



HOW TO COMBINE E-COMMERCE AND INSIDE SALES  
WITH OTHER SALES CHANNELS

# B2B REMOTE SALES REPORT

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# INTRODUCTION

Digitalization is having an increasing noticeable impact on B2B firms. Not least on the mix of sales channels. When we recently researched the use of digital sales and marketing technology in Nordic B2B firms, more than 80% of the respondents stated to either have been, or currently being in the process of, introducing new sales channels as a result of changes in customer buying behaviours brought on by digitalisation.<sup>1</sup>

For many this implies downsizing “high touch” sales channels such as field sales and key account management and ramping up “low touch” ones such as online and inside sales. Thus, B2B firms with legacy sales organisations need to rethink what constitutes an optimal channel mix, how this shift in channel dynamics will impact the business strategy as well as how to structure and dimension go-to-market organizations based on that.

*“Our efforts in increasing remote sales is the result of a strategic course of action outlined by our board /../ our field sales reps should not have 200 customers, they should rather manage 20 key customers. The rest of should be directed to digital channels. /../ We have increased our digital sales from 22 to 70 percent in two years.”*

HEAD OF TECHNICAL SALES SUPPORT,  
BUILDING TECHNOLOGY INDUSTRY

<sup>1</sup> ProSales Consulting. (2017). Aware but not Ready - B2B Sales and Marketing Digitalization Study. Stockholm, Sweden: Pixton, T., Rönnblom, J, Ejenäs, M.





## METHOD

We conducted 11 in depth interviews with senior B2B leaders on opportunities and challenges associated with inside sales and e-commerce. They represent different roles – CEOs, Business Unit leaders as well as Department Heads of mid sized and large B2B firms from varying industries. Each interview lasted for about 1.5 hours and has been transcribed in full.

## DEFINITION

“Remote sales” involves situations where vendors and buyers are separated by geographical distance and thereby have to find alternate ways to communicate than meet face-to-face.

Most of the research on this topic has however been focused on how to succeed with one of these channels at a time. But as they in practice will all be part of a more holistic channel mix, decision makers in B2B firms are faced with the more comprehensive question of how to effectively manage a growing and more complex mix of sales channels. Therefore, ProSales Consulting together with ProSales Institute and researchers from the Stockholm School of Economics have investigated the management of the different types of sales activities that are carried out from a distance, what we in this study refer to as remote sales. The goal is to provide guidance for decision makers that are responsible for sales, marketing, business development, e-commerce or digitization when introducing and managing remote sales channels as parts of the overall go-to-market framework. In part one of this report, we present the findings from our interview study. In part two, we provide our recommendations on how to set a strategy for how to succeed going forward.

# RESEARCH FINDINGS

## TYPES OF REMOTE SALES CHANNELS?

The traditional view of B2B sales is a world of physical meetings where agreements are reached based on face-to-face negotiations and deals closed with a handshake. This is now being challenged as a result of digitalization. More sophisticated methods of interacting with suppliers are increasingly becoming available. Data from Google shows that 71 percent of all B2B purchases are initiated by an organic Internet search.<sup>2</sup> This behaviour is indicative of a new order where buyers take increasing command over their customer journey.

However, it is a mistake to view the impact of digitalization on B2B sales as a move from the traditional into a singular and purely digital, sales channel. Our study shows that the channel mix will consist of a variety of channels - some purely digital and others more traditional. What they all have in common is that they enable sales where vendors and buyers are separated by geographical distance, something we in this study refer to as **“remote sales”**. In this study, we cover the following types of remote sales channels: **open online stores, restricted online stores, Electronic Data Interchange (EDI) platforms** and **inside sales**.

The **open online store** is perhaps the first channel that comes to mind when discussing digitalization. Here, something is offered openly to a public audience, who is also allowed to purchase directly, without pre-authorization or systems being integrated between the buyer and the vendor. Customers can serve themselves and autonomously make purchases and the response from the vendor is automated. Our results show that vendors, logically, try to direct the orders with lower order values to the online store. Often these orders constitute a large share of the total volume of orders, but with lower margins.

*“I guess you could say that there are expensive customers who place a lot of small orders. They order 1 unit here, 3 units there. That’s different from enterprise customers who maybe place orders of 100 units at a time. That’s why they are expensive.”*

CEO,  
CONSTRUCTION GLASS INDUSTRY

<sup>2</sup>Think with Google: Snider and Hilal (2015) The changing face of B2B marketing. <https://www.thinkwithgoogle.com/consumer-insights/the-changing-face-b2b-marketing/>





The online store is the obvious sales channel for many B2C suppliers, but our results show that it is far less common in the B2B context. Not least since vendors want to avoid conflicts with distributors and other third-party partners, something we will come back to later in this report. Another is that vendors prefer to authorize their buyers before a purchase, which is not possible with a fully open, automated online store.

**Restricted online stores** seem to be more common in the B2B world. It is closed to the public and instead requires that the supplier approves and registers the customer which opens up to placing orders. This is typically not set up before the first deal between the parties is reached, and it is primarily used to facilitate self-service orders from re-purchasing customers. They are very similar to an open online store in their appearance and function, except for the limited access.

One of the reasons for still restricting access to the online store is to be able to separate B2B and B2C customers. Another is that vendors want to avoid unnecessary channel friction. Not least to avoid competing and creating conflicts with resellers and distributors.

