

RESEARCH REPORT 2021

THE FUTURE STATE OF SALES

Top 10 Trends Shaping the Future of Sales

Written by Henrik Larsson Broman with support from Dr.
Markus Ejenäs and analyst Elias Bayat



RESEARCH





TABLE OF CONTENTS

1	Introduction.....	3
	Sales is changing faster than ever	
2	About the Survey.....	4
	What is the focus of this report?	
3	Executive Summary.....	5
	Summary of important findings	
4	The 10 Most Critical Trends in B2B Sales.....	6
	Findings from our survey	
5	Appendices.....	41
	Results by industry, function and company size	
6	About Mercuri Research.....	46
	We bring leaders insights about sales excellence	

INTRODUCTION

Sales is changing faster than ever. Fierce competition, changing customer behavior, increased pace of innovation, new technological solutions and changing values are some of the driving forces that companies need to cope with in order to keep up with this rapid development.

This raises several questions. How should we orient ourselves amongst all these changes? Which technologies matter? What should we invest in for the long term? And how do we prioritize and make wise decisions? It is easy to feel overwhelmed and become paralyzed by the rapidly growing volume of information. In this context, trend analysis is an important tool for preparing for the future.

A trend can indicate a long-term and stable direction of a change. There is also a movement connected to a trend: something increases or decreases, a new value arises, or a new phenomenon appears that changes people's expectations and fundamental needs in a new way. Trends describe our time's primary shifts, and can result in new thoughts and ideas. Trends don't tell us exactly how the future will be but they provide us with direction and confidence in the business decisions that we make.

The conclusions in this research report are based on several years of extensive qualitative and quantitative research on trends that particularly affect a specific area

that we care about a lot – sales and marketing. As a basis, we have started from the 50 trends that we describe in the book "Supertrends – facts and insights to future-proof your sales and marketing". But which of these trends will have the greatest impact on sales and marketing in the coming years? And what do business leaders consider most critical to stay competitive in the future?

To find answers to these questions we invited business executives to be part of our research and answer our survey, with the aim of validating which trends are most important for their future business. More than 1,000 leaders answered our survey which gave us some very interesting results, presented in this report.

Our hope is that the trends we present will give you inspiration and guidance in steering your business in the right direction. By making wise decisions, trends can accelerate an organization and lead to better results. At the same time, employees can feel more motivated and proud to work for a modern, future-oriented company. Those who understand how to adapt to these rapid changes and turn these changes into opportunities will be the winners of the future. It's just a matter of catching them.

Henrik Larsson Broman
Mercuri International Research



ABOUT THE SURVEY

Welcome to the Mercuri Research Future State of Sales Report 2021. The survey provides a detailed look at global trends in B2B sales and offers insights for business leaders, company boards and sales professionals. It aims at supporting those who have responsibility assessing and preparing their own organization's sales and marketing strategy for the future.

The report is based on a quantitative survey where we analyzed answers from over 1,000 global business executives to discover:

- Which trends are considered most critical to stay competitive and accelerate sales in the future?
- Is there a skills gap in today's sales and marketing functions and what skills will be needed in the future?
- How will companies build trust with their clients and which factors are considered the most critical in the future?

In this report we focus on the 10 trends that executives think are most critical to stay competitive in the future. As a foundation for the quantitative part of the research, extensive qualitative research on business trends has been conducted. From this research we have selected 31 trends that the respondents were asked to rate in order of importance for their businesses. The results give us a glimpse into what business executives will prioritize and focus on over the next three years.

DEMOGRAPHICS

The Future State of Sales 2021 was conducted by Mercuri Research in May-June 2021. The main results in this report are based on a web survey sent out to primarily senior executives in B2B-companies. The total number of

respondents was 1,011. Some parts of the study have been carried out in collaboration with recruitment company SalesOnly and e-sign leader Scrive.

COMPANY TYPE

Business-to-business (B2B)	74%
Both B2B and B2C	20%
Business-to-consumer (B2C)	6%

INDUSTRY

IT, media & telecom	21%
Manufacturing and other industry	15%
Professional services	11%
Pharma, medtech and healthcare	8%
Wholesale and retail trade	7%
Construction, design & furnishing	6%
Transportation and storage	4%
Banking, finance & insurance	4%
Food & beverage	3%
Electricity, gas, heating and cooling	3%
Agriculture, forestry & fishing	2%
Other	18%

COMPANY SIZE

Small (1-100 employees)	46%
Medium (101-1000 employees)	27%
Large (more than 1000 employees)	27%

COUNTRY

Sweden	60%
India	13%
Slovenia	5%
Czech Republic	5%
Lithuania	3%
Germany	2%
France	2%
Finland	2%
United Kingdom	2%
Italy	1%
Poland	1%
Belgium	1%
United States	1%
Other	2%

REGION

EMEA	86%
APAC	13%
NAM	1%

ROLE

Managing Director (CEO)	26%
Sales Director (CSO)	20%
Business Development Manager	10%
Regional Sales Manager	7%
Key Account Manager	6%
Commercial Director	5%
Business Area Manager	6%
Marketing Manager (CMO)	4%
Human Resource Manager	3%
Team Sales Manager	3%
Chief Operation Officer (COO)	3%
Account Manager	2%
Export Sales Manager	1%
Other	4%

SALES TEAM SIZE

Less than 6 sales reps	26%
6 to 50 sales reps	45%
51 to 100 sales reps	10%
101 to 250 sales reps	7%
More than 250 sales reps	12%

- 01 **85%** | **Customer Value Orientation.** The creation of customer value and moving from a seller-centric to a buyer-centric sales organization is now a top priority
- 02 **75%** | **Innovation Acceleration.** 75 percent of respondents claim they constantly need to innovate new offerings adapted to new customer needs
- 03 **68%** | **Remote Selling.** Interacting with customers remotely is now, due to the pandemic, one of the top three trends to stay competitive in the future.
- 04 **66%** | **Sales Skills Transformation.** In the next three years 66 percent of respondents say they need to reskill and upskill their salesforce in new skill sets.
- 05 **60%** | **Sales Automation.** 60 percent of respondents say automation of time-consuming tasks in the sales process is critical for future success.
- 06 **59%** | **The Fight for Talent.** Attracting and finding the best talent is critical to 59 percent of respondents. Another 87 percent say that they have some difficulty finding talent.
- 07 **57%** | **Social Responsibility.** 57 percent say that it is critical to base their business model on being economically, socially, and environmentally accountable.
- 08 **56%** | **Happynomics.** 56 percent say they need to create conditions for their employees to be happier and more engaged at work.
- 09 **55%** | **Sales & Marketing Integration** with tightly aligned sales and marketing teams is critical to more than half – 56 percent – of the respondents.
- 10 **55%** | **Thought Leadership.** Being perceived as a leading authority within their industry is a top trend for 55 percent of the respondents.

EXECUTIVE SUMMARY



What trends define the new era of selling? In this report we present the 10 most critical business trends to stay competitive in the future, according to business managers from a number of different industries in primarily B2B companies.

More than 1,000 executives answered our survey and the results show that Customer Value Orientation – the creation of customer value and move from a seller-centric to a buyer-centric sales organization – is the most important trend that executives will focus on in the next three years. Almost 9 in 10 (85%) say this is critical to stay competitive in the future. This trend is followed by the need to constantly innovate new products and services to meet customers' rapidly changing behaviors and expectations (75%). In third place we find the trend Remote Selling (68%) that has accelerated over the last year as a consequence of the pandemic.

Here is an overview of the top 10 trends described in this report.*

*Chart shows percentage of respondents who say the trend is critical to stay competitive in the future

RESEARCH FINDINGS

THE TOP 10 TRENDS SHAPING THE FUTURE OF SALES



RESEARCH





TREND #1

CUSTOMER VALUE ORIENTATION

The move from a seller-centric to
a buyer-centric sales organization

CUSTOMER VALUE ORIENTATION – THE MOST CRITICAL TREND IN OUR SURVEY

Customer Value Orientation is the most important trend of all in our survey. 85 percent of respondents say this trend is critical to stay competitive in the future. It also shows that this trend is most important among companies within the financial industry .

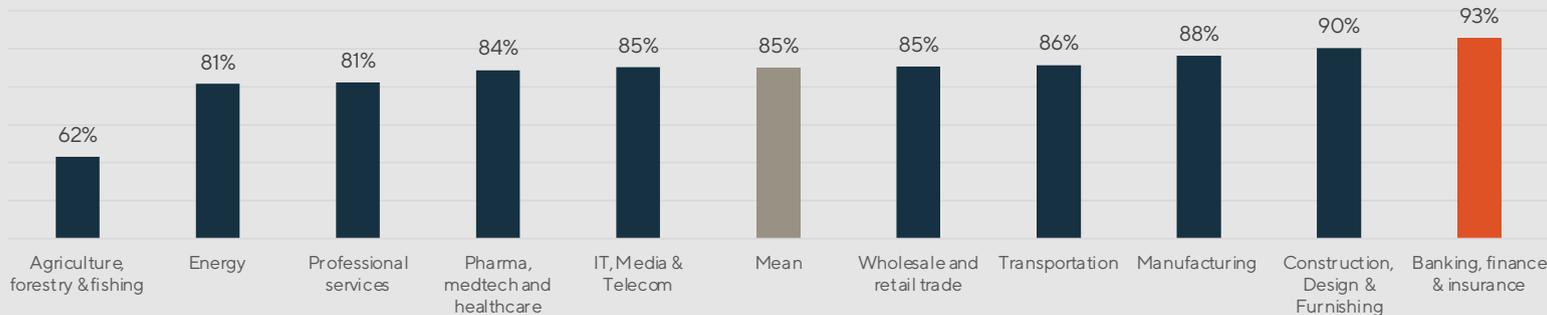
It is said that Henry Ford once coined the phrase, “Customers can have a car painted any color that they want, as long as it’s black.” Whether or not he expressed himself that way is unclear, since the first Model-T wasn’t even produced in black.

But the quote, which became a symbol for the industrial revolution’s momentum at the beginning of the 20th century, has also taken on another meaning related to the attitude and principles that business leaders followed during most of the 1900s. Value was created through effective manufacturing and production rather than effective customer value

orientation. This product-oriented approach has changed drastically over time. With intensified competition, products and services are no longer in focus, even though product development, production and distribution are important parts of running a business. In recent decades, customer value orientation has emerged as a strong trend, not only in sales and marketing but as an approach that creates a foundation for a company’s reason for existing. With the results from this survey, we can now validate that this is true. Our research finds that 85 percent of the respondents rank this trend as the most critical of all

surveyed trends to stay competitive in the future. Banking (including finance and insurance) followed by Construction and Manufacturing rate this trend highest of all industries while Agriculture (including forestry and fishing) and Energy are the industries that rank this trend the lowest (figure 1).

Figure 1: Percentage of respondents per industry who say customer value orientation is critical to stay competitive in the next three years
(n = 859. Mean 85,1%)



of executives say customer value orientation is critical to stay competitive in the future

THE SALES REP BECOMES THE UNIQUE VALUE

The largest driver behind this trend is increased access to information, which makes customers better informed. For a sales organization, this means that one must create value beyond the products. If sales training previously focused on identifying problems, confirming problems, and then communicating value, the focus today is more aptly on anticipating the customer's problem and creating value through interaction with the customer.¹ The difference can seem subtle, but in practice it is huge. A sales representative must be considerably better informed, be aware of things that the customer is not aware of, challenge the customer and their reasoning,

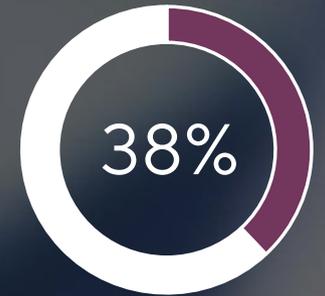
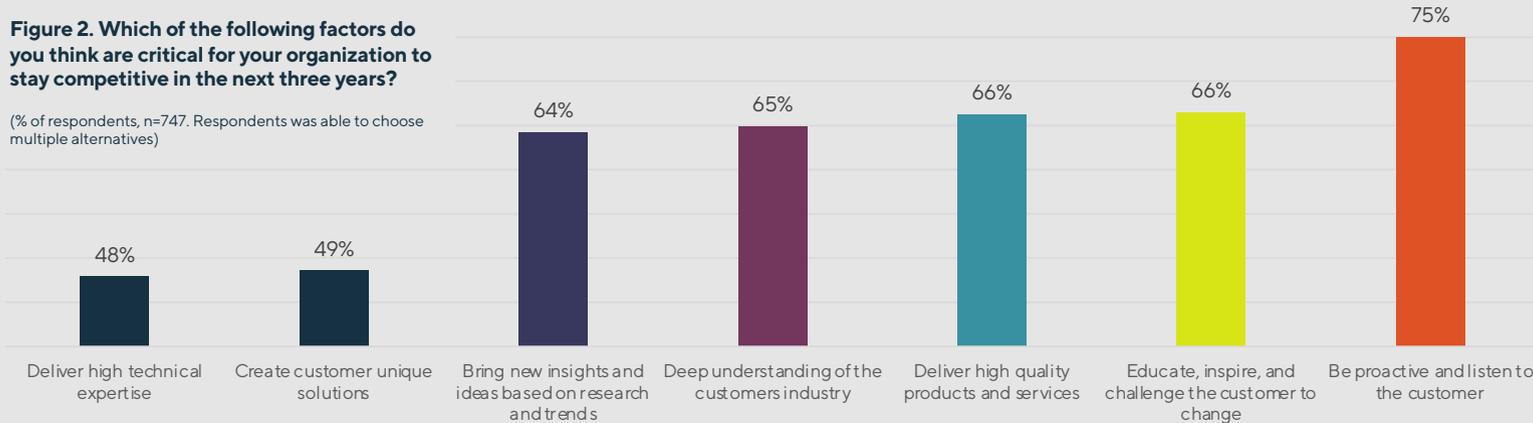
and be more of a consultant or business developer than a sales rep. When products and services are perceived as increasingly similar, it is no longer the product or service per se that creates unique value. Instead, it is the sales rep that determines the unique value and who thereby can defend their existence and justify a higher price. The consequences also become important for the organization, which must support and advise salespeople, providing them with insights and knowledge that require analysis, time, and resources. This is also confirmed in our survey. Three in four (75%) of the respondents say it's critical to be proactive and listen to the customer to stay

competitive in the future. Another 67 percent say it is critical to educate, inspire and challenge the customer to change while 66 and 65 percent respectively say they need to deliver high quality products and services and have a deep understanding of the customer's industry to create customer value (figure 2). Furthermore, more than one third – 38 percent of all respondents – say their organization is partially or fully lacking the skills they need to create customer value rather than product value.

