



Shift Happens- The Changing Business Landscape in 2024

Executive Briefing Report



 Silicon Valley Research Group
FIREHOSE™ Series
 A Silicon Valley Research Group Exclusive Webinar Series

ABOUT THIS REPORT:

The purpose of this study was to elicit executive decision makers' mindsets, strategies and planning scenarios as they begin 2024. The roles we targeted were Chief Revenue Officers, Heads of Design, CMOs, Chief Sales Officers and VPs/Heads of Product Management.

We conducted a total of 25 in-depth Zoom interviews with leadership team decision makers. Our panel consisted mostly of large enterprise, with a subsample representing SMBs. The following were the main topics covered:

- What is the company's leadership team's take on the business climate as we approach 2024?
- What are the most important critical initiatives and priorities for the year?
- What are the most anticipated opportunities and challenges for the coming year?
- How will AI and new technologies impact you?
- What do you expect will be your internal barriers to meeting company objectives?
- What would have to happen in 2024 for you to look back and feel you were successful?

RESEARCH PANEL COMPOSITION:

Sample executive roles interviewed:

- Chief Revenue Officer, Cloud Services
- VP of Product Management, Telecomm
- Chief Marketing Officer, Cybersecurity
- VP of Sales & Customer Success, Software
- Head of Design, Software
- Chief Marketing Officer, Residential Services
- CIO, Mortgage Banking
- Chief Revenue Officer, Healthcare
- VP of Digital Experiences Design, Automotive
- Chief Revenue Officer, Medical Devices
- VP of Design, Commercial Real Estate
- CRO, Identity Management Software

ABOUT OUR FIREHOSE™ SERIES RESEARCH

Silicon Valley Research Group's FIREHOSE™ Series research studies and reports are designed to provide in-depth analysis and strategic directions to some of the most important decisions technology executives need to make in their respective fields.

We do not seek to replicate or disrupt the work done by traditional syndicated research firms like Gartner, IDC and Forrester. Rather, we delve deeper into the trends using qualitative in-depth interview techniques that typically comprise smaller sample sizes and open-ended exploratory conversations. One way to view our work is that while syndicated firm research reports define the "WHAT" (as in what is the overall technology or market trend), we seek to fill in the gaps by uncovering the "HOW" (i.e., how players are harnessing technologies to create market success).

We carefully select the topic areas for our studies by looking at what is trending among technology and business executives and some of the questions being asked in technology blogs and discussion forums.

These reports are complementary to our customer community and to those that participate in our studies. In addition, our principal analysts also conduct executive strategy sessions on our research findings for qualified prospective and existing clients. These briefings may be arranged by contacting us at insights@svrg.net

For more information, please contact:
Silicon Valley Research Group Inc.
99 South Almaden Blvd. Suite 600
San Jose CA 95113
www.siliconvalleyrg.com



Key Findings:

Our findings have been summarized into seven key themes as shown below.

01

“Macro-Vision”: The View from the Boardroom for 2024

04

Chief Sales Officer’s 2024 Focus- *“Data-driven Operations are Critical”*

02

A View from the Chief Marketing Officer’s Suite

05

Chief Product Officer’s Viewpoints

03

Chief Revenue Officer’s Outlook: *“Where The Rubber Meets the Road”*

06

“Design Rules!”: Heads of Design/UX’s Expectations for 2024



- Cautious optimism is the prevailing corporate mood** as business leaders articulate their expectations for 2024. Companies report needing to make operations more resilient for 2024. **The “R word” is not on their lips as they discuss their priorities and challenges.** A full-blown recession is not expected by business; at worse, a soft landing is viewed as more likely, if at all. **Almost all business leaders we interviewed however are optimistic that 2024 will likely turn out to be better than 2023 and better than their previous expectations for the year.** This ebullience is mainly the result of the most recent inflation news and the expectation of interest rate cuts or at least a slow down in increases based on Federal Reserve meetings and guidance very late in the year, and may however abate if these expectations don't come to pass
- This is in sharp contrast to our results this time last year. Then, as now, “cautious optimism” was also the key phrase they used to describe their prevailing mind sets, but the R word was uttered by many as a possibility for later in 2023. **Moreover, potential upsides were not an expectation then for leaders in most industries, except for a few industries such as Consumer Goods, Hospitality and Travel.** Then, as now, those in the Healthcare sector viewed their sector as relatively recession proof, except for providers of elective procedures and services. The most degraded outlooks last year emerged from the Financial Services sector, especially from areas such as mortgage lending, citing high interest rates as the key impediment to growth, and that viewpoint still prevails for 2024 for the Financial Services sector.
- For B2B sellers, vendor consolidation by customers is the most expected source of headwinds** as these companies try to grow in 2024. Companies selling B2B also expect rising labor costs worldwide to put a damper on their customers' ability to purchase their wares. Expected bright spots are for those selling to companies in the US participating in projects that are part of the Build Back Better initiatives in industries including Construction, Renewable Energy and Utilities.



