



Revive Commercial Productivity By Easing Buying Friction

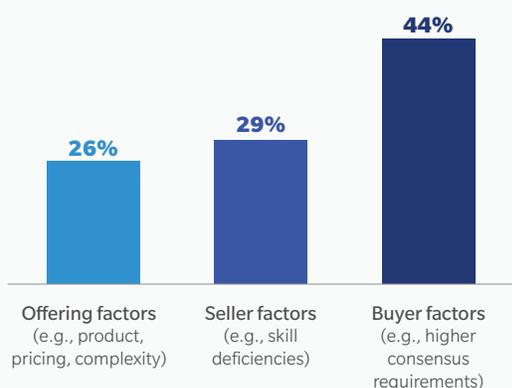
Insights from SBI's State of B2B Buying Research



Revive Commercial Productivity By Easing Buying Friction

After an uneven and underwhelming 2023, executive teams are optimistic that reinvigorated demand will drive rapid growth in 2024. Unfortunately, poor productivity threatens to derail executives' growth goals, with over half of sales teams showing flat or declining productivity¹. Typically, a shortfall in commercial productivity is seen as an internal challenge driven by problems with a company's sellers or offerings. However, CEOs today are more likely to point to external buyer factors as the biggest threat to commercial productivity (figure 1).

Figure 1: CEO Allocation of Points Against Commercial Productivity Challenges

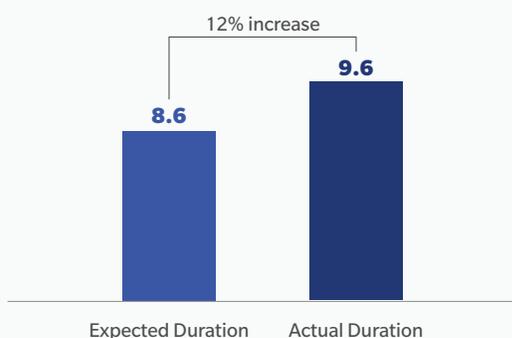


N = 87
Source: SBI Q1 2024 CEO Survey

CEOs' instincts are right, friction in the buying process is hurting commercial productivity. Three years of constant change — the Covid-19 pandemic and its fast economic disruption and similarly fast recovery, the post-Covid boom, and the end of ZIRP (zero interest rate policy) — have forced companies to adjust and readjust their priorities, org structures, and internal policies.

These continuous readjustments have created what we refer to as '**reset buying**'. Just when buyers think they've matched their company's needs to supplier's offerings and gotten everyone to agree, changes reset their progress and make them start over.

Figure 2: Expected and Actual Buying Journey Duration in Months



N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey

Reset buying introduces and amplifies friction in new ways, slowing decisions and grinding deals to a halt. Today, buyers are forced to deal with more executive scrutiny, more stakeholders, and more internal bureaucracy as companies take additional precautions to ensure every purchase aligns with the company's updated needs. These additional hurdles slow deals, with purchases taking 12% longer than buyers anticipated (figure 2).

To understand how buying behaviors are undermining commercial productivity, and what commercial strategies must do to evolve, we surveyed 643 B2B buyers who recently completed or attempted to complete a purchase. We supplemented this buyer perspective with conversations with CEOs, CROs, and CCOs about their team's experience working with customers and serving as an executive sponsor of a buying decision in their organization.

¹SBI Q1 2024 CEO Survey. 52% of CEOs indicate flat or declining quarter over quarter seller productivity. N=87

Some of what we learned has been widely known or at least felt for some time now – buying groups are larger than ever and executive approval requirements are high. Digging deeper, though, we found four under-appreciated changes (figure 3) that speak to the true root causes of declining commercial productivity. **In most cases, current commercial strategies aren't wrong, but they aren't enough to succeed. Commercial teams aren't aligned with today's buying realities, and it is causing the increases in cycle times, reductions in forecast accuracy, and lost deals so many teams are facing.** We cover each of these four in more detail in the following sections.