1. Klingvall, M., Benzinger, Ö, Larsson-Broman, H. (2011). Jakten på Försäljningens DNA. Stockholm: ProSales Institute Sverige AB.

Figure 2. Which of the following factors do you think are critical for your organization to stay competitive in the next three years?

(% of respondents, n=747. Respondents was able to choose multiple alternatives)



of executives say their organization is partially or fully lacking the skills they need to create customer value

TREND #2

INNOVATION ACCELERATION

Constantly innovate new products and services to meet new customer behaviors



COMPANIES NEED TO INNOVATE LIKE NEVER BEFORE TO COPE WITH CHANGE

All successful companies know that it is very windy at the top. In recent years, however, the wind has increased and quickly reached near-hurricane strength. Creating and retaining a leading position in a hypercompetitive world has forced companies to constantly innovate new offerings adapted to new customer needs. Almost 75 percent of the respondents rank this trend as critical to future success.

Every year the consulting firm PwC produces the list “Global Innovation 1,000” which lists the one thousand companies in the world that spend the most on innovation and development. In 2018, these companies invested an entire 782 billion US dollars.² That represents an increase of 117 percent in the 13 years since the list was first published in 2005, when the companies spent 360 billion dollars.

Even though the commitment to innovation has decreased during the Covid-19 crisis we now see that executives are returning to innovation-related initiatives as the world stabilizes.³ In our survey, 75 percent of the respondents’ rate innovation as one of the most critical trends to adopt. That companies invest more and more in innovation and development can therefore be seen as a clear trend that is driven by harder competition and new customer needs and expectations. At the top of the investment league, we find Amazon, which invested 22,5 billion US dollars in innovation in 2018, followed by number 2 – Google

(Alphabet) – which spent 16,2 billion dollars. In third place we find Volkswagen, with 15,8 billion dollars.

Larger investments do not necessarily result in more innovation. But there are other indicators that point toward an innovation acceleration. The number of patents has increased dramatically since the end of the 1970s. In fields such as nanotechnology, stem cell research and mitigation measures for global warming, the number of approved patents doubles every two to three years. At the same time, the number of patents applied for globally quadrupled between 1990 and 2016.⁴ In China, where the increase has been the largest, the numbers have increased from essentially zero to over a million patent applications per year.

These developments have led to a flood of new products and services that companies want us customers to embrace. One example is the development of apps. According to Statista, in the first quarter of 2021 a normal Android user could choose

between 3,48 million apps available via Google Play, and Apple’s App Store had 2,22 million apps available for download.⁴

Whereas the exact number of apps may fluctuate as Apple and Google regularly remove low quality content from their app stores, the number of apps has been steadily increasing over the years. Between 2016 and 2018, 6,140 apps were launched every day on Google Play.⁵ Far from all apps achieve broad penetration on the market, but companies invest heavily in the race to publish innovative solutions for an increasingly discerning target audience.

2. PwC (2018). The Global Innovation 1000 study.
3. McKinsey (2020). Innovation in a crisis: Why it is more critical than ever
4. World bank (2016). Patent applications, residents.
5. Statista (2018) Number of apps available in leading app stores as of 1st quarter 2021.
6. Statista (2018). Average number of new Android app releases per day from 3rd quarter 2016 to 1st quarter 2018.



of executives consider their future success to be dependent on innovation of new products and services



THE EXPLOSION OF INNOVATIONS

One of the driving forces behind this development is that we now can quickly find and adopt new innovations. In a digital world, new innovations or products can achieve a following of millions of people in just a few hours, days, or months. Compare that to all the innovations that were developed during the larger part of the 20th century, when adoption was often drawn out and could occur over long periods of time. It took 50 years for radio and electricity to become common products amongst the people, and for the telephone it took 80 years. Compare that to the cell phone, which achieved the same level of distribution in only 15 years.⁷

We see the same development for innovations such as the Internet, smart phones, or social media - not to

mention all the digital products that have been launched in recent years. Innovations, just like news, are launched and snapped up at an increasingly fast pace. Something can be developed today on one side of the planet and a few days later be commercially viable on the other side. S-curves have been replaced by a firework of small rockets that are distributed in the digital world in a matter of seconds. Only a few succeed, but it goes fast.

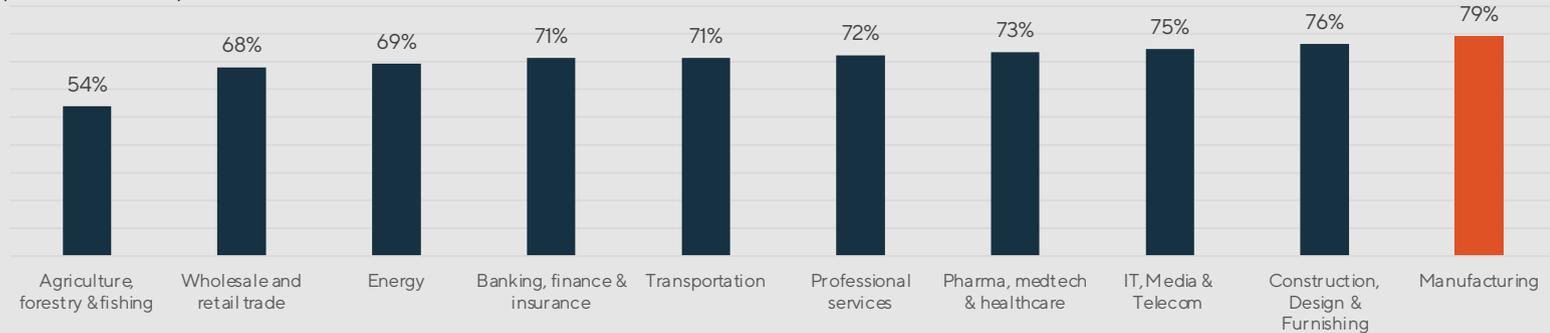
One can contemplate what the increased acceleration of innovation means for business development and future competitiveness. There is no doubt today that success requires investment in development. Lose interest in this and you will eventually be replaced. Many studies confirm this.

But, fundamentally, it is not a question of who invests the most. Even small companies with less economic muscle can succeed, often because they find a niche that the larger companies haven't been fast enough to conquer.

Innovation is also not only about developing products and services. It is just as much about investing in smarter production, logistics and not least sales and marketing. There is a wealth of technologies and working procedures today that can make both market communication and sales to new and existing customers more effective.

7. Thompson, D. (2012, 7 April). The 100-Year March of Technology in 1 Graph [Blog post].

Figure 5: Percentage of respondents per industry who say Innovation is critical to stay competitive in the next three years
(n = 1001. Mean 74,8%)



“
If you always do
what you always
did, you will always
get what you
always got

| Albert Einstein



TREND #3

THE RISE OF REMOTE SELLING

Engage and interact with
customers remotely

REMOTE SELLING IS HERE TO STAY AND IS NOW THE NEW NORM

Remote selling occurs when buyers and sellers interact in different physical locations. From a historical perspective this is nothing new, but with the COVID-19 outbreak this way of selling has increased dramatically and is now one of the top three trends that respondent's rate as critical to future success.

Digitalization is having an increasingly noticeable impact on B2B firms - not least on the mix of sales channels. When we recently researched the use of digital sales and marketing technology in Nordic B2B firms, more than 80% of the respondents stated to either have been, or currently being in the process of, introducing new sales channels because of changes in customer buying behaviors brought on by digitalization.⁸

For many this implies downsizing "high touch" sales channels such as field sales and key account management and ramping up "low touch" ones such as online, Electronic Data Interchange (EDI) platforms and inside sales.

There are three main reasons for this shift towards remote sales: First, there has been an explosion in the sales and marketing technology that is available. Second, customer buying behaviors are changing in the B2B world. Third, vendors have substantial opportunities to lower costs by cutting down on field

sales.⁹ The trigger for this trend to currently explode is the COVID-19 outbreak in 2020. During the pandemic companies have been forced to speed up this move dramatically, with most B2B seller interactions shifting to remote or digital. And that's exactly what customers expect. According to a McKinsey survey 70-80 percent of B2B decision makers now prefer remote human interaction or digital self-service instead of in-person interaction, citing ease of scheduling, savings on travel expenses and safety as their top three reasons why.¹⁰

The video calls that replace face-to-face meetings can fit nimbly into customers' schedules and don't have to be lengthened to justify travel time and expenses. As a result, they feel more focused and productive.

For sales, this has been challenging. In our survey 57 percent of respondents state that it has been harder to build trust with their clients since the COVID-19 outbreak as more customer interactions are being made remotely, while only 6 percent say that it has

become easier. These challenges - changing customer expectations and difficulty building trust - are probably the main reasons why 68 percent of all respondents claim this trend to be critical to stay competitive in the future.

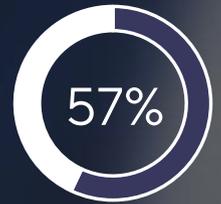
8. ProSales Consulting (2017). Aware but not Ready - B2B Sales and Marketing Digitalization Study. Stockholm, Sweden: Pixton, T, Rönnblom, J, Ejenäs, M.

9. Mercuri Research (2020). B2B Remote Sales Report - How to combine e-commerce and inside sales with other sales channels. Rönnblom, J, Ejenäs, M, Tolstoy, D.

10. McKinsey (Oct 2020). These eight charts show how COVID-19 has changed B2B sales forever.



say remote selling is critical for their future competitiveness



say it has been harder to build trust with their clients as more customer interactions are being made remotely



INSIDE SALES GROWS AS REMOTE SELLING BECOMES THE NEW NORM

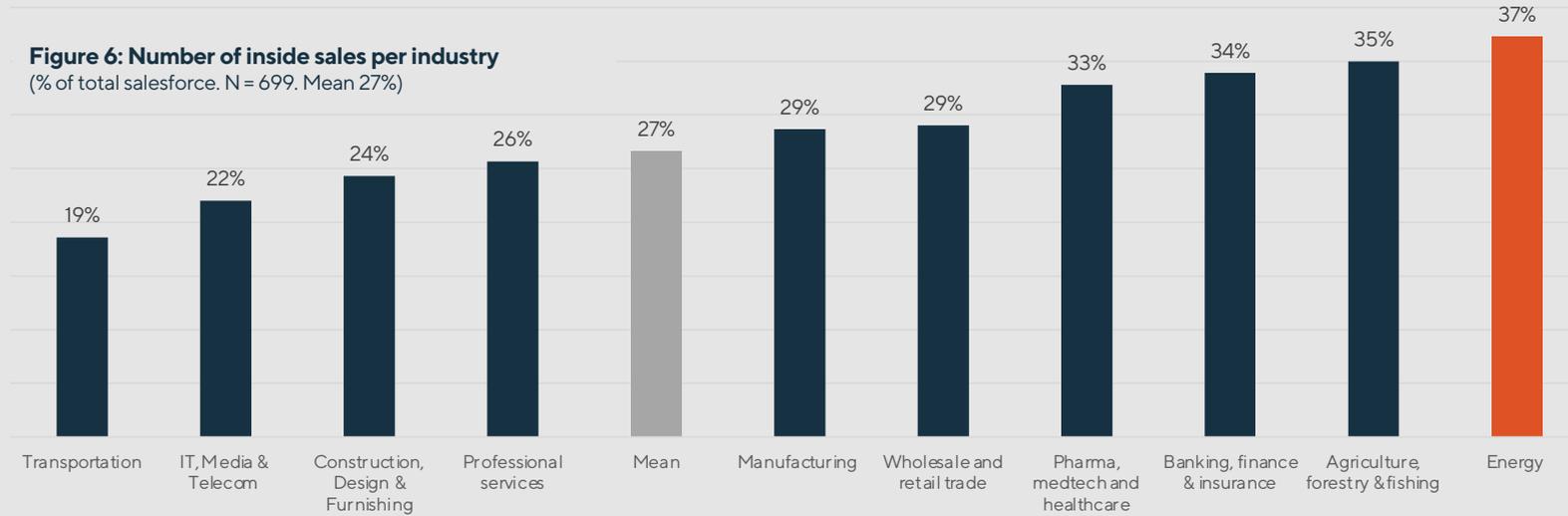
This trend is here to stay as more and more sales reps and face-to-face meetings are being replaced with digitally enabled inside sales reps that interact with customers through email, phone, social media, and video meetings. According to our research, sales teams are comprised of 27 percent inside sales and 73 percent outside sales (reps who primarily sell face-to-face) and the trend towards more inside sales reps is expected to continue to grow. 50 percent of the respondents say they will increase the number of

inside sales reps slightly or significantly in the next three years while only 16 percent say they will decrease the number. 34 percent will remain the same. With this shift, the lines between inside and outside sales continue to blur as outside sales reps spend almost half of their time (47%) selling remotely.¹¹ This is an increase of almost 90 percent from 2013 according to research conducted by insidesales.com.¹² Given the new customer expectations, our prediction is that almost 3 out of 4 customer human-to-

human interactions in B2B will be made remotely in the coming years. Remote selling is here to stay, and sales organizations must cope with the change.

