



THE FUTURE OF THE FIELD SALES REP

A Mercuri International White Paper

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The growing sales challenge

In February 2012 Mercuri International conducted a major survey of the views of managing directors, sales directors and managers on key sales topics. The results of the survey are based on the views of 2,311 respondents from 23 countries – the majority in business-to-business markets.



Investing in sales processes and people

“Improvements in sales processes and people are essential if business is to maintain let alone grow customer revenue”

**Mercuri International President and CEO
Ola Strömberg**

All businesses need to deploy a variety of distribution channels to maximise their sales potential – and many studies have shown that traditional sales methods (external & field sales) are under pressure. In contrast, e-commerce has expanded rapidly in recent years - and not unexpectedly, the findings of this survey reflect that

trend: in the last 1-2 years there has been a 3-4% shift from external/field sales to e-commerce. In the future the boundaries between ‘traditional’ and ‘electronic’ commerce will become increasingly blurred as more businesses move areas of their sales operation onto the Internet.

Somewhat surprisingly (given this trend), most respondents expect the number of people in their external/field sales force to increase or remain the same. Only 12% expect the number to decrease.

88% agree that their sales force is more challenged

The study reveals that the sales force is finding sales activity more challenging. Reasons for this include the fact that the sales process has become more complicated. Specifically, customers have increased their use of formal requests when buying, and the procurement process now requires the involvement of more people, including senior executives. 62% of the respondents surveyed also say that customers have increased their decision making time, and now often require formal Return on Investment (ROI) calculations before making purchasing decisions.

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In today's market, a differentiated sales offer is needed for each customer type or market segment. A differentiated sales process is important – but many sales teams still work in an unstructured way.

In today's sales environment a differentiated sales offer is needed for each customer type or market segment. Although process orientation has long been standard in for example production, many sales teams often continue to work in an unstructured way.

Mercuri's survey highlights the importance of focusing on sales process. 88% of respondents agree with the statement that it is increasingly necessary to differentiate sales for different customer types/segments – and the larger the company size and sales force, the more strongly they agree with the statement.

39% also believe that sales differentiation is the most important challenge for their company in the near future.

39% believe that differentiating sales processes and activities for different customers is their most important challenge in the near future

Six in ten companies are finding it difficult to maintain sales revenue

Six in ten companies have found it increasingly difficult to maintain sales revenue and profitability during the recent economic downturn, according to the survey. This is especially true for healthcare companies with large external/field sales forces. More than 35% of those surveyed also cite maintaining revenue as their biggest *future* challenge.

59% have found it increasingly difficult to maintain sales revenue and profitability during the economic downturn.

The overall conclusion is that for all the companies surveyed, sales have become more difficult, with that trend continuing. 88% of respondents agree on this, with countries including China, Croatia, Germany, Italy, Slovenia and Slovakia facing a slightly stronger sales challenge than others. The same can be said about the healthcare and banking/insurance industries. Large companies with large external/field sales forces are finding sales more challenging than others. High performance companies experience the same challenges as low performers.

The major sales challenges are that customers have become more knowledgeable about competition & prices; that companies have to differentiate their sales process, for every customer or segment; and – critically – that it is becoming difficult for companies to maintain their sales revenue.

How are companies responding?

According to Mercuri International's research, almost 40% plan to increase their investment in training and education, while just 6% will reduce their investment.

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