SALES MANAGEMENT ASSOCIATION

Research First Look: Sales Force Digitization Trends

13 March 2020

Presented by

Bob Kelly
Chairman
Sales Management Association
rjkelly@salesmanagement.org

About The Sales Management Association

A global, cross-industry professional association for sales operations and sales management.

Focused in providing research, case studies, training, peer networking, and professional development to our membership.

Fostering a community of thought-leaders, service providers, academics, and practitioners.

www.salesmanagement.org

www.salesmanagementconference.com

Today's Speaker

Bob Kelly

Chairman

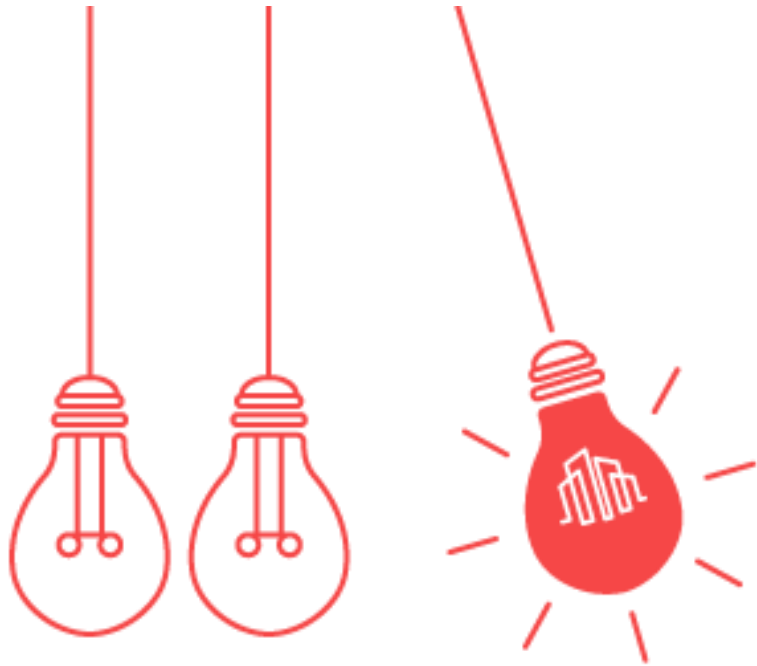Sales Management Association

rjkelly@salesmanagement.org

3

Please Contribute

https://salesmanagement.org/open-research-initiatives/

About the Research

About the Research

Sales forces are busy digitizing their assets, processes, and business practices. This research examines

- the impact of these efforts on buyer/seller interactions,

- management's challenges and improvement priorities in digitization efforts, and

- the business impact of digitization

Respondents

FIG 6.1. RESPONDENTS' JOB ROLE

PERCENTAGE DISTRIBUTION OF RESPONDENTS

SENIOR SALES LEADER
31%

SALES OPERATIONS, EFFECTIVENESS, SUPPORT
53%

FIRST LINE SALES MANAGER
12%

MANAGER NON-SALES
3%

N= 58
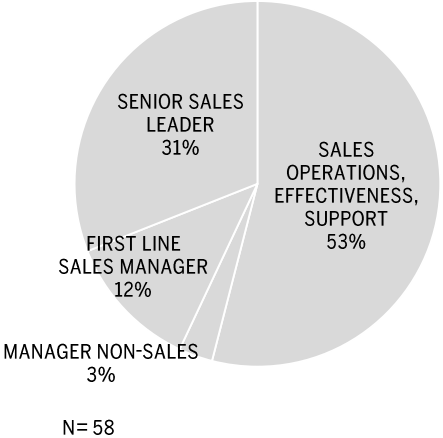
FIG 6.2. RESPONDENTS' FIRM REVENUE, US$MILLIONS

PERCENTAGE DISTRIBUTION OF RESPONDENTS

1 TO 9.9
9%

MORE THAN 10,000
16%

10 TO 99.9
19%

1,000 TO 10,000
29%

100 TO 249
5%

250 TO 999
22%

N= 58
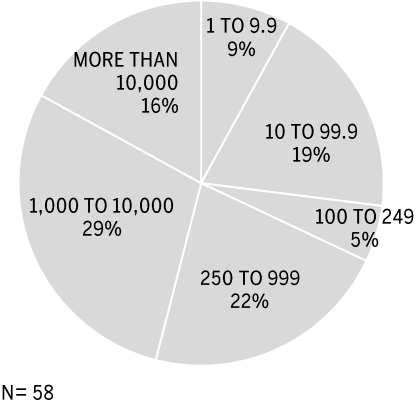
Digitization's Importance

Importance of Future Digitization Efforts

FIG 1.1. IMPORTANCE OF DIGITATION EFFORTS OVER THE NEXT THREE YEARS

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT

91%

93%

DIGITIZING KEY ASPECTS OF BUYER
SELLER INTERACTIONS

AUTOMATING SELLING ACTIVITIES
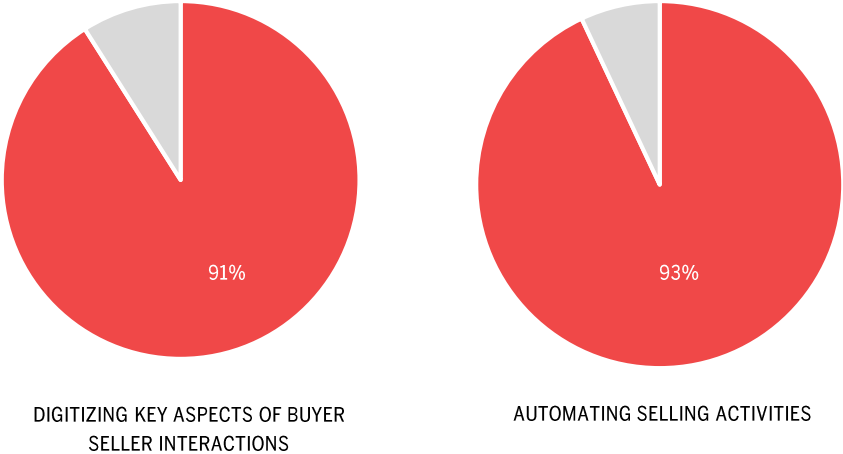
N= 54

Effectiveness of Prior Digitization Efforts

FIG 1.2. EFFECTIVENESS OVER THE PAST THREE YEARS OF DIGITATION EFFORTS

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT

30%

DIGITIZING KEY ASPECTS OF BUYER
SELLER INTERACTIONS

29%

AUTOMATING SELLING ACTIVITIES

N= 54

Sales Force Characteristics and Their Impact on Digitization Success

Supporting Sales Interactions, Firm Characteristics
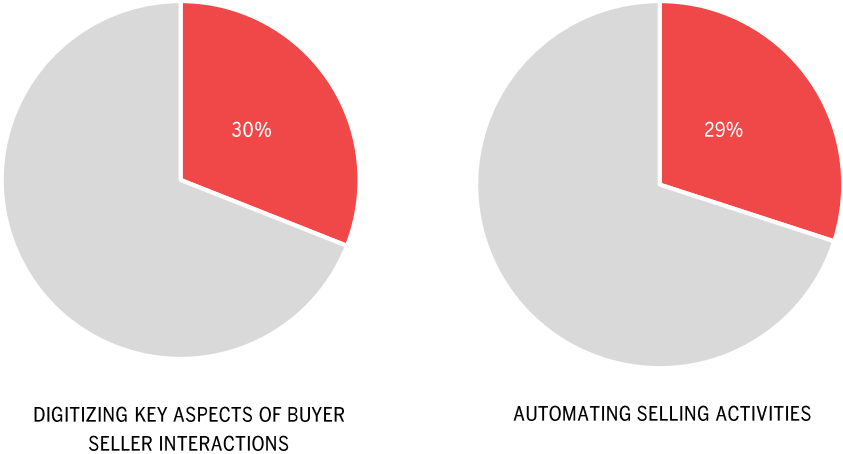
FIG 2.1. SUPPORTING SALES INTERACTIONS, FIRM CHARACTERISTICS

