

THE IMPACT OF

COVID-19 ON SALES: WHAT COMES NEXT?

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Foreword

Many business owners will remember facing global financial downturns.

Whether it was the 2008 financial crash, the dot.com bubble bursting, or the stock market collapse on Black Monday.

Others will be staring at this without that experience and searching for a foothold to combat the slump in sales and confidence.

This is not an unprecedented financial climate, but the impact of COVID-19 has redrawn the working world in a way that we've never seen.

It has pierced through healthcare, travel, personal freedoms, global economies, politics, and entire industries to bring them to a grinding halt.

Even for the businesses that haven't been affected by the financial fallout, the people within them have.

That said, this is also a time of enormous opportunity for businesses. One that has forced a generational shift in selling overnight and created a "business Darwinism" where companies will either evolve or close.

Difficult times are a bedmate of brilliant innovation. Disney, Microsoft, IBM, Kellogg's, General Motors, AirBnB, Alibaba, Salesforce, and Netflix were all born or remodeled in a recession.

This report intends to provide some collective insight that sales leaders can deploy in the new working world and show that on the other side of a financial downturn is innovation.



Guy Rubin
Guy Rubin,
CEO, Ebsta

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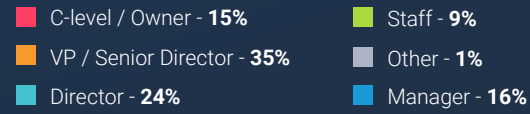
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What comes next for businesses

