



THE BROOKS GROUP

SALES LEADERSHIP REPORT

2020



Introduction

The Brooks Group is committed to serving the sales industry with the latest information, data, and analysis. In these times of precipitous change, we are dedicated to continually delivering high quality insights based on up-to-date data.

For this report, we surveyed 179 professionals in B2B sales management roles, and identified key areas for improvement in the industry, as well as statistics and insights of particular note for sales leaders. We also conducted a separate survey in response to changes in the sales environment due to the spread of the coronavirus, and have included a summary of those results at the end of the report.

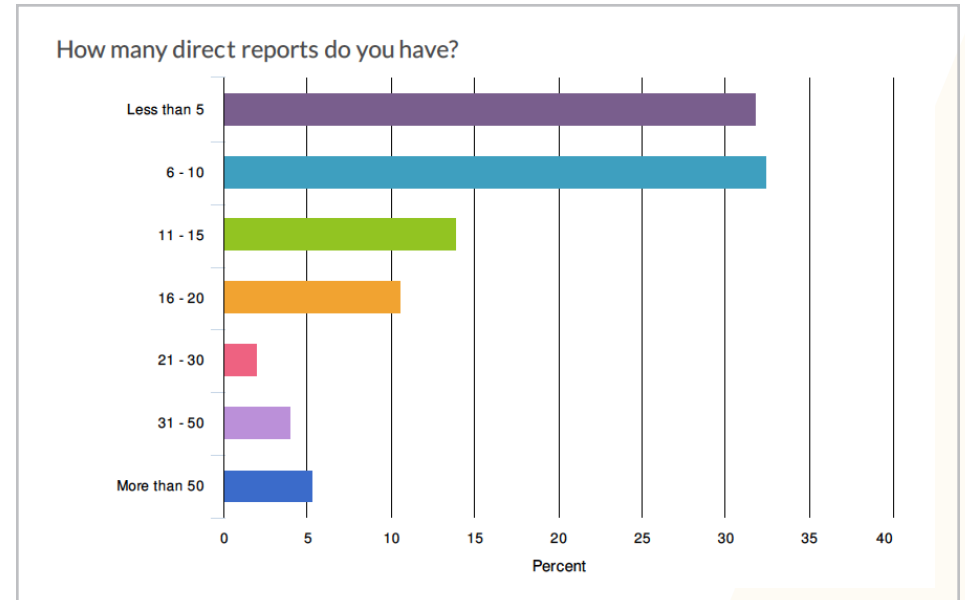
Executive Summary

Responses to our 2020 sales leader survey surfaced several key themes, including ability to meet key objectives, competing areas of focus, amount of time in meetings and administration, misalignment between performance and compensation criteria, and other internal and external challenges. We also measured responses against four cornerstones of high performing sales organizations, and found both strengths and weaknesses across all four areas. Ultimately, weaknesses in these and other areas account for continuing poor performance against sales goals, with only just over half of respondents saying that the majority of their salespeople consistently meet or exceed sales goals. Finally, survey responses in regard to the coronavirus outbreak show areas of significant challenge across the board, and well as some creative responses to these new challenges.

Research Methods and Participant Data

The Brooks Group's 2020 Report for Sales Leadership surveyed professionals in B2B sales management roles ranging from CSO to Sales Manager. Among the 179 respondents, supervisory roles included supervising outside sales, inside sales, account managers, sales operations and/or enablement, and other sales leaders and managers.

Experience of respondents ranges from less than a year to more than 10 years.



The largest number of respondents have 6-10 direct reports at 33%, with another 32% having less than 5 direct reports. Among all respondents, the number of direct reports range from less than 5 to more than 50. The majority of our respondents are sales managers, representing 69%, while another 20% are sales directors.

Industries represented among respondents to the survey include retail, professional services, food and beverage, manufacturing, financial services, insurance, IT/Technology, transportation, and others. Type of sales represented include 50% direct to end user, 15% through channel or distribution, and 35% a mix of both.

Companies range in size from less than \$10 million (28% of respondents) to more than \$1 billion (19% of respondents). Twenty-one percent (21%) of companies are between \$10 million and \$50 million, while another 12% are between \$50 million and \$100 million. Total employees range from less than 50 (21%) to more than 5,000 (25%), with a large percentage (21%) between 51 and 250.

The majority of respondents are responsible both for management and for

selling to their own accounts, with 74% carrying their own accounts in addition to managing, and 26% responsible for management only.

In addition to our standard set of sales leadership questions, our survey report this year includes the results of follow-up questions about the substantial impact of the coronavirus response on sales teams, which results are provided at the end of the report.

Key Themes

Among our respondents, several key themes emerged around priorities and challenges, with only 31% “extremely confident” they can meet strategic objectives.

