

INDICATOR:

Mood of the Sales Leader 2020

The definitive annual report into the New Zealand
Sales Leadership landscape

Sponsored by



ROBERT WALTERS

HubSpot

Inside the Report.

01	Welcome	4
02	Key areas	6
03	Survey snapshot	8
04	2019 in review	10
05	Performance	12
06	Resourcing	14
07	Exporting	16
08	CRM & Technology	18
09	2020 Expectations	20
10	Biggest challenges	22
11	Whats changed	24
12	One thing...	26
13	Biggest risk to you...	28
14	About	30
15	Our sponsors	32

01. Welcome

Welcome to the 3rd annual Mood of the Sales Leader report.

The 2020 survey has continued to grow, with responses from 226 sales leaders (up from 184 in 2019) who are collectively responsible for over \$10 billion in revenue and close to 5000 salespeople.

We are thrilled to welcome back sponsors Robert Walters and PWC, and excited that sales, marketing & technology world leader HubSpot has also joined us this year.

Revenue is critical to every business. Without revenue and revenue growth, businesses will fail - consequently the role of the sales leader plays a huge role in determining business success. This annual survey is designed to recognise the importance of the sales leadership role. The sales leader is in a unique position to give a view on the year ahead as they deal with the market, the competition, and engage with clients. Another key purpose of The Mood of the Sales Leader report is to provide company stakeholders with the opportunity to benchmark their own sales teams and leaders against some of the best performing businesses in New Zealand.

In our first two reports, sales leaders were genuinely positive about the prospects of the business year ahead. We observed a slight reduction in confidence from the 2018 to the 2019 report, and this theme has continued in 2020. It seems business continues to become harder than the year before due to increased competition, disruption and the challenge of finding great staff being ubiquitous problems. A key goal of this survey is to challenge business leaders to constantly ask; “how can we be better in the sales arena?”

We would like to thank all the 226 sales leaders who contributed to the survey.

Mike Stokes
Indicator CEO



A key goal of this survey is to challenge business leaders to constantly ask; “how can we be better in the sales arena?”

02. Key Areas

The 'Mood of the Sales Leader Survey' comprised of 40 questions that were shaped to reveal deep insights about the experiences, mood, sentiment and future thinking of a wide cross section of NZ Sales Leaders. In particular we were keen to understand more about the following key areas:



03. Survey Snapshot

The survey snapshot highlights the sales leaders who have contributed to the survey, the companies they work for and the teams they lead.



04. 2019 in review

One of the most powerful disciplines in any business is that of pausing to reflect and review the year that has just passed.



05. Performance

The purpose of the sales leader is to lift the performance of the sales team. We wanted to understand the success of tools such as incentives, sales meetings and sales skills development.



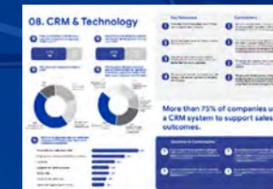
06. Resourcing

The greatest opportunity a business has to differentiate from its competitors is through the quality of its people. We wanted to understand if companies are continuing to search for new sales team members, how they recruit new members and what role diversity and work flexibility play in this space.



07. Exporting

New Zealand is a small country in a big world, so it is not surprising that for many companies the opportunity to truly scale is in international markets.



08. CRM & Technology

The world is changing fast and technology is at the forefront of that change. How do sales leaders utilise technology to support their growth potential?



09. 2020 Expectations

The beginning of each new business cycle is an opportunity to take stock of confidence levels, optimism, market sentiment and most importantly, to achieve clarity of thought about future direction and priority.



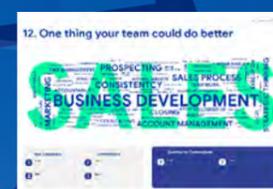
10. Biggest Challenges

It is an old adage but a good one – if it doesn't challenge you it doesn't change you. Through the Survey 226 respondents shared their greatest challenges in the past year and importantly their anticipated challenges in the year ahead.



11. What's Changed

A key goal of the Mood of the Sales leader is to highlight what has changed in sales over the past year.



12. One thing

Often the simplest of questions can be the most powerful. We challenged our Sales Leaders to consider the 'one thing' their teams could be better at in 2019 and the 'one thing' they consider the biggest risk that could make the greatest impact to their performance.



13. Biggest risks

Often the simplest of questions can be the most powerful. We challenged our Sales Leaders to consider the one thing their teams could improve on in 2019, and what is the single biggest risk that could make the greatest impact on their performance.

