

Marketing & Sales Practice

Two ingredients for successful B2B sales: Agility and stability

Agile B2B sales operating models that fuse the best of both human and digital customer interactions are likely here to stay.

by Boudewijn Driedonks and Ryan Paulowsky



The B2B buying landscape is increasingly reflecting the 24/7 consumer world. Customers expect speed *and* accuracy as well as digital *and* in-person touch points.¹ While this ongoing trend has already forced B2B companies to rethink their sales model, the COVID-19 pandemic is likely to accelerate this. Sales situations change dramatically, requiring rapid customer responsiveness, while both sellers and buyers get accustomed to remote and digital interactions.

In response to changing buying preferences, sales organizations have started moving to become more agile. Misunderstandings about what agile is, however, persist. “Agile” does not just mean putting in place iterative, test-and-learn working practices. It means putting in place a new operating model, built around the customer and supported by the right processes and governance.

Underpinning and enabling the dynamic, fast pace of agile sales teams are the stable practices that provide the structure within which agile teams can operate quickly and effectively. This is the difference between *acting* agile—“doing a scrum”—and *being* agile—having an operating model that provides stability while allowing sales teams to pursue growth opportunities.

Five trademarks of agile sales

Mastering traditional ideas of “sales excellence” certainly does not automatically mean the sales team is agile. Consider the tech company that had local sales teams setting clear, granular targets, while the global business units prioritized other segments and drove innovation with no local market input. The account managers adopted best-practice sales processes but did not work in cross-functional teams to articulate the customer-specific value proposition for complex deals. Sales leaders discussed pipeline opportunities once a month, but by the time support was mobilized,

customers had already moved on. Sales managers gave clear top-down direction but spent little time on coaching. Clear territories were defined, but new customers and opportunities were hardly ever reallocated, leading to coverage models that bore little relation to potential or skills. And everybody was asked to “please keep the CRM up-to-date,” only to witness that the data inside were never truly used. Does any of this sound familiar?

Building on such observations and the work of our colleagues in building agile organizations, we have found that the best B2B sales organizations exhibit five trademarks that make them truly agile (exhibit)²:

- Common aspiration across the sales organization (“North Star”)
- Network of empowered sales teams (supported by digital capabilities)
- Rapid decisions and dynamic pipeline management
- Dynamic people support to foster customer-centric sales capabilities
- Next-generation-enabling technology

Across these trademarks, there is a set of both stable and dynamic practices that together make an agile sales operating model. The seven stable practices prevent the company from falling into chaos when it implements the ten dynamic practices.