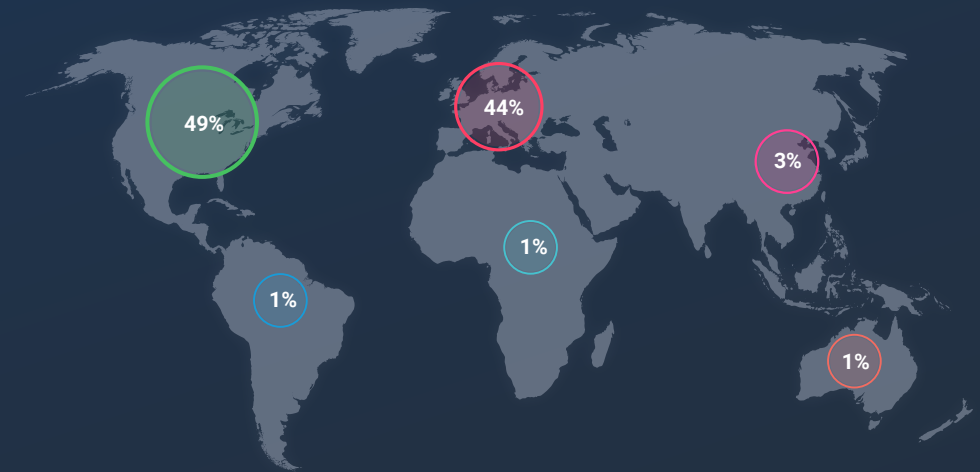
Breaking down the numbers



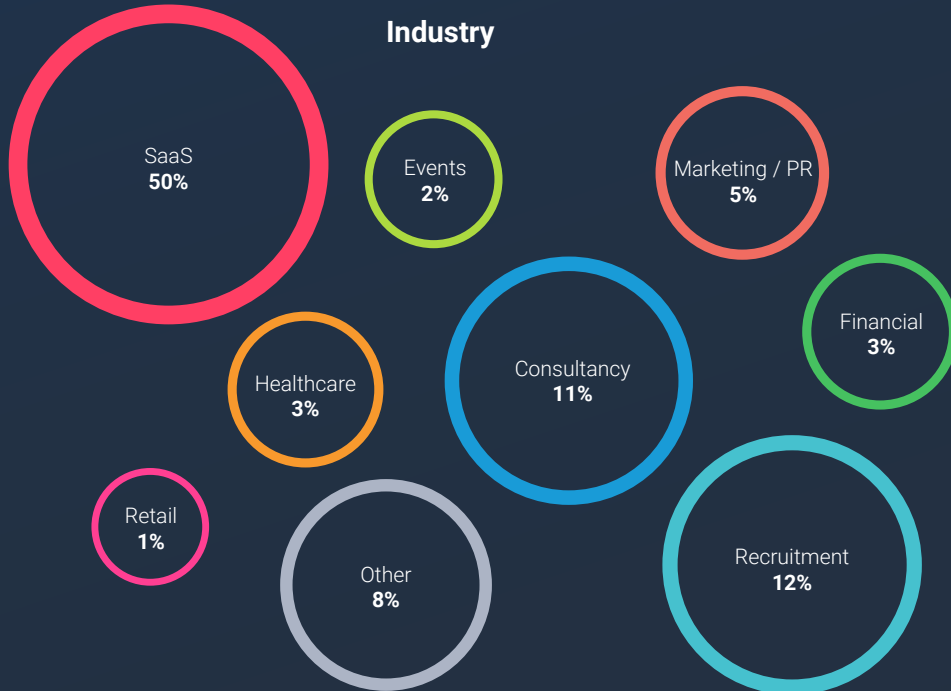
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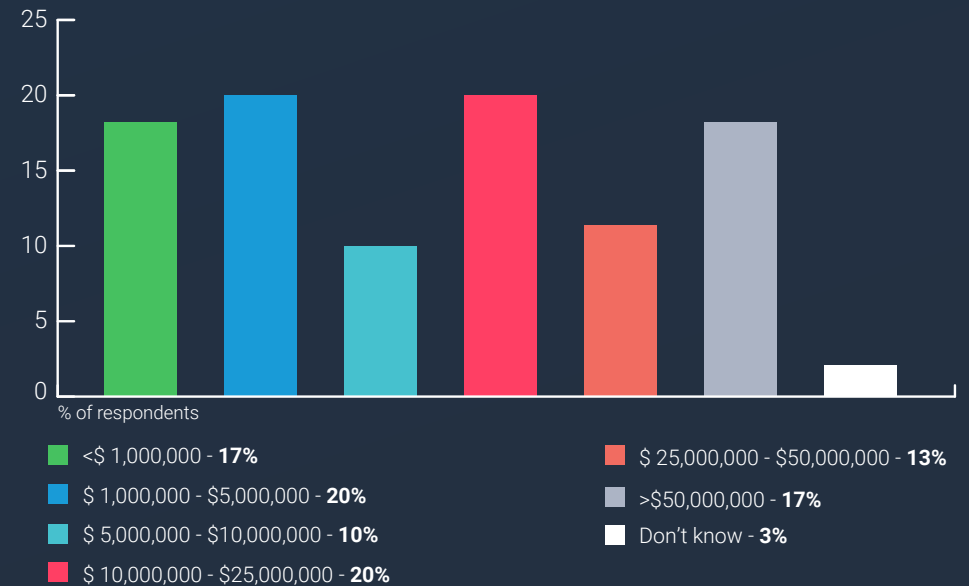
Location



Industry



Revenue



Key takeaways

We've turned to 100 business leaders from around the world to ask them for actionable advice in combating the impact of COVID-19.

This shorthand report will cover the immediate impact on revenue, the tech supporting the transition, the long-term outlook and the tangible advice from industry figureheads.

Over a third of businesses have identified waste (38%) and almost half (48%) have developed better processes.

One in ten businesses (9%) are on-target or anticipating growth in 2020.

Almost half of businesses (46%) have cut their marketing budget and repositioned their value proposition (43%).

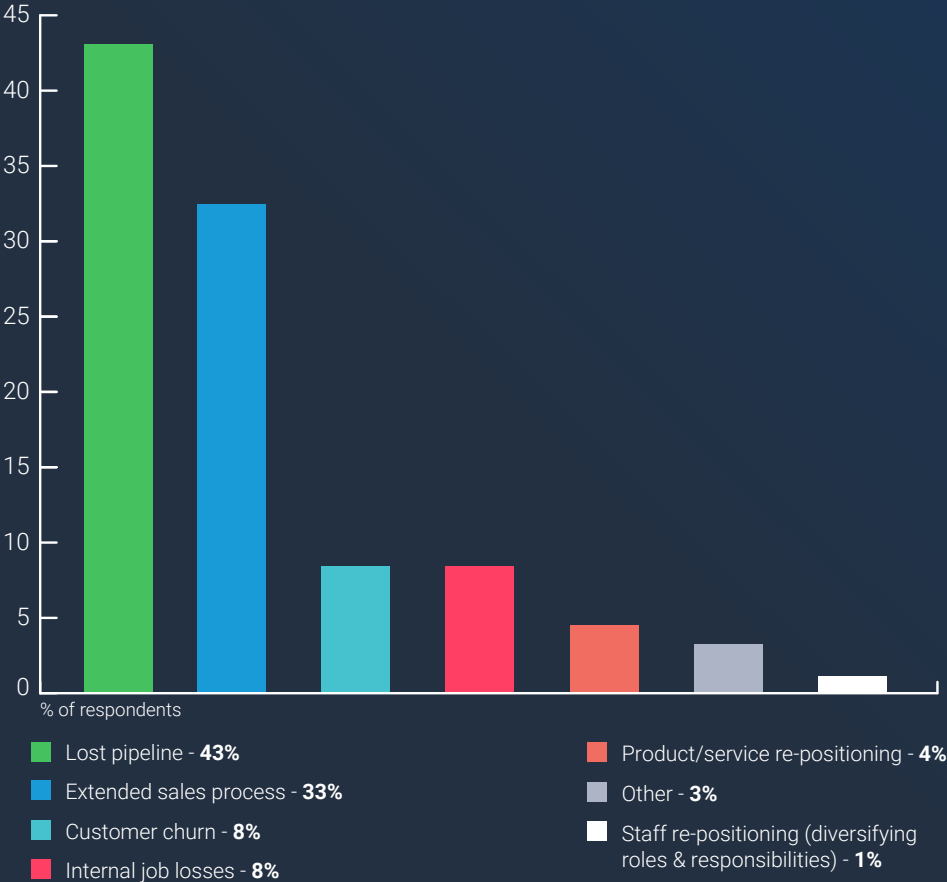
A third of businesses have restructured their commercial models.

