

Meet the buyer where and how the buyer wants to buy in 2021

“Disintermediation”

dis·in·ter·me·di·a·tion | \ ,dis-,in-tər-,mē-dē-'ā-shən

the elimination of an intermediary in a transaction between two parties

The first time I heard this wonderfully intriguing word...*it kind of takes a long roll off one's tongue*...I was sitting in the audience of the MIT Enterprise Forum decades ago listening to the head of the MIT Media Lab define what would occur as a result from the very early days of the internet. Working at that time at Honeywell in Purchasing on the team providing development contracts for the first memory chips, I was totally entranced with that MITEF presentation realizing that because of a transformational advance in memory chips and now the internet, we were on the frontier of what would become a huge revolution...*in everything*.

So huge, in fact, that I couldn't wrap my head around that level of change, so I dug even deeper into expanding my work with memory chips and the inner workings of transformational hardware and software as startups like Digital, Analog Devices, Wang and hundreds of other startups were rebranding Boston's Route 128 into what was to become “*America's Digital Highway*”. Superb pioneering days in technology dwarfed now by new technologies, mega-investments and an explosion of entrepreneurship far beyond what we could not even imagine back-in-the-day.

So now, decades later, here we are at the beginning of 2021, and I feel exactly the same about the massive transformation that's happening right now in the intertwined worlds of Sales and Marketing.

With all the horrendous problems and devastating personal impact created by the Covid virus, there has also been a birth of significant workplace opportunities that have catalyzed the transformation of decades-old archaic practices that have been historically used in the world of Sales. Those age-old sales practices of “Relationship Selling” and “Solution Selling” actually worked for a long period of time even given their high cost, their low efficiency and their lack of appeal and effectiveness in the buyer communities.

Just why has there been such a resistance to change in the world of Sales?

- Old practices die hard especially when the overall results have been somewhat positive
- “Change” always represents some level of threat in the perception of “giving up control”.
- We've been riding the wave of a long bull market prior to 2020.

But then, with an earth-shattering explosion in the first two weeks of March followed by a series of continuing major business and disruptions, out of necessity, we were forcibly thrust into a rapidly changing sales environment where the only thing that remained constant was...*in fact*...change itself.

So, here we are one year later with certain market segments unable to recover simply due to their own economics and the physics of repeated shutdowns and space reductions such that they ultimately could not/cannot survive. The cruel side of this “survival of the fittest” result is that this disruption unfortunately will continue to wreak havoc in 2021 in those same markets.

On the positive side of what occurred in 2020 is that a brave new world of still-unfolding new sales practices and advanced sales and marketing technologies have been birthed which have catapulted the practice of professional Sales into what we now predict will be unparalleled growth opportunities in 2021.

Before taking a look at B2B sales, let’s personalize this acceleration of what we call “digital marketing and selling” simply because these words are at the essence of what this change is all about, plus all of the other consultant-speak terms being used are ridiculously confusing.

Now, let’s approach this new environment for B2B sales by first viewing it from our own personal experiences as consumers since we have all dramatically changed our shopping behavior and buying practices during the years leading up to 2020, and then last year, we took a giant leap forward.

In a disintermediated world, Amazon moved from merely selling books to today’s “Amazon-First” shopping mentality of ordering everything online from “things-we-need” to the more personal purchases of clothes and shoes to a huge increase this year in every type and level of preparation of food (50% of food shopping in 2020 occurred online) and now to doctor-prescribed pharmaceuticals.

- Auto Zone who still maintains around 6,000 physical stores also now provides an easy-to-order online presence with extraordinary service plus partnering online with Walmart to make ordering and pick up of their products that much easier.
- Uber, with revenue of \$14.2B and a market value of \$72B, of course, disintermediated the taxi industry years ago, so the story of Uber and similar companies is very old disintermediation news. What’s “newer” (*but not really new*) is Uber Eats with 2020 revenues of \$2.5B (that’s “billion with a “B”) with 80% of that ordering done from a phone. That disintermediation created unicorns like \$1.9B Door Dash and \$3B Instacart and a hundred plus other similar companies you may have never heard of.