PERCENTAGE DISTRIBUTION OF FIRMS

☐ AGREE   ☐ NEUTRAL   🟥 DISAGREE

	ASSIGNS A RESPONSIBLE FUNCTION OR PERSON FOR SALES FORCE SUPPORT, EFFICIENCY	SALES APPROACHES ARE PROCESS BASED	REGULARLY ASSESSES SALESPERSON ACTIVITY TO IDENTIFY EFFICIENCY IMPROVEMENT OPPORTUNITIES	COLLECTS CUSTOMER FEEDBACK FOR THE PURPOSE OF IMPROVING EFFICIENCY IN CUSTOMER INTERACTIONS
DISAGREE	31%	33%	38%	41%
NEUTRAL	7%	9%	12%	19%
AGREE	63%	59%	50%	40%
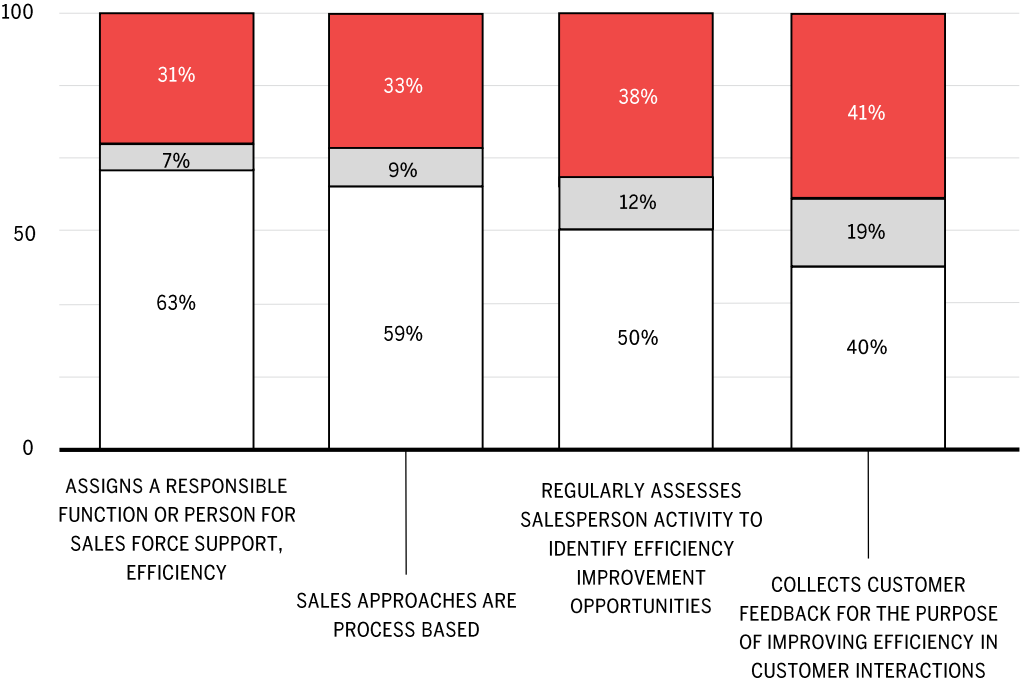
SALESPERSON DEVELOPMENT PROGRAM CHARACTERISTICS

N = 58 FIRMS

Impact of Sales Force Characteristics on Effectiveness in Digitizing Sales

FIGURE 2.2. IMPACT OF SALES FORCE CHARACTERISTICS ON EFFECTIVENESS IN DIGITIZING SALES

EFFECTIVENESS IN DIGITIZING BUYER/SELLER INTERACTIONS OVER PAST THREE YEARS

SALES ORGANIZATION CHARACTERISTIC

N= 54 FIRMS

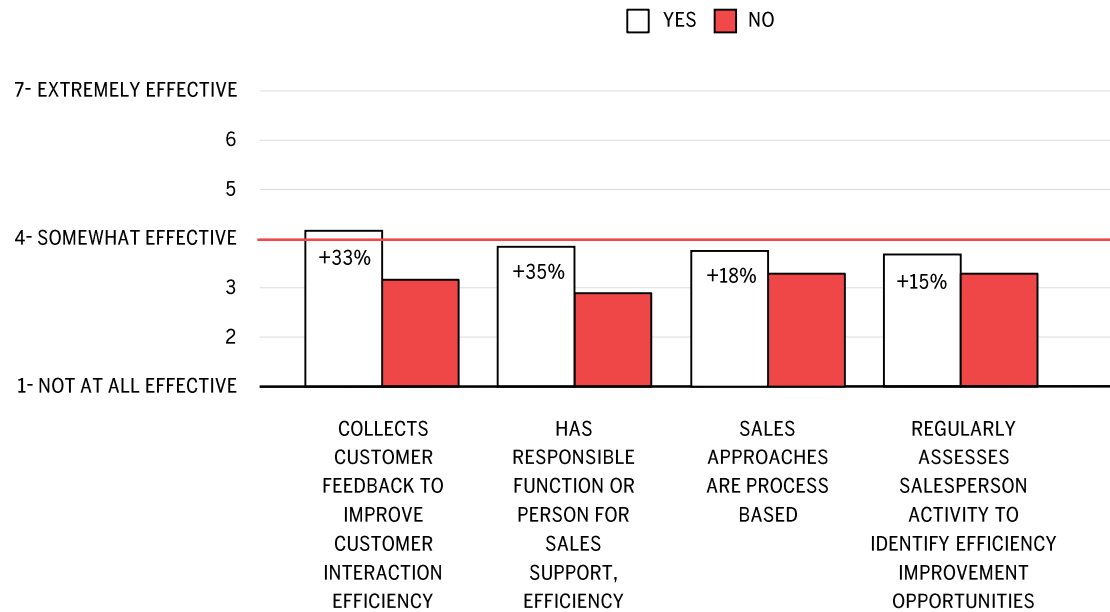# Impact of Sales Force Characteristics on Effectiveness in Digitizing Sales