11. Mckinsey (Oct 2020). These eight charts show how COVID-19 has changed B2B sales forever.
12. Insidesales.com labs (2017). The State of Sales - How companies are winning through structure, systems, and process.

Figure 6: Number of inside sales per industry
(% of total salesforce. N = 699. Mean 27%)



of sales teams are comprised of inside sales



of outside sales rep's time is spent on selling remotely

(Source: Insidesales.com)



say they will increase the number of inside sales reps in the next three years

TREND #4

SALES SKILLS TRANSFORMATION

Reskilling and upskilling the
salesforce in a new era of sales



THE SKILLS GAP CHALLENGE IN SALES

As technologies and business models continue their rapid evolution, companies are facing major challenges when it comes to upskilling and reskilling their salesforce in skills needed now and in the future. 9 in 10 respondents report existing skill gaps and estimate that almost one-third of their salesforce are lacking the right skills.

Previous research from McKinsey, among others, has shown that as many as 375 million workers globally might have to switch occupations or acquire new skills by 2030. New technologies, automation and new ways of working are disrupting jobs and the skills employees need to do them.¹³

The study, that was conducted 2017, showed that many industries were already feeling an acute skills mismatch suggesting that automation could free employees to spend as much as 30 percent of their time on new work in the next decade.

To prepare their workforce for the future and close the skills gap, many major organizations have therefore started launching ambitious upskilling and reskilling efforts. For example, in March 2019 – just before the pandemic – the multinational investment bank JP Morgan unveiled a five-year, 350-million-dollar commitment to curbing the global skills gap and preparing their workers for higher technical skills. Four months later, the e-commerce giant Amazon pledged to spend 700 million US dollars to retrain 100,000 employees to adapt to an economy increasingly disrupted by automation and new technology. Shortly after that, in October 2019, the

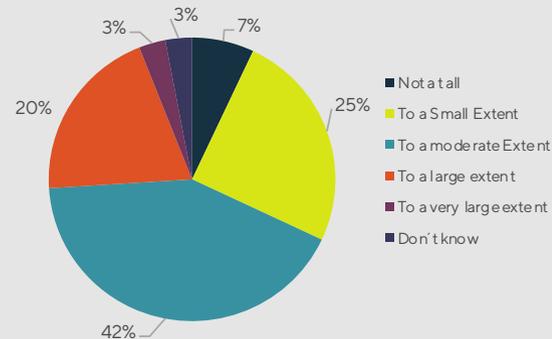
professional services company PwC announced it was investing a whopping 3 billion US dollars to upskill all of its 257,000 workers. The decision was made since it became apparent that there was a huge mismatch between the skills people have today and those needed for the digital world.

These huge efforts in upskilling and reskilling the workforce are probably just the beginning of an era of skills transformation, not least in sales and marketing, which have been largely affected by new technologies, changing buying behaviors and new ways of selling.

The findings from our survey suggest that sales and marketing organizations partially or fully lack the talent they will need in the future: 85 percent of respondents in our survey say they expect a skills gap to occur in the next three years, and 9 in 10 report existing skill gaps (figure 7). Of those, 23 percent are experiencing severe skill gaps.

13. McKinsey Global Institute (2017). Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages

Figure 7. Existing skill gaps (% of respondents, n = 838)



Q: Is there a skill gap within your sales and marketing function today?

90%

of executives report existing skill gaps within their sales and marketing function

MORE COMPLEX SALES PROCESSES THE MAIN REASON BEHIND INCREASING SKILLS GAP

Furthermore, the respondents estimate on average that almost one-third - 28 percent - of their salesforce are currently lacking the right skills that will be needed to reach their goals in the next three years. The most common reasons for this skills gap (figure 8) are 1) more complex sales processes (54%) followed by 2) changing customer behaviors

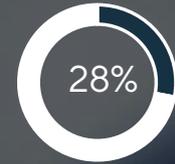
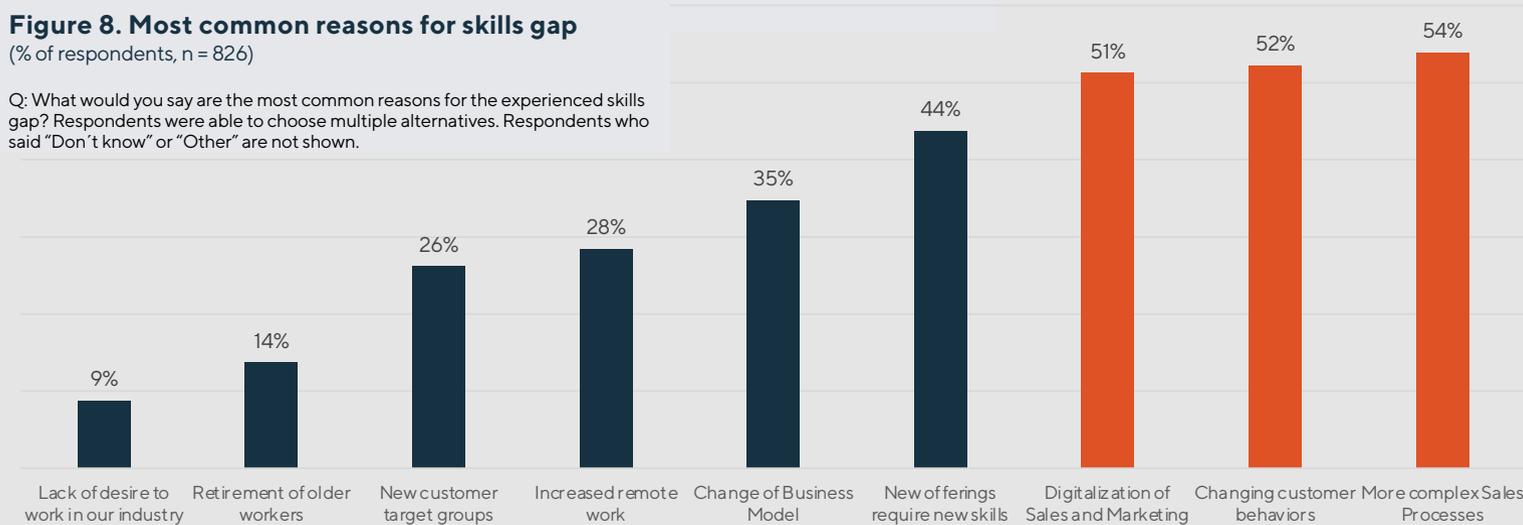
(52%) and 3) digitalization of sales and marketing (51%). These findings explain why 66 percent of the respondents - the fourth highest-ranked trend in our survey - state this trend as critical to succeed over the next three years. Today's sales and marketing functions are facing an apparent skills gap that needs to be addressed now and in the coming years.

This is especially true for companies within the construction industry, where 78 percent of respondents rate this trend as critical, followed by energy (77%), manufacturing (76%) and transportation (71,5%).

Figure 8. Most common reasons for skills gap

(% of respondents, n = 826)

Q: What would you say are the most common reasons for the experienced skills gap? Respondents were able to choose multiple alternatives. Respondents who said "Don't know" or "Other" are not shown.



of companies' total salesforce are lacking the skills they need to reach their goals in the next three years



say reskilling and upskilling the salesforce is critical to stay competitive in the future



say "more complex sales processes" is the main reason for the skills gap

EVERY OTHER COMPANY LACK SKILLS IN SOCIAL SELLING

It's urgent to close the skills gap. One-third of the respondents say it is "very urgent" to close the skills gap and that it must be addressed immediately while 51 percent say it is "somewhat urgent" meaning that they must close the skills gap within 1-2 years. Only 12 percent say it is "not urgent" aiming for the gap to be filled in three years or later.

Our survey also shows that 88 percent of respondents will primarily try to close the gap by training employees in new skills and secondly by recruiting new staff with the right skills. This suggests that

investments in sales training will increase in the coming years. But until now not much has happened, as spending per employee in training has stagnated since 2010 and is now at an average of about 1200 USD per employee and year.¹⁴

There is much to suggest that this also applies to investments in sales training, even though the average company spends about 2,300 USD a year per salesperson on sales training annually.¹⁵ Our research shows that the biggest gap is within areas like

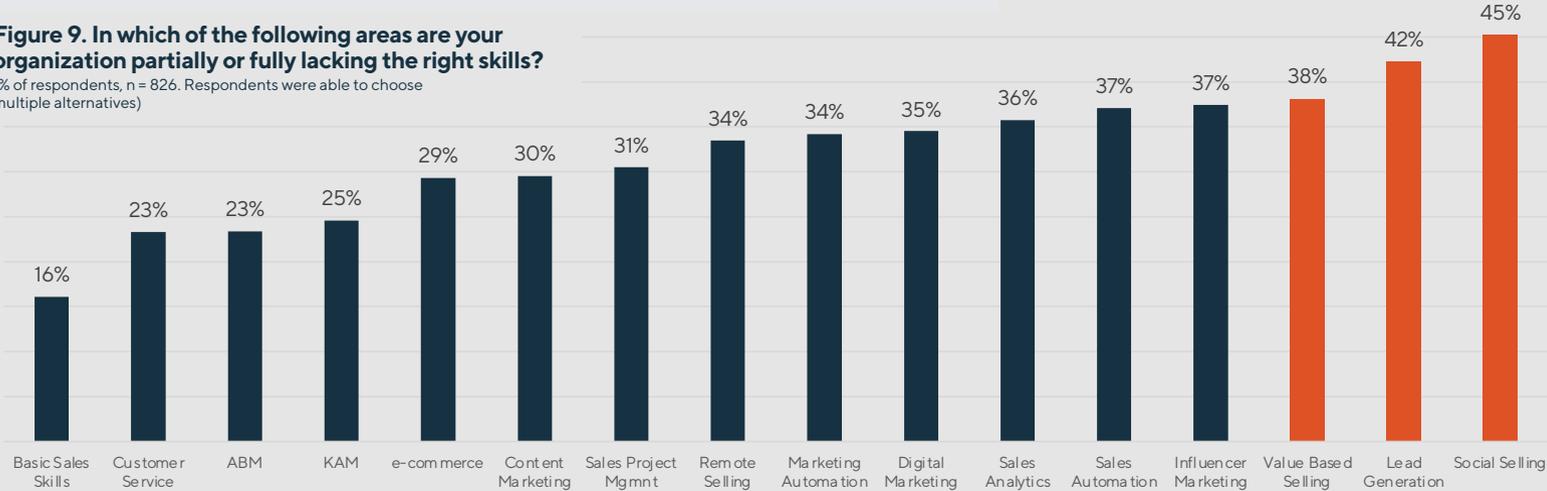
social selling, lead generation and value based selling followed by influencer marketing, sales automation and sales analytics (figure 9). Of these, value based selling with its 85 percent is by far the most critical priority for respondents. This can be compared to influencer marketing which is considered critical for only 20 percent of respondents.

14. Statista (2019). Average spend on workplace training per employee worldwide from 2008 to 2019.

15. ATD Research (2019). State of Sales Training.

Figure 9. In which of the following areas are your organization partially or fully lacking the right skills?

(% of respondents, n = 826. Respondents were able to choose multiple alternatives)



say they will train people in new skills to close the skills gap



of executives say it's "somewhat" or "very" urgent to close the skill gap



say their organizations are lacking skills in social selling

POLARIZATION OF SALES LOGICS CAUSES A SKILLS GAP

One of the most important conclusions we arrive at comes when analyzing different types of sales logics. One hypothesis that we have worked with for several years is that, for a long time, sales has moved in two different directions where selling becomes either more transactional and automated (where the sales rep is partially or entirely replaced by digital marketing, for example e-commerce) or more complex, meaning that we need consultative advisers

who possess higher cognitive skills such as problem solving, analytical thinking and conceptual understanding.

