

# Addressing the Challenges Facing Manufacturing Sales

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# Introduction

As a sales leader, when was the last time you felt that you had a deep understanding of the challenges facing sales in the manufacturing industry? And, beyond grasping the issues, how about having the tools to address them?

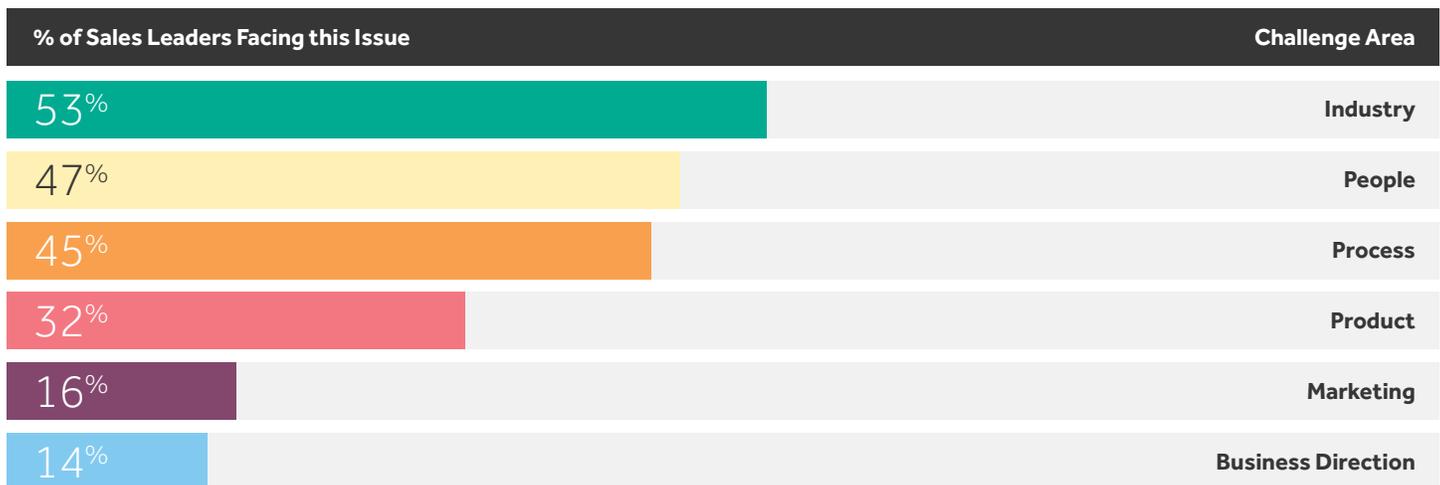
Few manufacturing companies can reliably deliver growth, and sales takes much of the heat for the pressure to deliver revenue targets. To find out what the main challenges are and how leaders are addressing them, Vennli surveyed more than one hundred sales leaders in the manufacturing industry and analyzed both the key issues and the solutions being used to combat them.

## ISSUES

Six categories of challenges emerged in our research: industry challenges, people challenges, product challenges, process challenges, marketing challenges and business direction challenges.

Manufacturing sales leaders feel that broad industry challenges are the most concerning. Far fewer sales leaders were as concerned about the specific business direction of their organization.

