



2019 STATE OF SALES FOR SMALL TO
MID-SIZE BUSINESSES

Measurement and Tracking Tools: How well are businesses implementing these vital assets?



Table of Contents

| | |
|---|--------------|
| Chapter 1: Overview | 3 |
| Chapter 2: Setting Goals | 4-5 |
| Chapter 3: Defining Clear Measurements | 6-7 |
| Chapter 4: Using CRM | 8-9 |
| Chapter 5: Reporting | 10-12 |

Chapter 1: Overview

Vast Majority of Small to Mid-Size Businesses are Not Clear on Goals- They Don't Use Metrics and Tools to Track Sales

Throughout decades of experience consulting small businesses and mid-sized corporations on how to launch or expand their sales operations to drive revenue growth, Sales Xceleration consistently advises our clients on these first steps toward success:

- Set clear goals
- Define what you're measuring
- Use tracking tools to measure what's happening at each step in the sales process and reporting tools to inform the sales team and other stakeholders

We recently reviewed data sets from over 933 completed Sales Xceleration Sales Agility Assessments – and what they told us about their respective companies reaffirms the importance of our three-pronged approach.

Establishing goals, defining measurements and implementing tracking tools are at the heart of gaining insights into customers and prospects. For purposes of this discussion, we focus narrowly on how businesses manage in these areas. How well a business understands and handles the individuals inside its organization is the subject of future eBooks.

KEY FINDINGS

76%

Goals remain murky

Three out of four respondents (76%) scored their organization as Poor/Below Average on an overall understanding of their company's sales goals.

76%

Metrics often go undefined

Asked if metrics are clearly defined and understood by the entire sales team, three out of four respondents (76%) scored their organization Poor/Below Average. Moreover, one in every three persons (34%) said their company hasn't even created sales metrics.

62%

Tracking and reporting tools frequently aren't used to their full potential

When it comes to providing the entire organization real time insight into current sales performance, more than three out of five respondents (62%) scored the company's efforts Poor/Below Average.



Chapter 2: Setting Goals

It's a constant loop. Setting sales goals, forecasting, reviewing numbers, re-forecasting and setting sales goals all over again.

What small to mid-size businesses tell us about setting goals through the Sales Agility Assessment is this: About one-quarter of businesses embrace hard numbers – and the rest don't.

One in Ten Businesses Do Not Set Annual Sales Goals

12% report that there are no sales goals set for their team. And three out of four businesses (76%) score Poor/Below Average when it comes to addressing annual sales goals.

Further, even if a company has set goals, scores may weigh negatively by not writing goals down or assigning an arbitrary year-over-year increase that is not based on key metrics.

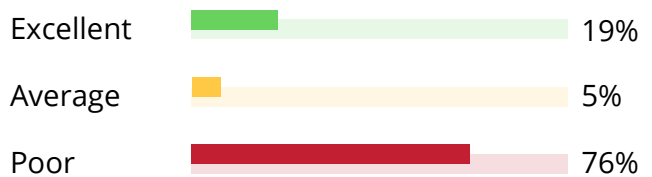
On the bright side, though still a small number, 19% of firms overall scored in the Excellent range,

meaning they have a goal and it's broken down by product/industry/account.

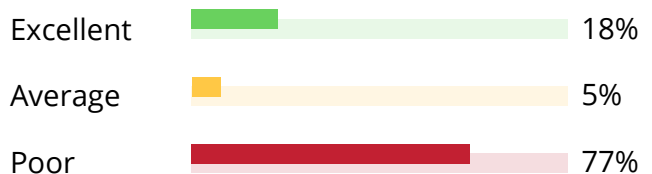
Should anyone doubt that setting goals is Priority #1, let's look at the correlation between how well businesses do at assigning sales goals and how well they meet their forecasts.

Setting Goals Aligns with Performance

How well company performs at setting clear goals



How well company's past 12 month's sales compared to last year and to forecast



Who is Setting Clear Goals?