*“It is important that it [the online store] is closed not to compete with our partner firms that are resellers, and that we take their customers. We consider resellers to still have an important place in the value chain and also believe that they will remain so in the future. That is why our partner portal and resellers should not compete.”*

DIRECTOR M&A AND STRATEGY,  
CONSTRUCTION EQUIPMENT INDUSTRY

The firms in our study also use **EDI (Electronic Data Interchange) platforms** to serve customers that regularly place larger and often more repetitive orders. This is also online sales but differs from the online stores in that it requires not only a contractual agreement, but also integrations of information flows and IT systems between vendors and buyers – before the first transaction. But once in place, it can contribute substantially to sales efficiency as well as customer loyalty. EDI platforms support buyers with information about orders and delivery times. It also makes administration and logistics more efficient.

*“Our public sector customers have their own purchasing portals that are integrated directly into our systems, together with their contracts and prices.”*

MARKETING & COMMUNICATIONS DIRECTOR,  
FOOD SERVICES INDUSTRY

Finally, **insides sales functions** were a key element in the channel mix for many of the firms in our sample. Here, field sales reps and face-to-face meetings are replaced with digitally enabled sales reps that interact with customers through email, phone and web meetings.

Inside sales functions in the past have been primarily reactive (i.e. responding to inbound customer request) but are for many firms now increasingly proactive (i.e. seeking out customers with the support of digital tools).





*“It is a unit we use to collect orders and support customers. [But] we have also started calling out. That is, an inside sales rep should be able to find time, for example at the end of the week, to contact unengaged customers.”*

DIVISION MANAGER,  
CONSTRUCTION EQUIPMENT INDUSTRY

Inside sales functions can also support online sales. For example, through directing customers towards an online store or EDI portal and then supporting them when placing initial orders. In several of the studied firms, the inside sales unit played a key role in the effort to transition a larger proportion of order generation to self service sales channels.

*“Although you can configure most of your order in our online store, customers usually have a need to speak with our inside sales reps before placing an order.”*

CEO,  
CONSTRUCTION GLASS INDUSTRY

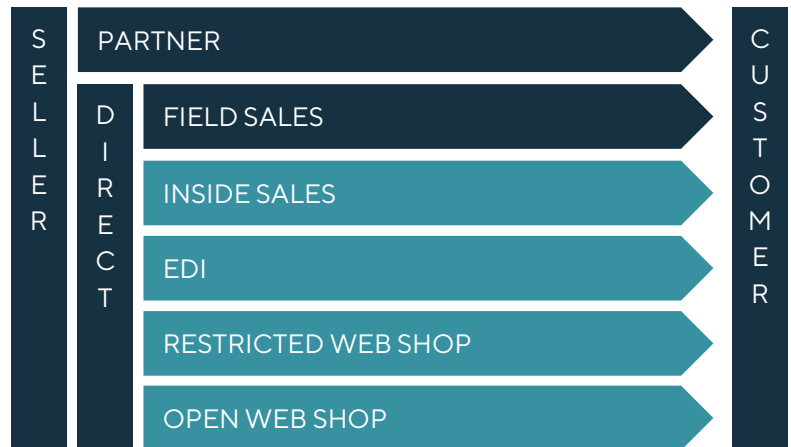


Figure 1. Different types of remote sales channels



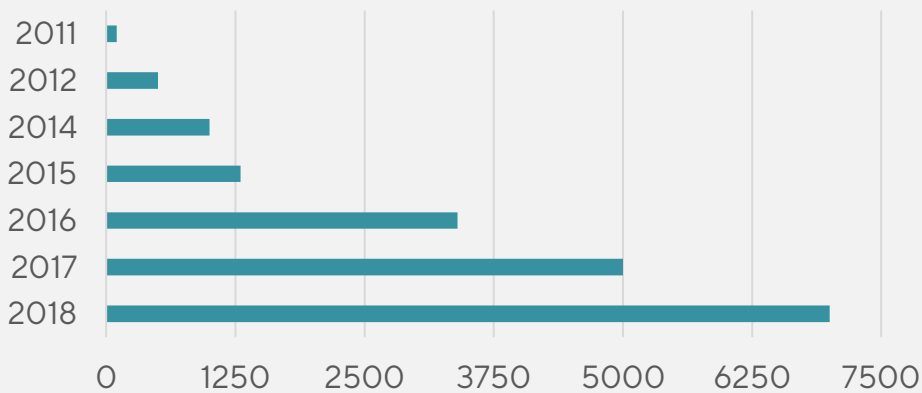
# WHY THIS INCREASED FOCUS ON REMOTE SALES?

An increasing number of firms are shifting resources from field sales to remote sales channels.<sup>3</sup> For example 40 percent of larger hi-tech firms state that they plan to ramp up the headcount of remote sales in the coming years.<sup>4</sup> There are three main reasons for this shift towards remote sales: First, there has been an **explosion in the sales and marketing technology** that is available. Second, **customer buying behaviors are changing in the B2B world**. Third, vendors have **substantial opportunities to lower costs** by cutting down on field sales. Before moving on to how firms do this, let us look shortly at these arguments as to why they do it.

## ACCESS TO NEW SALES AND MARKETING TECHNOLOGY

Technological development has enabled the development of sophisticated digital tools which accurately and convincingly can demonstrate products at a distance and also seamlessly facilitate order fulfilment. Here, the selection of digital tools, often called salestech have exploded. CRM systems are no longer the only software used by sales reps and marketers. The selection of software applications intended for use in marketing and sales increased from around 100 to nearly 7,000 between 2010 and 2018: an increase of over 3,000 percent.<sup>5</sup>

Figure 2. Number of software applications that support marketing and sales



<sup>3</sup>Zoltners, A. A., Sinha, P. K., & Lorimer, S. E. (2013). The Growing Power of Inside Sales. *Harvard Business Review*.

<sup>4</sup>ZS Reality works (2014) Outside In: The Rise of the Inside Sales Team.