We can now prove that this is true. In our research we have found that transactional sales and complex sales are expected to increase far more than traditional product sales (figure 11). The traditional way of selling is being nibbled away at the edges at an increasing

pace, shifting from the middle to the extremes. This is one of the reasons why value based selling and sales automation (but also e-commerce) are ranked as very critical to stay competitive in the future.

In the coming years, we can expect a trend break where more companies will invest heavily in upskilling and reskilling with the goal of transforming the skills needed to adapt to new requirements in the market.

Figure 10. Illustration of historic Sales Logics. The majority of the revenue came from traditional sales.

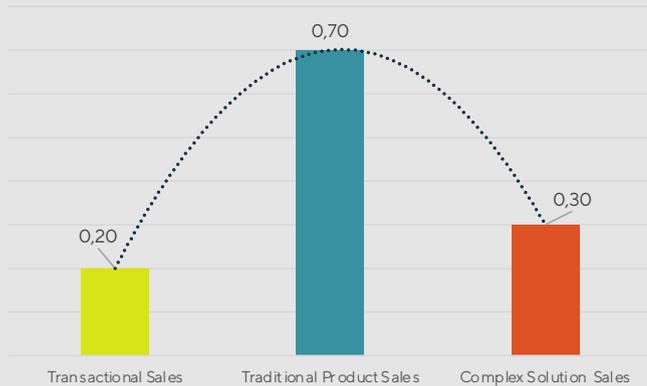


Figure 11. Indicator* of expected revenue increase from different sales logics in the next three years. Transactional and complex solution sales will increase the most, n = 817



* Scoring is an indicator of expected increase or decrease between -1 and 1 where respondents was asked the question; In the next three years, do you expect that the revenue from the different types of sales will decrease, stay the same or increase?

Facts about Sales Logics

Mercuri Research has researched thousand of companies and found four distinct types of Sales based on the complexity of the deal (Sales Logics). They all constitute different recipes for success.

Transactional sales – the customer buys your product and services through self-service e.g. e-commerce or store sales

Traditional sales – small deals that require no more than 1-3 customer interactions. The length of the sales cycle is measured in days or weeks e.g. telemarketing or inside sales

Complex Sales – complex deals with many stakeholders involved in the buying process. The sales cycle is measured in months.

Distributed Sales – major deals where each deal constitutes its own sales project with a team of salespeople and specialists. The sales cycle is measured in months or years.

In the graph shown we have merged the complex and distributed sales into "Complex Solution Sales".



TREND #5

THE AGE OF SALESOMATION

Automate time-consuming tasks in the sales process so the sales team can focus more on selling and less on admin

GET READY FOR THE AGE OF “SALESOMATION”

Our research suggests that the future of sales will be highly automated. Not that it will replace salespeople, but rather complement the sales team so they can focus less on admin and more on selling. More than 60 percent of respondents in our survey rate this trend as critical to stay competitive in the future.

In the middle of the 1800s the industrial revolution arrived. Machines, conveyor belts, vending machines and later industrial robots have effectively replaced simple manual tasks. Machines are tireless when it comes to screwing on lids, folding cardboard boxes, or soldering electronic components. No machine has ever complained to their boss, asked for a raise, or taken a smoking break. Technical achievements continue, as does the hunt for continuously increasing productivity. This development has changed our role in the workplace. We have stopped manufacturing products, and manufacture machines instead.

As a result, many professions have disappeared. For example, in the U.S. alone 60 million jobs have been lost due to automation and Artificial Intelligence¹⁶ and

according to a report by The World Economic Forum about 85 million jobs will be replaced across 26 countries by 2025.¹⁷

These numbers have, for many salespeople, caused a concern that artificial intelligence in particular would replace them or make their jobs obsolete. Instead, the industry has evolved in a way that made it easier for sophisticated sellers to build and scale their book of business faster. In fact, the rapid progress of new sales-tech-driven innovations has resulted in a powerful trend called Salesomation (Sales and Automation).

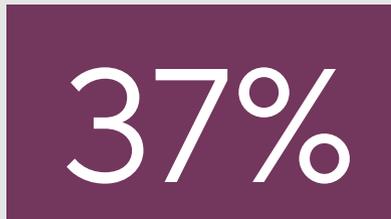
In our research more than 60 percent of respondents rate this trend as critical to stay competitive in the

future and another 37 percent say they are lacking the skills that will be needed to automate time-consuming tasks in the sales process. Sales automation is the mechanization of manual, time-consuming sales tasks using software, artificial intelligence (AI), and other digital tool so the sales team can focus less on admin and more on selling.

Although only one in four companies has automated at least one sales process¹⁸ it plays a vital role in many companies today and will continue to in the future. After all, artificial intelligence takes sales force automation to the next level by empowering sales professionals to build more trust and work more efficiently.



of executives say Sales Automation is a critical priority in the future



of executives say their organization lacks the skills they need to automate time-consuming tasks in the sales process

16. Forbes (Oct 2020). U.S. Lost Over 60 Million Jobs—Now Robots, Tech And Artificial Intelligence Will Take Millions More.
17. World Economic Forum (2020). The Future of Jobs Report 2020.
18. McKinsey article (2020), Sales automation: The key to boosting revenue and reducing costs.



SALES AUTOMATION MOST IMPORTANT TO TRANSPORTATION

According to McKinsey, sales automation holds the potential to reduce cost of sales by freeing up time spent on administration and reporting and to unlock additional revenue by automating outreach to customers in the sales funnel.¹⁹ Furthermore, it allows sales reps to spend more time on higher value-adding activities such as researching the competition and negotiating upsells with customers. McKinsey research also shows that early adopters of sales automation consistently report increases in customer-facing time, higher customer satisfaction, efficiency

improvements of 10 to 15 percent, and sales uplift potential of up to 10 percent. Best-in-class companies have started adopting automation as a key driver of cost efficiency and increased sales.

The same study shows that about 30 percent of sales-related activities in the entire sales value chain – from sales strategy to post-sales activities – can be automated with today’s technology. This includes things like territory and coverage planning, automated workflow for marketing and sales interactions, lead

identification and qualification, bot-driven lead engagement, quota setting, forecasting, pricing, invoicing, follow-ups, handling of incoming request and contract auto-renewal. The list of tools that can help sales and marketing automate time-consuming tasks and increase productivity is long. And it’s getting longer every year as technology develops.

19. McKinsey article (2020). Sales automation: The key to boosting revenue and reducing costs.

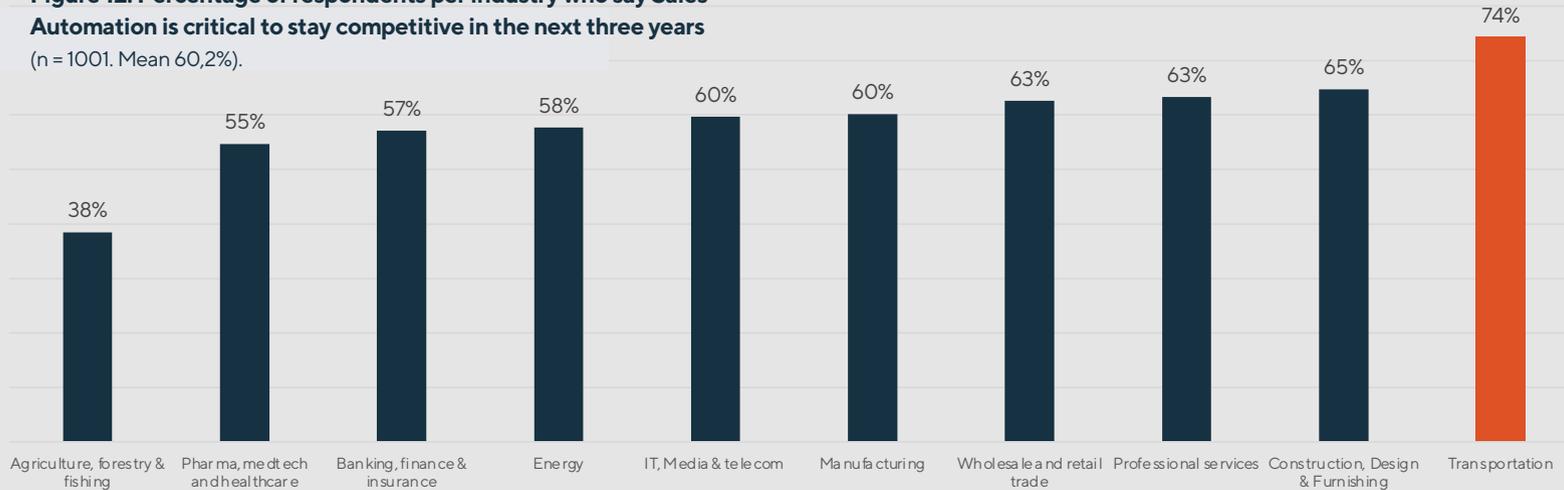


of all sales-related activities can be automated with today’s technology

Source: McKinsey

Figure 12: Percentage of respondents per industry who say Sales Automation is critical to stay competitive in the next three years

(n = 1001. Mean 60,2%).



THE EXPLOSION OF SALES AND MARKETING TOOLS

Over the last decade the selection of tools, often called martech and saletech, has exploded. CRM systems are no longer the only software that can help sales reps and marketing agents. The selection of software intended for use in marketing and sales has increased from a few 100 to nearly 8,000 applications between 2011 and 2020, an increase of over 5,000 percent (figure 13). Among them about a tenth – 1,100 solutions (2021) – are sales tech solutions aimed at accelerating and enhancing sales productivity by enabling sales reps to use their time and customer intelligence as effectively and efficiently as possible.²⁰ This is an increase of more than 50 percent between 2020 and 2021 alone, showing that sales tech is on

the rise. Given that only a few companies have adopted the potential of using sales automation tools we can state that we are in store for massive growth and that this trend will continue to accelerate the coming years. Companies will always strive to increase sales productivity and will therefore search for smart selling tools that can help them become more competitive.

The tools available today cover the entire sales-value-chain – from sales intelligence to CRM, lead handling and prospecting, analytics and reporting, marketing automation, knowledge assistants, proposal management, content management – to name a few.

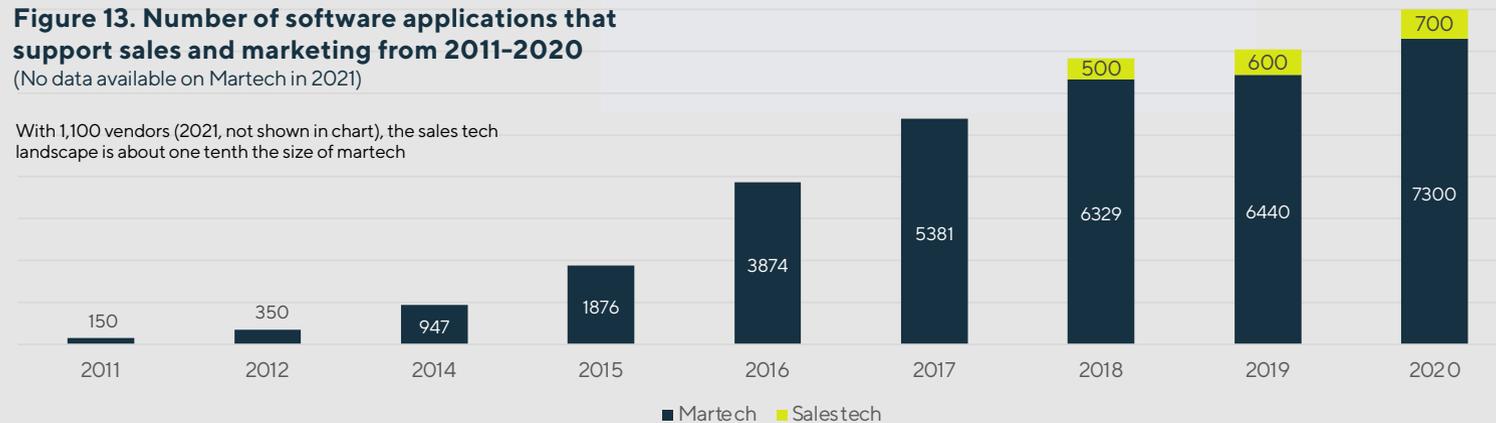
It's not easy to navigate amongst all the tools, but for those with a creative mind the potential is huge. The future of sales will not be fully automated. It will be characterized by humans and machines working together where automation is a powerful tool that complements salespeople, rids them of low value-adding tasks, and boosts their efficiency. And the companies who understand this and equip their sales reps with smart tools will be the winners of the future.

20. Nancy Nardin (2021). 2021 B2B Enterprise SalesTech Landscape.

Figure 13. Number of software applications that support sales and marketing from 2011-2020

(No data available on Martech in 2021)

With 1,100 vendors (2021, not shown in chart), the sales tech landscape is about one tenth the size of martech



1,100

Number of Sales Tech Applications available in the market 2021

TREND #6

THE FIGHT FOR TALENT

Attract and recruit the best
talent in sales and marketing



THE FIGHT FOR TALENT HAS JUST STARTED

6 in 10 respondents in our survey rate the trend “The Fight for Talent” as critical to stay competitive in the future and 87 percent say that they have some difficulty finding talent. The fight for talent has just started and the companies that succeed in attracting the smartest people are those who will succeed.