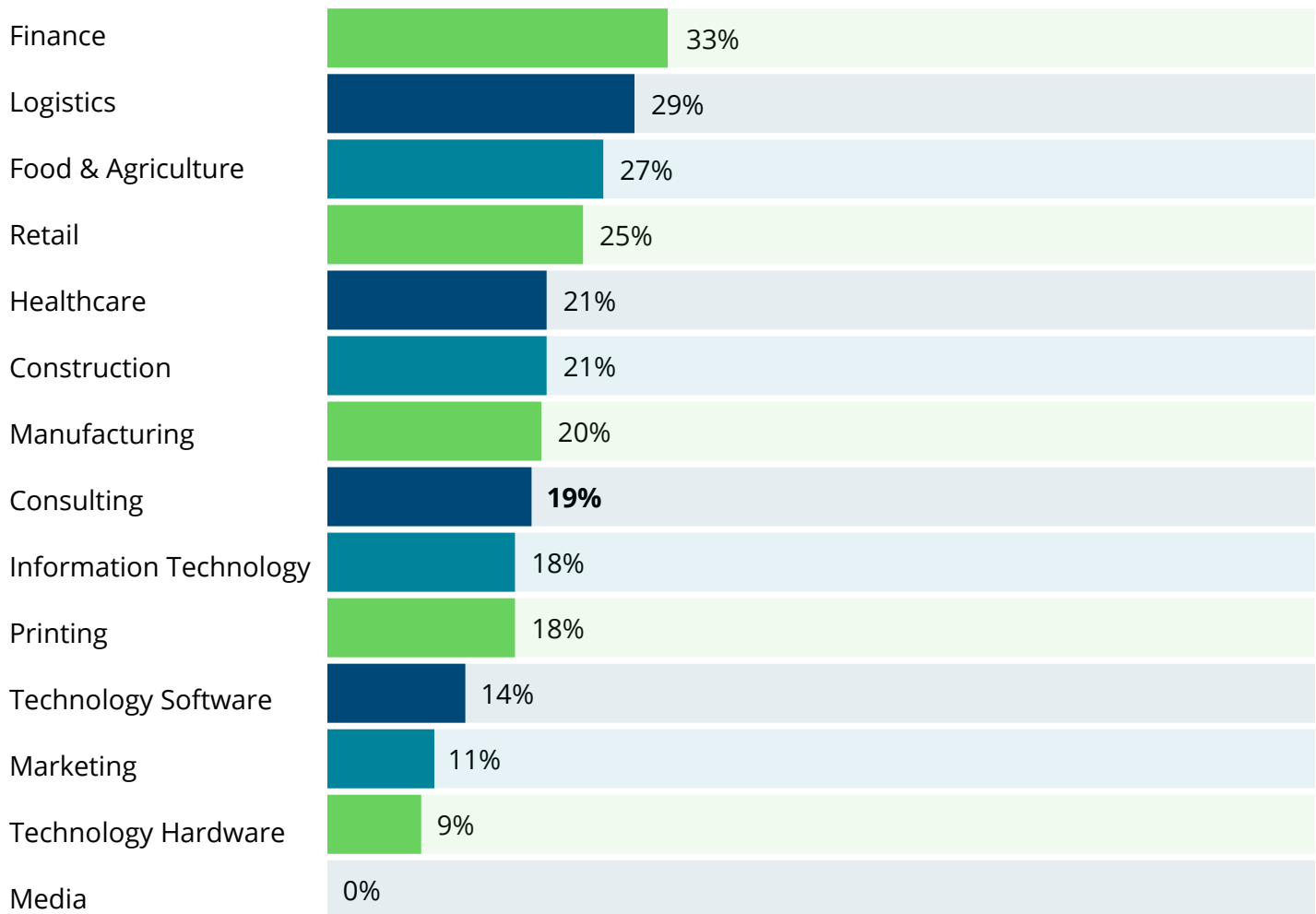
On an industry level, we see many with significant tenure score high in addressing goals. Perhaps it's experience that drives their attention to identifying firm, accurate and realistic numbers. Or maybe there is something unique about the Finance, Logistics, Food & Agriculture and Retail industries that allows for this greater clarity and accuracy.

