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# **3 Immediate Actions for CSOs in Response to the Russian Invasion of Ukraine**

Sales Research Team

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## 3 Immediate Actions for CSOs in Response to the Russian Invasion of Ukraine

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Initiatives: Sales Strategy and Leadership

The Russian invasion of Ukraine is disrupting lives around the world. As B2B organizations plan their response to a highly variable situation on the ground, CSOs should pay particular attention to actions within their immediate control to both acknowledge the impacts and pivot commercial strategy.

### Overview

#### Impacts

- Supply chain disruptions and logistical challenges will impact many suppliers' ability to deliver on orders and meet future demand.
- Russia's invasion of Ukraine leaves sellers struggling to determine the most appropriate next action in existing and potential relationships.
- Sellers and other employees are struggling to identify if/how their execution should change as a result of the invasion as well as meaningful opportunities to help. They are turning to leadership for guidance around their targets as well as charitable contributions and supporting refugees.

#### Recommendations

In response to the Russian invasion of Ukraine, CSOs should ensure their sales strategy takes steps to:

- Identify employees, partners and customers who might be directly or indirectly impacted, and provide specific, practical guidance for both those in need and those seeking to help.
- Collaborate with marketing and communications to adjust and/or pause commercial messages that may appear to either internal or external stakeholders as inappropriate, unempathetic or ill-timed.

- Size the impact on revenue from customers in affected territories and identify potential supply disruptions to mitigate impacts on sellers and customers.

## Introduction

The Russian invasion of Ukraine has disrupted lives around the world, with many seeking safety and countless others seeking information on family and loved ones in the region. In response to Russia’s aggression, companies have enacted crisis and business continuity plans to determine the safety of employees, help secure those they can and provide updates on the situation and support.

Chief sales officers (CSOs) play an important part in these efforts and in ensuring commercial efforts are aligned with the company’s broader response to the war.

**Table 1: Impact Appraisal for CSOs**

Impacts	Top Recommendations
<ul style="list-style-type: none"> <li>■ Sellers and other employees are struggling to identify if/how their execution should change as a result of the invasion as well as meaningful opportunities to help. They are turning to leadership for guidance around their targets as well as charitable contributions and supporting refugees.</li> <li>■ Russia’s invasion of Ukraine leaves sellers struggling to determine the most appropriate next action in existing and potential relationships.</li> <li>■ Supply chain disruptions and logistical challenges will impact many suppliers’ ability to deliver on orders and meet future demand.</li> </ul>	<ul style="list-style-type: none"> <li>■ Identify employees, partners and customers who might be directly or indirectly impacted, and provide specific, practical guidance for both those in need and those seeking to help.</li> <li>■ Collaborate with marketing and communications to adjust and/or pause commercial messages that may appear to either internal or external stakeholders as inappropriate, unempathetic or ill-timed.</li> <li>■ Size the impact on revenue from customers in affected territories and identify potential supply disruptions to mitigate impacts on sellers and customers.</li> </ul>

Source: Gartner

## Impacts and Recommendations

## Sellers Are Turning to Leadership for Guidance

Senior corporate leaders around the world quickly condemned Russia's invasion of Ukraine and sought to engage employees in their companies' response. These communications and efforts are ongoing as the situation continues to escalate and uncertainty remains high. Misinformation and conflicting information are rampant. CSOs must work with senior leaders to establish proactive lines of communication for providing direct, clear, consistent and up-to-date messages to employees and sales teams. CSOs should ensure sellers are receiving regular updates in two key areas.

In the first area, the CSO's primary role is to support and reinforce HR and internal communications' efforts to provide updates on directly impacted employees and build awareness of ways to indirectly but personally support ongoing humanitarian efforts.

### 1. Updates on Impacted Employees and How Sales Employees Can Help

The most important messages to keep up to date are about the safety of employees and their families in the region. By now, HR and/or communications should be providing consistent updates about impacted employees. If they haven't already, clarify with HR and legal teams what information can be shared with co-workers as colleagues are turning to senior leaders for updates.

Russia's invasion is affecting people around the world, as many employees have family or loved ones in the affected region. Sellers are turning to senior leaders for guidance around meaningful ways to help.

