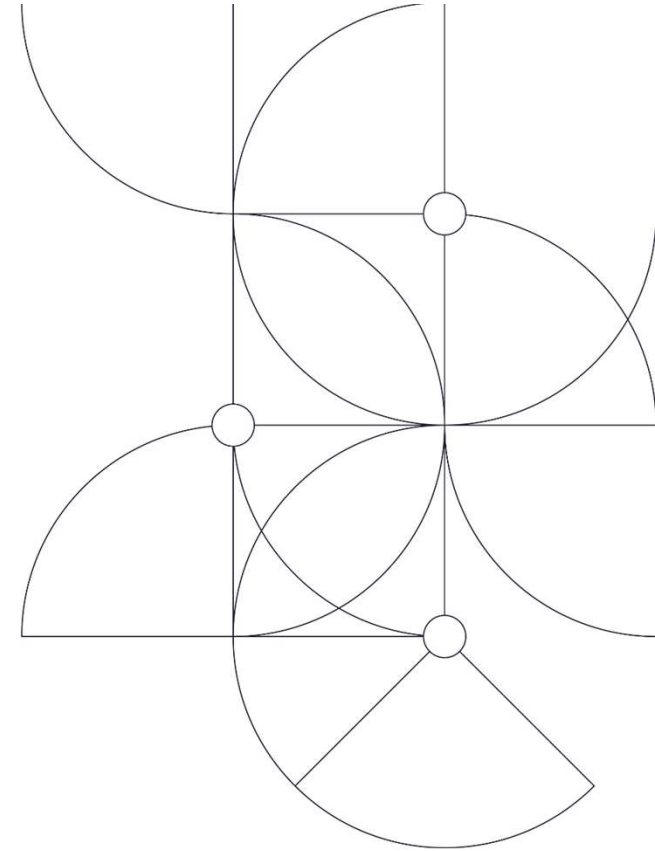




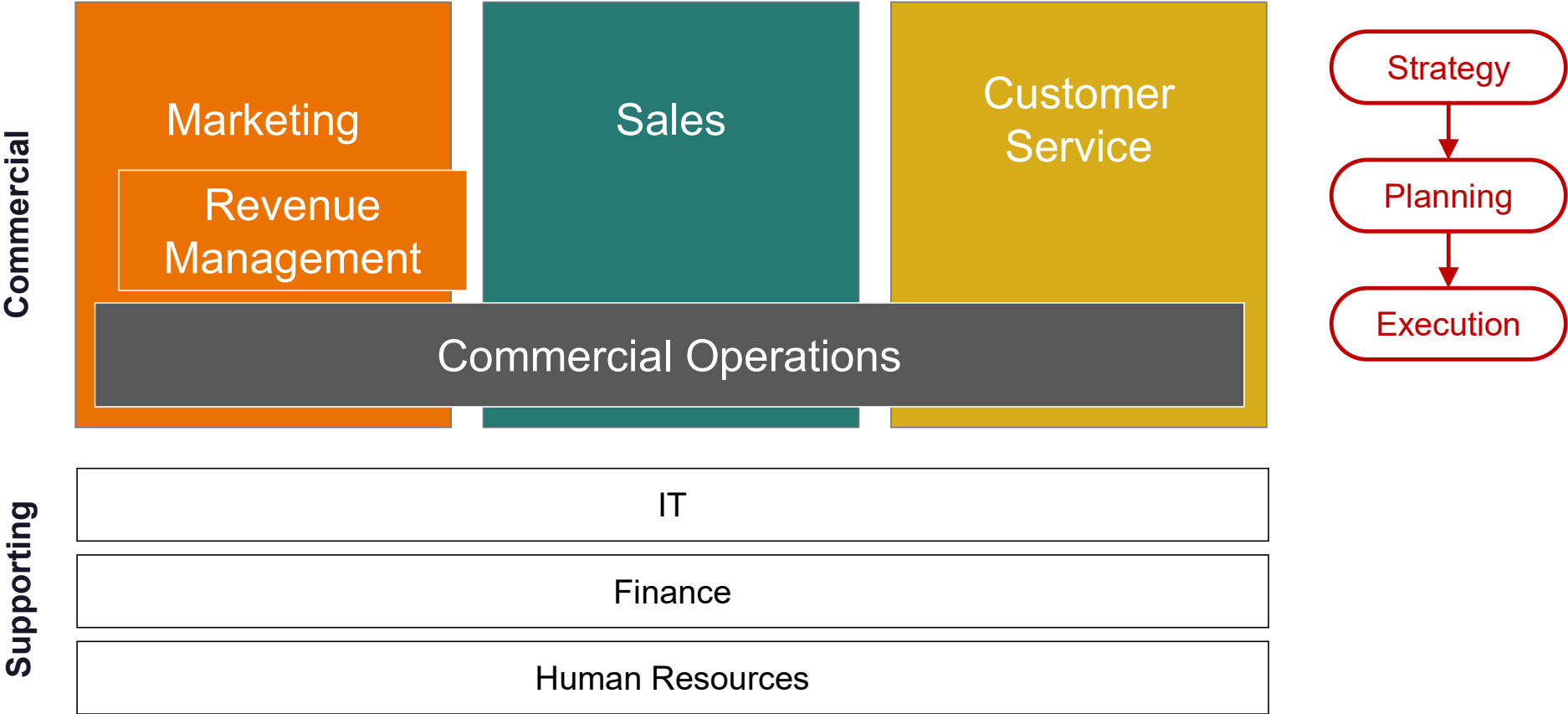
# Achieving “Commercial Excellence” HSMAI Curate

