

Marketing & Sales Practice

# Insights to impact: Creating and sustaining data-driven commercial growth

How B2B sales pioneers empower their sellers and drive sustained growth with data and analytics.

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## Key takeaways

- Companies that are using data-driven B2B sales-growth engines report above-market growth and EBITDA increases in the range of 15 to 25 percent.
- B2B sales-growth champions pull five mutually reinforcing levers systematically to empower their sales organization to derive impact from insights, to be able to improve value-based opportunity prioritization, frontline delivery, and continuous learning.
- Companies can get started with data-driven B2B sales regardless of their digital maturity and analytical acumen. Performing an “insights to impact” self-diagnosis is a great way to establish the baseline and set the right aspiration.

**Sales has always been** a people business, and it will continue to be. But the game is changing. To bring out the best in every part of the commercial organization, growth champions systematically amplify people power with data, analytics, and technology. They don't just generate new insights—they take a holistic view and systematically set the prerequisites in place to turn those insights into actual impact. The payoff? Above-market growth and an earnings before interest, taxes, depreciation, and amortization (EBITDA) increase of 15 to 25 percent.

## Shaking hands and mining data

For a long time, B2B sales has focused on making calls, hosting in-person meetings, and shaking hands. Customer development was often based on individual intuition and experience. Many sales reps focused on the types of clients and opportunities with which they were already familiar. The downside of this is that it results in a tendency to neglect new, potentially disruptive opportunities, such as bringing a highly innovative solution to all relevant and prospective customers even at the risk of sacrificing some revenue in the short term. While sales reps' experience remains relevant, it isn't sufficient to keep a company on top of an ever-more-crowded marketplace characterized by fast-changing customer needs and the rapid growth of new channels.

Over time, sales managers started using data and analytics to improve commercial performance. But it quickly turned out that data alone was

not a cure-all either. Not all data was relevant. Not all sources were reliable. And not all sales organizations were able to translate data into meaningful, usable insights, let alone act on the insights to improve performance. “We simply don't have the capacity to analyze it all,” said one executive. Added another: “We only capture ten to 20 dollars of every 100 dollars of the growth opportunities we discover in the data.”

As the growth of digital channels accelerates, more data become available. In response, companies are ramping up their efforts to reap the benefits. According to our data, 64 percent of B2B companies said that they expect to increase their investments in predictive analytics. Many players, however, are not yet satisfied with their return on investments (ROI). So far, only a handful of growth champions have cracked the code for sustainable, data-enabled commercial growth. What are these outperformers doing differently, and what can their peers learn from them?

## Building a growth engine

McKinsey's work with B2B growth champions—outperformers whose results are driven by data and analytics—shows that they consistently excel in five areas:

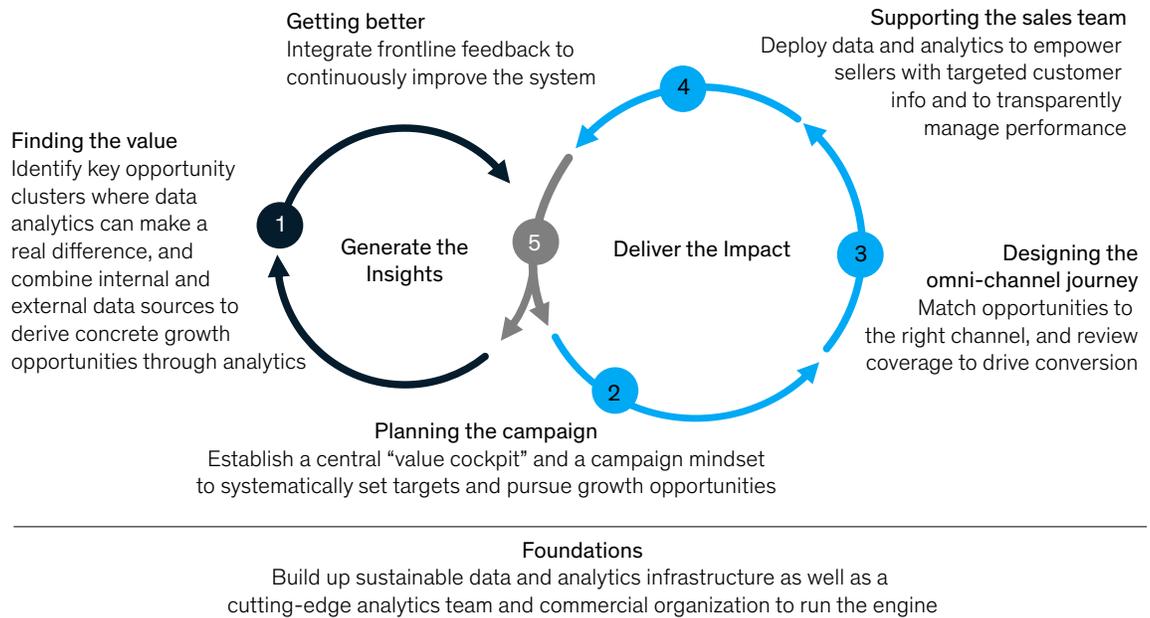
1. *Finding the value:* They combine internal and external data and build algorithms to identify and prioritize concrete growth opportunities across the customer life cycle, from acquisition to retention.

2. *Planning the campaign.* They establish as central “value cockpit” to prioritize and pursue growth opportunities systematically and make the right trade-offs to drive value at the customer level.
3. *Activating the omnichannel journey:* They align customer experiences and opportunities with unprecedented precision across channels and touchpoints to drive conversion and maximize sales ROI.
4. *Empowering the seller:* They support the front lines with relevant insights, robust capability building, and incentives, and actively monitor progress consistently on all opportunities across all campaigns.
5. *Getting better.* They make it easy for their sales organization to feed lessons learned at the front line back into insights generation to improve the system over time.

While each of these levers is powerful by itself, outperformers pull them all together for optimal impact (Exhibit 1). They use data and analytics to build a growth engine that propels their commercial organization from merely generating insights to actually delivering impact. They digitally empower sales reps of the future by providing them with all the information they need to succeed: data on the most valuable, prioritized opportunities, competitive battle cards on how to approach a specific lead, and real-time visibility into their entire sales funnel—all easily accessible on their computers, tablets, or mobile phones. They spend less time pulling together data and more time engaging with customers based on that data, which deepens and fosters the relationship. Their managers have transparency into performance at all times and can suggest rapid adjustments, interventions, reassignments, and targeted coaching or training to maximize value. Setting up a potent data-driven growth engine requires investment, but it pays.

Exhibit 1

**Insights to impact: Five levers enable data-driven sales growth by using insights to achieve impact.**



Outperformers report EBITDA increases of 15 to 25 percent, generally achieved through a combination of sales growth and margin improvements over the course of several years.

### **Finding the value**

With ever-increasing data and analytical tools, the opportunities to identify new leads for sellers have multiplied. The range of use cases includes finding and winning new customers, selling existing customers the right products and services at the right prices, and retaining customers with the right measures. Many companies are already taking advantage of some of these applications. What sets outperformers apart is their systematic, comprehensive approach to data-driven value maximization. They start by identifying those opportunity clusters where data analytics can make a real difference. They then use expected value as the common currency for prioritization, typically starting with one or two use cases, such as entering white spaces, to create momentum. They leverage data and analytics not only to identify opportunities but also to calculate and compare the value at stake to enable fact-based trade-off decisions about resource deployment and investments.

