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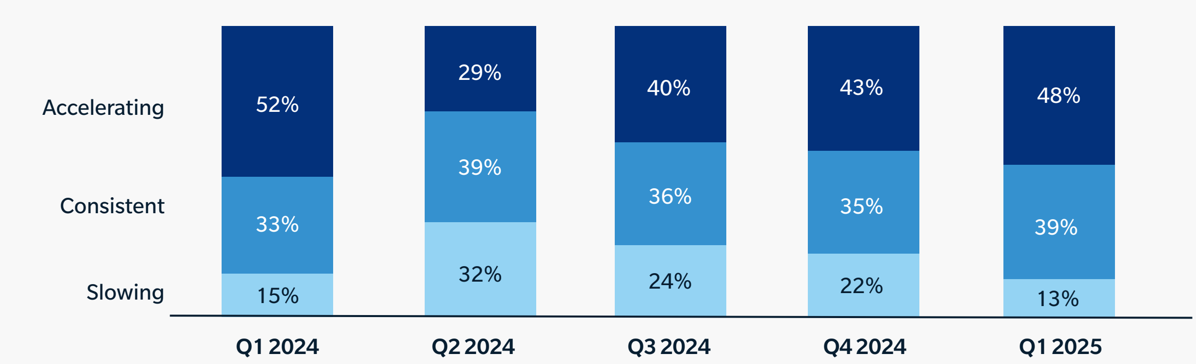
CEO Value Creation Pulse: **Overcoming Risks to Manage Through Uncertainty**

MAY 2025

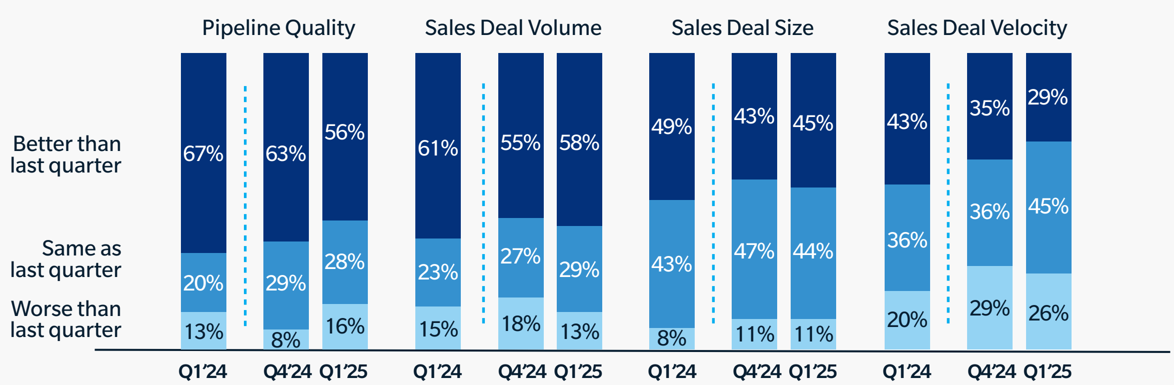
In our last report on CEO sentiment we noted that CEOs were entering 2025 with cautious optimism. More than 70% had met or exceeded their growth targets for the year, and a growing portion reported that demand was accelerating. As we approached the end of the first quarter, however, sentiment had begun to moderate. While the portion reporting that demand was accelerating in the quarter grew again, to 48%, more forward-looking indicators showed a decline. SBI's overall commercial sentiment index (a combination of sentiment related to pipeline, deal velocity, deal size, deal volume, and renewals) showed a modest slide, driven in particular by declining positive sentiment on pipeline quality and deal velocity. Sentiment was also far below the highly unrealistic optimism CEOs were feeling at the same time last year. In short, even before tariff announcements in early April 2025 ushered in an era of high business environment uncertainty, CEOs were beginning to feel it, and reflect it in their strategies.