FIGURE 2.3. IMPACT OF SALES FORCE CHARACTERISTICS ON EFFECTIVENESS IN DIGITIZING SALES

EFFECTIVENESS IN DIGITIZING BUYER/SELLER INTERACTIONS OVER PAST THREE YEARS

☐ BOTH   ■ NEITHER

7- EXTREMELY EFFECTIVE
6
5
4- SOMEWHAT EFFECTIVE
3
2
1- NOT AT ALL EFFECTIVE

+77%

COLLECTS CUSTOMER FEEDBACK TO IMPROVE CUSTOMER INTERACTION EFFICIENCY

+

HAS RESPONSIBLE FUNCTION OR PERSON FOR SALES SUPPORT, EFFICIENCY

SALES ORGANIZATION CHARACTERISTIC

N= 54 FIRMS
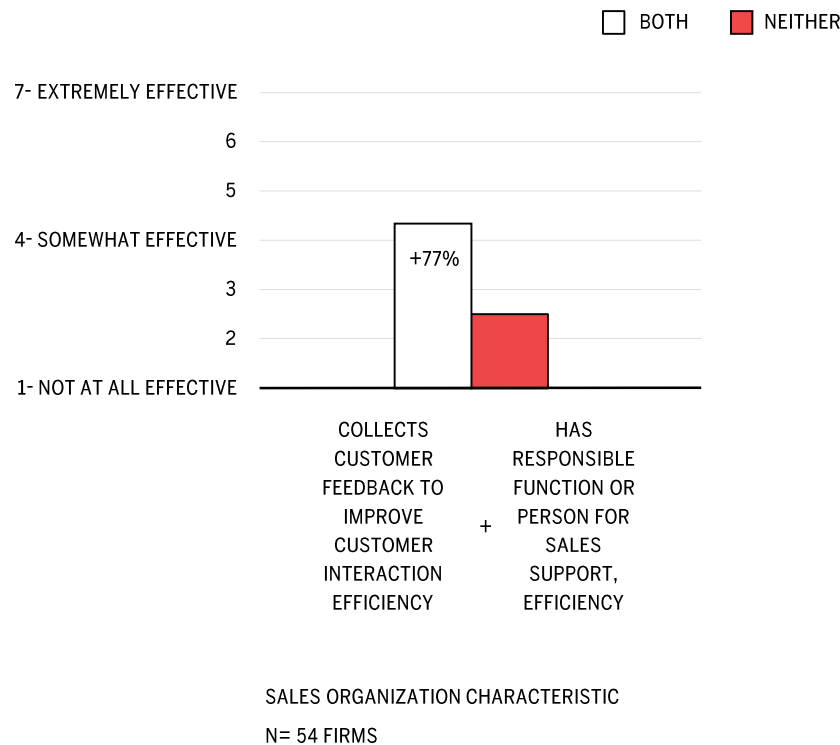
Digitization Objectives and Outcomes

Importance of Digitization Objectives

FIG 3.1. IMPORTANCE RATINGS OF DIGITIZATION OBJECTIVES

PERCENTAGE OF TOTAL SALESPERSON TIME

Objective	Rating
ENHANCING PRODUCTIVITY	5.9
RESPONDING TO BUYERS' PREFERENCES	5.7
IMPROVING QUALITY	5.5
SAVING TIME TO REALLOCATE TO OTHER TASKS	5.4
COMPLETING TASKS FASTER	5.4
REDUCING SELLING COSTS	4.8
RESPONDING TO COMPETITORS' EFFORTS	4.6

1	4	7
NOT AT ALL	SOMEWHAT	EXTREMELY

AVERAGE RATED IMPORTANCE

N= 58
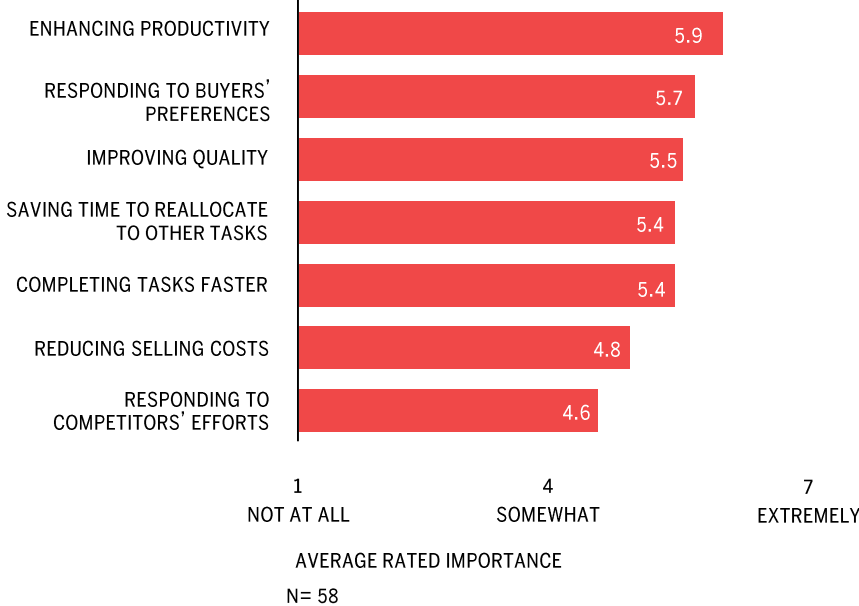
Impact of Digitization

FIG 3.2. SALES DIGITIZATION'S IMPACT ON SALES FORCE RESPONSIVENESS

AVERAGE RATINGS OF SALES FORCE RESPONSIVENESS

◻ NOT EFFECTIVE IN DIGITIZING BUYER SELLER INTERACTIONS OVER THE PAST 3 YEARS

RESPONDING TO NEW CUSTOMERS' REQUESTS FOR A SALESPERSON	4.0
PROVIDING A DETAILED QUOTE	3.7
PREPARING AN AGREEMENT	3.7
ERROR FREE DOCUMENTS	3.7
RESPONDING TO OTHER SALESPERSON REQUESTS	3.6
APPROVING NON STANDARD REQUESTS	3.4
QUICKLY COMPLETING TRANSACTIONS	3.3
REDUCING ADMINISTRATIVE BOTTLENECKS	2.8