Two ways companies are supporting sellers and their desire to help are:

- **Facilitating and boosting donations** — Direct donations to verified charities through corporate giving programs or third-party organizations support employees' desire to help. Many companies are doubling or tripling employee donations and raising or suspending caps on donation matches.
- **Providing direct refugee support** — Some companies are also helping employees directly or indirectly provide accommodations for refugees. <sup>1</sup> In some cases, this is accompanied by dedicated job opportunities for refugees to provide some income for them.

CSOs should take an active role in reinforcing and reminding sellers about ways they can help. If sales teams feel the company isn't addressing the situation in a productive and empathetic manner, it could hurt seller motivation and engagement. In addition, remind sellers of wellness programs and benefits for mental health, as this has been a prolonged period of stress/trauma for individuals.

## 2. Updates on Commercial Operations and Sales-Specific Concerns

People cope with tragedy at different paces. As the war continues, sellers will expect updates and communication on commercial operations. Sellers are likely to expect updates in three areas:

- **Quota implications** – Some sellers are asking managers and sales leadership about implications to quota targets, particularly if customers are in the affected region.
- **Salary questions** – Uncertainty for sellers in the region is high. CSOs should consider prepaying sellers in Ukraine through the end of May to avoid potential cyberattack disruptions and remove one additional concern.
- **Client outreach** – Sellers are turning to CSOs for guidance on whether they can, or should, reach out to clients in or near the affected region.

In all cases, remember that words matter. CSOs should partner with communications for any wide-scale message because it is easy for even well-intentioned leaders to offend employees or groups of employees when emotions are high.

Sellers will continue to turn to CSOs for updates, but it is OK not to have all the answers. Authenticity is critical, and it is better to say "I don't know yet" than to give an update that may not be accurate.

### *Recommendation:*

- Identify employees, partners and customers who might be directly or indirectly impacted, and provide specific, practical guidance for both those in need and those seeking to help.

## Sellers Are Struggling to Determine the Most Appropriate Next Action

CSOs should work with marketing and communications leaders to adjust or pause commercial messaging. Today, 80% of consumers indicate a preference for buying from and into the brands and companies whose actions align with their beliefs and values. <sup>2</sup> Continuing preplanned prospecting messages and awareness campaigns during a humanitarian crisis may be perceived as unempathetic, which can be detrimental to a company's reputation and brand.

To ensure the company's public statements and commercial strategies align, sales, marketing, customer service and communications leaders should take a close look at customer-facing messages (e.g., social media, prospecting, email campaign) to identify any that might appear inappropriate or ill-timed.

CSOs should pay close attention to and create guardrails around messages crafted by sellers and/or SDR teams. Too often, these messages are created on an ad hoc or individual basis. A poorly phrased or timed email that a client finds inappropriate could quickly be posted online, leading to real reputation risk for the company that ultimately leads back to sales leaders. It is better to err on the side of caution and temporarily halt outreach than risk a poorly timed commercial message that sours clients' or prospects' perception of your company and its values.

While in many cases it is self-evident if a message should be adjusted or stopped, the following questions can help make the decision:

- Could the tone of the message be considered inappropriate or opportunistic?
  - Attention-grabbing email subject lines, jokes or metaphors that may be acceptable and successful in normal times could be deeply offensive in a crisis.
  - Just acknowledging the crisis in your commercial messages doesn't mean they are acceptable. In many cases, messages that sellers and companies intend to be empathetic come off as self-serving or inauthentic.

- How or to what extent are our products or services connected to events?
  - In some cases, products may play an important role in helping clients through current events. For example, the invasion has heightened cybersecurity concerns. In this case, rather than suspending messages, sales leaders should coordinate closely with communications and marketing to make sure sellers aren't using outdated templates or poorly phrased messages that may appear self-serving.
- Are competitors suspending or adjusting their commercial outreach?

When in doubt, CSOs should err on pausing or revising commercial messages. Suspending or pausing commercial activity is never a decision commercial leaders make lightly. Ultimately, the decision of whether to suspend commercial outreach will depend heavily on the company's values, region and industry. Given the fluidity of events, regularly revisit the decision to suspend commercial messages with cross-functional partners in marketing and communications. Any pauses should be proactively communicated to sellers directly from the head of sales and followed up by their direct manager.