CEO Characterization of Demand



Q1 2024 N = 87; Q2 2024 N = 102; Q3 2024 N = 140; Q4 2024 N = 120; Q1 2025 N = 127
Source: SBI Q1 2024 CEO Survey; SBI Q2 2024 CEO Survey; SBI Q3 2024 CEO Survey; SBI Q4 2024 CEO Survey; SBI Q1 2025 CEO Survey

CEO Sentiment on Select Commercial Indicators



Q1 2024 N = 87; Q4 2024 N = 120; Q1 2025 N = 127
Totals may not sum to 100 due to rounding.
Source: SBI Q1 2024 CEO Survey; SBI Q4 2024 CEO Survey; SBI Q1 2025 CEO Survey

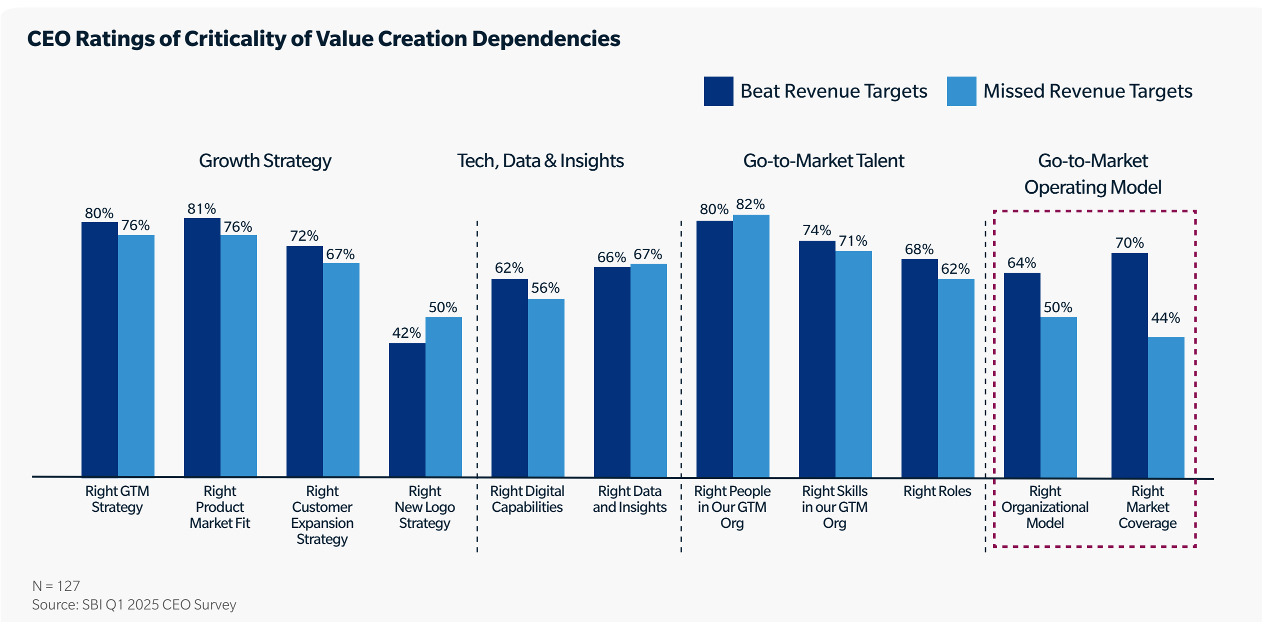
In times of high uncertainty it's useful to see how those who have been successful in the past are approaching the current environment. To do this we focused on where companies are most likely to face challenges if the current market environment continues — revenue growth. We compared companies that beat their revenue targets in 2024 with those that missed their targets. While of course past performance is not an indicator of future success, we found notable differences in how these cohorts think about their operating model, commercial talent, and commercial data and insights that present lessons worth considering as CEOs navigate today's uncertainty. In particular, there are three significant areas of risk:

- Risk 1: Operating Model — Under-Estimating the Importance of Market Coverage and the Organizational Model
- Risk 2: Talent — Executing with the Wrong People, with the Wrong Skills, Turning Over at Higher Rates
- Risk 3: Data and Insights — Taking an Overly Conservative Approach to Commercial Technology Investment Decision-Making

