FOTP™ FINGER ON THE PULSE RESEARCH

Experts in Business-to-Business Research

2021 FOTP QuickPulse™

B2B Commercial/Sales Survey Executive Summary

December 2021

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2021 FOTP QuickPulse™
B2B Commercial/Sales Survey

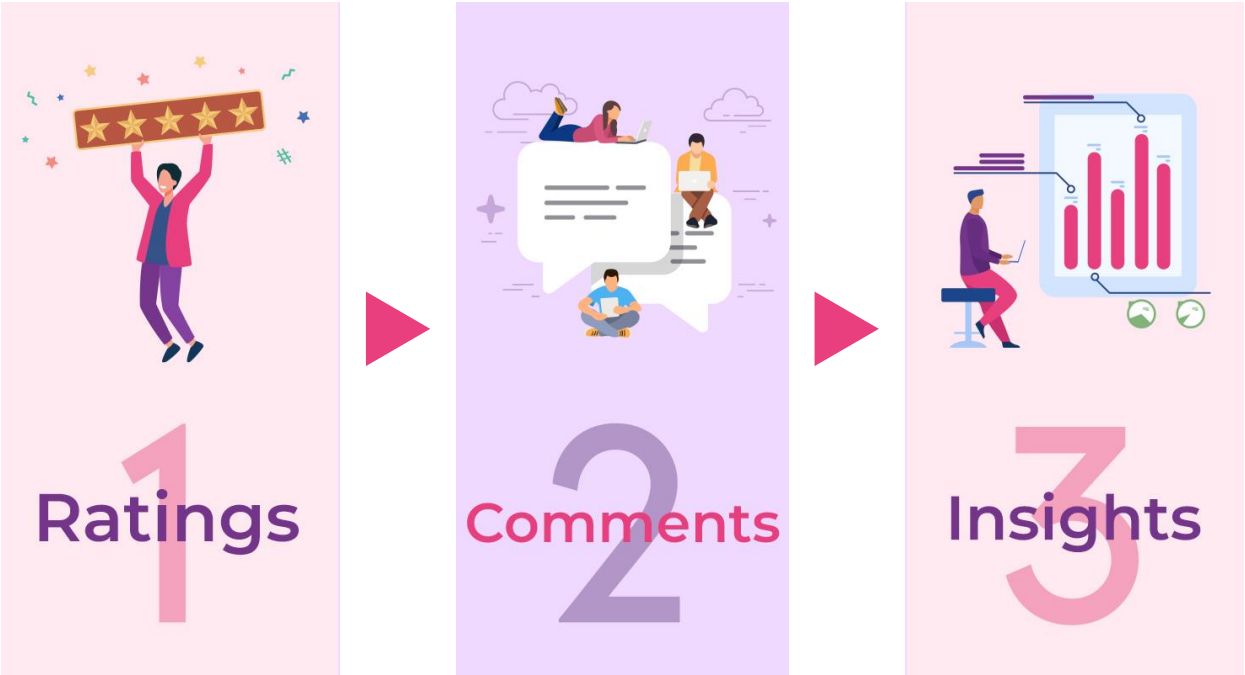
How the Survey Worked

Based on both Ratings and “Open” Text Comments

Research Approach

Survey Highlights:

- An online survey with a combination of ratings and open text boxes.
- Strong support for the survey with a total of 192 respondents working in Commercial/ Sales, Business Development or Account Management Functions (all other Job Functions were screened out).
- A mix of seniority with middle managers being the largest segment.
- There was a strong response from both large businesses (65 respondents) and SMEs (127 respondents).