1   2   3   4   5   6   7

FAR BELOW   MEETS   FAR EXCEEDS
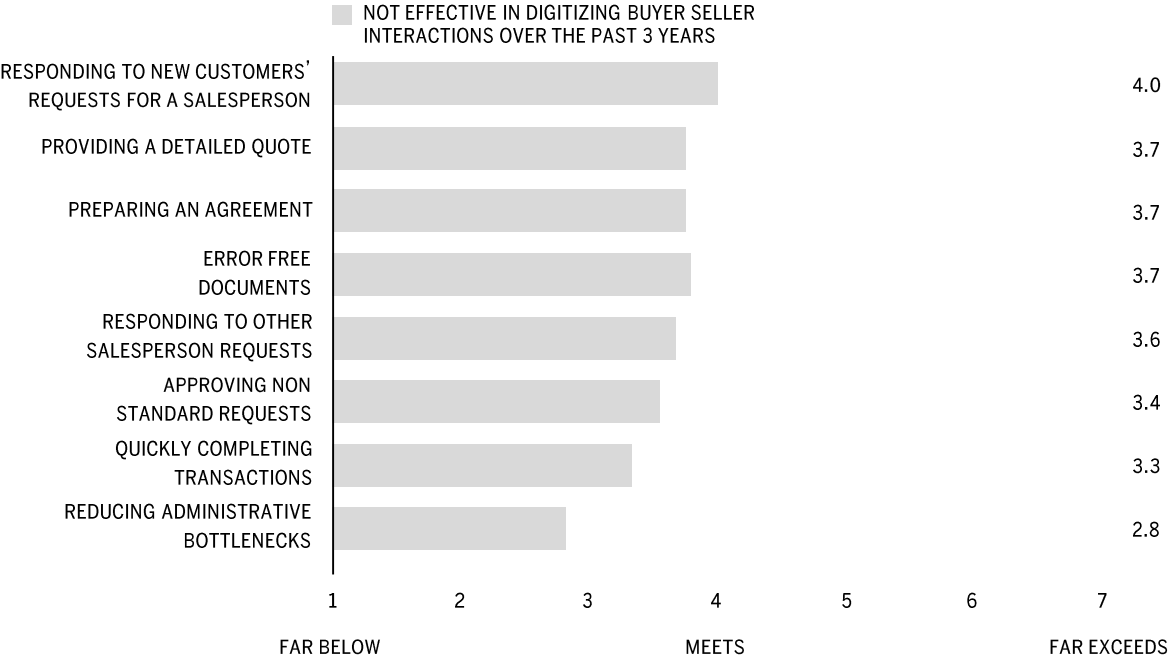
SALES FORCE RESPONSIVENESS AS A FUNCTION OF BUYERS' EXPECTATIONS

N= 54

Impact of Digitization

FIG 3.3. SALES DIGITIZATION'S IMPACT ON SALES FORCE RESPONSIVENESS

AVERAGE RATINGS OF SALES FORCE RESPONSIVENESS

NOT EFFECTIVE IN DIGITIZING BUYER SELLER INTERACTIONS OVER THE PAST 3 YEARS
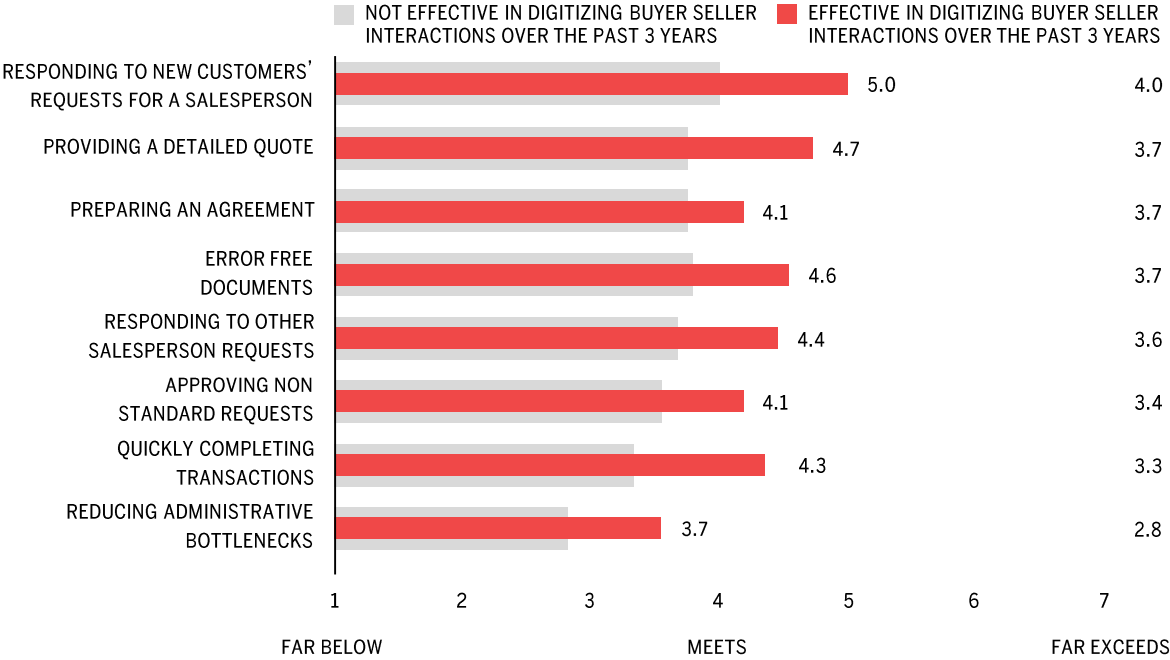
EFFECTIVE IN DIGITIZING BUYER SELLER INTERACTIONS OVER THE PAST 3 YEARS

	Effective	Not Effective
RESPONDING TO NEW CUSTOMERS' REQUESTS FOR A SALESPERSON	5.0	4.0
PROVIDING A DETAILED QUOTE	4.7	3.7
PREPARING AN AGREEMENT	4.1	3.7
ERROR FREE DOCUMENTS	4.6	3.7
RESPONDING TO OTHER SALESPERSON REQUESTS	4.4	3.6
APPROVING NON STANDARD REQUESTS	4.1	3.4
QUICKLY COMPLETING TRANSACTIONS	4.3	3.3
REDUCING ADMINISTRATIVE BOTTLENECKS	3.7	2.8