Risk 1: Under-Estimating the Importance of Market Coverage and the Organizational Model

SBI regularly pulses CEOs on their sentiment regarding eleven aspects of their go-to-market organization, organized across four growth dependencies — go-to-market strategy, go-to-market operating model, data and insights, and go-to-market talent. While in general those whose companies beat their 2024 revenue targets and those who missed view each of these dependencies with more-or-less equal criticality, there are two where we found stark differences:

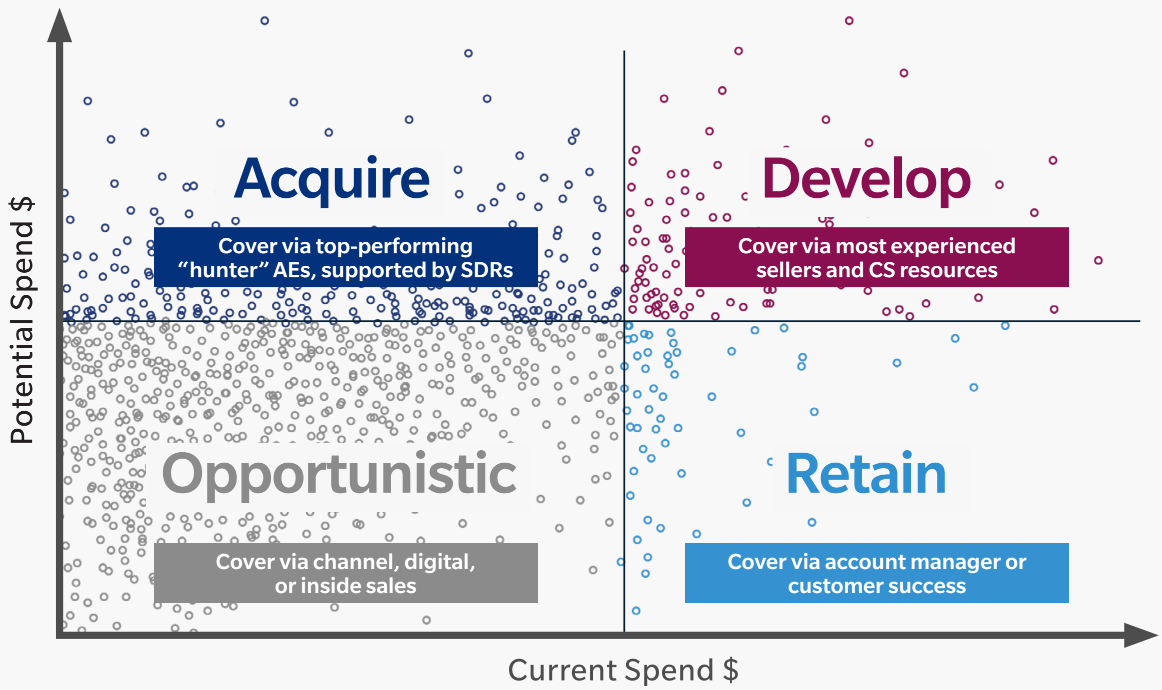
- The go-to-market organizational model — 64% of those who beat their revenue targets viewed it as critical to success, compared with only half of those who missed targets.
- Market coverage — 70% of those who beat their revenue targets viewed it as critical to success, compared with only 44% of those who missed targets.



Under-estimating these two aspects of the operating model is clearly short-sighted, and has left those companies that did so ill-prepared for an environment of deeper uncertainty and higher purchase scrutiny. Having the right market coverage, in particular is only more essential when deal scrutiny is higher. Commercial leadership teams need to allocate their resources expertly to tightly match effort and spend with market opportunity. Yet our research finds that companies are unlikely to have significantly evolved their coverage models. This leaves them with expensive account teams chasing lower-potential accounts that may be better pursued by channel partners or even automated outbound motions.

We recommend that companies use the ROAD model as a standard framework for segmenting and prioritizing existing customers using potential spend and actual current spend for each account. The model divides the market into four groups with distinct sales motions and coverage requirements. This allows commercial leaders to have a continuous read on the best opportunities and align the right teams and processes to them.

