



# KPMG Future of Podcast Transcript

## Future of Sales

Aditya (00:21)

Welcome to this podcast - I'm super excited to welcome my colleagues, Tom from Germany and Walt from the United States of America. Tom is a partner with our management consulting practices Walt, welcome to the firm. I understand you joined the firm very recently. He's a partner with our customer practice in the US. This is a very interesting time that we are all going to because a time when the customer is actually more than always on. What do I mean by that? The customer is at home, most of us at different times. The worlds are either just coming back to work and we're seeing a very interesting trend where many of us have been locked down for several weeks. And this is going to give rise to a lot of new behaviours and how customers are going to react to what they see how they're going to buy, how they're going to spend their money, what kind of decisions organisations are going to see, that's going to be all going through a whole bunch of changes. And hand in hand, I believe, a very, very interesting time for us. The customers are going to expect in our view of that they're going to expect more solutions as recently with similar webinars with a whole bunch of customers in different parts of Asia, and it was a b2b customer, which sells to other businesses. One of the pieces the CFO said is that we don't want the partners of the vendors – they're the people who work with them to come up with transaction, they really want them to go deep on the solution mindset. I think it is getting accentuated to what they've been seeing around us. And of course, it's absolutely the place of business now. Understanding your customers problems, empathising with them right now, understanding how your customers need to change because of what's happening around this. And then this whole case needs to be re-aligned from where is the customer actually going to spend their money? And do we as a firm, have enough product and solution to be able to map that base of investments? With that background and context, Let me invite Tom, Tom, I have a question to open this conversation. What did We hear this always on customer? What does it actually mean?

Tom (03:00)

Thanks, Aditya. I'm happy to be on this. This podcast. Thanks for the introduction. Yes, I do think that always on when it comes to customer is something which is, which really hasn't, let's say hide the keys of the, we can't be their thing and we wanted to be physically there in all different areas. And now there is definitely something and we still want to you know, do our shopping I do want to have contacts with our, our friends and families. And so digital just hadn't really had a height on that means customers really always on and that's a real charm for enterprises, because there's there's this this funny joke going around the world who let the the digital transformation. We all have seen that and we have laughed about it. But in the end there is something This is really connected to geography on is some organisations now can get very close to customers in a digital way. So we do see new apps coming up companies who haven't thought about doing digital saves meaning online shops and so forth. They thought they can stop with a website, but now they do see they have to go one step further and customers do accept it. And that's something which which is bringing the digitisation to next day and that means customers are very closely digitally connected to enterprise. And the good thing about it, customers do realise the benefits they may be have been worried might be Germany, German customers have been very worried to enter, online shops and so forth. And now they realised that there was a real value, maybe gaining time and so forth. But there will be an That's the good thing, there always will be a chance to be physically there to be really in the shop. And this kind of shifts between digital interaction and personal interaction. And this will definitely come and we'll get more major we as consumers, but enterprises as well to interact with each other in this in this kind of situation, which is coming up in the next couple of months.

Aditya (05:27)

Thanks. Thanks so much. I think it's a wonderful Segway for me to get in Walt. Walt, Tom talked about digitization. Tom talked about the concept of the reach going deep into the uncharted waters white spaces from the customer landscape. Walt if you can help me help us understand how does this transition one needs to make from this whole product mind is the solution mindset. You know are you ask us like to constantly say we want solutions. What does it mean when somebody says solution. If you can help us also understand from a multi channel engagement perspective, how does this solution work? Because given the fact that Tom talked about the the extent digitization is going to go, is it when the online is offline? Do you have any examples? Walt, that'd be great to hear?

Walt (06:26)

Sure. Hey, everybody. It's a pleasure to be here. And thank you for inviting me to join this podcast. It's a good question. I mean, I think what we think when we think about historical sales, and you know, the way we've interacted with the companies that we buy our products and services from, historically we bought a product and we used it. I think, you know, going forward, especially given the shift that the internet has, you know, originated which is more towards service economy. I think what we're seeing is three things that really sort of underpin. What's the difference between a product and a solution.