1   2   3   4   5   6   7

FAR BELOW   MEETS   FAR EXCEEDS

SALES FORCE RESPONSIVENESS AS A FUNCTION OF BUYERS' EXPECTATIONS
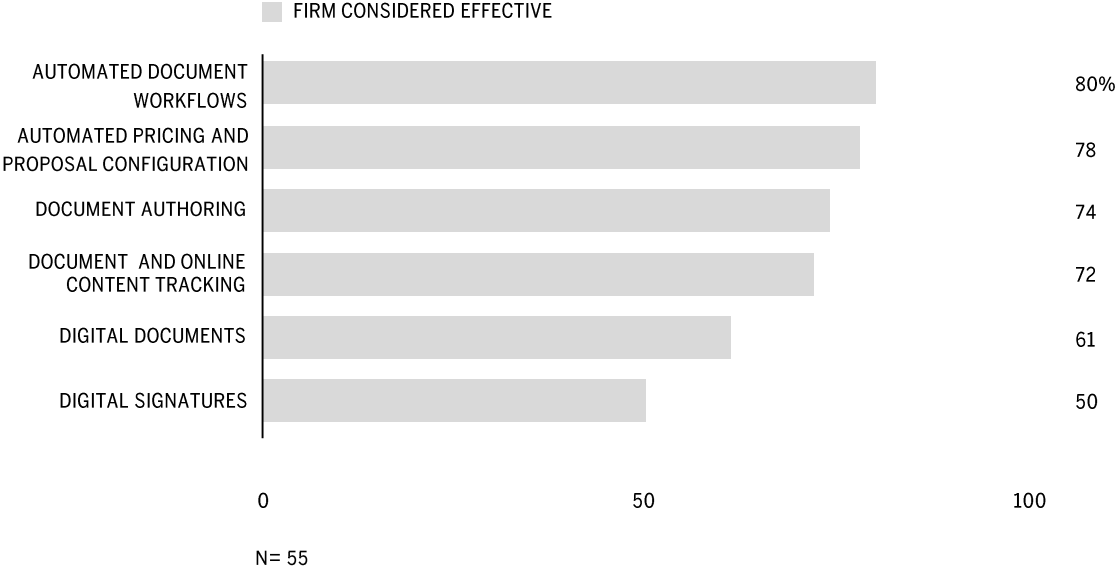
N= 54

Selected Tactical Priorities

Importance of Digitalization Outcomes

FIG 4.1. SALES ORGANIZATION IMPORTANCE AND EFFECTIVENESS IN DIGITAL CAPABILITIES

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT, ARE EFFECTIVE

▢ FIRM CONSIDERED EFFECTIVE

AUTOMATED DOCUMENT WORKFLOWS	80%
AUTOMATED PRICING AND PROPOSAL CONFIGURATION	78
DOCUMENT AUTHORING	74
DOCUMENT AND ONLINE CONTENT TRACKING	72
DIGITAL DOCUMENTS	61
DIGITAL SIGNATURES	50

0   50   100

N= 55

Importance of Digitalization Outcomes Compared with Firms' Effectiveness

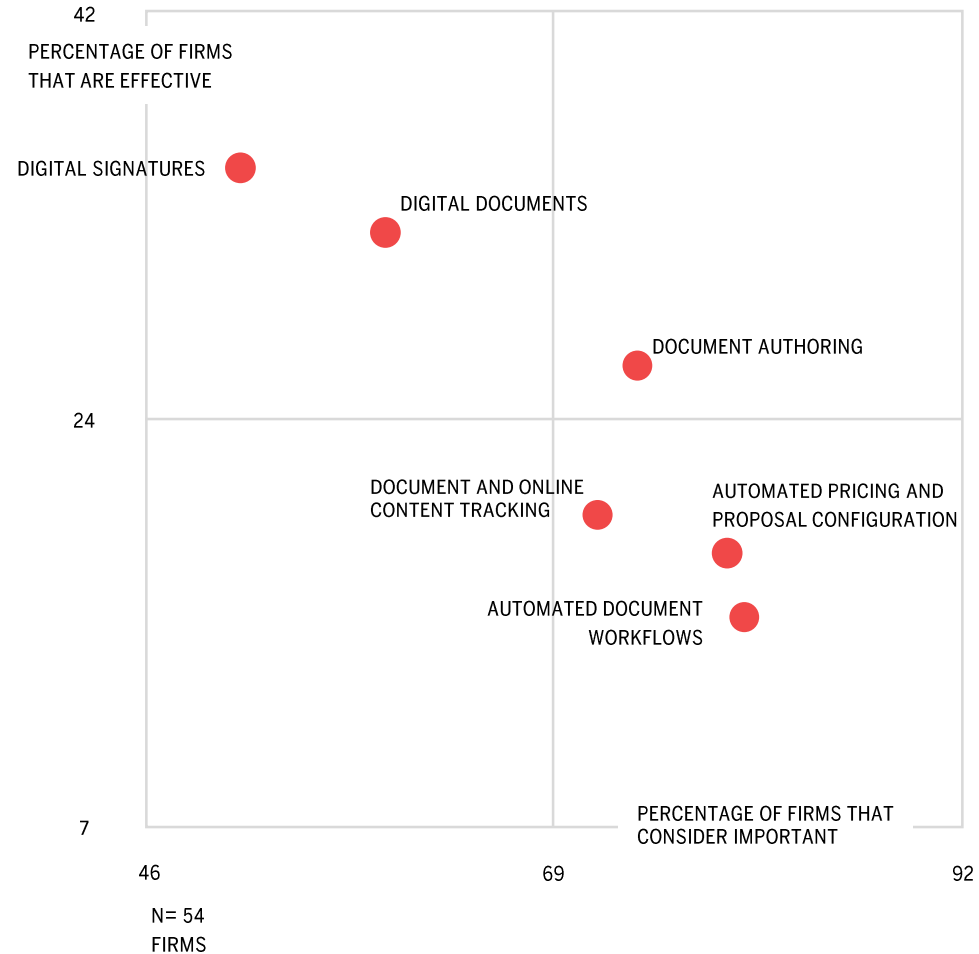FIG 4.2. SALES ORGANIZATION IMPORTANCE AND EFFECTIVENESS IN DIGITAL CAPABILITIES

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT, ARE EFFECTIVE

Legend: FIRM CONSIDERED EFFECTIVE   FIRM EFFECTIVENESS

Capability	FIRM EFFECTIVENESS	FIRM CONSIDERED EFFECTIVE
AUTOMATED DOCUMENT WORKFLOWS	15%	80%
AUTOMATED PRICING AND PROPOSAL CONFIGURATION	17	78
DOCUMENT AUTHORING	26	74
DOCUMENT AND ONLINE CONTENT TRACKING	19	72
DIGITAL DOCUMENTS	33	61
DIGITAL SIGNATURES	36	50

Axis: 0   50   100

N= 55
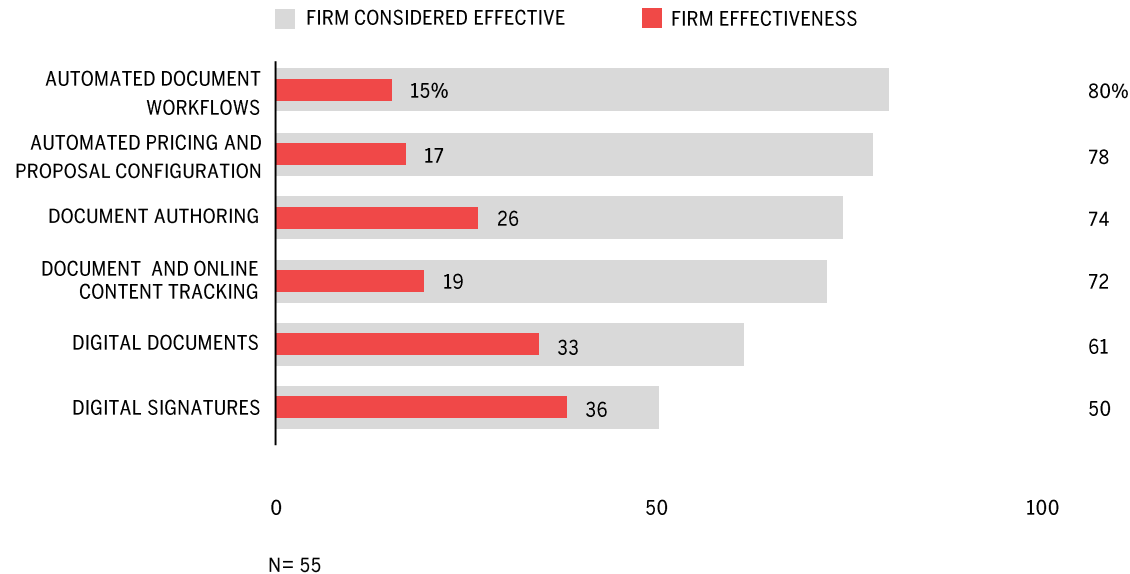
Importance of Digitalization Outcomes Compared with Firms' Effectiveness

FIG. A.2.2. FACTORS AFFECTING ANNUAL MEETING SUCCESS

PERCENTAGE OF FIRMS THAT CONSIDER FACTOR IMPORTANT, CONSIDER THEIR FIRM EFFECTIVE. AXIS MIDPOINT FORCED TO MEAN VALUE.