Figure 3: How Reset Buying is Forcing Commercial Strategies to Evolve

	Traditional Buying Realities	Reset Buying Realities	How Commercial Strategies Need to Evolve
What the Buyer is Buying	Buyers seek solution capabilities that match their needs	Buyers seek supplier partners that will adapt with them	Demonstrate ability to evolve with buyers as their conditions change
Deal Staller	Overwhelming information makes it hard to decide what to buy	Renavigating and revisiting previous decisions in response to change	Anticipate buyer change to promote continued deal progress
Decision Dynamics	Customer advocates help build consensus among the core buying group	Consensus is just the first step with more influential ad hoc members and more executive involvement	Pull forward executive involvement with dedicated c-suite value propositions
Buyer Channel Preferences	Buyers highly value virtual capabilities and digital tools to enable ease and convenience	Buyers highly value in-person engagements to drive trust and relevance	Invest in commercial talent and in-person engagements

What the Buyer is Buying: Supplier partners that will adapt with them

Takeaways:



Buyers experience seven major change events leading up to their purchase,

meaning their business situation and needs are evolving during the entire purchase journey.

- Three-quarters of buyers say the amount of change in the market makes purchasing more difficult.



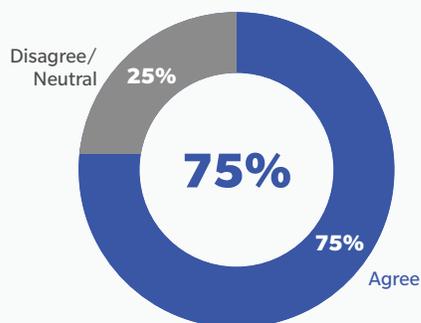
Commercial motions need to help buyers anticipate how their needs will evolve

and identify solutions that will adapt with them, instead of simply matching buyers' current needs to the right solution.

For today's buyers, change is a part of buying. In the year before their purchase, buyers encounter an average of seven major change events with a significant impact on their day-to-day work. This level of disruption led to 75% of buyers saying the amount of change in the market made purchasing more difficult.

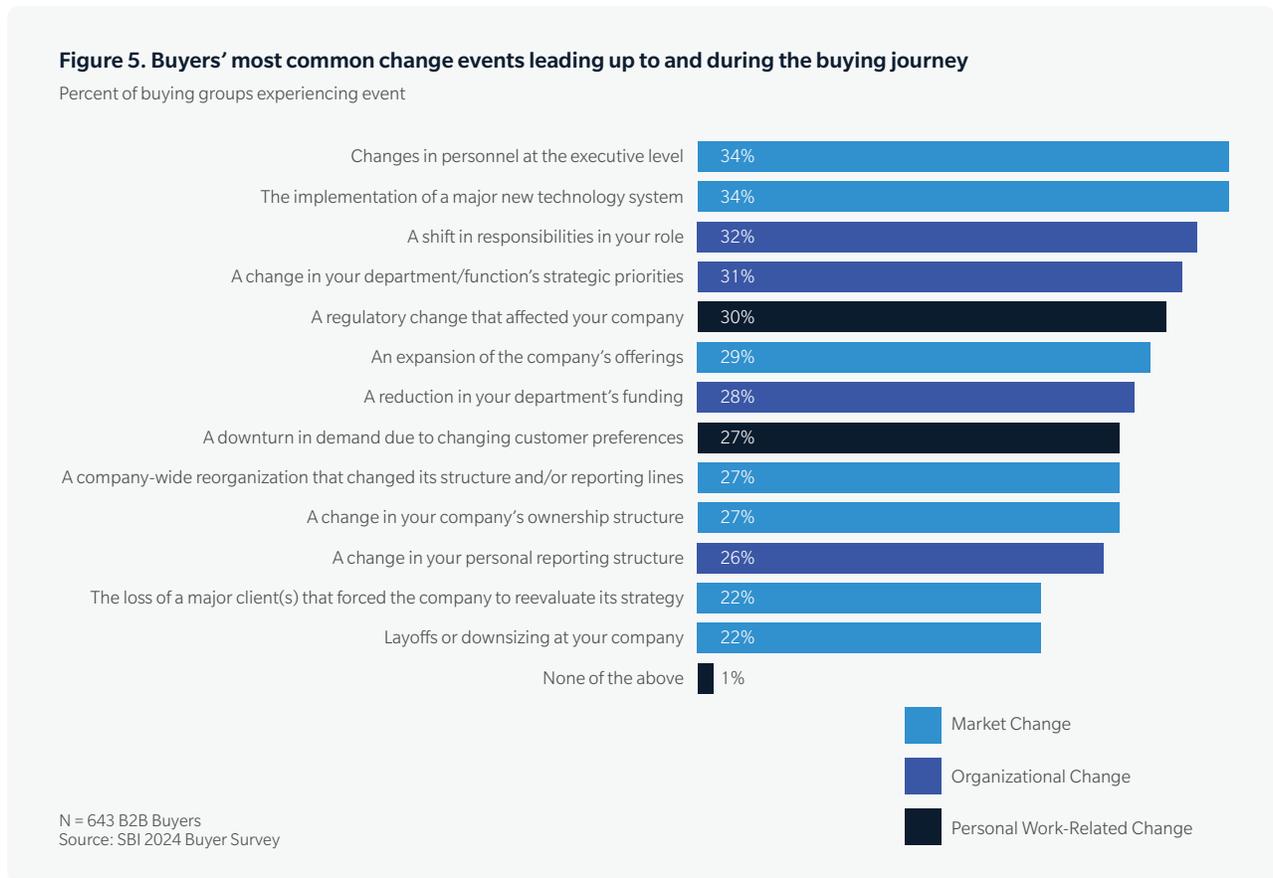
Figure 4: Impact of Change on Buyer Decision-Making