**Figure A: Issues Facing Sales Leaders**

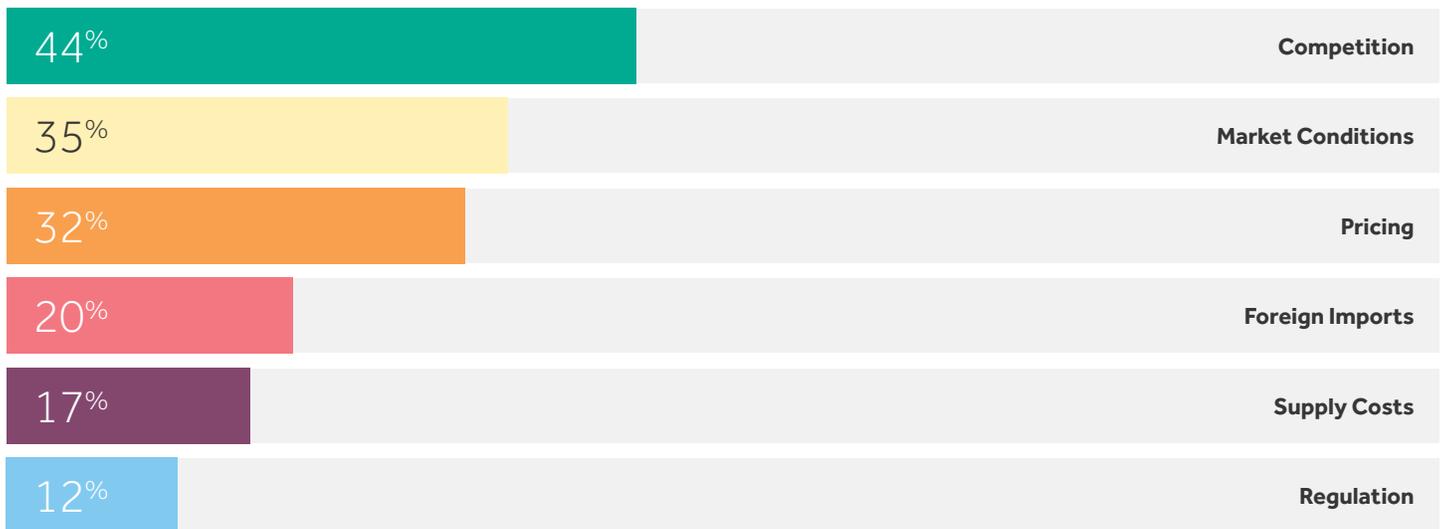


In the upcoming pages, we will review the drivers of each of these challenges, as well as the solutions today's sales leaders are putting into practice to address them.

# Industry Challenges

With the U.S. manufacturing growth at just 0.9% for 2016 but forecasted to be 4.6% in 2017, sales leaders need to make sure they are well-positioned to capture more than their share of the expected growth. (Source: [The Institute for Supply Management](#))

**Figure B: Top Industry Challenges**



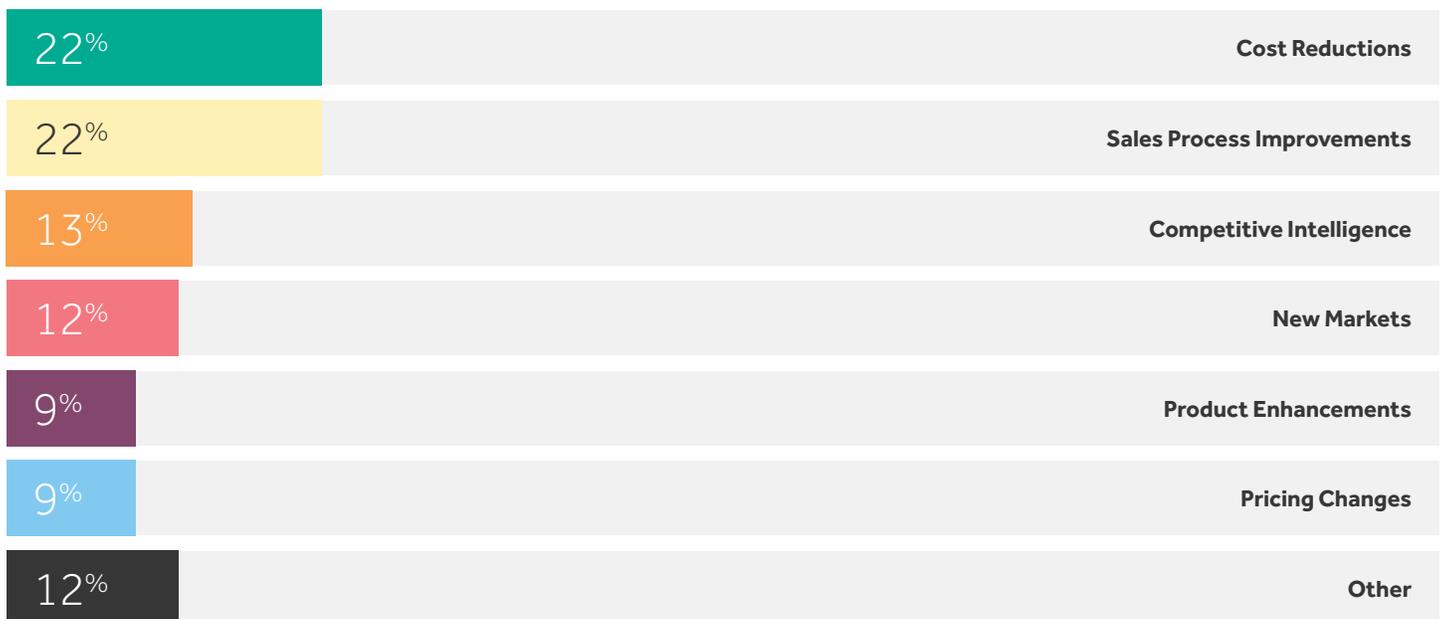
The leading industry challenges (Figure B) relate to competition, market conditions, and pricing. While competitive pressure will never cease in the sales environment, today's manufacturers are being undercut by low-cost competitors, struggling to combat an influx of imports, and missing the ability to differentiate their own products. Additionally, variability in market conditions are driving industry problems. This can range from the increase in eCommerce sales to market turbulence to constricting markets. Competitive pressures and market conditions put pressure on prices. Manufacturers are feeling pressure from customers to lower prices leading to overall margin erosion.