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The first thing is, you no longer just selling a physical product, you're selling value, right? So everything, to some extent is solving a customer problem, or a need. And the second thing I would say is the value, typically, right the value of a product, or a service or a solution is actually created after the customer acquires it and begins to use it. And the third, I would say, is the experience. And the experience isn't just about the sale or the transaction, if you will, the experiences after the sale before the sale, how you acquired it, what those interactions were like. And so if you think about those three dimensions, right value. The value of the product and solving the need of the customer to the value that is delivered post the sale. And three, the experience of that entire lifecycle. That's what we mean when we say solution. And so I think what you're seeing is a shift in the economy across the world around not just selling products, but selling solutions, selling value to a company that addresses the need, recognising that that value is delivered after the sale, and ensuring that the customer is getting the value from that product, that service or that solution. And then as they are acquiring, transacting and using the product or the service or the solution, being mindful of that end to end experience. And so I think that's the that's the real shift that we're seeing...

Aditya (8:55)

Walt, that's, that's really wonderful because we got to talk about digital Now because the whole advent of what's happened right now is, in our view, and I think almost every economics in the world does is predicting the fact that digitization will be now a faster process in which we're supposed to be done in the next seven to eight years might be done in four to six years. And we will be seeing a lot of advent of AI, and personalization tools and tech, which is the digital tech in reading, both in b2c and b2b. Tom, I want to come back to you here for a moment and maybe feel this a little bit for us in terms of you know, Walt talked about this whole concept of value. And then the, then the, the so called explosion of these digital technologies. The biggest challenge is how do you find deliver experience or interaction, when you are a b2b customer or when you have a channel through which your products and solutions are actually moving to the end customer even if it is a consumer driven company let's say for a bank or or or for for an auto dealer, how do you how do you deliver experience of an interactions, when you talk of digital in the in the world, which is going to happen in the next few years to us? Tom, over to you.

Tom (10:31)

I would say there is some, this is a situation where companies go direct from customers, we have to some some enterprises have the B to B to C model. And now they realised that there might be a direct way to to to see if there is and they're referring to gold if there was an added value and if there is an experience they are able to deliver to their customers, maybe just convenience, maybe it is some very good and insightful customer service, maybe the the retailer for example, in between was not able to deliver because you have so many products and so forth. We do see this in the, in the online space a lot of customers tend to go directly to, to the producer, and so forth. So that really helps customers to understand and get it at an expectation of the value and use the experience they will have. So that means that the sales process and as I said before, the sales process will be from digital fully digital to maybe fully personal, and there is another dimension as well, which is that the sales process might go completely direct or completely indirect. And this really depends on the type of product you're selling, if it's a standard product or not, but I can't imagine any product where I might need some more information and ask information and even if it's something like what product do at a pen yeah or something where I might get some further information retailer might not give it to me, which is maybe in the in the area of sustainability. So I mainly like to to know where the plastic is coming from and so forth. And this is a huge challenge for the manufacturers to go direct on the one hand side and this is a very again, this is a goal help in there. But maybe it's the person or retailer purchasing this next door, and I want to buy the pan was this person is I'd like to have a chat with him. I'd like to buy it because I know he has exactly the sustainable product I'm looking for. So there is an expectation already there for the retailer. And this is a beautiful situation for everyone, we do realise this because we all are missing personal interactions in a short period in this situation, we are all in. And we really hungry to go back there and realise that there was a small talk and there was some information we got might get in there. And I like this environment. This is this is really an interesting environment to go into. And that's exactly how sales should be, should be set up in the future. Very flexible. On the one hand side, I'm very focused on the customer again, what Walt said was very important - if you don't focus on your customer, and know why your customers coming to you, then you've lost and that's what you have to these kinds of insights you have to get.