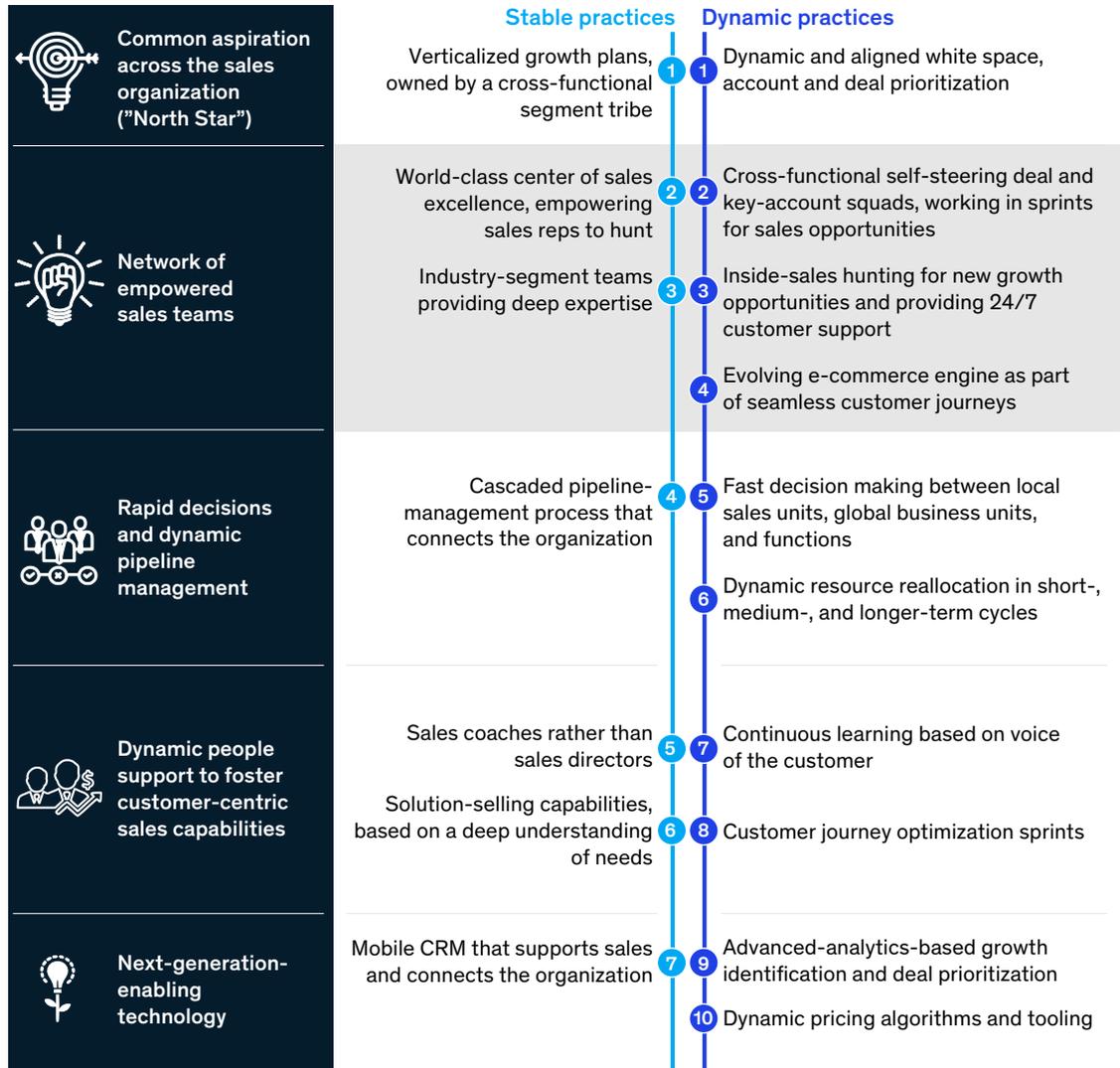
For instance, agile sales organizations continuously prioritize accounts and deals, and decide quickly where to invest. Yet, this is effective only if there is a clear, granular growth plan developed by a cross-functional team

¹Christopher Angevine, Candace Lun Plotkin, and Jennifer Stanley, “The secret to making it in the digital sales world: The human touch,” May 2018, McKinsey.com.

²See Wouter Aghina, Karin Ahlback, Aaron De Smet, Gerald Lackey, Michael Lurie, Monica Murarka, and Christopher Handscomb, “The five trademarks of agile organizations,” January 2018, McKinsey.com, for the original list of trademarks based on extensive research evidence. Our B2B sales perspective is derived from the original list of trademarks for agile organizations, based on extensive research, and the experience of our experts in recent years.

Exhibit

Best-in-class B2B sales organizations exhibit stable and dynamic practices along five trademarks.



that collectively understands how to win each type of customer (*shared sales aspirations*). Similarly, fast decision making between local sales and global business units and the rapid reallocation of resources between them require a stable sales pipeline-management process that they both use (*short-cycled pipeline management*).

Deep dive: A network of empowered sales teams (supported by digital capabilities)

To explain this relationship between dynamic and stable practices in more detail, this article will look at the second trademark: network of empowered sales teams supported by digital capabilities.