Cautious optimism is the prevailing corporate mood . The “R word” is not on their lips as they discuss their priorities and challenges.

The most degraded outlooks emerged from the Financial Services sector, citing high interest rates as the key impediment to growth.

For B2B sellers, vendor consolidation by customers is the most expected source of headwinds for 2024.

Global companies expect their US business to be fairly resilient but expect to face turbulent and uncertain market conditions especially in the Eurozone and China.



Investments in technology and innovation are expected to continue. However, companies are being selective on which projects to invest in, choosing to prioritize and focus on a narrow set of bets and “tightly focused on doing more with less”.

4. Global companies expect their US business to be fairly resilient, but expect to face **uncertain market conditions in the Eurozone. Likewise, China also represents uncertainty** both for economic reasons and the political climate. i.e. relations between the US and China. Emerging markets also represent uncertainty; however, at least at the time of our interviews, recessions in these markets were not expected for 2024.
5. Investments in technology and innovation are expected to continue their trend from 2023. However, as with 2023, **companies are being selective on which projects to invest in, choosing to prioritize and focus on a narrow set of bets and “tightly focused on doing more with less” as one C-level executive we interviewed put it.** AI is expected to play a major role, although plans for implementation are still embryonic across most industries with the exception of software companies. **For these companies, it’s a race to implement AI capabilities into existing products and new releases for 2024 over their competitors.** Major challenges they have articulated previously, such as **having a combination of cloud-based and on-prem offerings and disparate, non-tightly integrated offerings as a result of previous mergers and acquisitions** now become more even acute as these companies proceed to implement AI across their respective technology stacks.
6. “All bets are off” is the general outlook for hiring within their respective departments and company wide. Skills shortages that were expressed as a concern this time last year are now bifurcated. **There appears to be no shortage or skills gaps when it comes to hiring knowledge workers** due to factors such as technology sector layoffs in 2023. **Shortages and upward pressure on labor costs are expected, however, in sectors such as Retail** that employ large numbers of lower skilled workers. AI is expected to play a role in hiring plans, although most seem unclear as to how this would manifest or impact their plans at least in the next 12 months.
7. Other emergent expectations and concerns include employee mental health and rationalization of pre-Covid real estate expenditures for companies that have adopted hybrid work environments.

1. Sales cycles slowed down due to market uncertainty in 2023, with some estimating these cycles to be anywhere from 20% to 30% slower than in recent years and expect this trend to continue in 2024. As a result, sellers are feeling increasing pressure to demonstrate ROI. And in turn, **Marketers are facing the burden of doing a better job of attribution and becoming more precise on which marketing investments are directly contributing to deals closed**, so that those investments can be prioritized at the expense of lower performing ones.
2. Regarding their expectations for technology in 2024, CMOs report having made significant investments in marketing technologies in the past few years which were beefed up significantly during the pandemic. They now expect to start realizing a return on these investments in the coming year and beyond, with **top priorities being pipeline generation, optimization and completing integrations with other enterprise systems**.
3. AI and large language models are viewed with anticipation among top marketing executives, although this remains uncharted territory across the many industry segments we covered.
4. **Security and safety continue to be top concerns around equipping marketing teams with AI tools such as ChatGPT**. Many are experimenting currently, and some marketing leaders report having signed up for personal accounts as a starting point for their evaluations.
5. For B2B marketers, an **ongoing trend expected to continue in 2024 is to adopt and use ABM or Account Based Marketing**. Likewise, **PLG or product-led growth which has been growing in popularity is likely to continue proliferating**, easing the burden and costs on sales departments. In a recent Wall Street Article, **Yelp CEO, Jeremy Stoppelman attributes enabling product-led self assisted adoption capabilities they engineered into their platform with the company's turnaround success, lowering their sales and marketing spend from 55% in 2020 to an expected 40% in 2024**.

