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Study: Companies Hold Their Salespeople Back

Northfield, Ill. - Profit and revenue suffer because companies keep their salespeople from selling more, suggests a new study by the Industrial Performance Group. The study surveyed more than 1,500 salespeople from 17 industries on how they spend their time.

“There’s untapped potential in salespeople, and businesses that want to grow should take note,” said Robert Nadeau, managing principal of the Industrial Performance Group. “It pays to free up your sales force’s time.”

Salespeople from manufacturers and distributors throughout North America participated in the study, which involved several trade associations and publications.

Salespeople spend just eight percent of their time prospecting and qualifying new customers, the study found. Yet they spend 23 percent of their time dealing with problems and mistakes, searching for information and expediting orders.

In total, they spend most of their time - 62 percent - on “non-revenue-generating” activities and just 38 percent of their time selling.

Many of the non-revenue-generating activities are essential for salespeople to operate and manage their sales territories, but management could free up much of this time.

Outsourcing and restructuring are partly to blame. Companies have slashed customer service and other areas, and salespeople work hard to pick up the slack. When customers have problems like missing paperwork or incorrect shipments, salespeople spring into action. This can stop customers from going to competitors, but it uses up valuable time.

Management has generally not seen the impact of these problems, due to the limitations of traditional financial statements. “There’s no line item on income statements for ‘the cost of relying on salespeople to deal with problems and mistakes,’” Nadeau said. “But the impact is there. It hurts revenue, operating expenses and earnings.”

While salespeople need to respond to customer issues, companies can start taking basic steps to ease this impact.

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“It’s easier than people think,” Nadeau said. “Management can start small by finding simple issues and fixing them. If they free up just an hour or two of each salesperson’s week, that can improve sales more than they realize.”

The Industrial Performance Group identified five common barriers that keep salespeople from selling more: (1) outdated work processes, (2) lack of focus, (3) too little or too much information, (4) outdated sales training and (5) inability to execute

“Luckily it doesn’t require a budget increase to start addressing this,” Nadeau said. “At little or no cost, management can give salespeople a little more time to sell. Then salespeople can find more new customers and grow sales from current customers.”

More details on the study, including a fact sheet, background, graphics and a sales performance calculator, are available on the Industrial Performance Group’s Web site, www.indusperfgrp.com.



About the Industrial Performance Group

The Industrial Performance Group specializes in helping manufacturers and distributors increase sales volume and improve profitability in supply chains and distribution channels. The company offers sales training, seminars, consulting and other services, as well as a wealth of information at www.indusperfgrp.com. For more information, call 800.867.2778.

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