

B2B Commercial Trends Study 2023



Adapting to future commercial reality as top priority but readiness is lacking behind

January 2023





What's in store?

Survey of over **900**
key stakeholders from
various B2B industries



Evaluation of B2B
outlook and
trends for 2023



Action items and
trend response



Content

1 **B2B Outlook and Trends 2023**

2 **Trend Response**

3 **Simon-Kucher**

We are currently facing a looming recession, but with the right preparation, there is still reason to be optimistic



Companies are cautiously optimistic towards 2023



while

recession threat remains imminent



Adapting to the future commercial reality is top of mind for firms



but

companies do not feel prepared enough to act



Take action now and realize commercial performance effects

Economic outlook is neutral to cautiously positive despite recession clouds – US most optimistic



Economic outlook 2023, average rating

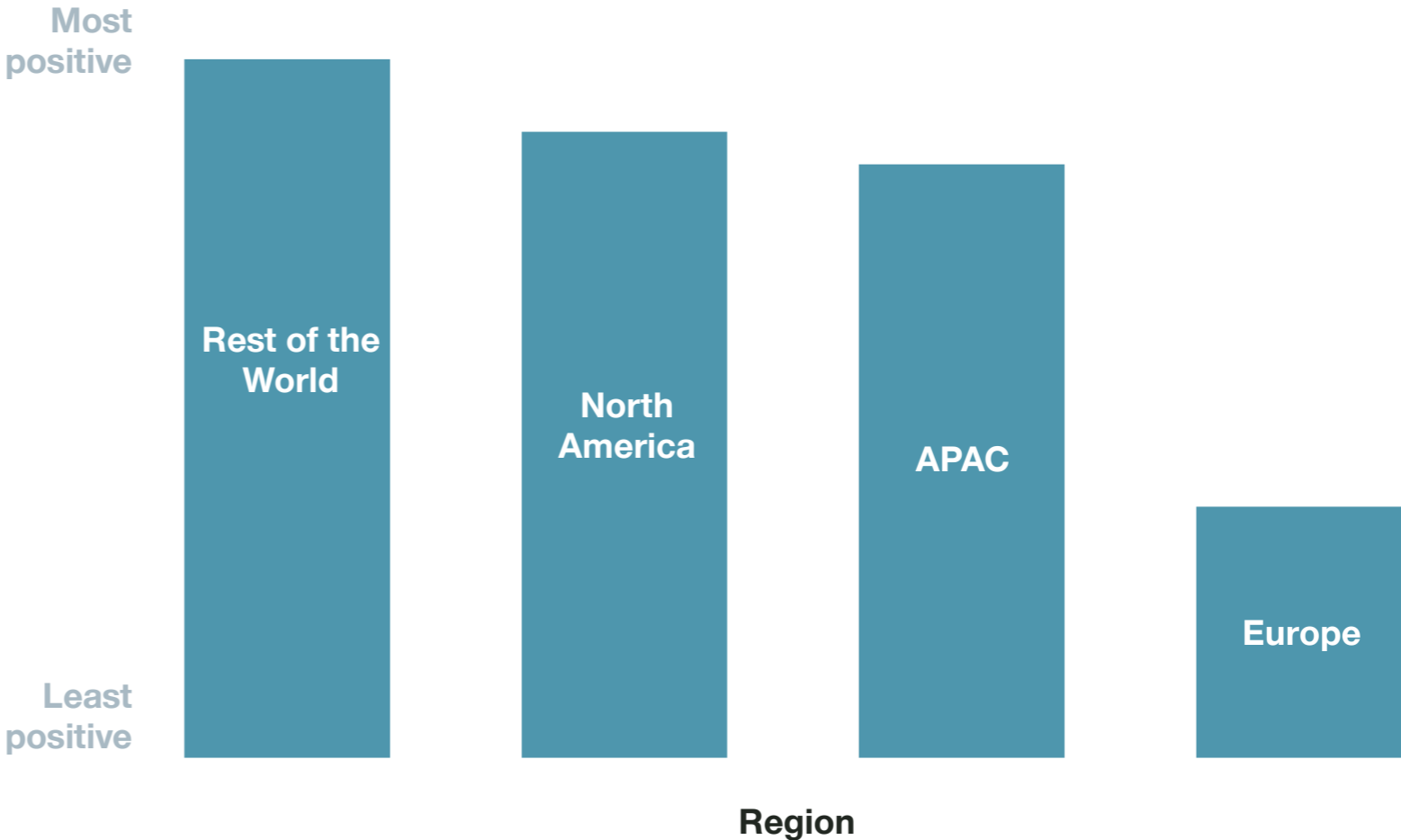


Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | 1. Regions included US, UK, Netherlands, Germany, Austria, Switzerland, Denmark, Norway, Sweden, Finland | Survey question: "How would you describe the economic outlook for your company for 2023?" | Surveyed industries: Aerospace & defense, Automotive, Business Services, Chemicals, Components, Construction, Education, Energy, Logistics, Manufacturing machinery, Media / Marketing / Advertising / PR & Sales, Paper & Packaging, Real estate, Transportation & Distribution | "Don't know" excluded

Firms see the most potential in regions outside of Europe



Economic outlook, average ranking of regions



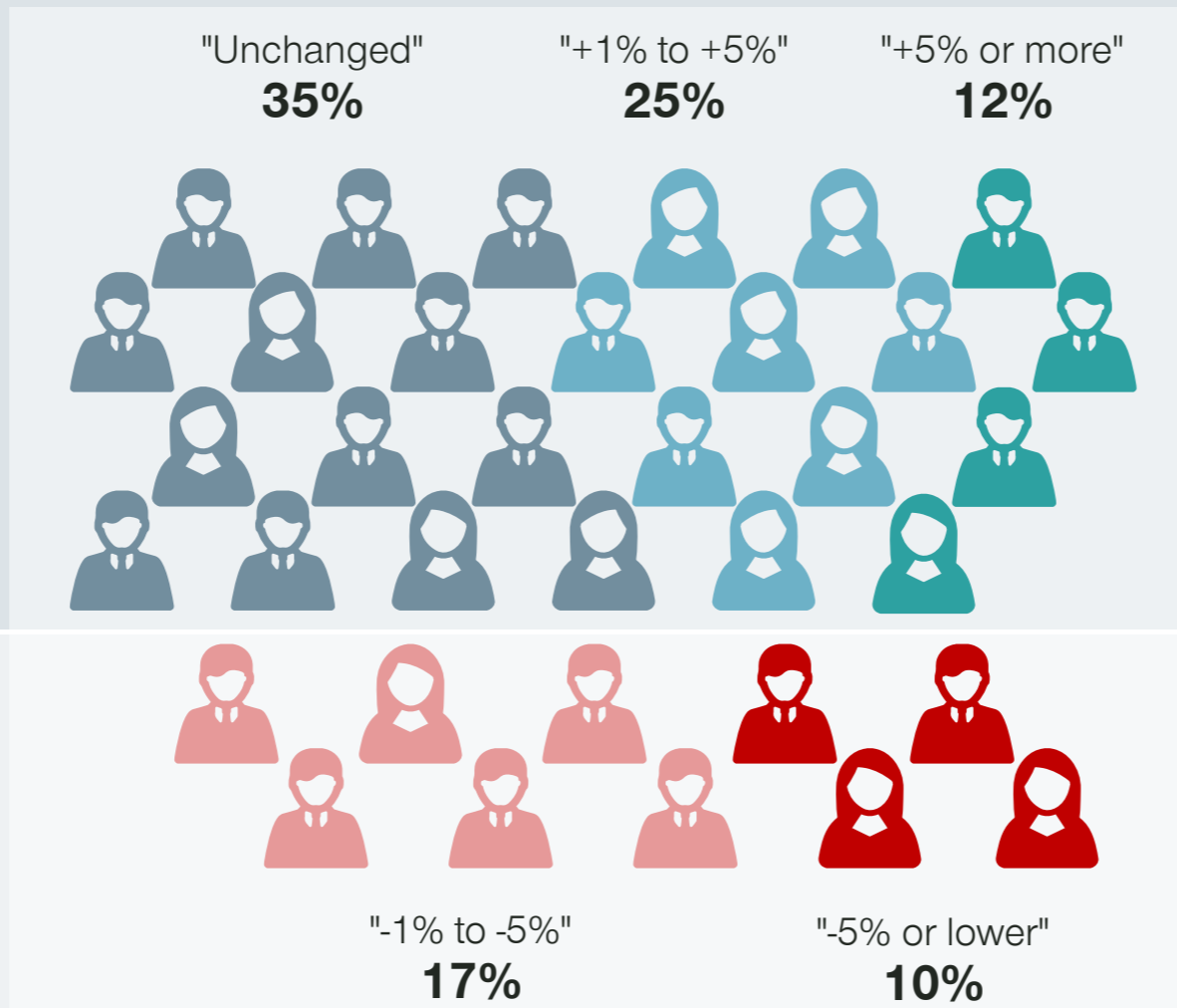
Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | Survey question: "Please rank the following: For your industry, which region do you anticipate to have the most negative economic outlook for 2023?" | Surveyed industries: Aerospace & defense, Automotive, Business Services, Chemicals, Components, Construction, Education, Energy, Logistics, Manufacturing machinery, Media / Marketing / Advertising / PR & Sales, Paper & Packaging, Real estate, Transportation & Distribution | "Don't know" excluded