<sup>5</sup>Brinker, S. (2018, 19 February). A Decade of Martech: The top 10 ideas from 10 years of chiefmartec.com. [blog post].

Downloaded 2018-10-22 from: <https://chiefmartec.com/2018/02/decade-of-martech/>

## WHY?

1. Remote sales increases sales efficiency by saving time and resources
2. Predictability in forecasting and planning is increased with remote sales
3. Through increased availability, speed and convenience remote sales can increase customer value
4. Remote sales can be used to increase revenue when customers can serve themselves to a larger extent.

The applications can manage various delineated steps and challenges along the customer journey. Prospecting can be supported by a sales-intelligence application and leads can be generated with a marketing-automation system. When working with key accounts, firms can use an account-based marketing system to correctly target their advertising. Perhaps sales reps present their offerings using a web-based meeting solution. Then deals are closed with e-signing applications. A lot of apps, but it becomes more and more common with open APIs (interfaces between applications), which enable applications to speak to each other and share customer information.





## CHANGES IN BUYING BEHAVIORS

Change is in reality often instigated by buyers. In the B2B world often more so. In fact, as many as 49 percent of firms consider their B2B customers to be either “very important” or “extremely important” influencers in driving digital transformation.<sup>6</sup>

And buyers are generally becoming more comfortable interacting with vendors remotely.

Buyers conduct more and more research of themselves and are happy to use e-mail or video-conferencing tools to communicate with vendors. According to a recent Forrester report, 64 percent of B2B-buyers use online resources in the research phase of making professional purchasing decisions.<sup>7</sup> Our respondents also confirm that their customers are becoming increasingly more proactive and self-service oriented, also in their professional roles.<sup>8</sup>

*“Sales is changing, customers do not want to meet anymore. They are much further along in the purchasing process than they used to be and they do a greater part of the research themselves.”*

VP OF SALES,  
MOTION AND CONTROL TECHNOLOGY

Furthermore, B2B buyers are not insulated from the rest of world. New consumption patterns driven by e-commerce in the B2C domain are spilling over and affecting the behaviours of purchasing professionals.

*“Buyers today just assume to be faced with an appealing user interface. They shop for clothes online in their private life. When they make professional purchases they want things to look the same. We need to create something similar to what exists in the B2C environment in order to grow our sales.”*

DIRECTOR M&A AND STRATEGY,  
CONSTRUCTION EQUIPMENT

<sup>6</sup> Mähring, M., Wennber, K., Demir, R. Reaping Value from Digitalization in Swedish Manufacturing Firms. Untapped Opportunities? In Managing Digital Transformation. Andersson, Movin, Mähring, Teigland, and Wennberg (eds.). SIR, Stockholm School of Economics.

<sup>7</sup> Forrester (2017) Make your B2B business a digital business. Executive overview: The B2B eCommerce Playbook.

<sup>8</sup> Ibid.



## SUBSTANTIAL POTENTIAL FOR VENDORS

The commercial potential is a third reason for increasing the share of remote sales. Firms are often hard-pressed to rationalize and streamline their operations to maintain margins and competitiveness. Even in the light of the promise of efficiency gains from automating large part of the sales-process, our respondents primarily highlighted the potential to increase customer value as a result of the increased focus on remote sales channels.

*“10 years ago the main purpose [of remote sales] was sales efficiency. Today it is about creating an attractive environment for the customer to drive growth.”*

DIRECTOR M&A AND STRATEGY,  
CONSTRUCTION EQUIPMENT INDUSTRY

A lot has to do with improving and facilitating the purchasing decision for buyers. Not least through being able to take orders 24 hours a day - every day. Online also gives customers more transparency on order and delivery status - which makes it easier for buyers to track orders, which in turn creates customer value and business results.

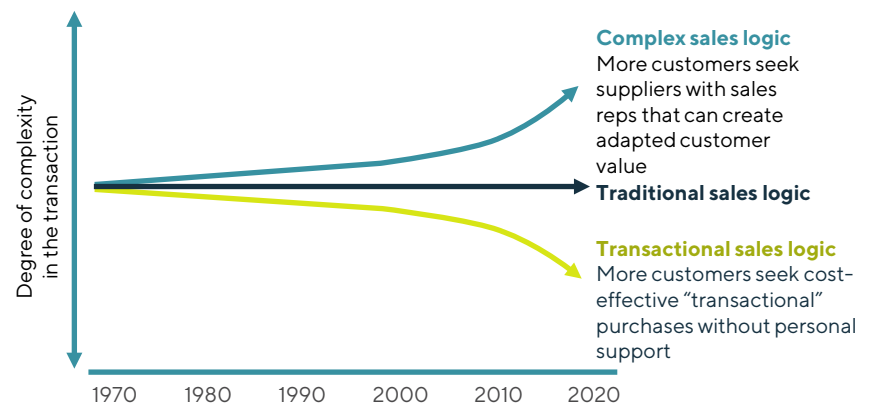


# WHEN DO FIRMS CHOOSE TO SELL THROUGH REMOTE SALES CHANNELS?

So there are good arguments as to why B2B firms should increase investments in remote sales. But is it really appropriate for all types of customers and selling contexts? If not, when do firms use remote sales and when do they not? Like in any business situation there is no one-size-fits-all solution. Having a strategy for when and how to use remote sales channels helps in deciding where to focus. According to our results, two main dimensions should be considered: **Deal complexity** as well as **the phase of the customer journey**.

## DEAL COMPLEXITY DETERMINES WHEN TO USE REMOTE CHANNELS...

Some purchases are easy to make for buyers. For example when products or services are simple and perceived as commodities. This is something we have referred to as belonging to the **transactional buying logic** in our previous studies.<sup>9</sup> In those situations, buyers are mainly looking for a friction-free method of placing the order. They are prepared to buy remotely and the product should be no more than a mouse-click or phone call away. Here customers value the convenience of buying through remote channels, i.e. through online store or an EDI solution.