Presenter: Mike Moorman, ZS Principal  
October 19, 2022

Impact where it matters.



# A Basic View of Service Company Commercial Functions

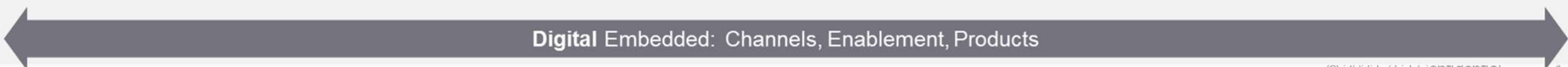
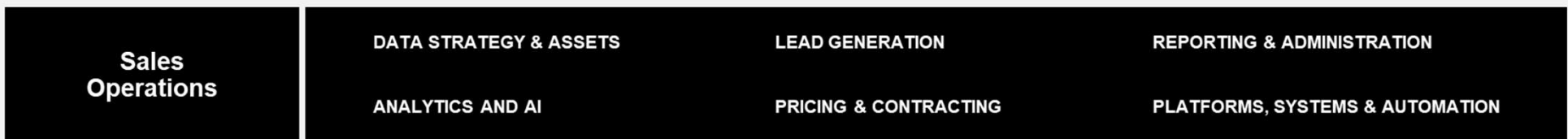
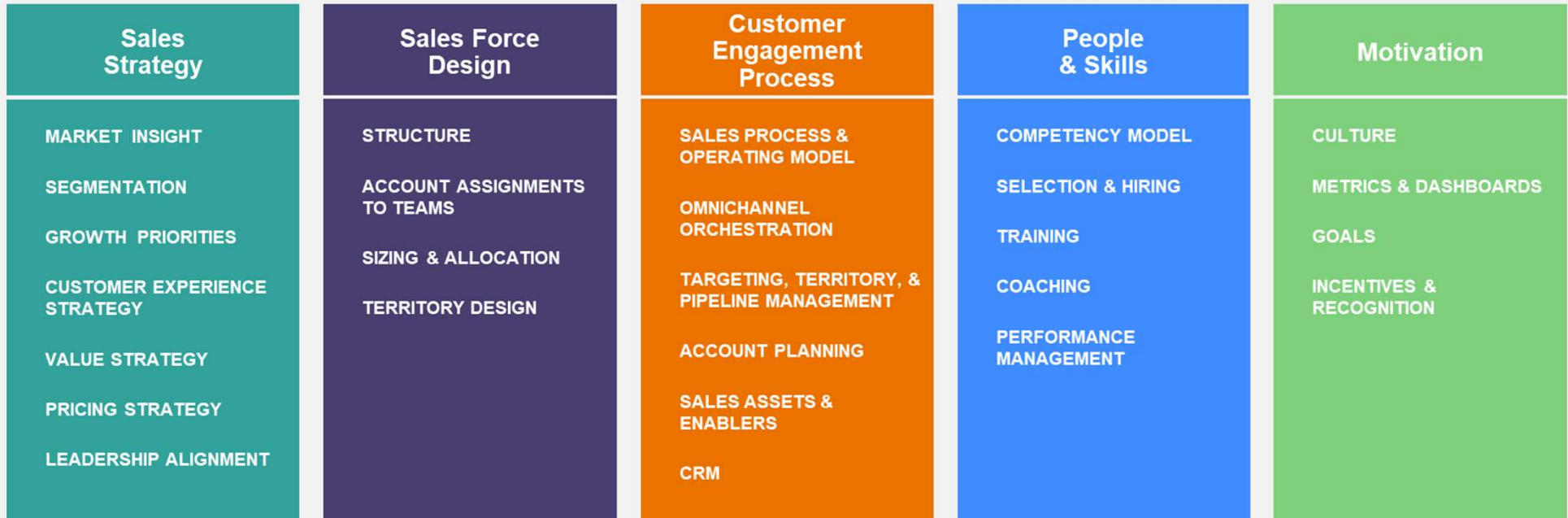


