

Surveying the Sales Landscape: The B2B Response to a Changing Economy



Developing the 21st
century workforce™

Five Strategies to Help B2B Sales Companies Survive or Thrive During Economic Shifts

The findings of this research imply that through application of five specific, strategic practices B2B sales professionals can work towards ensuring success during economic downturns:

1. Pursue new customers.
2. Expand or deepen existing relationships.
3. Hone presentation, prospecting, and time management skills.
4. Focus on relationship management and addressing customers' existing and emerging needs.
5. Provide guidance, insight, and support to customers experiencing their own economic woes in order to cement the role of a trusted business advisor.

Fear-based selling behavior is not solid strategy.

Hard Facts About Challenging Times

When the economic landscape changes, sales organizations shift gears in how they sell. Sometimes, this is because of changes in customer buying behavior. In other instances, the shifts in sales strategies are simply a visceral reaction to economic conditions that may provoke fear.

Common wisdom dictates that changes in sales strategies should be based on deep analysis of total market conditions. Yet the temptation to use knee-jerk attempts to jump-start sales can be difficult to resist. When pessimism and fear take over, sales can suffer the consequences of weakened strategy and illogical selling behaviors.

AchieveGlobal asked business-to-business (B2B) sales professionals from across industries, organizational levels, and geographic locations how the current conditions affected their companies and their sales results. We also looked into what these sales professionals were doing differently in their strategies to survive the changing economy.

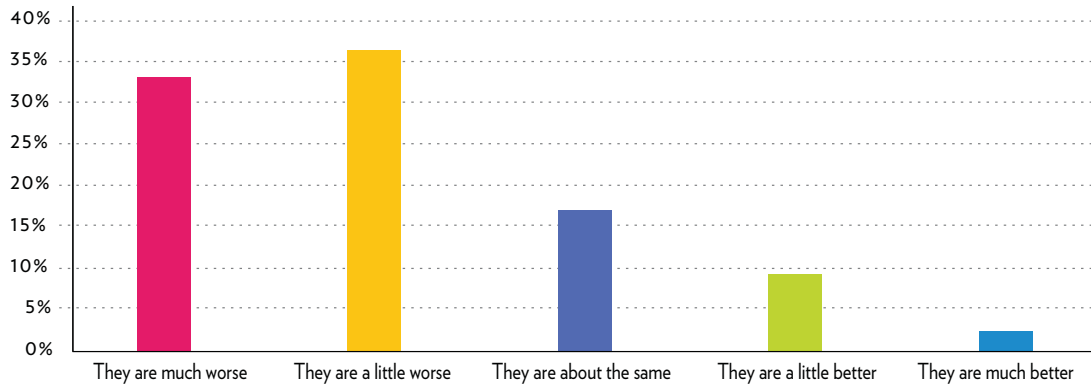
The major discoveries? B2B sales people had mixed views about where things might go over the following months, as they were experiencing declining sales and were shifting how they approached selling. Still though, we were able to pinpoint tried-and-true strategies that were being underused, and that if adopted, might well increase sales opportunities for similar B2B sales organizations.

Shaking-Up Sales

Clearly, the current economic downturn has dramatically impacted sales organizations across all industries. Case in point: more than 70 percent of participants said their sales results were worse than a year prior, while only 12 percent said that they had increased. (See Figure 1.)

Figure 1

Current sales compared with same period in prior year.



Current sales compared with same period in prior year

One subtle point worth noting: most of our participants acknowledged their clients were buying less (76.9 percent) and deferring purchases (70.2 percent). While these trends indicate a decrease in buying activity, customers were still buying since they were asking for more price concessions (67.5 percent) and making commitments for shorter periods of time (43.1 percent). Put another way: despite the fact that most sales professionals characterized the economic downturn as severe, their customers had not completely stopped buying from them.

At the time of the survey, the recession was well into its second year, so most organizations had already made changes. Most of our participants said their organizations were mostly trying to acquire more customers in existing markets (67 percent). A majority of these sales professionals pointed out that their companies were also focused

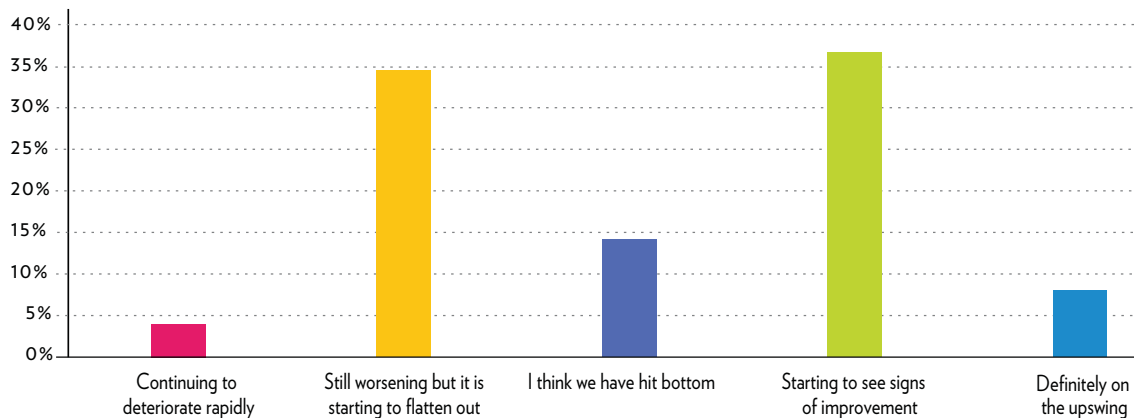
on growing sales among existing customers (62 percent) or moving into new markets (55 percent).