Businesses are moving to inside-out growth models that are increasingly customer-centric

Changes to tech and processes are being made with permanency in mind.

Businesses are investing in relationships now that will pay dividends later.

What has been the biggest impact of Covid-19



Invest in the relationships you have

The biggest initial impact of COVID-19 is understandably being felt at the sales front.

Businesses are repositioning to inside-out growth models and becoming increasingly customer-centric as new business pipelines shrink and buyer appetite for non-essential services slows.

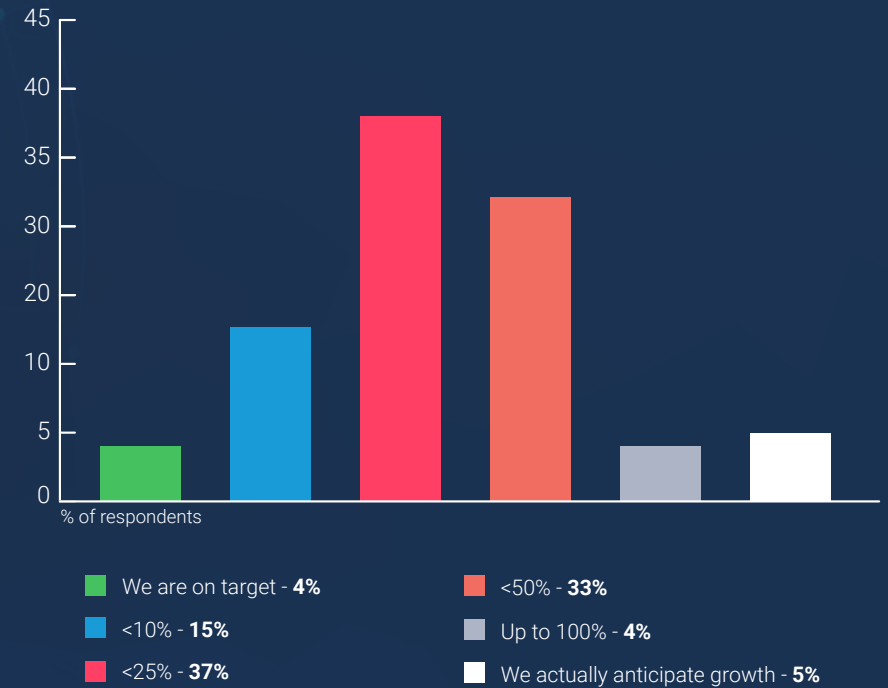
- Invest in the customers and relationships you have
- Buffer customer success and support the increased volume of customer concerns
- Identify flight risks, upsells and cross sells
- Adjust sales timelines and targets accordingly

Uncertainty and financial necessity have stalled pipelines. Businesses that are holding their breath will eventually need to come up for air and act on the decisions that they're delaying.

This is reflected by a third of businesses experiencing longer sales cycles. The conversations you have now will pay dividends later and customers will remember how you made them feel. Make sure you're front of mind for when sales confidence returns.

Revenue outlook on 2020 targets

How do you expect COVID-19 to negatively impact revenue targets in 2020?





Kevin Raybon,
Chairman, Global Sales Operations
Association (SOPSA)

Rewinding to the beginning of 2020, we were beginning to execute our well laid plans for incremental improvement as we 'transformed' sales in our companies. It might have been:

- Improving the sales technology stack
- Launching updated training initiatives to enable sellers
- Tweaking sales compensation plans for new targets
- Seeking funding for digital transformation projects, or living through one which seemed to plod on forever

During this disruption, leading sales teams are applying rocket boosters to initiatives which have long suffered from a lack of attention and funding. The 'hard discussions' which were pushed aside for focus on quarterly tactical objectives have been forced onto the agenda for decision.

No time in history, until the present, has the entire world faced a common enemy and been forced to respond. The magnitude of this occurrence has disrupted the sales function in many ways. Gone are the incremental improvements. These are not incremental times, but times of steep change. Those 'sales transformation' projects which have been underway need to be certain they are building to an end state which now matches the environment. Leaders are being forced to evaluate new ways of working which leverage technology and this may cause them to challenge their traditional view of sales roles.