This consists of three dynamic practices geared around key-account management, inside-sales teams, and e-commerce engines, all of which are supported by two stable practices: a world-class center of sales excellence and industry-focused expert marketing teams.

Dynamic practices

Agile companies are starting to replace traditional key-account teams with *key-account customer squads*. These squads are assigned to a set of customers in a specific sector. The squad is a cross-functional agile team that delivers the entire customer service, from initial contact to post-sales service. Customer representatives interact directly with the different members in the squad, and the key-account manager (also part of the squad) cooperates with the other members daily in a short stand-up meeting, setting the priorities for driving customer satisfaction.

The squad also contains dedicated specialists who offer the right operational or content expertise—that important human interaction needed when a B2B customer has exhausted the information available on digital channels. Bringing the right expertise to the customer at the right stage in the process is crucial to winning business. Other functions, such as legal, quality, and sales support, also become truly customer-centric when organized in agile teams around groups of key accounts.

A financial institution completely restructured its go-to-market approach, creating agile teams around groups of customers. For its biggest customers, it created cross-functional agile teams, each with about ten customers and about two account managers. Team members were co-located and collectively had all the skills needed (such as IT networking skills) to service a customer.

The company redesigned the roles within the agile team, specifically requiring more cross-functional collaboration and customer-facing capabilities. These new roles were so different

that team members were asked to reapply, and managers placed far more emphasis on teamwork and maximizing time spent with customers. This was reflected in shared team incentives such as net promoter scores (NPS). The agile teams also adopted agile practices, such as quarterly account planning in a one-week sprint and weekly stand-ups. This new customer-centric approach translated into year-on-year improvements that multiplied the NPS while increasing employee engagement and reducing staff costs.

For medium and small accounts, we increasingly see *inside sales* driving growth. Inside sales itself is nothing new, especially in B2C, but the trend toward inside sales in B2B fits companies' aspirations to become more agile in pursuing shifting and granular growth opportunities. Whereas field reps tend to lose significant time in travel to visit established customers, inside-sales teams dedicate far more time to talking with new customers.

Today, inside sales is supported by chat and mobile-app functionality, and advanced-analytics solutions that help identify, prioritize, and convert opportunities. This meets customers' preferences for speed and accuracy over face-to-face contact. Agile rituals such as daily stand-ups and maintaining a backlog of customer-journey improvement sprints also continuously help improve customer satisfaction. Also, employee engagement—a core principle of agile—helps companies attract talent to staff these inside-sales centers. Compare that to the limited management attention sales support and phone agents get in dispersed sales offices, where the local heroes are the reps on the street. For example, a power-equipment company consolidated inside-sales and customer support from 17 locations into one single center under senior management. This helped it deliver 9 percent growth while improving its NPS and reducing costs by more than 10 percent.

Finally, an omnichannel strategy with a **strong e-commerce engine** has become a core part of the go-to-market model for any company that wants to be customer-centric and responsive. Over the past three years, B2B customers' desire to talk to a sales rep rather than interact digitally has halved, and more than half of B2B buyers prefer online channels³: for example, on-site installers are no longer satisfied with simply emailing a sales rep with an order; they want to buy via an app and then chat with technical experts online as they work. E-commerce also gives customers more transparency on delivery status through a dedicated customer portal, which can save endless back-and-forth calling and unpleasant surprises when goods arrive without warning.

Both e-commerce and inside sales serve a dual objective: driving customer responsiveness and satisfaction, as well as sales productivity. Both channels can be run at significantly lower costs than traditional go-to-market models centered around a field sales force traveling from customer to customer.

Stable practices

To support these dynamic approaches to driving growth through an agile operating model, companies need to make sure there is a stable backbone that both supports and enables them.

Digital technologies have brought new opportunities to drive sales through analytics, but this requires dedicated talent stationed in **centers of excellence** (COEs). Not only do COEs, or "sales innovation garages," as they are sometimes called, work in agile ways themselves by maintaining a use-case road map and cocreating digital solutions with sales; they are also critical in making local sales teams more agile.