A sample ROAD model output aligning accounts to their optimal coverage strategy.



Similar to market coverage, when it comes to the go-to-market organizational model, the more successful organizations are ensuring their teams are streamlined and coordinated to avoid both over- and under-resourcing. This takes two forms.

First is ensuring they don't under-resource the analytics and coordination — typically via a strong revenue operations capability — that are critical for sharp targeting and continuous monitoring of commercial performance, leading indicators, and market shifts. We find that a common theme in healthy growth organizations is placing a highly competent and capable revenue operations leader with tremendous authority over the GTM strategy and related decisions such as ICP definition, market and account segmentation, coverage, and territory design. In these organizations, the CRO's role focuses on commercial execution, people management and driving change management. This separation of duties, while sometimes uncomfortable when the market is not cooperating, is critical to succeed in that environment.

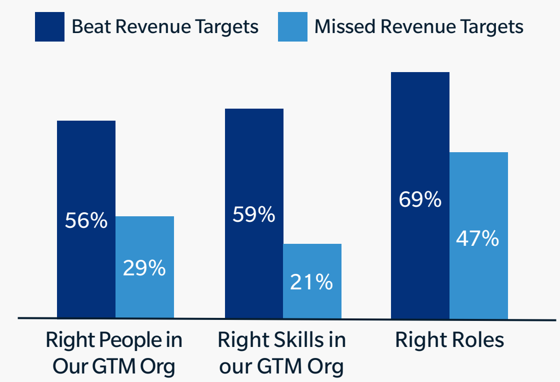
The other organizational model risk surfaces at the level of deal execution. One of the biggest drivers of friction, and ultimately deal indecision, for buying teams is lack of alignment among the selling team. Our research finds that buyers make contact with on average five supplier reps, and 70% of the time they are unsure what each one of them does or what value they bring. This leads the same portion to report an overall frustrating supplier experience. This friction kills deals in normal market conditions, and only intensifies buyer withdrawal in times of high scrutiny.

We see companies that regularly conduct a role-based time and task audit making the necessary organizational shifts well before redundant time spend among their teams becomes too unproductive. They also establish clear and distinct RACIs for cross-sell, up-sell, and retention activities to reduce overlaps and increase ACV, and keep them updated as their sales process and buyer journeys evolve.

Risk 2: Executing with the Wrong People, with the Wrong Skills, Turning Over at Higher Rates

The skills required to succeed in an uncertain market are different than those when buying is easier, and often both more rare and more challenging. While CEOs at many companies that beat their revenue targets have concerns about their commercial talent (roughly 40% expressed uncertainty with their people and skills), more than 70% of those that missed their targets do not think they have the right people and the right skills. This sentiment is only likely to intensify, as the delays and complexity associated with buying deepen.

CEO Ratings of Adequacy of Talent-Focused Value Creation Dependencies



N = 127
Source: SBI Q1 2025 CEO Survey

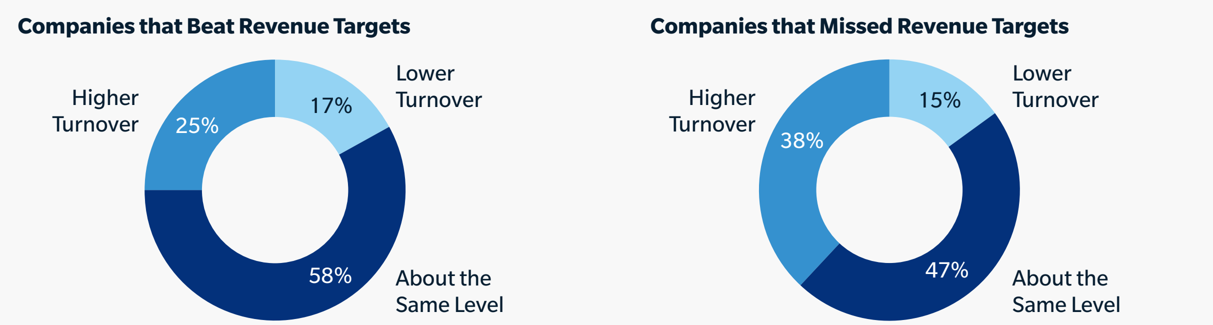
SBI research has found two sets of skills, which we refer to as "seller approaches" to be more successful in markets characterized by extended deal cycle times and smaller deals. The first set, "Translating", focuses on quantifying and contextualizing the deal deeply in the buyer's data and initiatives. It involves skills and activities like denominating the solution's value directly in buyer data, positioning the business case within the broader initiative and strategy, and making complex messages simple enough that buyer mobilizers can advocate on your behalf. The second set, "Anticipating", focuses on "seeing around corners" to enable a friction-free buying journey. It involves skills and activities like proactively managing the buying team, gathering a deep understanding of their buying process, and collaborating well internally to avoid mis-steps and setbacks.