*Recommendation:*

- Collaborate with marketing and communications to adjust and/or pause commercial messages that may appear to either internal or external stakeholders as inappropriate, unempathetic or ill-timed.

## Supply Chain Disruptions Will Impact Many Commercial Relationships

The Russian invasion of Ukraine will exacerbate existing and create new supply chain and logistical disruptions. The effects could be compounded by sanctions limiting suppliers' ability to do business directly and indirectly with Russian organizations.

CSOs should work with supply chain leaders to locate and quantify all product inventories, then conduct a vulnerability assessment and create scenario plans to assess potential impacts (see Supply Chain Brief: Risks of Growing Russian-Ukrainian Tensions Put Global Supply Chains on High Alert). Working with supply chain leaders, CSOs should use scenario plans to assess the potential impacts to sales channels, indirect partners and inventory levels and estimate the company's ability to meet current and future demand. Specific questions to address include:

- What will we do if our inventory is destroyed, damaged or stolen during transit?
- How could cyberattacks impact commercial operations?
- What exposure do we have through channel partners, vendors, resellers or affiliates?
- Do we need to stand up new selling channels to reach our clients?
- What are the long-term impacts of sanctions to our operations in Russia?

Semiconductors are currently a key area of concern for global supply chains. Our supply chain research highlights three ways the Russian invasion of Ukraine could exacerbate already stressed semiconductor supply chains (For more information on the impacts to the semiconductor industry, see [Market Impact: Russian Invasion of Ukraine Will Disrupt Semiconductor Market Dynamics](#). A separate subscription may be required.):

1. **Raw material shortages** — This war could lead to a disrupted supply of raw materials from Ukraine, such as highly purified neon that is critical for lasers to manufacture microchips, as well as palladium from Russia that is essential for memory, sensor chips and packaging.
2. **Panic buying** — Rapid demand increase could lead to depleted inventories from final products to n-tier materials, causing shortages and price hikes.
3. **Sanction-caused imbalances** — New sanctions could disrupt demand, resulting in imbalances to supply chains that may spill over into planning and capacity management, as well as capacity investments right when semiconductor investments are in high gear.

Sales teams will likely feel the impact of supply chain and logistics disruptions today and in the months ahead. Specifically, three types of delays are increasingly likely:

1. **Product delays** — Semiconductor, hydrocarbons, metals and minerals are most likely to be impacted. Supply chains were already stressed due to the ongoing pandemic, and for some materials, this could be a tipping point. In addition, European-Asian supply lines could experience disruptions as land-based cargo that traditionally travels via train through Russia is rerouted to sea.



2. **Purchase delays** – With high levels of uncertainty, some customers will opt to enact spending freezes or pauses. In these cases, sellers should continue to work with the clients and help them make sense of the uncertain environment and be ready when the purchase resumes.
3. **Project delays** – Programming and product teams may have employees located in Ukraine who are directly impacted.

While there are few supply chain disruptions a CSO can stop, well-developed plans can mitigate the impact of disruptions and enable sales teams to quickly adjust as necessary and keep clients up to date.

The three immediate actions highlighted here are a first step to stabilizing the sales organization after the war's onset. Once stabilized, CSOs must address revenue management and sales compensation.

#### *Recommendation:*

- Size the impact on revenue from customers in affected territories and identify potential supply disruptions to mitigate impacts on sellers and customers.

## Evidence

<sup>1</sup> Factbox: European and U.S. Companies Mobilize to Help Ukrainians Fleeing War, Reuters.

<sup>2</sup> Me, My Life, My Wallet, KPMG.

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## Recommended by the Author

Some documents may not be available as part of your current Gartner subscription.

Responding to the Russian Invasion of Ukraine

Toolkit: Cybersecurity Incident Response Plan

Supply Chain Podcast: Russian Invasion of Ukraine – How CSCOs Should Respond to Risk With Koray Kose

Manage Risk in Crisis-Driven Decisions From Response Through Recovery

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