Survey 1:

**Why is “commercial excellence” an increasingly important priority at your company?** (pick all that apply)

- Changes in customer needs and engagement preferences
- Competitive threats
- Emergence of new sales channels and models (e.g., digital, virtual, etc.)
- Increasingly complex product/service portfolio
- Revenue growth challenges
- Cost-to-serve challenges
- All of the above
- Commercial excellence is not a priority

# B2B “Commercial Effectiveness” has its roots in SFE



## For today we will leverage a higher-level commercial effectiveness framework

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### B2B Commercial Effectiveness Drivers

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1. **Market insight** (customers, competitors, environment)
  2. **Segmentation & growth priorities**
  3. **Offerings & value propositions**
  4. **Go-to-market model design**
  5. **Channel partner programs & management**
  6. **Pricing strategy & execution**
  7. **Leads generation & management** (closed-loop)
  8. **Field force effectiveness**
  9. **Sales enablement** (assets, tools)
  10. **Customer service effectiveness**
  11. **Commercial operations** (metrics, analytics, dashboards, administration)
  12. **Cross-functional organization design & alignment**
- 

### Potential Paths:

- Excellence Within
- Connection Across



## Average Increase in Revenue

Ensure the right **customer coverage** plan  
(n=36)



Increase the **impact** of each **customer interaction**  
(n=17)



Create a **performance-focused** sales team  
(n=34)



Enable an **efficient and effective** sales organization  
(n=26)



**Sales Force Program /Transformation**  
(2+ SFE Clusters) (n=52)



Source: 2015 ZS Associates SFE Explorer Study

Each Cluster was tested independently, with no overlap between drivers. Full Sales Force Transformation: Any investment in 2+ clusters

Results shown within 1 standard deviation. (n<sub>1σ</sub>165)

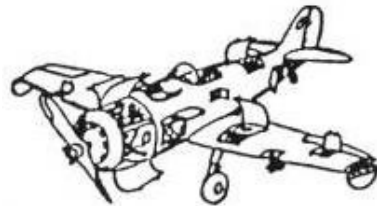
Survey 2:

**What is your current state of commercial effectiveness?** (pick one)

- We haven't really begun the journey
- We are at the initial stages of defining priorities and our roadmap
- We have made progress in some areas, and have a plan to address others
- We have a comprehensive roadmap and are well on our way
- We are a commercial effectiveness leader

# The Ideal Plane

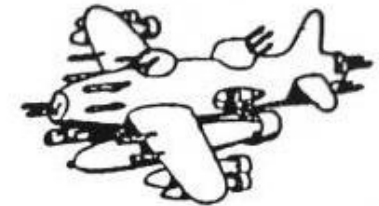
As seen through the eyes of each function



