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**Marketing & Sales Practice**

# The domino effect: How sales leaders are reinventing go-to-market in the next normal

Top sales innovators are embedding data and technology throughout their organizations to reimagine sales. Here's how they do it.

*by Bertil Chappuis, Gui Cruz, Ben Ellencweig, Maria Valdivieso, and Michael Viertler*

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Sales has always been a "sensing" organization, attuned to changes in customer sentiment, shifts in demand, and the requirements of different buying stages. But those senses are being flooded as customers shift to digital engagement, leaving sellers with more channels to cover and more interactions to manage.

The pandemic has amplified these challenges, exposing weaknesses in existing sales models and gaps in digital readiness. In many ways, this data revolution in sales matches what happened to marketing departments three to five years ago, when they were forced to reorient their functions to be more analytically driven. With more data flowing in from nontraditional sources such as video calls and webinars—few of which are captured by current sales processes—understanding which customers to focus on, what they care about, and how they want to engage can often feel like a guessing game.
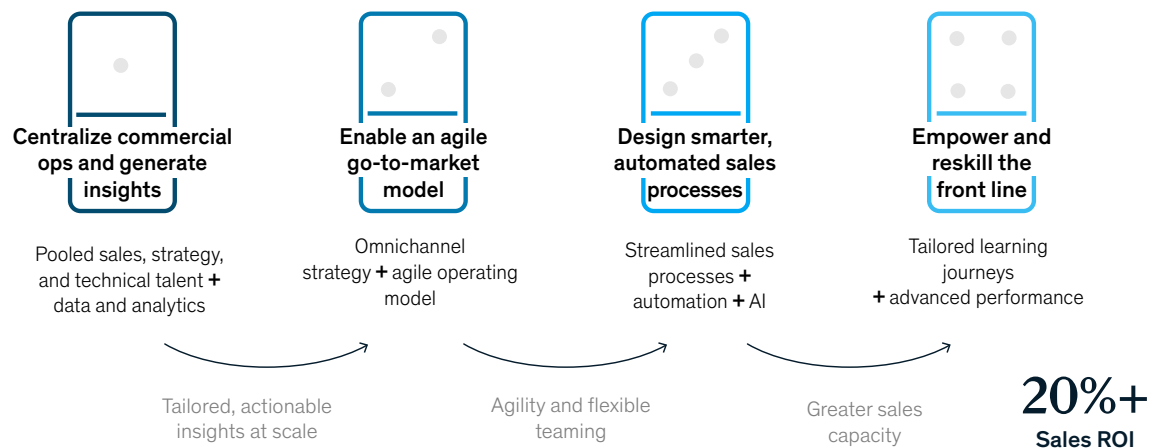
However, some sales organizations have reduced that guesswork. They are bringing science to sales and are harnessing data in ways that deliver double-digit gains in return-on-investment (ROI). These

organizations start with centralizing commercial operations and generating insights from internal and external data sources, including web and email scrapes, information from virtual calls and pitches, and other analyses. These improved insights allow sales organizations to be more agile in aligning their resources and adapting their operating models. To hardwire these capabilities, smarter automated processes are built into a new operating model. Performance metrics and coaching are then tailored to the needs of the company and the requirements of the individual salesperson. The result is a domino effect: one event triggers the next, and the impact grows cumulatively (Exhibit 1).

At present, only a handful of companies have lined up their sales functions to deliver these capabilities at scale, most of them big tech players. But gaining this level of data mastery and dexterity doesn't need to be the preserve of digital natives. Instead, sales organizations that prioritize the following four steps can trigger greater sales productivity and performance in the next normal.

