



Strategic Outsourcing

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“Do what
you do best,
outsource
the rest”

Peter Drucker



Introduction

Outsourcing or Strategic Sourcing?

All markets have been greatly affected by COVID-19, and there is no immediate recovery in sight. However, with recovery efforts, bounce-back activity will be fast, and the outsourcing sector will be more relevant and needed than ever. Read more to understand why.

While previous economic crashes have led many businesses to make prudent planning decisions to safeguard their operations, the current pandemic is unprecedented. Understandably the direct and indirect knock-on impacts have caught many businesses off guard. Ultimately, success or failure in this changing market comes down to adaptability. Organisations are now increasingly seeing the value in planning for the unknown. In embedding flexibility and agility into future strategies, pre-empting challenges which have yet to fully materialise.

One of the most challenging factors of this pandemic for businesses is the impact on staff. In planning for a recovery and beyond, businesses must now balance the responsibility of looking after their staff, optimising resource utilisation while endeavouring to safeguard the future of their business.

Sales Outsourcing is now a very real option to deliver sales continuity, allowing organisations to focus on core business activities and delivering the most cost-efficient route to market. Given the variable nature of the environment ahead, Strategic Sourcing is a better terminology for what outsourcing can do for businesses in this new age.



Just-in-case: A New Model for a New Market

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ORGANISATIONS CALL OUT THE UNPREDICTABILITY OF THE NEW WORLD AS THE BIGGEST RISK TO THEIR BUSINESS

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92% OF COMPANIES ARE PREPARING TO EMBED VARIABLE REVENUE STRUCTURES INTO THEIR FORECASTS FOR THE NEXT 3 YEARS BUT ARE STRUGGLING TO PREDICT COSTS

Just-in-time is an established model adopted by many organisations to reduce costs and ensure streamlined, no-waste production processes. The flaw in this model, however, is its reliance on accurate forecasting, which does not match up with our current climate.

An increased amount of unpredictability in the market means that organisations now need to work around the barriers to forecasting, adapting the just-in-time model to one that deals with just-in-case, i.e planning for the unknown.

Doing this requires ultimate speed and adaptability so that organisations can match trends in the market, no matter how erratic, and still do so in a financially viable manner.

Just-in-case offers organisations an important chance to cover all eventualities for their business. To implement it, businesses will need to think broad, think fast, and think critically. Outsourcing opens doors to these capabilities and combines them with high-achieving, specialist knowledge, offering businesses a chance to withstand sudden turmoil in the market and keep a solid focus on the areas which produce revenue.



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OVER 4 IN 5 ORGANISATIONS IN EUROPE, ASIA AND NORTH AMERICA ALREADY RELY ON SOME FORM OF OUTSOURCING

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45% OF COMPANIES ACROSS 29 COUNTRIES SAY THEY WILL OUTSOURCE MORE THAN RECRUIT IN-HOUSE IN THE NEXT 18 MONTHS



EXPERTISE



FLEXIBILITY



FOCUS



CHANGE



COST

Variable Markets require Variable Sales Resources

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62% OF COMPANIES CITE ACCESS TO TALENT AND FLEXIBLE RESOURCE MODELS AS THE MAIN REASON THEY OUTSOURCE

64% BELIEVE THE CALIBRE OF IN-HOUSE TALENT IS HIGHER THAN OUTSOURCED....

...HOWEVER, **90%** OF THE SAME COMPANIES CONCEDE THAT SALES PERFORMANCE FROM THE OUTSOURCE TEAM IS COMPARABLE OR BETTER THAN THAT OF IN-HOUSE



All organisations surveyed called out having a fixed cost to deploy staff in a variable market as being a significant challenge going forward. **Organisations who partnered with sales outsource agencies adapted most quickly to the pandemic** – sales outsource partners are laser focused on staffing challenges and sales delivery, allowing organisations to focus on their core business objectives.

