



Driven by Insights
Delivered from Experience

A CEO's Growth Mindset in 2022

3 Keys To Leading Your Market



Companies saw greater disruption to their businesses in 2020 — and moving into 2021 — than any time in recent history, upending their GTM plans, accelerating bets on long-term opportunities, and creating the need to serve buyers and manage their teams differently.

As a result of this disruption, CEOs must think of themselves as chief growth officers, partnering with commercial leaders to prioritize the most critical bets and ensuring tight coordination across Sales, Marketing, and Customer Success.

While some CEOs found themselves ill-prepared to pivot during the pandemic, and others were unable due to extenuating market dynamics, those CEOs who embraced their role as growth leader have been able to return their companies to growth at an accelerated rate. And from SBI's analysis, those CEOs have a single thing in common at the highest level: a two-horizon mindset. They maintain a clearly defined 3–5 year growth strategy — Horizon 2. And more importantly, they've developed a plan that spans the next 18 months to widen the gap they have relative to their competitors and set them up for longterm success — their Horizon 1 plan.

The next 18 months are pivotal and will be a period of separation. CEOs must take the learnings from the last 18 months and apply them forward. Those who do will emerge as winners; those who don't will continue to lag the competition.



Common Characteristics of Market-Leading CEOs

When we studied CEOs from high-growth companies — those who navigated the pandemic successfully to achieve top-line growth — we noticed a common set of characteristics across them. These companies all:

- Excelled in rebuilding their short-term revenue plans to address the changing market dynamics
- Used agility and rapid reprioritization to determine where to focus resources and where to deprioritize efforts
- And drove strong GTM execution through change management, communication and alignment at the commercial leadership level



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Companies and CEOs who exhibited these characteristics recognize the importance of great execution in Horizon 1 — even when that means rebuilding annual plans in the face of disruption. Successful organizations know these efforts will accelerate the overall growth program in the face of disruption and widen the gap with competitors, setting the company up for success in the next horizon, increasing employee morale, and earning the ability to reinvest in the business.



The Role CEOs Must Play in Short-Term

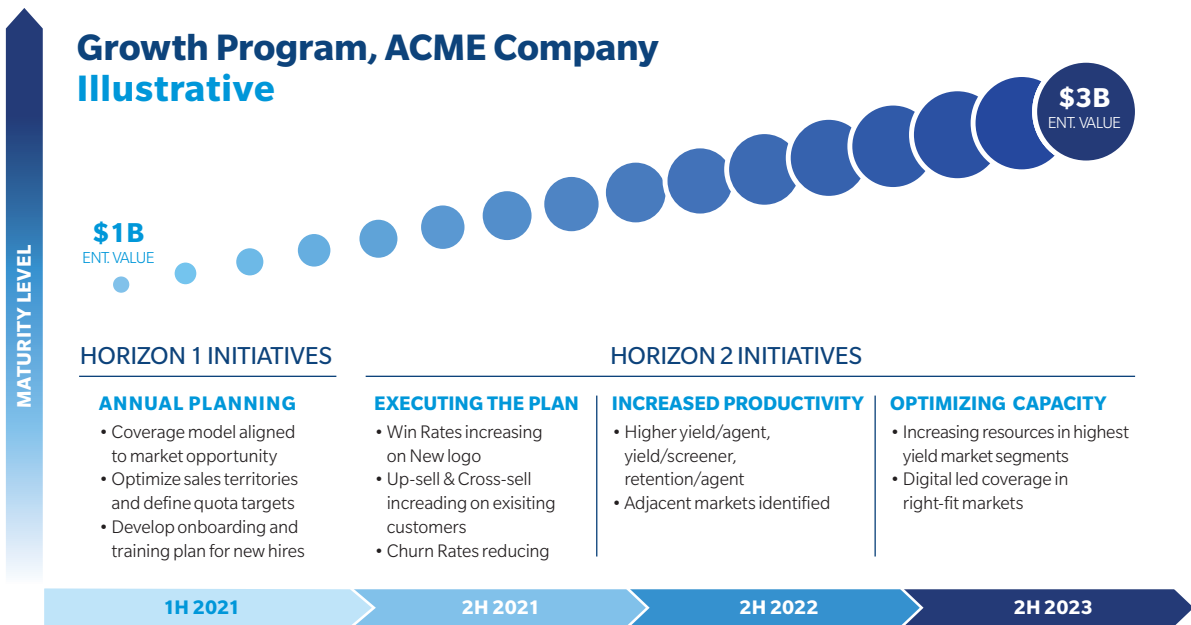
Go-to-Market Planning & Execution CEOs who are highly involved in short-term, Horizon 1 GTM planning and execution know their leadership will result in three things:

- 1. Improved short-term revenue growth
- 2. Better yield on commercial spend
- 3. Accelerated time frame to reach Horizon 2 initiatives



That is why, in the face of all the GTM changes over the past 18 months, top-performing CEOs over-invest in Horizon 1 initiatives to deliver on the critical short-term initiatives that will fuel long-term growth.

Alignment of Horizon 1 and Horizon 2 Planning Initiatives



Two-horizon plans enable leadership to align long-term growth strategy and short-term growth initiatives, staging each initiative and identifying key interdependencies from one stage to the next.

Three Primary Focus Areas for 2022

Per SBI's Growth Index,¹ which catalogs growth data, capabilities, and patterns for global B2B organizations, we looked back into our 250+ interactions with CEOs over the last 12 months to identify what high-performing CEOs are prioritizing going into 2022. We consistently see

three key themes, or bets, on which CEOs are focused. Perhaps unsurprisingly, all of these bets are tightly coupled with the major shifts we've seen in both buying and selling since the pandemic began, and all of them fall into Horizon 1, requiring in-year execution.



1 CEMENTING & ACTIVATING

the company's GTM model, with an emphasis on coverage and revenue diversification to drive customer lifetime value and capture greater market share



2 ADDRESSING

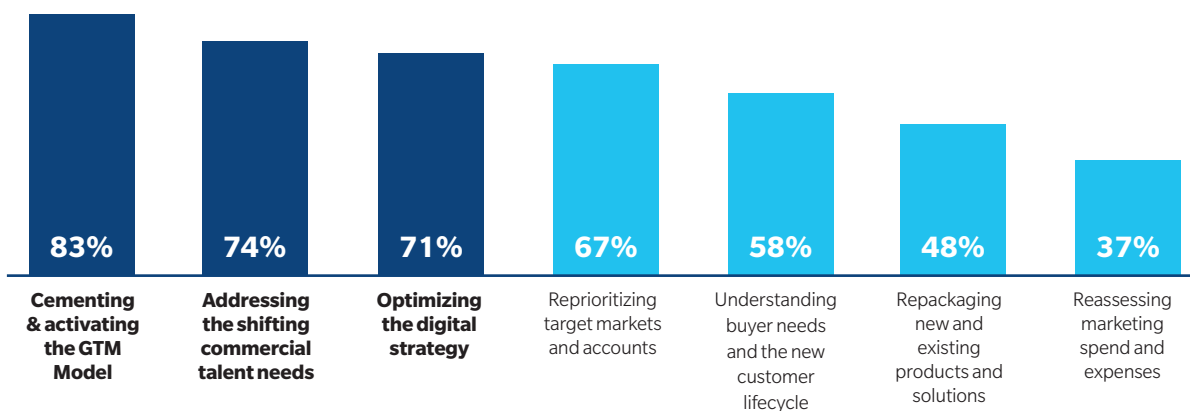
the shifting commercial talent needs of the organization via hybridized workforces, having a strong "commercial culture", and attracting and hiring top performers to improve productivity per head.



3 OPTIMIZING

digital strategy to improve commercial spend efficiency, lower customer acquisition cost, and boost net retention rates

CEOs' 2022 PRIORITIES



1. SBI's Growth Index is the company's proprietary database and reference of information, insights, and benchmarks across B2B companies

In the following pages, we will dive into each of these three big bets, provide context on the key questions leaders should consider, and share SBI's perspective on what market leaders are doing.

BET 1

Cementing and Activating the Company's GTM Model

Across all the CEOs in our Growth Index, 78% mentioned shifting their GTM model away from “traditional” motions toward more digital and low/no touch motions. On average, we see companies redirecting about 10% of sales capacity from their “Field Sellers” toward some combination of Inside Sales, eCommerce platforms and Customer Success.

