

Facing a new commercial reality

Commercial trends study 2024

January 2024

SIMON 
KUCHER
Unlocking better growth



What's in store?

Opinions and views
of over **1700**
key stakeholders
from various
B2B industries

Introduction to this study

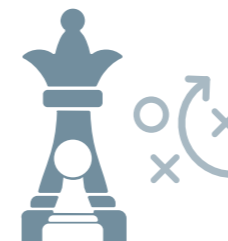
In the dynamic landscape of 2024, companies have an optimistic outlook emerging from a turbulent 2023. Companies face exciting opportunities amidst global phenomena like macroeconomic shifts, innovation, evolving labour markets, and more.



Evaluation of B2B outlook
and trends for 2024



Action items and
trend response

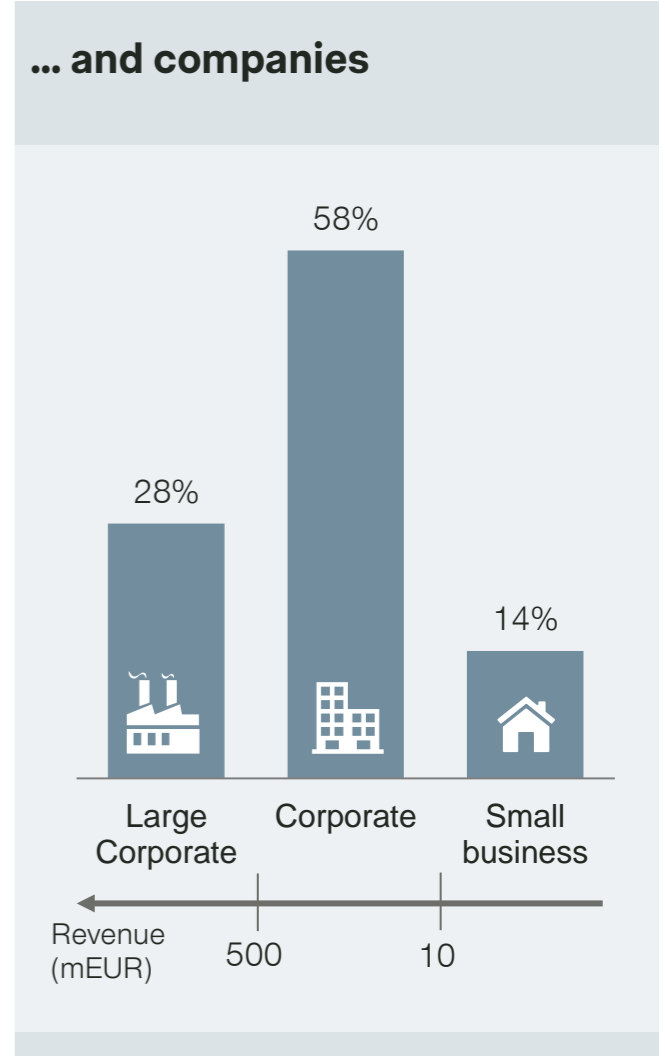
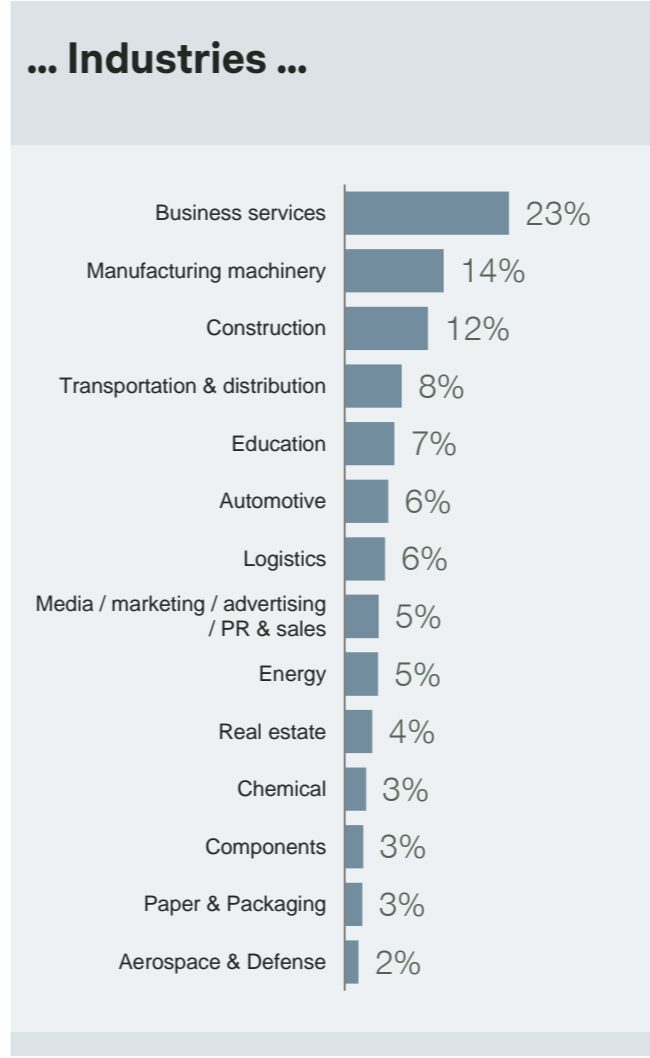
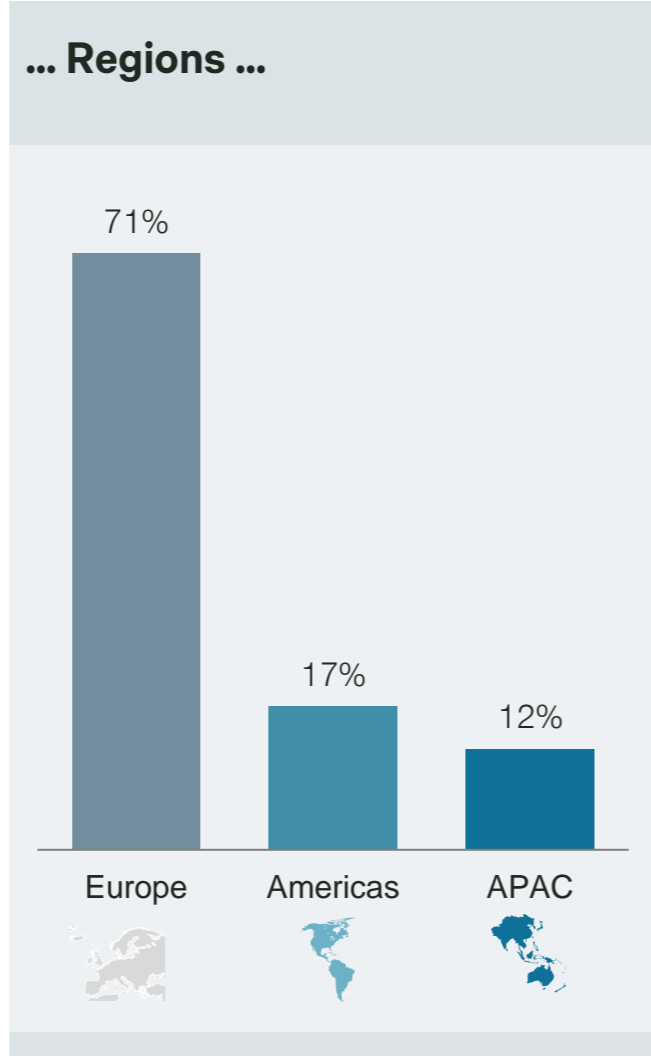
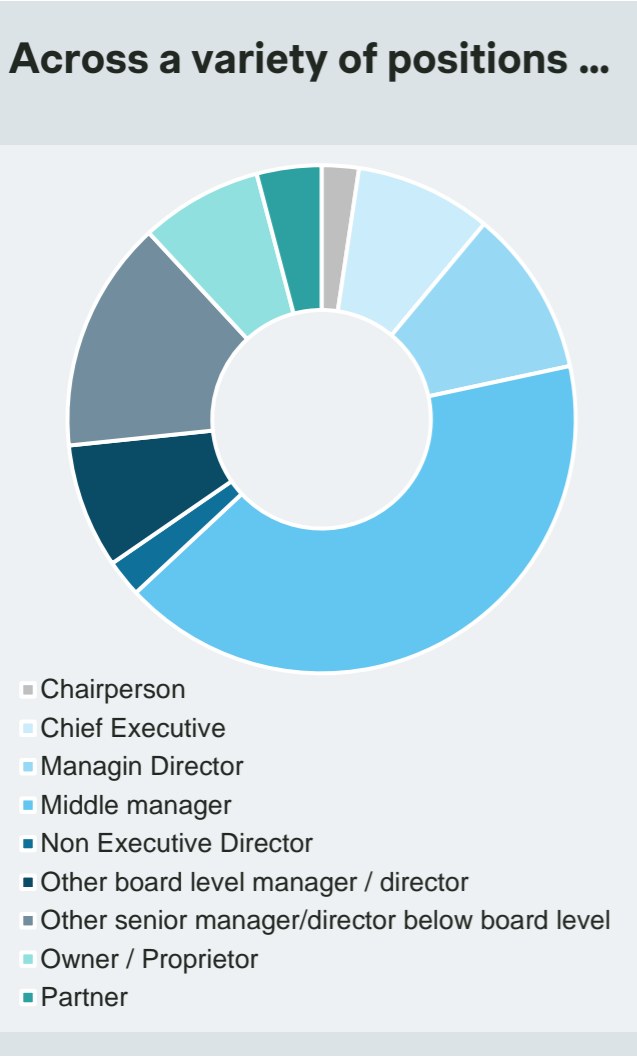