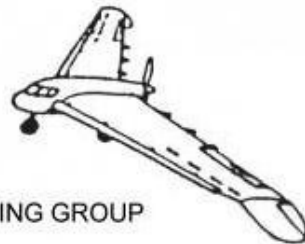
SERVICE GROUP



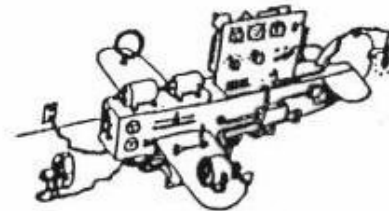
EQUIPMENT GROUP



ARMAMENT GROUP



WING GROUP



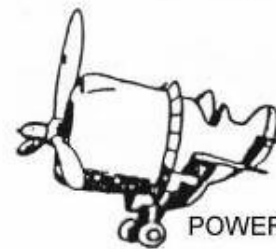
ELECTRICAL GROUP



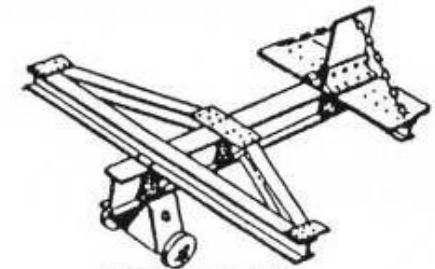
AERODYNAMICS GROUP



EMPENNAGE GROUP



POWER PLANT GROUP



STRESS GROUP



# Commercial Effectiveness is a “system” and a “team sport”



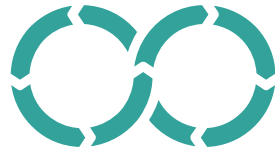
## Trends:

- Chief Commercial Officer
- Chief Revenue Officer
- Commercial Center-of-Excellence
- Culture, Processes & Shared Metrics