03. Survey Snapshot

Industry Sectors

226

4,743

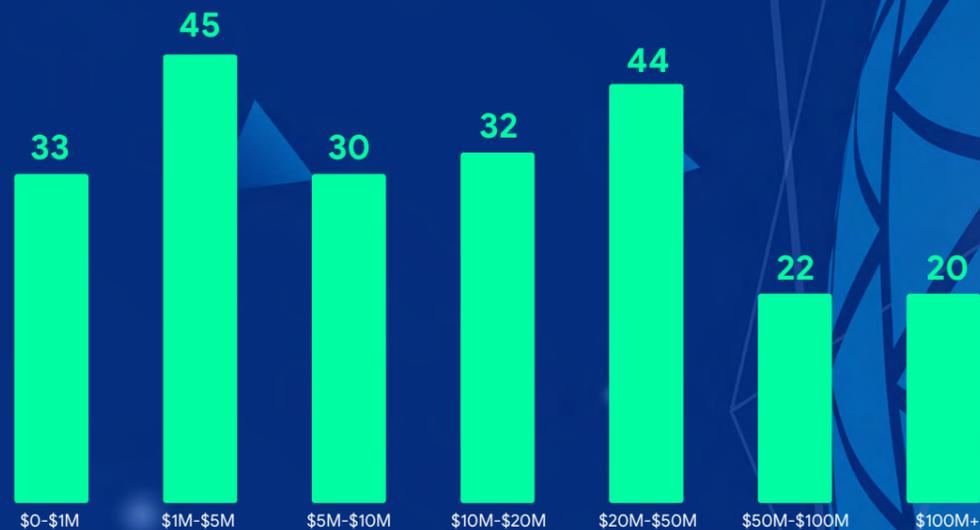
Number of sales people in their teams

Number of survey contributors

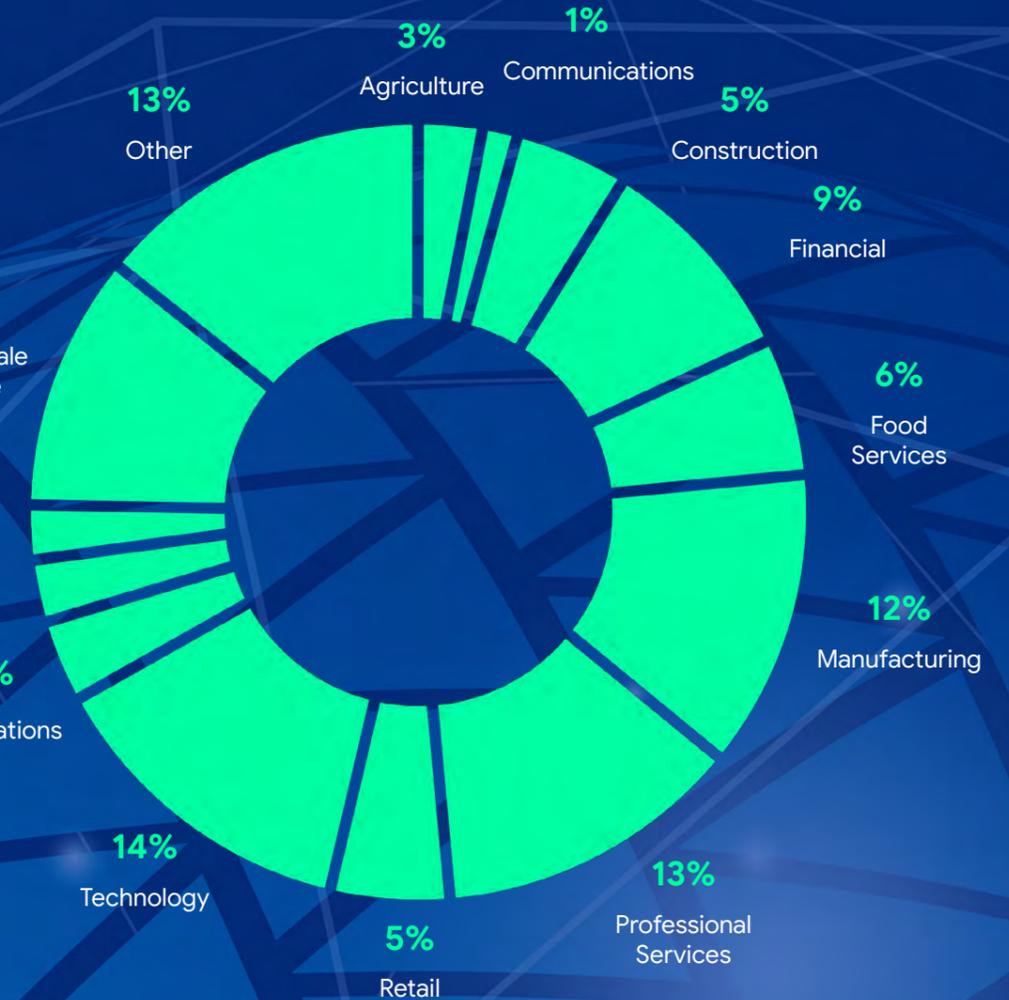
\$10,646,963,156

Revenue these individuals are responsible for

Size of Companies



Role Type



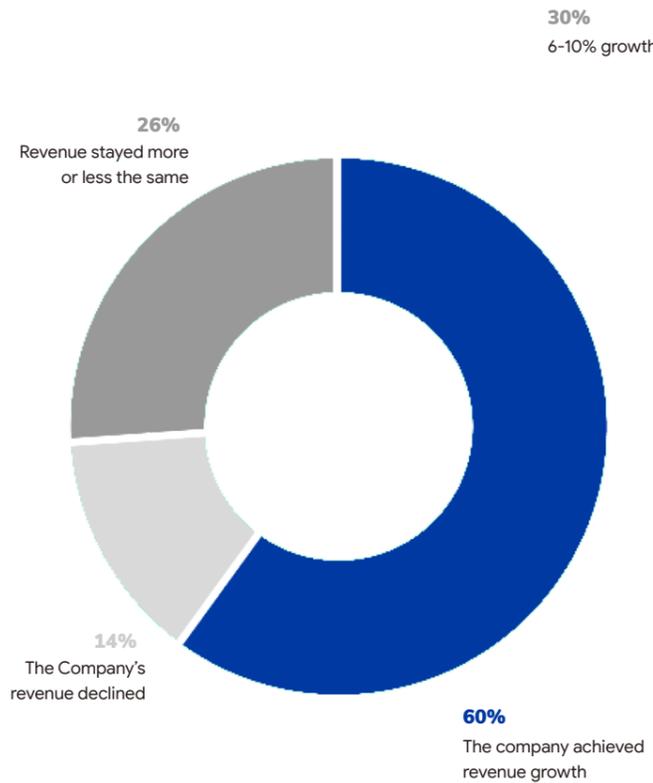
Exporting



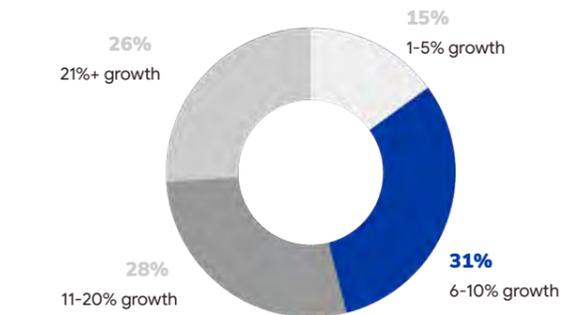
Does your business currently export?

04. 2019 In Review

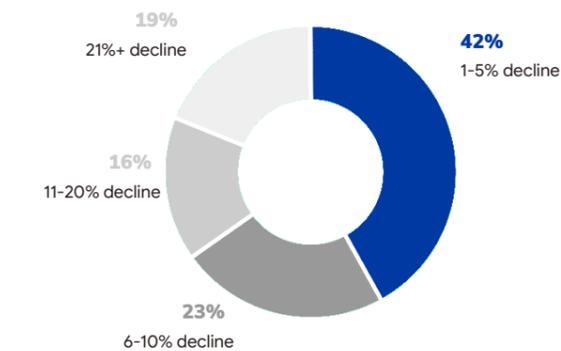
q How would you describe 2019 in terms of revenue performance compared to 2018?



q What % did your revenue grow in the 2019 calendar year?