Three quarters of firms expect stable or increasing profits despite economic uncertainty

Expected profit change in 2023 compared to 2022, distribution of responses¹

i Most optimistic sectors:
Manufacturing machinery and **Paper & Packaging**

- Most pessimistic:
Aerospace & Defense and **Chemicals**



~3/4th
of respondents expect stable or increasing profits

~1/4th
of respondents expect declining profits

Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | 1. Rounding difference | Survey question: "How much will your profit probably change 2023 vs. 2022 (in %)?" | Surveyed industries: Aerospace & defense, Automotive, Business Services, Chemicals, Components, Construction, Education, Energy, Logistics, Manufacturing machinery, Media / Marketing / Advertising / PR & Sales, Paper & Packaging, Real estate, Transportation & Distribution | "Don't know" excluded

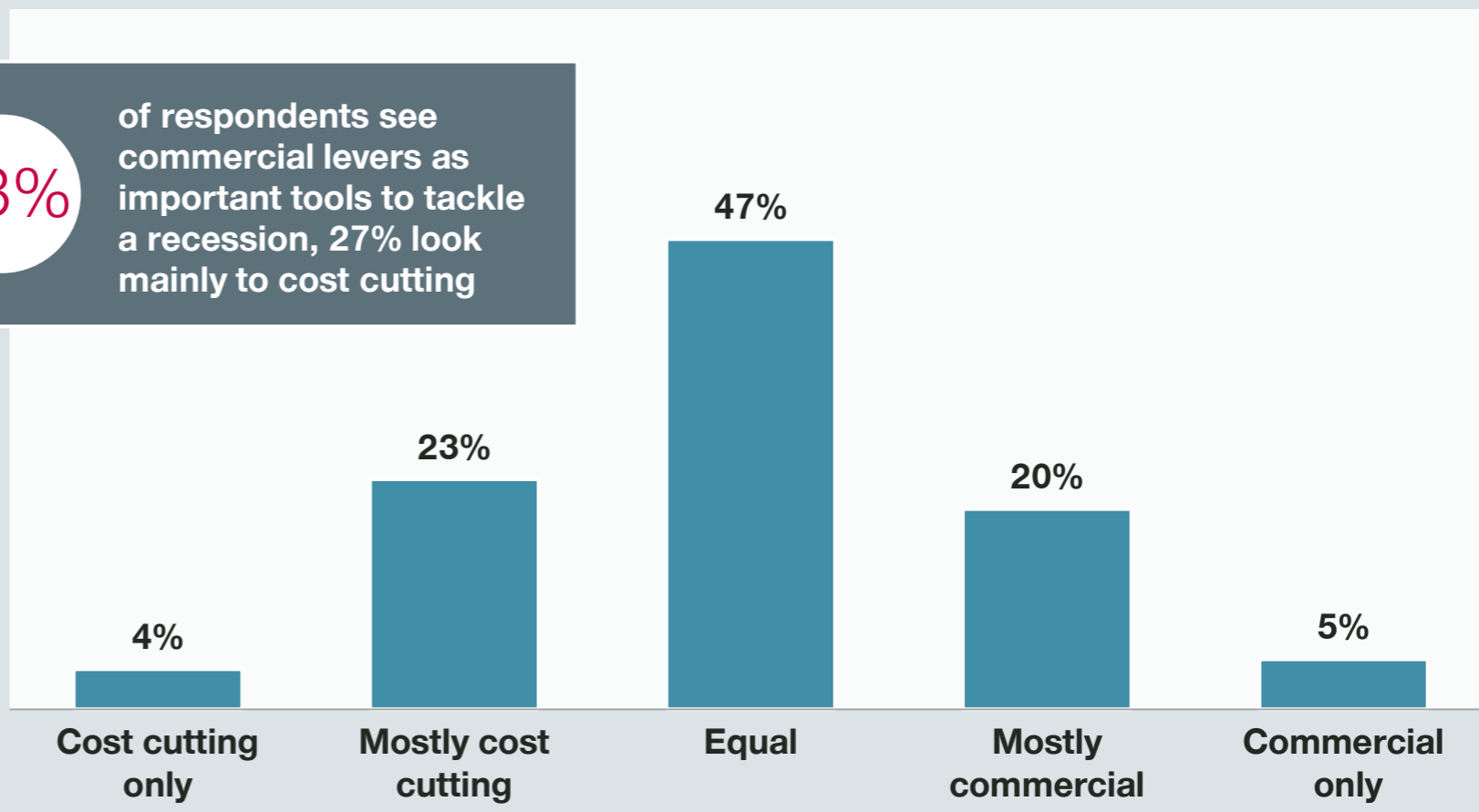
Both commercial levers and cost cutting seen as a major instruments to face a recession