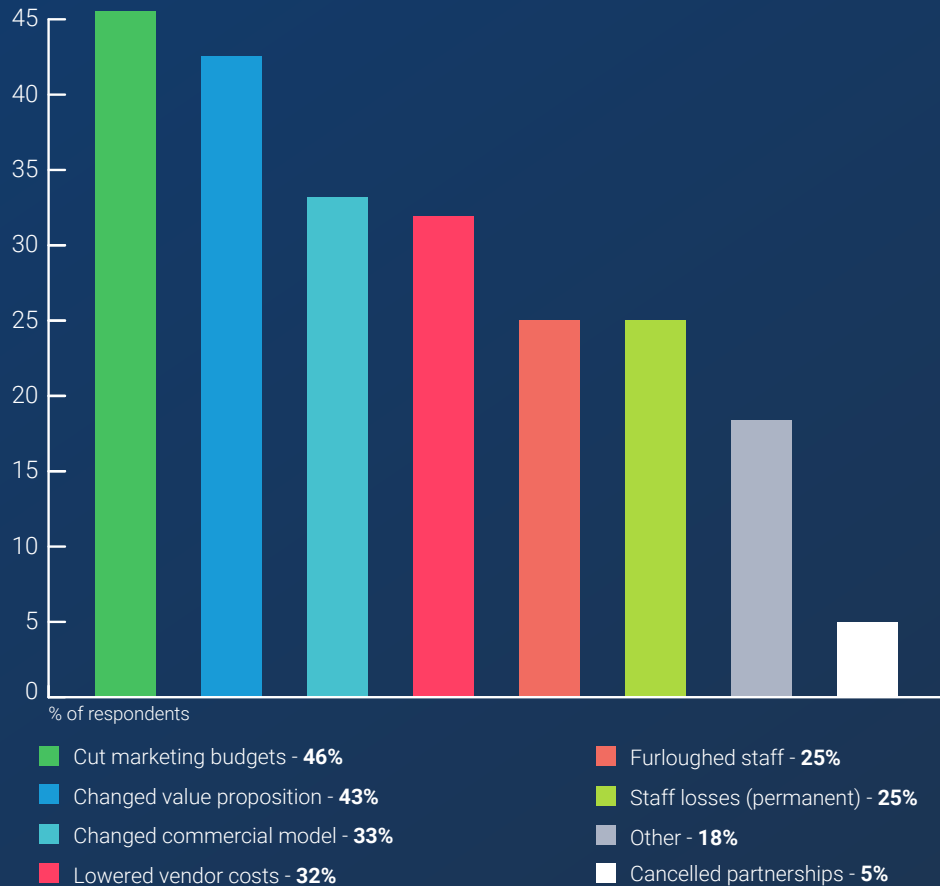
History shows that times of disruption can be major opportunities for those who evaluate, adjust, pivot, and invest. We are all in this together. Will you choose to lead through this disruption and rise above it? I certainly hope so."



IT SEEMS THAT OVERNIGHT **THE WORLD OF SELLING HAS CHANGED**. THE SPECIFIC LONG-TERM IMPACTS ARE UNCLEAR. HOWEVER, ALL SIGNS POINT TO LASTING EFFECTS FROM THIS MARKET DISRUPTION.



The changes businesses are making



Closing cost centres and revisiting value

The instinctive reaction shows that marketing budgets and any activities that are seen as cost centres, or non-essential revenue lines, are being cut. Companies are restructuring their businesses according to the value they generate.

Almost half of businesses are re-writing their value proposition and the way they communicate their solutions to a new audience with different needs. New sales pitches need to be drawn up and new ways of engaging with customers.

Following that, a third of businesses are revisiting their commercial structures to consider freemium options and promotional offers that meet customers half-way:

- Lower barriers to entry with shorter contracts and starting fees
- Revising payment plans and payment windows with an eye on cashflow
- Introducing lite versions of products or time-based offerings
- Stepping outside of the sales playbook and recognizing it was built for this climate
- Are you effectively communicating your proposition where people are now digesting that message?

The important thing is to exercise buyer empathy and understand how your sales outreach and marketing activity addresses the needs of now. Buyers will only see what you communicate.



SALES LEADERS NEED TO **MOVE AWAY FROM SHORT-TERM THINKING** AND BUILD THEIR FUTURE BUSINESS FOR THEIR FUTURE CUSTOMERS.

It's undeniable for most that revenue has been affected due to Covid-19. It's also, almost undeniable, that sales and business will never be the same again, but how? Truthfully, who knows!

I think for a lot of us, Covid-19 has positively exposed a lot of inefficiencies and forced us to escalate strategic changes quicker than ever.