Ability to Meet Key Objectives

We asked our survey respondents what was their most important strategic sales objective. Thirty-three percent (33%) said winning new accounts, while another

19% cited increasing customer retention. Strengthening margins and expanding existing accounts also received some attention with 21% and 17% respectively.

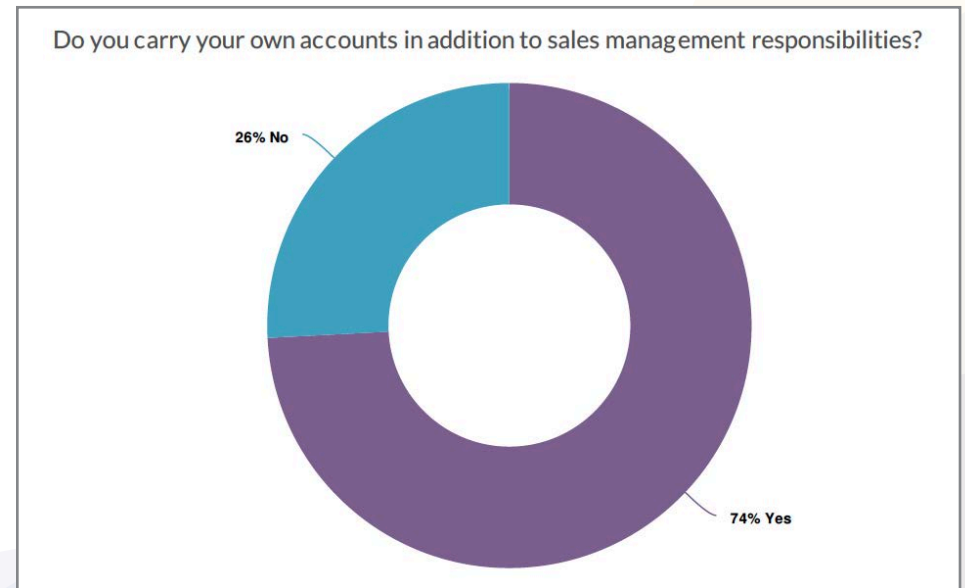
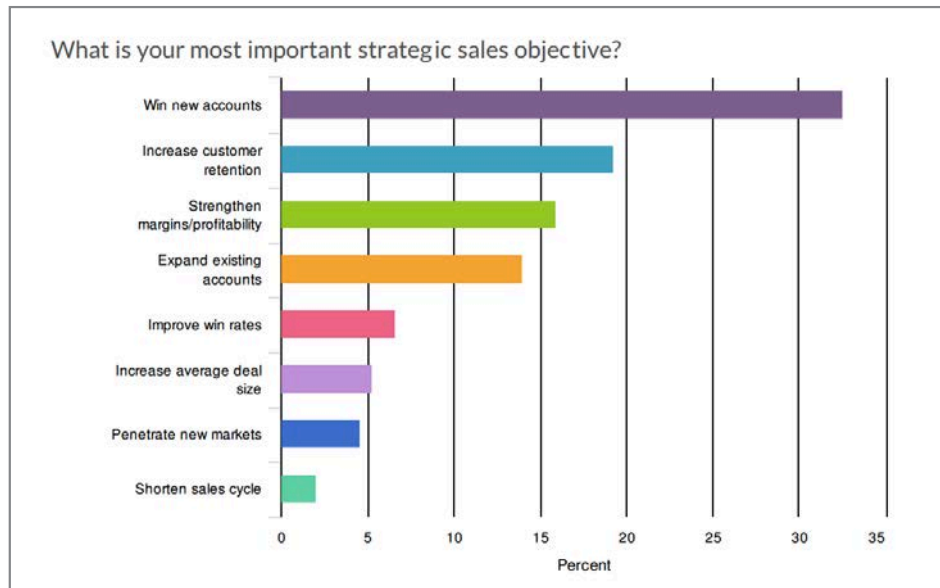
However, only 31% of respondents stated that they are extremely confident in their team’s ability to meet these objectives, while 37% are “moderately confident.”

Some common areas of concern among sales leaders included:

- Competing areas of focus
- Amount of time spent on internal meetings and administrative tasks
- Misalignment between performance and compensation metrics
- Internal and external challenges at play

Competing Areas of Focus

One of the key challenges facing the vast majority of respondents is that they carry competing areas of focus. Seventy-four percent (74%) carry their own accounts in addition to managerial responsibilities. Among these, 46% report that they spend 25-50% of their time selling to their own accounts, and another 29% percent spend 50-75% of their time selling.



Amount of Time in Internal Meetings and Administrative Tasks

In addition, most respondents report spending significant portions of their time in non-management activities including 42% in internal meetings and 18% on administrative tasks.