Planned recession mitigation measures, distribution of responses¹



73%

of respondents see commercial levers as important tools to tackle a recession, 27% look mainly to cost cutting



Cost-cutting measures

Commercial instruments

Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | 1. Rounding difference | Survey question: "For your company, how do you plan to mitigate the impact of a forthcoming recession?" | Surveyed industries: Aerospace & defense, Automotive, Business Services, Chemicals, Components, Construction, Education, Energy, Logistics, Manufacturing machinery, Media / Marketing / Advertising / PR & Sales, Paper & Packaging, Real estate, Transportation & Distribution | "Don't know" excluded

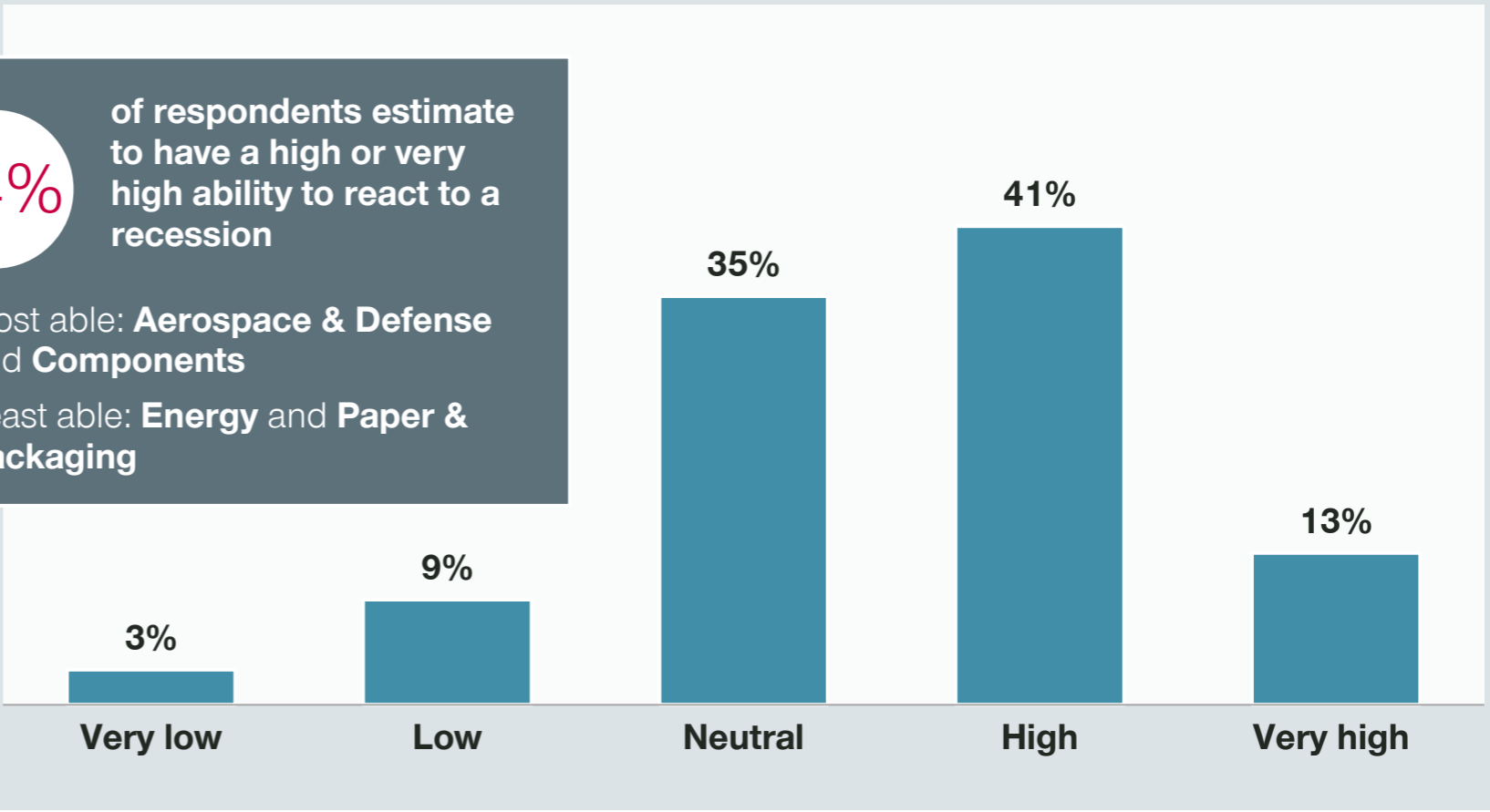
In an undifferentiated view, firms consider themselves prepared to tackle a recession