PERCENTAGE OF FIRMS THAT ARE EFFECTIVE

42

24

7

DIGITAL SIGNATURES

DIGITAL DOCUMENTS

DOCUMENT AUTHORING

DOCUMENT AND ONLINE CONTENT TRACKING

AUTOMATED PRICING AND PROPOSAL CONFIGURATION

AUTOMATED DOCUMENT WORKFLOWS

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT
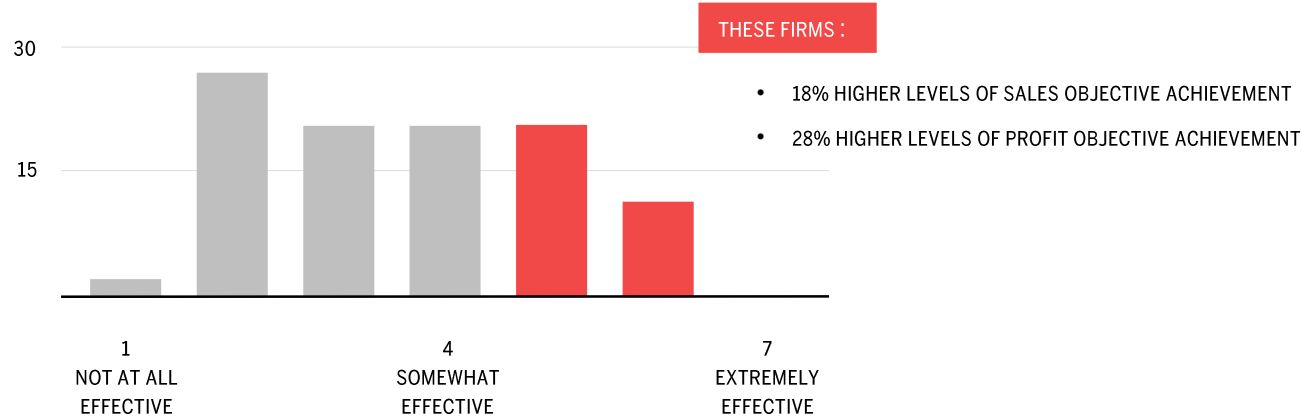
46   69   92

N= 54 FIRMS

Business Outcomes

Digitization's Business Impact

FIG 9. EFFECTIVENESS IN DIGITIZING KEY ASPECTS OF BUYER SELLER INTERACTIONS

PERCENTAGE DISTRIBUTION OF RESPONSES

THESE FIRMS :

- 18% HIGHER LEVELS OF SALES OBJECTIVE ACHIEVEMENT
- 28% HIGHER LEVELS OF PROFIT OBJECTIVE ACHIEVEMENT

EFFECTIVENESS IN DIGITIZING KEY ASPECTS OF BUYER SELLER INTERACTIONS, PAST 3 YEARS
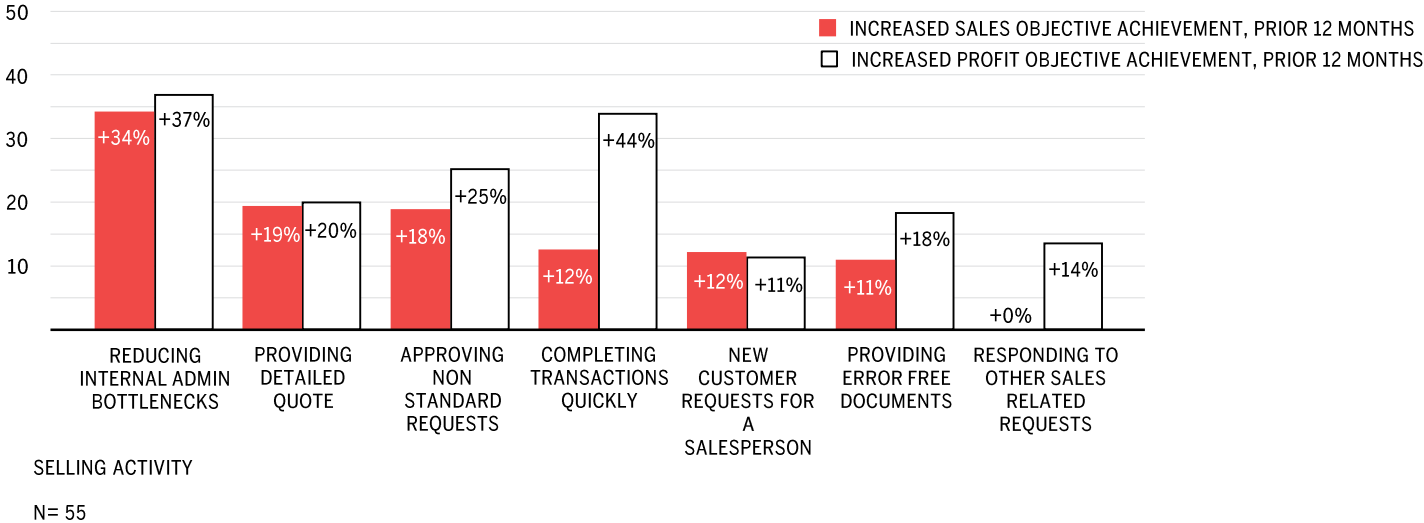
N= 54