Forecasting the Future: Half-full or Half-empty?

At the time of our survey, a cycle of extraordinary change was already in full swing. Perhaps because of this, the outlook for B2B sales professionals was quite dire. Our survey found that 35 percent anticipated things would still be bad over the next few months, but would start to flatten out. Another 37 percent said they were starting to see signs of improvement, while only 8 percent said that things were definitely on the upswing. This range of responses on the state of the economy may also have been a function of the breadth of industries included in the survey. Since the economic shifts affected various industries differently, it's likely that professionals in different industries would have varying perspectives in relation to economic trends. (See Figure 2.)

Figure 2

Sales forecast for next few months (B2B)



How sales professionals see sales over the coming months

Participants also had strong feelings about how the most recent economic changes measured up to past downturns. While some experts have argued that the recessions of the early 1990s and 2001 had greater negative impacts on business, more than half of our survey participants indicated that the most recent downturn had been the worst market conditions they had ever experienced, despite the fact that nearly a third had been in sales for more than 20 years and would be able to recall past recessions as they related to selling. (See Figure 3.)

**Keep fear at bay,
and remember the
fundamentals of selling**

Current selling environment compared with past experience

“We” and “I”

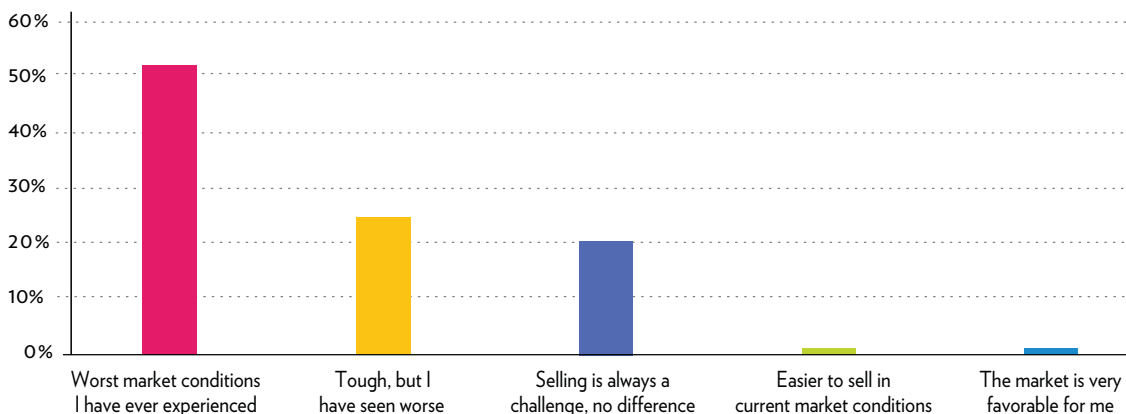
We also wanted to find out what our participants were doing individually. Only 17 percent of those surveyed said that pursuing new customers was their primary goal. Instead, a much more common approach was to expand customer relationships (38 percent). While pursuing new customers might be a broader strategic focus at the organizational level, it

seems that changes in interpersonal communication approaches to the sales relationship are left mostly up to the individual salespeople. (See Figure 4.)

How sales professionals spend their time in current economy.

We did discover, though, that two fundamental strategies were used much less than might be expected. It came as somewhat of a surprise that only 50 percent of survey participants said their organization was working on “improving customer service” or “finding ways to address a customer’s needs.” This discovery contradicted common wisdom that during economic shrinkage, sales organizations should focus more heavily on customer’s needs, since customers are seeking guidance and support to make it over their own business hurdles and survive during difficult times. They are also seeking reassurance about their purchasing decisions, so organizations should place significant emphasis not just on customer service, but also more specifically on seeking to understand and address how underlying economic conditions are affecting their customer and their business. Understanding the customers’ business concerns and industry issues in order to provide support and advice, and meeting their customers’ changing needs fulfills the role of a trusted business advisor. However, in a difficult economy, being a trusted advisor means taking the additional step of identifying how the economy directly impacts their customers’ day-to-day business and offering solutions that directly meet those challenges.

Figure 3
Current selling environment compared with past experience (B2B)



Top 3 sales skills required for success during economic change

The Skills of Selling

Our survey also asked participants their opinions about the skills and knowledge required to succeed in the economy. There were some definite differences based on the position or role of the person in the organization. Salespeople ranked the top three skills as presentation skills, time management, and prospecting, while sales leaders ranked the top three as prospecting, time management, and account management.

