond. Gartner has everything you need to start turning insights into action.

**Example: How Gartner supports you as a client**

<table>
<thead>
<tr>
<th>Diagnose current state</th>
<th>Develop your plan</th>
<th>Execute and drive change</th>
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<tr>
<td>Review the latest benchmarking data leveraging <em>Benchmarking the 2022 U.S. Labor Market for High-Performing B2B Sales Representative Talent.</em></td>
<td>Isolate top priorities using <em>Quick Answer: 3 CSO Priorities in Response to Economic Headwinds.</em></td>
<td>Focus your team on growth using <em>Quick Answer: 3 CSO Actions to Drive Growth During Economic Turbulence.</em></td>
</tr>
<tr>
<td>Assess planned resourcing heading into 2023 using <em>Sales Budget &amp; Efficiency Benchmark Survey.</em></td>
<td>Learn how buyers are evolving with <em>Key Digital Commerce Buying Behaviors CSOs Must Address.</em></td>
<td>Schedule an inquiry with a Gartner expert to pressure-test your plans and subsequent actions.</td>
</tr>
<tr>
<td>Use <em>Sales Score</em> to assess organizational effectiveness and prioritize gaps in delivering sales operations impact.</td>
<td>Attend the “Motivating Tomorrow’s High Performers: Focusing Seller Energy on Growth” virtual executive retreat to learn best practices for motivating your sellers.</td>
<td>Develop a robust view of the customer purchase journey with <em>Ignition Guide to Aligning a Sales Process With the B2B Customer Buying Journey.</em></td>
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Actionable, objective insight

Position your organization for success. Explore these additional complimentary resources and tools for Sales leaders:

Blog
Get Recession Ready
Learn three actions CSOs should take to prepare for growing economic headwinds.

Guide
How to Motivate and Retain Your Sales Team
Understand why and what you can do to drive faster growth and greater sales talent retention.

Quarterly
The Chief Sales Officer
Get quarterly, actionable insights for forward-thinking sales leaders.

Podcast
The Gartner Sales Podcast
Listen to leading experts across Gartner and beyond highlight important implications and unexpected findings for senior sales leaders.

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