<sup>9</sup> Ejenäs, Larsson-Broman & Siljerud (2019) Supertrends - Future-proofing your Sales and Marketing Organization. Stockholm: ProSales Institute.

Other deals constitute a higher degree of risk and uncertainty. Typically a larger investment, with many stakeholders involved in the purchasing decision, substantial need for internal changes post-purchase etc. This type of deal belongs to the complex buying logic. In such situations the vendor needs to manage the buyers' perceptions of risk and instill trust to be able to close the deal. This can often be achieved only through face-to-face interactions and through being able to bridge the knowledge gap between the buyer and vendor. Therefore, a remote sales approach is in most cases not appropriate for the deals where the level of risk and uncertainty is high.

*"Our products are not complex but rather easy to understand. That's why the conditions for remote sales are good."*

HEAD OF TECHNICAL SALES SUPPORT,  
BUILDING TECHNOLOGY INDUSTRY

Hence, customer uncertainty related to potential deals is one of the key factors to consider when deciding on which sales activities to direct to remote channels. But as always, that is not the whole truth. Firms also seem to consider the phase of the customer journey.





**Customer journey** is a concept used to clarify and visualize the needs, actions and touch points of customers when interacting with vendors. Customers typically go through the following phases:

- **Awareness**, i.e. when the customer becomes aware of a need
- **Consideration** (researching suppliers and solutions)
- **Purchase** (the first deal is closed)
- **Implementation/ start-up**
- **Retention** (repurchases are made)
- **Advocacy**, when a loyal customer is sufficiently satisfied to recommend the supplier to other potential customers.

**...AS WELL AS THE PHASE OF THE CUSTOMER JOURNEY**

On one hand, our results suggest that remote sales channels are likely to work best in situations that are characterized by a low or moderate level of buying uncertainty. For a transactional deal, uncertainty and risk is low through most if not all phases of the customer journey. But even a complex deal may include some phases where the level of uncertainty and risk are lower, and thus, be better suited for a remote sales approach.

Therefore, deal complexity is not completely determinant of when to use remote sales channels. It is also dependent on the current phase of the customer journey.

One example of a phase where a remote approach would work in a traditional as well as a complex buying logic is **awareness**. Remote channels can be used for generating interest as well as positioning the vendor in the mind of buyers. One example is to enable customers to research the offerings themselves by making the entire product catalogue accessible and presented in an attractive way. Customers can then get acquainted with the offering which will make them more easy to approach with an offer at a later stage. One of the larger firms in our study does not even consider the actual conversion to sales in its online store to be the main objective, but use the online store predominantly as a means to generate and nurture complex sales leads.

Figure 4. External Communication and Lead Generation



Lead generation depends on supporting the customer buying journey

## WHEN?

- Firms use of remote sales channels is dependent on the purchasing complexity of their customers. From this perspective, remote sales is primarily appropriate for a transactional buying logic.
- The phase of the customer journey also impacts the applicability of remote sales channel. Remote sales may sometimes be appropriate even in complex buying. This might be when the customer has made a similar purchase before or when complexity can be alleviated by sophisticated technology enabling customers to configure and specify the order.

*“For us, online sales is mostly valuable as a source of lead generation. It gives us information on who visits our online store as well as what they searched and looked for. Some of these visitors are in fact larger customers which we have yet not have agreements with. We can track their behaviors and based on that make them offers that may appeal to them”.*

VP OF SALES,  
MOTION AND CONTROL TECHNOLOGY INDUSTRY

B2B online stores can be an untapped source for lead generation – also for more complex deals. Our case data show that sometimes, larger customers with relatively strong purchasing power can be found among the registered visitors in the online store.

Another example is the **consideration** phase. Technological development of online sales platforms have vastly improved how vendors are able to demonstrate its solutions – also for deals of considerable complexity. One of our case firms in the construction industry have existing customers that use its online sales tools to configure solutions.. Sometimes supported by insides sales reps but often independently. In the initial stage, customers can experiment with alternatives themselves using the digital application.

*“Our products are reasonably complex and consist of modules that can be combined in different ways. You can choose between various qualities of the glass in the windows and different shapes and sizes.”*

CEO,  
CONSTRUCTION GLASS INDUSTRY

The purchase in this case was, however, too complex for customers to solely rely on the support of the online store. Complexity induce uncertainty, and customers often experience the need to seek reassurance with field sales reps at a later stage of their decision-making process to feel confident about their choices.

Finally, our results show that remote sales channels can be used in the **retention** phase - including when sales complexity is generally at a high level. By selling remotely the firms in our study also show how they can better tap into the behaviors of existing customers and boost retention. Increased retention is one of the most critical factors for profitability in B2B-settings.<sup>10</sup> Existing customers are easier to habituate into using remote sales channels as they have built their confidence about the offering from previous purchases.

For example, when the customer has understood the product, and wants to make a similar re-purchase, they want minimal friction. Many complex B2B deals are also built on a contract on which the customer places suborders.

*“By establishing a proactive inside sales unit that is connected to our digital sales channel we can become better especially at retaining customers in the mid-sized segment, shaping the behavior of these customers. At outset this can add an extra 10 percent to our turnover.”*

CEO,  
CRAFTSMAN EQUIPMENT

<sup>10</sup> Gordini, N., & Veglio, V. (2017). Customers churn prediction and marketing retention strategies. An application of support vector machines based on the AUC parameterselection technique in B2B e-commerce industry. *Industrial Marketing Management*, 62, 100-107.