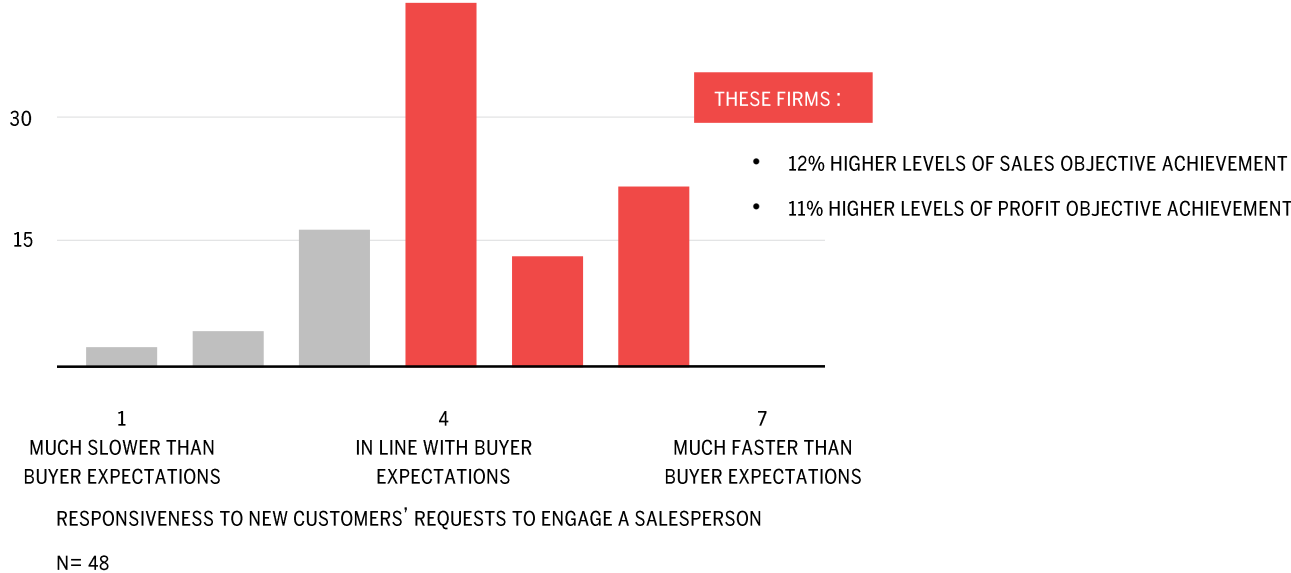# Performance Improvement Correlated with Customer Responsiveness

FIG. 14. VARIANCE IN PERFORMANCE OF FIRMS RESPONSIVE IN MEETING BUYER EXPECTATIONS

AVERAGE DIFFERENCE IN SALES AND PROFIT QUOTA ACHIEVEMENT AMONG FIRMS MEETING OR EXCEEDING BUYER EXPECTATIONS

Legend:
- ■ INCREASED SALES OBJECTIVE ACHIEVEMENT, PRIOR 12 MONTHS
- □ INCREASED PROFIT OBJECTIVE ACHIEVEMENT, PRIOR 12 MONTHS

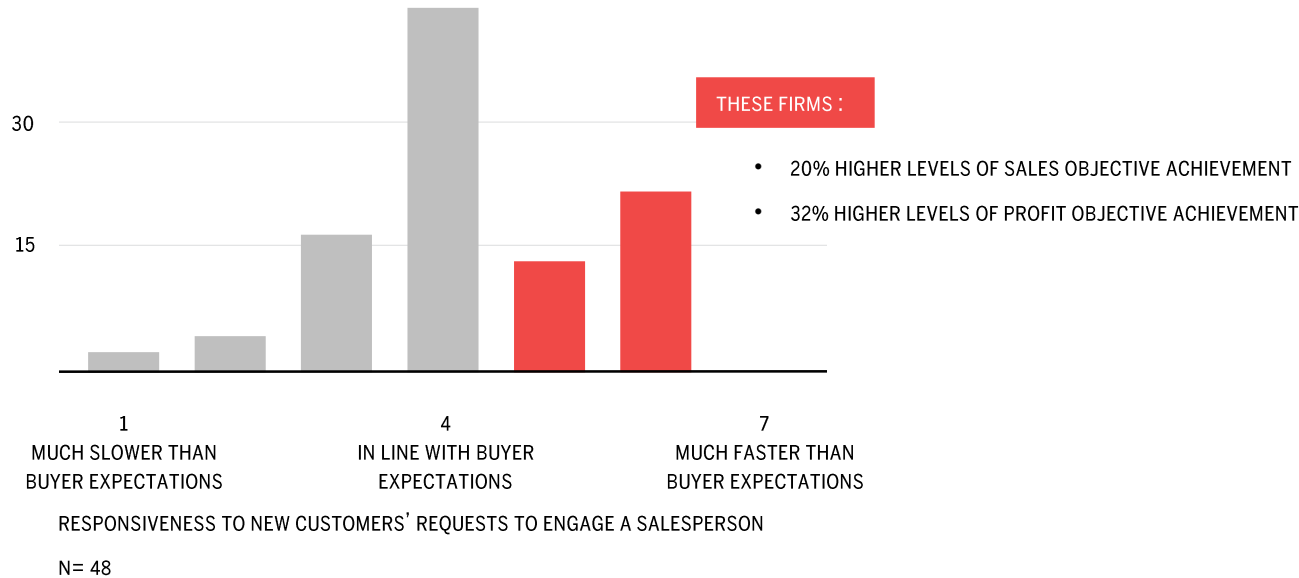| SELLING ACTIVITY	Increased Sales	Increased Profit
REDUCING INTERNAL ADMIN BOTTLENECKS	+34%	+37%
PROVIDING DETAILED QUOTE	+19%	+20%
APPROVING NON STANDARD REQUESTS	+18%	+25%
COMPLETING TRANSACTIONS QUICKLY	+12%	+44%
NEW CUSTOMER REQUESTS FOR A SALESPERSON	+12%	+11%
PROVIDING ERROR FREE DOCUMENTS	+11%	+18%
RESPONDING TO OTHER SALES RELATED REQUESTS	+0%	+14%

N= 55

Speed Kills (Competitors)

FIG 5.3.1. RESPONSIVENESS IN RESPONDING TO NEW CUSTOMERS' REQUESTS TO ENGAGE SALESPERSON

PERCENTAGE DISTRIBUTION OF RESPONSES

THESE FIRMS :

- 12% HIGHER LEVELS OF SALES OBJECTIVE ACHIEVEMENT
- 11% HIGHER LEVELS OF PROFIT OBJECTIVE ACHIEVEMENT

30

15

| 1 | 4 | 7 |
| MUCH SLOWER THAN BUYER EXPECTATIONS | IN LINE WITH BUYER EXPECTATIONS | MUCH FASTER THAN BUYER EXPECTATIONS |