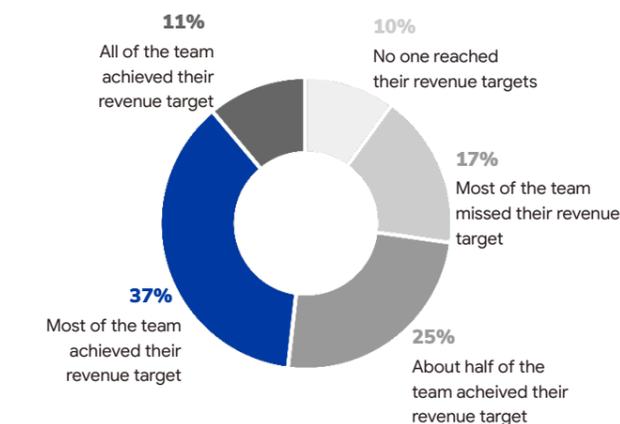
q What % did your revenue decline in the 2019 calendar year?



q Did the size of your sales team change in 2019?

33% Increased
17% Decreased
50% Stayed the same

q What statement best describes your sales team in relation to their sales targets in 2019?



Key Takeaways

- 1 60% of surveyed companies stated that their company achieved revenue growth in 2019.
- 2 28% of companies that grew increased their turnover by 1 – 5%.
- 3 33% of Sales leaders surveyed increased the size of their team in 2019.

Commentary

- i** For those companies that grew in 2019, they grew less than in 2018. 28% of respondents now sit in the 1 – 5% category compared to 15% in 2018. An increased number of companies found 2019 harder than 2018.
- i** Of those companies that declined in revenue in 2019 19% of them declined by more than 21% which is an alarming stat and for many of these companies a potential game changer.
- i** Whilst 33% of sales teams increased in 2019 this was down considerably from 45% in 2018 and 64% in 2017. Whilst the numbers may support a slow down the need for good quality team members still remains one of the biggest challenges for sales leaders.

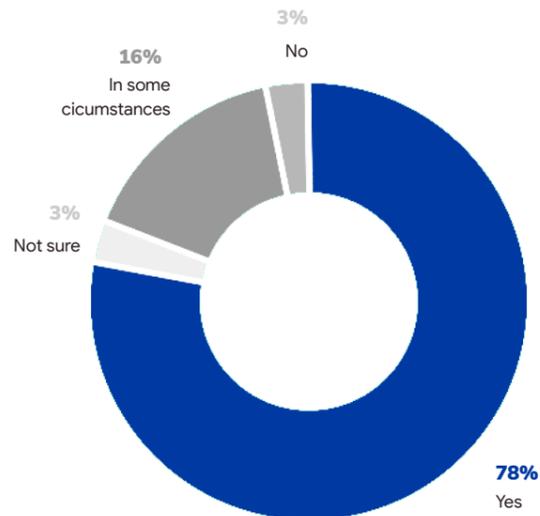
An increased number of companies found 2019 harder than 2018

Questions to Contemplate

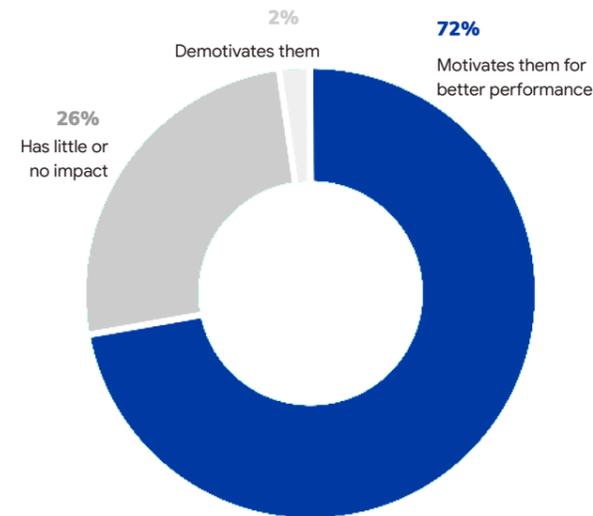
- ?** Will the decline in confidence continue in 2020? Are companies slowing due to an economic slowdown or are they being disrupted by increased competition and or technology?
- ?** If revenue declined in 2019 what are you doing to counteract this fall? For many companies, they won't be able to do the same thing and expect the same results in the year ahead.
- ?** If you are not achieving the growth that you and your company desires does this mean that you should grow your sales team in the year ahead or invest in other areas of the business?
- ?** Looking at the bell curve in relation to sales people and reaching their sales targets where should a sales leader focus their time? Is it the low performers, the high performers or in the middle?

05. Performance

q Do you believe incentives are important for salespeople?



q Do you believe your team's incentive programme ...



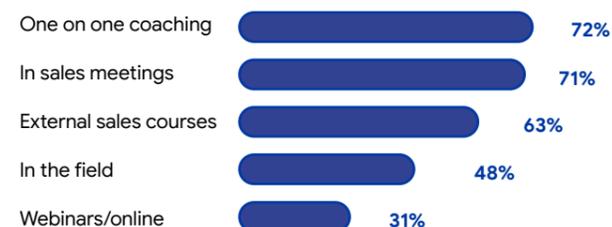
q Does your sales team receive financial incentives based on sales performance?



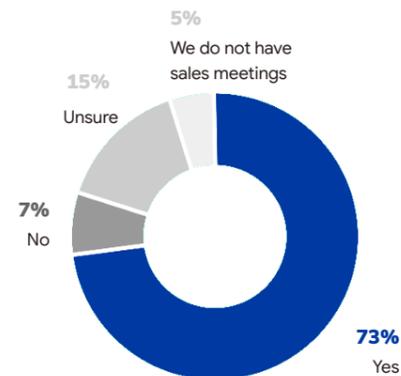
q Did your sales team receive any sales skills development in 2019?



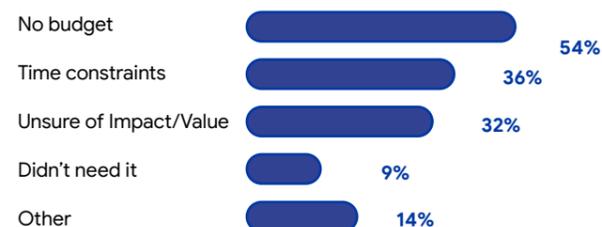
q How was your sales skills development delivered in 2019?



q Do you believe your sales meetings are having a positive impact on your team and their performance?



q What were the main reasons why your sales team did not receive sales skills training during the year?