Simon-Kuchers'
recommendations

SK Internal:
Optional to
include in
deck

Sample overview

In total we have had **1775** respondents surveyed in the period between **October 10th** and **November 21st**



Source: Simon-Kucher, Commercial Trends Study 2024 conducted from Oct 10th, 2023 to Nov 21st, 2023 | Total n=1775

Executive summary | Companies expect a positive outlook on 2024 and are planning to launch measures to outgrow 2023 – yet they are lacking readiness to execute



A. Evaluation of B2B outlook and trends for 2024



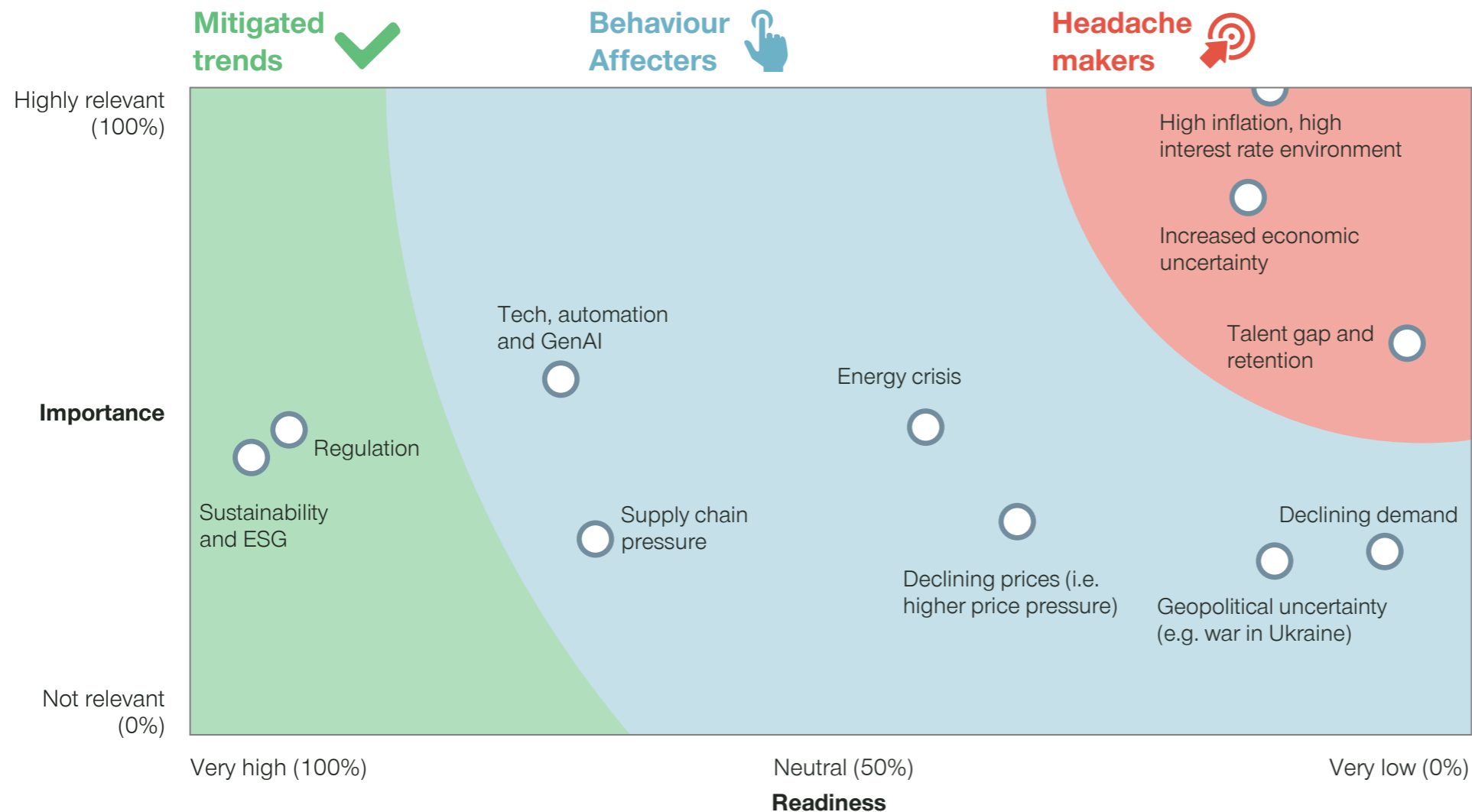
B. Action items and trend response

<p>A1</p>	<p>Economic turmoil, talent retention and supply chain issues, etc. are still present</p> <p>And despite being present for the past years, companies are lacking the readiness to combat the trends</p>	<p>Most important trends</p> <p>Inflation and interest rates</p> <p>Economic uncertainty 2 1 3 Talent retention</p> <p>Only 50% of companies consider themselves ready</p>	<p>B1</p>	<p>Companies are mainly considering commercial measures to mitigate the market situation</p> <p>And firms are looking across the globe to extract the potential from the intended commercial measures rather than specific regions</p>	<p>Cost-cutting 65%</p> <p>81% Commercial measures</p>
<p>A2</p>	<p>Despite troublesome market conditions, optimism is back with B2B companies</p> <p>There is an optimistic economic outlook for 2024, especially outside of Europe where >80% thinks of 2024 as a positive year</p>	<p>69% Companies have a positive outlook</p>	<p>B2</p>	<p>Adapting the commercial engine is of focus</p> <p>The key initiatives planned for 2024 to extract potential are expected to be revising the Commercial strategy, the operating model and improving the Sales processes</p>	<p>Importance</p> <ul style="list-style-type: none"> Revising the commercial strategy Recruiting commercial capabilities Improving sales processes <p>Most important Initiatives</p>
<p>A2</p>	<p>Profits and revenue will grow, but commercial effectiveness is lagging behind</p> <p>B2B companies are expecting to go back to revenue and profit growth in 2024, but the commercial effectiveness is trailing due to continued increases in cost</p>	<p>84% expecting stable or increased profits</p>	<p>B3</p>	<p>General lack of readiness</p> <p>Despite having bold commercial ambitions for 2024, a lot of firms are lacking the readiness to drive and execute the listed initiatives and risk to fall short of their ambitions</p>	<p>62%</p> <p>Of companies consider themselves "ready"</p>

Source: Simon-Kucher, Commercial Trends Study 2024 conducted from Oct 10th, 2023 to Nov 21st, 2023 | Total n= 1775

B2B outlook | Market conditions that emerged in 2023 are expected to continue to challenge firms in 2024

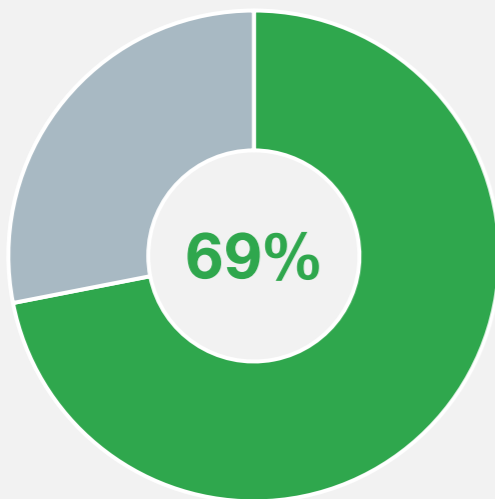
Importance and readiness of commercial trends, average rating relative to lowest and highest



- Despite being present and driving factors in 2023, companies are still **struggling to cope** with the **inflationary environment, economic uncertainty** and **talent gap and retention**
- There is an **instilled confidence** with firms to **respond to sustainability and ESG** trends in 2024
- The **geopolitical uncertainty** is **not expected** to be of great importance to the B2B business around the globe

Source: Simon-Kucher, Commercial Trends Study 2024 conducted from Oct 10th, 2023 to Nov 21st, 2023 | Total n=1775 | Survey questions: "How important are the following trends for your business in 2024?"; "How ready is your company with its current set-up to react to those important trends?" | "Don't know" excluded | Normalized results

B2B outlook | Despite turbulent conditions, the economic outlook for 2024 is more positive than for 2023, especially outside of Europe – APAC and Americas optimistic



Of respondents foresee a **positive economic outlook** for 2024

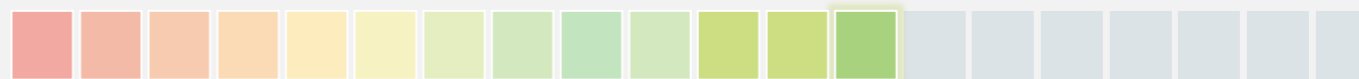
+12% compared to 2023



Europe

- DACH most positive sub-region with brightest outlook in Switzerland
- Denmark least optimistic country albeit a rather positive outlook