# Industry Challenges

## SOLUTIONS

Today's sales leaders recognize that reducing costs is a major key to addressing the problems facing the manufacturing industry (Figure C). Beyond that, nearly one half felt there were three areas that could provide critical solutions: improving the sales process, expanding into new markets, and gathering competitive intelligence.

**Figure C: Top Solutions to Industry Challenges**



**Improving the Sales Process will Improve Sales Results.** Winning the sale means building a partnership with prospects earlier in the sales process. This can be accomplished by demonstrating ROI as part of the sales process, changing contracts to become risk sharing agreements, and changing the focus of the sale to be about more than price.

**Competitive Intelligence Provides a Competitive Edge.** To better defend against the competition, sales team are using more competitive comparisons, sourcing additional competitive data, and using customer surveys and business analysis to drive their competitive intelligence arsenal.

**New Markets Equal New Growth.** Yesterday's markets are not tomorrow's markets. To solve this, manufacturers are looking for growth in new sectors, diversifying their offerings, and launching new products to meet the needs of adjacent market segments.

# People Challenges

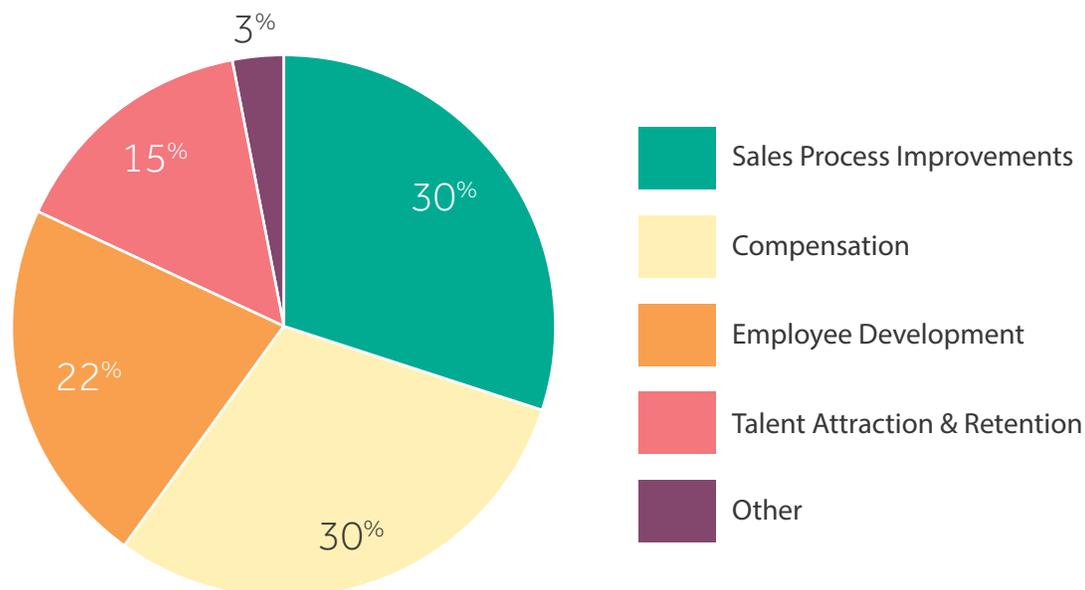
Growing labor demand and an aging workforce has made the scramble for talent critical. Hiring employees, training employees, and retaining employees continues to be a significant matter in manufacturing sales.