Marketers are facing the burden of doing a better job of attribution, becoming more specific and precise on which campaign investments are directly contributing to deals closed.

Top priorities for CMOs optimization and completing integrations with other systems.

Safety and security are top concerns for the use of AI in marketing departments.

Both ABM or Account Based Marketing and PLG or Product-led Growth are likely to continue proliferating in 2024. A case in point is Yelp which reportedly lowered its sales and marketing expense from 55% to 40% as a result of using PLG go-to-market strategies.

6. One of the top items Marketing leaders would like to see their teams achieve in 2024 is attribution, "connecting the dots back to pipeline from revenue generated" as one CMO we interviewed put it.
7. Some B2C marketing leaders express frustration at the "game" SEO has become. As a consequence, marketers ending up populating their websites with content to drive SEO and page rankings versus providing content of value to their customers.
8. In the SMB B2C and D2C (direct-to-consumer) sectors, Google's influence in the success of a business is enormous and growing. An SMB CMO expressed this best by stating: "**Small businesses are made and broken by the inner workings of Google and the changes that they make to their algorithms and to how they process payments, etc. It is really challenging to be so dependent on Google.**"
9. Major impacts expected by SMB marketing leaders in 2024 will come from the challenges that the likely elimination of, or at least limitations on, third-party cookies will bring to the marketing industry

The top priorities for CMOs for 2024 are better attribution of sales generated to specific marketing campaign investments and leveraging their recent marketing technology investments.



Chief Revenue Officer's Outlook: "Where The Rubber Meets the Road"

1. **The CRO function has evolved in recent years and is expected to play the most pivotal role after the CEOs in many organizations in 2024.** The role increasingly cuts across various functions within the organization including Finance, Legal, Product, Marketing, Design, Sales and Customer Success.
2. Typical CRO has about 15 years experience under their belt, many having come from being sales leaders, but previous backgrounds also included Finance and other line of business. In a few cases in the technology sector, we also encountered CROs who previously headed up Product Development or DevOps.
3. **While alignment and collaboration across all major functions is important, alignment with Sales and the Chief Sales Officer is considered the most crucial one** and in some companies that we interviewed, the CRO role has merged with or replaced the CSO role.
4. CROs report continual, almost weekly alignment, with sales with a focus on being data-driven and bringing data and facts into conversations about strategy with their sales teams.
5. **The role continues to evolve and get better defined and carries with it high and sometimes (not yet) well-defined expectations, and along with it, high personal stress levels as some have reported.**
6. The top responsibility of the CRO is as the primary "engine" for revenue generation, which includes building out sales teams, determining the kind of go-to-market strategies to deploy and execute on, including specifying job proficiencies required for revenue maximization success in each role and then working with Human Resources to ensure these are met.

The CRO function has evolved in recent years and is expected to play the most pivotal role after the CEOs for many organizations in 2024.

While alignment and collaboration across all major functions is important, alignment with Sales and the Chief Sales Officer is considered the most crucial .



The role continues to evolve and get better defined and carries with it high and sometimes (not yet) well-defined expectations, and along with it, high level of personal stress as some have reported.

(Continued...) Chief Revenue Officer's Outlook: "Where the rubber meets the road"