Leaders need to think about how they want their business to look beyond the pandemic, how they are creating space for medium thinking, how are they escalating strategic changes and how do they plan to bounce back.

Stop sitting in the line of fighting fire, and move towards building your future business for your future customer.



Josh Smith,
CEO, CSO UK



The tech making the transition

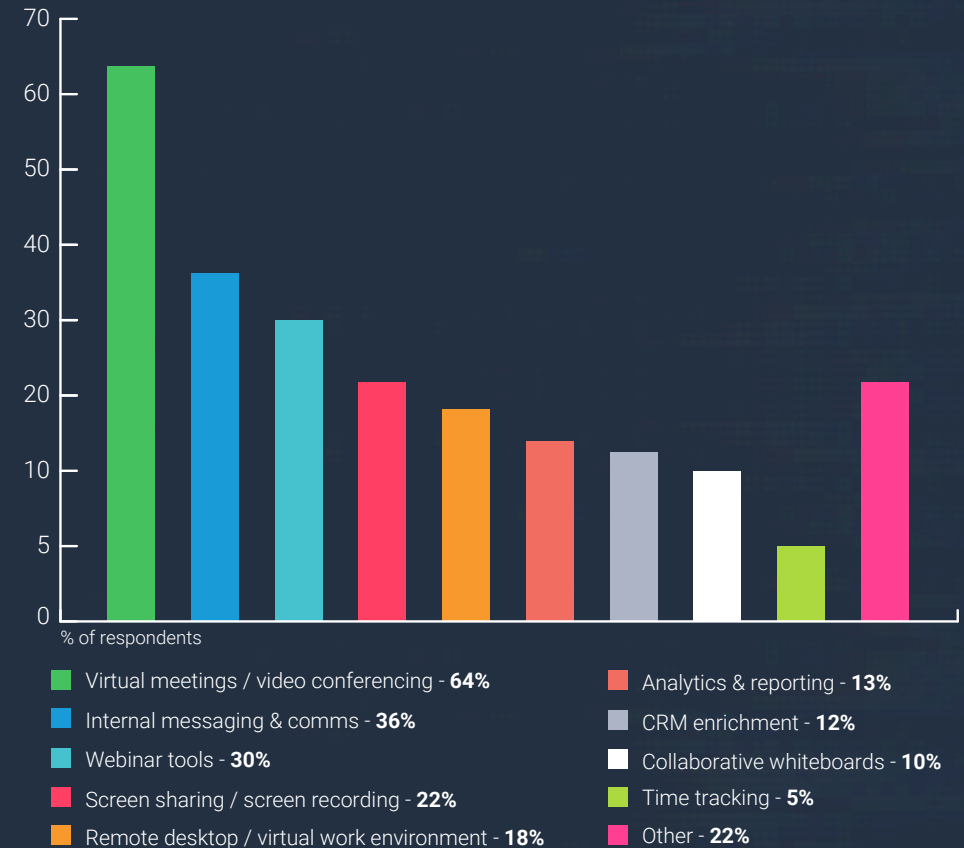
Tomorrow arrived a lot sooner than businesses were expecting and sooner than sales teams had prepared for.

Sales are fundamentally built on relationships and traditionally that has meant being on the ground and connecting in person. However, a cultural shift has seen us moving closer to the customer and leaning on technology to build those relationships at scale.

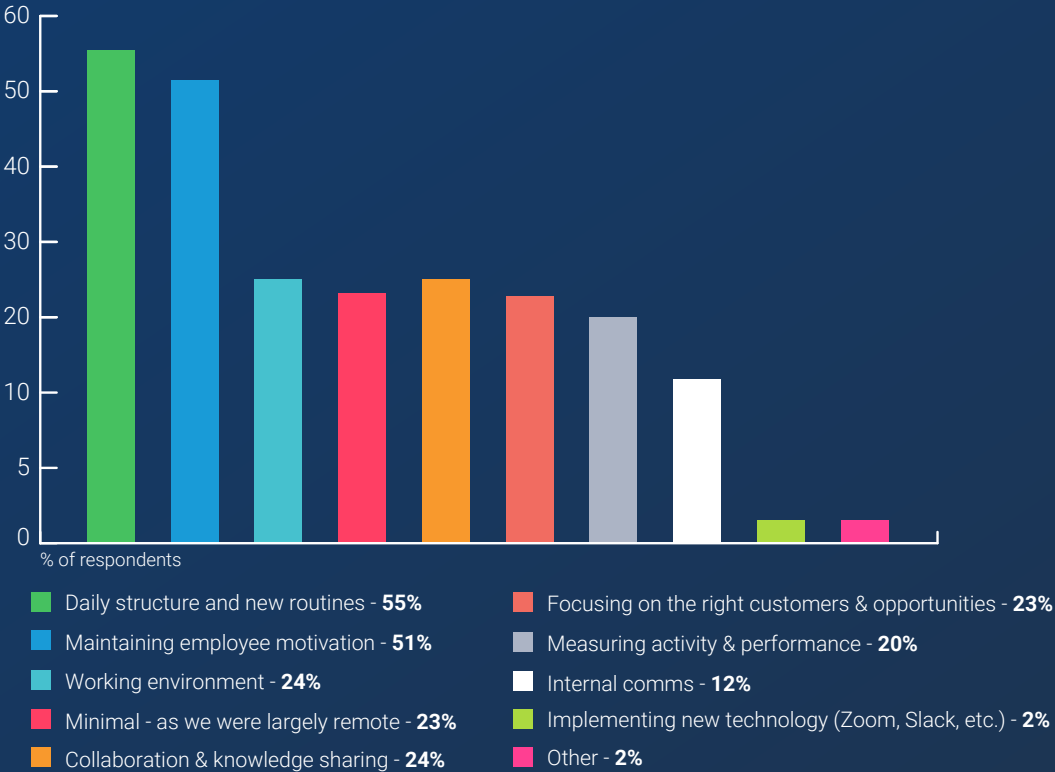
That relies on an accurate source of information, vehicles to engage with them remotely, the means to communicate collaboratively and the context to deliver multi-threaded experiences.