Key Takeaways

- 1 There is overwhelming support for incentives as a performance tool. Only 3% of sales leaders believe that incentives are not important for salespeople.
- 2 28% of respondents think their sales incentive plans are doing little or demotivating.
- 3 75% of sales teams received some form of sales skills development in 2019.

Commentary

- i** 75% of sales teams received some form of sales skills development in 2019. This is an increase from 66% in 2018 which is a significant improvement and an important step to achieve better results and improved consistency across sales teams.
- i** There have been many comments and articles debating the value of incentives for sales people. It is clear that NZ Sales leaders see the value in incentives, with only 3% believing that incentives are not important for salespeople.
- i** Whilst the vast majority of sales leaders believe in incentives it is clear that a significant number of the incentives plans in place are not working with 28% of sales leaders stating that their plan does little to motivate or demotivates.
- i** A significant percentage of sales leaders believe their sales meetings are impacting on their team's performance, but our anecdotal evidence would suggest this may not be the case. Too often sales meetings are focused on admin and not enough on improving performance.

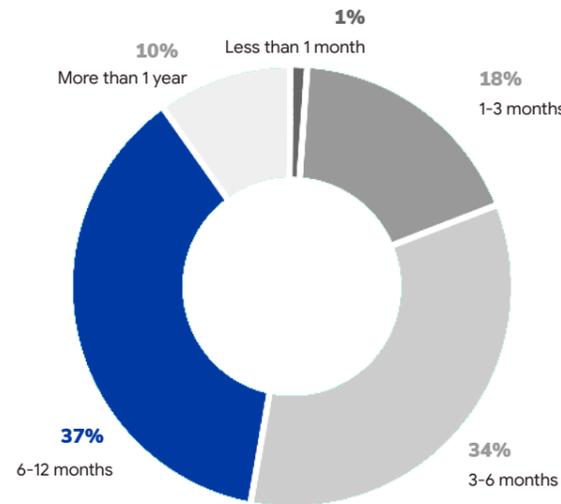
Only 3% of sales leaders believe that incentives are not important for salespeople

Questions to Contemplate

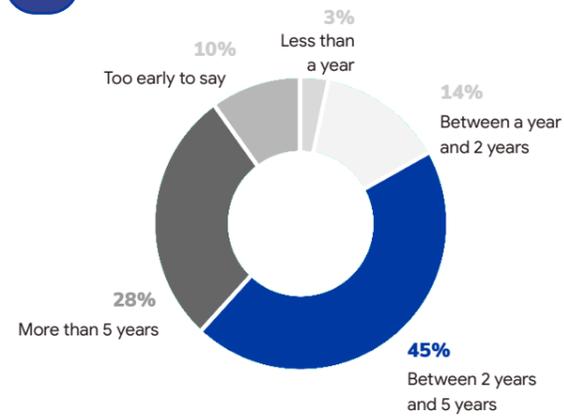
- ?** For the 50% of the 25% of teams that didn't get training, "No budget" should not be seen as an excuse, as most training was delivered in house.
- ?** If managers didn't have time to train their team are they spending too much time "In the business" as opposed to "on the business"? Isn't one of the most important roles of a sales leader to advance the skills of the team?"
- ?** Is your sales incentive program driving the desired behaviour? If not, how are you going to change that?
- ?** Are your sales meetings truly adding value to your team? Can you directly point to ways in which your sales meetings have enabled your team to increase your team's skills and capability?

06. Resourcing

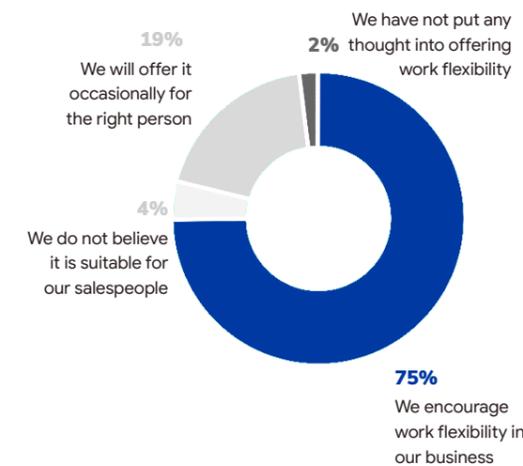
q How long does it take a new sales team member to perform at full strength in your business?



q What is the average tenure of your sales team members in your business?



q What is your attitude towards work flexibility for sales team members?



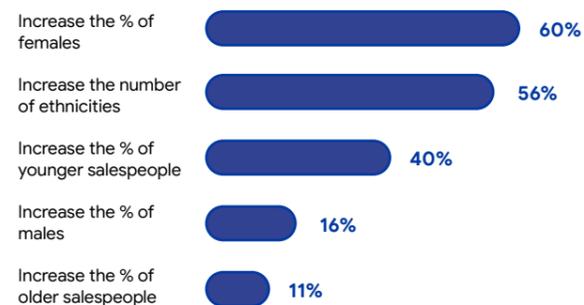
q How do you recruit when you are looking for new sales people?



q Would you consider your sales team to be diverse? (age, ethnicity, gender)



q How would you improve the diversity in your team?



Key Takeaways

- 1 Almost 50% of sales people take in excess of 6 months to reach full performance in their sales roles.
- 2 75% of companies encourage work flexibility for their teams.
- 3 63% of sales leaders consider their teams to be diverse in regards to age, gender, ethnicity.
- 4 To improve diversity the largest areas of improvement are seen as an increase in females, ethnicities and younger sales members in that order.

Commentary

- i** Noting that almost 50% of sales members take in excess of 6 months to achieve full strength and that 45% of sales team on average have a 2 - 5 year tenure it highlights how important recruitment and induction is for a business. Induction needs to include sales process as well as product knowledge.
- i** A surprising result to see that 63% of sales leaders believe that their sales teams are diverse as anecdotally we see less diversity. It is of no surprise that a lack of gender diversity is the area that needs the most work.
- i** It appears that when recruiting most sales leaders are taking a multi pronged approach to search for candidates.
- i** 75% of sales leaders are encouraging work flexibility - which is a huge number - and only 4% do not believe it is suitable for their team. As we note that retention of staff is one of the biggest risks to companies, it is important to highlight that this is now a regular part of sales teams' expectations.