# HOW DO FIRMS ORGANIZE FOR REMOTE SALES?

Two aspects stand out in the examined firms: when it comes to the implementation of remote sales, the introduction of an inside sales unit with clear divisions of responsibilities between field and inside sales as well as a unified incentive structure for field and inside sales reps.

## A NEW TYPE OF INSIDE SALES UNIT

When ramping up the use of remote sales channels, most of the firms in our study established an inside sales unit that is separated from the field sales organization.

*“We have to interact with customers in a different way. Obviously we are looking into slimming our field-sales department and increasing the number of inside sales reps.”*

VP OF SALES,  
MOTION AND CONTROL TECHNOLOGY

Inside sales units are typically tasked with managing the balance of which deals and accounts to direct to self-service platforms vs which to apply more resources to. The separation of inside and field have been used both to drive specialization, but also to avoid burdening the inside sales unit with the legacy of the “old” sales force.

The implication of this development is, firstly, that the task of the field sales rep is becoming more specialized. They need to be able to contribute with customer value in the parts of the buying process where customer uncertainty and risk is high (through acting as a consultant).

*“If the customer wants ear protection you should not ask in which colour. You should help find the root cause of the noise and help the customer with that. Even though we not always sell, we believe the customer stays longer if we build that kind of relation, it drives profitability in the end.”*

CEO,  
CRAFTSMAN EQUIPMENT

The role of the inside sales rep is also changing. They are no longer just expected to pick up the phone and register standardized orders. Inside sales reps are expected to be the ones that take the lead in the development of remote sales through digital channels.

*“We are developing a (new) separate inside-sales department to handle our digital sales. The current inside sales department is kind of a support unit for our field-sales reps. We made the assessment /.../ that these sales reps would not be optimally cut out for this new digital setting”*

CEO,  
CRAFTSMAN EQUIPMENT

Our study shows that gradually, inside sales reps take on an even more sales-oriented and analytical role. They need to process relevant data to develop strategies for both customer acquisition and customer retention. It also seems as if inside sales units build additional competence by adding IT-professionals: programmers, UX-designers, and digital analysts.

### MOST SEEK TO ALIGN FIELD AND INSIDE SALES

More types of units within the sales organization can lead to coordination challenges. If field and inside sales units are well coordinated, these will complement rather than cannibalize on each other.<sup>11</sup> The firms in our study seek to achieve this through **clearly defined work processes** as well as **unified incentives**.

Previous research has shown that if areas of responsibility are not carefully managed, conflicts between field- and inside-sales can easily arise and have detrimental effects.<sup>12</sup> Our study supports the view that remote sales requires coordinated efforts of different sales units. As one of our case firms demonstrate, inside sales reps can support customers when ordering fairly complex products online. When coordination is synergetic, the support of inside sales reps will increase the likelihood of sales conversion and customer satisfaction.

This is not something that comes automatically. According to our case data it requires sustained efforts in establishing an organizational structure that nurtures a cooperative climate. One approach used by some of the firms in our sample is to assign responsibilities based on different stages of the customer journey rather than “ownership” of specific accounts.

<sup>11</sup> (ZS reality works, 2015)

<sup>12</sup> (ZS and reality works, 2015)

## HOW?

- Firms are introducing a new form of specialized inside sales units. These are separate from field sales departments to be unburdened by traditional sales wisdom inherited from field sales.
- Reps from all sales units are incentivized to support the transition to remote channels: This includes field sales reps. In practice this means that they need to know when and how to direct customers to remote channels.

*“Once a deal is made the customer should be handed over by the field sales rep to inside sales. Everybody is instructed that this is the way we work”; “...it is important that we work as a team, our sales reps never talk about ‘my customer’, they will always be ‘our customers’”*

CEO,  
CONSTRUCTION GLASS INDUSTRY

To deal with this, several of the firms in the study makes remote sales a responsibility of all sales reps. This includes field sales reps that are responsible to guide customers towards remote sales channels when appropriate. This enables firms to allocate and use their resources more effectively and it also resonates with the changes in buying behaviors where customers prefer to be more autonomous.

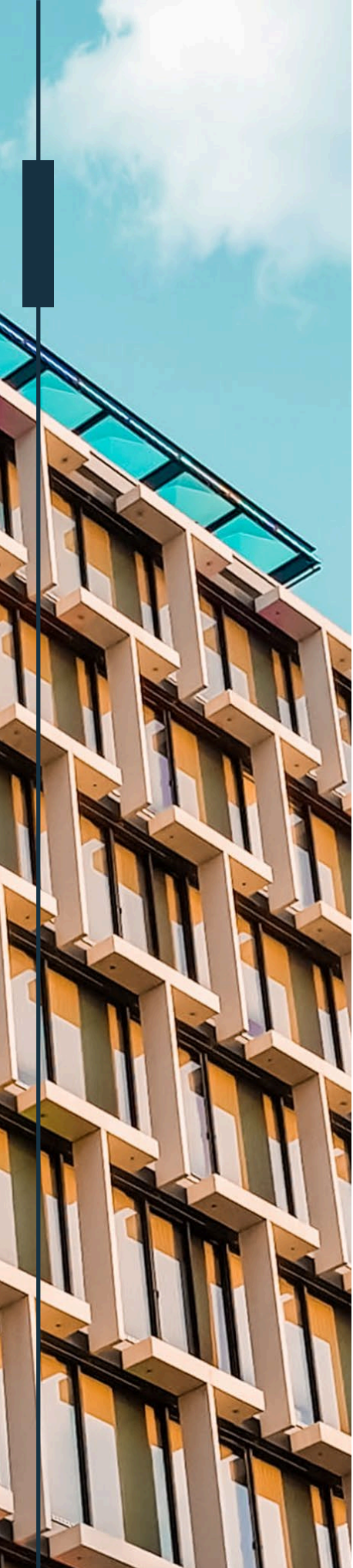
*“We need to follow up to make sure that our sales reps are pushing for the use of digital sales channels when this is appropriate.”*

E-BUSINESS & PROCESS MANAGER,  
BUILDING TECHNOLOGY

Another source of conflict is how inside and sales reps are compensated. In most of the firms in our study, bonuses are split evenly between all sales units. Many however had plans for adapting the bonus programs for the purpose of better aligning with the new work descriptions of field sales reps: i.e. where they are tasked with building long term relationships and boosting customer satisfaction rather than keeping the traditional, narrow focus on closing many - smaller - deals.