Aditya (13:56)

Thanks. I think this is a very important point to be making in terms of going direct and using digital as a conduit to do that. Walt, I would like to talk a little bit about this whole whole persona driven sales. Now the way I've looked at it is over the years is you know, you have you have a salesperson, he's got given some digital tools, even an iPad on which there is a portal on which an order could be booked. There is ways in which he can share information with with customers and today customers can use social media to connect among their different dimensions to be able to interact with the brand. But that's, that's pretty much what is established now in this world as we look at it, but how, what, what we change up when we start talking about persona driven sales using digital, we've talked about the direct model, which Tom this included the examples you had here.. We're looking at multiple touchpoints anywhere you can find any way you can. How does all of this get on with this whole persona driven sales process, Walt?

Walt (15:09)

And that's a great question. I mean, I think you know, when we again if you if you listen to what we've been talking about, which is selling solutions and really selling value, and managing the experience, and then you think about the fact that not every customer is a unique customer, right, we all come into a, you know, a relationship with a company with our own background history, needs, wants, desires, right and experiences. We have we have different moods right throughout the day. And so what persona driven sales is really trying to accomplish is understanding as much as we can about you know, an individual customer and tailoring the experience. Whether that be a pre purchase experience, whether that be part of the transaction itself or even post purchase, tailoring the experience towards who that customer is. And you'd say, Well, you know, what kind of data do you need, you know, in the in the consumer world?

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You know, you, you want to understand what types of products or services that customers purchased from you in the past. That certainly gives you some insights, you have interactions, hopefully with that person, even if they're a prospect, right? They've likely been interacting with your company on a digital property. And so you can harness that data to really understand who is this person? What do they care about? What do we think they need? And you know, how should we tailor our sales process and really our service process? in the b2b world, it gets a little more complicated, right? Because when you're selling solutions in a b2b environment, typically there's more than one buyer, right? You've got an economic buyer, you've got multiple stakeholders. And so in the b2b space, really understanding, you know, from a persona perspective, what role that individual is playing in the sale in the purchase process is critical because you can then tailor the messaging and the interactions and the type of content and even when you reach out to those people or when they interact with you, you know, how do you manage that experience? And so, there's, there's definitely, you know, a move in all industries, b2b, b2b, b2c b2b, to really identify personas, and even mindsets. Meaning is this person in a good mood, when, when we're talking to them and you know, it's interesting. There's a lot of research around voice recognition, right? And understanding tone and, and some of that is beginning to find its way into customer experience processes. Because if we understand the mindset, and the persona of someone coming into an interaction, we can better serve that person. And so you know, I think that that's what we're seeing. And that's what we mean when we say persona driven sales.

Aditya (18:25)

Walt, stay with me, this is brilliant, because for the listeners, we did not rehearse this because you open my next real interesting point on data. And because if we have to build this complex persona, because we're just about humans, it's about the way humans behave. It's about how organisations take decisions, multiple, multiple dependencies, if I might say so. So it can be interesting to know what kind of data does one need to go and get and if data is a part of the effective selling process and our research tells us that more than 85% of the sales should agree that insight actually makes the sales come life and it helps them effectively do the job. And if there is a whole bunch of assumptions that are built around it and Walt you mentioned about, I want you to Walt, help take us a little bit deeper into this whole data journey and answer to specific question which always kind of my customers ask us. The first question is where does this data come from you know, and is it internal is it external is that a process around which you can take data, because organisations already are sitting with minds and mindful data. So so so what so there is one is the source and how the process of collecting the data and once the data comes in, what should be the top two or three things, Walt, that you think that customers needs to look at when they see data about their customers.