7. When asked to describe their **most critical success factors for 2024, cross-functional alignment and communication were the top cited factors. To be successful, product, experience design, marketing, customer success and sales need to be in alignment to best attract and serve customers.**
8. Technology has been a positive contributor to these collaborations, enabling tracking of metrics ranging from campaign effectiveness to sales attribution. Sometimes organizational focus on the wrong KPIs can get in the way of revenue operations success, with some reporting too much of an emphasis on items such as number of marketing and sales qualified leads versus the ultimate disposition of these leads. Having executive compensation tied to these misleading KPIs makes it difficult for CROs to effectuate positive change within their organizations.
9. **Qualitative input from customers is another critical success factor for revenue operations success; with some CROs identifying the lack of well-defined processes to do so regularly as a gap they would like to fill in 2024 and beyond. Those that have these processes well-defined in the form of customer advisory panels and other feedback mechanisms cite it as a critical contributor to successful revenue operations.**
10. CROs also cite customer experience design as a critical success factor that is growing in its contribution to successful revenue generation given its increasing importance in competitive advantage and customer retention. Some report not having these functions as well-defined within their organizations as they would like and are expecting to see the importance of design grow in 2024.
11. **AI is expected to decrease costs and increase margins in revenue operations in 2024, although expected gains are likely to be only incremental in the first half of the year** as companies begin to implement AI applications in their operations.
12. In segments such as Healthcare, CRO concerns include pressure on the price of CapEx purchases, as Healthcare providers work hard to consolidate purchases to cut costs. To cope, some sellers of capital equipment to this sector are implementing innovative subscription and pay-per-use models.

Those that have well-defined qualitative customer input forums and advisory panels cite it as a critical contributor to successful revenue operations.



CROs also cite customer experience design as a critical success factor, given its growing importance in competitive advantage and customer retention.

AI is expected to decrease costs and increase margins in revenue operations in 2024, although expected gains are likely to be only incremental in the first half of the year.

1. Chief Sales Officers in 2024 **need their frontline salespeople to be analytically savvy enough to be credible with prospects, increasingly replacing the previous model of a less-savvy SDRs (Sales Development Reps) qualifying the prospect and passing on to a better-equipped Account Manager.** This has become particularly important post-Covid with fewer companies reverting to pre-Covid practices of "going out to dinner to build relationships". **As a result, some sellers who were successful pre-Covid struggle to win deals in the post-Covid era.**
2. CSOs in technology companies report that finding salespeople proficient enough with technology or domain experience and also possessing the interpersonal skills to be a successful seller is an anticipated challenge as companies' sales teams grow again in 2024.
3. **Email outreach has reached epidemic proportions, with many standard prospecting campaigns not yielding adequate results,** again putting pressure on sellers to be savvier in their outreach and better equipped to **leverage data sources such as purchase intent data to custom tailor their outreach.**
4. As reported in the previous section on CMOs, ABM or Account Based Marketing has seen a rise in popularity and effectiveness in recent years and is expected to continue to proliferate in 2024. **Another expected objective for CSOs in 2024 is tighter coupling between their sellers and customer success teams.**

CSOs need salespeople to be analytically savvy enough to be credible with prospects, in many cases starting to replace the previous model of a less-savvy SDRs qualifying the prospect and passing on to a better-equipped Account Manager.



Email outreach has reached epidemic proportions, with many standard prospecting campaigns not yielding adequate results.

(Continued)...Chief Sales Officer's 2024
Focus- "Data-driven Operations are
Critical"

Data-driven operations and decision making are critical success factors for 2024 and beyond. While there is a lots of data being generated that can be mined for better customer and prospect outreach and communications, proficiency among salespeople to do so is lacking.



5. **Data-driven operations and decision making are critical success factors for 2024 and beyond for CSOs. While there is a lots of data being generated that can be mined for better customer and prospect outreach and communications, proficiency among salespeople to do so is cited as lacking.** Some cite the fact that long tenured salespeople were hired for their interpersonal skills and therefore are often lacking in the requisite analytical abilities.
6. **AI is expected to contribute significant efficiencies in the sales process, possibly leading to sales head count not increasing correspondingly to revenue growth in the next two years. The revenue per salesperson KPI is expected to increase significantly as a result in the next two years.**
7. For most CSOs, AI implementations in sales and other customer-facing operations are viewed as "continuous" and not a new thing, especially in areas such as customer support, where bots have been in use for some time now, **although the "floodgates have swung wide open" this year.**

AI is expected to contribute significant efficiencies in the sales process, possibly leading to sales head count not increasing correspondingly to revenue growth in the next two years.



Another expected objective for CSOs in 2024 is tighter coupling between their sellers and customer success teams.