Changes in the economic environment made it more difficult to decide what to purchase.



N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

Figure 5 highlights the market, organizational, and personal work-related changes buyers experience. While the overall percentages are low for any individual change, recall that buyers report on average seven changes happening in the year leading up to their purchase. This means that the changes aren't predictable. It's not enough to simply expect a specific change, but rather suppliers need to deeply understand the specifics of any given buyer and what their organization is going through.



More importantly, major change events cause buyers' needs and purchase requirements to shift throughout the buying journey, leading to a more frustrating purchase experience. The unrelenting nature of change has fostered a "what's next" mentality where buyers expect and often wait for the next big change to happen.

In this environment, successful commercial teams anticipate how change will impact their buyers' needs and solution requirements. Commercial teams won't succeed matching buyers to solutions that meet their needs today; they must predict how their needs will evolve and identify solutions that will adapt with them.

Commercial teams won't succeed matching buyers to solutions that just meets their needs today; they must predict how their needs will evolve and identify solutions that will adapt with them.

Deal Staller: Buying complexity makes 'starting over' even more difficult

Takeaways:



The information, people and choices intended to make buying easier are introducing friction and slowing deals.

- 78% of buyers say there is so much information available they just tune out and trust their gut.
- 70% of buyers say they talked to an overwhelming number of supplier reps and aren't sure what they all did.
- 74% of buyers say the number of products, options, and pricing models made it more difficult to know what to buy.



More information, people and choices combine with constant change to create a buying journey that feels endless. Just when buyers agree on their needs and the right solution, change forces them to restart the process.



Commercial organizations need to preempt change to promote continued deal progress. Start by helping customers make guardrails to identify when a reset is necessary vs smaller course corrections.

More information, people, and choices are enduring problems that leave buyers trying to distinguish between offerings that look identical or at least close enough. The traditional friction created by the amount of information, people, and choices in a purchase is exacerbated when constant change makes buying feel like a moving target, as buyers are forced to 'relive' the same steps over and over.

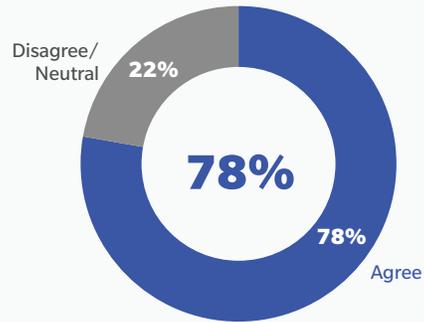
Our data and conversations reveal three ways constant change combines with information, people, and choices to make buying harder and lead to stalled deals:

1. Information isn't helping buyers understand how change impacts their needs

Suppliers, third parties, and the buyer's own company produce volumes of information that try to help make sense of change and the implications for purchase decisions. Unfortunately, the amount of information is making the problem worse, as conflicting and biased sources push buyers to their breaking point. Today, 78% of buyers say there is so much information available they just tune it out and trust their gut

Figure 6: Impact of Information on Buyer Decision-Making

There is so much information available trying to help me make a purchase I just tune it out and trust my gut.