A leading supplier to the food industry, for example, wanted to set its commercial organization up for future growth. But where, exactly, was the opportunity? The company used the customer life cycle as a guiding framework to identify the most promising use cases, from new-customer acquisition and business expansion to churn prevention. This effort revealed the potential to double their profit within three years. Additionally, the systematic approach helped the company prioritize opportunities according to expected value and resource availability. “Based on these insights, we drew up a road map of data-driven commercial use cases for the next three years. The idea was to capture the value in a step-by-step approach,” say the company’s leaders. They started with global quick wins that reflected the current business cycle, such as winning back valuable lost customers, before moving on to more advanced applications, such as the conquest of new customer segments and cross-sell opportunities that required more data and more sophisticated selling capabilities.

### **Planning the campaign**

Data mining can often uncover hundreds, if not thousands, of customer-level opportunities. Even seasoned sellers find themselves overwhelmed by the endless lists of leads some algorithms generate. Some don’t even know where to start. To address this issue, B2B growth champions lead the way by adopting a campaign mindset. They establish a central “value cockpit” that cuts across all opportunities and all stages of the sales funnel. Based on the information collected in the cockpit, they set targets, direct the sales organization to the most valuable opportunities, and help it to maximize impact at the customer level. “The cockpit helps us make trade-off decisions between multiple opportunities, such as a cross-sell to a customer, a pricing opportunity, and the retention of a high-value customer at risk,” a pilot user reports. Says another: “The great thing about the cockpit is that it unburdens me of having to pull together data from a dozen different sources. It frees up at least half a day every week that I can spend to engage with customers.”

To make this new way of thinking and working tangible for the sales team, an Asian mobility company established a cross-functional “win room” for data-driven campaigning in the aftermath of COVID-19. The team plotted and executed a multicampaign program to target white spaces identified with the help of advanced analytics. It generated playbooks, including a central process for message development, to ensure speedy execution. To track progress, the company used data dashboards and organized agile review sessions to improve campaign design and manage performance as the program unfolded. Over the course of only seven weeks, the company recovered 90 percent of the revenue lost in the COVID-19 crisis, and conversion rates improved fivefold.

### **Activating the omnichannel journey**

In the past, channel choice was often limited, and customers were often allocated to a single channel, such as in-person coverage for bigger accounts and distributors or telemarketing for smaller targets. In contrast, outperformers take a more differentiated, omnichannel approach that combines traditional and digital channels. In the future, customers

will be able to select the channel that suits their needs at each step of their journey. According to our most recent B2B Pulse Survey, 83 percent of B2B executives believe that omnichannel is equally or more effective compared with traditional methods in reaching and serving customers, yet 68 percent also say their sales team has experienced increased channel conflicts as a result of more omnichannel sales.

Successful companies put data and analytics to work by aligning channels and touchpoint to opportunities based on multiple factors, such as the size of the opportunity, the complexity of the offering, and the interaction preference of the customer. An agricultural inputs distributor, for example, was struggling with its traditional distributor-led sales model. Facing threats of disintermediation by larger producers and direct-to-grower offerings, some of its customers found it increasingly cumbersome to do business with the company. In response, the company turned to digital, data, and analytics to reinvent its sales journey toward omnichannel. It started by creating a deep understanding of the customer and seller journey through focused interviews and design thinking workshops and used the insights to prioritize critical digital features, including a customer-experience hub with key statistics, such as purchase history, and an e-commerce purchasing tool. Within six months of launching, more than 60 percent of customer revenues were registered on the portal. Freed from basic transactions and tasks and supported by new flows of data and analytics that helped to identify personalized leads, the sales force was able to focus on more strategic, higher-value growth opportunities. The effort resulted in a billion dollars of revenue delivered through the digital platform and lowered churn three times for digitally engaged versus non-engaged customers.

More generally, data and analytics allow B2B growth champions to maximize ROI at the customer level across the entire spectrum of channels and touchpoints on the buying journey. For example, data-driven, partly automated omnichannel management enables companies to profitably pursue opportunities that were previously ROI negative, such as the acquisition of smaller customers or long-tail pricing optimization, thanks

to the lower cost of digital channels. At the same time, this kind of differentiation helps sales reps better focus on the situations in which they can create the most value for their customers and for their company.