Ability to adapt and react to a recession, distribution of responses¹



54% of respondents estimate to have a high or very high ability to react to a recession

- Most able: **Aerospace & Defense** and **Components**
- Least able: **Energy** and **Paper & Packaging**



Low reaction capabilities

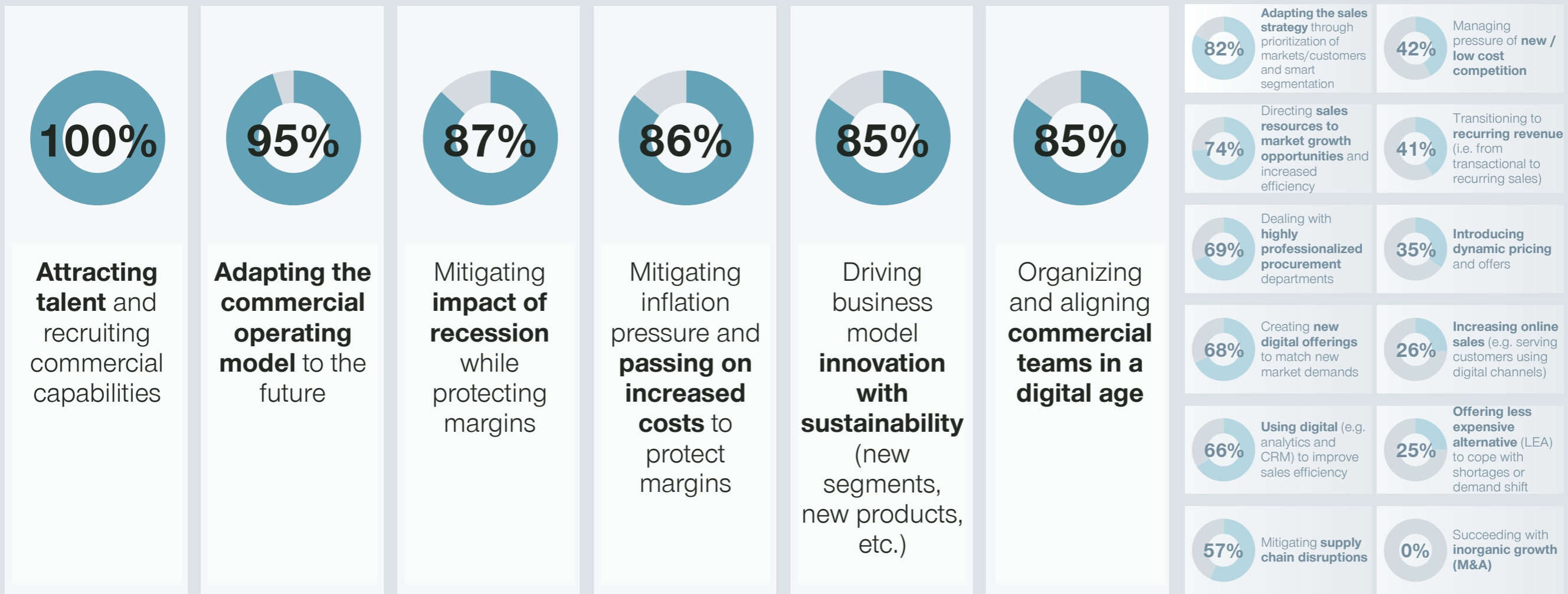
High reaction capabilities

Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | 1. Rounding difference | Survey question: "For your company, how would you rate your ability to react and adapt to a forthcoming recession?" | Surveyed industries: Aerospace & defense, Automotive, Business