Misalignment Between Performance and Compensation Metrics

Survey responses indicate that in most cases, alignment between performance metrics and compensation metrics are similar but not necessarily aligned. When asked by what metrics performance is measured, respondents cited the following as the top 4:

1. Profitability and maintaining margins (51%)
2. Team quota attainment (48%)
3. Personal quota attainment (44%)
4. New account acquisition (40%)

But when asked on what metrics their compensation is based, the top 4 came in a different order:

1. Personal quota attainment (48%)
2. Team quota attainment (40%)
3. Profitability and maintaining margin (33%)
4. New account acquisition and company-wide goal attainment (tie) (21%)

In addition to the misalignment of priorities between performance metrics and compensation metrics, these numbers also show the high level to which managers are measured on individual performance over their ability to effectively manage their teams.

Internal and External Challenges

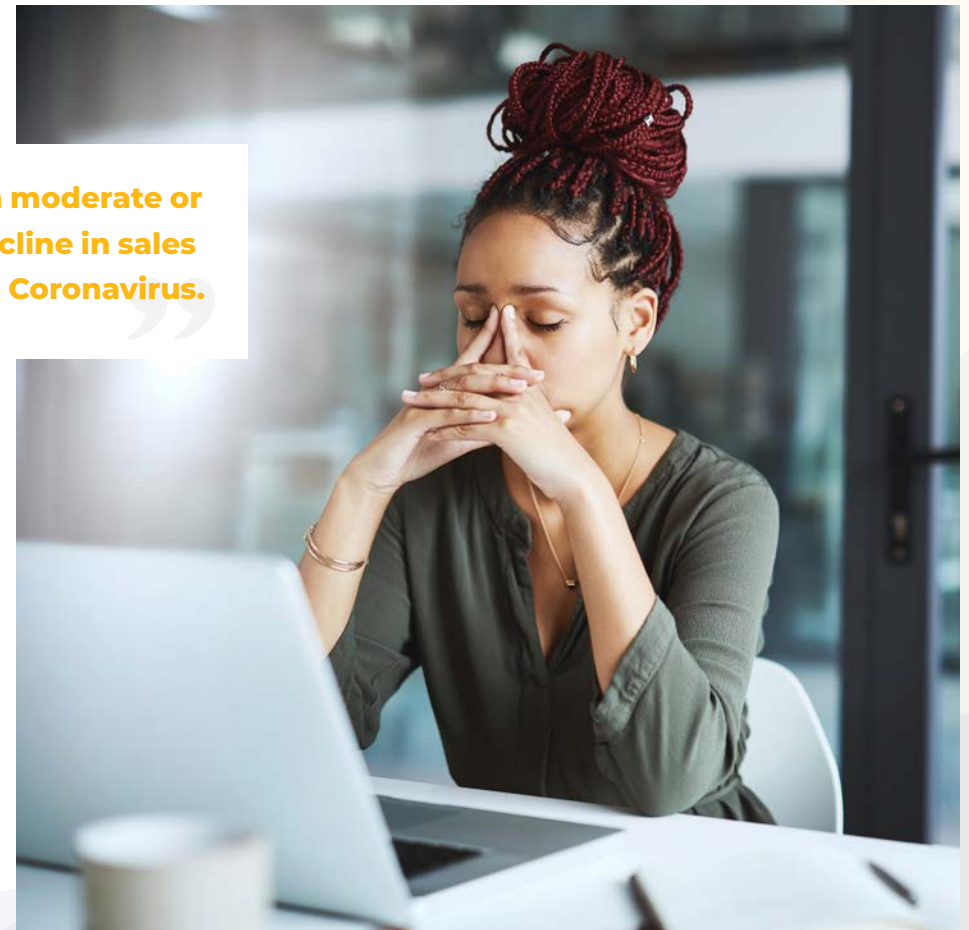
Finally, respondents cited several key internal and external challenges:

- 38% say that economic conditions facing their customers will limit their team's ability to meet their objective. It is important to note that this data

was collected before the Coronavirus had begun to impact businesses in the U.S. We followed up with respondents on March 17, 2020, and 73% reported a moderate or substantial decline in sales pipeline due to Coronavirus—a substantial change from the 38% who cited economic conditions as a major factor before.

- 29% say that insufficient selling skills for the current environment will limit their team's ability to meet their objective.
- 27% say that lack of organizational processes to support goals are a key challenge.

73% reported a moderate or substantial decline in sales pipeline due to Coronavirus.



The Four Cornerstones of High Performing Sales Organizations

Our work with high performing sales organizations reveal that there are four cornerstones to high performance:

1. Talent
2. Training and development
3. Leading, managing, and coaching
4. Standards of Work & Process

Talent means having the right people, in the right position, who not only fit the job and can do the job, but who also fit the culture of the company, the manager who's managing them, and the career path that is in front of them.