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OVER **70%** OF ORGANISATIONS ADMITTED THAT THEY SUFFERED FINANCIALLY BECAUSE OF THE LACK OF FLEXIBILITY IN IN-HOUSE EMPLOYMENT CONTRACTS

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AS WELL AS PROVIDING ORGANISATIONS WITH EXTRA STAFF DURING COVID, CPM'S FLEXIBLE RESOURCE MODEL HELPED OUR CLIENTS TO SAVE COSTS

McKinsey cite focusing on Sales Route to Market as the quickest and fastest way to impact revenue recovery. Where sales outsourcing may have once been considered a method of helping a business to avail of a low-cost operating model, many businesses now attest to sales outsourcing as a strategic enabler to their business. The most successful examples of sales outsourcing see organisations embed outsource partnerships into their strategic road maps, leveraging the expertise, scale and flexibility an outsource partnership can provide to deliver brand growth.

While the ability to scale up and down sales resources as needed is a fundamental of sales outsourcing, an outsource partner needs to be evaluated for their thinking as well as their ability to execute. The quality of personnel at all layers of the outsource agency hierarchy is important, given these personnel become direct contributors to partner organisations brand growth.

An outsourcers' exposure to diverse industries and organisations attracts, nurtures and develops top talents. Brands can benefit from this evolving talent pool to drive their business strategy and deliverables. **Access to these experts offers organisations ongoing consultancy and fresh thinking which they otherwise may not be exposed to.**

Supporting the workforce of the future

The pandemic has had many negative impacts but there have been some very valuable lessons. The future, by many estimates, looks digital. The COVID lockdown may have made this fact far more obvious, but the dominance of the digital world in business has been approaching for some time. Rapidly, it's becoming clear that digital capabilities are the deciding factors in whether a business can stay relevant or survive in the current climate.

But the most successful companies are going further, by enhancing and expanding their digital channels. They are successfully using advanced analytics to combine sources of data with their own insights to make better and faster decisions and strengthen their links to customers.

The COVID lockdown has accelerated the transition from 'bricks and mortar' to online sales. Online sales are increasing, swathes of data are now held online – so much that sweeping new GDPR laws have been passed to address it.

Added to this, the lockdown has caused the numbers working from home to skyrocket. There are no indications that they will return to pre-COVID levels.

Sales fundamentals are the same online as well as offline. CPM invest heavily in digital capacity and expertise and how to integrate the physical, digital and verbal sales journey.

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100% OF ORGANISATIONS LINKED THEIR DIGITAL CAPABILITIES WITH THE SPEED AT WHICH THEY WERE ABLE TO ADAPT TO THE PANDEMIC