As CEOs look to 2022, they need to activate their go-forward GTM model. This means finalizing resourcing decisions and focusing on high levels of execution across different Routes-to-Market and Coverage motions (e.g., Direct, Indirect, eCommerce).

SBI recommends CEOs explore the following areas with their commercial leadership team, using the data inputs below to guide their conversations and finalize decisions about the most effective GTM model given market and business changes.

CEO Conversations with Commercial Leadership on GTM Model

- What should our GTM model look like for 2022; what routes-to-market should we prioritize?
- How easy or difficult is it for customers to buy from us today?
- How healthy is our customer acquisition cost; what changes should we make as a result?
- Do we have our resources allocated to the greatest market opportunities?
- What is our E:R ratio (Expense:Revenue) by segment, and how does that compare to our peers and competition?



Data to Gather on GTM Model

- Current state GTM model and corresponding resource allocation
- CAC-LTV and E:R, by segment/product/geography
- Market sizing studies (TAM, SAM, Target Markets)
- Account prioritization and potential spend GTM model competitive insights

In addition to engaging in the above conversations, top-performing CEOs are doing three things particularly well when it comes to cementing their GTM model:

1. Connecting the GTM model to the company's overall growth strategy
2. Ensuring the GTM model has clearly defined the role of Indirect or the Channel, what the revenue expectation is, and which partners are most critical
3. Setting clear and realistic revenue targets across all new and existing products and solutions

BET 2

Addressing The Shifting Commercial Talent Landscape

The recent Microsoft's **2021 Work Trend Index** survey indicated that 40% of workers globally are considering leaving their current employer this year. That means 2 out of every 5 employees at a company are, at minimum, either actively looking to leave and/or will resign in the coming months.

This type of talent exodus is extremely difficult for any company to plan for and manage, and when companies require additional sales capacity to achieve growth goals, it poses even more of a risk. Per SBI's Growth Index, a top performer is 5–10x more productive than a middle performer; the loss of a few top performers combined with gaps in coverage can have a meaningful impact on revenue generation and ultimately Return on Equity.

While CEOs are working through a myriad of talent challenges in their business, CEOs consistently highlight three areas of focus going into 2022 when it comes to commercial functions — Sales, Marketing and Customer Success. They are:

- 1. Addressing** the hybridized workforce expectations, both with their teams and clients, and ensuring there is a plan and resourcing to support all types of customer interactions
- 2. Strengthening** the “Commercial Culture” that spans Sales, Marketing and Customer Success and building on the momentum from the last year, during which many companies broke down silos to rapidly introduce new innovations to market
- 3. Hiring** and retaining top performers at all levels in the commercial organization, and taking advantage of the surging labor market and people's desires to test new roles and industries

To properly address the shifting commercial talent landscape, SBI recommends that CEOs have the following series of conversations with their commercial leadership group:

CEO Conversations with Commercial Leadership on Commercial Talent

- What should our GTM model look like for 2022; what routes-to-market should we prioritize?
- How easy or difficult is it for customers to buy from us today?
- How healthy is our customer acquisition cost; what changes should we make as a result?
- Do we have our resources allocated to the greatest market opportunities?
- What is our E:R ratio (Expense:Revenue) by segment, and how does that compare to our peers and competition?

Data to Gather on Commercial Talent

- Strategic commercial workforce plan
- Headcount by role and expected productivity targets
- Talent pipeline metrics (e.g., fill rate, time-to-fill, hiring cycle length)
- Recruiting, hiring, development and retention processes
- Compensation targets (base, variable, OTE) by role compared to benchmarks
- Candidate feedback and exit interviews

CEOs are taking a very hands-on approach to the commercial talent strategy going into next year to ensure effective execution now and strong foundations in the years ahead.

BET 3

Optimizing The Digital Strategy

Per our Growth Index, 62% of CEOs believe that there is an opportunity to improve the commercial spend efficiency of their business. When it comes to improving this metric, one of the critical questions CEOs are asking themselves and their teams is where “humans” are needed versus where they have an opportunity to leverage digital touchpoints and interactions.