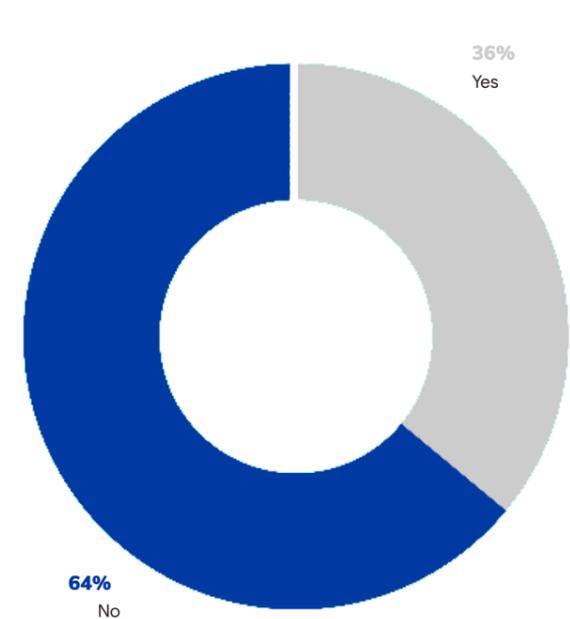
Almost 50% of sales people take in excess of 6 months to reach full performance in their sales roles

Questions to Contemplate

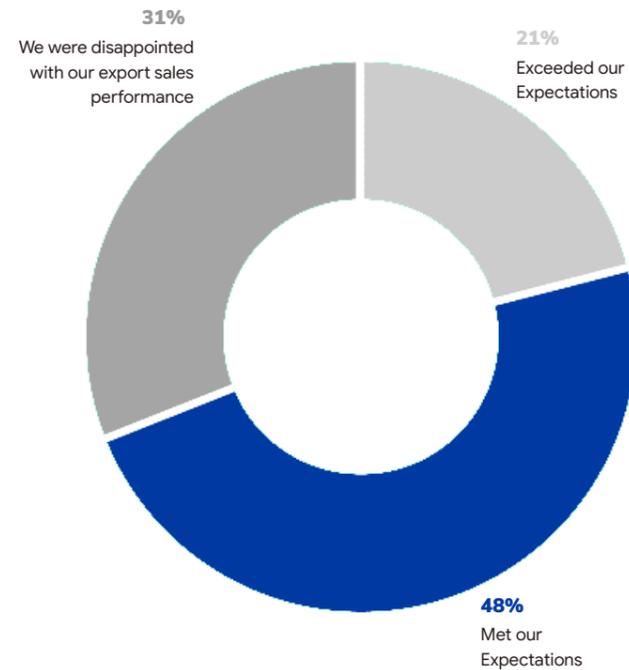
- ?** If you are struggling to find sales team members do you need to start offering more work flexibility? Is your recruitment process designed to attract more diversity? Have you looked to employ outside of your industry?
- ?** When did you last review your recruitment and induction processes with a view to improve them? Are your new sales team members receiving a focused sales induction that goes beyond product and company knowledge? Does it include (and focus on) Sales process and "how we do it".
- ?** Of those that would like to see a change in diversity only 11% see a need for increasing the older salesperson. Does this mean that experience is deemed as less important these days?
- ?** If 75% of sales leaders are encouraging work flexibility in their teams is your company keeping up to move with the times?

07. Exporting

q Does your business currently export?



q How would you rate your export sales performance this calendar year?



q Does your business have aspirations to expand into more overseas markets in the next 24 months?



q Does the business intend to explore overseas opportunities in the next 24 months?



Key Takeaways

- 1** We saw a demonstrable increase in companies exporting in this year's survey.
- 2** Approximately 70% of all companies were happy with their exporting efforts.
- 3** And of those already exporting, 75% are looking for more overseas markets to expand into.
- 4** 70% of respondents are happy with exporting results, or having their expectations exceeded, exporting is an area that holds good potential for additional revenue.

Commentary

- i** There is a growing awareness of the opportunities that lie in exporting and expanding offshore. It can be rewarding and worthwhile. It can also be expensive if you get it wrong or mis-step. That's not to say you shouldn't try. Just be as informed as you can be. With clear expectations.
- i** There is an ongoing awareness of export market potential, with 1/5th of non-exporters exploring offshore opportunities.

Approximately 70% of all companies were happy with their exporting efforts

Questions to Contemplate

- ?** Overseas expansion requires different expertise. Where is the international expertise coming from in your company?
- ?** Choosing a model (direct/channel/agency) is a key decision in deciding how to enter a market. It isn't just a sales decision. It requires complete company engagement and preparedness. Are you prepared enough with your documentation, support services, legal knowledge and the like?

08. CRM & Technology

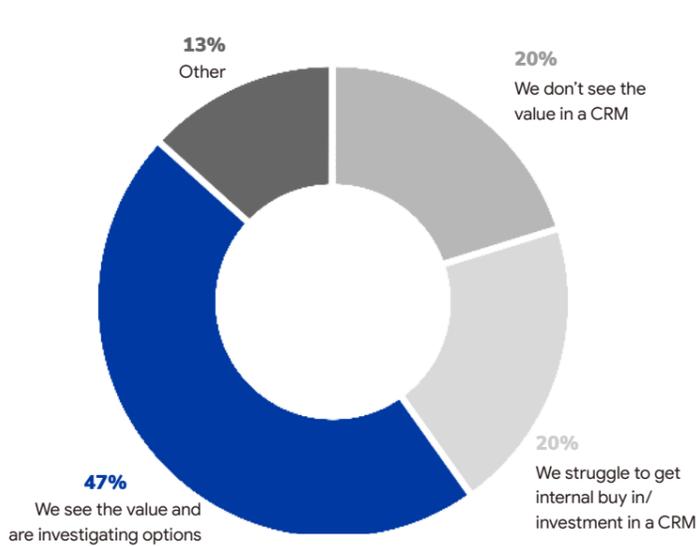
q Does your business currently use a customer relationship management (CRM) system?