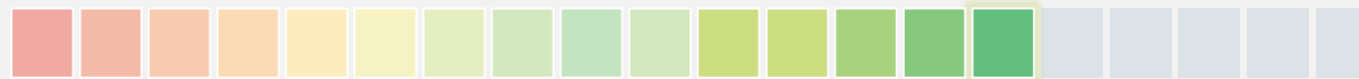
63%



Americas

- Brightest outlook in Brazil with <5% seeing a negative outlook
- US outlook is optimistic but slightly more cautious than other countries

83%



APAC

- APAC with the most optimistic outlook for 2024
- Mostly driven by China where ~80% of respondents very positive

86%



- Only 11% of respondents consider the outlook for 2024 to be negative
- Most optimistic outlook in APAC and Americas, but still positive in Europe

B2B outlook | 6 out of 7 firms expect stable or increasing profits, with more than 20% expecting a +5% profit growth despite economic uncertainty

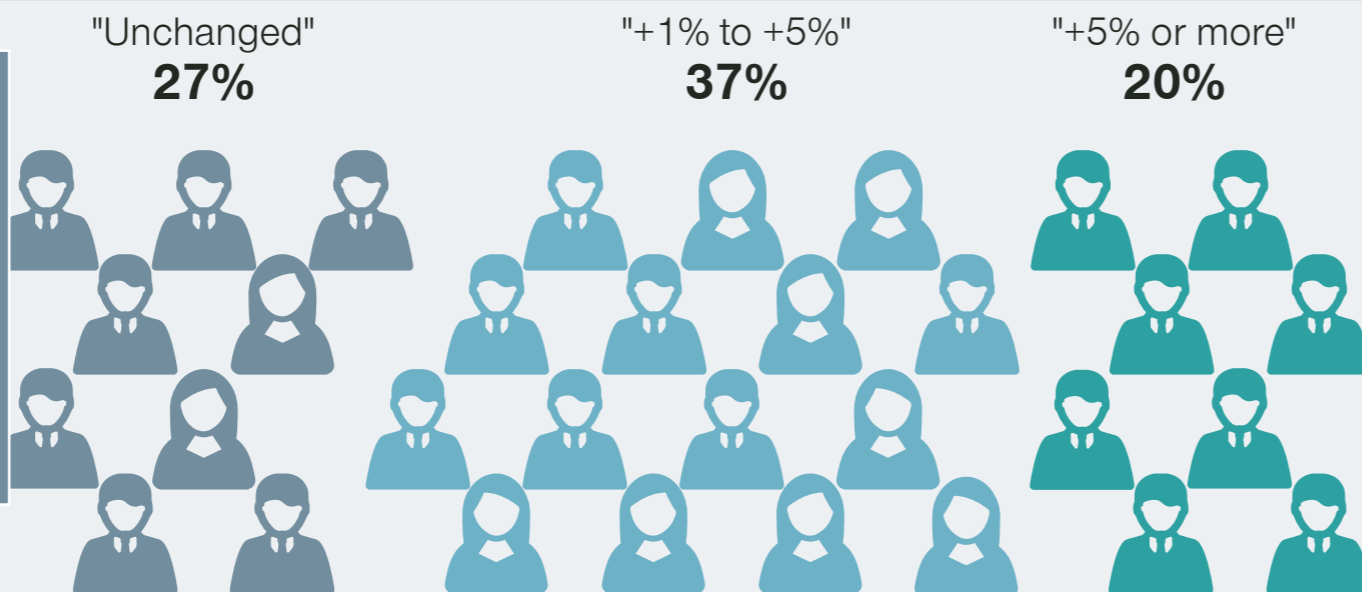