Services, Chemicals, Components, Construction, Education, Energy, Logistics, Manufacturing machinery, Media / Marketing / Advertising / PR & Sales, Paper & Packaging, Real estate, Transportation & Distribution | "Don't know" excluded

Taking a differentiated view, there are various commercial trends that firms must focus on to navigate well through 2023



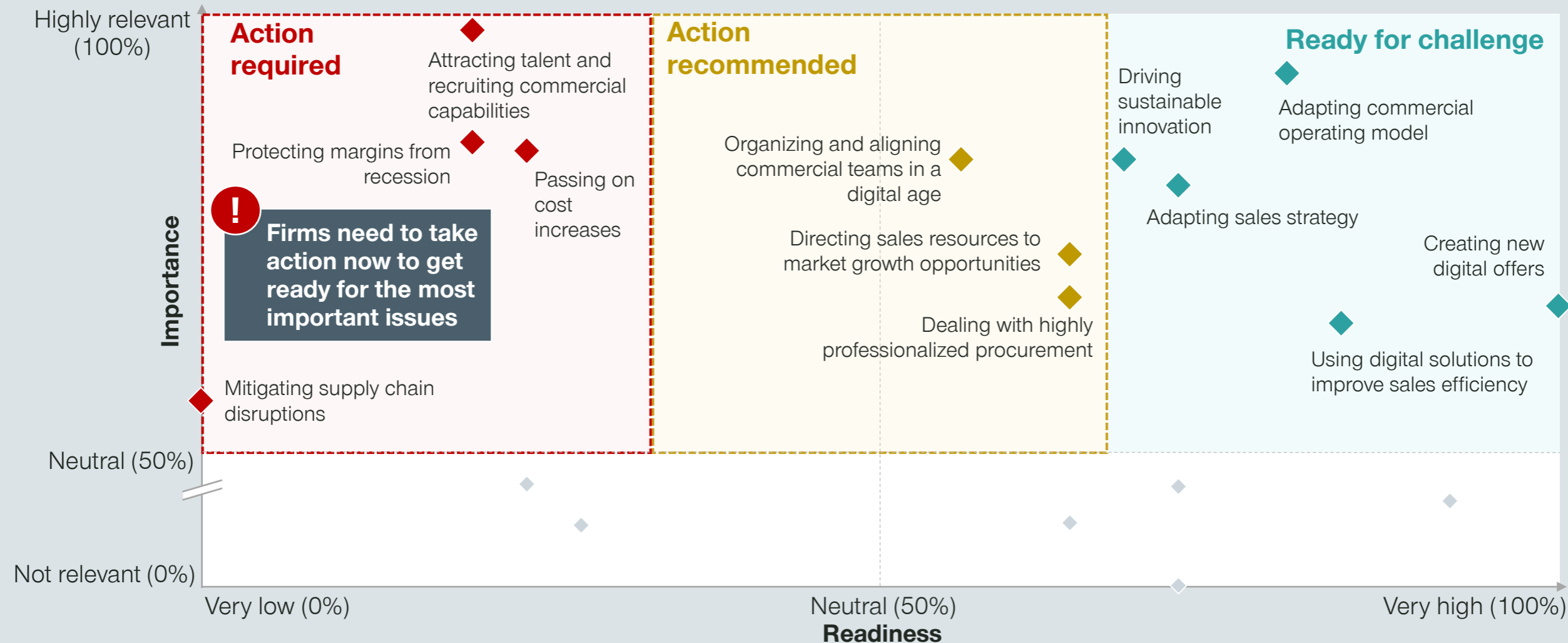
Importance of commercial trends, average rating relative to least and most relevant



Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | Survey question: "Please rate the importance of the following trends for your company." | "Don't know" excluded | Normalized results