Training and development refers to having an ongoing process and commitment to salesperson improvement. This is not just a one-time classroom event or a few exercises but ongoing training and development to maximize opportunities. It may include one-to-one, peer, group, and other forms of training and development.

Leading, managing, and coaching means not just managing to numbers, but providing effective one-to-one coaching, understanding what motivates individuals on the team, and providing mentoring, partnership, coaching, and leadership.

Standards of work and processes refer to standardized expectations for work and process. In many organizations, these standardized expectations are not clear across the team, and each salesperson has a different understanding of their sales process. Having standards of work and processes means having a commitment to consistency across the team and the structure in place to reinforce it.

High performing sales organizations demonstrate commitment to continuous improvement across all four cornerstones.

With this in mind, we grouped survey responses according to the four cornerstones. We intend to repeat the study annually to measure consistency and changes in performance across the four cornerstones.





Part of the problem may lie in how sales managers are chosen and supported.

Performance Trends Around the Four Cornerstones

Talent

Talent refers to having the right people in the right positions, who fit the job, culture, manager, and career path. This includes having the right people in both sales and sales management. Among our respondents, challenges were identified for both role types.

Only 29% of respondents strongly agree that the sales leaders in their organizations are well-equipped to succeed in their roles. Forty-six percent (46%) moderately agree. Fifteen percent (15%) are neutral, while 14% somewhat or strongly disagree.

Part of the problem may lie in how sales managers are chosen and supported. Top performing salespeople are not always the best candidates for management

roles, yet 23% strongly agree and 35% somewhat agree that sales leaders are typically chosen from among top-performing salespeople.

Furthermore, only 30% of respondents strongly agree that their organization provides formal, structured training for sales managers. Twenty-nine percent (29%) somewhat agree, while 15% are neutral and 25% somewhat to strongly disagree.

Hiring, Developing and Retaining Top Performers

When it comes to the salesperson’s role, 46% of respondents report that finding the right person for the job is a top challenge. Retaining top performers is a distant second at 23%, while onboarding new salespeople and developing career plans and advancement opportunities trail at 15% and 14%, respectively.

We also asked respondents to tell us how effective they find specific tools for recruiting and hiring salespeople. Their answers show a broad range of opinions as to which tools are best.

- 65% find behavioral interview questions to be extremely to moderately effective
- 62% find employee referrals to be extremely to moderately effective
- 60% find hiring with other industry experience to be extremely to moderately effective
- 60% find personality assessments to be extremely to moderately effective
- 58% find a competency model or job benchmark to be extremely to moderately effective
- 52% find hiring from a competitor to be extremely to moderately effective