Walt (20:04)

Yeah, so this is a, this is a very obviously relevant topic in today's world. I mean, to your point, most companies are literally drowning in data, drowning in internal data. And we all know the amount of external data that is available. And I think, you know, so there's data from all sources. And I think the key really is understanding what data is relevant to your customer. Right, and what data gives you the insights, to better understand what that customer needs or wants and what value that customer is looking to create. Understand how that customer wants to interact with you, right, based off of their persona, based off of who they are. And then you know, understand the full relationship that you have with that customer and so and you know, those those are simple statements and they seem relatively easy, but the data collection within most organisations is definitely not. And so, you know, I think from a from a starting point, you know, most organisations still now are trying to determine what their overall customer if we call this customer master data to all the data relevant to, you know, engaging with interacting and delivering an experience of the customer, what that customer master data should look like, and where it should all come from. And it varies, right, if you're a b2c company, that type of data is going to be very different than if you're, for example, a, you know, b2b company selling, you know, high end technology solutions. I think the key though, really is, you know, understanding the type of interactions that a customer has had with you previously, before a given interaction real time? So did that customer recently? Or did you know if that customer when I'm talking to him? Or is he or she on my website right now? interacting? Right? And so there's actually two simultaneous channels in every interaction, they could be literally on my website and talking to me at the same time. Do I know that? If it's a b2b company, how much you know, have I sold this company previously? Right? What is that installed base look like? Are they having problems in one area of their business with solutions that I've sold them? And they're calling in and I'm interacting with them? I really should know, right? If they're having issues with other solutions that I've sold, and so I think Aditya, where I'm where I'm going with this is it's not just enough to capture the data. It's, it's connecting the data, right, connecting the data from real time interactions, from previous interactions, connecting previous solutions sold, you know all of that, connecting that and then interpreting it and making sense of it, so that it can be used effectively during a client or customer interaction.

Aditya (23:18)

Thanks Walt, that was helpful. Tom, I'm going to come to you with a difficult one now. This process of whole data collection is not going to be easy. It's going to be expensive. You know, there is going to be a whole bunch of money that is going to take, given the fact that there is obviously headwinds with the situation that we are all in right now. There is a cost pressure, right. And I just don't want you to focus on data alone, but I'm thinking the whole process of how do you make technology process cost effective to help them push through the agenda of what we call is the future of sales? Because the technology process we just realised that the digital is going to play a huge role. Data is going to play a huge role then you have obviously the people cost, the setup costs and the skills to be able to manage it. And and the investment that needs to be done there are going to be huge. How do you how do you define an ROI for this to go to the CFO, or whosoever holds the budget and say, you know what, I need these many thousands and thousands of dollars to make sure that these millions and billions of sales can happen? Is that a simplistic view or you have a divergent calculation of the ROI, Tom?

Tom (24:38)

I do have a simple approach. And you're totally right it's it's an approach to the CFO and that's something which is which is new for for customer focused, meaning sales, marketing, customer service areas that they have to move to CFO controlling and so forth. But I think that's my traditional yes storyline, I do have because it is a huge investment - yes it is - but most of the companies are already invested.

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There is no company, maybe not investing into digital. So it's only it's only about to give the right direction of kind of digitalization project. Everyone is going to emerge. Every company I do see is more inclined. They're indeed, digitalization activities. When it comes to processes internally, when it comes to customer journeys, when it comes to procurement and so forth. That's not what's happening there. That there is from my point of view, only one thing they should do, they should always whatever they do whatever they digitise, they should look into what's the value for the client. I think that's that's what was said in the beginning, the product is not enough, the service is not enough. It has to be more it has to be a solution, it has to be an experience and so forth. And that's what companies can do. Looking into the complaint process. And the compliance process can be a huge chance. So it's can be something for a customer to make a loyal customer. And again, whatever one is doing maybe in the replacement process or whatever, making devices and parts of devices more reliable, it has to have only one real purpose. And that says making the client happy. Not at our cost. I'm totally with you on the certain beginning. But again, when you do digital projects, and so forth, focus on the customer always ask the question is there where you for the customer, direct or indirect? And how far is it away and that's the beautiful thing about it. And when If you can't make all your customers happy that you can measure. You can measure if your customers are happy, you can measure how much you spent. And that's all because of digitalization coming into the organisation and the CFO and the controlling organisation, as well as in sales, marketing, customer service organisations. And with this ability to measure because there's lots of digital interaction, you can immediately see if your programme is the process, if the journey if the product whatever, is really meeting the ultimate goal and that is making the customer happy.