Today and in the future people will be the primary source of competitive advantage. Competitors can copy products and automate and build factories but replicating a company’s labor force with respect to competence, dedication, and culture is almost impossible. Despite the difficulties of measuring immaterial assets, it is to a large extent these that will determine a company’s future development.

Attracting and recruiting talent is, in other words, a critical issue for every company. In our survey almost 6 in 10 respondents (59%) say that finding the best talent

is critical to stay competitive in the next three years. But it is also an issue that has become increasingly more difficult. According to the Manpower Talent Shortage Survey, 69 percent of the world’s companies report talent shortages – an increase of 130 percent in a period of ten years (figure 14).²¹

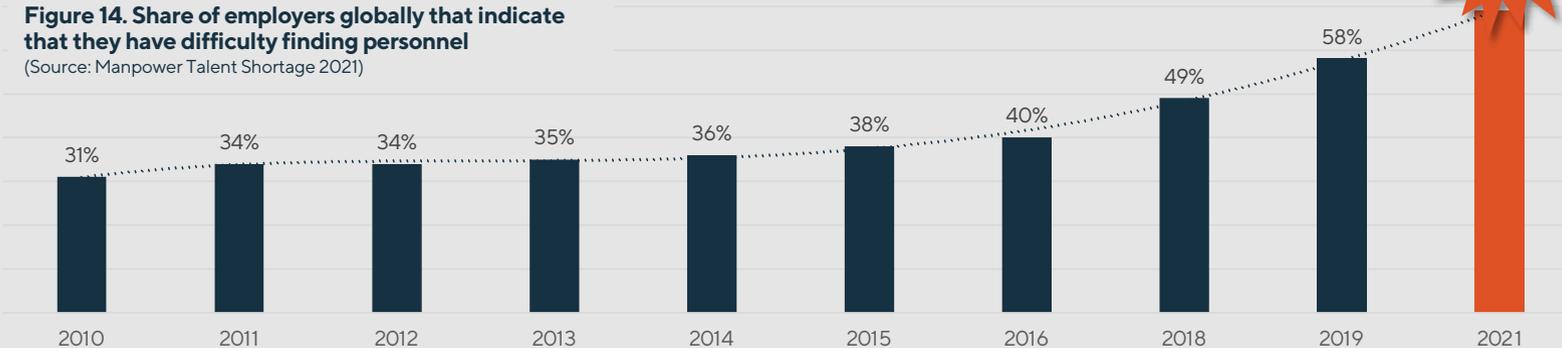
And Sales & Marketing are nowadays firmly placed on the top three list of functions that have the most difficult finding personnel. In other words, sales & marketing organizations are also participating in the fight for talent. In our survey almost one-third, 28

percent, of respondents say it is “very” or “extremely” difficult to attract and recruit talent to their sales & marketing functions. Another 59 percent say it is “moderately” or “slightly” difficult. In total 87 percent say that they have some difficulty finding talent. Only 8 percent of the respondents say they don’t have difficulties at all finding talent.

21. Manpower Group (2021). ManpowerGroup Employment Outlook Survey Q3 2021

Figure 14. Share of employers globally that indicate that they have difficulty finding personnel

(Source: Manpower Talent Shortage 2021)



of executives say they have difficulty finding talent for their sales and marketing function

LACK OF EXPERIENCE AND INDUSTRY KNOWLEDGE

The difficulty of finding talent may not be surprising given the polarization of sales logics. The simple, traditional sales jobs, that perhaps didn't require so much training or knowledge, are becoming fewer. They are being replaced in part by sales positions under the complex sales logic, where demand for competent advisors, business developers and consultative sales reps is increasing. Suddenly the sales profession is competing with other qualified jobs in advisory and consultancy services. In part they are being replaced by jobs under the transactional sales logic, where there is a growing need for people that are analytically driven and can handle digital tools – competencies that (so far) don't grow on trees.

This means that it is the qualified positions that constitute the challenging sector. Statistics from the EU's research arm Eurofound show that most new

jobs are comprised of qualified positions.²² Over time we have seen a gradual shift towards more and more sophisticated tasks, which is not surprising given customers' new buying behaviors and expectations. At the same time, sales organizations are faced with weaker demand for sales positions, particularly for younger workers. Sales representative is not amongst the ten most popular careers amongst 18- to 25-year-olds and ranks lower than, for example, administrative jobs.²³

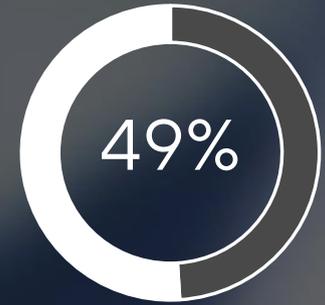
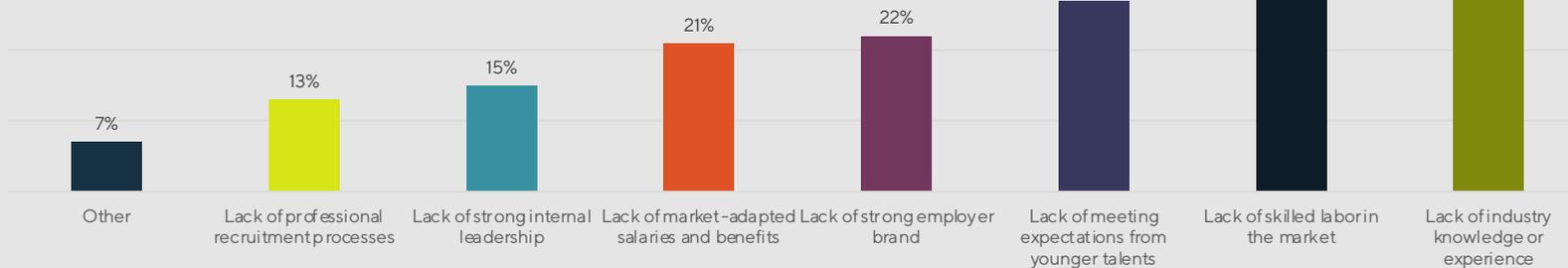
In our research, these challenges become clear. The three main difficulties when attracting and recruiting talent to sales and marketing positions are lack of industry knowledge or experience (49%), lack of skilled labor in the market (35%) and lack of meeting expectations from younger talent where 27 percent of the respondents say this is a difficulty (figure 15).

On the whole we can argue that sales is – and will continue to be – a particularly challenging sector when it comes to recruiting. When the gap between supply and demand for qualified sales reps grows, there will be a fight for talents. Managing this challenge will become an increasingly strategic question for management. It will be important to have a strong brand, good leadership, and interesting work assignments to attract the best and brightest.

22. Eurofound (2017). Occupational change and wage inequality: European Jobs Monitor 2017.
23. ProSales Institute (2016). Millennials' Attitudes To Sales – How Can We Increase the Interest of Millennials in a Sales Career?

Figure 15. Main difficulties when attracting and recruiting sales talent

(% of respondents, n = 826. Respondents was able to choose multiple alternatives)



of executives say “lack of industry knowledge or experience” is the main difficulty when attracting and recruiting sales talent



TREND #7

SOCIAL RESPONSIBILITY

Base the business model on being economically, socially, and environmentally accountable

THE SUSTAINABILITY IMPERATIVE

To be successful in the future companies need to be socially and environmentally accountable. For sales this is critical, as customers increasingly place higher demands on their suppliers to live up to their sustainability goals. Our research shows that almost 6 in 10 respondents rate this trend critical to stay competitive in the future.

In late July 2019 Australia was ravaged by the worst wildfires seen in decades, with large swathes of the country devastated. In January 2020 at least 28 people had died nationwide and in the state of New South Wales (NSW) alone more than 3,000 homes had been destroyed or damaged. One year earlier, the summer in Sweden of 2018 was extremely hot, which pleased the vacationers that chose to stay in Sweden. But that it was the warmest July in 262 years and that it – just like in Australia – resulted in extensive wildfires also caused concern. Can this have been a temporary variation or is it a clear sign of a growing climate crisis?

Globally, there are many examples of the climate crisis, such as warmer oceans, shrinking glaciers, sea-level rise, extreme weather events and the death of coral reefs. Many studies clearly indicate that man's large emissions of carbon dioxide, which increases the global average surface temperatures, are the main reason for this. This has, for a long time, led to an increasing dissatisfaction among mainly younger people. In September 2019, under the leadership of 16-year-old Greta Thunberg from Sweden, hundreds

of thousands of people from all over the world joined in a global climate strike to show their dissatisfaction to world leaders, politicians, and business leaders. Their message was loud and clear; it is time to stop talking and start acting if we are to have a future on this planet.

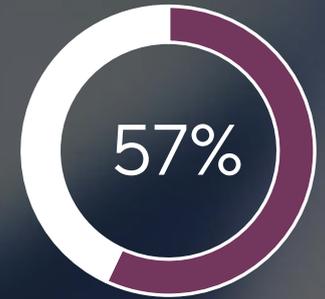
This development has led to many companies focusing more on reducing their environmental and climate impact, either voluntarily or due to regulation or customer demands. Traditionally, company management has not had to worry about this. They have only had one goal: to make as much money as possible. To be profitable. To reach budget goals. To beat last year. This has been particularly true for companies on the stock market, where every quarter they must appease shareholders with the highest numbers possible. But this short-term pursuit of profit is being increasingly questioned, by both customers and personnel.

Many, perhaps especially value-driven youth, are demanding more. For them, companies must also contribute in some way to improving the world. In

the new age of Corporate Social Responsibility (CSR), it is not only about making money but also about taking responsibility for the environment and the climate. As a result, the CSR concept has become increasingly important in many companies.

But it is not only about taking responsibility for the environment and climate. The concept also includes aspects of economical and societal responsibility that are woven into business strategies and operations. In our survey, this movement – social responsibility – is ranked as the seventh most important trend, making it clear that it must now also be part of the sales and marketing strategy.

Almost 6 in 10 respondents (57%) say that in the next three years it will be critical to base their business model on being economically, socially, and environmentally accountable to stay competitive.



of executives say Social Responsibility is critical for their organization to stay competitive in the future



SALES – ALSO DRIVEN BY A PURPOSE BEYOND PROFIT

The most important aspects of the CSR-concept – according to the respondents in our survey – are being driven by a purpose beyond profit (62%), followed by work to protect the environment (51%) and protect the wellbeing of our employees and suppliers (50%). Another 49 percent say it is critical to foster diversity, equity, and inclusion in the workplace (figure 16). Only 13 percent say that it is critical to generate positive social benefits for people who are neglected by society. The results are a consequence of higher demands that companies must in some way

be part of the solution to the problems that society is struggling with. Today's customers expect, to increasing degrees, that companies that they buy from undertake, at least partially, to take care of some of the problems that politicians haven't succeeded in solving. The level of potential willingness of consumers to pay more for the products of companies that are responsible for society and the environment is more than 80 percent, which also reflects how we think and act as B2B-buyers.²⁴ From an employer perspective, it is just as

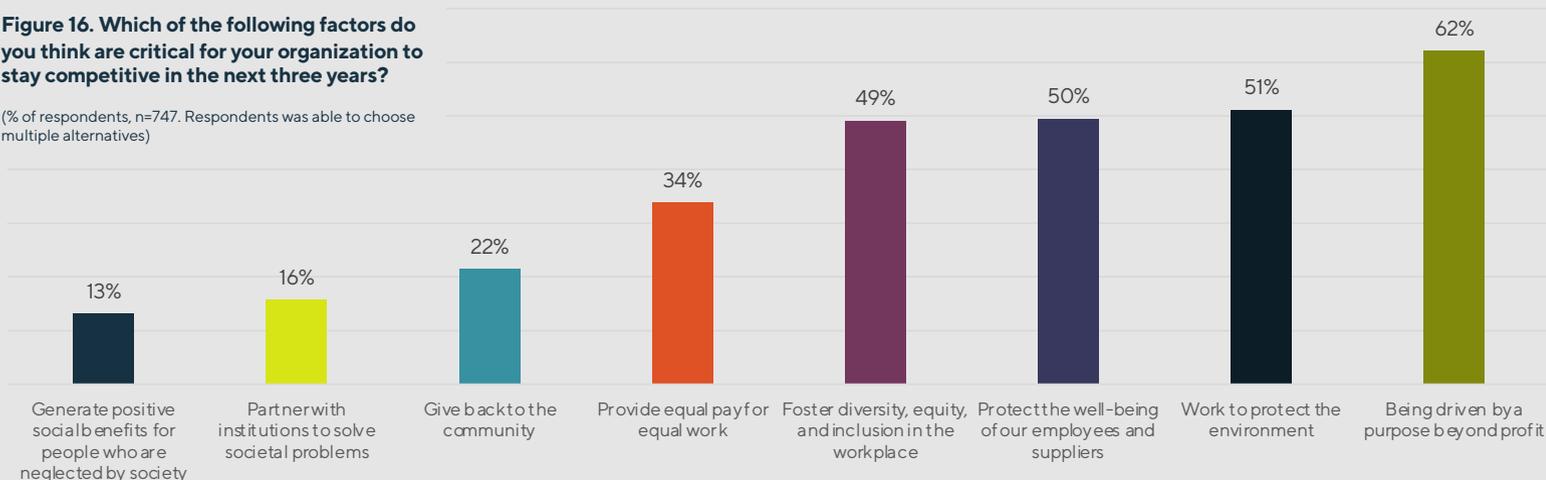
important. Of all Millennials globally, 64 percent say they won't accept a job offer from an employer who doesn't have a strong CSR policy and 83 percent would be more loyal to a company that helps them contribute to social and environmental issues.²⁵

24. Sourcing.eco (2021-04-10). Consumers are willing to pay more of they know the reasons [Blogpost]

25. Cone Communications (2016) Cone Communications Millennial Employee Engagement Study.

Figure 16. Which of the following factors do you think are critical for your organization to stay competitive in the next three years?