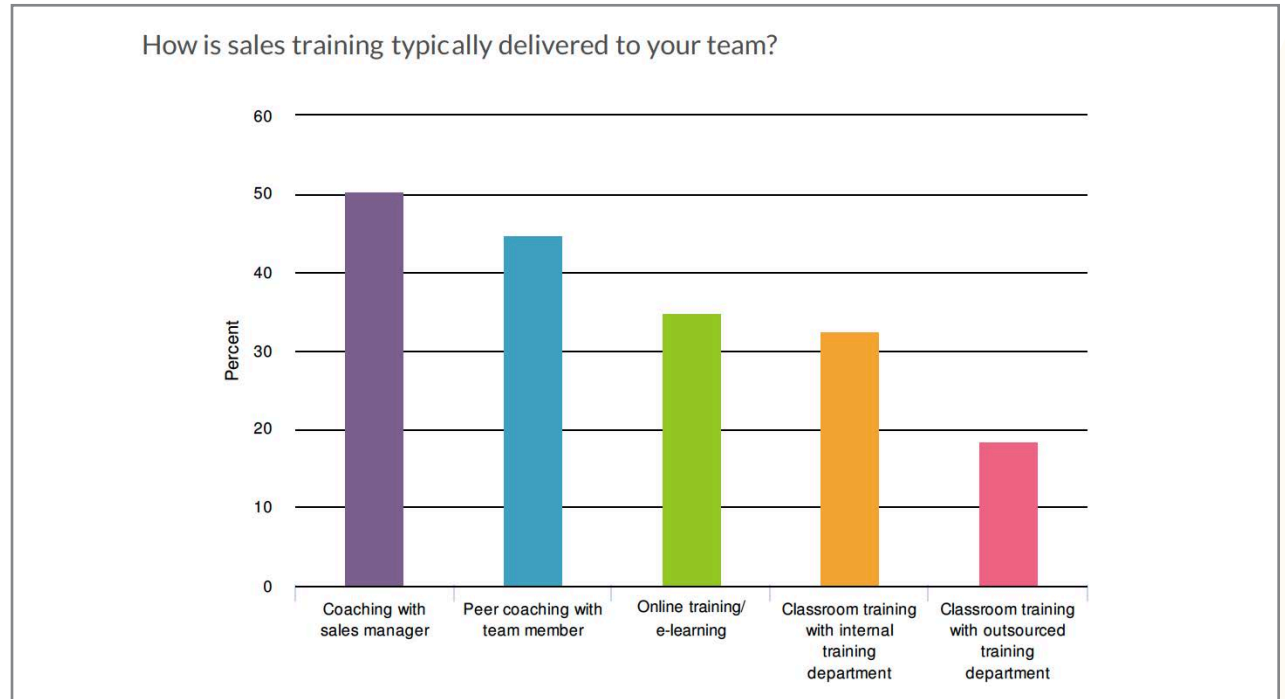
Training and Development

Training and development refers to an ongoing, consistent commitment to improvements in team and individual capabilities.

We asked our survey participants to tell us how training and development is conducted inside their organizations. Most (50%) said that it is typically conducted through coaching with the sales manager. Another 44% indicated that peer coaching with a team member was the approach in their organization. Thirty-five percent (35%) indicated online training or e-learning was the primary approach, while another 32% said classroom training with an internal training department. Only 18% indicated that their primary approach was classroom training with an outsourced training department.

Top Selling Skill Gaps

We also asked them to tell us where they see their team's top selling gaps. Responses yielded an interesting insight when 37% ranked "prospecting for new accounts" as their team's top selling skill gap. In close second, third, and fourth order of selling



gaps were communicating value (32%), building relationships (31%), and gaining access to decision makers (29%).

Finally, we asked them to tell us what skill gap they would most want to close on their team if they could only address one. The most popular answer at 24% was prospecting for new accounts. The next most popular answer, at only 16%, was building relationships. Qualifying new opportunities was a close third at 14%, and closing the sale came in at 12%. Considering that most respondents indicated that their most important strategic objective is winning accounts, this data indicates a substantial opportunity for improved focus and prioritization.

Leading, Managing, and Coaching

Leading and coaching refers to an ongoing, consistent commitment to managing and coaching direct reports.

Coaching Priorities

We asked respondents to tell us their top priorities in coaching their direct reports. The largest number, 38%, indicated developing selling skills. Later, we asked them to tell us how they spend their time in coaching, and only 16% said they spend it developing new skills. We see this as a weakness that organizations should address if they wish to be high performers.

Another 17% of managers said that their top priority in coaching is increasing product and technical knowledge, while 12% indicated closing deals as a top priority.

When asked how they allocate their coaching time, answers were evenly distributed across four areas:

- Closing deals (17%)
- Navigating deals and opportunities (17%)
- Increasing product/technical knowledge (17%)
- Developing sales skills (16%)

Coaching Frequency

We also asked them to tell us how much time they spend per week coaching direct reports. This was a bright spot, as it indicates that coaches are finding time weekly to spend with each report.

- The largest number, at 45%, said they spend between 30-60 minutes per person
- Another 19% spend between 60 minutes and 2 hours per person
- 12% spend more than 2 hours per person

Unfortunately, another 23% of managers are spending less than 30 minutes per person in coaching, which is a significant shortfall against what high performing teams do.

We also surveyed respondents regarding meetings with direct reports, both one-on-one and as a team. Fifty-three percent (53%) said they conduct weekly one-on-one meetings while 51% reported weekly team meetings.

Beyond that, 25% of respondents are conducting daily one-on-one meetings, while 15% conduct daily team meetings.

Effective Sales Team Meetings

During meetings, respondents are covering a variety of topics. Our survey



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indicated good news in this area, as most organizations are covering most of the topics we recommend as best practice.

- 66% review team metrics always or most of the time
- 66% always or most of the time cover sales skill training
- 66% always or most of the time cover forecast and pipeline review
- 57% always or most of the time cover organizational and administrative updates
- 55% always or most of the time cover product training
- 54% always or most of the time cover win/loss story or review
- 44% always or most of the time cover competitor intelligence

Competitor intelligence is the topic most likely to be left off the meeting agenda, with 22% indicating that it's rarely or never addressed.