88% OF ORGANISATIONS BELIEVE FLEXIBLE HOME WORKING WILL SUSTAIN POST THE PANDEMIC

53% OF EMPLOYEES WOULD NOW REFUSE AN OFFER OF EMPLOYMENT WHERE FLEXIBLE WORKING IS NOT IN PLACE



EXPERTISE



FLEXIBILITY



FOCUS



CHANGE

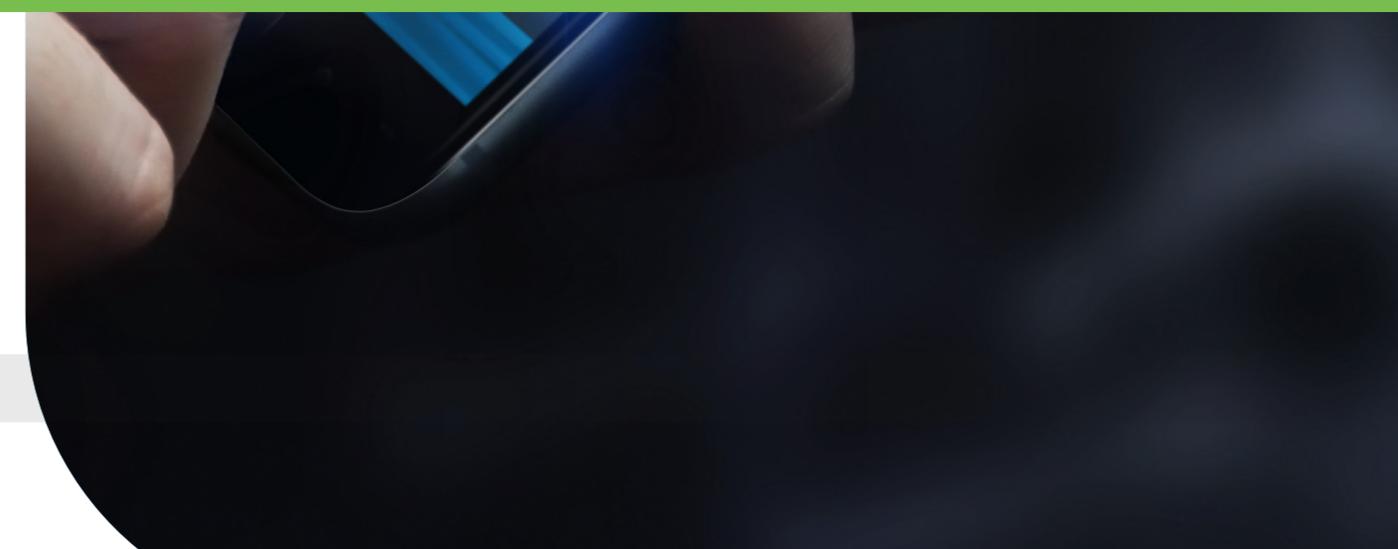


COST



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92% OF PEOPLE BELIEVE THEY WILL FOCUS MORE ON THEIR WELLBEING HAVING ENJOYED THE SLOWER PACE OF LIFE DURING LOCKDOWN AND WILL MORE HEAVILY EVALUATE WORK-LIFE BALANCE IN EMPLOYMENT DECISIONS



**“ OUR AXIS DATA ANALYTICS TOOLKIT
ENABLES CLIENTS TO DRIVE MAXIMUM
EFFICIENCIES INTO THEIR SALES
PROGRAMMES. BRANDS TELL US THAT OUR
TOOLKIT GENERATES SALES UPLIFT OF **23%****

With the faster emergence of the digital sales channel, the line between offline and online sales will blur. It is critical that organisations pick a sales partner who shares your values and cherishes your reputation as much as you do.

“ OVER **2BN PEOPLE VISIT DIGITAL MARKET PLACES DAILY.
CONSUMERS SPEND **40%** OF THEIR ACTIVE DAY ACCESSING THE
INTERNET. SHOPPING IS THE HIGHEST ACTIVITY AFTER SOCIAL MEDIA**

The sales outsource industry has a proven track-record in providing digital sales capability. We invest heavily in digital capacity and expertise and how to integrate the physical, digital and verbal sales journey. The most successful companies use data, Internet of Things, and Artificial Intelligence to better manage their sales operations. Ongoing, companies need to continuously incorporate new data sources and create new sales models to enable real-time decision-making in order to drive sales growth. In the same way that many risk and financial models had to be rebuilt after the 2008 financial crisis, the use of data and analytics will need to be recalibrated to reflect the post-COVID reality. This will involve rapidly validating models, creating new data sets, and enhancing modelling techniques.

Getting this right will enable companies to successfully navigate opportunity forecasting & closing, cost management, and coping with massively fluctuating volumes. Strategic outsource partners invest in this capability as a matter of course in developing their sales proposition.

Organisations focus on developing and evolving their core brand proposition. Sales outsource partners focus on developing the best resources to deliver brand sales and growth – people & technology. Fundamental to this is the investment to support the digital sales revolution. The required investment in sales technology is significant and is not likely to be matched by non-outsource organisations, where spend is most often diverted to support in-house priorities.