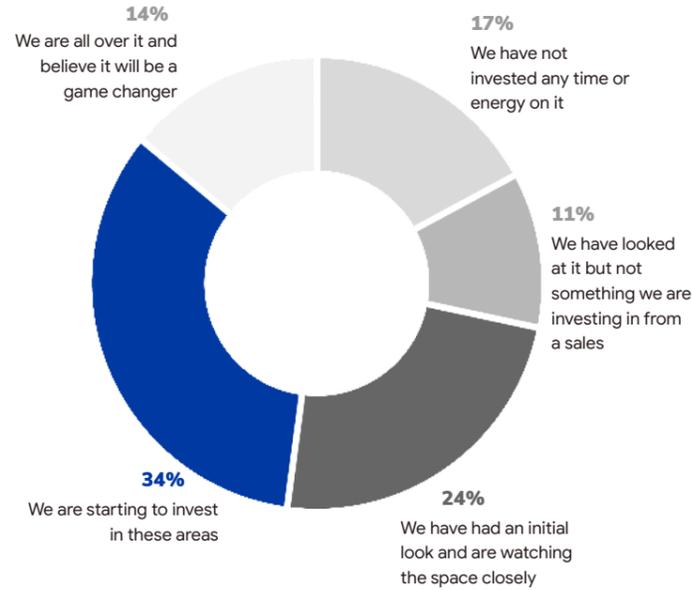
q Does all of your business (ie customer service and marketing) work from the same CRM?



q Why does your company not utilise a CRM?



q Thinking about disruptive technologies (e.g machine learning, marketing automation, augmented reality or AI), what is your company's current view?



q Which of the following does your sales team research on CRM before they reach out to customers or prospects?



Key Takeaways

- 1 77% of companies use a CRM system to support sales outcomes.
- 2 39% of companies are using different systems than the sales team.
- 3 35% of sales teams monitor website and engagement with marketing campaigns before reaching out to customers.
- 4 The survey indicates that sales leaders are still taking a 'wait and see' approach to disruptive technologies.

Commentary

- i** We see a real gap continuing to grow between those companies that utilise a CRM well and those that don't or do not utilise a system at all.
- i** The results from the survey appear to indicate that there is an opportunity for many companies to advance their use of CRM or look at a system to support a deeper knowledge of thier clients by monitoring their activity or their areas of interest.
- i** Of the 23% of companies that do not currently use a CRM almost half of them are investigating options.
- i** We see a lack of sales people utilising digital and social channels to build their personal brand, monitor client and competitor behaviour and to understand trends and changes in their industry.

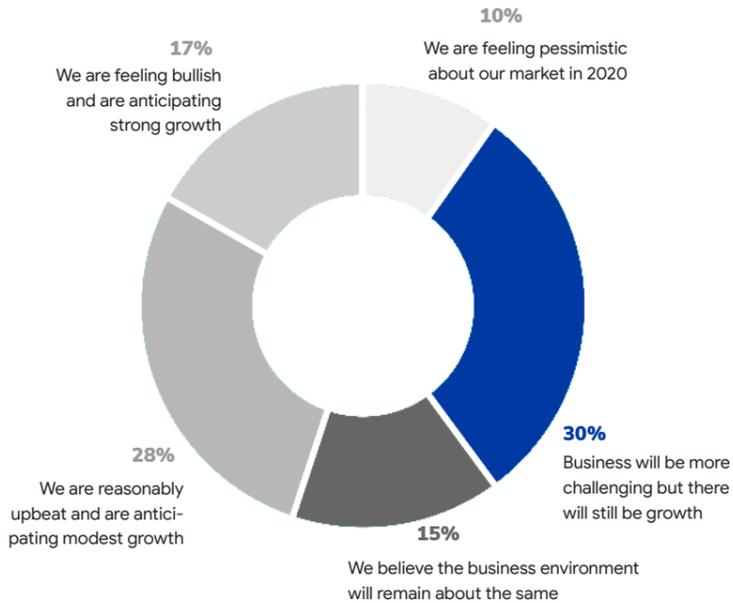
77% of companies use a CRM system to support sales outcomes

Questions to Contemplate

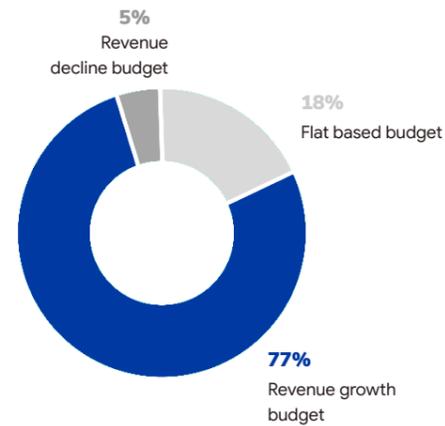
- ?** If you are one of the companies not utilising a CRM system are you missing out on significant opportunities to create consistency and improve customer experience?
- ?** NZ sales leaders would overwhelmingly like their sales teams to do more prospecting and business development but are they missing an opportunity by not using all of the technology at their disposal to support this?
- ?** If you are one of the 52% that have not invested in disruptive technologies are you running the risk of being left behind?
- ?** Do you have a CRM and Technology strategy that is supporting your sales teams to be successful?

09. 2020 Expectations

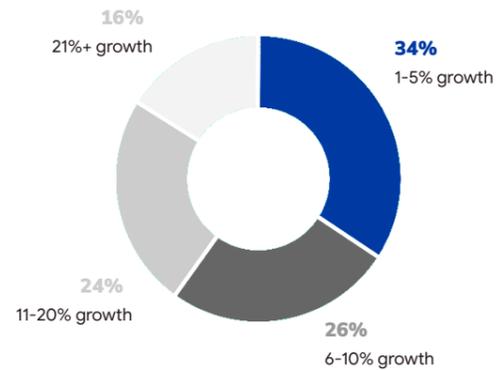
q Thinking ahead to 2020, what are you anticipating in terms of your business environment?



q Thinking ahead to your Revenue/Sales Budget for the 2020 financial year are you planning a



q What level of growth in revenue are you expecting in 2020?



q What are you are going to do differently in 2020 to achieve this growth?



q Thinking ahead to the 2020 calendar year do you have plans to change the size of your sales team?



Key Takeaways

- 1 Sales leaders are predicting once again a slight softening market in 2020 with all categories declining in confidence, except the "stay the same".
- 2 10% of sales leaders are pessimistic about their market for 2020.
- 3 77% of sales leaders are planning for growth in 2020 albeit at lower levels than in the past.
- 4 41% of sales leaders are planning to increase the size of their size team in 2020.