N.B. Field Stage Timings: 8th November - 26th November 2021

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2021 FOTP QuickPulse™
B2B Commercial/Sales Survey

Key Highlights

Based on both Ratings and “Open” Text Comments

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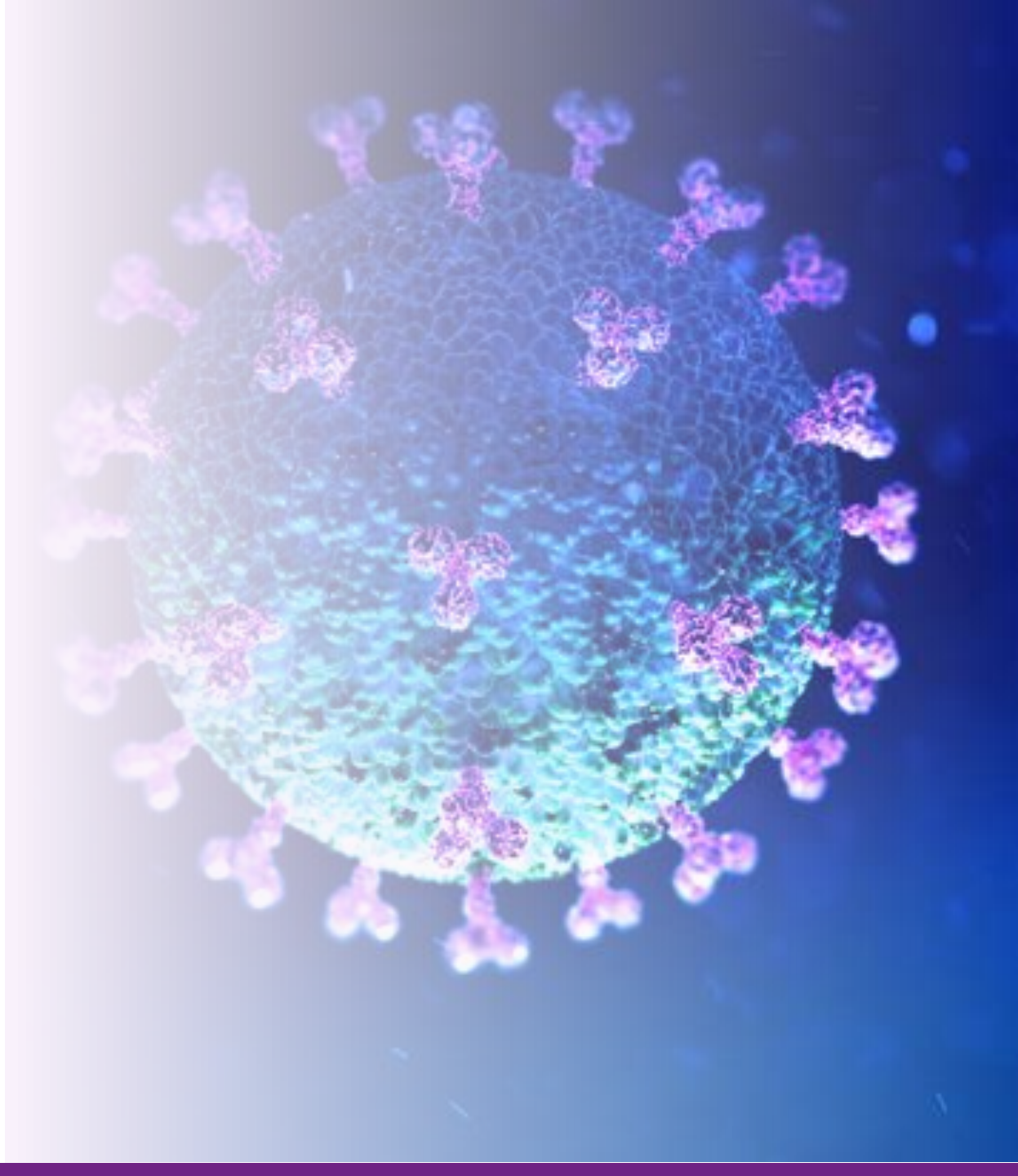
Key Take-Out

With Covid-19 continuing to impact the way the business is done, Commercial/Sales Professionals are focusing on:

- Understanding market trends & their customers' changing needs
- Adapting their marketing/advertising in line with market trends
- Adapting their products/services and developing NPD pipeline