**“ CPM HAVE INVESTED SIGNIFICANTLY IN
DEVELOPING BEST IN CLASS TECHNOLOGY TO
HELP BRANDS SELL MORE. OUR DIGITAL SALES
PLATFORM *SHOPT HAS GROWN ITS RETAILER
BASE BY 100% IN THE PAST YEAR. DURING COVID
NEW POINTS OF DISTRIBUTION FOR OUR CLIENTS
INCREASED BY 60% COMPARED WITH THE SAME
PERIOD IN 2019**



5 Key Reasons Why Companies Outsource



Expertise – Top-quality Sales Talent, Dedicated to your Growth

Companies are experts at delivering their core products. Sales outsourcers are experts in delivering sales. Strategic outsource companies have a strong pool of expert talent which companies can access to support brand growth, offering expertise that you need, but may not have.

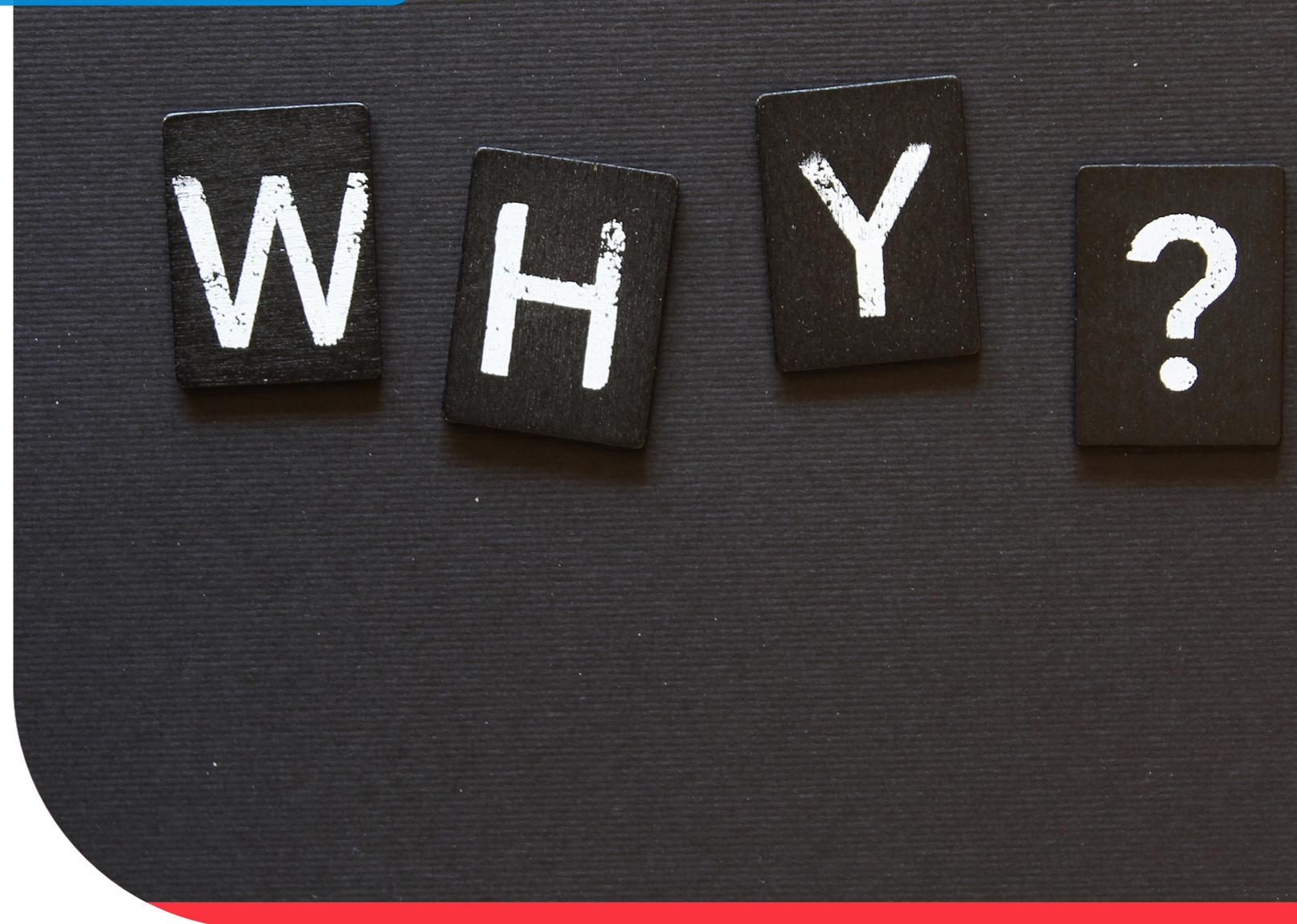
Leveraging a sales outsourcing partner enables companies to draw on the best talent and **practices and lessons learned from a partner's vast experience with other clients across multiple industries. This is extremely valuable for picking up new ideas on sales techniques**, new ways of working and cross-industry pollination of sales expertise. It's also a great way for sales leaders to add bench strength with sales reps who have demonstrated experience in specific vertical industries (e.g. healthcare, financial services, technology, retail). Adding an outsourced sales partner to work alongside an internal team provides an external benchmark for excellent performance that can help raise the performance level across the board.