N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

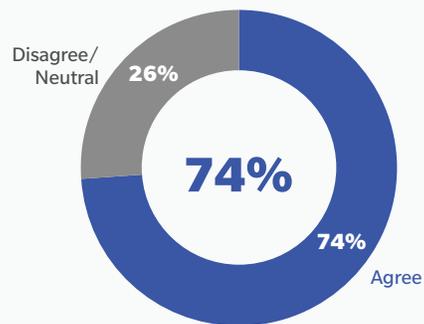
2. People are making the process more frustrating

Opinions from multiple stakeholders should help buying teams reach better decisions. But as buying decision teams (BDTs) have grown, internal coordination and stakeholder management have become one of the most frustrating parts of the entire buying journey for almost three-quarters of buyers.

External stakeholder management isn't any easier. Today's buyers work with five different supplier representatives during the buying journey. 70% of buyers say they talked to an overwhelming number of supplier representatives and aren't sure what they all did. More concerningly it's clear the customer experience is suffering, with 92% of buyers saying they felt like they needed to repeat themselves every time they spoke with a different person.

Figure 7: Impact of Internal Coordination on Buyers

Internal coordination and stakeholder management was one of the most frustrating parts of making a purchase.

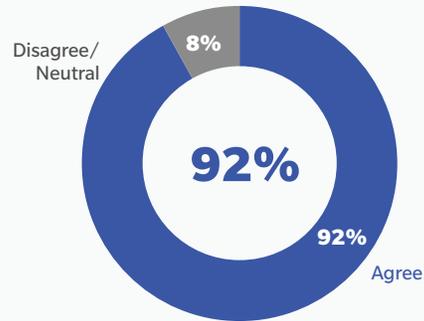
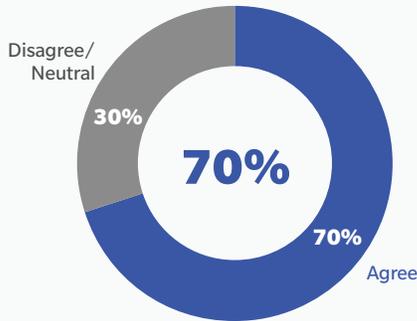


N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

Figure 8: Impact of External Stakeholder Volume on Buyers

We talked to an overwhelming number of supplier representatives and honestly, I'm not sure what they all did.

I felt like I needed to repeat myself every time I spoke with a different person from the supplier.



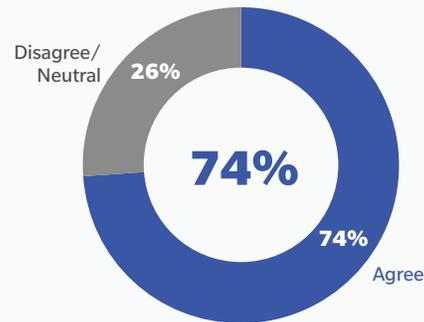
N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

3. Product options are causing more stress

Suppliers strive to have an option for different customer needs in the hope of making buying easier. Unfortunately, instead of making things easier expanding solution sets has become a real challenge. Seventy-four percent of buyers say the number of products, options, and pricing models made it more difficult for them to know what to buy.

Figure 9: Impact of Choice on Buyer Decision-Making

The number of products, options, and pricing models available made it more difficult to know what we should buy.



N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

Buyers have long dealt with overwhelming information and difficult consensus dynamics, but commercial teams knew how to guide buyers to the right sources and work with advocates to facilitate consensus. This approach fails when customers' needs change because commercial teams find themselves caught in the same loop: helping buyers re-learn and re-decide. Just when a commercial team thinks a deal is near the finish line, change shifts the buyer's purchase requirements, shuffles stakeholders, and forces sellers to start over helping them reevaluate options and build consensus. Even if the deal still closes, it will likely be weeks or months later than expected.

Commercial teams must evolve to help buyers make continued progress even when everything is in flux. Preempt change by discussing common change events and likely impacts. The goal isn't to prevent change but to give buyers a direction to look so they aren't trying to reconcile how change impacted their previous decisions. Identify ways to reduce complexity as buyers are re-setting by proposing specific offerings based on your conversations to-date, and limiting the number of commercial stakeholders who must re-engage.

Decisions Dynamics: Consensus is Just the First Step

Takeaways



Ad hoc buying group member influence is growing. They have veto power in a quarter of buying groups, letting them stop a purchase even if everyone else agrees.



Even consensus isn't enough to push a deal over the line. More than three-quarters (78%) of buyers say they were overruled by senior executives who may not have been involved in the decision before that point.