One of the more surprising learnings from the past 12–18+ months, perhaps, is buyers’ preference for digital channels and the important role they can play, even in the case of six- and seven-figure deals. Indeed, multiple studies have demonstrated that companies can create a great customer experience through virtual channels, and CEOs are listening. A recent SBI survey shows that 67% of CEOs are planning a significant customer experience initiative going into 2022.

SBI suggests prioritizing 3 primary pieces:

1. **Increasing** Net Retention Rates (NRR) across the customer base while continuing to invest in companies’ most strategic customer relationships
2. **Lowering cost** of customer acquisition with enhancements to digital buying experiences that meet, and exceed, buyer expectations
3. **Optimizing** the commercial tech stack to improve the productivity of Sales, Marketing, and Customer Success, allowing for more effective resource allocation

To be successful in these areas, top-performing CEOs should engage in the following conversations with their commercial leadership team:

The output of these conversations is a well-defined Digital Strategy that will support the commercial organization in 2022 and beyond.

CEO Conversations with Commercial Leadership on Commercial Digital Strategy

- What are the levers impacting Net Retention Rate, and which are underperforming?
- How well do we understand the e customer journey? Do we know all the critical touch points along the way and how customers and prospects want to engage?
- Are we set up to have a world-class customer experience that addresses customer needs in a timely manner while also creating opportunities to introduce new products and services?
- Have we baselined the current tech stack today and identified opportunities to reduce technology overlap and improve productivity levels for customer-facing roles?

Data to Gather on Commercial Talent

- Net retention rate metrics and levers
- Customer experience design plan
- Customer lifecycle process
- Voice-of-customer findings and insights
- Commercial tech stack overview and expenses

The Role of a Growth Program Going Into 2022

Whether you are a CEO who is focused on all three of the areas laid out above, one of them, or none, you are likely in the throes of planning. You know the importance of communicating the plan in both a top-down way which will resonate with the Board, and a bottoms-up way around which your commercial leadership team will align.

To drive alignment and sequencing, some of the most successful companies with whom we partner create a Growth Program. Growth Programs are board- and executive-level plans that connect Horizon 1 and Horizon 2 initiatives together, visualizing how annual plans connect to and support the broader 3–5 year plans. In this way, companies are poised to ensure year-over-year momentum instead of starting fresh each year, codifying programs to make it clear what needs to get done, and by when, to continue moving towards the longer term vision.

This is what CEOs value above all — the ability to drive alignment and clarity across commercial leaders, both in the near term (Horizon 1) and the long term (Horizon 2).

Driving an Effective & Actionable 2022 Annual Planning Process

Drawing on the learnings from the past 18 months, CEOs understand that long-term strategy is ultimately dependent on the effectiveness of short-term operational execution. More than ever, today's leading CEOs are leaning into Horizon 1 planning with their commercial leaders to ensure focus on the most impactful initiatives for the year ahead. As a recap, many of those top CEOs are prioritizing initiatives in three areas:

- 1. Cementing** and activating their GTM model to drive Customer Lifetime Value
- 2. Addressing** the commercial Talent Strategy to improve productivity per head
- 3. Optimizing** their Digital Strategy to improve commercial spend efficiency

Those CEOs who want to be market leaders in the future are earning that right in 2022.

To accelerate your annual planning process and ensure tight alignment among your commercial leaders, take SBI's Revenue Growth Maturity Model diagnostic for valuable benchmarking data and perspective on your GTM strengths and weaknesses.

RGMM Sample Diagnostic Output





Matt Sharrers, CEO
Scott Gruher, Partner
Martha Mathers, Head of Research
Yasmin Morrison, VP of Marketing
Daniel Korten, Head of Innovation & Corporate Development

SBI is a Go-to-Market Growth Advisory, offering collaborative consulting forged from serving as strategic implementors who have owned and operated the GTM function at some of the world's most successful growth companies. Using our proven templates, processes and playbooks, we help clients quickly move from the right data and insights to give them measurable results in top-line growth.

We engage and support you as an extension of your team, both leading and working side-by-side to deliver relatable, practical strategies that work right away and ongoing. Through our work as real-world GTM practitioners we have developed an intimate understanding of the buyer-seller journey, which enables us to help you actively apply relevant data, strategies, and tactics for significant outcomes.

Contact us here