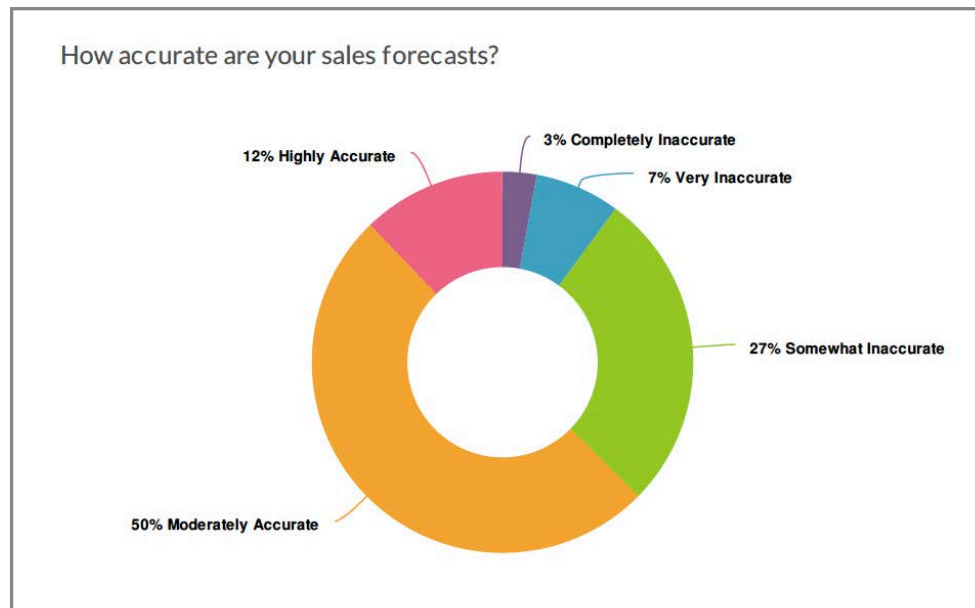
Processes and Standards of Work

Processes and standards of work refer to having consistent definitions, processes, and standards of work that all salespeople understand and follow.

Responses to our survey indicated some significant weaknesses in processes and standards of work. Only

High performing sales organizations have metrics and standards in place that their sales team clearly understands. Forty-three percent (43%) of our respondents strongly agree and 37% somewhat agree that their sales teams clearly understand their performance expectations and the metrics that are monitored. That means that 80% either strongly agree or disagree, while 10% are neutral and another 9% somewhat or strongly disagree.

These numbers indicate significant weakness in process and structure, which supports poor ability to forecast.



26% of respondents strongly agreed that they have a sales process with clear, consistent stage definitions. Another 34% somewhat agree, while 40% are neutral, somewhat disagree, or strongly disagree.

Performance Expectations

Regarding performance expectations and metrics monitored, the news was a little more positive.

marketing and sales alignment is a key indicator of strong sales performance. Another 32%, however, were neutral, disagreed, or strongly disagreed.

Forecast Accuracy

Another area of weakness was in regard to forecasting. Accurate forecasting continues to plague sales leaders. Among respondents, only 12%

Definition of Qualified Leads

Responses were likewise somewhat positive on the definition of qualified leads. Thirty-five percent (35%) strongly agree that their marketing and sales teams have a clear, consistent, and agreed-upon definition for qualified leads, with another 29% somewhat agreeing. This is good news, as

indicated that their forecasts are highly accurate. Another 50% indicated that their forecasts are moderately accurate. Twenty-seven percent (27%) said they are somewhat accurate, while 10% said they are very or completely inaccurate.

This problem is also reflected in respondent's answers to the question, "How often do forecasted deals close on time?" Fewer than 10% said always, which is to be expected, but only another 38% said most of the time. Finally, 38% said sometimes while 14% said rarely or never. These numbers indicate significant weakness in process and structure, which supports poor ability to forecast.

Key Performance Indicators

We also asked respondents to share with us what metrics they monitor, and measured them against our best practice recommendations. We were pleased to see that closed sales, opportunities created, and calls are consistently measured at 55%, 49%, and 45%, respectively. A substantial number of respondents also measure completed meetings and appointments (40%), appointments scheduled (38%), and leads generated (36%).

Areas of weakness included measuring sales stage/ progression through the sales process and proposals and quotes generated, at only 32% each, qualifying criteria at 25%, and demonstrations at 17%.

Beyond our standard recommendations, we also asked respondents what other metrics they regularly and consistently measure. Some of the most interesting and innovative responses we received included:

- New ways to generate leads and new creative methods to pitch
- One-on-one time with individual members
- Sales activities not related to closing business
- Job satisfaction and happiness
- Retention rates
- Behaviors during sales
- CRM compliance
- Average sale amount
- CSAT
- Market share

A general area that was repeatedly mentioned was metrics around collaboration and teamwork. This was expressed in various ways including:

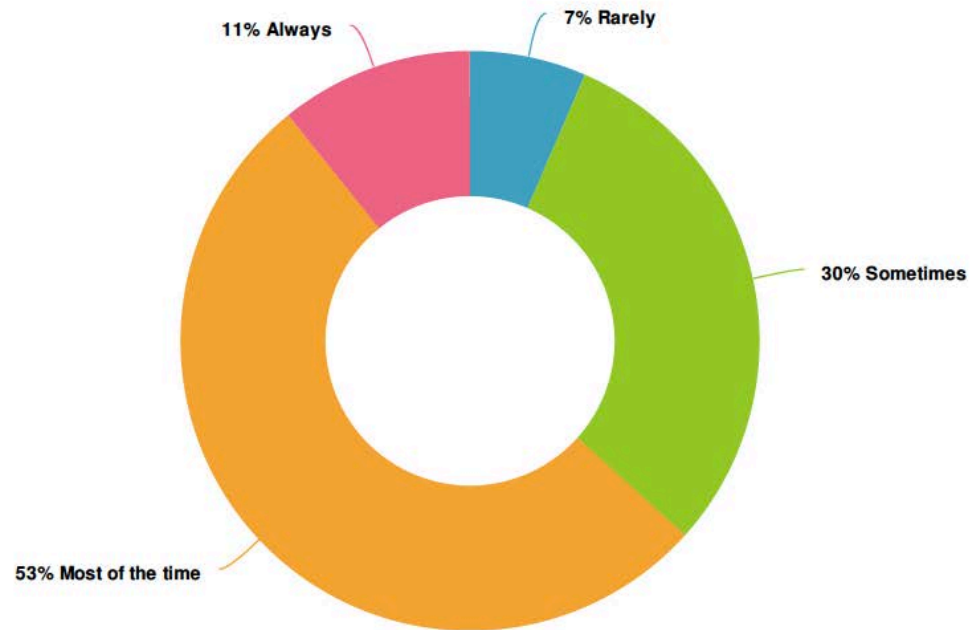
- Helping out other team members and collaborating with them
- Ability to work with colleagues
- Being a team player
- Coworker relationships

This seems to reflect an increasing trend toward a focus on team-based selling, which we consider a positive movement.

Sales Goal Attainment

We also asked respondents to talk to us about sales goal attainment. Responses to this question were mixed. The majority, at 53%, say that their direct reports meet or exceed their sales goals

How often does the majority of your direct reports meet or exceed their sales goals?



most of the time. Only 11% say they always meet or exceed sales goals. Another 30% say that the majority of their direct reports only sometimes meet or exceed their sales goals, while 7% say they rarely do.

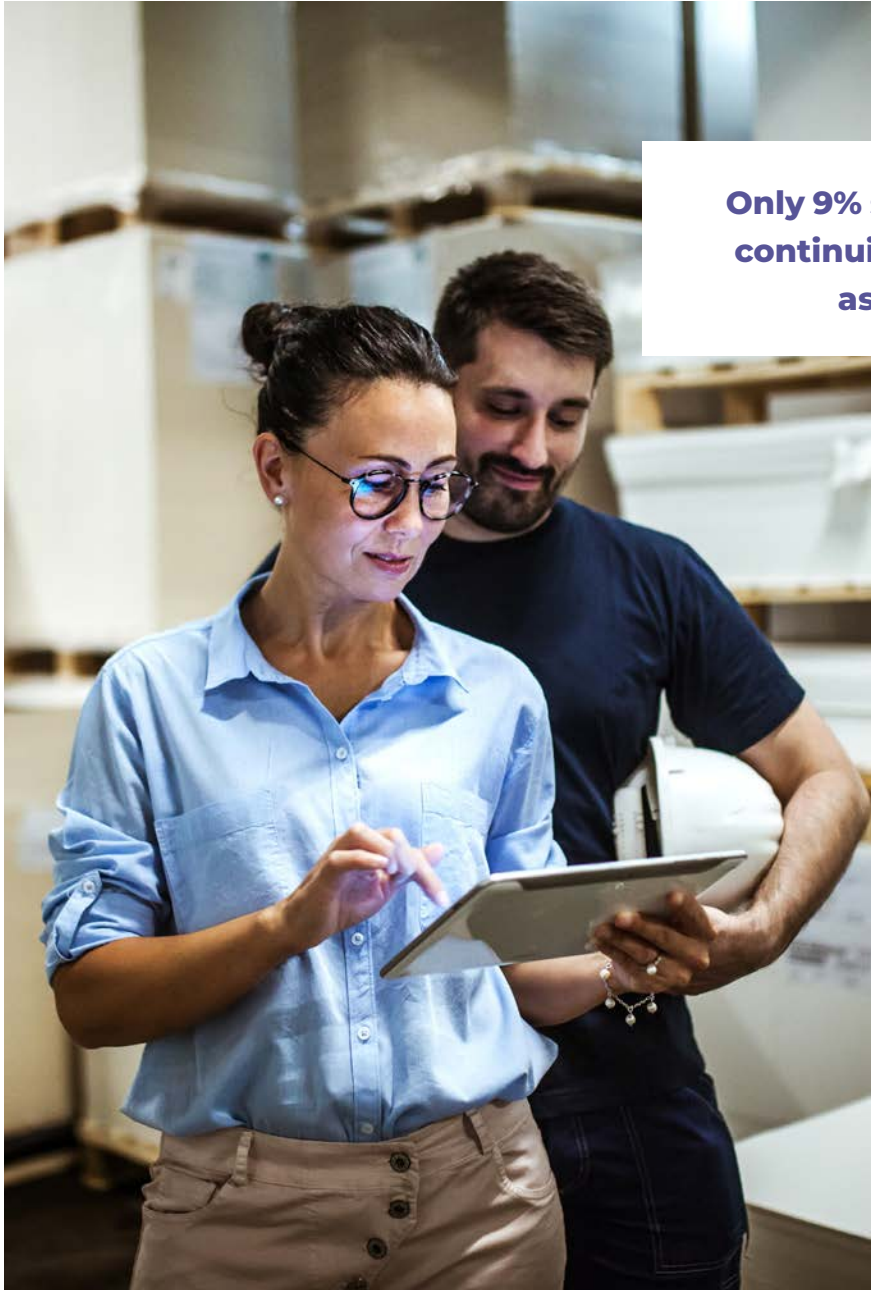
Sales Leadership in the Time of Coronavirus