Investing in the latest sales tools is one thing. Having the expertise to leverage those tools is another. Data analytics & Artificial Intelligence support salespeople with the provision of insights, such as the best time to call a customer or to predicting off-sales before they happen. Strategic Sales Outsourcers are experts in using cutting-edge sales and analytics tools to optimise sales time and achieve time-to-market benefits.

“

I don't have to leave CPM to try new things. I have worked across 3 brands in 6 years”

Employee quote



“**CPM INVEST 10% OF CLIENT FEES BACK IN TO EMPLOYEE TRAINING AND DEVELOPMENT, INCLUDING CROSS COUNTRY POST GRAD EDUCATION**

82% OF PROMOTIONS TO MANAGEMENT ARE FROM WITHIN



EXPERTISE

FLEXIBILITY

FOCUS

CHANGE

COST



Flexibility - Set a Pace that suits your Business

The threat of a COVID lockdown is a perfect example of how unforeseen events can disrupt your business plan. In these urgent times, your outsourced sales team remains committed to selling your product or service, scaling up and down resources in line with the market dynamic. Sales are very much required on-demand. This flexibility applies to other scenarios, such as **if your sales work is seasonal, if you have a new product to publicise, or if a competitor is making gains that you need to respond to.** **Sales Outsourcing means that when changes occur, you have expert talent available to do what you need most, when you need it most.** As your needs change, you can adjust your outsourced sales efforts accordingly.

Outsourcing enables you to ramp up or ramp down your sales efforts at points that suits your demand. Organisations can start with a team of zero and scale to 100+ within weeks, gearing up for a product launch, competitor defence, anticipated demand, or a fully realized segment push.

The market is dynamic/liquid and increasingly so after Covid. The Liquid Workforce is a term commonly used in describing best in class sales teams. A sales team is a mix of Physical, Digital and Verbal resources with predefined sales activity for 60-70% of a working day, allowing 30-40% of time as liquid to chase the sales opportunity. Organisations need to predict, adapt and respond to sales opportunities using skill, technology and data insight to support next best sales action. Technology investment to make the Liquid Workforce a reality is significant, but it is par for the course for Sales Outsource agencies offering strategic propositions.

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CPM MOVED EMPLOYEES BETWEEN CLIENT BRANDS TO SUPPORT SALES DEMAND AND DECLINE DURING COVID. THIS SUPPORTED SALES GROWTH FOR ACTIVE BRANDS, COST REDUCTIONS OF €4.5M FOR INACTIVE BRANDS AND RESULTED IN 100% RETENTION OF TALENT DURING THE PANDEMIC



EXPERTISE



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Laser Sales Focus – Consistent and Unaffected by Other Issues

Peter Drucker's
“Do what you do best
and outsource
the rest”