With ecommerce sales at record levels of over \$690B for 2020 and estimates of \$890B expected in 2022, it is simply impossible to believe that industry and commercial sales will “go back” to a sales process in which Joey BagaDonuts stops by a customer’s or prospect’s office to “just have coffee” or “talk about what you’re planning for business.”.

Joey today is an unnecessary interruption who comes with a very high cost, has low productivity and is a major irritant to the buyer side of the table since he adds little to no value. Let's put this into perspective that on average B2B salespeople, taken as a group, each year reach only 50% to 60% of the annual quota that they agreed to. These are smart and experienced people, but they continue to operate with archaic tools and relationship drive-bys, and the overall quota results are ridiculously terrible.

- **The 2015-2019 relationship of Buyers & Salespeople**

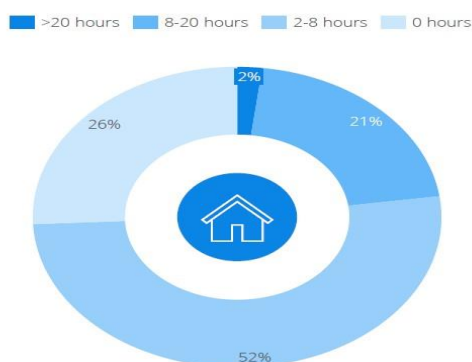
Industry data shows that following the same face-to-face B2B sales call, 56% of the salespeople involved responded that their meetings with their potential buyers were positive, and they were looking forward to more meetings and doing business.

On the other side of that same table, the data states that 74% of those same buyers, when interviewed, responded that that same meeting was a waste of time, and they would never take another meeting with that salesperson. Of B2B buyers, only 18% said that their meetings with salespeople met their expectations, and only 7% responded that they would schedule a follow-on meeting with the salesperson both because (1) the salesperson was not prepared and (2) the meeting took too much time.

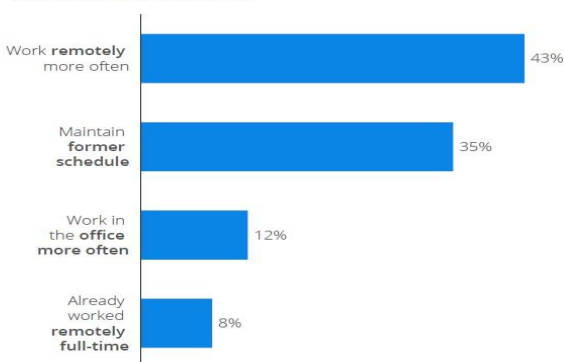
- **A physical F2F meeting takes on average 50% more time** than necessary just because it's a physical meeting and, to some degree, both sides of the table feel that there's a necessity to acknowledge respect to one another in their putting time into the meeting. On the other hand, in a virtual world, online sales meetings on average take 30 minutes, are more down to earth plus they are sharply defined in time constraints given the very nature of the online format and its sharp focus.
- **Remote selling before 2020** had increased 40% since 2010 to at least one day per week with a significant majority of salespeople at the end of 2020 now stating that they would want to work from home at least part time for the rest of their careers.

Remote working is expected to stay relevant, even after COVID-19

Weekly hours expected to work remotely post-COVID-19¹



Respondents who would like to change their work schedule after COVID-19²



¹: n=317 CFOs and finance leaders
²: n=1,200 full-time employees in the U.S., re-calculated for 40 hours work week, April 16 to 17, 2020
 Sources: Gartner, getAbstract, as of April 2020

We also know that when taken, as a whole of all workers and not just salespeople, the economic advantage of remote work is very significant. Obviously, we also recognize the fact that there is the human side of this statistic that *“wants to get back into the office”*, and that there is corresponding level of stress created by working remotely. Having said that, most of what we have been calling *“field salespeople”* for decades have been working remotely for decades.