Both of these approaches require time, patience, and skills that are less critical or even counter-productive when markets are moving. Our ongoing assessments with clients demonstrate that only 37% of sellers have or regularly apply them as their primary approach to the sale. Yet those sellers who do apply these approaches realize shorter deal cycles and larger deals than those who don't. This critical shortage in an environment characterized by delay represents a substantial risk to growth goals.

This risk gets even more significant considering a second talent-related challenge that companies missing targets face — seller attrition. A higher portion of them (38%) saw higher rates of seller turnover in 2024 compared with 2023. In some ways this isn't a surprise and represents something of a "chicken and egg" question — are more sellers leaving because the product is not selling, or is performance to target suffering because more sellers are leaving?

In either case, if demand continues to tighten, attrition can become more problematic for all. For better-performing companies, lower-performing sellers may choose to stay at a higher rate as their options are less favorable elsewhere. For lower-performing companies, the best sellers may choose to leave at a higher rate for better opportunities to make their number.

CEO Characterization of Seller Turnover Rate in 2024 Compared to 2023



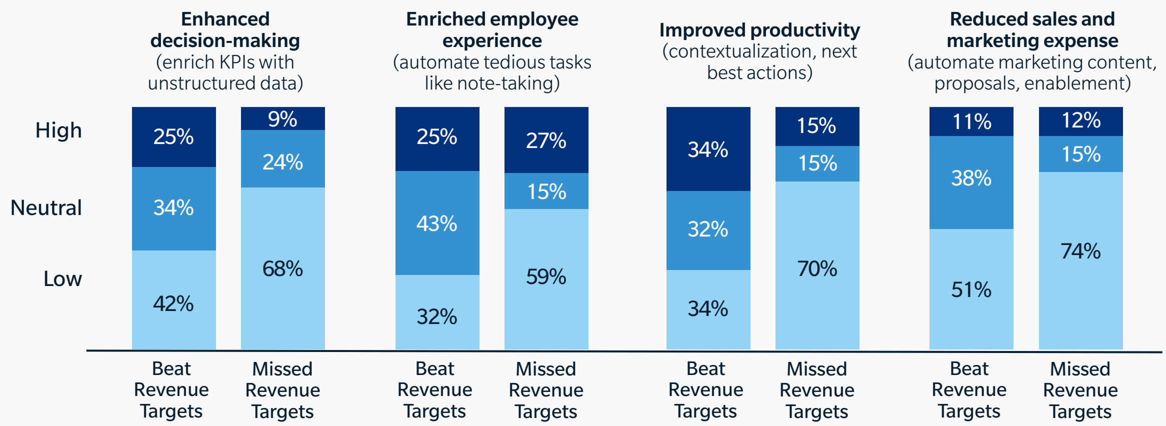
N = 127
Source: SBI Q1 2025 CEO Survey

Risk 3: Taking an Overly-Conservative Approach to Commercial Technology Investment Decisions

There is a stark disparity in the extent to which companies are realizing value from artificial intelligence investments for improving execution. Similar to the attrition question, there is a potential causational mystery here — are successful companies successful because they are getting more out of artificial intelligence, or are they able to get more out of it because they have the opportunity to do so? We suspect, based on their investment approach, that it is more the former.