Expected profit change in 2024 compared to 2023, distribution of responses¹



Most optimistic country:
Mexico

- Most optimistic industry:
Media / Marketing / Advertising / PR and Sales



~6/7th

of respondents expect stable or increasing profits

+12% from last year



Most pessimistic country:
Sweden

- Most pessimistic industry:
Paper and Packaging



"-1% to -5%"
10%

"-5% or lower"
6%



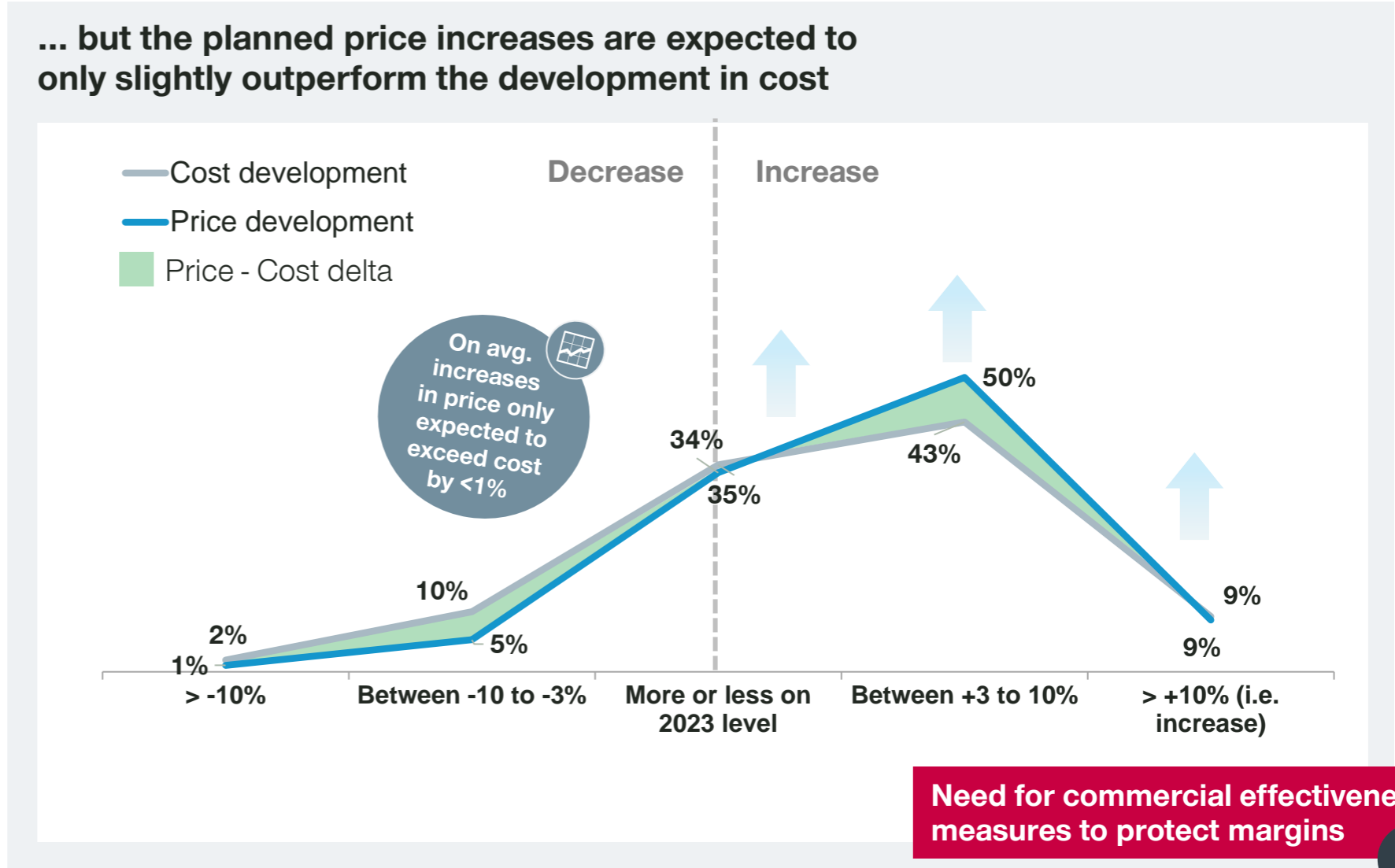
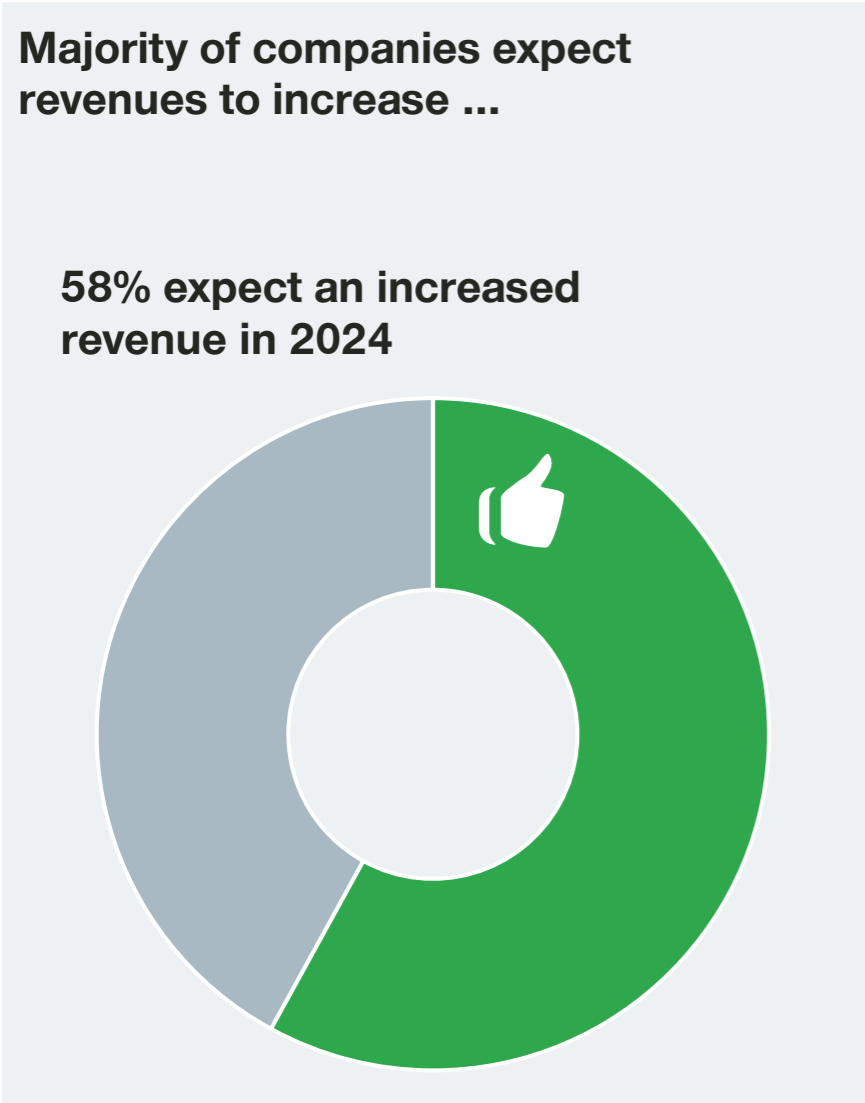
~1/7th

of respondents expect declining profits

B2B outlook | There is confidence in revenue and profit growth in 2024, but costs are still expected to increase reinforcing the importance of commercial excellence

