



**Digital selling:
reinventing sales
to stay relevant
to changing B2B
buyers**



Do you think that one of the world's oldest professions is immune to disruption? Think again. Sales is being fundamentally impacted as businesses change the way they buy. Business-to-business (B2B) buyers are increasingly behaving like consumers – taking advantage of self-service digital channels to shape how they learn about and purchase products. This “consumerization” of B2B buying has made customers increasingly elusive. To remain relevant, sales professionals can no longer carry on as they used to – they need to become just as digital as their customers. In this paper, we explore why B2B organizations need to embrace the concept of “digital selling” and how they can benefit if they do. We also discuss how companies build digital selling centers of excellence that bring together the key skills, technologies and processes necessary to develop and strengthen relationships with buyers who threaten to become more elusive with each passing year.

B2B buyers are changing, and the sales organization is struggling to keep pace.

Compared with buyers in the business-to-consumer (B2C) sector, buyers of B2B products and services have historically been largely predictable in how they deal with providers and make buying decisions. Their needs have also been more easily understood than those of fickle consumers. But increasingly, that's no longer the case, as B2B buyers' purchasing behavior has changed significantly and rapidly in the past several years.

What's fueling the change? One major driver is the dramatic increase in the level of competition and disruption in the marketplace. Customers have many more product and service options than ever before due to increasingly shorter product life cycles and new entrants that are giving customers enticing alternatives to consider.

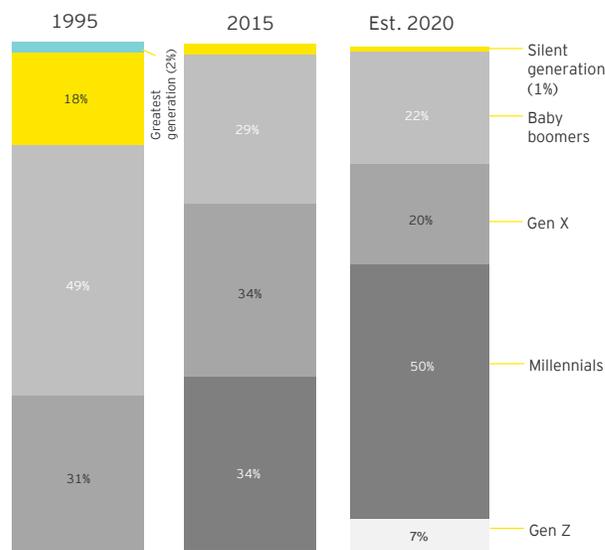
At the same time, B2B buyers also have become more empowered. The advent of more transparent marketplaces and the proliferation of online content and digital communities, combined with social media, allow buyers to increasingly self-educate when evaluating their product and service options – and to make many of their purchases directly without ever dealing with a salesperson. According to International Data Corporation (IDC), 50%–80% of buyers' decision-making processes are complete before a salesperson gets involved¹ and 90% of decision makers say they never respond to cold outreach². In other words, B2B buying behavior is starting to look a lot more like that of B2C.

Buyers' values and perspectives also are evolving as younger generations become a larger and more influential portion of the workforce. As illustrated in Figure 1, five generations are in the workplace for the first time in history³. And change is forecast to continue. As Baby Boomers and Gen Xers retire or near retirement, they're making way for Millennials and younger generations – who have very different needs, priorities, and ways of buying – to take over top positions of leadership. As such they impose the expectations derived from consumer experiences on B2B scenarios.

These three factors add up to one big problem for the B2B sales organization: far more elusive customers. Today, it's much more difficult for B2B companies to get customers' attention, build relationships with them and create and sustain brand loyalty. And that translates into less-certain revenue and a much higher cost of sales.

Meanwhile, the sales organization has not kept pace. In many companies, B2B sales continue to live largely in an analog world and are gradually becoming detached from the digital world that buyers increasingly prefer. The way many salespeople interact with their customers and prospects – calling them, going to meetings, attending conferences – has not changed in decades. And salespeople's use of digital tools in the sales process is typically limited to email or calendar systems and the usually disliked, and often underutilized, customer relationship management (CRM) system.

Figure 1: the growing prevalence and influence of younger generations in the workforce



Sources:

Pew Research Center, <http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-labor-force/>, 2015, please note Greatest and Silent generational estimates may be overstated.