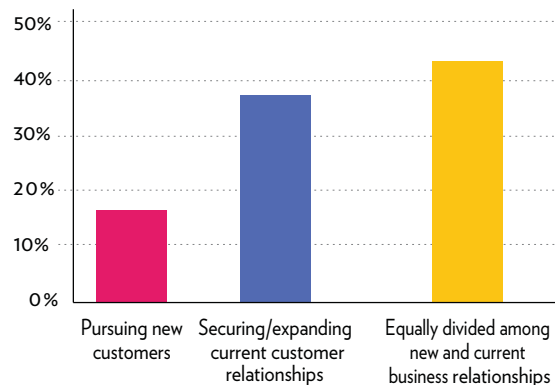
One skill that ranked highly among all participants was time management. This might be as a result of sales professionals being required to take on multiple responsibilities, as organizational resources are stretched to capacity during economic shrinkage. Sales professionals also may be expanding and diversifying their range of activities as they aggressively pursue revenue targets. It certainly stands to reason that with improved time management skills, participants might be better able to focus on critical activities that would deliver selling success. (See Figure 5.)

What can we learn?

It is important to remember that the individual salesperson has a vital role in selling, perhaps even more so during an economic downturn, when customers themselves may want more reassurance and guidance. It's logical that when the economy is

Figure 4

Given the current economy I spend more of my time ... (B2B)



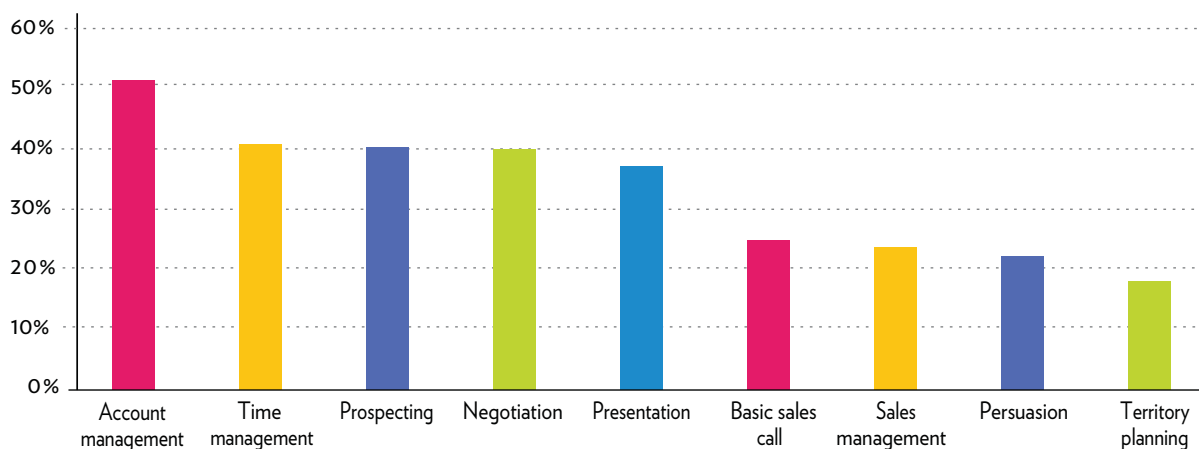
strong, it's easier for sales organizations to sell their products and services, while a bear market leads to declining sales. It also stands to reason that changes in sales strategies and selling behaviors could result in the reversal of sales declines during economic downturns.

The tendency for sales organizations may be to turn inward when things get tough, focusing on how best to protect their bottom-line profits. Instead these organizations should allow their salespeople to deepen their focus on customer needs, making the connections between earning customer trust, ensuring customer success, and selling their organization's products and services.

The power of the individual seals the sale in a down economy.

Figure 5

Three most important sales skills required to succeed in today's economy (B2B)



About the research

AchieveGlobal surveyed 275 sales professionals to gain a better understanding of how economic uncertainty impacted their organizations, and what, if anything, they were doing differently to ensure their survival. Of the 275 respondents, 195 were sales professionals from business-to-business (B2B) sales organizations, while the remaining 80 respondents represented business-to-consumer (B2C) organizations.

Survey respondents included sales professionals of varying organizational levels, possessing varying degrees of experience. Participants were almost evenly split between sales people in the field and business development managers, directors, or VPs. While there was good representation with respect to tenure in the profession, AchieveGlobal surveyed a relatively experienced group with almost 30 percent having been in sales for more than 20 years. The study also covered a wide range of industries, with nearly 22 percent from manufacturing, and a fair distribution of survey respondents from professional/business services (9.7 percent), financial/insurance/real estate (14.8 percent), and other services (16.8 percent).

About AchieveGlobal

In the 21st century, the level of human skills will determine organization success. AchieveGlobal provides exceptional development in interpersonal business skills, giving companies the workforce they need for business results. Located in over 40 countries, we offer multi-language, learning-based solutions—globally, regionally, and locally.

We understand the competition you face. Your success depends on people who have the skills to handle the challenges beyond the reach of technology. We're experts in developing these skills, and it's these skills that turn your strategies into business success in the 21st century.

These are things technology can't do. Think. Learn. Solve problems. Listen. Motivate. Explain. People with these skills have a bright future in the 21st century. AchieveGlobal prepares you for that world.



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