Economic impact of remote working could result in annual savings of over US\$700bn in the U.S. alone

Corporate remote working policies have changed with a majority allowing a full or hybrid remote model

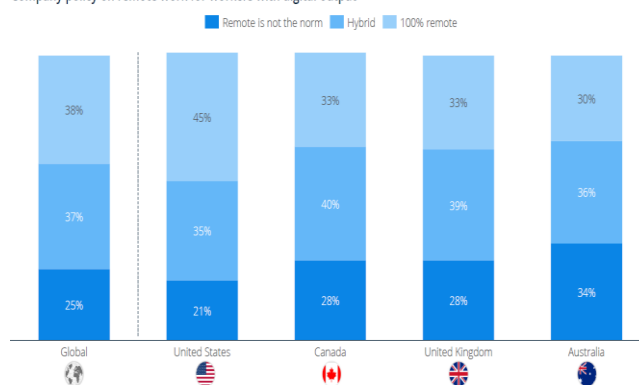
Overall impact of remote working



¹ Global Workplace Analytics, as of July 2020 ² n=5,500 FlexJobs sixth annual survey 2017-3; n=1,000; Softchoice survey "Working Hard or Hardly Networked" ³ Sources: globalworkplaceanalytics.com, as of June 2020



Company policy on remote work for workers with digital output¹

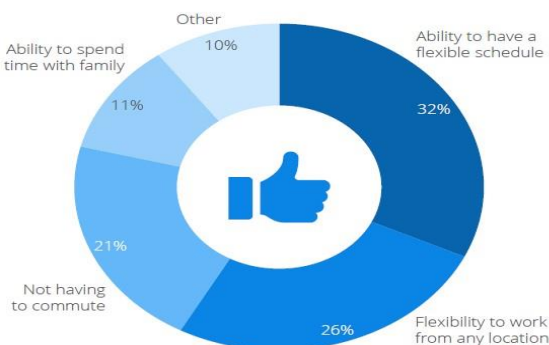


¹ January 30 to February 10, 2020, n=3,000+ adult professionals who work remotely or have the option to work remotely and are in roles with digital output. Note: Segments may not add to 100% due to rounding. Sources: GIGLab, as of February 2020

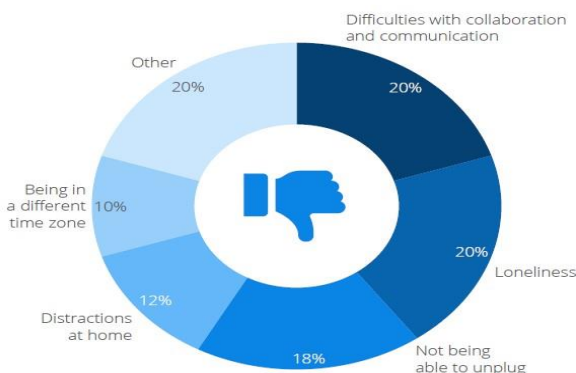


Benefits and struggles of working from home became quickly apparent

Biggest benefits to working remotely¹



Biggest struggles with working remotely²



¹ "What's the biggest benefit you see to working remotely?"; n=3,521 remote workers. ² "What's the biggest struggle you see to working remotely?"; n=3,521 remote workers. Sources: Buffer, as of February 2020



- **“Outside” or “Field Sales” and “Inside Sales” terms have become totally blurred.**

With selling successes in a wide variety of industries in 2020, gone are the days when a field salesperson jumps on a plane Monday morning, travels to three cities during the week and arrives back at midnight on Thursday to “go into the office to catch up” on Friday. In a world of extended sales travel either by air or car, the data shows that *at best*, the effective time of actual real selling time as a percentage of the total available that a field salesperson has to sell is 50%.

- After a year plus of successfully selling remotely, it is simply impossible to imagine that the average sale of anything will be done sitting in front of a buyer or a group of buyers for 30 minutes let alone for two hours unless there is a demo meeting or something else which requires a hands-on experience.

Are there going to be exceptions? Sure, for product demos such as above for long negotiations and some final presentations when “feeling the room” or “closing the deal” requires to be physically “at the table”. Having said that, this month we recently closed a \$500K deal which had taken four months where everything was virtual.

Of course, there are benefits and struggles to working remotely, but critical to any salesperson is the primary issue of their own time efficiency. The survey data from the past ten months shows the following benefits stated by salespeople:

- not commuting (21% of the people reported)
- flex scheduling to work from any location (26%)
- ability to have a flexible schedule (32%)

Going forward there will, of course, be “salespeople” and “account executives”, and whatever other titles want to be added into the mix. We believe strongly that it will be unimportant where these individuals are located, or how they present their information and show value to their prospects.