### **Empowering the seller**

In the past, performance management was often primarily about checks and balances: are all reps meeting their targets? In the future, it will be about empowering people with ready-to-use data, analytics, and technology, and building up the robust capabilities to use these tools. Outperformers use smart solutions to equip sales teams with the insights they need to win a customer, for example, by providing them with digital opportunity battlecards and playbooks that summarize helpful insights for each target on a sales rep's list. What is the perceived market demand for a specific cross-selling or upselling opportunity, and what is the customer's propensity to buy? How was the opportunity identified, and what sale scripts were successful with similar targets in the past? Or, to minimize churn, which early warning signals should reps watch out for, and what are proven retention actions?

To stay on top of commercial performance every step of the way, growth champions take full advantage of data-driven commercial performance dashboards to more dynamically set potential-oriented targets, monitor progress on a more granular level, and enable and incentivize sales teams through a more action-oriented performance culture. Such a dashboard serves as the "single source of truth" on commercial performance, consolidating indicators on current financial performance, the potential value of future opportunities, and sales effectiveness (Exhibit 2). Growth champions utilize the dashboard as the basis for regular performance reviews and discussions, from the CEO and the VPs of sales down to sales-team leaders and individual reps to foster an action-oriented culture.

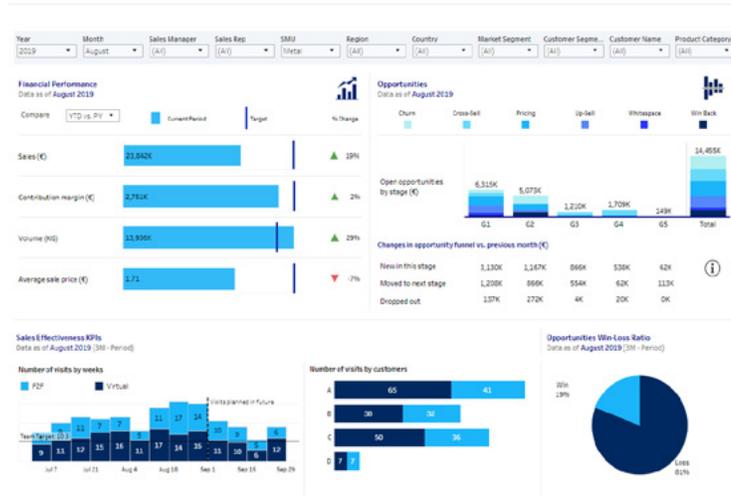
For instance, a global B2B chemicals company rolled out a new commercial performance-management cadence, supported by a tailor-made dashboard tool, to their sales organization of 2,500 reps worldwide. The interactive tool combines granular financials with pricing opportunities and

Exhibit 2

**A data-driven commercial performance dashboard serves as a single source of truth for everyone, from CEO to sales force.**

1 Filters to slice and dice all key commercial indicators to understand performance from CEO to sales front line

2 **Backward-looking performance**  
Measure selected performance indicators linked to budget and understand gap to target (less is more)



3 **Forward-looking actions**  
Monitor progress in opportunity funnel on “customer x product” level to consistently prioritize and drive commercial actions

4 Underlying behavioral metrics (eg, number of visits, CRM usage) to understand and influence drivers

funnel progress. It allows teams to filter the data as needed, thereby providing transparency at the team, individual sales-rep, or even customer level. Performance huddles take place across all levels of the organization, following a consistent agenda based on “ten rules for effective reviews” that prompt fact-based discussions about performance. The effort resulted in a 3 percent increase in net return on sales (ROS).