Executive Summary

Availability/supply of product is the key tactical concern

- ***Stock availability issues*** *lead to loss of sales and are a known disruptor of customer satisfaction, negatively impacting the quality of overall commercial relationships.*
- ***Availability*** *has been disrupted by the scarcity of raw materials, rising costs and the well-published issues relating to the shortage of HGV drivers and staff, in general.*
- ***Fostering closer customer relationships*** *and keeping customers updated on any potential delays and shortages is even more important during these times of crisis.*

Top strategic priority is growing business with existing clients

- ***Nurturing relationships with existing customers*** *is key, in particular during the current disruption.*
- *In addition to Covid-19, staff shortages and availability issues, B2B Commercial/Sales Professional are having to deal with* ***increasing costs and respond to competitive pressures, which is leading to margin erosion.***
- *Responding* ***to changing customer needs, offering the "right" products/services, having a healthy NPD pipeline and adapting marketing campaigns*** *should facilitate better customer retention.*

Covid-19 continues to disrupt businesses and ways of working

- *Covid-19 has* ***disrupted both supplier and customer businesses.***
- *Covid-19 restrictions* ***reduced face-to-face contact*** *& meetings and made the* ***selling process more challenging****, in particular when selling overseas.*
- ***Both suppliers and customers in some industries are dealing with reduced budgets, lack of skilled staff, and still not being back to full scale operations.***
- *This forces companies to deal with immediate business issues, reducing the time available to attract new clients.*

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Executive Summary, Cont'd.

Net Zero/Sustainability & Future Trends

Developing Net Zero Strategy	Achieving Net Zero Strategy
• **Having time, sufficient resources, internal commitment and having to prioritise other business issues** are the main factors that divert their focus from **developing** the strategy.	• **Cost is the single biggest barrier** that prevents companies from delivering against the Net Zero targets, in particular amongst SMEs. • In addition, **complexities and managing supply chain/Scope 3 Net Zero targets** are additional challenges.

Results confirm that businesses are more likely to support their clients' Net Zero targets than have any of their own.

Top 3 challenges that will be the main areas of focus over the next 5 years are:

1. Continued Impact of Covid-19
2. Adapting to Changing Market Dynamics
3. Managing Changing Customer Relationships

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Top 3 Tactical and Strategic Priorities

for B2B Commercial/Sales Professionals

Top 3 Tactical Priorities for Commercial/Sales Professionals

Rank	Tactical Priority
1	**Availability/supply of product**
2	Difficulty in building relationships due to Covid restrictions
3	Keeping up-to-date and responding to market trends

Rising inflation and availability of raw materials putting tension in relationships and customers expecting miracles.

Top 3 Strategic Priorities for Commercial/Sales Professionals

Rank	Strategic Priority
1	**Growing business with existing clients**
2	Developing new sales channels
3	Developing new ways to build relationships with a new generation of Buyers

Remote sales can be challenging, and the market conditions are quite tricky given Covid and the international nature of some sales.

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FOTP B2B Commercial/Sales

Pulse Rating Scorecard

Segment	Pulse Rating
FOTP Commercial/Sales Pulse Rating	69.7
Heads of Dept/Directors	68.2
Senior & Middle Management	72.1
Coordinators/Analysts	66.9

The FOTP Procurement/Supply Chain Overall Pulse Rating is calculated by aggregating the following 4 survey attributes**:

- Business performance over the last 12 months
- Expected business performance over the next 12 months
- Strength of trading relationships with B2B customers
- Current sales pipeline

The Overall Pulse Rating of 69.7 suggests a solid performance, with Senior & Middle Management being the most optimistic.

**Note:
In future waves, we will be able to trend and track movement over time, using the 4 attributes above.

Survey Attribute	Pulse Rating
Business Performance Last 12 months	67.1
Business Performance Next 12 months	75.3
Strength of Trading Relationships	67.5
Current Sales Pipeline	69.1

- Business performance for the last 12 months is, understandably, the lowest score.
- Many professionals refer to the difficulty of maintaining strong relationships, without face-to-face meetings.
- Despite the current challenges, there is greater confidence about the coming 12 months, with more than 1 in 4 expecting a noticeable improvement. None of the nearly 200 professionals who participated are expecting things to get “much worse”.