Most of our survey was conducted before the coronavirus pandemic had begun to impact business in the United States. We recognize that this unprecedented situation has caused enormous

changes around the world and in nearly every industry, many of which impact sales professionals and sales leaders.

In light of that, we issued a separate survey asking sales leaders to tell us about the impacts of the coronavirus on their sales teams, and collected the results from mid-May through mid-June 2020.

Responses to the survey indicate that, as expected, the coronavirus pandemic has had major impacts on sales organizations at nearly every level.



Only 9% said they are continuing business as usual

80% of respondents say that it has caused a significant or moderate decline in lead flow, while only 16% say they have not been impacted in this way. A small percentage (4%) indicate that their lead flow has increased.

Likewise, sales backlogs have been impacted, though to a somewhat lesser extent. Fifty-nine percent (59%) indicate a moderate or significant decrease in backlog, with 27% reporting no decrease, 13% a moderate increase, and 1% a significant increase.

Lead flow numbers correlate strongly with respondents' report of the coronavirus's impact on sales results projections. Eighty-five percent (85%) indicate that they are significantly or slightly behind on plan, while only 7% say they have not been impacted and are on plan. Another 8% report being slightly or significantly ahead of plan.

We also asked sales organizations to share with us their tactics for addressing declines in sales during this time. In addition to decreasing in-person events and meetings and reducing corporate travel, organizations reported a number of measures related to mitigating impact.

Measures related to reducing in-person contact:

- 69% are using virtual tools such as video conferencing for internal meetings
- 68% are using virtual tools for client and prospect meetings

Measures related to managing and mitigating financial impact:

- 51% are increasing contact with existing accounts
- 38% are focusing on sales skills development
- 28% are increasing outbound prospecting
- 18% are adjusting goals and budgets
- 15% are extending finance or payment terms for customer orders
- 11% are adjusting production of product

Only 9% said they are continuing business as usual, which aligns roughly with the percentage who report seeing no adverse effects from the coronavirus at this time.

We also invited respondents to list "other" activities they're engaging in in response to the coronavirus, with some interesting results. Some of the activities mentioned

include:

- Developing a new product line to better align with customer needs
- Targeting accounts with best potential
- Rethinking business model
- Adjusting marketing collateral to address how they best help customers at this time

Given the impact of the coronavirus pandemic on lead flow and sales results, sales leaders are also reevaluating their team performance metrics. While closed sales was the top metric monitored by sales leaders in our original survey, sales leaders are placing greater focus on other key performance indicators.

When asked about the most important key performance indicators for the current selling environment, the top three reflect “in-process” or leading indicator activities rather than closed sales.

- 82% are monitoring calls with existing customers
- 61% are monitoring opportunities created
- 53% are monitoring calls with new prospects
- 42% are monitoring closed sales

Based on these responses, it’s clear that this is a challenging time for the sales industry. We are encouraged by the creative and agile response indicated by responses to this survey, which gives us optimism for the future of the industry on the other side of the coronavirus pandemic.

Conclusion

The sales industry on the whole is facing times of unprecedented uncertainty. While a creative response to evolving conditions is critical, leaders must not abandon fundamental good practices. This report indicates substantial strengths and weaknesses both in overall best practice structure and attainment of goals. Organizations that wish to survive, thrive, and join the top performing ranks in sales should use the data in this report to focus on their own areas of weakness, improve their performance against competition, and increase their ability to respond in times of crisis. ■

About The Brooks Group

Founded in 1977, The Brooks Group is an award-winning B2B sales training company focused on bringing practical, straightforward solutions to your sales force selection and training challenges.

The Brooks Group provides a suite of proven sales and sales management development programs, industry-leading reinforcement tools, and best in class assessments.

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