Commentary

- i** There has been a continued softening since the 2018 report in regards to business growth. Pessimism for the year ahead has grown from 1% in our first survey in 2018 to 10% in the 2020 survey.
- i** For those that are predicting growth those levels of growth are reduced from the past two reports.
- i** We see the survey as highlighting a slight softening not a huge drop in confidence for the year ahead.

77% of sales leaders are planning for growth in 2020 albeit at lower levels than in the past

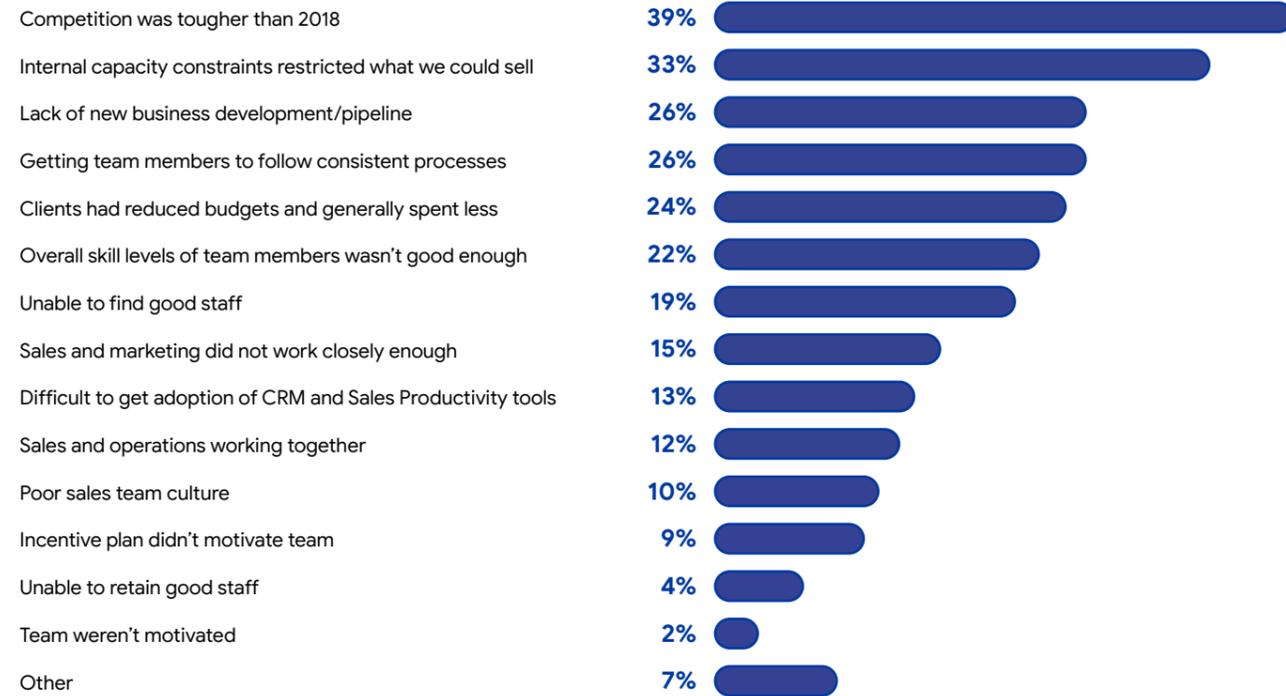
Questions to Contemplate

? Is the perceived reduced confidence based on speculation or on real indicators that companies will struggle in the year ahead?

? Is 2020 the year for sales leaders to look at new initiatives to achieve results? Will doing the same thing achieve you even less results than last year?

10. Biggest Challenges

q What were your biggest challenges in 2019?



q What do you believe your biggest challenges will be in 2020?



Key Takeaways

- 1 Mixture of internal and external challenges with competition still being the top challenge.
- 2 33% of companies stated that internal capacity constraints restricted what they could sell.
- 3 Lack of business development is a recurring theme throughout the whole report.

Commentary

- i Once again competition was the number one challenge that companies are facing and believe will be the biggest challenge in the year ahead. There is a very real need for companies to differentiate themselves and one of the most important ways to do this is by the way that you sell and the customer experience that you create.
- i New business development is always a hot focus for sales leaders and is within the company's control. Building new business pipeline is a fundamental of selling, and can often dictate how successful companies will be in achieving their budgets.
- i When we look at the correlation of those wanting more new business development there is also a clear link to those with a greater growth focus. This tells us the better sales leaders are always searching for more and wanting to lead their teams towards more growth.
- i Internal constraints restricting what we sell highlights that a number of companies still have work to do from an operational or capacity perspective. For companies struggling in this space there is a need for better forecasting, planning and communication between sales and operations.

Once again competition was the number one challenge that companies are facing

Questions to Contemplate

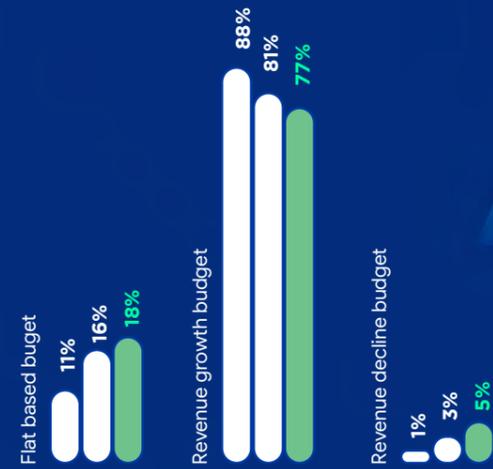
- ? What will the Sales leader change in the way they manage their teams to counter the challenges they will face in 2020? How will they continue to drive their lead generation? Can forecasting be improved to help the business plan to provide more capacity? What is being done to innovate and differentiate from competition?