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Key highlights

based on the feedback from the “open” text boxes

What respondents said about:

- Developing new sales channels
- Recruiting talented people
- Business development budget
- Growing business with existing clients
- Recruiting new clients
- New generation of “buyers”

- **Covid-19 impact, competitive pressures and lack of skilled staff** are perceived to be the main challenges in developing new sales channels.
- Due to the general skills and labour shortage, **identifying and recruiting Sales Personnel who are both skilled and motivated, in the face of very competitive labour market** are the main barriers in attracting talented people.
- Commercial and Sales Professionals found that **reduced budgets (on both the supplier and customer sides), whilst also having to continuously adapt to changing customer needs and requirements** are the main factors that prevent them from further increasing Business Development Budgets.

- **Focus on managing customer relationships is imperative in ensuring customer retention.** However, this has been disrupted by both Covid-19 and increasing costs which has impacted budgets. B2B Commercial and Sales Professionals also felt that adapting existing products & services and developing a healthy NPD pipeline would further facilitate retention.
- To attract the new clients, **training current staff and recruiting experienced Sales personnel** are key. In addition, **adapting marketing campaigns** with the right balance of online vs. traditional advertising is important.
- Commercial and Sales Professionals appear to understand the new generation of “buyers”. They felt that **developing current and fresh marketing campaigns/advertising would further facilitate engagement with the new generation of “buyers”.**

Competitive threats, competitive labour market, increasing costs and reduced budgets are disrupting everyday responsibilities for Commercial/Sales Professionals.

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Key highlights

based on the feedback from the “open” text boxes

Availability/supply of product has been voted as the **Number 1 Tactical Priority** that Commercial/Sales Professionals are **currently** focusing on. **Below is what they are doing to counteract it:**

- Identifying/sourcing new or more reliable suppliers
- Increased focus on forward planning and forecasting needs
- Adjusting product range/offering, where possible

- ***Stock availability issues*** *have a direct impact on the overall commercial relationship.*
- *In addition to managing their customer relationships on a daily basis,* ***B2B Commercial and Sales Professionals have had to add “availability” to their remit*** *and find ways to counteract the impact of out-of-stocks.*
- ***Negotiating more flexible terms and keeping customers regularly updated*** *on any issues should also help in managing availability, whilst maintaining strong relationships.*