US Census Bureau, <http://www.census.gov/prod/2/pop/p25/p25-1131.pdf>, 2015

<http://info.hoganassessments.com/blog/bid/171186/The-Generational-Workforce-of-the-Future>



As a result, sales organizations risk getting left behind as buyers become more self-sufficient in seeking out information via online resources to educate themselves; shorten and streamline the sales process by purchasing directly via digital self-service channels; and turn to salespeople for help with only their most complex purchasing decisions.

SAP is one company that has experienced the situation firsthand. “A wave of new competitors trying to eat our lunch forced us to become innovators, too,” said Phil Lurie, SAP’s Vice President of Sales Technology. “From a sales perspective, we’ve had to equip our people to be able to sell these new solutions and, in many cases, to entirely new customers. At the same time, we recognized that traditional ways of selling are no longer very effective. Understanding the changing environment, we knew we needed to change our sales approach.”

It’s time for a new approach to sales: digital selling

In the face of this rapid and dramatic change in buying behavior, sales organizations must reinvent how they sell to restore their value to buyers. Broadly speaking, this means embracing the concept of digital selling.

At its essence, digital selling empowers sales teams, allowing them to gain appropriate insight on and relevance to customers – winning their trust and, ultimately, increasing revenue and reducing sales costs.

Digital selling helps increase revenue in three key ways. It:

- ▶ **Creates a bigger pipeline with more leads.** A large telecom’s digitally enabled sales reps generated twice as many sales opportunities as its traditional sales reps.
- ▶ **Converts more leads to sales.** A marketing automation company increased its lead-to-close conversion rate by 25% through digital selling.
- ▶ **Boosts the average deal size.** A world leader in enterprise software saw a 64% increase in average deal size after adopting digital selling.

It helps reduce costs by enabling sales to spend:

- ▶ **Less time finding the right contacts.** Sales reps who actively use digital selling capabilities are 2.7 times more likely to identify the best path into a potential client.
- ▶ **Less time on non-productive activities.** Sales reps who use digital selling are 5.7 times more likely to secure meetings.
- ▶ **Less money to onboard high-performing sales teams.** A multinational sales organization found that their inside salespeople who used digital selling achieved 150% of quota on average.

In short, digital selling can have a massive payoff, as SAP’s Lurie discovered. Lurie reported what the company invested in digital selling tools improved its sales pipeline by some 50 times the amount of money spent.

Source:

Interview conducted specifically for this whitepaper with Phil Lurie, SAP’s Vice President of Sales Technology.

A center of excellence is vital to digital selling's effectiveness

Digital selling is not simply a new twist on old sales approaches. Rather, it encompasses myriad skills, tools and processes that, in many companies, likely don't already exist. Furthermore, these capabilities typically transcend the traditional organizational boundaries of marketing and sales, which is key to delivering a better customer experience, something most companies are struggling with.

"The challenge is getting consistency around the customer experience – trying to get the different functions working all together instead of in different silos," noted Nicolas Lihou, Head of Global Sales Enablement at Xerox. "We are less interested in having the best of the best of individual functions or people but in getting much more coordinated through the different components that affect the customer experience. We're working on how we can get the same experience regardless of where customers interact with us and provide richer and richer experiences that add a lot of value as they go through the journey with us."