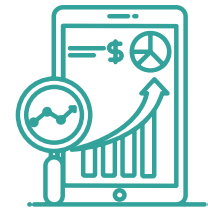
### Omni-Channels & Orchestration



### Closed-Loop Leads Management



### Digitized Sales Force



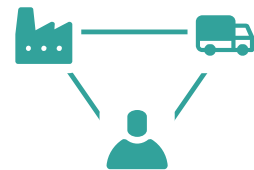
### Solutions &/or Value-Based Selling



### Strategic Account Management



### B2B2C



# Getting There: Evolution or Revolution?

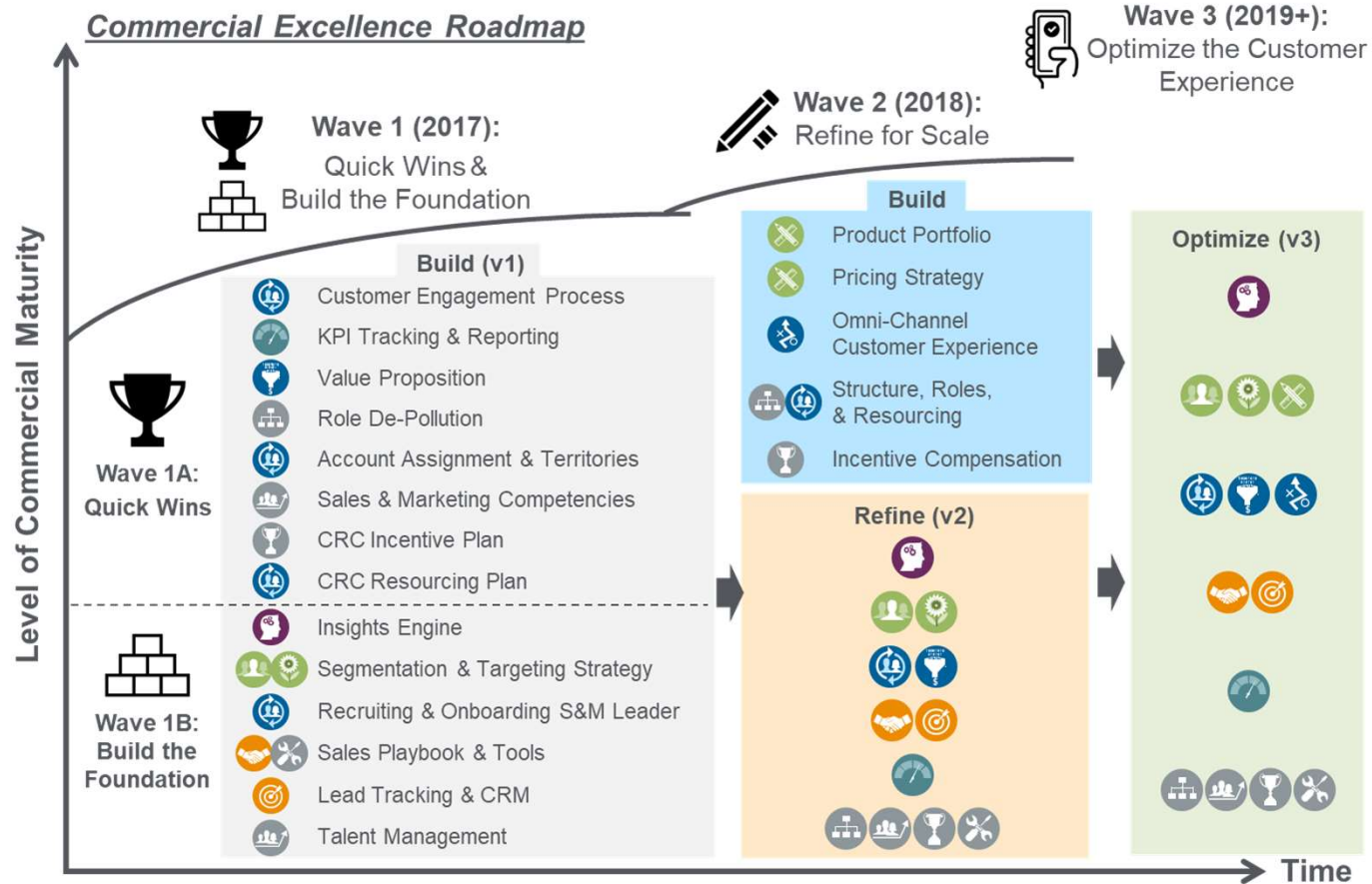


Year-over-year  
continuous  
improvement

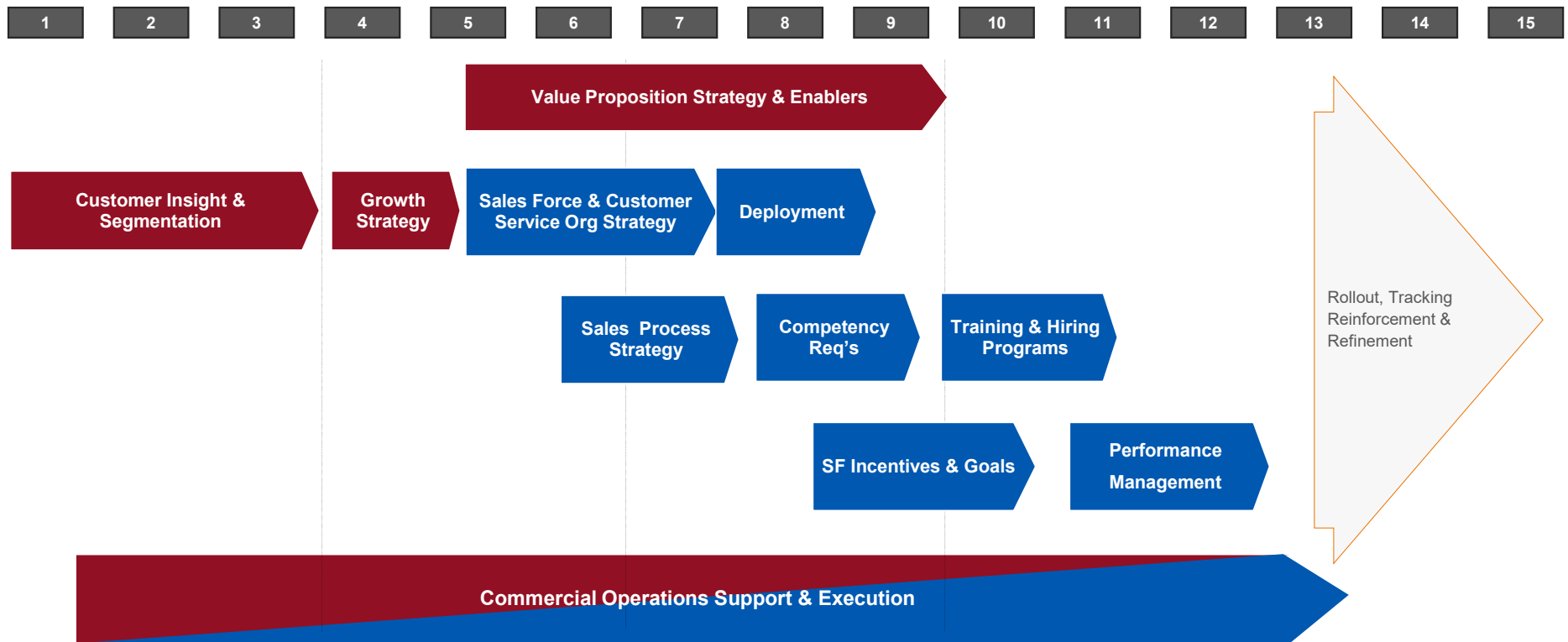


Larger scale  
strategy &/or  
capabilities change

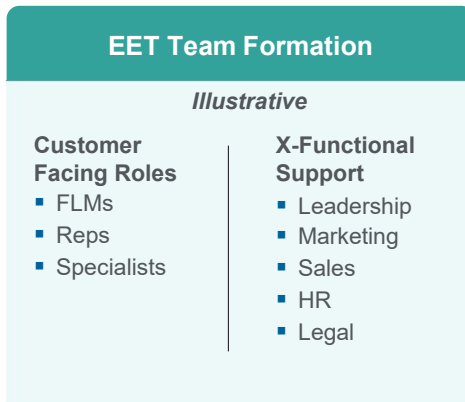
# Case Example: 3 “waves” at a leading digital learning solutions company