# WHAT CHALLENGES DO FIRMS EXPERIENCE WHEN THEY RAMP UP THE USE OF REMOTE SALES CHANNELS?

Finally, we discovered that implementing remote sales does not come without challenges. The firms in our study faced two main challenges: the risk **for channel wars** when supply chains are subject to disruption, as well as **the legacy culture** in the field sales organisation.

## THE RISK OF “CHANNEL WARS”

The increased focus on remote channels may have serious implications on the overall supply chain. It can open up new inroads to the vendor for buyers, enabling end-customers to cut out middlemen (e.g. distributors or wholesalers).

*“Not letting distributors handle everything can be an effective way to build your brand. Look at Mora Kniv that set up their own webshop and now more effectively can communicate [directly] their brand and put their entire catalogue on display..”*

SENIOR E-COMMERCE ADVISOR,  
LOGISTICS INDUSTRY

While such a strategy may appear completely reasonable in and of itself, it may also be a risky move. If the situation is not carefully managed, taking away business from distributors can lead to pushback. This can in turn cause long-term damage on sales. The respondents in our study described discerning examples of manufacturers having opened up own sales channels, with the result of them being dropped by their main distributors. Most of the firms in our study have therefore tried to avoid channel conflict and are very careful to uphold the relationships with distributors.

*“We do not see it as a next step to drop our distributors; all payers in the distribution chain have an important job to do. We need our distributors.”*

DIRECTOR M&A AND STRATEGY,  
CONSTRUCTION EQUIPMENT

## CHALLENGES

Cutting out the middleman can be risky: Consider ripple-on-the-water effects of disintermediation. Dropping your distributor could lead to retaliation.

- Combat the strains of legacy. Preconceived ideas of how to organize a sales department will be one of the biggest obstacles to organize remote sale effectively. Teamwork and clearly defined work tasks could be an effective remedy.

Judging from our case firms, it does not seem like the effects of digitalization has hit the market with full force and caused disintermediation. This may however change quickly. We may eventually see a situation where the majority of B2B manufacturers have launched direct sales platforms designed to connect directly with end-users. Such a development could be led by individual B2B e-commerce forerunners - or by marketplace platforms that bring multiple actors together.

The long expected launch of Amazon B2B in the Nordics could, for example, change the rules of the game substantially.<sup>13</sup> It could also lead to consolidation of traditional e-commerce platforms towards various specialized platforms.<sup>14</sup> Until then we can however conclude that it still seems desirable for manufacturers to keep their distributors as allies.

## FIGHTING THE LEGACY OF FACE-TO-FACE SALES CULTURE

Sales transformation is many times held back by the legacy of old ways of thinking and working, which is present among vendors as well as buyers. As much as 53 percent of firms state that old habits is the biggest obstacle for implementing remote sales channels.<sup>15</sup>

To begin with, some senior leaders have preconceived ideas of how to organize and manage sales organizations. Our findings point at several examples of sales managers sticking to the idea that field sales reps are the flesh and bone of the sales department and should not be challenged.

*"I met a [sales] manager who told me, when the changing landscape of sales was dawning on him: 'But what should I do then with my field sales reps?'. My reply was 'Well you are in this business to make money - aren't you? - and your customers will not care about the internal distribution of your sales reps. So who should you fire, your sales reps or your customers?'"*

ANDY HOAR,  
B2B E-COMMERCE EXPERT

Field sales reps also feel that their statue is threatened when customers take increasing command over the purchasing process by e.g. using digital sales channels or by directly contacting the inside sales department.

<sup>13</sup> Absolutnet.com. (2017) How distributors can survive the digital shift.

<sup>14</sup> Handelns Utredningsinstitut (2018) Vad händer när Amazon kommer?

<sup>15</sup> In a recent B2B sales-survey (Litium, 2017),

Perhaps grounded in a fear of becoming marginalized, field-sales reps can sometimes resist the transition towards remote sales.

*“Many sales reps want to do a traditional sales job. This means meeting the customer face-to-face, talk, and maybe have a cup of coffee.”*

HEAD OF TECHNICAL SALES SUPPORT,  
BUILDING TECHNOLOGY INDUSTRY

The solution to this has for many of the firms in the study been to train the current salespeople. The perception is that in the long run, sales reps understand that this is a necessary change.

*“Promoting this in the sales force has been important. It is important to educate sales reps in this transformation. They realize quite quickly that this is a better way to work.”*

DIRECTOR M&A AND STRATEGY,  
CONSTRUCTION EQUIPMENT

Finally, despite changing buying behaviours, not all customers are change drivers. The firms in our study had all experienced that customers sometimes resist remote sales as well.