Salesforce - or a reliable CRM - was named as the single most important piece of tech for businesses working remotely.

What software have you added to specifically target COVID-19?



The biggest challenge in transitioning to remote sales



Build for continuity

Businesses are trying to find their footing in an environment that's still changing. The biggest challenge to our "new normal" has overwhelmingly been finding daily structure and maintaining motivation.

There's an enormous amount of peripheral pressure from depleting sales lines, job risk, health risks and the great unknowns that motivation is precarious.

Our nine-to-five has been eroded and replaced with blurred lines that often extend past what we're legally committed to. Find structure, find balance, and find a way to create continuity without looking for a return point.

What sales are leaving behind

"Informal information exchange and knowledge sharing"

"Organic collaboration that occurs face-to-face or across the desks"

"Feeding off the morale of those around you. The visible support of the collective."

"Managing the vivid work to life balance to be productive"

"Culture"

"Renewals"

"Vacancies"

"Social interaction. The office and my colleagues were a big part of my life"

"A schedule that has continuity in it."

"We were a close company and that's hard to recreate 100% remotely"

"Clients pausing on deals and decisions"

"Market confidence"



YOU CAN'T CHANGE THE MARKET, BUT YOU CAN CHANGE YOUR SKILLSET.

Many companies that I'm speaking with are running at 10-30% of their usual revenue - us included. You can't change the market, but you can change your skillset. If you're furloughed, my advice is to develop yourself to ensure you come back a better version of you. If you're still selling, then widen your area to increase your leads and opportunities. Either way, you have to stand apart and do things differently.

Remote meeting technology is here to stay and businesses need to embrace the shift in communication methods. People can utilise the time saved in travel to focus on self-development and increased sales activity. I feel we will see companies restructuring their working hours with a larger push towards flexible working. Companies that don't will struggle to attract the best talent. We have proven it can be done, so now's the time to trust in your hires and see the dividends repaid in productivity.

I believe that the value of good salespeople will increase with the huge push towards generating revenue post-COVID. So the key here is building strong relationships with your customers, so that you're front-of-mind when buying confidence returns. Businesses need to be working on these relationships now. Shelve thinking about the need for a sale and start thinking about how you can add value and strengthen your relationship so it multiplies in the near future. Change the way you sell and invest your time into different methods such as social selling. Be adaptable, invest in relationships, and soak up the information around you.



Prime.

Neil Clough,

Managing Director, This Is Prime

How confident is the market...

On a scale of 1 to 100, how do you think your business has adapted?



You can continue to work well remotely?

Market confidence



4.5 out of 5

You can return to the same way of working?



3.93 out of 5

That your business will be able to sell in the same way?