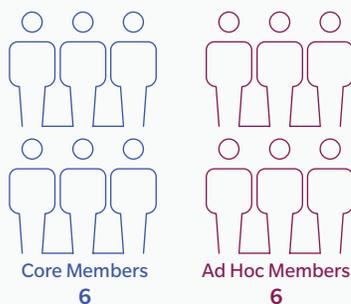


Commercial teams must expect, track, and pull forward executive involvement. Establish a dedicated value proposition that appeals to the C-suite and leverage executives in peer-to-peer engagements when possible

Today's buying decision teams have 12 internal stakeholders, evenly split between six core BDT members and six ad-hoc buying members who provide point-in-time guidance (figure 10).

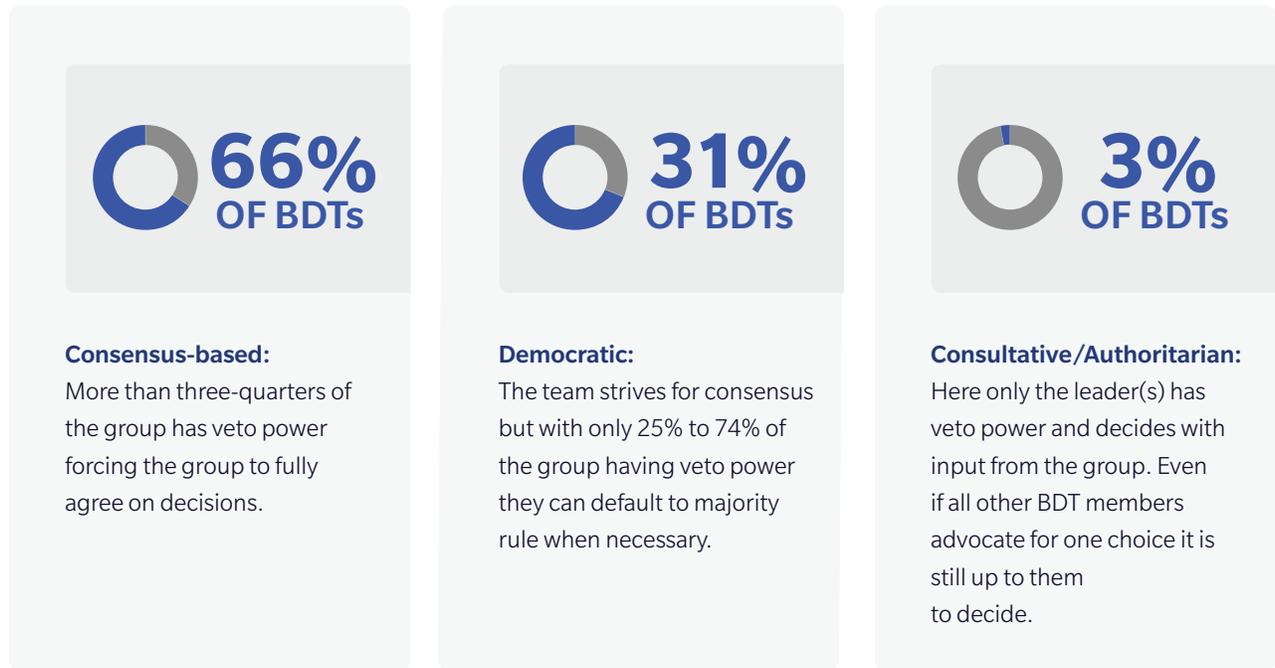
Ad hoc members' influence over decisions is growing. They were originally intended to be a way to collect organization-wide feedback while keeping the core buying group size manageable. Now, in 25% of BDTs ad hoc members can 'veto' a purchase even if all members of the core buying team agree.