**Getting better**

In the past, information on whether and why something worked was often the subject of informal conversations, but it was rarely captured systematically. According to our analysis, closing the learning loop is the true hallmark of B2B sales-growth outperformers. They have their commercial organization provide regular feedback: What worked? What could be improved? Which insights are missing from the current data environment? They feed this information back into their insights generation and impact delivery to iteratively get better. Leading companies promote this continuous

learning beyond the traditional sales function itself. They establish cross-functional settings that bring together data scientists, designers, and developers with the traditional organization, including sales reps and marketing experts.

A leading manufacturing company, for example, has set up an easy-to-use interface for sellers to enter feedback on data-driven opportunities through a multiple-choice-menu. It also conducts regular feedback sessions with sellers. Thanks to this regime, the company discovered that important signals for imminent churn had been neglected. Subsequently, these signals were incorporated as “red flags” into the company’s CRM system. Additionally, seller feedback revealed that third-party market data the company was already buying could be used to improve the hit rate of “next product to buy” algorithms used by the sales organization.

## **Insights to impact self-diagnostic: Where do you stand?**

Companies can take advantage of data-driven B2B sales regardless of their level of maturity. To help them establish the base line and set realistic aspirations, we encourage decision makers to take stock of where they stand, starting with ten basic questions on insights generation, impact delivery, and improving the system:

### **Insights generation**

1. Do you have a long-term vision for growth and a clear view on value pools that is shared throughout the organization?
2. Is this vision underpinned by a clear road map of use cases along the full customer life cycle, including impact potential and resource requirements?
3. Do you have a consistent repository to store high-quality internal and external data as the basis for analytical applications that can drive commercial growth?
4. Do you have analytical models in place that enable you to identify new opportunities and prioritize them according to their propensity to win/convert as well as their potential value?

### **Impact delivery**

5. Do you have a clear strategy to pursue opportunities through targeted campaigns that let you optimize your efforts for value at the customer level?
6. Do you use multiple sales channels to create an optimal customer experience and maximize sales ROI?
7. Do you support your sales organization with clear, easy-to-access information, such as opportunity battlecards, on how to approach customers?
8. Do you continually measure and track the performance of your sales reps? Do you frequently sit down with them to review their results and plan their next steps?

### **Improving the system**

9. Do you encourage your sellers to provide feedback from the front lines? Do you take advantage of this feedback to improve your commercial insights generation?
10. Do you have a cross-functional team that drives your transformation? Do you have the people you need to find and extract commercial value from your data?

Outperformers not only work all five levers of the growth engine in conjunction, they also put in place a strong foundation to make sure the engine runs smoothly and effectively. They build a sustainable data and analytics infrastructure that can be scaled across business units and countries to tech-enable the full system. They consolidate all relevant data in a single lake that can support a growing range of sales and pricing use cases. They invest in a people-development scheme to secure cutting-edge analytical talent and build capabilities required for tech-enabled growth across the sales organization. By putting best-of-breed technology at the fingertips of their best people, outperformers set up their companies for growth above the market average.

### Start the journey now

Many companies have already run multiple data-driven growth pilots across their portfolio. Most, however, have trouble deriving impact at scale from the insights they generate. Irrespective of their current level of maturity, companies can take advantage of data-driven B2B sales. To get from the pilot stage to a true transformation program,

pioneers proceed in three steps. They start by drawing up a “money map.” What are the biggest opportunities to create value with data, and what does it take to capture this value? In this, our “insights to impact” self-diagnostic asks ten basic questions that can help decision makers take stock of where they stand (see sidebar, “Insights to impact self-diagnostic: Where do you stand?”). In a second step, they design a blueprint of the target state to drive insights to impact and a road map for the transformation. They get going on quick wins to create momentum and fund the journey. And as they start capturing value at scale, they establish a commercial analytics center of excellence (COE) as the backbone of data-driven sales, including both sales-savvy analytics talent who are able to generate relevant insights and data-savvy sellers who can translate these insights into impact at the front line.

B2B sales will always be a people business. In the future, however, data and analytics will help you bring out the best in your people and get to the next level of commercial performance. Before you know it, your company will join the ranks of the pioneers in the new age of sales.

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