At any rate, businesses in these industries are doing a good job of establishing annual sales

goals and documenting them in writing, while other legacy industries such as Media and Printing do not score as high when it comes to diligently setting goals. Coincidentally, these latter industries struggle throughout the sales process, as you will see in additional chapters.

Using SMART goals is one of the most important things any sales organization can do to inspire team members and motivate performance. [Learn more here.](#)

Industry



*A 19% average across all industries.



Chapter 3: Defining Clear Measurements

Consider that one in every five respondents says: “We don’t have a sales process; everyone does it their own way.”

If you are among this group, warning alarms should be going off. Because if you don’t have a process, if you don’t understand what should occur at every single step, you can’t track—let alone measure—anything.

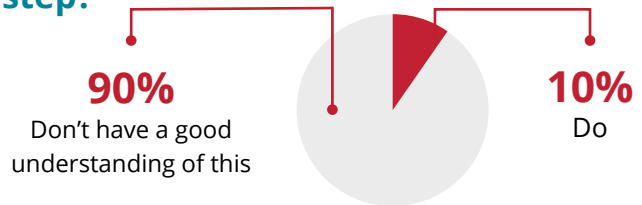
Most businesses have a long way to go in defining clear measurement, as evidenced by the Sales Agility Assessment results.

What’s contributing to such low scores – and to the confusion that must be on constant display inside company walls? We find it is often due to a poorly-documented process.

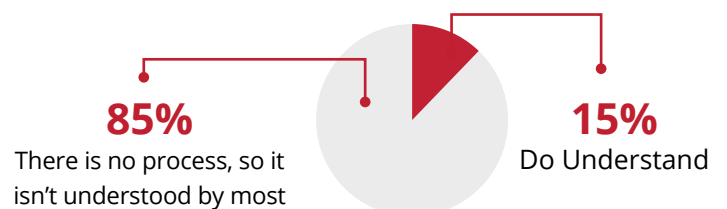
Overall Poorest Scores: Understanding the Basic Sales Process

Nine out of ten people who have taken the Sales Agility Assessment rate their company as Poor/Below Average in understanding:

How well is it understood what is the probability of closure for each sales cycle step?

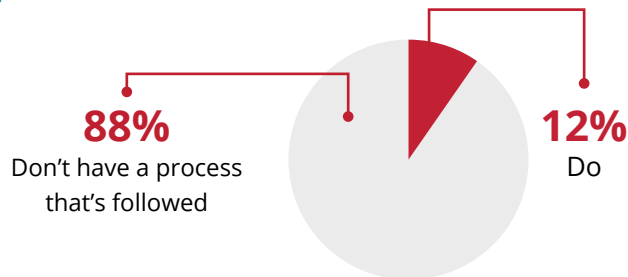


How well is your sales process understood?

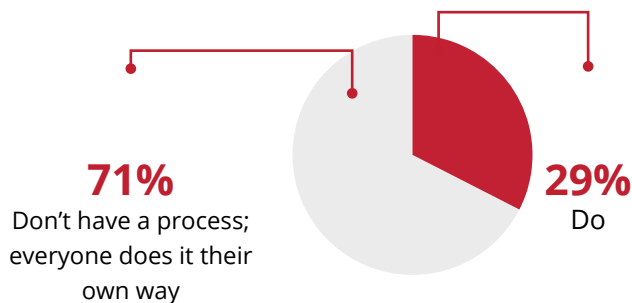


Overall Poorest Scores: Continued

How well is it understood what needs to occur at each sales cycle step in order to proceed to the next?



How well is your sales process documented within your company?