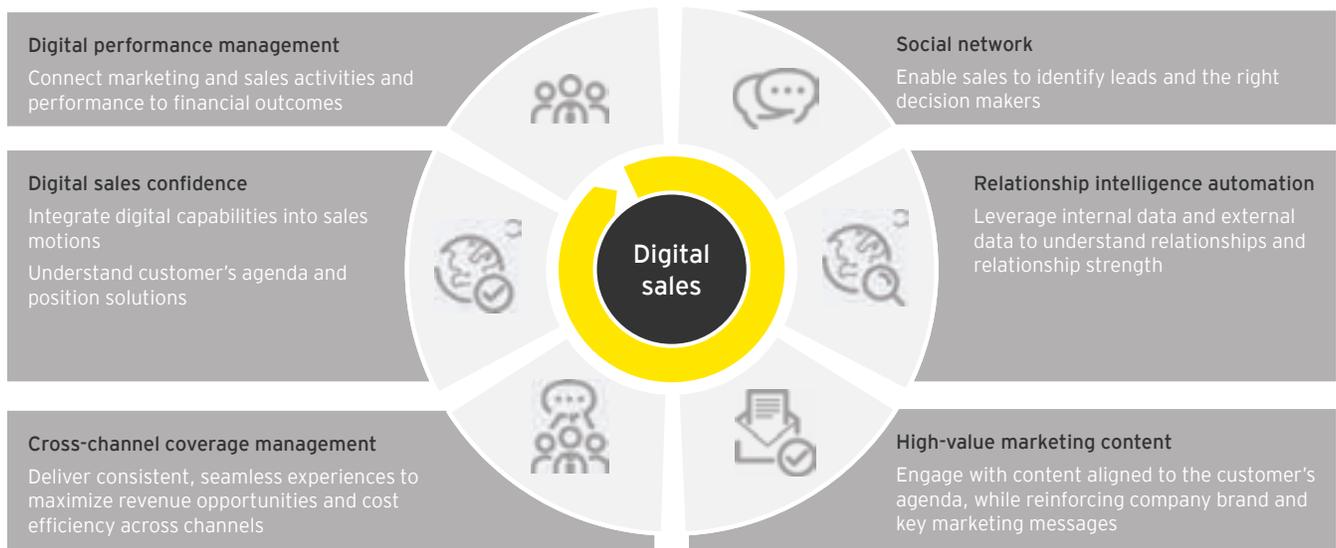
That's why, in our experience, companies need a dedicated entity – in the form of a center of excellence (CoE) to – truly excel in digital selling. At its most basic, a CoE can be defined as an entity that provides leadership, best practices, skills, processes, technologies and other kinds of support to a specific focus area. A digital selling CoE melds the necessary capabilities into a finely tuned machine that serves as the foundation of all selling efforts (Figure 2).

Such a CoE is becoming increasingly important as companies embrace a new sales technology "stack" comprising a broader suite of digital tools to close more deals and boost revenue. In fact, according to a recent survey of US sales and business development professionals, top salespeople are 24% more likely to attribute their success to sales technology (including email tracking tools, productivity apps and sales intelligence software), viewing it as "critical" to their ability to close deals.⁴

Source:

Interview conducted specifically for this whitepaper with Nicolas Lihou, Head of Global Sales Enablement at Xerox.

Figure 2: the six core capabilities of digital selling



Source: EY

A CoE can be instrumental in helping companies maintain a proper perspective on sales technologies. For example, it can keep them from flying from one technology to another – being tempted by the latest and trendiest – and instead, stay abreast of what’s out there and continually test technologies in pilots to make sure they don’t miss something important. It can help address that the technologies the business uses are built from the salesperson’s point of view, not an engineer’s, so it facilitates the sales process and is easy to use. “When we think about sales technology, we should be thinking about ease of use, integration, optimization and simplification,” observed Lihou.

With a digital selling CoE in place, a company’s sales operations can become much more efficient and effective, and substantially improve the return sales delivers to the larger enterprise. We’ve found that a Digital Selling CoE can enable a company to excel in six key areas:

- ▶ Identifying leads and the right decision makers
- ▶ Leveraging data to build relationships
- ▶ Producing marketing content that aligns with the customer’s agenda and buying process
- ▶ Delivering a consistent, seamless omnichannel experience
- ▶ Boosting the sales force’s “digital sales confidence”
- ▶ Gaining a clear picture of the company’s digital selling performance



Identify leads and the right decision makers more effectively with social networking

Social networks are now a force to be reckoned with. LinkedIn, for instance, has over 500 million members, and Facebook has about 2 billion monthly active users.

They're also a veritable goldmine of valuable insights that can help sales better understand customers and their agendas. They can reveal key information, including customers' employment history, jobs and roles, relationships with others, education, interests and even vendor preferences. Salespeople also can use social networks and their insights to shorten "time to trust" by leveraging common interests, experiences and connections; establish, foster and maintain trusted relationships at scale; and engage with buyers much earlier in the decision-making process.