RESPONSIVENESS TO NEW CUSTOMERS' REQUESTS TO ENGAGE A SALESPERSON

N= 48

Faster, Pussycat

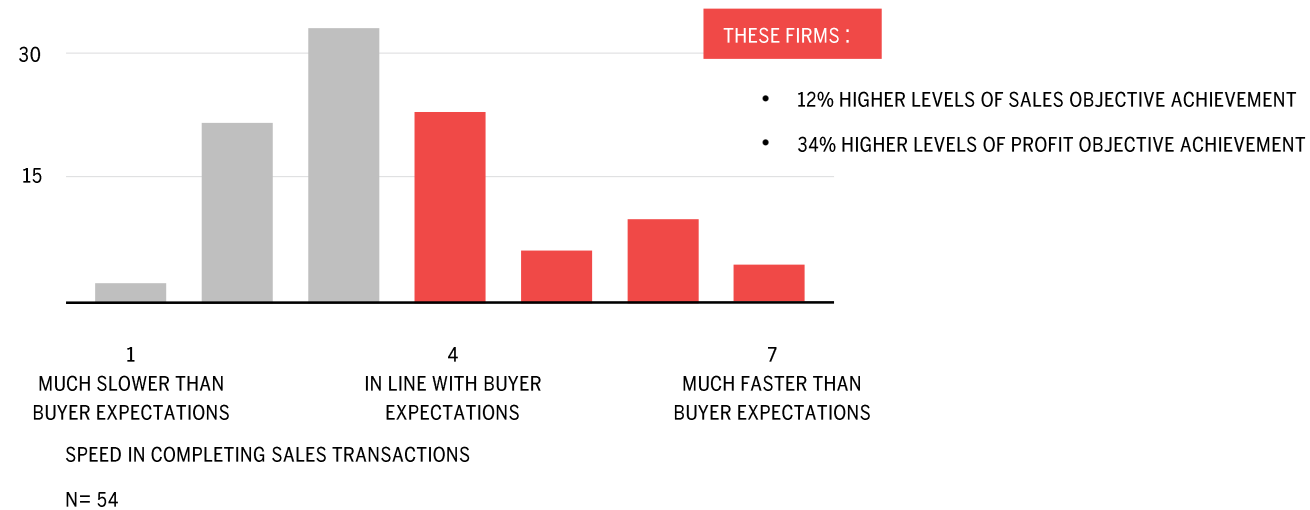FIG 5.3.2. RESPONSIVENESS IN RESPONDING TO NEW CUSTOMERS' REQUESTS TO ENGAGE SALESPERSON

PERCENTAGE DISTRIBUTION OF RESPONSES

THESE FIRMS :

- 20% HIGHER LEVELS OF SALES OBJECTIVE ACHIEVEMENT
- 32% HIGHER LEVELS OF PROFIT OBJECTIVE ACHIEVEMENT

30

15

1
MUCH SLOWER THAN
BUYER EXPECTATIONS

4
IN LINE WITH BUYER
EXPECTATIONS

7
MUCH FASTER THAN
BUYER EXPECTATIONS

RESPONSIVENESS TO NEW CUSTOMERS' REQUESTS TO ENGAGE A SALESPERSON

N= 48

Transaction Speed Responsiveness Correlated with Sales and Profit Objective Achievement
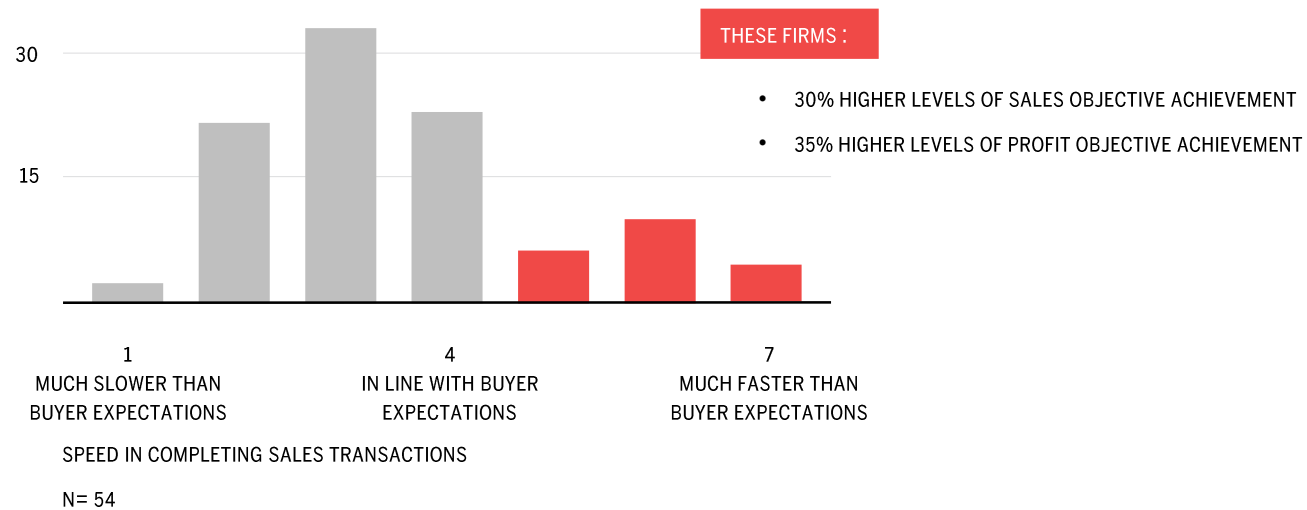
FIG 5.4.1. SPEED IN COMPLETING SALES TRANSACTIONS

PERCENTAGE DISTRIBUTION OF RESPONSES

THESE FIRMS :

- 12% HIGHER LEVELS OF SALES OBJECTIVE ACHIEVEMENT
- 34% HIGHER LEVELS OF PROFIT OBJECTIVE ACHIEVEMENT

1
MUCH SLOWER THAN
BUYER EXPECTATIONS

4
IN LINE WITH BUYER
EXPECTATIONS

7
MUCH FASTER THAN
BUYER EXPECTATIONS

SPEED IN COMPLETING SALES TRANSACTIONS

N= 54

Transaction Speed Responsiveness Correlated with Sales and Profit Objective Achievement

FIG 5.4.2. SPEED IN COMPLETING SALES TRANSACTIONS

PERCENTAGE DISTRIBUTION OF RESPONSES

THESE FIRMS :

- 30% HIGHER LEVELS OF SALES OBJECTIVE ACHIEVEMENT
- 35% HIGHER LEVELS OF PROFIT OBJECTIVE ACHIEVEMENT

1	4	7
MUCH SLOWER THAN BUYER EXPECTATIONS	IN LINE WITH BUYER EXPECTATIONS	MUCH FASTER THAN BUYER EXPECTATIONS

SPEED IN COMPLETING SALES TRANSACTIONS

N= 54

Summary Observations

Summary Observations

- Effective digitization efforts correlate with substantial performance advantages: 18% higher rates of sales objective achievement, 26% higher rates of profit objective achievement.

- Similarly, improving customer responsiveness profoundly impacts both sales and profit productivity. Firms enjoy performance advantages for meeting customer expectations, and significant additional advantages for exceeding them.

Summary Observations

- Incorporating customer input is a requirement for improving buyer/seller interactions as part of a digitization effort

- Assigning accountability (person, function) also improves success rates, especially if combined with above.

- Digitization efforts of past three years have focused on improving responsiveness, quality, and sales productivity rather than cost advantages or competitive reaction.

Summary Observations

- Effective digitization initiatives are profoundly impacting customer responsiveness and sales productivity. Evidence suggests that most firms can not reach acceptable levels of customer responsiveness without digitization.

- Firms' effectiveness in digitizing customer documents and document related workflows lags well behind the acknowledged importance of these capabilities.

Summary Observations

- The most critical improvement priorities: automating pricing and proposals, tracking online document activity, and automating document workflows.

Your Questions

Bob Kelly

Chairman

Sales Management Association

rjkelly@salesmanagement.org

Did we run out of time before we got
to your question?

Presenters can follow-up with you via
email. Feel free to submit more questions
if you'd like an offline response.

SALES MANAGEMENT ASSOCIATION

Thank You