Exhibit 1

## Four dominos trigger a chain reaction that can radically improve sales ROI.



Centralize commercial ops and generate insights

Pooled sales, strategy, and technical talent + data and analytics

Enable an agile go-to-market model

Omnichannel strategy + agile operating model

Design smarter, automated sales processes

Streamlined sales processes + automation + AI

Empower and reskill the front line

Tailored learning journeys + advanced performance

Tailored, actionable insights at scale

Agility and flexible teaming

Greater sales capacity

20%+
Sales ROI

## 1. Centralize commercial ops and generate actionable insights

Many sales organizations face significant challenges in guiding teams dispersed across large territories. This limits the ability of sales reps to share best practices, access valuable customer insights, and expedite sales processes that can make a meaningful difference to their bookings. To make the most of the abundance of data and draw the right insights, forward-thinking sales leaders have centralized commercial operations functions and created "commercial hubs" that distribute better and more targeted insights as well as drive more agility in the organization.
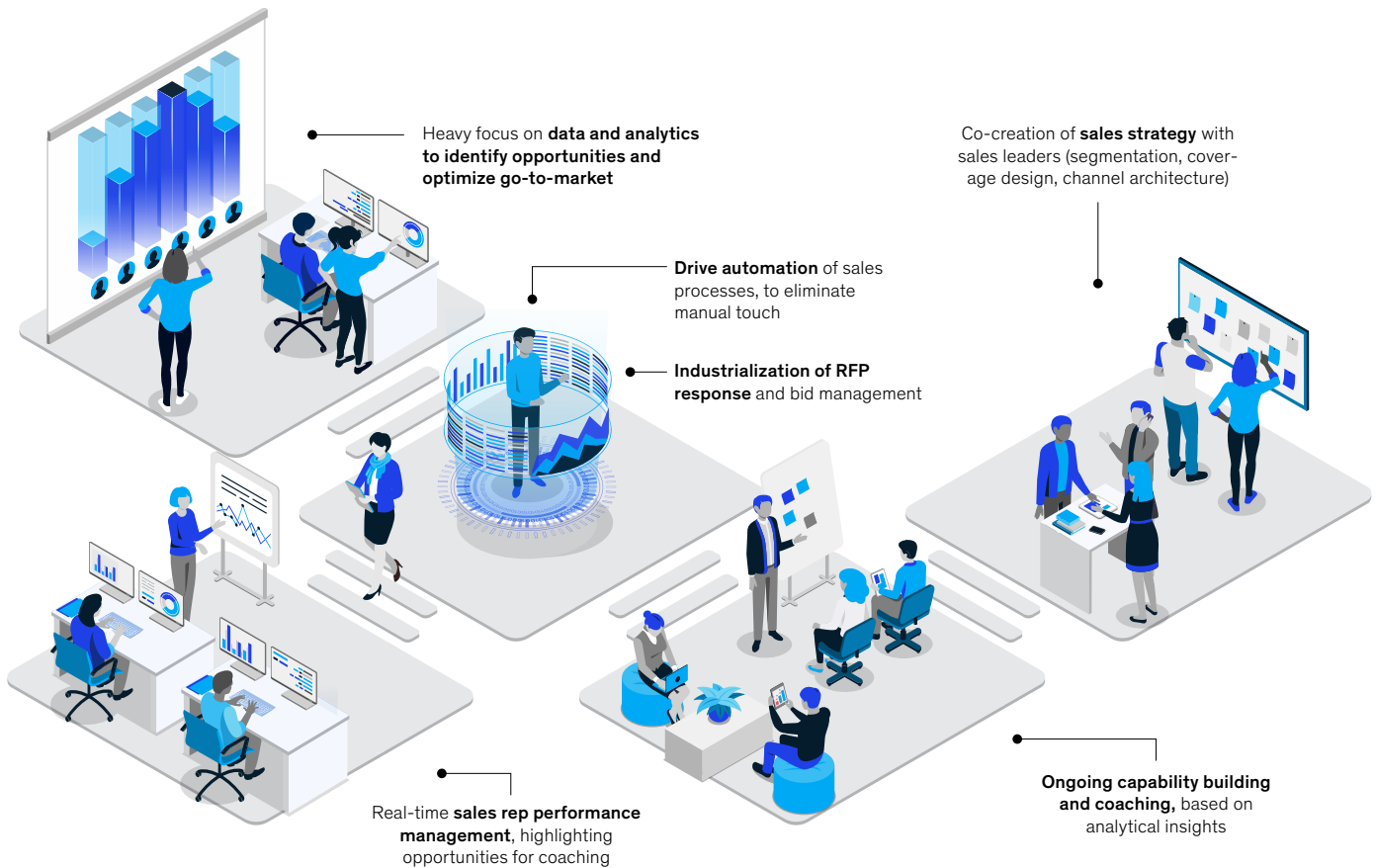
Commercial hubs bring together three elements: the right talent with deep experience in sales, analytics and data science, and product; an operating model capable of interacting seamlessly with the reps (including the ability to tailor those interactions); and access to a data and analytics infrastructure optimized to the hub's needs. This kind of hub can develop and scale the delivery of tailored insights and sales plays to reps, track and manage performance, provide coaching based on what's working in the field, and enable day-to-day efficiencies that eliminate waste and drive bookings (Exhibit 2).