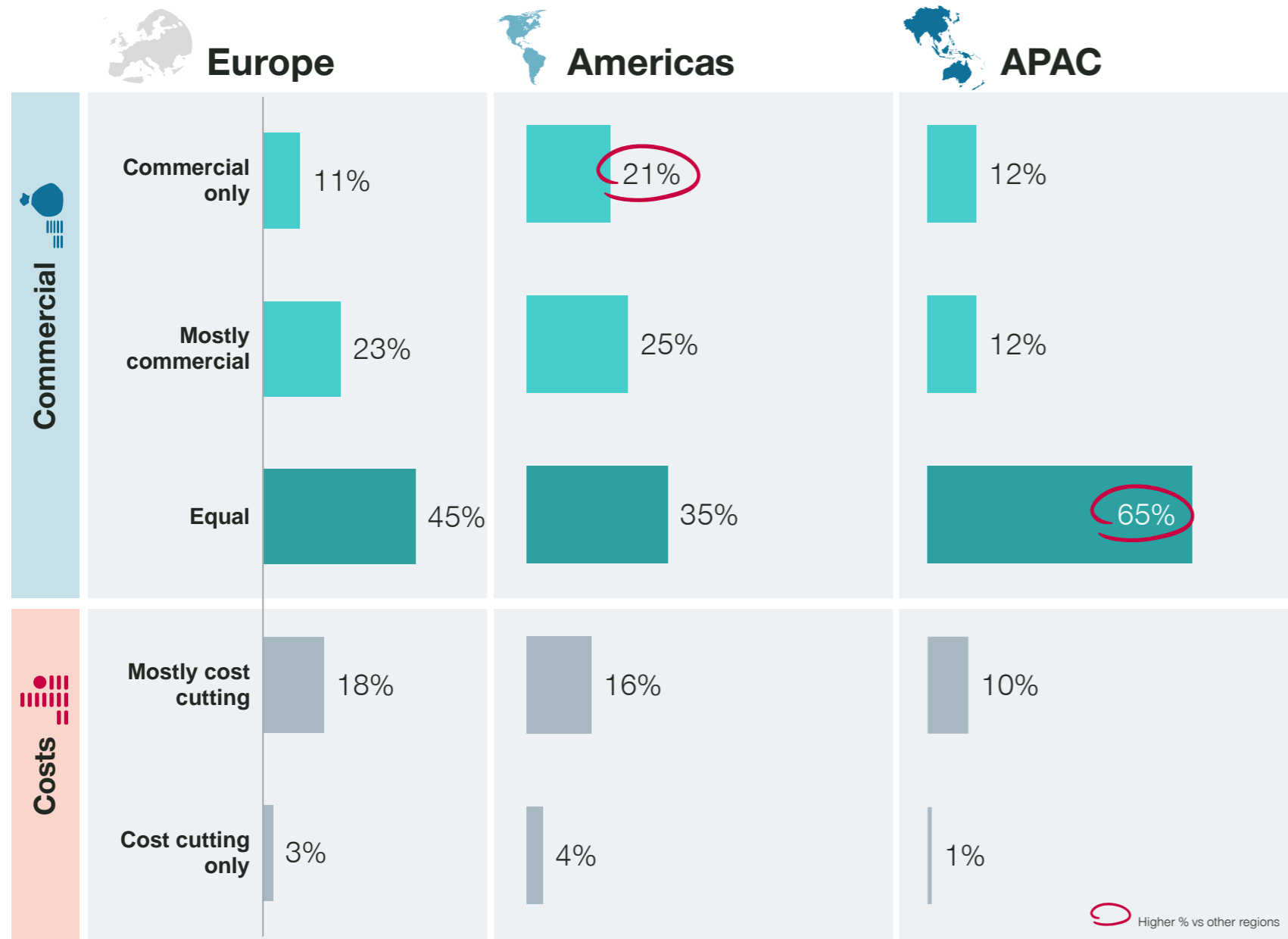


Expected revenue, cost and price change in 2024 compared to 2023, distribution of responses¹



Source: Simon-Kucher, Commercial Trends Study 2024 conducted from Oct 10th, 2023 to Nov 21st, 2023 | Total n=1775 | Survey questions: "How much will your revenue probably change 2024 vs. 2023 (in %)?"; "Which per-unit cost base changes do you anticipate in 2024 compared to 2023 (i.e. less vs. more costly to produce/provide the same product/service in 2024)?"; "Which changes do you anticipate to make for your prices in 2024?" | "Don't know" excluded

2024 mitigating measures | Commercial topics seen as powerful mitigation measures by most of the companies



Similar situation in Europe and APAC

- ~80-90% consider commercial topics at least as much as cost cutting measures
- 1-3% focus only on cost cutting
- APAC with a high share of companies considering both cost-cutting and commercial topics as equally important

Americas mitigating measures are more commercial than in other regions

- ~80% consider commercial topics at least as much as cost cutting measures
- ~21% focus only on commercial measures