# RECOMMENDATIONS FOR INTEGRATING REMOTE SALES INTO EXISTING B2B GOTO-MARKET MODELS

How should then leaders in B2B firms go about to tap into the potential of remote sales channels? Based on this study, previous research as well as our experience from more than 30 channel mix related consulting assignments, we have identified a set of success factors. Each firm of course has its own unique set of challenges and opportunities. But these common themes will however be applicable for most:

## 1. BUYING LOGIC: MODEL REVENUE STREAMS ACROSS ALL CHANNELS!

The channel mix for a typical B2B firm has until now been set up around some variation of value segments – i.e. that the business with the most valuable accounts is managed by KAMs, mid-sized by field sales reps and the less profitable “long tail” by inside sales or channel partners.

Many firms are now looking to expand the share of order take that is generated from online sales channels. Either their own, through partners or marketplaces. For most firms, the main drivers are to increase coverage, lower costs and match changes in buying behaviors.

This growing emphasis of online may seem like an incremental shift to achieve efficiency gains. But it can also have more far-reaching implications. Firms that in the past could dictate through more complex channel dynamics. As a consequence, decisions on how to allocate resources across channels is changing. Should we hire another KAM or an e-commerce Manager to meet our targets? Should we invest in Marketing Automation or in developing our inside sales unit? Which tech stack should we have in to increase commercial effectiveness? Efficiency?

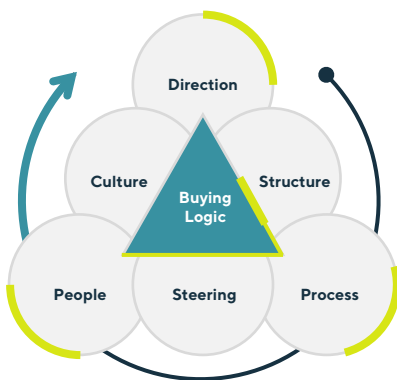
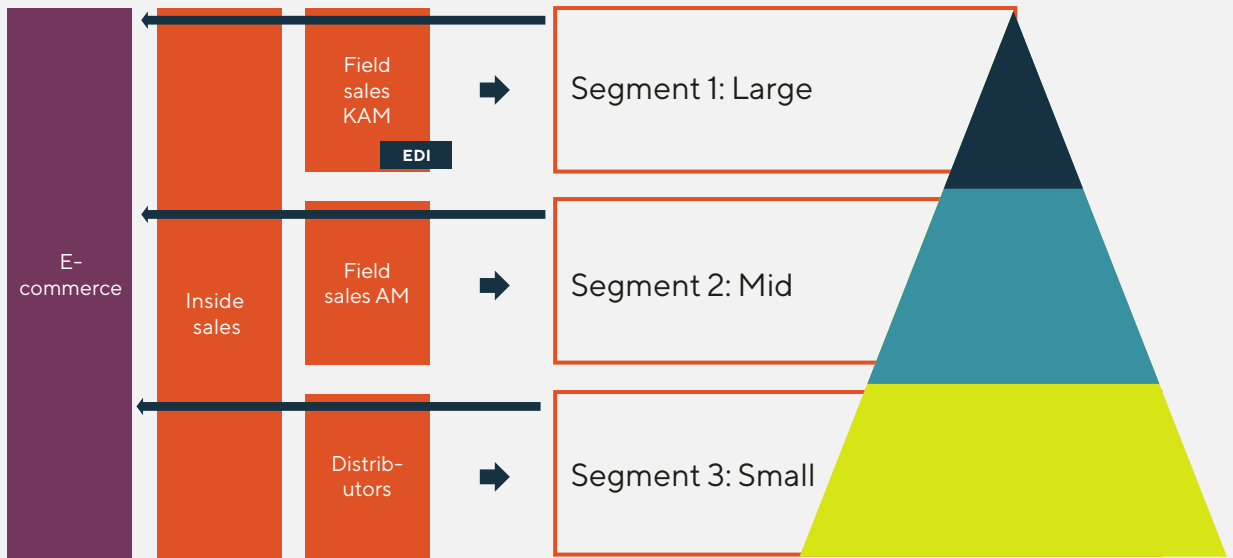


Figure 5: Customers allocate themselves to channels

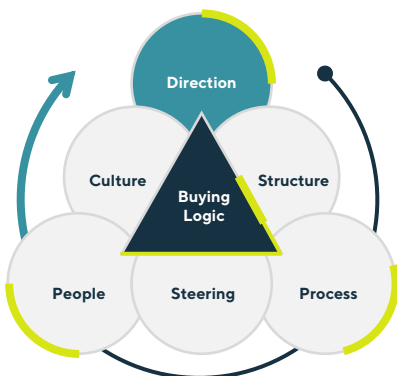


Whatever the entry point, analysis-led decision-making is more important than ever. If you are looking to optimize your channel mix and do not model how much of future order take to be generated through each channel, we recommend that you start doing so. If not, it will be very difficult to make decisions on how to structure and dimension your organization.

## 2. DIRECTION: APPROACH REMOTE SALES NOT ONLY FROM A CHANNEL MIX PERSPECTIVE!

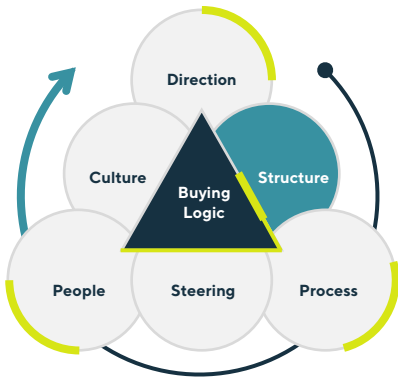
The channel mix is only one of the key dimensions that together constitute go-to-market strategy (which combination of markets, offerings, customers and channels your firm will be best positioned to focus on). Remote sales will impact all of this.

Our recommendation here is to ensure that strategic decisions in these four key areas fit together (to avoid misalignment that in turn will lead to poor performance).



