Sales Extinction
Using digital to step back from the brink
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Bringing sales back from the brink of extinction

Sales organizations are struggling in the new digital world. Digital has redefined everything—from the “what” and “who” to the “where” and “when” of customer experiences and, by extension, sales. What has worked for generations is no longer adequate, and traditional sales models are on the brink of extinction. Ironically, the digital technologies that have upended traditional sales can help forward-thinking companies re-imagine their sales approaches and ensure their viability.
From social media to cloud to mobility, digital technologies have reshaped consumers’ preferences, behaviors and expectations at breakneck speed. Armed with more channels and more choices than ever, customers have undeniably assumed the power in the buy/sell relationship. Sales organizations have had no choice but to respond. But, as many have found, selling in the “always-on” digital world is not easy.

Information access is one example of a digitally driven shift with which sales organizations must contend. Historically, sales organizations controlled much of the information flow about a company’s products and services. Today, the proliferation of shopping-comparison sites and social media networks give customers the upper hand. In fact, research several years ago from the Corporate Executive Board (CEB) showed 57 percent of a typical purchase decision is made before a customer even talks to a supplier. The sobering conclusion is that customers no longer need sales reps to explain the features and benefits of a given product or service. They find what they need to make their purchasing decisions on their own. They engage traditional sales models to simply close the deal. For sales organizations, opportunities to up-sell, cross-sell and build relationships are fading away, hurting revenue growth.

Speed is another disruptive digital byproduct. Today, the sales process is anything but linear. It is nonstop and highly fluid, with customers constantly evaluating how well a company lives up to its promises (see Figure 1). Companies have contributed mightily to this shift by repositioning most offers to “as-a-service” models. This means companies need to engage with customers in an environment in which the pace of interactions has accelerated and the deal is never really done. Digital forces them to rethink how they sell. Spoiled by the myriad choices now available to them, customers want more than products. They want solutions and services that satisfy particular needs. And they expect consistent and tailored experiences—from pre-through post-sales.

In response, companies are accelerating the pace at which they bring new offerings and bundled services to market, increasingly teaming with others to offer converged solution stacks. But that creates yet another challenge. How do companies equip their sales reps with what they need to sell in such a fast-changing environment? Overlay sales organizations, with specialty sellers of more complex or more expensive services, is one answer. But that’s an expensive proposition. With the pace of innovation, even the most complex solutions become commoditized. Sales organizations need to continually retool their teams to support their latest offerings.

**Figure 1. Accenture Nonstop Customer model**

![Diagram showing the Accenture Nonstop Customer model](image-url)

**Dynamic**

Stakeholders move along multi-directional paths with B2C agility and speed, able to influence each journey stage.

**Accessible**

More knowledge and persuasive influence empower stakeholders to self-diagnose and blur roles along the journey.

**Continuous**

Evaluation, not purchase, is central, all stakeholders converge towards it, while each is constantly exposed to own experience.
Fighting fire with fire (and losing)

Clearly, sales models need to be completely re-imagined. What has worked for generations is no longer adequate.

Sales organizations are fighting back by investing in digital technologies. It’s a good start, but it’s insufficient by itself. Digital technology investments may also be pointed too narrowly, i.e., too many companies still consider digitally savvy customers as a distinct segment to be served through largely standalone digital channel. In fact, digital is much more than an eCommerce site; it is an immersive environment and enabler of tailored experiences that constantly influence buyers’ expectations and behaviors. This is the world into which sales organizations need to insert themselves. It is a world they cannot control, but must participate in if they are to succeed.

A number of companies have embraced digital sales enablement tools such as sales analytics, mobility, and adoption of cloud technologies. But many of those investments, too, have failed to deliver. Consider this: Accenture’s research has shown that 94 percent of sales executives believe that timely and accurate metrics are critical or very important to effective sales strategies. Yet, despite investing in sales analytics, 56 percent are still not satisfied with their ability to provide valuable management insights. Nearly half (44 percent) of executives believe they need to maximize the selling time of their sales reps. Investments in digital technologies in recent years were supposed to help. Instead, selling time has dropped—from 41 percent in 2011 to 35 percent today. And while the adoption of mobile technologies has increased four-fold, fewer than half of companies provide mobile access to sales and customer data (see Figure 2). Of those that do, only 33 percent are using that data to identify cross-sell opportunities and still fewer to reduce churn (15 percent).

What’s going on? Responding to digital disruption with digital solutions, in theory, makes sense. But it only works if companies invest in digital to deliver distinct experiences with connected insights for both the customer and the seller. That hasn’t happened. To date, too many sales organizations have focused on digital as a sales productivity and automation play for their out-dated sales models. This is a problem because those old models are based on the misguided premise that sales organizations still "own" the customer experience. They don’t. Nonstop customers now control the information flows. They determine how they will navigate the always-on sales process and what relationships (if any) they want to have with sales teams. They continuously evaluate their experience with providers—blurring expectations across the traditional silos of marketing, service, and sales interactions—and go elsewhere if their expectations are not met.