3.71 out of 5

A recovery sales can drive

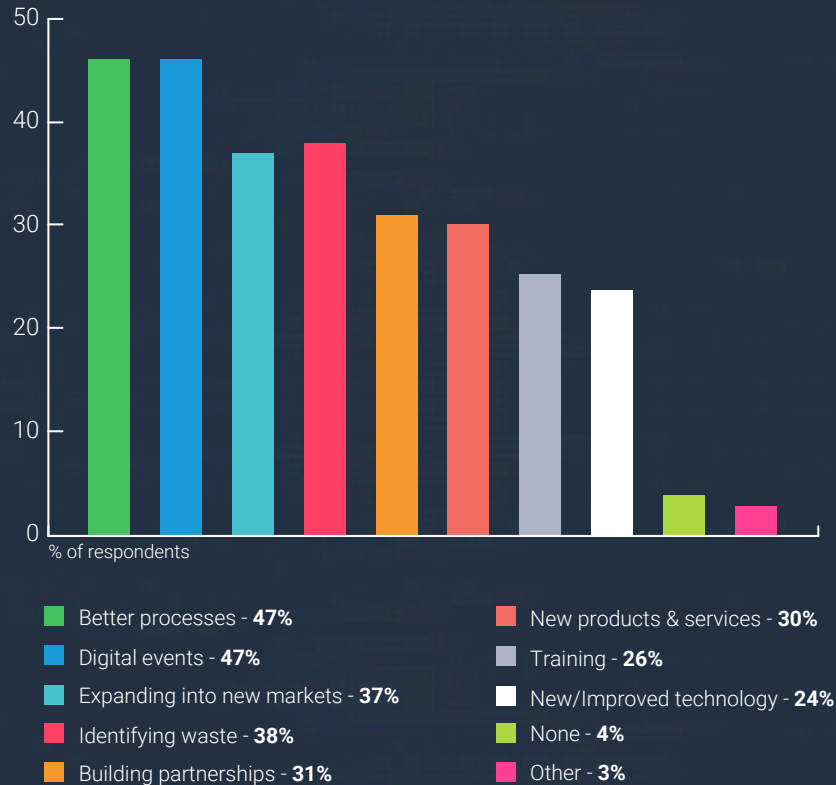
It might be the recent memory of the last recession, but it appears that sales teams are confident in their ability to continue working in the current conditions and the market recovery.

Lockdown has extended longer than people originally thought. Any changes to technology or processes are unlikely to be temporary and are being installed with permanency in mind. A paradigm shift in how we sell that's driven by connected tech stacks and data will follow us back into our places of future work.

Businesses are realising that they will not sell in the same way. Whether value propositions are different, buyers more cautious towards recouping losses, or the buying committees have changed seismically.

- Enable the buyer
- Remap the market
- Lean on tech to connect you
- Nurture relationships
- Sell on empathy

How businesses are finding new opportunities



As businesses separate what's business-critical to move at speed they're surfacing what's not needed at all.

It's moving house and realising that you never needed a garage. Businesses are going to return to the market more confident, streamlined, and with the infrastructure to scale efficiency.



THE FIRST THING TO DO IS REALIZE **WINNING IS AN OUTCOME**, NOT A CULTURAL VALUE.

A lot of the bad practices of volume-based selling that thinks of sales as moneyball with spray and pray techniques were exposed. People no longer find that treatment acceptable, when before it was at least tolerated albeit frowned upon. Sales cultures that were based on winning capitulated because winning is an outcome, not a moral value.

Any crisis spawns heroes and villains. There are companies that heroically responded, using their resources, products, and subject matter expertise to empower the global response and enable their customer base to steady the ship. Some companies saw chances to pivot with the massive behavioral changes of buyers moving to remote work with uncertain forecasts. This pandemic has forced sales teams to define and operationalize what delivering value means.

Completely new behaviors will be adopted by millions. Businesses far and wide are dealing with loss, remote work, and target markets that may have completely collapsed (e.g. travel, professional sports, automotive). Companies that are the first to respond to these new behaviors rather than doubling down on their

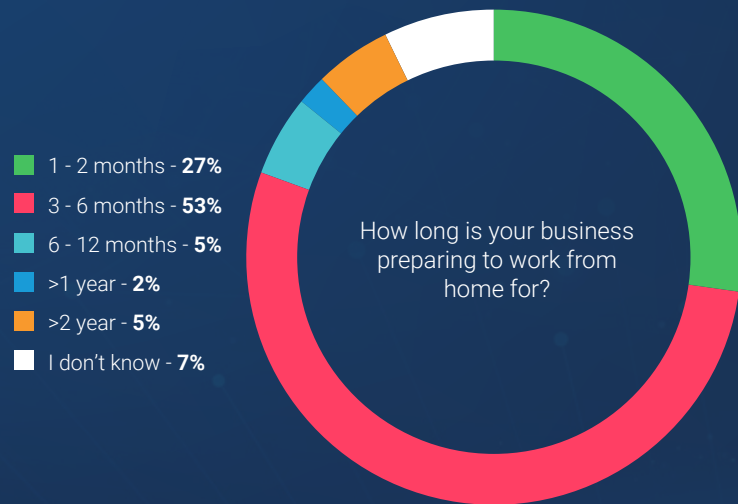
old playbook are going to reap the rewards. Sales teams that balance tactical empathy with actual data on consumer sentiment and behavior of their prospect's customers will rise above the noise.

The first thing to do is realize winning is an outcome, not a cultural value. It's about the journey, not the destination. It's going to take ingenuity and psychological safety for sales teams to navigate frozen budgets, uncertainty, and perceived risk. That comes from implementing meaningful team culture around integrity, curiosity, and intentionality. Let your sales team obsess over your customer's customers to deliver messaging that will spur action.