(% of respondents, n=747. Respondents was able to choose multiple alternatives)



of Millennials say they won't take a job if their employer doesn't have a strong CSR policy

Source: Cone Communications



say being driven by a purpose beyond profit is critical to stay competitive in the future

SOCIAL RESPONSIBILITY – A FUNDAMENTAL PART OF THE FUTURE BUSINESS MODEL

More and more of us choose employers, suppliers, products, and services that stand for something. Companies must therefore find a “why” that engages and attracts both customers and employees. A study carried out in 21 countries shows that 65 percent of customers want to support companies that have a strong purpose.²⁶ In another study carried out amongst young academics in 29 countries, nine out of ten respondents said that a “feeling of doing something meaningful” is a determinant in their choice of employer.²⁷

The increasing demands for social responsibility have resulted in more companies moving CSR from being a separate initiative to becoming a fundamental part of their business model. More companies are adopting the so-called “triple bottom line.” The intention is that financial reporting should not only value economic results but also environmental and social ones. An international study performed by KPMG shows that 80 percent of all companies currently include data about their CSR initiatives in their annual reports (figure 17) – a number that has increased dramatically over the past twenty years.²⁸

Initiatives that promote environmental responsibility are likely to become more necessary in coming years, especially in sales. The reason is that many customers and partners are starting to establish criteria for who they want to work with. Sustainability and social

responsibility are turning up more often in requests for bids, particularly in public procurement programs. If a given organization actively works with sustainability issues it is likely that they expect the same from their suppliers. And the more companies that invest in this, the less room there will be for companies that do not.

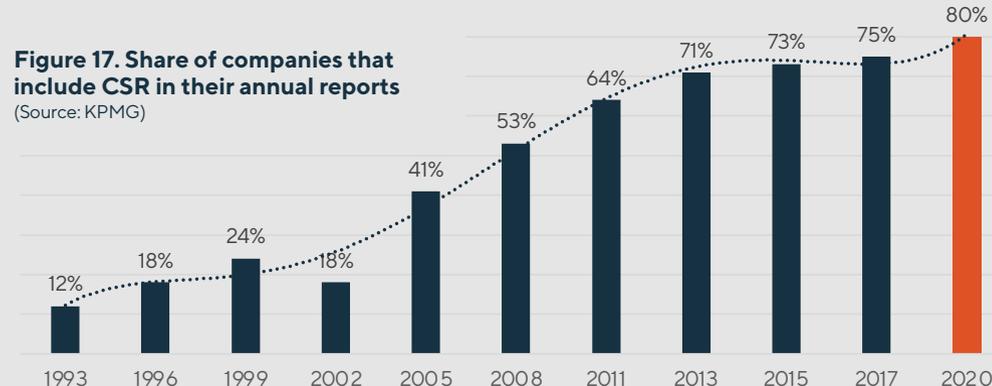
In summary, we can say that the company of the future must of course earn money – but they can’t only earn money. Company leaders must to an increasing degree balance not only the owners’ demands but also the wishes of their customers, employees, media and stakeholder organizations.

Everything that a company says and does – both positive and negative – eventually reflects on them. And with the transparency of today’s society this happens sooner rather than later. Companies will both need to make money and contribute to a better world. As Marc Benioff – the founder and CEO of Salesforce – expresses it; “The Business of Business is Improving the State of The World”.

26. Globescan (2016, 6 June). Aspirational Consumers Are Rising. Are Brands Ready to Meet Them?
27. Deloitte (2015). Mind the Gaps: The Deloitte Millennial Survey.
28. KPMG (2020). The road ahead – The KPMG Survey of Corporate Responsibility Reporting 2020.

Figure 17. Share of companies that include CSR in their annual reports

(Source: KPMG)



“
The Business of Business is Improving the State of The World

| Marc Benioff, CEO Salesforce

TREND #8

THE RISE OF HAPPYNOMICS

Create conditions for the employees to be happier and more engaged at work



HAPPINESS BECOMES A BUSINESS STRATEGY

Happy employees matter. Research shows a strong correlation between happiness and sales performance. More and more companies are therefore adapting to the trend of Happynomics. In our survey 56 percent of respondents say it is critical to create conditions for their employees to be happier and more engaged at work.

In the late 1700s the British philosopher Jeremy Bentham declared that the only thing that means anything in the end is increasing happiness in the world. The loftiest goal must be to give "happiness to the largest number of people." We must strive for happiness while we are alive – and this is not only a personal commitment. Government, markets, and the research community should also make happiness the greatest goal, so that we can live happier lives.

Bentham's ideas, however, did not lead to a revolution; in the 1800s and 1900s governments, companies, and researchers focused instead on welfare and economic goals. Many countries built up welfare systems, invested in schools and healthcare, and measured their growth success in Gross Domestic Product (GDP). Companies measured their success in growth and profits, with the goal of serving the interests of their owners rather than their employees' wellbeing.

In the past decades, however, the pendulum seems to have swung and Bentham's ideas have experienced a renaissance. One explanation is that despite achievements in improving welfare, better

economies, fewer illnesses, less hunger and war, and longer lifespans, we don't seem to be measurably happier than our ancestors. How can it be, for example, that the citizens of Costa Rica, with a per capita GDP of 12.5 thousand US dollars, are happier than citizens of Singapore, who have a per capita GDP of 50 thousand US dollars?

Nowadays, more researchers, economists and politicians are demanding that GDP be complemented by GNH: Gross National Happiness. The former British Prime Minister David Cameron is one of many people who have advocated for this. He said that "It is time that we acknowledge that there is more to life than money. We can no longer focus only on GDP; we must focus on general wellbeing."²⁹

Cameron's statement can be seen as a symbol of a new modern economic sensibility, in the form of an emerging happynomics where wellbeing, quality of life and happiness are the new superordinate measures of success. A business leader should be asking the same question. How can it be that we aren't getting happier at our workplaces despite improved working conditions, better benefits, and

increased freedom? It is no longer only employees that should find their own happiness. Leaders of companies must also create conditions for their employees to become happier – which our research also shows; 56 percent of respondents claim that this trend is critical for future success. For many companies this has become a central business strategy that pays off from an economic perspective. A decade of research proves that happiness raises nearly every business and educational outcome: raising sales by 37 percent, productivity by 31 percent, and accuracy on tasks by 19 percent, as well as a myriad of health and quality of life improvements.³⁰

29. The Guardian (2010, 14 Nov) David Cameron aims to make happiness the new GDP. Stratton, A.

30. Achor, S (2010). The Happiness Advantage: The Seven Principles of Positive Psychology That Fuel Success and Performance at Work.



of executives say
Happynomics is a critical
trend to adopt to stay
competitive in the future



HAPPY EMPLOYEES CREATES HIGHER SALES RESULTS

A recently published 2019 study of salespeople at British Telecom – one of the United Kingdom’s largest private employers – also found that there is a clear correlation between happiness and sales performance (figure 18). Happy employees not only worked faster, making more calls per hour, but also achieved 13 percent higher sales than their unhappy colleagues.³¹

Similarly, it has been shown to be very expensive to have unhappy employees. For example, Gallup estimates that the American economy experiences costs upward of 0.5 trillion US dollars per year in the form of lost productivity when employees are dissatisfied.³² This is of great importance for individuals as well. According to Associate Professor Christie Scollon with the Psychology faculty at Western Washington University in the US, research shows that happy people earn more money, are healthier, fall ill less frequently and are more creative at solving problems.³³

We can say that degrees of happiness are reflected economically in several ways. In the transparent society that we live in today, it is a big advantage to offer an attractive workplace when hunting for talent. Who doesn’t want to work for a company where the employees are happy and satisfied? The American career site CareerBliss has been publishing an index for the past ten years that lists and ranks the companies with the most satisfied employees.⁴³ In their most recent survey, CareerBliss collected and analyzed responses from 250,000 independent employee reviews from companies around the United States. They measured ten different indicators that create happiness at the workplace. At the top of the list, we

find Google (figure 19). The search giant leads the way in providing rewarding salaries, growth opportunities, as well as the support teams who help develop and mentor employees throughout their career. Secondly, we find the world’s largest construction manufacturing company, Caterpillar, followed by Cisco, Intel, Comcast, Apple, and Microsoft. It is no coincidence that these well-known companies end up at the top. Happy employees are a big part of their commercial success. The question of how we create happiness at the workplace will most likely grow in the coming decade. It will not only be about company leaders that want to be

more competitive or researchers that want to find explanations. The question will be at least as relevant for politicians around the world who are responsible for their country’s citizens. In other words, we can assume that we have only seen the beginning of this development and that the issue will emerge as one of the most important on the agenda in sales leadership meetings, board rooms and in political debate.

31. Bellet, C, De Neve J-E, Ward, G (2019). Does Employee Happiness have an Impact on Productivity?
 32. Asplund J. & Blacksmith N. (2011). The Secret of Higher Performance.
 33. Bradshaw, D. (2013). The pursuit of happiness in the workplace. Financial Times

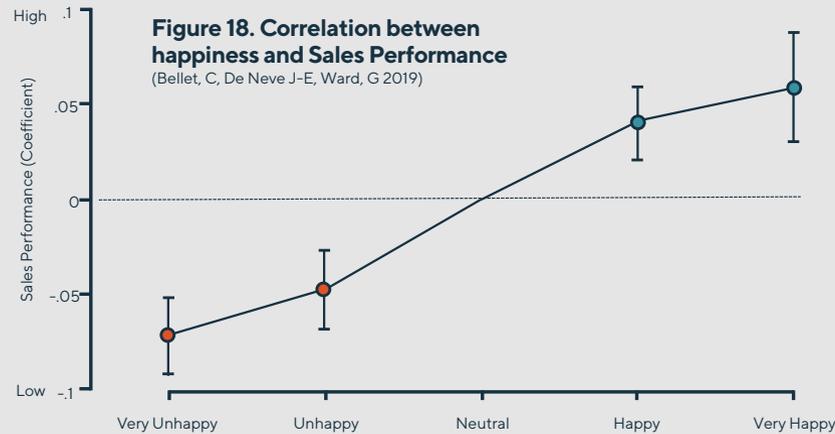


Figure 19. The 10 happiest* companies to work for in America 2020

Rank	Company	Score
1.	Google, Inc.	4.250
2.	Caterpillar, Inc.	4.116
3.	Cisco Systems	4.070
4.	Intel Corp.	4.049
5.	Comcast Corp.	3.985
6.	Apple, Inc.	3.975
7.	Microsoft Corp.	3.961
8.	Symantec	3.955
9.	Accenture	3.952
10.	Deloitte	3.950

*BlissScore data derived from employee generated company reviews. BlissScore ranks on a scale of 1-5 and evaluates a combination of 10 key factors that impact overall workplace happiness

Source: Careerbliss (2020). The CareerBliss Happiest Companies During COVID-19



TREND #9

SALES & MARKETING INTEGRATION

Tightly aligned sales and
marketing teams

SALES AND MARKETING INTEGRATION STILL A CHALLENGE

Sales and Marketing Integration is one of the most touted business phrases of the last decade - for good reason. A strong relationship between marketing and sales is critical to any business's success. In our research 55 percent of the respondents rate this trend as critical to stay competitive in the future.

There has been a lot of focus in B2B on the integration of the sales and the marketing functions. Firms have always been dependent on both functions for the generation of revenue, but at the same time clearly differentiated them. Roughly speaking, marketing has been responsible for communication of brand and offering, and sales for managing and closing business opportunities. There has been good reason for this - customers' purchasing behavior has not made it necessary to integrate market communication with the closing of the deal.

However, digitalization has changed the way customers buy and increasingly blurred the boundaries between the communication of the offering and the purchase decision. Nowadays, both sales and marketing are forced to guide what is sometimes a complex and long buyer journey. This calls for a more integrated approach to revenue generation. Business researchers have claimed this for more than a decade³⁴ and the awareness among businesspeople is high. According to research by LinkedIn and Forrester Consulting, 85 percent of all sales and marketing professionals say that sales and marketing alignment is the largest opportunity for improving business performance today.³⁵ Another 90 percent agree that when initiatives and messages are aligned, the customer experience is positively impacted.