Social networks can significantly enhance sales force performance. For instance, the survey mentioned earlier also found that social selling tools – those that leverage social networks to help build and nurture relationships with prospects and customers – are viewed as highly effective and are widely used among high-performing salespeople. In fact, according to the survey, salespeople who excel at social selling create more opportunities and are 51% more likely to hit their quota.⁵

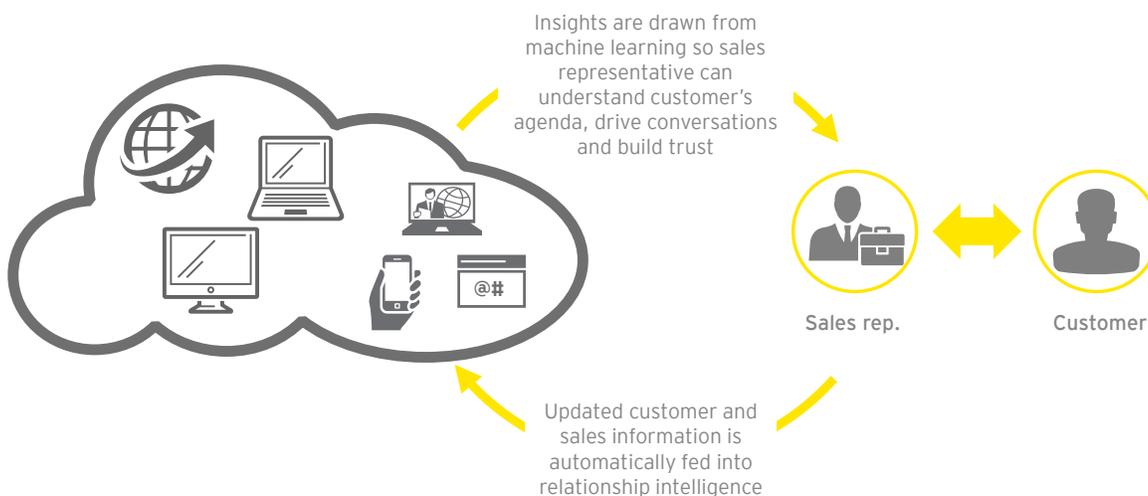
Use relationship intelligence automation (RIA) to leverage internal and external data to understand relationships and relationship strength

Relationships have always been at the core of selling. And so much data now exists for salespeople to use to establish and strengthen relationships with buyers. However, the sheer amount of data available, not to mention the myriad and multiplying data sources, can make it very difficult for sales to harness that power.

That's where RIA can help. At its core, RIA enables salespeople to connect insights from existing sources of data to build an intelligent, holistic view of each customer that can form the foundation of a strong relationship and deliver a one-on-one experience at scale.

See Figure 3 for how it works.

Figure 3: automating customer relationship building



Source: EY

Data is extracted from several key sources:

- ▶ Sales transaction data and contact master data from the CRM system
- ▶ Customer agendas, interests, affiliations and contacts from social networks
- ▶ Customer and company news from the Internet
- ▶ Customer interactions and meeting information from the email server
- ▶ Customer transactions from the company's ERP system