Aditya (27:39)

Well, that is perfect. Walt, a quick one, and I need it almost a limited answer on this. Do you see a shift in the focus, given what's happening around us in terms of how to spend allocations for happening from a sales organisation?

Walt (27:54)

Oh, definitely. I mean, so, you know, one, one big shift we've just been talking about probably for the last five minutes, which is around data, so more more, you know, every company is investing in connecting, harnessing and connecting data right across the enterprise internally and externally. Secondly, I'd say, you know, given where society is moving, all companies are looking at how do we invest in tools and platforms to allow our sellers and not just sellers, but you know, anybody that interacts with a customer? How do we enable them to do that? Not only just virtually right, but how do we enable those interactions to start and continue in, you know, digital channels. And then I'd say the third is there's you know, and it's very the third one is very specific to industry, and company, but all sales organisations are looking at how do we rebalance overall spend meaning direct spend and indirect spend - spend on sellers versus spend on sales support? How do we redirect that towards higher value? Higher customer lifetime value customers? And, you know, where is the market opportunity? Where's the growth? And where should we be directing our spend? And so that's a constant. That's a constant struggle with most sales organisations. Because as you as you guys all know, and everybody listening, most companies have more than one product, it's not as simple as - hey, I just want to go sell this one thing, this one solution to this type of customer, you know, product portfolios are complex. Customer bases are complex. And so you really do have to manage where you spend your sales dollars to optimise the ROI on those investments.

Aditya (29:46)

Okay, we're almost at the most exciting part of this talk, which I love, which is the future of the sales rep. And I'm going to make it a quick buzzer question for both of you will have a minute each - and in a minute if you can paint the future. So we're gonna start with Tom. Tom, how do you see the future of the sales rep and you can use tech, you can use whatever magic wand at Germany right now to see how you're seeing the future of the sales rep.

Tom (30:22)

The situation is the following. The caveat is very, very short. I think the salesman is the trust manager for the customer in the future. And that's what I said in the beginning. Sales Reps, and the time of sales reps will be very, very valuable for customers. And that's exactly what sales reps and sales organisations have to look at because it's not clear when the sales process starts, or when the sales process ends. Or if it never ends and there's a circle or whatever it is. It's someone but in the end it is someone who really has to look at the customer and build trust; trust for the digital processes, trust on personal processes, which the sales rep is trust manager is interacting with the customer. And that's something which is which is changing the way sales reps will work in the future.

Aditya (31:23)

Okay, Walt - your minute starts now, what do you see the future looking like?

Walt (31:29)

Well, a number one, I would say, I love trust, you know, trust trust base sales is, you know, definitely part of the future. And I think that, you know, I think Tom articulated it well. I would say the other aspect of the future is furrow active, proactively engaging customers, and not to the point where its, you know, clearly violating customer trust and customer expectations, but proactively understanding based off of what you know about a given customer what their needs are, and and really proactively shaping solutions proactively engaging with them. So if if we were to take my perspective around proactive and Tom's perspective around trust, I think that would be the future of sales interactions.

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Aditya (32:28)

I think this was wonderful. The way we really scanned across a three large geographic space. I'm sitting out here in India, and colleagues and in Europe from taking care of that and was sharing his views in America. It's pretty similar if you have to look at the future, which our customer which is always on, ready to move in. We've got to look at trust and be proactive. You've got to look at data and collect meaningful data. You have to look reimagining your cost market, seeing it from the eyes of the customer to understand where the customer is putting in the value, and what is most important for the customer. Digitization is only going to happen faster. And the Salesforce is not insulated sales reps is also going through a whole bunch of digitization and that will only be able to enable him or her to deliver a significant bad value, irrespective of b2b. We do see we heard a few examples of how both the variants of customers are going to get impacted. And people who are proactive, sales reps who are proactive, will earn the trust and will make the future happen. Thank you, everyone for joining. Thank you, Tom. Thank you, Walt.

Tom (33:49)

Thank you both.

Walt (33:50)

Thank you.

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