What will count more than anything will be the efficiency and effectiveness of how salespeople demonstrate that customer value which requires a new breed of salesperson not focused on “relationships” or “solutions”, but on adding fundamental value to the businesses of their customers. “*Value Selling*” is relatively new as a sales concept, and in the use of its tactics, at its very core, it requires a very strong customer-first culture and an operational platform built with a formal sales process and integrated tools and technologies.

Job types differed in their suitability for working from home with business development leading

Suitability of remote work by industry¹



81

¹: n=2,877
Sources: Slack Survey of knowledge workers, as of March 2020

statista

Meet the buyer where the buyer wants to buy

By now, we've all read-or at least heard about-the 2016 Forrester stat that points out that 70% of the major buying decisions are already made by the prospect's buying team long before any discussion with any supplier simply as a result of accessing data, competitive comparisons and customer reviews online. That math goes like this:

- Out of every 10 potential suppliers...
- only 6 were reviews online...
- of those 4 were contacted
- resulting in actual meeting for 2 to 4
- the other 6 never knew that there was a buying process going on.

And that data was from back-in-the-day four or five years ago.

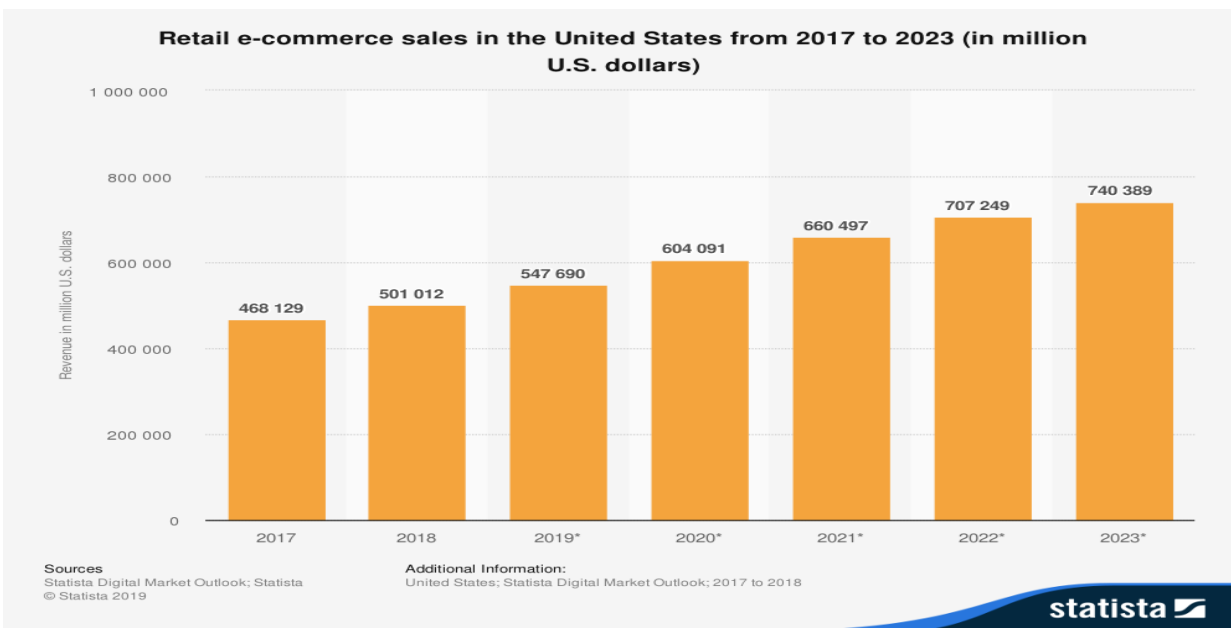
In a world of rapid and unprecedented change where traditional buying habits and classic distribution models no longer make sense either in terms of cost, efficiencies or time requirements on both sides of the buying table in almost every industry, today's professional salesperson needs to meet today's buyer wherever and however they want to meet...using a process of how they want purchase.

Every traditional supply chain is in the process of being disrupted and potentially disintermediated, and, if your immediate thought is *"well, not in my world of solder or steel or specialty chemicals"*, then look no further than tires or specialty components.