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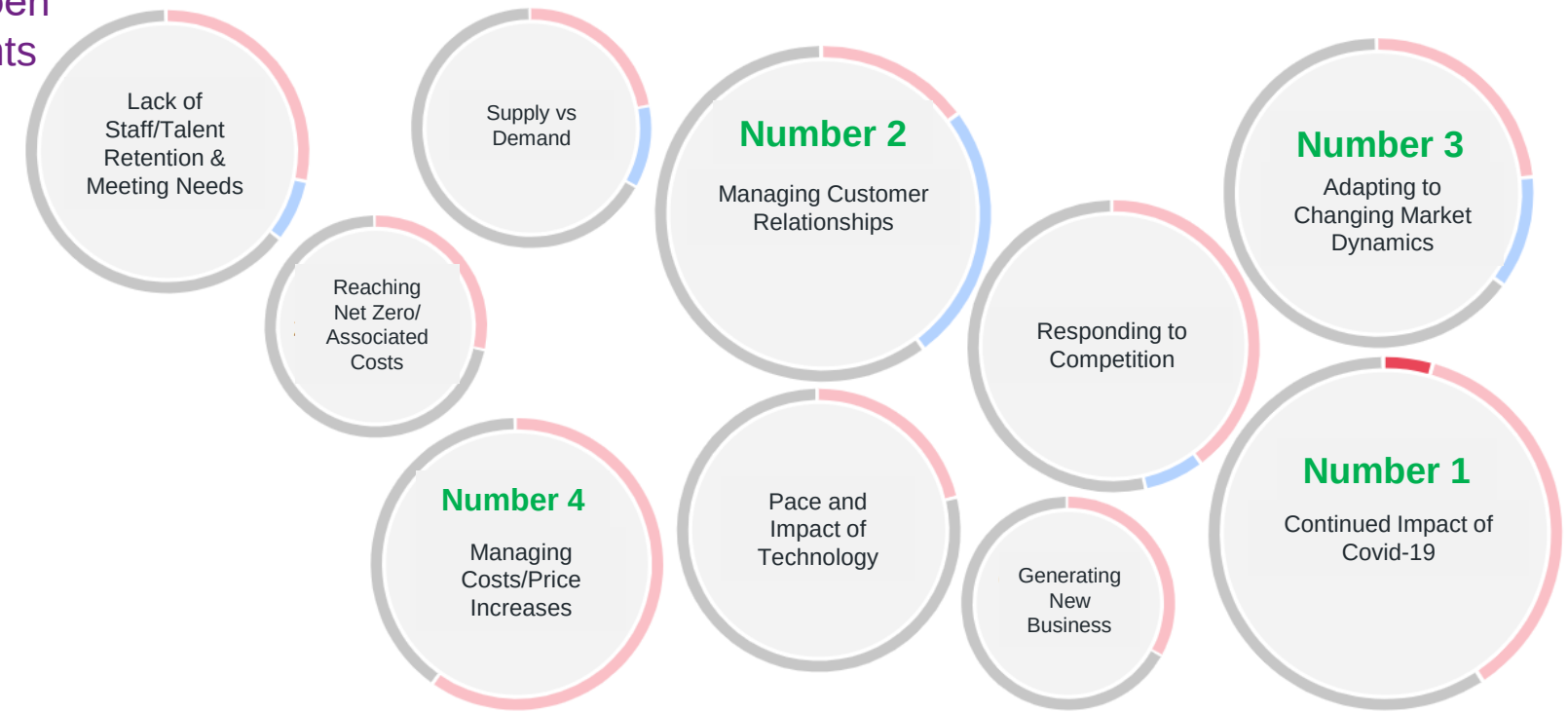
What B2B Commercial/Sales Professionals said

about the biggest challenge they expect to be facing over the next 5 years?

Main Topics and Sentiment Analysis, Based on “Open” Text Comments



- Very negative
- Negative
- Mixed
- Positive
- Very Positive
- Neutral

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What B2B Commercial/Sales Professionals said

about the biggest challenge they expect to be facing over the next 5 years?

Summary of the “Open Text” Comments

1. Continued Impact of Covid-19

Maintaining legitimacy around face-to-face working, and the impacts of Covid and how we interact with new clients, if not face-to-face.
Senior Manager; Small business

Trying to get back to face-to-face selling considering the restrictions.
Manager; Large business

Getting back on their feet after the covid pandemic.
Director; Micro business

2. Adapting to Changing Market Dynamics

More competition & changing landscape of products/services companies require.
Manager; Medium-sized business

With Covid all the rules have changed, and the way customers feel is changing; adapting to the new ways of society will be a challenge.
Co-ordinator or Analyst; Small business

Keeping on top of changing habits and behaviours post-Covid.
Head of Department; Small business

3. Managing Customer Relationships

Maintaining relationships against increased technology and clients working from home.
Director; Micro business

Maintaining relationships and managing fluctuating customer information on future spends and their budgets
Director; Small business

Continuing to deliver Category growth for customers whilst managing other headwinds
Director; Large business

4. Managing Costs/Price Increases

Biggest challenge I believe will be increase of price, due to the current haulage situation and other external issues this is a big problem
Manager; Large business

Smaller budgets with higher costs and increasing competition for those smaller budgets.
Director; Small business

Delays in shipments and the increased costs of importing goods.
Senior Manager; Medium-sized business

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