1. **For many organizations companies, finding good product management personnel will continue to be a challenge in 2024.** Increasingly, the product management role calls for an understanding of both the customer and classic concepts of product, price, promotion, packaging as well as an essential mastery of the technology or industry domain areas.
2. For technology sellers, vendor consolidation happening at the customer level has been a major impediment to revenue growth in 2023 and is expected to continue to be a limiting factor in 2024.
3. Most product management teams started using **LMM tools, most notably Chat GPT, in 2023. Accuracy levels are expected to be a continuing challenge in 2024, with accuracy levels of about 75% being cited, with 25% yielding either incorrect information or aspects of “hallucinations”.**
4. Execution of using AI for predictive analytics such as pattern recognition on customers most likely to churn is largely dependent on the accuracy of the data being fed into the models and correct data mapping, which still represent major skill gaps for many enterprises.



For many organizations, finding good product management personnel will continue to be a challenge in 2024.

Like other teams, Product Management started using LMM tools, most notably Chat GPT in 2023. Accuracy levels are expected to be a continuing challenge in 2024, with accuracy levels of about 75% being cited, with 25% yielding incorrect information or “hallucinations”.



While many of the Covid 19 related disruptions are in the rear-view mirror, some impacts linger and will continue to be an ongoing challenge for product management teams in 2024.

In 2024, a key objective for product management teams is finding ways to differentiate their offerings either via introducing new features or collaborating closely with Marketing to fine-tune positioning and messaging.

5. Supply chain issues are something product managers have to contend with. To the end, **while many of the Covid 19 related disruptions are in the rear-view mirror, some impacts linger and will continue to be an ongoing challenge in 2024.**
6. Product management leaders are increasingly contending with commoditization of their offerings. **In 2024, a key objective is finding ways to differentiate their offerings either via introducing new features or collaborating closely with Marketing to fine-tune positioning and messaging.**
7. **Competitive monitoring is cited as a critical success factor for 2024, with many product teams indicated not having formal processes for continual monitoring.** While some product leaders are quick to point out that they want to avoid leading their teams into playing too much of a competitive game (which one product leader characterized as a “race to the bottom”), they also want to ensure decision-making takes competitive moves and pressures into account.
8. Last, but not least, product leaders shared challenges with pricing. **Cost increases in the supply chain have created pressures to increase prices across industry sectors, and most notably in consumer-packaged goods. These are expected to stabilize in 2024.** Real estate and real estate financing sectors continue to expect to be challenged by impacts of high interest rates.



Cost increases in the supply chain have created pressures to increase prices across industry sectors, and most notably in consumer-packaged goods. These are expected to stabilize in 2024.

Competitive monitoring is cited as a critical success factor for 2024, with many product teams indicated not having formal processes for continual monitoring.



One of the top challenges keeping designers up at night is the pressure to personalize experiences and the ongoing balancing act between maximizing personalization and privacy protection concerns expressed both by their consumers and regulators.

1. Typical design teams include user research, architecture, analytics, experience testing and user architects with a matrix structure reporting to other business teams, with product management and engineering (where applicable) being the prime collaborators.
2. **One of the top challenges keeping designers up at night is the pressure to personalize experiences and the ongoing balancing act between maximizing personalization and privacy protection concerns expressed both by their consumers and regulators.**
3. **Designers of B2B experiences are increasingly being challenged by the bar set by great customer experiences with the iPhone and other mobile devices** that end-users have now come to expect. They therefore increasingly expect similar intuitive and enjoyable in the enterprise apps that they use in their workplace, especially among younger workers. **Expectations for AI this year have set the bar even higher as we move into 2024.**
4. Some design leaders report rapidly moving technological advances as a major contributor to enabling great user experiences. There are challenges, however, not so much in keeping abreast of these advances, but in deciding how rapidly to implement the advances and what to prioritize. **Design leaders of companies who have grown recently via acquisition feel particularly daunted by this factor, given how many of their acquired offerings have yet to be brought up to the company's design standards.** To cope, design teams are creating design system standards and converging workflows.
5. Software companies still offering desktop experiences for some of their products report challenges with designing great experiences for these in comparison to their "cloudified" products. With the latter, a plethora of measurement and analytics tools facilitate design work. A barrier to moving some of these desktop experiences to the cloud cited is regulation in some of the industry sectors they sell to, most notably Government agencies.

Designers of B2B experiences are increasingly being challenged by the bar set by great customer experiences with the iPhone and other mobile devices.