For example, a software company had almost a dozen sales forces scattered across the United States, each with its own way of gathering customer inputs and managing sales. The company's

Exhibit 2

### The centralized commercial hub is the next-gen intelligence unit driving the sales organization.



Heavy focus on **data and analytics to identify opportunities and optimize go-to-market**

Co-creation of **sales strategy** with sales leaders (segmentation, coverage design, channel architecture)

**Drive automation** of sales processes, to eliminate manual touch

**Industrialization of RFP response** and bid management

Real-time **sales rep performance management**, highlighting opportunities for coaching

**Ongoing capability building and coaching,** based on analytical insights

customer base was equally scattered, consisting of large, global players all the way down to mom-and-pop establishments. Lack of coordination among sales groups made it hard for the company to align coverage, and limited data and knowledge sharing meant reps lacked timely information and insights to inform their sales approaches. To improve sales intelligence and efficiency, the organization knew it needed to centralize its commercial operation and use it to generate and disseminate better insights.

The company appointed a senior executive to lead the effort and brought in sales and technical talent (including engineers and data scientists). This team focused on standardizing and analyzing data and systematically capturing the online and offline interactions between reps and customers. They also brought in outside talent with expertise in analytics to design algorithms that could surface employee performance and customer insights. Centralizing the commercial hub delivered 5 percent more productivity and contributed to greater bookings within the first year. Today, the hub is the heart of the company's sales-insights engine, responsible for capability-building programs, performance and incentive plans, and sales plays to support the sales forces.

## 2. Enable an agile go-to-market model

With the insights generated by the hub, sales leaders can use advanced intelligence to better align sales reps to the right sales opportunities, pulling the right people in at the right stage of a deal, assembling teams with the necessary skills to innovate and design products and services that customers want, and providing insights that help close opportunities.

For example, instead of simply assigning larger accounts to field reps and smaller ones to inside sales, a global telecommunications company now lets the type of transaction—what is being sold to whom and when—determine the go-to-market approach. Simple transactions are handled by inside sales or digital channels, while field reps (after an initial lead-nurturing stage by the inside

sales team) cover more complex purchasing. In the past, when a prospective customer initiated a query on the company's website, the digital-sales team referred it to an inbound call center that had basic technical and selling capabilities but was unable to convert complex transactions. Data has shown, however, that inside sales can effectively follow up remotely by bringing in experts from a centralized pool in the commercial hub for guidance. The final negotiation and close are then managed by field sales. This new go-to-market approach speeds time to market, raises customer satisfaction, and lowers cost.

Better analytics can also help sales organizations create a more flexible and agile operating model. One software provider used analytics to identify which products and services customers were most likely to want to buy. It then used that information to move from fixed teams in predefined roles to "hunting pods" made up of a mix of the most relevant experts from across the commercial hub. These hunting pods evaluated potential deals, designed solutions, developed the best pitch for each customer, and brought together the right expertise for the most important sales meetings.

Our experience shows that sales organizations that embrace this more agile, data-driven go-to-market approach can improve conversion rates and lower the cost to serve by 5 to 15 percent.

## 3. Design smarter, automated sales processes

With a centralized commercial hub generating insights and an agile operating model redefining how sellers work, sales organizations can trigger the next level of value by redesigning their core sales processes to make them more "intelligent."

In the average company, for example, reps spend only about 16 percent of their day in front of the customer, virtually or in person. By contrast, reps in the best-performing sales organizations spend 40 to 50 percent of their time in front of

the customer. The difference? The top organizations redesign their sales processes and thoughtfully automate whatever they can. McKinsey's research shows that up to 30 percent of sales activities can be automated.

Automation can be applied across sales processes. Analytics embedded into lead-generation, for example, can identify leads with the best conversion potential. Chatbots reach out to them over text or email, using artificial intelligence to understand the contact's response and assess the conversion potential. This solution allows sales reps to contact only those leads where there is clear buying interest, saving time, reducing cost, and improving conversion rates.