However, companies still lack readiness in important topics

Importance and readiness of commercial trends, average rating relative to lowest and highest



Source: Simon-Kucher, Economic Outlook Study 2023 conducted from Dec 2nd, 2022 to Jan 5th, 2023 | Total n=992 | Survey questions: "Please rate the importance of the following trends for your company." and "How would you rate the readiness of your current set-up to react to the relevant trends?" | "Don't know" excluded | Normalized results

How commercial levers help companies navigate a poly-crisis world

Reach the next level on your journey to **commercial excellence** by responding to B2B business trends 2023

Lay the foundation

- Benefit from the still positive business outlook and be on the winning side with **profit-oriented revenue increases**
- Follow the **call to action** on **current trends** and **adapt to the future**

Initiate response strategy

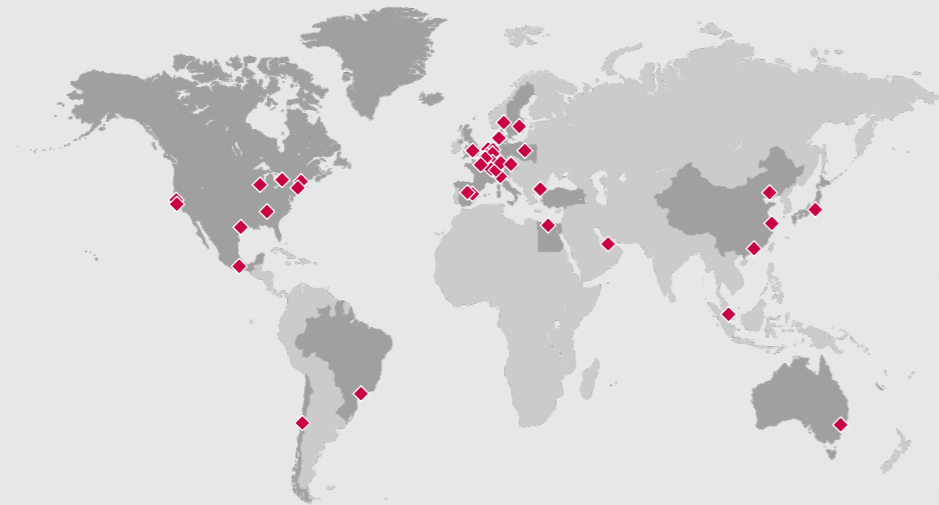
- Develop an action plan to **protect your margins** in 2023
- Initiate a **price increase campaign** in a timely manner to face the high-inflation environment

Contact us for more information and to discuss implications for you

Commercial excellence is what we are all about.

Facts and figures

Global locations: **42** offices | **27** countries | **>2,000** employees | **>1,300** projects per year



Recognized across 12 sectors and functional areas, Simon-Kucher was one of only five consultancies in the world to be awarded five stars for the Marketing, Brand & Pricing function

Forbes, 2022, together with Statista: list of the World's Best Management Consulting Firms, 2022



Marketing, Brand & Pricing

Financial Times, list of the UK's Leading Management Consultants, silver category, on par with other consultancies, 2022



Marketing, Branding, Pricing Sales, Aftersales & CRM

brand eins/thema special edition Consultancies 2022, together with Statista: Best Consultancies in Germany, No. 1, 2022



Marketing, Brand, Pricing Sales, Aftersales, CRM Analytics, Big Data

Finanz und Wirtschaft, survey of the best management consultancies in Switzerland, 5-stars-rating in Marketing, Brand, Pricing/Sales, Aftersales, CRM, 4-stars-rating in Analytics, Big Data, 2021



Marketing, Brand & Pricing Sales & CRM

Forbes, survey of the best management consulting firms in the US, 3-stars rating, 2022

Your contact at Simon-Kucher



Brad Soper

Global Head of Industrials

Tel: +1 404 601 6005
brad.soper@simon-kucher.com

1201 W Peachtree St NW, Suite 2700
Atlanta, GA 30309
Atlanta, USA



Philipp Biermann

Senior Partner

Tel: +49 221 36794 303
philipp.biermann@simon-kucher.com

Im Zollhafen 24
50678 Cologne
Germany



Simone Schneider

Partner

Tel: +41 44 22650 87
simone.schneider@simon-kucher.com

Loewenstrasse 1
8001 Zurich
Switzerland