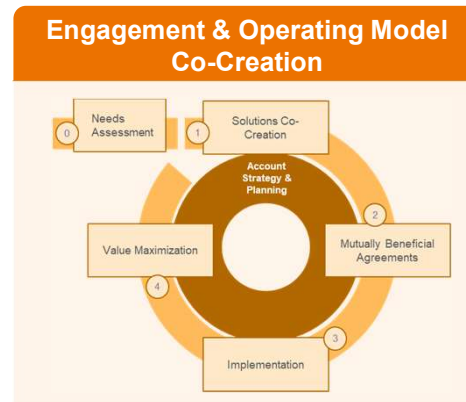
## Case Example: End-to-end b2b commercial transformation at a leading airline



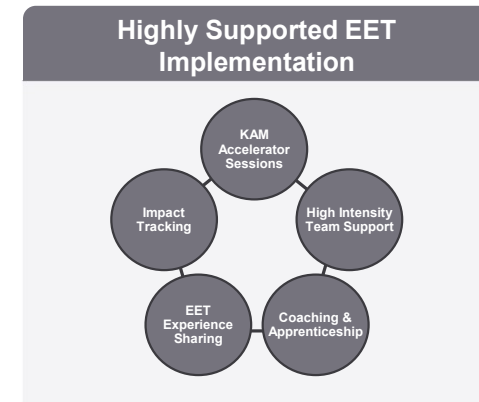
## Case Example: “Early Experience Teams™” at a major life sciences company



- Top Performers
- Key Customer Facing Roles
- Critical Cross-Functional Support Roles
- High Priority Accounts



- Customer Engagement Process Co-Creation
- Solutions Co-Creation
- Critical Enablers Inventory & Gaps
- CEP Metrics
- Executive Alignment



- Rapid Learning & CEP Refinement
- Enablers & Support Development
- Proof-Points & Quick Wins
- Internal Advocates
- Scale-Out Plan

EETs™ approach is a proven method to accelerating business impact, de-risking implementation, and overcoming the substantial beliefs, behavior and skills changes associated with commercial transformations

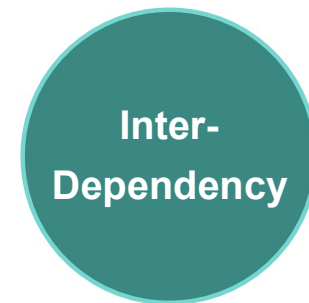
## Current effectiveness is just one consideration when determining priorities, roadmap and business case



- Current Effectiveness\*
- Impact Potential
- Speed-to-Impact



- Time & Resources
- Degree-of-Difficulty
- Risk & Mitigation



- Across CE360 Drivers
- With In-flight & Planned Initiatives

# Having led many thousands of commercial effectiveness initiatives, we have observed common risks and success factors



## Key Risks

- Blind spots (know what we know)
- Silver bullets
- Political forces
- Risk aversion
- Boil the ocean
- Cross-functional misalignment
- Unrealistic expectations
- Reversion to current state



## Critical Success Factors

- External leading practices
- Systems orientation
- Objective fact-based evaluation
- Forward looking (not evaluating the past)
- Prioritization & sequencing + resources
- Shared mission & accountabilities + senior execs
- Clear business case & targets
- Imbedded change management



Survey 3:

**What types of commercial effectiveness initiatives has your company pursued to date?** (pick one)

- Few to none
- Somewhat sporadic
- Extensive within at least some functions
- One or two cross-functional initiatives
- Large-scale cross-functional transformations

Survey 4:

**What level of success has your organization achieved to-date?** (pick one)

- Hard to say
- Minimal to-date
- Met expectations
- Exceeded expectations
- Greatly exceeded expectations

## Table Talk

- What are your key take-aways from this session?
- What commercial effectiveness successes has your company had?
- What barriers do you anticipate?