The criteria for high performance selling today are profoundly different with significant implications—from what talent profile and behaviors define today’s high performance seller to the new engagement and operating model realities for the sales organization. Companies that refuse to recognize this new reality will continue to roll the dice with digital investments on a paradigm that is hurtling towards extinction.

Figure 2. Usage of tablet devices by sales force

<table>
<thead>
<tr>
<th>Task</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>View email/calendar/sync</td>
<td>90%</td>
<td>91%</td>
</tr>
<tr>
<td>Data access in CRM</td>
<td>68%</td>
<td>61%</td>
</tr>
<tr>
<td>Access content/selling tools</td>
<td>58%</td>
<td>44%</td>
</tr>
<tr>
<td>Product presentation</td>
<td>50%</td>
<td>54%</td>
</tr>
<tr>
<td>Configuration, price, quote</td>
<td>21%</td>
<td>23%</td>
</tr>
<tr>
<td>Proposal generation</td>
<td>21%</td>
<td>21%</td>
</tr>
<tr>
<td>Order entry</td>
<td>21%</td>
<td>15%</td>
</tr>
<tr>
<td>Needs analysis</td>
<td>21%</td>
<td>14%</td>
</tr>
<tr>
<td>Signature capture</td>
<td>21%</td>
<td>9%</td>
</tr>
<tr>
<td>Do not know</td>
<td>9%</td>
<td>6%</td>
</tr>
</tbody>
</table>

Sales force usage of tablet devices increased by 400% in the last two years.
It’s not digital. It’s personal.

In the digital world, sales organizations are “leasing” their customers’ attention for a finite period of time. Because of this, they need to reprioritize their investments—digital and otherwise—around one thing: creating an experience at every interaction that will not only reward customers for their attention, but gain their affinity and lure them back again and again. That, in turn, requires a rethink of the sales operating model and buying/selling process—one that crushes the silos between marketing, service, sales, and indirect channels, connects customer insights, and serves up distinctive seller experiences—to meet the pre- and post-sale expectations of today’s nonstop customers.

As they rethink their operating models, sales organizations need to first think about what “success” looks like in the digital world. While digitization has accelerated the pace of interactions and product launches, sales success in the digital world is, ironically, not all about “speed.” Speed represents old-paradigm, transaction-based approaches that focus on closing a number of sales by certain target dates. Success today is differentiating on experience and cultivating lasting relationships.

Given that definition, the focus must zero in on the personal experiences that matter most to customers—and then exploiting those experiences in powerful and relevant ways. There is evidence to suggest that companies are starting to do just that. Accenture’s recent research reveals that to generate revenue growth, priorities have shifted from investing in mobile/digital (which had the top spot for the last five years) to redefining sales operating models. In fact, half of chief sales officers (CSOs) cite “transforming to a modern, customer-centric sales organization” as one of their top three goals. Digital solutions, such as mobile and analytics, can help bridge the customer experience and expectation gap when powered by timely and truly connected—including recommendation-level—insights. The type of insights that increase the chances of selling success in the sales and service interaction moments that matter with customers. And, yes, digital technologies are used to deliver the highly personal experiences that customers crave. But a singular focus on digital customer interactions misses the boat. Digital is the enabler to a more connected and tailored customer experience across the blurring lines of digital and physical.

When it comes to delivering experiences that customers will notice and value, companies need to look beyond their own walls and tap the broader dynamic sales networks of which they are a part.

This means embracing agile selling—working with intermediaries, channel partners, customers (and even competitors)—to extend their reach, reputation, and their portfolio of customer-focused solutions. Digital capabilities make it much easier to forge these bonds. As they orchestrate the ecosystem and establish partnerships, it is critical that CSOs crush silos and redefine channel boundaries.

To achieve that goal, they must take on the role of trusted advisors—not just to their customers, but to ecosystem partners who may be hesitant to share information or what they perceive as their customer relationships. Companies that play to win extend their connected insights and a more distinct seller experience partners in a targeted manner—providing the right tools, insights, and incentives to sell. In turn, channel partners reward these investments with reciprocal customer insight, more consistent sales execution, and improved share.

Finally, there is the issue of metrics. Digital capabilities now allow companies to gather, process and examine more data than ever before. However, collaboration between sales and service remains low, and marketing and sales often don’t agree on the common definition of a lead. Agile sellers harness analytics to inform their sales strategies and deliver timely, connected, and targeted insights across the sales cycle and value chain—from the effectiveness of campaigns and promotions to the efficiency of channels, to what’s working with sales talent, through customer buying patterns, to profit optimization opportunities. Above all, they will pick their spots and prioritize digital investments to the highest value aspects of the selling/buying process that is unique to their organization. They emphasize personalized approaches and ecosystem relationships that power the most profitable growth.

New approaches for a new age of sales

To survive in the digital world, sales organizations need to throw out their old playbooks. They need to redefine success in terms of relationships and differentiate on experience. They need to re-tool their sales operating models to drive personalized and consistent experiences. Additionally, they need to pick their spots with digital capabilities, directing precious investments in a targeted manner that will allow them to embrace agile selling and thrive in the new age of sales.
References


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