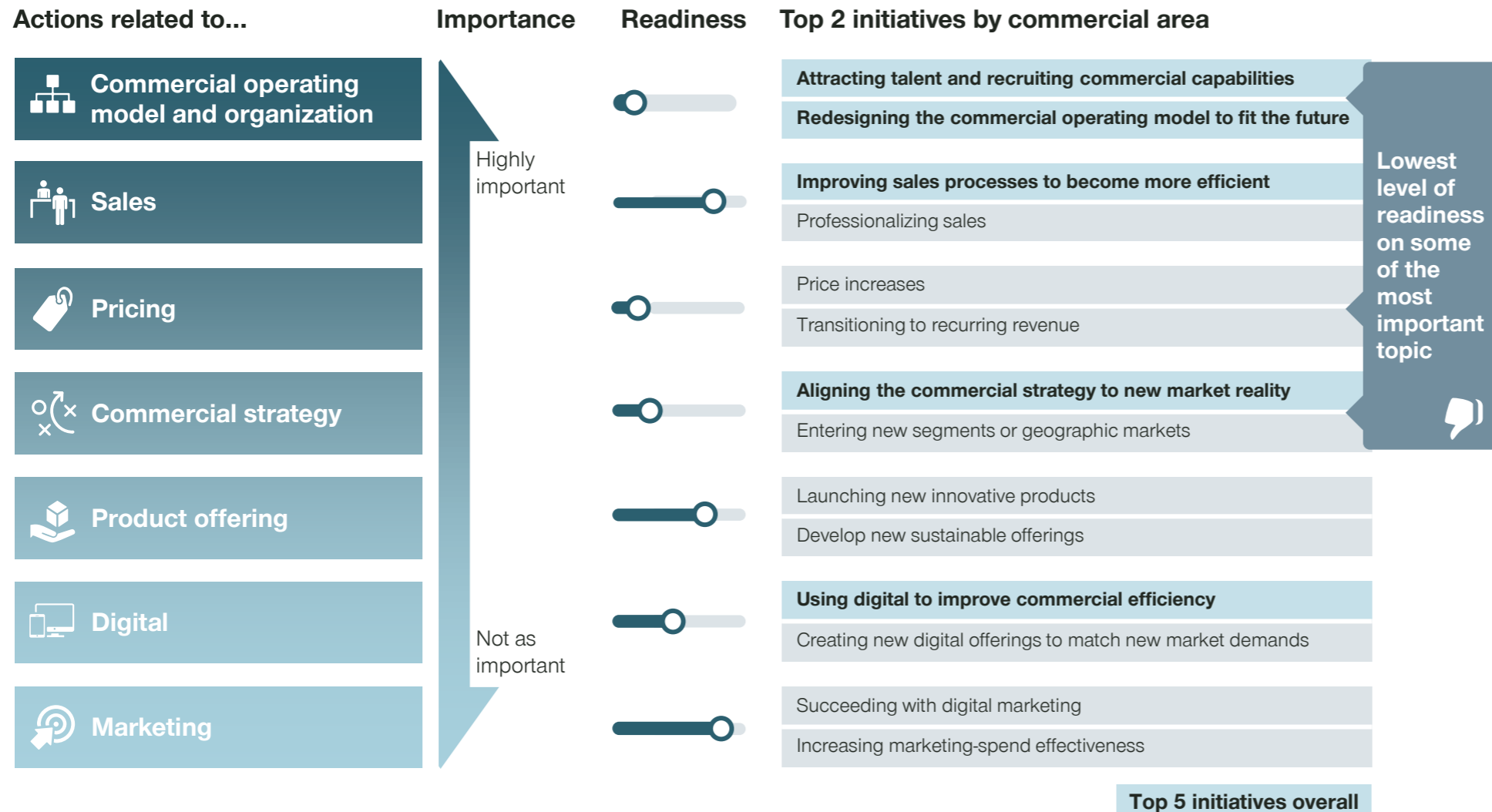


- Only ~ 1/5 of respondents look mostly at cost cutting**
- Commercial topics seen as crucial to mitigate the challenges posed by the current macroeconomic situation**

Commercial initiatives | Companies are planning commercial initiatives to react to the current situation – main focus on commercial operating model, organization and sales



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



Prioritized planned commercial initiatives for 2024 include:

- The redesign of commercial operating model and strategy to fit a changing market and different requirements
- The recruitment of new talents and commercial capabilities that drive the business
- The professionalization of sales departments and more efficient processes

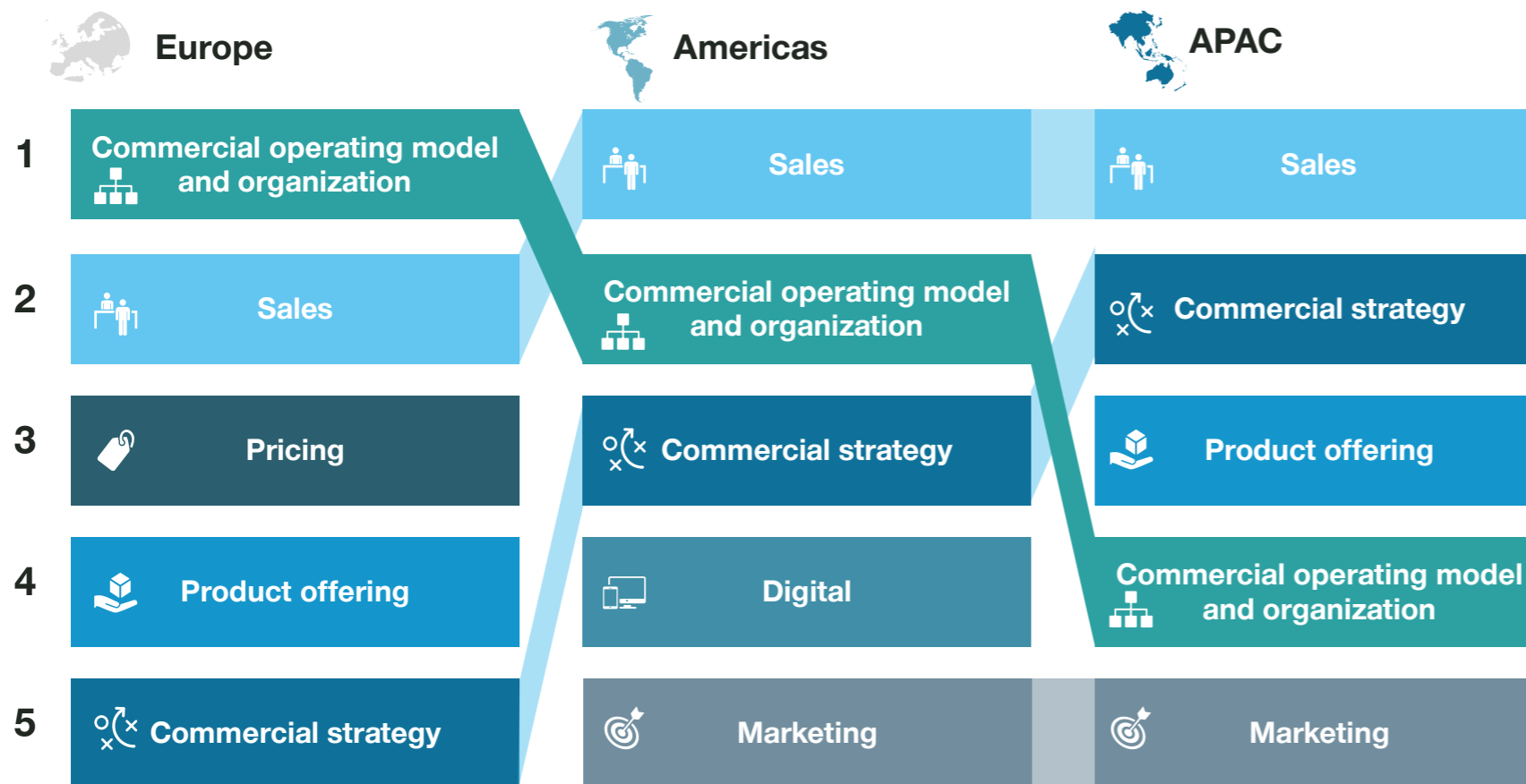
As a second priority, companies plan to work on price increases, develop the product portfolio and increase digital presence

Source: Simon-Kucher, Commercial Trends Study 2024 conducted from Oct 10th, 2023 to Nov 21st, 2023 | Total n=1775 | Survey questions: "How important are the following commercial initiatives for your business in 2024?"; "How ready is your company with its current set-up to carry out those important commercial initiatives?" | "Don't know" excluded | Normalized results

Commercial initiatives | Organizations plan to improve the sales process and to fit the future by redesigning the commercial operating model and attracting talents



Prioritized commercial areas of development for 2024 (top 5, by region)



Europe

- Major focus on aligning the commercial strategy to new market reality, redesigning the commercial operating model and recruiting capabilities