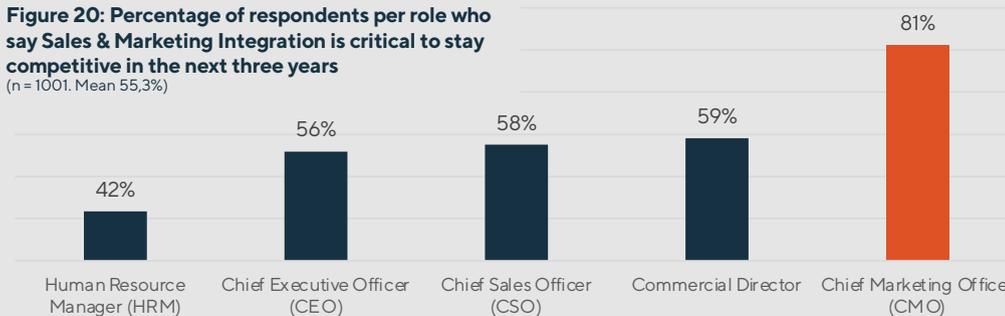
Yet, 9 in 10 sales and marketing professionals say they are misaligned across strategy, process, content, and culture. The two functions of sales and marketing remain completely separated or weakly integrated in as much as 30 percent of all firms, and only 25 percent have a fully integrated revenue function.³⁶ This can explain why more than 55 percent of the respondents in our survey rate sales and marketing alignment as one of the most critical trends to succeed in business. For many companies there is still much to do and the upside is huge. Some research points to the fact that companies with strong sales and marketing alignment generate 32 percent more revenue than those who without.³⁷

This trend is most important to Marketing Managers (CMOs) where 81 percent state that this trend is critical for future success. This can be compared to Sales Managers (CSOs) where about 57 percent rate this trend as critical (figure 20). In the middle we find Commercial Directors (59%) who are often responsible for both sales and marketing.

34. HBR article (2006). Ending the war between sales and marketing.
35. LinkedIn and Forrester (2020). Moments of Trust - Why customer value is the key to sales and marketing alignment.
36. ProSales Consulting (2017). Aware but not Ready - B2B Sales and Marketing Digitalization Study 2017.
37. Aberdeen Group (2017). The CMO's Agenda: Managing Marketing and Its Alignment with Sales.

Figure 20: Percentage of respondents per role who say Sales & Marketing Integration is critical to stay competitive in the next three years

(n = 1001. Mean 55,3%)



of executives say Sales and Marketing Integration is a critical trend for future success

THE FIVE OBSTACLES OR CHALLENGES SALES AND MARKETING NEED TO OVERCOME

That Marketing Managers find this trend more important than Sales Managers can perhaps be explained by the fact that their highest priority is to generate leads to the sales function.³⁸ A task that is partly unfulfilled today.

In a recent study published by Hubspot, only 28 percent of salespeople said marketing was their best source of leads and only 7 percent said the leads they received from marketing were of very high quality.³⁹ In other words, sales are expecting more from marketing. In the same way Marketing expects more from sales. For example, they expect better information from sales about the clients such as how they buy, what they value and what stakeholders are involved in the buying process. Information Marketing needs to generate leads.

From an outside perspective it's easy to say that sales and

marketing just need to work together to achieve alignment. But there are plenty of internal obstacles to overcome, such as people, process and even technology preventing these functions from truly working together. In a previous report from Mercuri Research (formerly ProSales Institute) we describe five common obstacles or challenges Sales and Marketing need to overcome (described to the right).⁴⁰

Overall, we can say that the trend towards tightly aligned sales and marketing teams is still a top priority for most B2B organizations. They need to establish a true B2B marketing function, form a shared view of the revenue generating chain and align a common vision and goals for what they are supposed to achieve together. The companies that succeed in doing this will also belong to the winners of the future.

1 Lack of dedicated B2B Marketing Resources

In many cases B2B sales has been driven purely from the sales side, with little or no marketing support. In other cases, B2B has had to rely on shared resources for both B2B and B2C offerings, which has not given marketing the necessary focus and depth of knowledge for B2B offerings.

2 Little adoption or customization of B2B marketing

The second challenge means that Marketing needs to move from a general message to a very personalized customer message. In other words, sales and marketing must work together on how to approach specific customers in all channels available.

3 Lack of shared customer insight

Marketing functions usually have a lot of high-level market demographic knowledge and know what channels to go through to reach customers. But they don't have the same knowledge as the salespeople of how customers go through different stages in their purchases.

4 Can't agree on revenue-generating activities

97 percent of salespeople and marketers cite that their content and messaging is misaligned.⁴¹ This is because marketing and sales apply very different lenses to the content they create. B2B marketers aim to translate product or service features into buyer value. The best sellers on the other hand, start with the customer or prospects, laser-focus on needs and design an offering that meets those needs.

5 Absence of common vision and goals

In most cases both functions have picked up and understood that they need to work closer together, and the awareness that they need to integrate is high. At the same time there is no shared view on what they are supposed to achieve together.

38. Aberdeen Group (2017). The CMO's Agenda: Managing Marketing and Its Alignment with Sales.

39. Hubspot (2021). Not Another State of Marketing Report.

40. ProSales Institute (2018). Reaching the Next State - Managing Challenges in B2B Sales & Marketing Integration.

41. LinkedIn and Forrester Consulting (2020). Moments of Trust - Why customer value is the key to sales and marketing alignment.



of salespeople and marketers say their content and messaging is misaligned

Source: LinkedIn & Forrester Consulting



of salespeople say marketing is their best source of leads

Source: Hubspot



of salespeople say the leads they receive from marketing are of very high quality

Source: Hubspot

TREND #10

THOUGHT LEADERSHIP

The power of being perceived
as a leading authority within a
specific industry



THOUGHT LEADERS CHANGE PEOPLE'S PERCEPTIONS

The final trend on our top ten list of trends that will shape the future of sales is Thought Leadership. 55 percent of the respondents in our survey say being perceived as a leading authority within their industry is critical to future success.

The term thought leader has its roots far back in history. But it was in 1994 that the American economist Joel Kurtzman first made it a concept in the business world. He defines a thought leader as an individual or a company that builds its competitiveness and profits on being a known authority within a specific area. What unifies thought leaders is that they create a unique position and change people's perceptions by coming up with new ideas, knowledge, and insights, which makes them the self-evident actor to turn to for expert help.

The idea of thought leadership as a strategy has, since we entered the digital era, become an object of increasing interest, and has not stopped growing despite several years of hype concerning the concept. Research shows that it has become even more important during the pandemic, as senior executives are reading more thought leadership now than they did before the crisis. Nearly half (45%) are reading either a lot more or a little more.⁴²

For many B2B sales and marketing organizations this means that thought leadership is one of their highest priorities. In our survey 55 percent of the respondents state that being perceived as a leading authority within their industry is critical to stay competitive in the next three years. This is not particularly remarkable in terms of how decision makers view thought leadership.

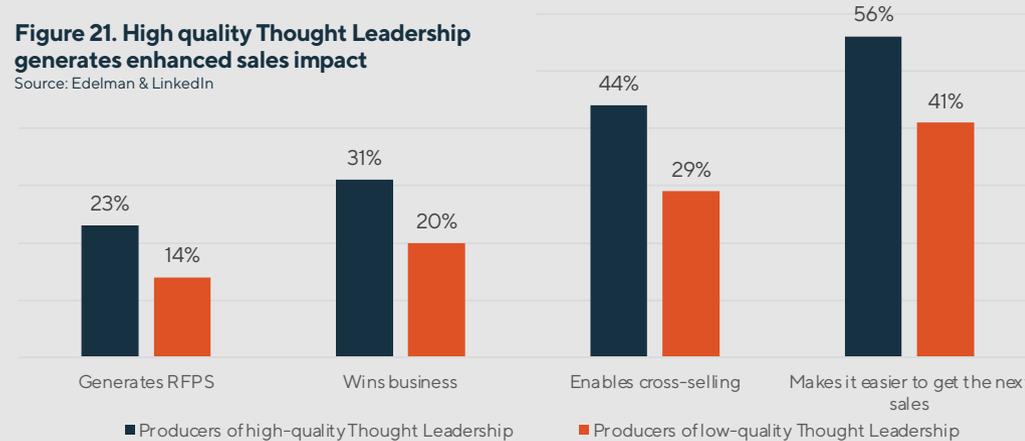
According to a recently published study by Edelman, 89 percent of decision makers say that Thought Leadership can be effective in enhancing their perceptions of an organization and 49 percent say that it also can be effective in influencing their purchasing decisions.⁴³ Another 42 percent say that they are willing to pay a premium to work with an organization that produces Thought Leadership versus those that do not. The same study also shows that high-quality thought leadership generates enhanced sales impact

(figure 21). Producers of high-quality thought leadership get more RFPS, win more business on proposals, cross sell more to current clients and have easier to maintain and strengthen relationships than producers of low-quality thought leadership.

42. Grist (2020). Value of B2B Thought Leadership Survey.
43. Edelman (2020). 2020 Thought Leadership Impact Study.

Figure 21. High quality Thought Leadership generates enhanced sales impact

Source: Edelman & LinkedIn



of executives say Thought Leadership is critical to stay competitive in the future

SENIOR LEADERS WANTS TO MAKE BETTER DECISIONS AND STAY AHEAD OF EMERGING TRENDS

The largest driver behind this trend is tougher competition, where well-informed customers experience little or no difference between different products and suppliers. The need to differentiate oneself increases pressure to be the thought-leading company that customers turn to when they seek help. Another driver is the difficult task of penetrating with one's marketing. The competition for customers' attention today is brutal - and if you aren't perceived as an authority in your area you will have more and more difficulty with outreach. Therefore, one needs to build a brand that creates a feeling of authenticity, respect, and trust, which manifests what thought leadership is about.

Senior executives consume thought leadership to make better decisions, to help evaluate the expertise and insight of potential advisors, to understand best practices and stay ahead of emerging trends (figure 22). The suppliers who can help them with this gain greater trust and enhanced sales impact.

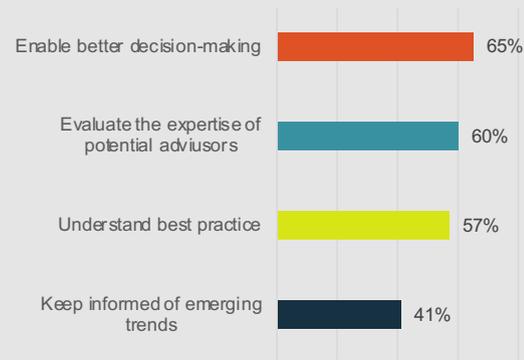
Thought leaders exist in all areas that require expertise. Those who achieve the greatest impact often come with huge new ideas and knowledge that inspires and encourages change. They identify trends and social phenomena and look beyond the horizon.

At its core, this is about showing that they have a deeper understanding of customers' problems and current and future challenges than the competition.

A cornerstone for anyone who aims to achieve a position as a thought leader is to stop hiding their knowledge and share it instead. In today's transparent society there are great opportunities for those who dare to take this step. For example, the company GE Plastics, which made molds for plastics, opted to publish their 30 years of research publicly on the Internet. Registered users gained access to fact sheets, test results, expert advice, and simulation software. It can seem strange to give away their collected knowledge; something that had been their competitive edge. The competition was of course there and searched for information, but so did their customers - one million per year visited their new information site. In addition to the enormous attention gained by the company and its strengthened position as a thought leader, customer satisfaction increased and costs decreased. The quantity of customer support calls for example decreased from 500,000 to 250,000 per year. By building this knowledge center they also created a new tool for generating new business deals. Overall, we can state that in a growing knowledge-

based society Thought Leadership is becoming more important for an increasing number of companies. To stay ahead of the competition companies must build a strong position in the market and be known as an authority within their specific area.

Figure 22. Why do Senior Executives Consume Thought Leadership?



Source: Grist (2020). Value of B2B Thought Leadership Survey



of decision makers say that Thought Leadership can be effective in enhancing their perceptions of an organization

Source: Edelman

APPENDICES

MERCURI
international

RESEARCH



TOTAL RANKING OF ALL TRENDS SURVEYED

At the top of the list we find Customer Value Orientation, Innovation Acceleration and Remote Selling. At the bottom of the list we find Gig Economy, Transaction Platforms and Gamification. Only 11 percent of the respondents rate Gamification of Sales as a critical trend to stay competitive in the future.