...perfectly sums up why organisations should focus on their core capability and partner with Sales experts to focus on driving sales. Outsourcing your sales function allows your outsource partner to laser focus on driving growth, allowing companies to focus on driving product development and internal operations. **Often sales focus and priorities to drive sales are diluted by competing internal priorities.**

Integrating a strategic sales outsourcing partnership, sees external sales teams well-positioned to work cross-functionally within organisations, driving activity to improve overall sales execution. **Outsourcers' singular focus on driving sales means we often work to shorter timeframes that are difficult to accomplish with internal sales teams.**

Sales Outsourcers are experts in using cutting-edge sales and analytics tools to optimise sales time and achieve time-to-market benefits.

Choosing to outsource means you don't have to worry about making that perfect sales team, you just need to work alongside it, giving you time and space to focus on business priorities with the assurance of simultaneous focus on brand growth.



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74% OF COMPANIES SURVEYED CONCEDED THAT THEIR FOCUS ON SALES PERFORMANCE WAS DILUTED DURING THE COVID PANDEMIC BECAUSE OF INTERNAL CHALLENGES SUCH AS SUPPLY CHAIN & BUSINESS CONTINUITY



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Speed of change – are organisations fast enough for tomorrow?

The market has brought many changes to the table in recent years – Brexit, GDPR regulations, digital and its socioeconomic impact. Companies have focused on preparing their business for these challenges. All the while sales outsource partners have had an unwavering focus on sales growth, while in tandem feeding into solutions for these important initiatives.

Outsourcers can react with focus and immediacy. In-house teams' focus can get diluted by other often equally important internal issues – manufacturing, supply, customer complaints, HR and IR issues. Where a unionised workforce exist, outsourcers are experts at developing ways of working with unions to be able to react with pace to any dynamic, without losing valuable sales time.

CPM

HAVE SIGNIFICANTLY INVESTED IN DATA ANALYTIC CAPABILITIES TO DRIVE SALES FOR OUR CLIENTS. OUR MARKET-LEADING ROI MODELLING LEVERAGES AN AVERAGE SALES UPLIFT OF **14%** ACROSS ALL BRANDS WITH A FURTHER MARKET INCREMENTAL INCREASE OF **5%** DURING COVID



38% OF COMPANIES WERE HAPPY WITH THE PACE AT WHICH THEY REACTED TO THE COVID PANDEMIC, AND ALL ORGANISATIONS THAT DID NOT OUTSOURCE SALES SAY THAT SALES OUTSOURCING IS UNDER EVALUATION FOR THEIR FUTURE BUSINESS CONTINUITY PROGRAMS

79% OF SALES LEADERS AGREE THAT OUTSOURCING SALES HELPS THE DEPARTMENT SCALE FASTER



EXPERTISE



FLEXIBILITY



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COST





Cost – Variable models for a variable world

Covid is forcing organisations to look hard and fast at all expenditure. Budget forecast practices to date do not fit the variability and risk of the future. **Organisations will need to seek and embrace propositions that support delivery and cost control in a variable landscape. Rent vs Buy will become a requirement.** Sales outsourcing is a natural fit for this challenge.

Sales outsource providers offer multiple commercial models, offering companies optimum financial control vs fixed in-house models. Fixed price models offer cost certainty, however in the current variable landscape organisations will likely look to embrace variable cost models, most likely with a risk and reward element to ensure sales outsource partners are invested in partner organisations' success.

“CPM SAVED PARTNER ORGANISATIONS AN AVERAGE OF 23% DURING COVID THROUGH OUR FLEXIBLE COMMERCIAL MODELS AND INTEGRATED PHYSICAL, DIGITAL AND VERBAL SALES PROPOSITIONS”

“CPM SPENT OVER €500K IN LEGAL AND CONSULTING ADVISORY SUPPORT TO PROTECT OUR CLIENTS DURING COVID. OUR CLIENTS BENEFITED WITHOUT INCURRING THE COST”