When it comes to value realized from artificial intelligence, those who have beat targets are getting value in notably different ways. In particular, they are significantly more likely to be reporting high or even neutral value from AI in enhancing decision-making (3x more likely), and improved productivity (2x more likely). This suggests that companies looking to accelerate their execution using AI should be looking to these areas first, before the more simple use cases of automating routine tasks or reducing headcount. More suc-cessful companies are separating themselves by using AI for more material, step-change improvements.

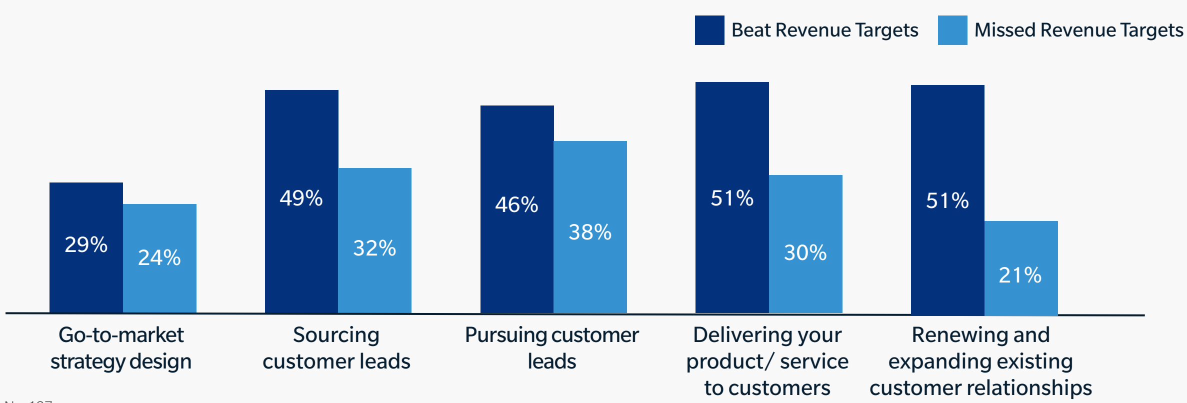
CEO Ratings of Value Delivered So Far From Artificial Intelligence



N = 127
(Totals may not sum to 100 due to rounding)
Source: SBI Q1 2025 CEO Survey

This is similarly showing when we drill down to various aspects of go-to-market execution. Looking across the spectrum of go-to-market activity, we find those who beat revenue targets to be significantly more likely to be finding value from artificial intelligence. This is most striking in renewals (likely a result of significant penetration of AI into customer success activities), but also in product delivery and sourcing customer leads. As noted above, the less transactional the activity, the more likely leaders are to have begun to create some separation in their use of artificial intelligence.

CEO Ratings of Value Delivered So Far From Artificial Intelligence Across Commercial Operations