6. **Those selling into regulated industries report needing to walk a fine line between designing ideal customer experiences which modern technology tools made possible and not violating regulations.** This is a particular challenge for global entities who also needed to take into account inter-region differences in regulation when designing experiences, especially around more rigorous compliance requirements in the EU.
7. **Designing for accessibility is a major priority for 2024, although some concede that it is because they have not given it importance in the past** and that it is now an expectation from their customers who have placed a heightened importance in DEI issues in the last couple of years. One design leader articulated the concept of an **"accessibility tax" that gets added when accessibility is added to designs after they are completed.** In his experience, this tax, in the form of resources and overhead required to build-in and deploy accessibility features, can be as high as 30% when done after the fact compared to almost zero when done at inception.
8. Technology had been and will continue to be an ever-evolving contributor between design teams and other lines of business, most notably, collaboration between remote and hybrid-work teams. **Tool such as Figma have already been a major contributor to inter-departmental collaboration for design teams. AI is only expected to increase the impact of these tools in 2024.** For those companies with a heavy reliance on remote work, Zoom and other web conference tools have been optimized as much as possible to facilitate teamwork in 2023 and will play an increasing role in design team success in 2024 as more AI components come into play.
9. **Generative AI is likely to play a major role for those design teams incorporating AI into their end products, but design team leaders expect these benefits to show up towards the end of 2024 as much foundational work still needs to be done here.**



Generative AI is likely to play a major role for those design teams incorporating AI into their end products but expect these benefits to show up towards the end of 2024 as much foundational work still needs to be done here.



10. In high growth sectors, design leaders expect to be challenged with keeping up with demand for design work from their internal customers in 2024, in particular, for those who had hiring constraints or freezes in place in 2023.
11. **Some design leaders expecting to hire designers in 2024 indicate that while talent is plentiful, creative designers are hard to find. Some hold over-reliance on tools such as Figma responsible for this.** As a VP of Product Design that we interviewed articulated, good design work begins with drawing, sketching things out and brainstorming these drawings with colleagues before starting with digital tools. Because of this, it is becoming increasingly difficult to discern design talent differences between two similar resumes, especially for those who have come out of the large number of design "boot camps" that have proliferated recently.
12. Domain experience is an important hiring criterion for designers in industries with specialized or complex products. While this was considered more critical in hiring product managers in such industries, it is nevertheless an important consideration for Design Leaders expecting to increase head count in 2024.
13. Hybrid work is another cited challenge by design leaders as it is with other line-of-business leaders. While their typical day-to-day collaborations are well optimized for Zoom sessions, for design teams, ideation suffers from reduced in-office face time.
14. Lastly, **measuring the impact of experience design in meeting company objectives will continue to be a challenge in 2024 as it has been over the last several years. Design leaders would like to be able to "draw a straight line" between their teams' work and the outcomes such as revenue increases, still an unattainable holy grail for many.**

Some design leaders expecting to hire designers in 2024 indicate that while talent is plentiful, creative designers are hard to find. Some hold the over-reliance on tools such as Figma responsible for this.



Measuring the impact of experience design in meeting company objectives continues to remain a “holy grail” for design leaders.



About Us



Silicon Valley Research Group Inc. (www.siliconvalleyrg.com) provides market research and strategy development services for technology companies. Our specialization areas include nationwide and international research for clients in Enterprise Software, Cloud Computing, Data Analytics & Machine Learning, Marketing Automation, Mobile Devices & Applications, Wireless Communications, and IoT.

Our Science of Technology Marketing™ based programs combine powerful and innovative qualitative and quantitative methodologies for: Brand Awareness, Positioning Development, Message Testing, Market Segmentation,, Product Features & Design Testing, Competitor Intelligence, Customer Acquisition & Retention Strategies and Channel Development. For more information, contact insights@svrg.net



Additional Resources & Recent Publications

1. Aspirational Selling CXO Battle Card Strategy for the New Economy
<https://www.siliconvalleyrg.com/svrg-blog/aspirational-selling>
2. Price Optimization for SaaS Companies in Inflationary Times
<https://www.siliconvalleyrg.com/svrg-blog/your-pricing-strategy-and-the-inflation-factor>
3. “The Qualitative Edge” by Alan Nazarelli, Complimentary eBook Download
<https://www.siliconvalleyrg.com/qualedgedownload>