- Back-in-the-day, tire companies such as Goodyear and Bridgestone, had their own stores, and there are still a few around. Going online, they quickly partnered with companies such as Tire Hub. Today, consumers go online, just type in their license plate numbers and arrange for the tire installers to come to their driveway.
- We think of Honeywell as a heating control company. Unless we're in the airplane industry, and then we would know that the Honeywell annually sells \$12B of aerospace parts online.
- Solder is both a commodity and also highly specialized varieties of adhesive products that used to be sold by traveling salespeople with large catalogs that sat unused on buyers' bookshelves. Today, salespeople and product specialists at [Ellsworth Industries](#) handle sales online with pre-sales work being provided through highly rated informative "how-to" videos and marketing blogs.
- Personally, I'm a techy nerd always pushing the envelope, and because I drive (*actually used-to-drive*) 40,000 miles a year, I end up buying a new Subaru every 12-14 months. 10 years ago, I started the practice of buying my cars online, and I've never visited a car dealership since then except for service. Last week, a new car was delivered to where I was on vacation. All the comparison shopping, auctioning, negotiating and financials were done online using a variety of software and virtual tools.
- Since all of us have been very comfortable in our consumer use of UPS, FedEx and Amazon for the last few years, those same buying patterns, which have historically been B2C, have now, out of necessity, in almost every industry successfully transitioned over to B2B. The result has been unprecedented growth everywhere in online sales in 2020. Easier, cheaper, and, most importantly, less time being spent in identifying, negotiating and closing on the actual purchase for both buyers and sellers!

- One-to-two-hour commutes have been reduced to zero providing much better use of both business and personal time. And, then there's the added significant social impact on the climate and sustainability.
- Online sales meetings, even in a corporate B2B world of products and services, tend to be much more focused, down-to-earth, and pointedly specific as to answering the question of how we can do business together...or not.
- 1.9 billion people shop online; 63% of all purchases begin online and 50% use mobile

The summary of this is that over the last few years, e-commerce has become an indispensable part of our lives in general and of the global retail framework specifically. Like many other industries, the retail landscape has undergone a substantial transformation following the advent of the internet, and thanks to the ongoing digitalization of modern life, consumers now profit from the perks of online transactions. As internet access increases everywhere, the [number of digital buyers worldwide](#) keeps climbing. In 2019, an estimated 1.92 billion people purchased goods or services online. During the same year, [e-retail sales](#) surpassed \$3.5 trillion U.S. dollars worldwide.



Ok, so I know what you're thinking right now!

But wait a minute, that's retail, and I work in a... machine shop, a law firm, a chemical plant, a meat packaging company, a financial investment firm, a rope manufacturing business...and whatever else you can think of, and that transformation is not going to happen to our industry.

Guess what, it already has! It may not have happened in your actual business for your sales and marketing people in the way they go to market with your new prospects and existing customers, but it already has in your purchasing department, on your manufacturing floor, in your IT department and in your engineering labs in a totally digital experience simply because it's easier, it's more competitive, it's cheaper and more time efficient.

Current industry survey data clearly shows that an overwhelming 71% of B2B sales leaders believe that their role will change dramatically in five years. Good data, but I believe that the scope of five years is way too long, and that if this survey were to be completed right now in 2021 and brought down to a more granular level, the timing would be two years at the most.

The top-of-the-funnel "sales prospecting" has already gone totally virtual. No one either in a BDR role or working as an SE in any sales process, formal or not, can be effective unless they are totally fluent in the language and inner workings of a CRM and in the use of basic tools like LinkedIn Navigator. Fluency in other social media channels and in video are also basic requisites for any sales rep today who expects to remain on the competitive edge.

Add to this that in order for your business to remain competitive internally, it's been operating digitally anyhow for most of the past decade. Maybe not in Sales, but everywhere else in the company's operations from Finance to Operations to Engineering.

Add to that baseline the simple fact that in 2020 1.92 billion people-*most probably including you*- have been purchasing food, clothes, electronics, cars and do their personal banking totally online, and they are simply now not going to change their work routines and wait for salespeople to...

- ..."just stop by"
- ...leave random and archaic voicemails
- ...fill their Inbox with annoying vague emails

Bottom line is that although traditional relationship-bound salespeople (what we used to call "field salespeople") knew that their world was rapidly changing (in fact, not changing, but collapsing), and that their customers were asking for more efficiency and more data transparent, not until 2020 was there anything to force this change.