Figure 10: Buying Decision Team Split Between Core and Ad Hoc Members

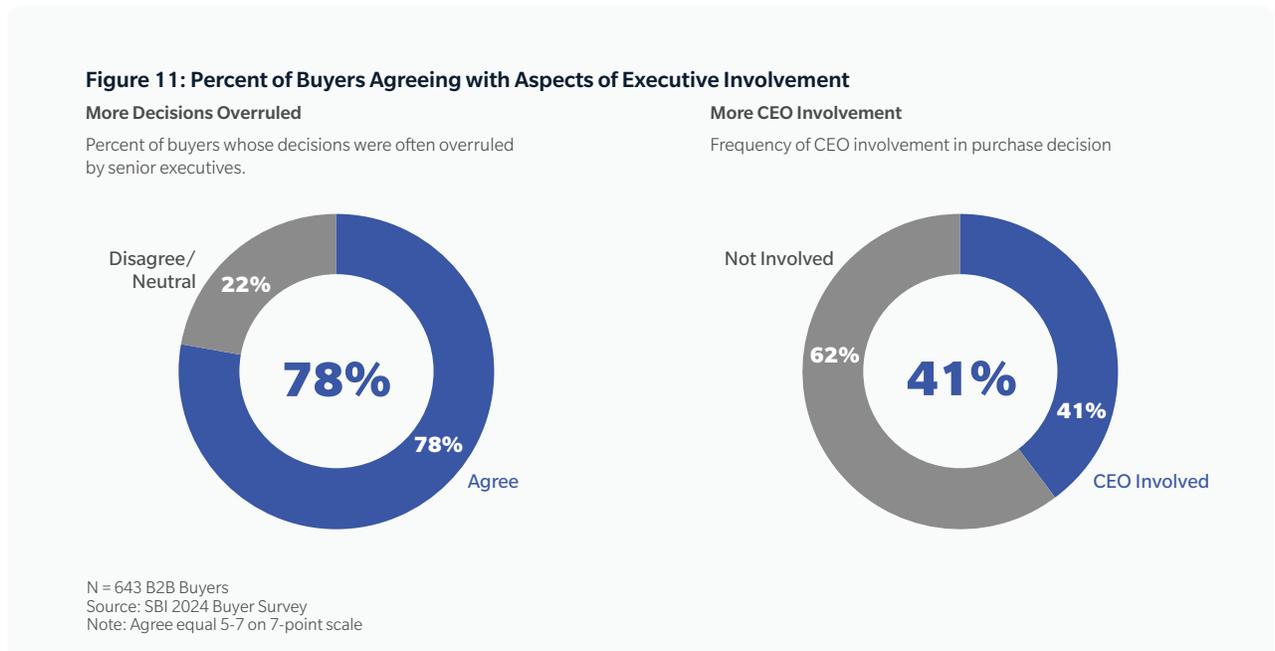


N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey

Consensus-based decisions have long been the norm in B2B buying. Today, two-thirds of BDTs strive for consensus in an environment where at least 75% of the core buying group has veto power. Buying groups fall into three categories:



For BDTs today, consensus is only the first step in the approval process. Senior executives are more involved in what were previously routine buying decisions, and 78% of buyers say senior executives overruled at least some of their decisions. This often resets the BDT’s progress. What’s more 41% of buyers report having the CEO directly involved in the purchase.



Executive approval isn't new, but it is no longer a check-the-box activity. Senior executives are increasingly likely to delay or stop a purchase even late in the buying journey. Their concerns vary but often focus on whether the BDT's decision aligns with the company's current strategic priorities vs. when the purchase started.

Commercial motions must evolve so executive approval is expected instead of an exception. This means that even when senior executives aren't directly part of the core buying group commercial teams should be prepared with value props tailored to the needs of C-suite buyers. In addition, commercial leaders should:

1. Track executive involvement and change events. This will help the commercial team have a more nuanced understanding of the customer's original business situation and how it has evolved throughout the deal, and arm them with the information to engage executives.
2. Develop the team's ability to have strategic conversations with executives. Until these skills develop, use internal executives for short peer-to-peer conversations with buyer executives.

Buyer Channel Preferences: In-person engagement to drive relevance and trust

Takeaways



Digital fatigue has buyers more than twice as likely to say they prefer in-person meetings over digital engagements on their own.

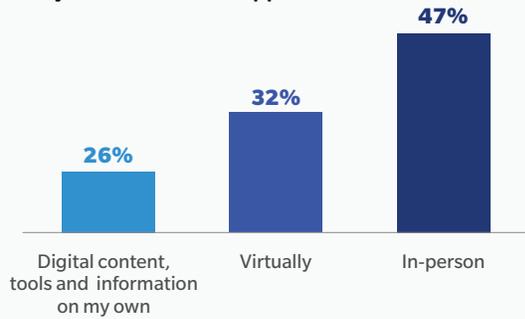


Invest in commercial talent that can build trust with buyers by demonstrating they understand how change impacts buyers' needs and feel like an extension of the team.