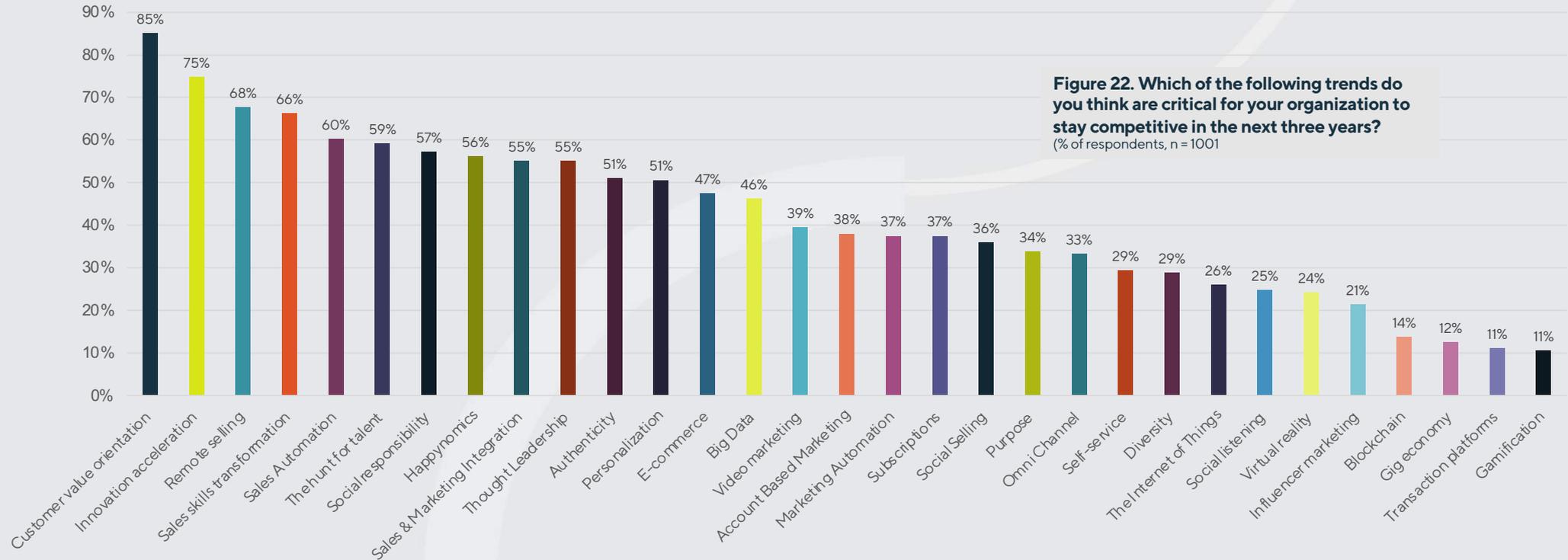


Figure 22. Which of the following trends do you think are critical for your organization to stay competitive in the next three years?
(% of respondents, n=1001)

TOP 10 TRENDS PER INDUSTRY

IT, Media & Telecom (n=212)

1	Customer Value Orientation	85%
2	Innovation acceleration	75%
3	Remote selling	67%
4	The hunt for talent	62%
5	Sales Automation	60%
6	Subscriptions	59%
7	Happynomics	59%
8	Sales & Marketing Integration	57%
9	Thought Leadership	56%
10	Sales skills transformation	52%

Manufacturing & other Industry (n=182)

1	Customer Value Orientation	88%
2	Innovation acceleration	79%
3	Sales skills transformation	74%
4	Social responsibility	70%
5	Remote selling	65%
6	Sales Automation	60%
7	The hunt for talent	60%
8	Sales & Marketing Integration	56%
9	Thought Leadership	55%
10	Happynomics	55%

Professional Services (n=111)

1	Customer Value Orientation	81%
2	Remote selling	73%
3	Innovation acceleration	72%
4	Personalization	66%
5	Sales Automation	63%
6	Sales skills transformation	62%
7	The hunt for talent	62%
8	Thought Leadership	56%
9	Sales & Marketing Integration	55%
10	Social responsibility	55%

Pharma, Medtech & Healthcare (n=81)

1	Customer Value Orientation	84%
2	Innovation acceleration	73%
3	Remote selling	73%
4	Sales skills transformation	70%
5	Thought Leadership	59%
6	Sales & Marketing Integration	58%
7	Sales Automation	55%
8	Happynomics	55%
9	The hunt for talent	53%
10	Personalization	53%

Wholesale and Retail trade (n=81)

1	Customer Value Orientation	85%
2	E-commerce	75%
3	Innovation acceleration	68%
4	Sales skills transformation	67%
5	Remote selling	63%
6	Sales Automation	63%
7	Happynomics	56%
8	Social responsibility	55%
9	The hunt for talent	51%
10	Thought Leadership	49%

Construction & Design (n=61)

1	Customer Value Orientation	90%
2	Sales skills transformation	78%
3	Innovation acceleration	76%
4	Social responsibility	76%
5	Remote selling	69%
6	Sales & Marketing Integration	67%
7	Sales Automation	65%
8	Thought Leadership	63%
9	The hunt for talent	63%
10	Happynomics	61%

Transportation & Storage (n=40)

1	Customer Value Orientation	86%
2	Happynomics	77%
3	Remote selling	74%
4	Sales Automation	74%
5	Innovation acceleration	71%
6	Sales skills transformation	71%
7	Social responsibility	69%
8	The hunt for talent	63%
9	Big Data	63%
10	E-commerce	60%

Banking, Finance & Insurance (n=40)

1	Customer Value Orientation	93%
2	Innovation acceleration	71%
3	Remote selling	68%
4	Social responsibility	64%
5	Big Data	64%
6	Sales Automation	57%
7	Sales skills transformation	54%
8	Thought Leadership	54%
9	Personalization	50%
10	Happynomics	50%

Energy, Gas, Heating & Cooling (n=30)

1	Customer Value Orientation	81%
2	Sales skills transformation	77%
3	Personalization	73%
4	Innovation acceleration	69%
5	The hunt for talent	69%
6	Social responsibility	65%
7	Authenticity	65%
8	Remote selling	62%
9	Happynomics	62%
10	Sales Automation	58%

Agriculture, Forestry & Fishing (n=20)

1	Customer Value Orientation	62%
2	Sales skills transformation	62%
3	Thought Leadership	62%
4	Personalization	54%
5	E-commerce	54%
6	Innovation acceleration	54%
7	Social responsibility	54%
8	The hunt for talent	54%
9	Remote selling	54%
10	Big Data	54%

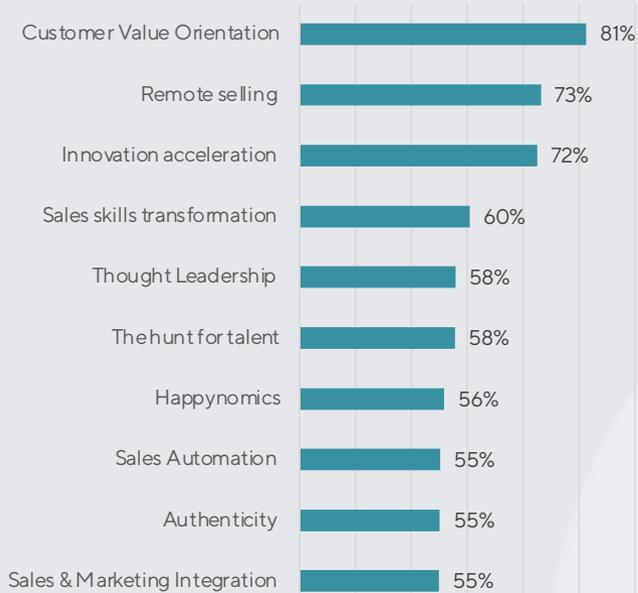
TOP 10 TRENDS PER FUNCTION

EXECUTIVE MANAGEMENT CEO, Managing Directors, COO (n=293)	SALES MANAGEMENT Sales Directors, Sales Managers, Team Sales Manager (n=374)	BUSINESS DEVELOPMENT Business Development Managers (n=101)	MARKETING MANAGEMENT Marketing Managers, Commercial Directors (n=91)	HUMAN RESOURCE MGMT Human Resource Managers (n=30)
1 Customer value orientation 84%	1 Customer value orientation 86%	1 Customer value orientation 83%	1 Customer value orientation 83%	1 Customer value orientation 88%
2 Innovation acceleration 69%	2 Innovation acceleration 74%	2 Innovation acceleration 81%	2 Innovation acceleration 81%	2 Innovation acceleration 88%
3 Remote selling 69%	3 Sales skills transformation 67%	3 Sales skills transformation 70%	3 Sales skills transformation 72%	3 Remote selling 79%
4 The hunt for talent 63%	4 Remote selling 66%	4 Remote selling 64%	4 Remote selling 68%	4 Sales skills transformation 75%
5 Sales skills transformation 60%	5 Sales Automation 64%	5 Sales Automation 60%	5 Sales & Marketing Integration 68%	5 The hunt for talent 75%
6 Social responsibility 56%	6 Happynomics 60%	6 The hunt for talent 59%	6 The hunt for talent 65%	6 Sales Automation 63%
7 Thought Leadership 56%	7 Social responsibility 59%	7 Social responsibility 53%	7 Thought Leadership 64%	7 Authenticity 63%
8 Sales Automation 56%	8 Thought Leadership 56%	8 Happynomics 53%	8 Big Data 63%	8 E-commerce 63%
9 Happynomics 56%	9 Sales & Marketing Integration 54%	9 Sales & Marketing Integration 53%	9 Sales Automation 60%	9 Thought Leadership 58%
10 Sales & Marketing Integration 55%	10 Authenticity 54%	10 Personalization 53%	10 Social responsibility 56%	10 Social responsibility 58%

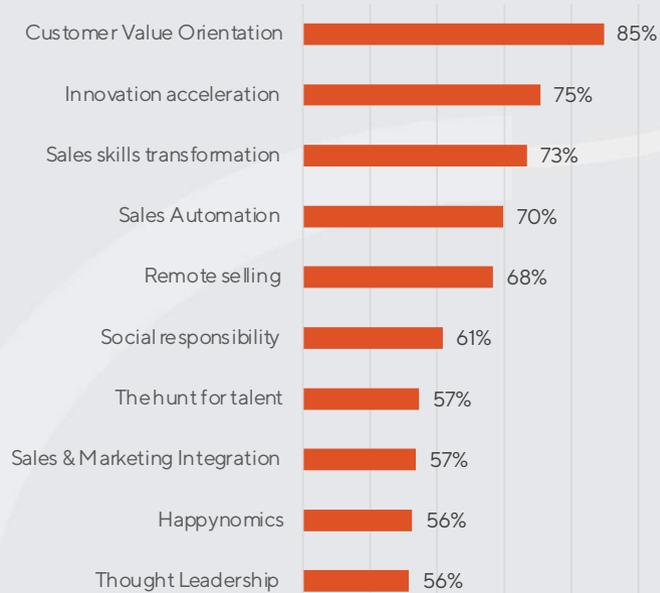
TOP 10 TRENDS BASED ON COMPANY SIZE

Customer Value Orientation is the most important trend of them all in our survey no matter the size of the company. For large companies with large amounts of data, Big Data has also qualified for the top 10 list of most critical trends to stay competitive in the future.

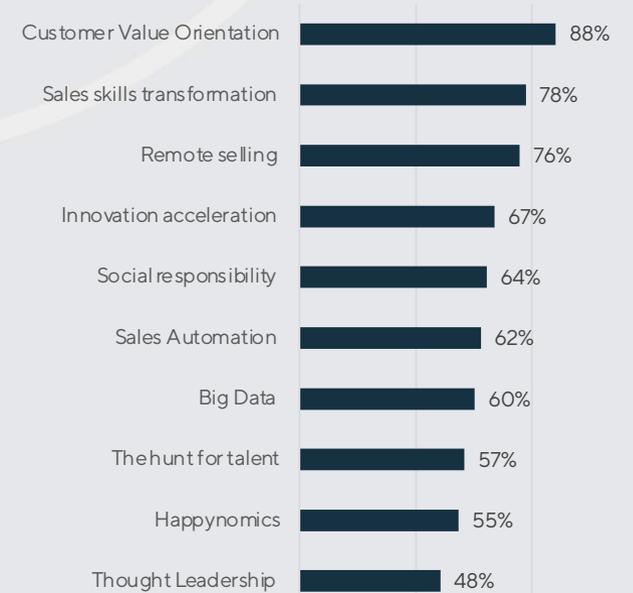
SMALL COMPANIES (1-100 employees)



MEDIUM COMPANIES (101-1000 employees)



LARGE COMPANIES (101-1000 employees)



ABOUT MERCURI RESEARCH

The lighthouse of B2B Sales Excellence

Mercuri Research (formerly ProSales Institute) performs independent research to advise sales leaders on their top sales priorities and helps them create sustainable organic growth. We move the frontier of commercial excellence in collaboration with leading international firms.

- We research new phenomena in B2B sales and marketing and distribute our insights to the members of our community in various formats.
- We are B2B sales and marketing nerds and passionate about sharing our insights built up in client engagements and research projects.
- We regularly perform independent and collaborative studies of new phenomena in B2B sales and marketing.

Mercuri Research is a division within the global sales training company Mercuri International where we help our clients with tailored training programs, consulting services and research to reach a level of Sales Excellence.

For more information please visit mercuri.net/research and mercuri.net



Project Team

Henrik Larsson-Broman, author
Markus Ejenäs, editor
Elias Bayat, analyst

Related resources

The data from this survey also forms the basis for two more reports:

- The Future State of Sales Sales Skills
- The Future State of Trust in B2B Sales

For more information please visit
www.mercuri.se/research

This report is published by Mercuri International Research.

© 2021 Mercuri International. All rights reserved.

Published in Sweden.

This publication may not be reproduced, stored in a retrieval system or transmitted in whole or in part, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior written permission of Mercuri International Research.

For more information, please contact:

Mercuri International Research
Gustav III:s Boulevard 42, 169 73 Solna

Email: info@mercuri.net



MERCURI
international

RESEARCH