Review Your Own Data for Measurements

So, where do you start when defining clear measurements? The information often exists, even if not tapped into. Much of our work with clients is helping them discover what they actually do know and then properly documenting it.

For instance: Let's say you know it takes your team 10 appointments to close a sale. That's great information! When understood as part of the process and written down, 10 appointments per close becomes a metric the sales team can gauge success by. Not to mention a metric that keeps you on firm footing with other decision-makers.

As you uncover measurements, we highly recommend assembling and documenting your data within a Customer Relationship Management (CRM) database.

Every company should have a documented sales process. But don't overlook updating the process as your needs change. [Learn more here.](#)





Chapter 4: Using CRM

We advise all Sales Xceleration clients to implement a CRM to build and manage customer relationships. We can't stress enough the importance of capturing data points all along the customer journey and securely storing that information.

CRM adoption grew 113% since 2016, according to LinkedIn's The State of Sales 2018, with 64% of sales professionals reporting that they use CRM applications.

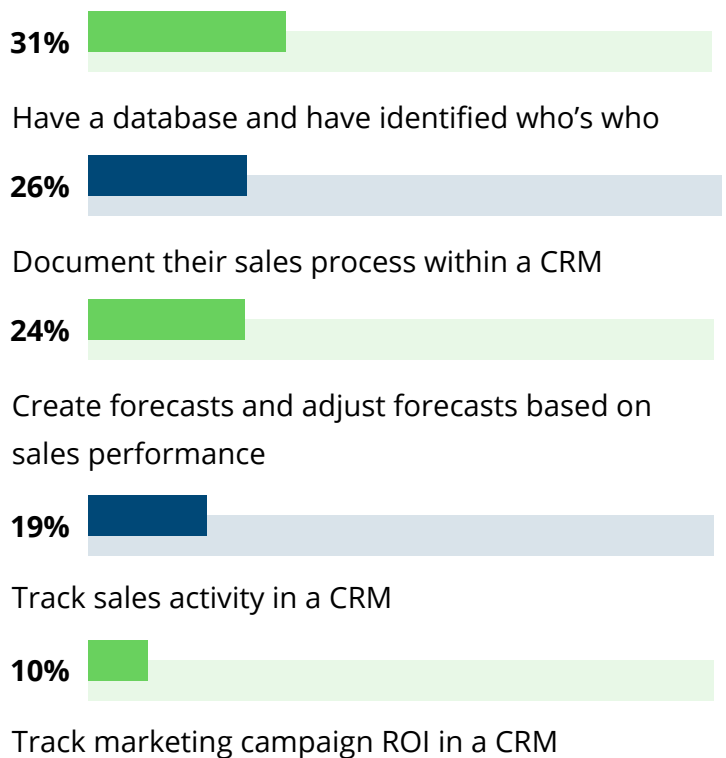
Unfortunately, we see small and mid-size businesses lag far behind. Overall, the highest percentiles of Sales Agility Assessment Excellent scores – achieved for having a strong customer database and using a CRM platform – are only in the low 30s.

It's not for lack of trying – nine out of every ten businesses has their own database.

92% of small and mid-size businesses have a customer database. Only 30% use it to its fullest potential.

Still, the majority of small and mid-size businesses score Poor/Below Average when it comes to capturing customer data and using it to its fullest potential.

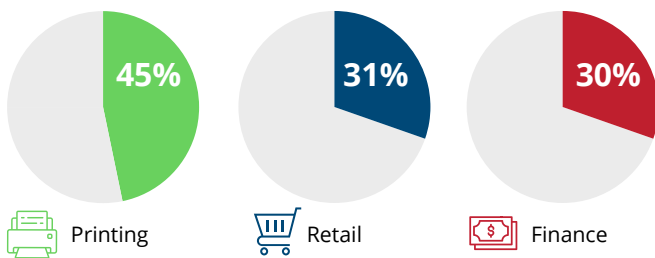
How Small and Mid-size Businesses Use CRM