At their best, COEs provide:

1. **Insights.** Advanced analytics can deliver powerful insights for local sales teams in

disciplines such as lead scoring, cross-selling, identifying white spaces, preventing churn, dynamic pricing, and more. COEs not only develop groundbreaking insights but also create the digital apps that deliver these insights to the sales team in a user-friendly way.

2. **Guidance.** COEs can question sales teams' assumptions and help them better understand how they perform relative to peers. They offer an independent viewpoint on where opportunities lie and whether a rapid reallocation of resources is required to capture new growth. Similarly, the COE takes a central role in setting quotas. For instance, advanced market analytics developed in a COE may suggest that resources need to be moved from one market to another—insights that local markets are unlikely to provide to global sales leaders. Similarly, COE insights can help give global sales leaders a better steer on pricing, with clear transparency on current pricing behavior and market opportunities. COEs can be instrumental in unlocking organizational bottlenecks and striking the right balance between centralization and decentralization.⁴
3. **Talent.** Digital and analytics activities require a very different skill set, which local sales organizations typically lack. COEs can attract and develop the right people by bringing them into a team of like-minded colleagues and offering career opportunities with company-wide impact—again, something local sales teams cannot offer.
4. **Clear processes.** In daily operations, COEs can make complex businesses with global business units and local sales teams much more agile by facilitating short-cycled pipeline management (another of the five trademarks of truly agile companies). If done well, pipeline management brings together global and local

³See Christopher Angevine, Candace Lun Plotkin, and Jennifer Stanley, "When B2B buyers want to go digital—and when they don't," *McKinsey Quarterly*, August 2017, McKinsey.com. This research was repeated in 2019, and the findings will appear in an upcoming publication; this article draws on the insights from this latest research.

⁴For more, see Aaron De Smet, Sarah Kleinman, and Kirsten Weerda, "The helix organization," October 2019, McKinsey.com.

teams with virtual stand-ups, all looking at the same dashboards and jointly deciding how to crack the next promising opportunities in the pipeline.

The other stable mechanism sales organizations need is the ability to *draw on industry expertise*. This helps sales reps who may serve customers from many different sectors in their territory and lets them pull in experts who truly understand a particular industry's pain points and latest developments. This is increasingly important as companies shift from product to solution selling.

Such industry-segment experts (or “vertical” experts, as they are often called) may be new roles with new capabilities that do not already exist in the company. They can be part of the key-account squads mentioned earlier, if the workload justifies that co-location, but they more typically lead industry-segment tribes and support multiple teams, including those serving smaller accounts. The stable backbone they provide also includes off-the-shelf value propositions for the particular segment, customer-value calculators, and solution configuration tools—and, of course, they connect to the customer as and when required.

A global semiconductor company realized it was facing increased commoditization in its components markets. It was hard for its customers—and even its sales managers—to understand how the combined technical performance of individual components could lead to distinct benefits in specific system applications. To help these sales managers tailor their approach to specific application areas, the company established centralized application-segment teams. These teams consisted of

technical application system engineers as well as segment marketeers. Together, they shaped integrated systems for specific application areas, articulated the value proposition in terms of application benefits to end customers, and ensured product road maps were validated against segment trends.

The approach helped sales reps to be much more dynamic in their sales approach: they could now tell a completely different story when talking to manufacturers of automotive lighting, e-bikes, phone adaptors, or server power systems, while selling from the same pool of components. Meanwhile, the application-segment experts ensured that sales reps were up-to-date on the latest trends and developments and could rapidly update customer offerings where relevant. Customized, application-specific value propositions and customer-value calculators now help sales reps unlock underpenetrated segments and are driving the company's growth.

Traditional sales excellence may no longer cut it, especially as sales leaders manage the repercussions of COVID-19. It is time to redefine our sales approaches and establish agile go-to-market models that meet and exceed fast-changing B2B customer circumstances and expectations.

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