Now that this change in both marketing and selling methodologies has taken place relatively successfully for the past 10 months and, in many cases has proven to be both more efficient and customer-effective than before, 2021 marks the beginning of a new way with new methods and new processes through which we be selling going forward. We're simply never going back to *"the old days"* of 2019!

The practice of face-to-face selling with trips, visits and "stopping by" is over! The questions to be answered now are:

- How will you prepare, develop and retrain your salespeople in 2021?
- How will you create your own customized sales process and useful tools?
- How will you gear up your sales team to be fluent in their tech platforms?

...plus, many more questions which require detailed answers and follow-one tactics.

The reality is that if you are behind the competitive edge of this new world of marketing and selling, that's fine as long as you recognize it, and accept that the world of Sales has changed dramatically both out of the necessities of 2020, but most importantly, because your customers are demanding it. If you recognize that you're behind, but now want to catch up, recognize also that this is not a transformation that can be made overnight. Having said that, it is also not a process which can be delayed during 2021 since you would lose out on an incredible growth year coming up.

Right now, is the perfect time to put in place a small, but formal task team consisting of senior management from Sales, Marketing and IT/Sales Enablement to take a hard objective look at what you currently have in terms of sales processes, tools, technologies and people so that you can plan how and when you will make the required changes this year.

By putting a formal task team of senior managers in place anoints the seriousness and the commitment to the process and brings everyone in line with what changes will be made.

A few basic steps to start your thinking process:

Step #1: Create the Plan: Senior Management in 30 days

This is a very tactically rich action plan. Do not overthink the strategy component of this plan, which is very simple quite frankly. The "strategy" becomes the company objective of putting in place and executing on a one-year plan to transform your Sales organization to be the connective tissue between what you have as products with what your customers want. Much more important is figuring out the details of what a tactical and action plan will be in order to make this transformation this year.

- Define in detail the objectives you want to achieve in 2021
- Do that for the year and then back it up into quarterly chunks
- Focus on (1) the customer experience, (2) the 2021 sales model, and (3) culture
- Do a SWOT on what you have now in Sales processes, tools, metrics and people.
- Focus your 2021 plan primarily on the “Weaknesses” and “Opportunities”
- Decide who will be responsible and when
- Formalize announce the overall plan and review Step #2 in detail every month.

Step #2: Create the details of an execution-focused plan (60 more days).

With the architecture of a baseline plan done by senior management in Step #1, this step becomes the hard work of working through the details. It may be that the entire senior team who worked through Step #1, stays together for Step #2, but most likely this task team will be led by the head of Sales and the hands-on subordinates from Sales, Marketing and IT. These individuals will become the real mechanics with their fingers deep into the crankcase oil of the new Sales engine.

- This task team is focused to the detailed construction of the new sales process
- Individuals in both title and style who will spend significant time on this project
- People including a few salespeople who have respect and will be listened to
- Responsible for detailing each of the process steps, the tools and technologies
- Responsible for architecting a complete digital sales enablement hub
- Responsible for crafting the rules and practices for the entire sales team
- Responsible for the actual roll out, the training and follow up certification

Step #3: Follow up and revisions (each quarter)

- No plan is ever perfect, especially in a major transformative change
- Three months after the formal launch, the task teams need to come back together
- Conduct a review of what’s working, what’s not, and quickly adjust
- Formalize more training and coaching using interactive virtual tools
- Continue to repeat a formal review process every three months for a year.

I appreciate the time you took to look through this! What's here is a combination of our experience and ideas as to where we see the world of Sales in 2021, now moving ahead more rapidly than ever before.

We've attempted to provide a very general outline here and then leave you at the end with three initial steps to think through and potentially help you in outlining a few tactics that you can begin to think through. At any time, you can just simply reach out to me for questions or comments or for general guidance. Obviously, no cost for a quick consult.

[At Derby Management](#), we can help you in terms of much more specific coaching and, if you want, with all of the necessary hands-on execution to make this happen.

Underneath all of these ideas about the future of Sales is the fact that we believe that this will be a year of a very strong economy, and therefore a year in which a transformed Sales organization could become the most critical component in your success in 2021.

Good Selling !

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