For years, buyers have moved freely between digital and in-person touchpoints throughout the buying journey to learn about and engage with suppliers. A resetting buying journey doesn't change this behavior, but it can make it more exhausting reusing the same tools and reengaging with representatives to try and decide what to do next. To understand what interactions buyers found most valuable by the end of the buying journey, we asked buyers (figure 12) whether they preferred:

- Interacting with digital content, tools, and information on their own,
- Working with supplier representatives virtually,
- Working with supplier representatives in-person.

Figure 12: Buyers Preferred Way to Interact with Suppliers



N = 643 B2B Buyers
Source: SBI 2024 Buyer Survey

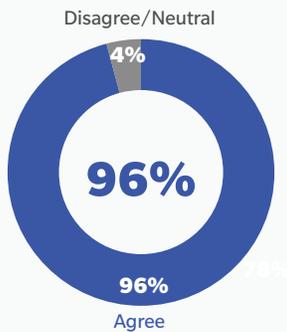
Of course, the choice between using digital content on one’s own and supplier-led engagements isn’t one or the other. Buyers are most often using digital channels to quickly research their options without external influence (47% of buyers cite this reason). But this data tells us that if they had to choose, buyers would prefer the in-person interactions. It appears they are feeling some level of “digital fatigue”. What’s more, in a buying environment filled with change and complexity, they need a trusted partner more than ever.

Nearly all buyers who prefer working with reps in-person say they provided an enjoyable, trustworthy, and effective experience that helped them reach a better decision (figure 13).

Figure 13: Feelings About Supplier Representatives from Buyers Preferring In-Person Interactions

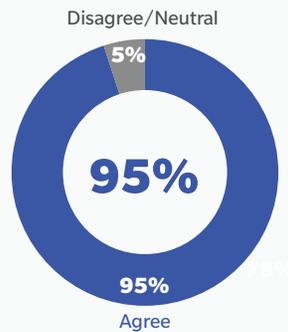
Enjoyable

“Working with representatives from the supplier was an enjoyable experience.”



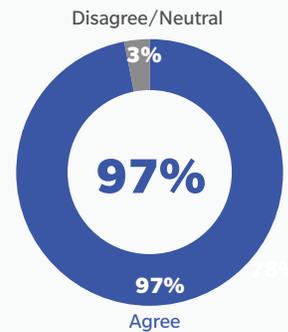
Trustworthy

“I trust the supplier’s representatives to put the needs of my company first.”



Effective

“The supplier’s representatives helped us avoid potential obstacles during the buying journey.”



N = 303 B2B Buyers
Source: SBI 2024 Buyer Survey
Note: Agree equal 5-7 on 7-point scale

While ‘more people’ frustrates buyers, as detailed earlier in this report, the size of commercial teams is less important than coordination between them. When commercial teams coordinate, they provide buyers with something they crave: A guided purchase experience with someone they trust. When working with a supplier feels enjoyable, trustworthy, and effective buyers start to feel they understand how change impacts their needs and suppliers begin to feel like an extension of the team. In short, it feels like the supplier just ‘gets it’ and sees the bigger picture about what the buyer is trying to accomplish. This feels like a high bar, but we see it today where 25% of buyers say their supplier was very effective in doing exactly that, and those are the suppliers most likely to succeed in today’s buying environment.

Conclusion

Strong demand alone isn't enough to meet executives' growth goals. Reset buyers are struggling to make a purchase with their needs and the environment in constant flux. Helping today's buyers requires rethinking commercial strategies. Specifically, commercial strategies must evolve in four ways:

1. **Demonstrate the organizations' ability to evolve with buyers as their conditions change**
2. **Help buyers anticipate how change will impact their needs to avoid the distractions created by re-learning, re-aligning, and re-deciding**
3. **Expect, track, and engage executive and ad hoc stakeholders to avoid late-stage slowdowns.**
4. **Invest in commercial talent and in-person engagements to improve relevance and trust**

SBI has been researching and helping clients to drive commercial team productivity in buying environments like what we describe in this report for years. Some additional resources to get started:

- Learn about the sales approaches that are proving to be most productive in today's buying environment: [Delivering Sales Velocity in Today's Market](#).
- Understand the unique characteristics of your own commercial team's high performers with [SBI's Talent Assessment](#).
- Equip your sellers with tools to dive deep into the buyer journey with SBI's [Buyer Journey Template](#) (SBI Pro clients only).

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www.sbigrowth.com