### 3. STRUCTURE: DON'T BUILD NEW SILOS!

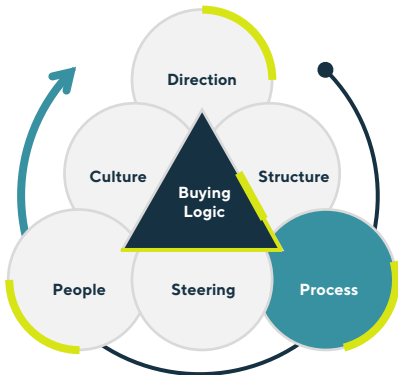
Doing new things will at some point have organizational implications. For firms expanding into online, assigning a person or team responsible for the channel is a given. For most firms it will also make sense to at the same time introduce or expand the inside sales function. Enabled by the same technology as online, inside sales can be used both improve the customer experience as well as drive down the cost of sales. In addition to this, many firms have ramped up the marketing function to be able to reach customers when sales reps cannot. For firms that sell multiple product lines to different customer segments at different levels of sales complexity, the sales operations team is also of growing importance.



*The organizational implications of broadening the channel mix go beyond assigning someone as “responsible for online”. Nor does it stop at sales and marketing integration. Our recommendation is to review how different parts of the organization should interact in the new set-up. This to avoid unnecessary costs and friction – but more importantly make sure your structure will support your strategy.*

### 4. PROCESS: AUTOMATE AND AUGMENT – BUT WHEN THE TIME IS RIGHT!

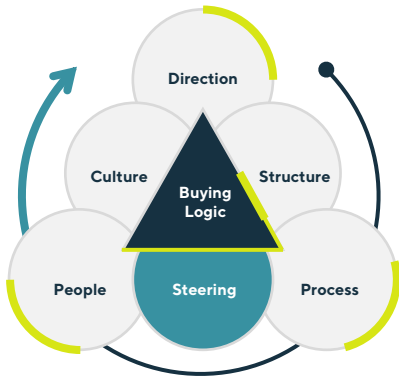
If played right, investments in remote sales channels can be used as a catalyst for more large-scale digital transformation in sales and marketing. Not least as the tech enables the move from traditional and manual into automated and augmented, thus unlocking both efficiency and effectiveness gains. This will however require a high degree of clarity on which markets and customers to focus on, processes to enable, data sources to depend on etc.



*The recommendation here is to manage related technology investments as parts of a whole NOT as separate initiatives. Additionally, we recommend not to rush into “over-automation” before new processes and tools are stable enough for acceleration.*



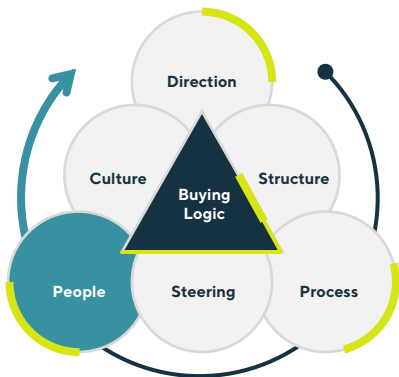
### 5. STEERING: ALIGN INCENTIVE MODELS FOR FIELD AND INSIDE SALES TEAMS WITH YOUR CHANNEL MIX AND - STRATEGY!



Many times we encounter one-sided attempts at transforming sales organizations. At the extreme end only focused on optimizing bonus models without taking other dimensions into consideration. That said, incentives ARE an important piece of the puzzle that need to be aligned in order to adapt the go-to-market approach.

*We definitely recommend to adapt the incentives model to support the desired shift - but after having decided on go-to-market strategy as well as the "to-be" organizational model.*

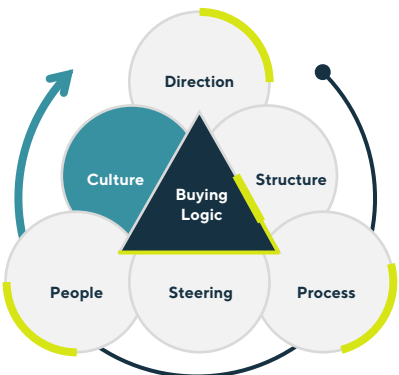
### 6. PEOPLE: ADD NEW ROLES - AND EVOLVE THE ROLE OF FIELD REPS!



Remote sales will not only impact structure. For most, new competencies will also be needed. This often lead to new roles being introduced (e.g. Sales Analysts, UX specialists, Lead Managers etc). Another typical scenario is that the new sales environment requires Field Reps to become more of advisors able to guide customers through complex purchasing decisions, interact earlier and take more responsibility for post-sale activities.


*Our recommendation here is to make competence development for the sales force a management priority. Not least in key areas such as customer social selling and industry knowledge.*

### 7. CULTURE: NURTURE CUSTOMER-FOCUSED COLLABORATION!



A solid business strategy and a fit-for-purpose organization. Skilled people with clear roles and the right incentives. Best of breed digital platforms... that should do it. Not so fast. Changes in the channel landscape has similar implications to shifts fueled by digitalization in other areas of the business. In aggregate it will - at least eventually - impact how we think about, structure and manage organizations.

*We recommend sales and marketing leaders to be serious about embracing agile. Even with the initial investment of time and effort, it will quickly enable both increased speed of value delivery as well as organizational adaptability over time.*



The goal of this report has been to provide guidance on how to succeed when integrating remote sales channels into existing go-to-market organisations. We have pointed to the need for applying a wide lens and to holistically consider strategy, structure, technology and competence-related factors. In doing so, we believe that B2B firms will be better positioned to succeed with remote sales. Go get it!



HOW TO COMBINE E-COMMERCE AND INSIDE  
SALES WITH OTHER SALES CHANNELS

# B2B REMOTE SALES REPORT

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