Other common applications leverage AI and robotic process automation to streamline the bid process, reducing the time it takes to analyze and respond to proposals. Instead of completing proposal questions manually, it uses predesigned proposals that are automatically populated with internal data.

Early adopters of sales automation consistently report increases in customer satisfaction, efficiency improvements of 10 to 15 percent, and meaningful sales uplifts.

## 4. Empower and reskill the front line

In many organizations, capability building and sales training are undifferentiated. Centralized commercial hubs, smart processes, and responsive go-to-market structures can help sales reps significantly improve both their performance and job satisfaction, as long as they understand how best to adapt to the new operating model and leverage the insights to which they have access. To deliver on that opportunity, organizations need to update not just *what* they teach their sales reps but also *how*, by establishing tailored learning journeys.

For example, the software-solutions company mentioned earlier was troubled by high churn rates in its inside sales force, which consisted largely of younger reps with little experience. After the centralized commercial hub closely examined performance and retention data, they discovered that these sellers' transition moments, such as when they mastered a role or began looking for a new challenge, were different from those of more established reps. Four months into their job, for instance, young sellers typically plateaued. By intervening earlier with fresh training, leaders were able to change their performance trajectory, sharpening their skills in ways that made them more productive and helping them feel more successful. These changes improved performance and retention significantly.

The use of analytics to support reps is particularly important because the shift to virtualized sales models has increased the importance of thoughtful, timely, and relevant coaching and change management. A tech company that moved from a static account model to a more flexible and collaborative method knew it needed more intensive performance management and training to help reps use available tools and insights. The sales organization created personalized digital dashboards that made it easy for reps to access key customer data and pipeline analysis as well as recommended actions. The dashboard's back-end reporting allowed managers to track activity against goals to identify top-performing reps and those who needed more support.

Training was also provided to support mindset and behavioral changes. Sales coaches trained teams on what a "day in the life of a seller" could look like under the new agile design. Role playing allowed sellers to test the multichannel sales approach in different customer scenarios. Salespeople enjoyed the empowerment that came from approaching sales more strategically. They also saw that allowing different channels to take on the deal stages most suited to their experience made the reps' own roles more rewarding. Together, the tools, training, and support drove a 7 percent increase in quarterly revenues.

## Key questions to help get started

Any redesign of the sales organization around these "dominos," however modest, requires thinking through a variety of business and technical considerations to shape the overall vision and outcomes. The following questions can help leaders begin those discussions.

— **How empowered is your commercial hub, and can it deliver critical sales insights?** The most effective commercial hubs have the institutional authority and clout to set strategy and redesign core knowledge processes. Success requires strong leadership and committed engagement as well as ongoing consultation with the sales force to identify what tools, processes, and analytics can deliver insights in the most useful way.

— **What technology investments should you prioritize?** Taking inventory of existing data repositories, tools, and systems across the organization can often be eye-opening, revealing hidden gems in the form of underused business and customer data as well as critical gaps. Those insights can help leaders determine where to prioritize tech spend and hiring. Benchmarking capabilities against peer organizations can also be instructive.

— **How quickly can you align resources against attractive customer opportunities?** Leaders need to make sure they have the data and analytics in place to understand changes in demand and to adapt their operating model. Segment and behavioral analyses can shine a light on shifts in customer buying habits, helping sellers better align their commercial strategy and go-to-market approach.

— **What will the seller profile of the future look like?** As sales organizations shift to digital models with centralized commercial hubs, smarter processes, and "boundaryless" structures, they need new capabilities. Likewise, new verticals and segments may become more important. Investing time up front in anticipating key postpandemic capabilities can help sales organizations adapt more quickly.

Success in the next normal will require sales organizations to analyze virtual interactions, derive insights in near-real time, embrace digital channels, and adapt their sales reps. By focusing on building and scaling proven capabilities, sales leaders can trigger the domino effect they need to drive the next level of growth and performance.

**Bertil Chappuis** is a senior partner in McKinsey's Silicon Valley office; **Gui Cruz** is an associate partner in the New York office; **Ben Ellencweig** is a partner in the Stamford office; **Maria Valdivieso** is a partner in the Miami office; and **Michael Viertler** is a senior partner in the Munich office.