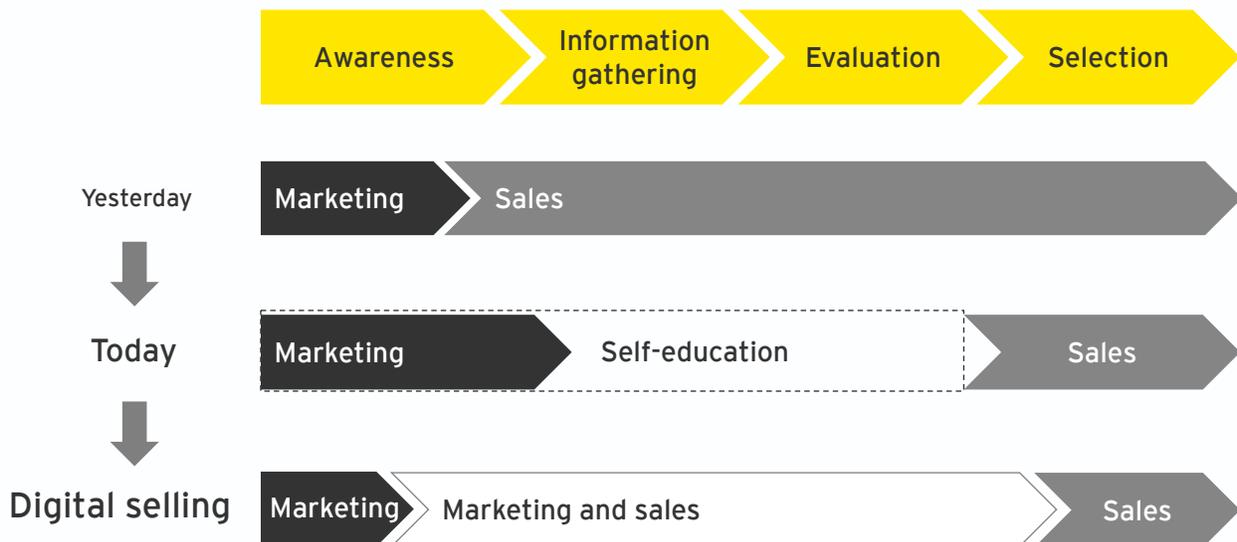
Machine learning then processes and analyzes this data to provide insights that help sales reps understand what's important to specific customers, fuel meaningful conversations with them and build trust. Updated customer and sales information is automatically fed into the relationship intelligence engine on an ongoing basis to refine insights and develop new ones, keeping salespeople in step with current customers and uncovering potentially promising new ones.

Tightly integrate sales and marketing integration to produce marketing content that aligns with the customer's agenda and place in the buying process

As buyers increasingly help themselves to the wealth of material and knowledge available online, sales must reinvent its role in the demand-generation process, and it needs active help from the marketing team to do so. According to a 2017 Edelman-LinkedIn report, 9 in 10 business decision-makers find thought leadership important or critical to their decision process, and 82% said that thought leadership increased their trust in a vendor organization.⁶ Marketing plays a critical role in developing the right content to progress the sales process.

Consider the traditional buyer decision-making process: awareness, information gathering, evaluation and selection (Figure 4). Historically, marketing appeared only in the first phase – generating awareness. Sales owned the rest. Today, marketing still is responsible for awareness and is getting more involved in the information-gathering phase. But sales, which remains firmly rooted in the selection phase, has effectively lost its place in the middle two phases, which customers have taken over for themselves.

Figure 4: regaining sales' influence in buyer education and evaluation



Source: EY

To regain their influence in information gathering and evaluation, sales must work tightly with marketing to help guide customers through those two phases. How? For starters, they need to align marketing and sales goals and metrics to address both organizations are working toward the same purpose. Doing so will enable them to not only develop high-value marketing content that's relevant to sales, but also measure that content's impact on sales results and use those results to refine content to heighten its importance to customers.

At SAP, content-related activities are tightly coordinated between sales and marketing, to the benefit of both groups. "Marketing sees its role as producing a great deal of content that will generate leads, and sales sorts through those leads to determine which will be most likely to turn into opportunities and, eventually, lead to sales," said SAP's Lurie. "So one group's focused on generating a whole lot of interest and the other is figuring out how they can actually close a deal. Marketing is also interested in raising the brand image, which helps sales as well."

And when it comes to digital selling, the overlap becomes even more important. At SAP, marketing helps salespeople improve their personal brand – for instance, by providing training on LinkedIn usage and creating content that salespeople can post on social networks. Sales returns the favor by significantly multiplying the exposure marketing content gets among target audiences. "We've got thousands of salespeople in the field, and when you include their personal networks on LinkedIn, we can touch over 5 million people. That's a much wider audience than marketing could reach directly on its own," Lurie noted.

With such integration, sales effectively becomes the fourth leg of the marketing stool, joining paid, owned and earned marketing. This enables a company to seamlessly translate messaging from the big stage (i.e., overall company branding, campaign messages and account solutions) to the small stage (messages and content that is tightly tailored and highly relevant to individual customer's needs).

Deliver a consistent, seamless omnichannel experience to maximize revenue opportunities and cost efficiency across channels

As customers adopt different information consumption behaviors, they're also increasingly moving to self-service portals, ecommerce and other digital channels. Thus, regardless of which interaction pathways they follow, a company must be able to deliver consistent messages and offerings across all platforms. Digital technologies and capabilities – including analytics, platforms, processes and strategies – play a major role in helping companies seamlessly sell and operate in multiple direct and indirect channels.