Significant investments in digital platforms and technology required to ensure company survival and growth will be a challenge for organisations given the performance trajectory. However, these are investments companies cannot afford to avoid. Sales Outsourcers invest in digital technology to drive sales performance as a matter of course. **Companies who outsource can avail of this investment by not having to outlay the investment cost.**



“CPM HAS PROVIDED OUTSOURCED SALES SOLUTIONS TO COMPANIES DELIVERING AN AVERAGE SAVING OF 32% VS IN-HOUSE”

IN-HOUSE OVERHEADS TO SUPPORT SALES FUNCTIONS ARE REDUCED SUCH AS HR, TRAINING, PAYROLL, INSURANCE, FLEET AND ASSET MANAGEMENT. THESE ARE PROVIDED BY THE OUTSOURCER



EXPERTISE



FLEXIBILITY



FOCUS



CHANGE



COST

Summary and conclusion

During the current crisis, businesses have worked faster and better than they dreamed possible just a few months ago. Maintaining that sense of possibility & cadence will be an enduring source of competitive advantage.

Coming out of the crisis, organizations must answer important questions about growth, scalability and financial control. The cultivation of an organizational culture that fosters value creation with other partners will be critical in being able to adapt to variability in the new world. Organizations that make the shift from closed systems and transactional relationships to networks of mutually beneficial partnerships will prove more resilient and successful. Companies that recognize this and that are willing to set new standards and upend old paradigms, will build long-term strategic advantage.

Assess your company capabilities under the following criteria:

- Can I commit with relevant accuracy to revenue and cost forecasts for the next 3 years?**
- Do we have the expertise and flexibility in our sales structures to laser focus, undistracted, on sales growth in the unpredictable new world?**
- Do we have the capacity and flexibility to scale up and down sales resources at pace, should the market change in the future?**
- Do we have the significant funds to invest in digital sales platforms which are critical for survival and success?**

If the answer to one or more of the above is no, then Sales Outsourcing should be on your strategic agenda as a consideration. If you can trust a Strategic Sourcing partner with a proven track record in Sales growth to work alongside you, you can survive and thrive in the new world.



ENABLE your company to
do what you do best.
Strategically outsource the rest



EXPERTISE



FLEXIBILITY



FOCUS



CHANGE



COST

About CPM

Part of the Omnicom Group, CPM is the world's leading partner for outsourced Sales solutions.

We have over 80 years industry experience globally, delivering for some of the world's largest brands.

Nearly 60% of our clients have been working with CPM for over 10 years, cementing the fact that we deliver for our clients. Working in partnership with our clients leveraging data, insight, technology and great people to influence and grow sales, is what makes us so successful.

cpm-int.com



Axis: axis-insight.com
Detail: detailonline.com
***shopt:** shopt.digital/



FOR A FREE CONSULTATION, or if you would like to know more about the benefits of outsourcing and discuss how CPM can support your business, please contact Simmie Scott at:
Simmie.scott@cpm-int.com or international@cpm-int.com

CPM has been a key partner to Diageo since 2011. What is clear is that CPM is the right partner for Diageo for the following 5 key reasons:

1: Cost 2: People 3: Culture 4: Progressiveness 5: Capacity

Whilst cost is an important factor we understand as a business that points 2-5 above are what is going to unlock disproportionate growth. As opposed to treating programs as a cost-cutting exercise, value addition is where CPM clearly differentiate themselves from the competition.

People are at the heart of the CPM business and technology is going to play a huge part in differentiating ourselves from the competition going forward. CPM as an organisation have invested in tools & data analytics that both provide easy-to-use performance management tools but more importantly provide clarity on what our focus areas should be going forward, to ensure our strategic objectives are achieved.

We want to ensure our resources are focused as much as possible on value-added activities that will increase sales and CPM expertise in this area is proving invaluable.

Shane Barry, Director, Diageo

Why Strategically Outsource?



EXPERTISE



FLEXIBILITY



FOCUS



CHANGE



COST



Commercials for a
'Just In Case' World



Variable Resources
For Variable Demand



Leverage
Digital Investment