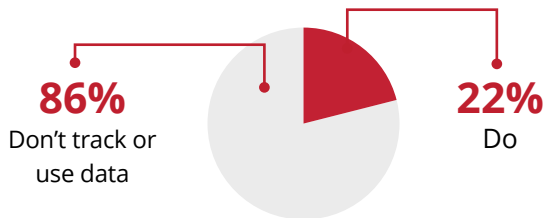
3 out of 5 Businesses Inadequate at Forecasting

When asked how previous 12 months' sales compare to last year and to forecast, nearly one in four respondents to the Sales Agility Assessment (23%) say sales are down and below forecast. We have to wonder if a more robust CRM solution would change these businesses' ability to forecast with more accuracy. After all, 65% of businesses score at the bottom in their ability to forecast.

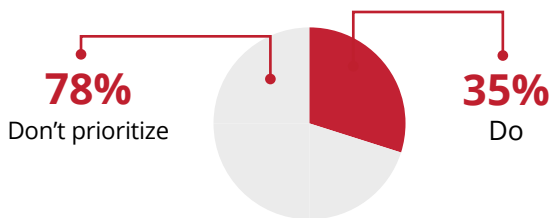
Who is doing well for Forecasting?



How do you track ROI for your marketing campaigns?



How does your organization prioritize customers/prospective customers?



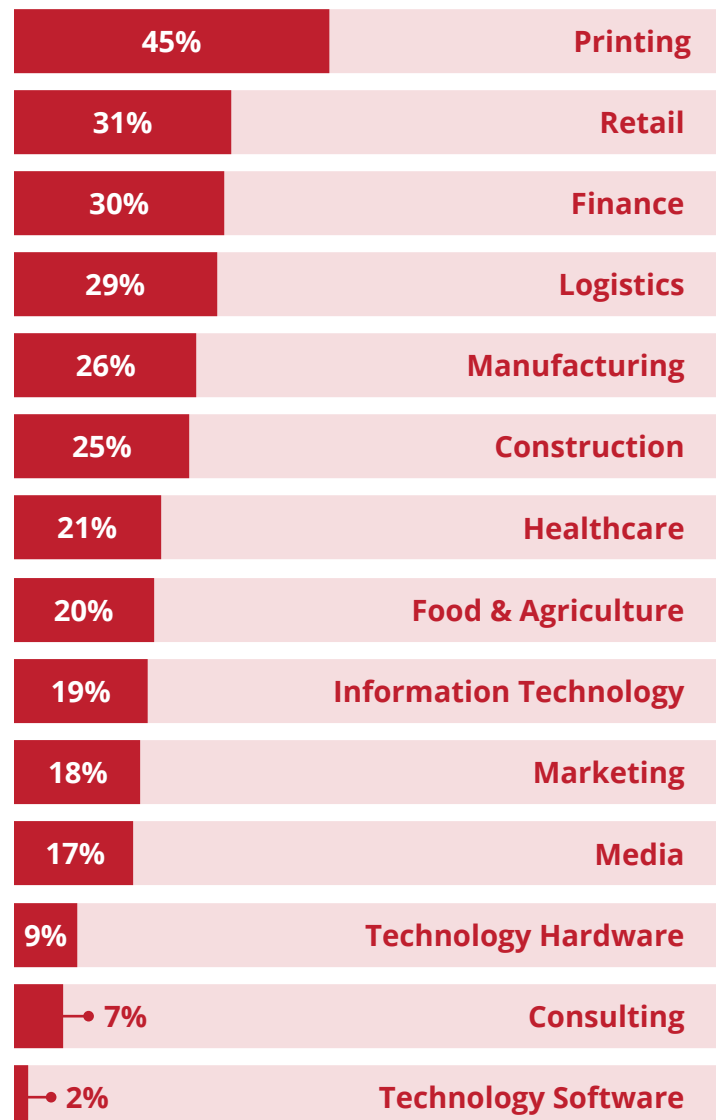
19% of the over 30+ industries we have insights on rate their Forecasting ability at Excellent.