Americas

- Major focus on improving sales process, professionalizing sales, aligning the commercial strategy to new market reality as well as attracting talents

APAC

- Major focus on professionalizing sales, aligning the commercial strategy to new market reality, selling "solutions" instead of "products" and increasing marketing-spend effectiveness

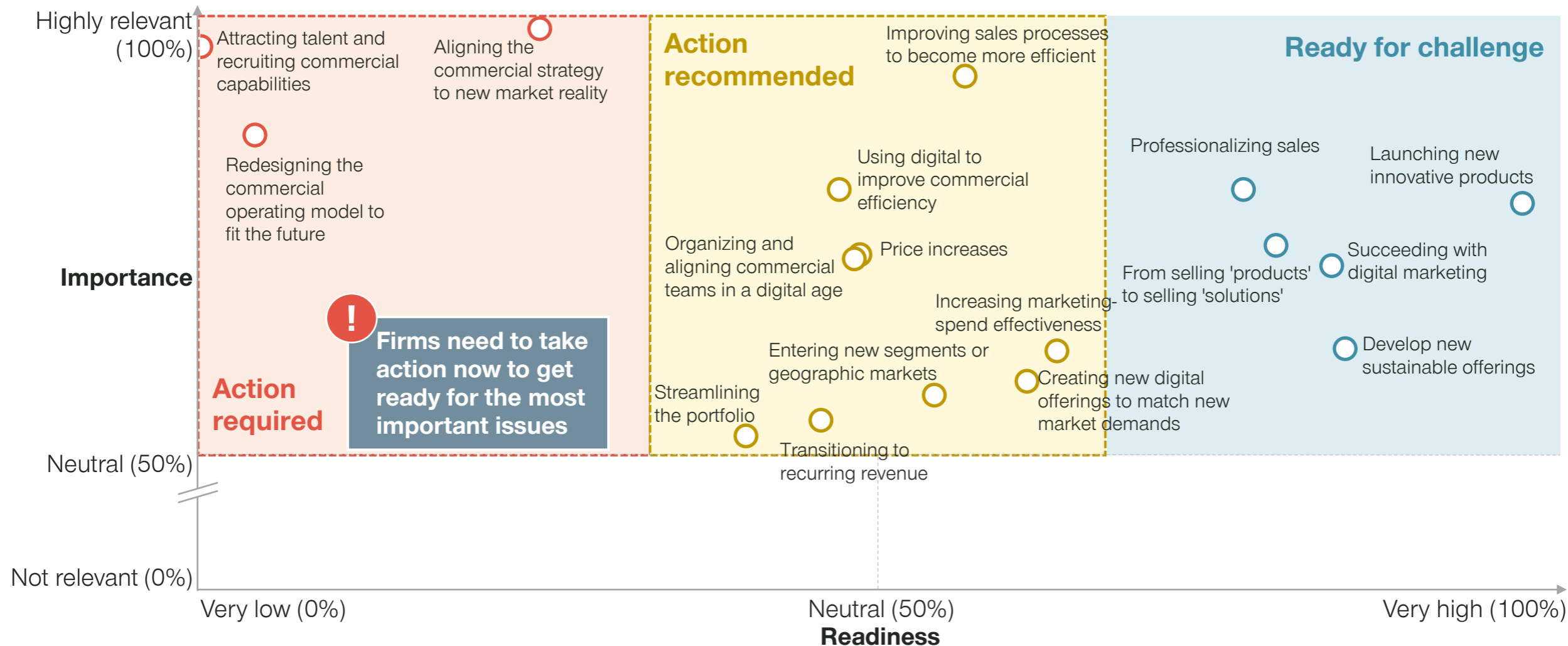
- Sales as well as commercial operating model and organization are the 2 major planned initiatives for 2024
- Pricing considered as important initiative in Europe
- Commercial strategy considered as crucial in Americas and APAC

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Readiness | Commercial actions are on the management agenda, however, companies still lack readiness in important topics



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



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2024 is the year for action

Three reasons why to act

Optimistic outlook on

69%

Have an **optimistic outlook on 2024**, with even higher numbers in Americas and APAC where +80% thinks of 2024 as a positive year indicates opportunities for growth

Launching commercial initiatives

81%

Companies are looking into **launching commercial initiatives** that not only enhance their business but transforming and adapting them to the new reality

Lacking readiness

38%

Firms find themselves **lacking readiness to implement and launch** the desired initiatives despite high ambitions of commercial excellence in 2024, presenting an opportunity for getting ahead of competition

Act now to adapt to the new reality and harness the positive outlook of 2024

SK Internal:
each vertical
to adapt slide
based on their
findings



Get in contact to receive an individual benchmarking against our commercial KPI database

Simon-Kucher is your trusted advisor on commercial topics to excel in 2024

Sales excellence

- Hybrid sales operating model
- Channel set-up and mgmt.
- Sales force effectiveness
- ...

>10% efficiency gain and sales time



- Higher hit-rate (win/loss)
- Better customer penetration

Growth strategy

- Market prioritization
- Customer journey and segmentation
- Value proposition and USPs
- ...

+30% Improved strategy realization rate



- Improved share of wallet
- Increased sales effectiveness via targeted approach

Portfolio and digital growth

- Multi product line strategy
- Bundling and offering
- Portfolio extension*
- ...

>20% flop rate reduction



- Less cannibalization between product lines
- Higher value-orientation

Commercial transformation programs // Tracking and KPIs // Data, platform, and IT capabilities

Pricing excellence

Marketing excellence

Transaction services

Source: Simon-Kucher project database
Commercial Trends Study 2024

Simon-Kucher is the leading global consulting firm specializing in unlocking better growth.

Our people

- Specialists in Commercial Strategy and Pricing Consulting, Transaction Services and Private Equity, Digital and Software
- Our partners and experienced leadership team are hands on, delivering results at pace

Our sector expertise

- Consumer
- Financial Services
- Healthcare and Life Sciences
- Industrials
- Technology Media and Telecoms

Our clients

Our clients come from 120+ industries and range from Fortune and FTSE 100 firms to unicorns

2,000+
Employees

190
Partners

**WORLD'S BEST
MANAGEMENT
CONSULTING FIRMS**

**Forbes
2023**

POWERED BY STATISTA

1985
Founded

45
Offices

30
Countries