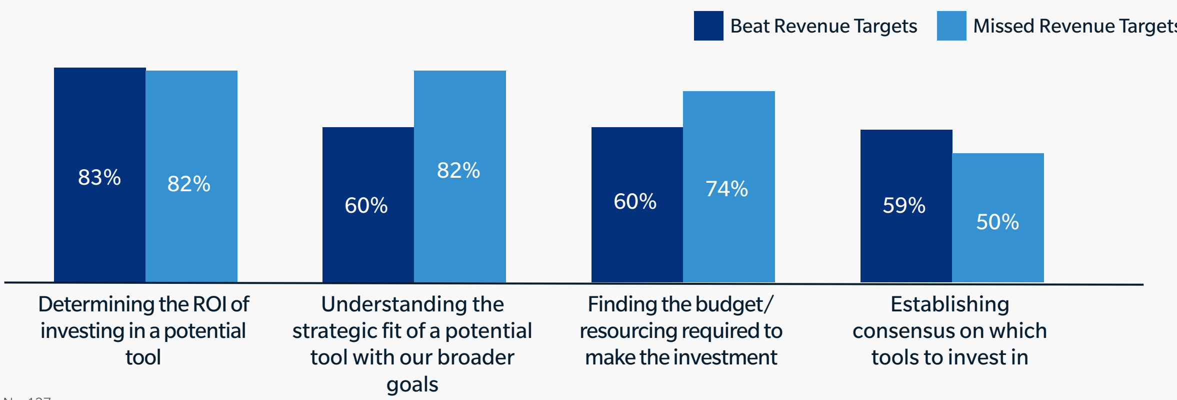


N = 127
Source: SBI Q1 2025 CEO Survey

While there are undoubtedly numerous factors underlying these differences, our most recent surveying found three core differences in investment decision-making worth noting.

First, those who missed revenue targets — and by extension are getting less value out of artificial intelligence in commercial execution — appear to be getting in their own way. A higher proportion of them prioritize more investment decision factors than those who beat their targets. Those who beat revenue targets are as focused on the ROI of a potential tool as those who missed. But they are notably less concerned with the strategic fit of the tool, or finding the budget to invest in the tool. Expressed a different way, they are more likely to take a chance on a technology, while those who missed their targets are more likely to evaluate it from multiple angles (making it easier to become convinced it won't work out, particularly with newer solutions).

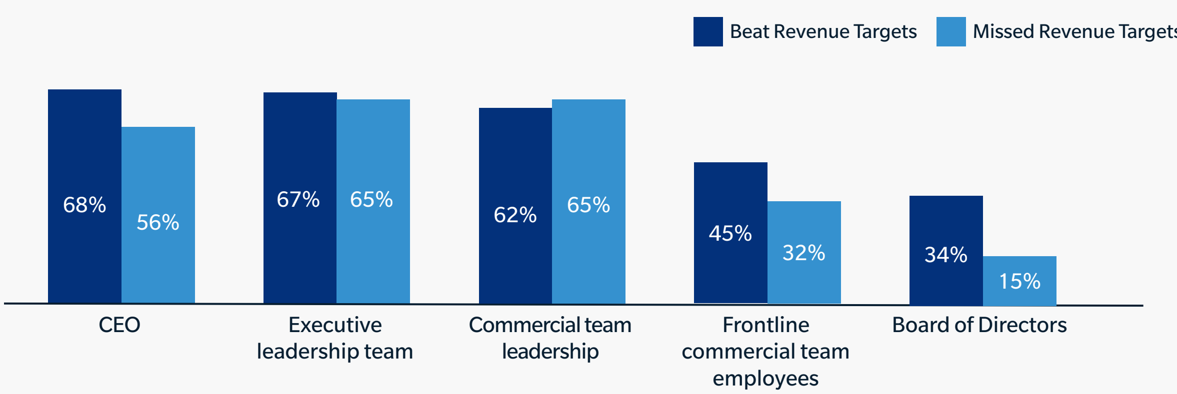
CEO Ratings of Decision Criteria when Considering Technology Investments



N = 127
Source: SBI Q1 2025 CEO Survey

The second notable difference may initially seem contradictory with the first, but in fact is complementary. While companies that beat expectations appear more open to experimentation when it comes to commercial technology investments, they also are more likely to involve more individuals in their decisions. In short, they cast a wider net for ideas. In particular, they are more than twice as likely to involve their Boards in decisions, and roughly 50% more likely to involve frontline employees. These leadership teams are seeking inputs from across the organization on how they can improve execution using technology, and they are reaping the benefits.