11. What's Changed

2019 vs 2018 vs 2017

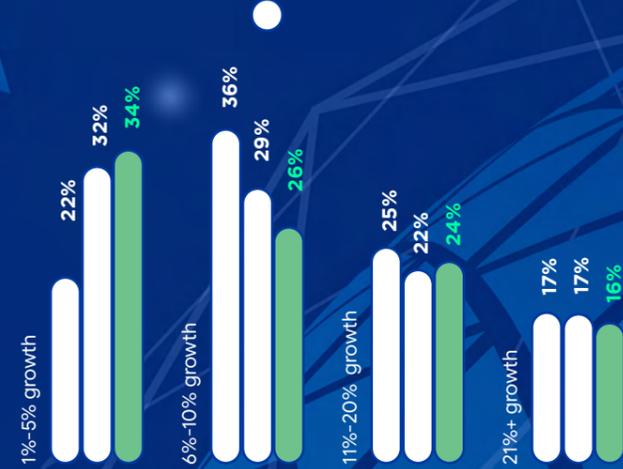


Revenue & Sales Budget



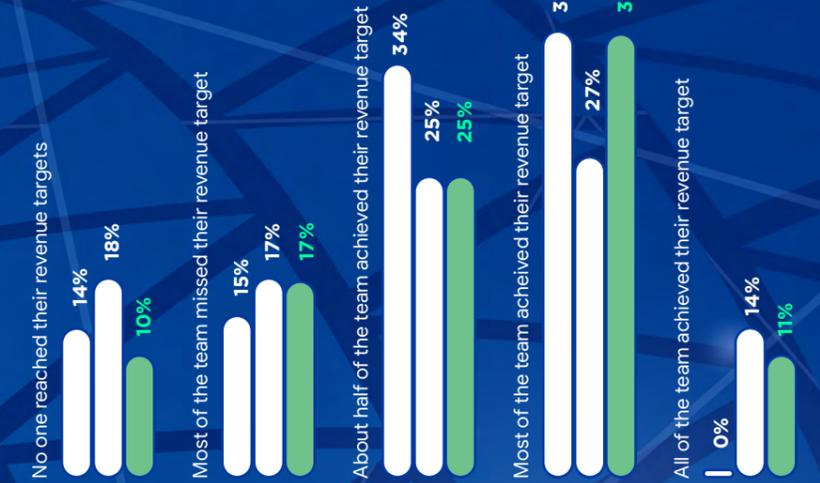
Thinking ahead to your Revenue/Sales Budget for the next financial year are you planning a

Revenue Growth



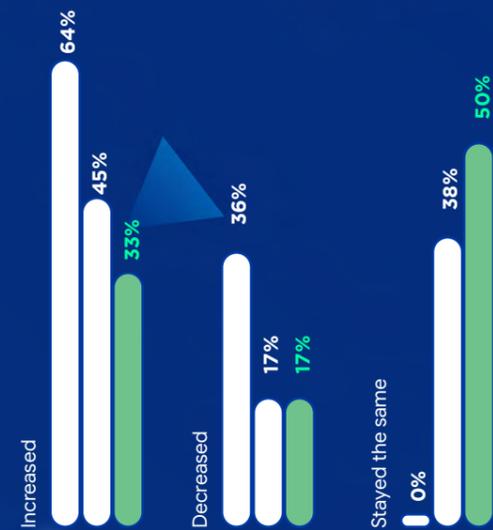
What level of growth in revenue are you expecting

Sales Targets



What statement best describes your sales team in relation to their sales targets

Team Size



Did the size of your sales team change?

Business Environment



Thinking ahead, what are you anticipating in terms of your business environment?

Biggest Challenges



What were your biggest challenges this year?

14. About Indicator

How can we help?

Founded in 2015, Indicator is driven to increase the overall quality in the sales and sales leadership of New Zealand companies.

To achieve our ambition, Indicator partners with companies and individuals to achieve improved B2B sales results. Indicator works with many of New Zealand's most progressive companies and has a passion for driving sales performance to deliver top and bottom line results.

Sales training companies are ubiquitous, yet most focus on individuals rather than the leaders, processes and systems. Get the balance right and success will flow through to your team.

Sales is becoming increasingly complex, and more and more companies are being left behind. That is why Indicator is here.

Indicator's number one goal is to partner with our clients to have a positive impact on their sales performance

Talk to Us

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Our Offerings



Sales Syndicate

Sales Syndicate is a monthly programme designed to enhance sales success by linking similar skilled sales managers and sales leaders in a non-competitive peer to peer environment.



Sales Academy

Sales Academy is a monthly programme specifically for B2B sales people to enhance their skills in a peer to peer environment. A completely unique programme that is designed in short sharp hits for maximum learning and reinforcement.



Sales Consulting

Indicator offers bespoke consulting to support New Zealand B2B companies. Engagements will typically start with one of Indicators diagnostic tools to create the right solution each time.

15. Our sponsors



PwC Sales Advisory services helps businesses turn products, services and ideas into profitable sales. Our PwC sales specialist team offers experience exporting to over 34 countries and we can assist you with all your export advisory needs.



Dan Hansen
Partner
021 059 6233
dan.j.hansen@pwc.com

“We see a large opportunity for New Zealand’s exporters to improve their performance by improving their sales and sales leadership, and distributor and agent management capabilities. As a group one way we can improve our international competitive advantage is by improving our approach to sales which is typically not an area of strength in this country. We are excited to be involved in the Mood of the Sales Leader and are pleased to support a report that highlights the challenges and expectations of sales leaders.”

Dan Hansen - PwC

ROBERT WALTERS

Robert Walters is a global, specialist professional recruitment consultancy. Organizations rely on us to find high quality professionals for a range of specialist roles. Professionals who are looking for a new role, whether it’s on a permanent, interim or contract basis, trust us to find them their ideal job.



Sindy Ward
Associate Director
021 659 193
sindy.ward@robertwalters.com

“We all know the importance of a high performing team. How it impacts your business and your customers. How it makes you feel being part of it. How it makes you feel leading it. The sales climate in New Zealand is shifting, and this insight into the mood of today’s sales leader is the key to staying ahead in the market. My team and I at Robert Walters are proud to support such pivotal research. Our friends at the Indicator Group continue to master best practice in sales and it’s great going on this journey with them.”

Sindy Ward- Robert Walters



HubSpot is a leading growth platform. Over 60,500 total customers in more than 100 countries use HubSpot’s award-winning software, services, and support to transform the way they attract, engage, and delight customers. The HubSpot growth platform lets your entire company work together – from marketing, to sales, to customer service. Each product is powerful alone, but better together.



James Moore
Principal Sales Manager
Enterprise and Mid-Market
jamoore@hubspot.com

“In 2020 and beyond, how you sell is more important than what you sell. No matter what they are purchasing, your prospects demand a frictionless experience, and companies that fail to adapt their approach will lose out. The problem is, most sales teams lack the technology and data required to meet those expectations during the sales process. I’m proud that HubSpot is supporting the Mood of the Sales Leader report to help sales leaders better meet the evolving expectations of the modern consumer.”

James Moore - HubSpot

INDICATOR:

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