BRAVADO
Belal Batrawy,
 Sales Advisor, Community
 Founder on Bravado

How long are businesses preparing to work remotely?



What advice would you give:

"Focus on your process, people and technology - this is an opportunity to evolve your company to the future of work"

"Invest in marketing. You'll thank yourself for it later."

"This isn't the time to pause"

"The world is pivoting... which means we all need to change the way we do things and innovate. It's an opportunity to reinvent how we sell - and most importantly - how we build relationships."

"There is an opportunity to connect and communicate with customers that we are here for them. To build more personal relationships that feed long-term trust and credibility."

"Do not micromanage! Continue one-to-one's if useful. Roll up your sleeves and lead by example"

"Ensure your team still sells, but ensure they sell softly. Engage, empathise and add value, there is no quick win."

"We want every customer and prospect back but more than ever we need to reward our loyal customers - what's the "back to school" proposition that achieves that goal?"

"Stop wasting your time on the things that don't matter, only focus on the metrics that do"

"Reassess your targets and make teams accountable at shorter intervals."

"Take a surgical look at your pipeline and take this opportunity to consolidate your efforts with marketing. Train your reps to be focused on empathy and support and adjust their compensation accordingly. Set targets higher up the funnel because bottom funnel targets will be subject to great volatility."

"Stay close to the customer. To your people. And make faster decisions."

"Use this time to focus on your team. Big efforts on enablement & training so when we come out of this crisis, you will be in top condition"

"Focus on your process, people and technology - this is an opportunity to evolve your company to the future of work"

"Build relationships, mitigate as much risk as possible, be brave, prepare for aggressive recovery"

"Create a culture of openness and transparency. Teams want to hear about the difficult decisions and why vs. being told what to do."

"Have empathy, provide visibility/transparency into what the teams are doing for each team and so they can see how other teams are performing. Seeing what is working for other teams and being able to collaborate on best practices is going to be key."

"Focus on your process, people and technology - this is an opportunity to evolve your company to the future of work"

"Take your time. Don't rush the right decision."

"Work out what your customers value the most - it's not what it was under normal operations."

Trust your people... if you don't, you didn't hire correctly."

"Ask how/if your product addresses an immediate pain."

"Over communicate, use the phone, zoom, slack and any other form of communication. It's more important than ever that the entire organization is on the same page and speaking as one voice."

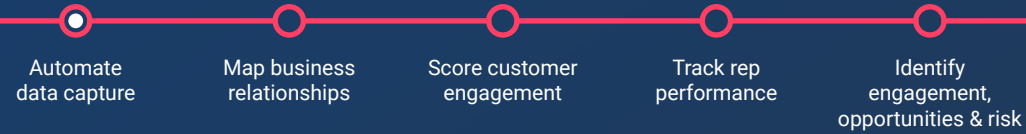
"Excell at daily tracking, real-time 24/7 reporting, and process management (also introduce leaderboards and gamification to motivate teams in this new environment)"

"You are bound to hear a lot of No during this time. Be patient and stay focused on the value of your product."

"Adjust your thinking. Act as if you're launching your project later this year; how would you be messaging if that was the case? Make the most of this time to build strong brand leadership and awareness."

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What comes next for businesses?

Businesses are being remodelled in the fire and the working world we “return to” will look permanently different from the one that we left.

COVID-19 has forced businesses to look introspectively and separate the vital from the non-vital.

It's been a steep learning curve, but one that they will carry forward as leaner, smarter, and more commercially aware businesses. We now know that working remotely works and businesses can't forget this as the conditions around lockdown are relaxed.

Budgets are frozen, new business is on standby, and the world has pressed the reset button. It's the conversations and relationships we invest in now that will pay dividends later.

These relationships are what will carry sales through. That and visibility, clear accountability, value, speed, and empathy.

COVID-19 has forced a shift that was already happening. One that better understands the customers, value propositions, and the innovative commercial models that accelerate them.

The landscape we're moving into has reshuffled and competitors, buying committees, and buying decisions have all changed. In this new world, non-essential and nice-to-haves will need to fight harder to find relevance. If they're not needed now, will they be needed later?

With that in mind, people, businesses, and propositions should all be upskilling and restructuring to meet the needs and demands of tomorrow's customer.

Sales will need to recalibrate, remap their market, revisit their value proposition, and return to basics. The lines have been redrawn and businesses that have been holding their breath, should know that this change is permanent and start reshaping their business to sit in a Post-COVID world. If they don't, then they won't!

The businesses that are born or remodelled in this crisis will be the leaders of a new frontier as leaner, smarter, and more resilient vehicles to meet the customer.



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