While B2B companies have made progress toward omnichannel sales, they still have a long way to go. According to one study, three-quarters of participating B2B companies generated no more than 20% of their sales via ecommerce.⁷ Yet that's likely to change in the near future, as a majority of respondents in that study expected their ecommerce sales to rise by over 5% in the next 12 months.⁸

Companies that excel in creating a seamless omnichannel experience reap the rewards. They not only gain access to broader revenue streams but also can use the data that digital channels generate to create a much more detailed and useful view of their customers.

Source:

Interview conducted specifically for this whitepaper with Phil Lurie, SAP's Vice President of Sales Technology.

Connect marketing and sales activities and performance to financial outcomes to gain a clear picture of the company's digital selling performance

To gauge and continually improve the effectiveness of their digital selling efforts, sales organizations need to measure their performance, behavior and outcomes across the digital selling lifecycle. Four types of metrics are critical.

Marketing metrics enable a company to plan and execute marketing activities in support of sales activities and update marketing spend and content accordingly. These include the number of marketing materials developed, marketing spend used for social networks and digital selling, and marketing spend ROI.

Social media metrics help a company understand how engaging buyers with marketing content via social networks translates into increased pipeline and sales. Some examples of these metrics are the amount and efficacy of marketing collateral shared on social networks potential leads generated by social networks, and engagement (comments, likes and shares) with content.

Relationship metrics enable a company to manage the pipeline and measure the development and strength of relationships with buyers and influencers and how these correlate to increased pipeline and sales. Three important ones include the number of contacts at a buyer company and the strength of relationships; the number of C-level relationships found in relationship intelligence; and the number and frequency of interactions.

Finally, *sales metrics* serve as the foundation for dashboards through which a company can analyze sales results and performance against goals and metrics, as well as generate important insights into what's working and what isn't. These include the average deal size (in revenue), the amount of time spent in each phase of the digital selling sales cycle, and win rates and total sales amount.

The old adage "If you can't measure it, you can't improve it" is just as true – if not more so – in a digital world.

Addressing digital disruption head-on

There's no stopping the digital train. It's gaining momentum every year, and no industry or discipline is immune to its effects.

That's why it's so critical for B2B sales organizations to enthusiastically embrace digital. As buyers continue to turn to digital channels to learn about and purchase solutions, traditional sales tools and approaches grow ever closer to being obsolete. In fact, many already are. Without a concerted effort to infuse digital into sales operations, B2B companies risk drifting further away from buyers and ceding customers and revenue to more digitally savvy enterprises.

By shifting to a digital selling model, fortified by a robust center of excellence, B2B companies can develop the tools, technologies and processes they need to foster stronger relationships with and relevance to customers in an evolving digital world.

¹"The 2012 IT Buyer Experience Survey: Accelerating the New Buyer's Journey," IDC, 2012.

²"Tweet Me, Friend Me, Make Me Buy," Barbara Giamanco Kent Gregoire, Harvard Business Review, July-August 2012.

³"Millennials surpass Gen Xers as the largest generation in U.S. labor force," Richard Fry, Pew Research Center, May 11, 2015, <http://www.pewresearch.org/fact-tank/2015/05/11/millennials-surpass-gen-xers-as-the-largest-generation-in-u-s-labor-force/>. Please note: Greatest and Silent generational estimates may be overstated.

⁴"State of Sales 2016," LinkedIn Sales Solutions.

⁵"State of Sales 2016," LinkedIn Sales Solutions.

⁶"How Thought Leadership Impacts B2B Demand Generation," 2017 Edelman/LinkedIn study.

⁷"Defining Omnichannel Excellence in B2B," <http://b2bmarketing.wbresearch.com/b2b-sap-hybris-report-mc>.

⁸ Ibid.

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ey.com

Contact information



Woody Driggs

Partner

EY Americas Digital Leader

Ernst & Young LLP

woody.driggs@ey.com



Chris Hergesell

Executive Director, Sales Transformation

Efficiency and Effectiveness

Ernst & Young LLP

chris.hergesell@ey.com