Who's Putting CRM to Work?

SuperOffice* observes: 74% of users say that CRM software has improved their access to customer data. Unfortunately, those using CRM solutions have great initial intentions for getting the most value out of them, yet after their teams utilize it for the first few months, usage wanes.

KEY FINDINGS

No one is doing a great job at Forecasting, but we uncovered some industries that are doing better than others. Here are percentages by industry that marked themselves as Excellent:





Chapter 5: Reporting

Lack of Metrics, Dashboards Leave Small and Mid-Size Business CEOs in the Dark

In its CEO Projections for 2019, [Vistage Research](#)* reports that 44.6% of CEOs of small and mid-size businesses see CRM as the biggest technology need and say they will invest in CRM solutions.

That's promising. At Sales Xceleration, we believe implementing a CRM is a significant key to growing sales and profitability. It helps by improving customer relationships, aiding in retention and driving sales growth. Combing through the data uncovered by our Sales Agility Assessment, we learned:

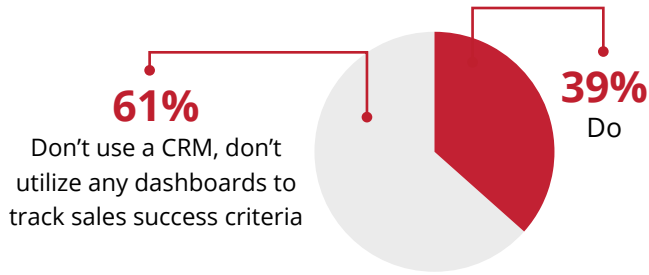
- Three out of four businesses (74%) rate Poor or Below Average on forecast accuracy
- Three out of five businesses (62%) don't give their CEO (and often not even the sales department) real-time insight into sales performance

- 80% of CEOs score their company's efforts at defining sales metrics as Poor; only 57% of Sales Leaders agree

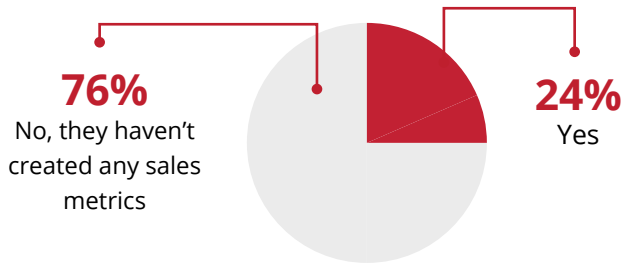
All of this suggests that the number of small businesses flying blind is startlingly high.

34% of businesses haven't even created sales metrics

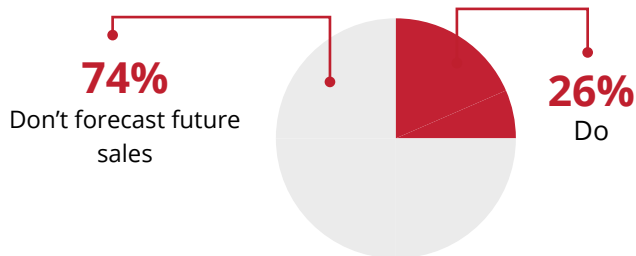
Do you have a dashboard view into the major determinants for success?



Are your sales metrics clearly defined and understood by the entire sales team?



How accurate have your forecasts been over the last 12 months?