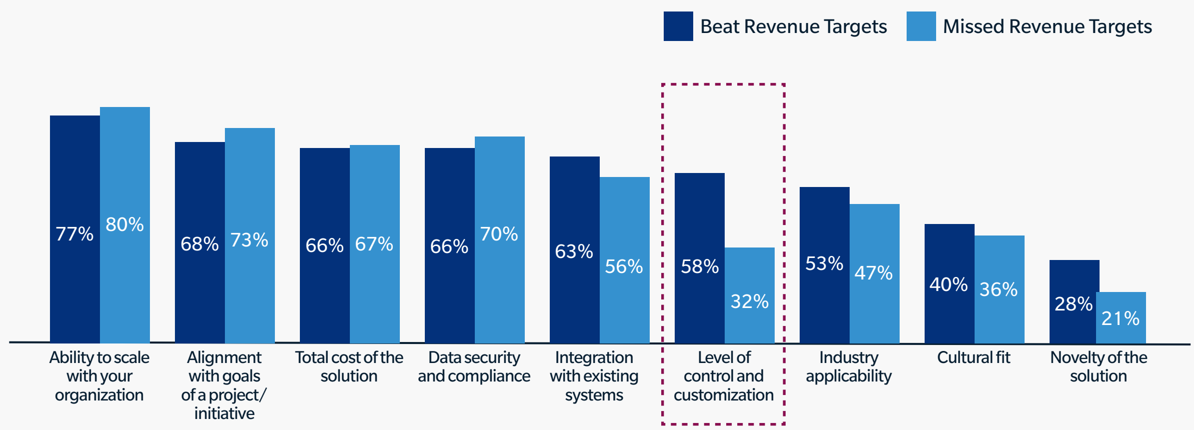
Portion of CEOs Reporting High Influence of Stakeholders on Commercial Technology Investment Decisions



N = 127
Source: SBI Q1 2025 CEO Survey

A final area where those who beat revenue targets differ is the product features and benefits they emphasize for commercial technology investment decisions. To be clear, for the most part both groups are aligned in their relative emphasis on different criteria. They both see ability to scale with their organization and alignment with a specific initiative as the most important criteria, for example. And on the opposite end, neither is overly distracted by the novelty of a solution.

Portion of CEOs Reporting High Importance of Product Features for Commercial Technology Investment Decisions



N = 127
Source: SBI Q1 2025 CEO Survey

There is one interesting difference, however. Those who beat expectations are significantly more likely to see the level of customization and control as highly important to their investment decisions. To put it differently, those who are missing revenue targets — and by extension not seeing as much value from artificial intelligence in their commercial execution — are disproportionately under-emphasizing customization and control. This points to an additional potential key to successful investment decisions — pushing for direct applicability and use cases within your organization.

De-Risking Now to Weather Another Period of Uncertainty

2025 is proving to be another uniquely challenging year. This follows on the heels of a series of years with their own unique growth obstacles, from global pandemics to inflation. Companies that have successfully navigated those obstacles provide several important lessons that we have highlighted here:

- Regularly revise and refine coverage models and routes-to-market to ensure the right resources are aligned to the right opportunities.
- Resource and establish a strong voice for revenue analytics to support rapid market assessment and targeting.
- Ensure tight alignment and coordination across the go-to-market system to eliminate redundancies and maintain customer commitment.
- Shift emphasis toward selling approaches that center on the buyer journey and denominate value in buyer data to help reluctant buyers navigate the friction that delays decisions.
- Focus technology investments on material, strategic decision-making support over improving transactional efficiency, to enable better resource alignment and growth decision-making.
- Cast a wide net across the organization for identifying technology investments, and lower your bar for experimenting, to establish a commercial technology stack that enhances productivity and decision-making.

Next Steps

1. Go deeper on the approaches successful commercial teams are using to cut through buying friction.
2. Watch our recent webinar highlighting strategies for getting more out of artificial intelligence.
3. Talk to an SBI expert about strategies for improving analytics, market coverage, or any other topics highlighted in this report.

About This Research

SBI surveyed 127 CEOs and senior go-to-market leaders across industries, with a particular emphasis on software, business services, and healthcare. Roughly 65% of respondents came from private equity-sponsored companies.

The survey was fielded in March 2025. It covered several aspects of their 2025 plans, their technology investment strategies, and trends in customer demand, go-to-market team productivity, and go-to-market strategies.

Why SBI?

Driven by insights and delivered from experience, SBI continues to help clients grow their revenue, margin, and enterprise value in ways never before possible.

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