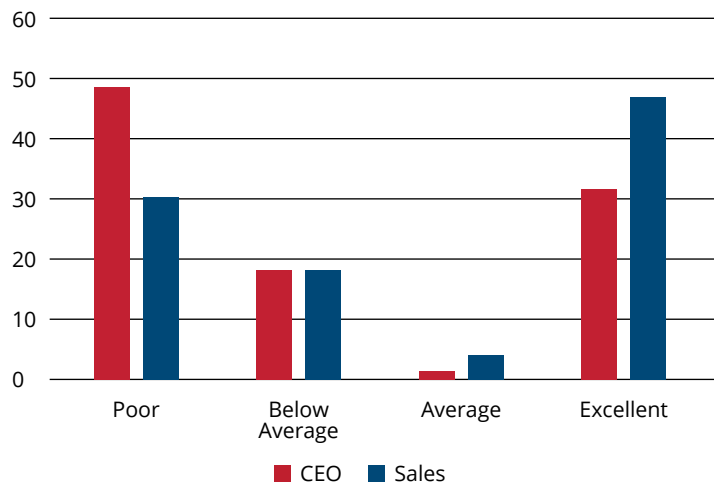


Sales and the C-Suite Need Better Alignment

When we break down a few of the questions asked, we can see how differing opinions result when metrics aren't clear and reporting is vague.

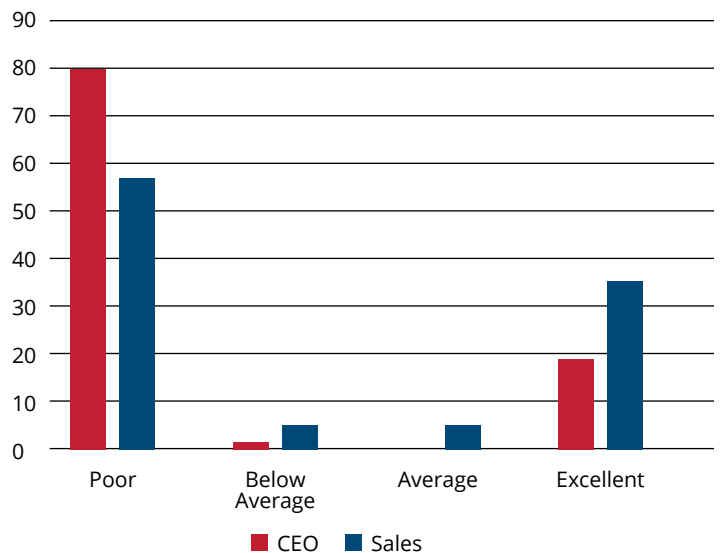
Does your entire organization have real-time insights into current sales performance?

19% more CEOs vs. Sales gave a Poor rating on having good sales performance insights



Are sales metrics clearly defined/understood by entire sales team?

23% more CEOs vs Sales gave a Poor rating to having clearly defined metrics



About the Data

We offer a 48-question Sales Agility Assessment to potential and existing clients. This assessment is typically taken by the Owner, President, CEO and/or Sales Leader. It delves into the core sales components a company must execute well to run an effective sales department. The results of the scores, compiled from 933 completed assessments, are shared in this eBook.

About Sales Xceleration

We help businesses build a path to more sales. We do this by providing an Outsourced Sales Consultant to small businesses and mid-sized corporations that want to launch or expand their sales operations to drive revenue growth. Our Sales Consultants take a hands-on approach and do the work for our Clients. They build the right processes, use the right tools and ensure the right salespeople are in place. Our unwavering objective is to help business leaders build a solid sales foundation so they can enjoy sales growth for years to come.

Want to See a Snapshot of How Well Your Company is Performing?

We welcome you to take a 10-question mini version of the Sales Agility Assessment [here](#).

Or contact us directly to take the full-version of the Assessment, and learn how we can help you start immediately on a path to more sales.



**GET STARTED ON
YOUR SALES ACTION
PLAN TODAY**

BY TAKING THE 10-QUESTION SALES AGILITY ASSESSMENT ONLINE AND RECEIVE A FREE REPORT THAT INCLUDES IMMEDIATE TIPS ON HOW TO IMPROVE YOUR SALES ORGANIZATION.



TAKE THE ASSESSMENT