Hiring managers are struggling with a lack of talent, a lack of good talent, and a lack of good *experienced* talent. Employees have leverage in today's economy and this is manifesting itself in the hiring process. A lack of high-quality, experienced talent means that new employees need training and development to succeed in their sales roles. They are deficient in industry, product, and even functional sales knowledge. With time invested in hiring and developing individuals, retaining them is key and has become a significant issue for manufacturing sales organizations.

## SOLUTIONS

With current market conditions favoring employees, employers need to think differently about how to build, grow and develop their teams. The top solutions fell into the areas of talent attraction and retention, employee development, and compensation (Figure D).

**Figure D:** Ways to Address Employee Challenges



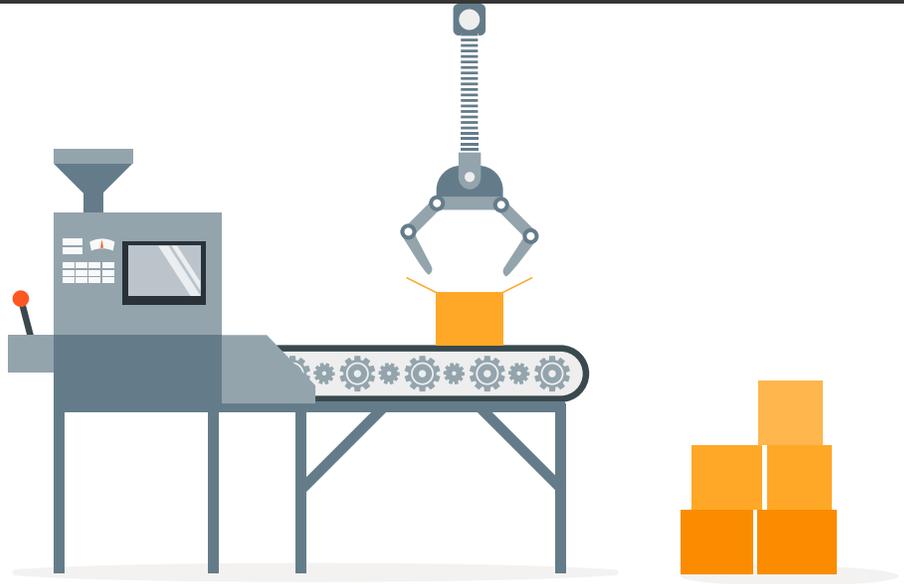
**Use a Lifetime Customer Approach for Employees.** Thinking of an employee's needs before they are even a part of your organization can change their trajectory. Ask yourself: What are they looking for in a company? In their particular role? Understanding how you and your company can meet those needs, especially as they change and develop during their career, will help you think about how to keep them for the long term.

**Nothing Beats Time. Employees value your time.** They recognize the quality development they receive from it — especially if it's time spent together in the field. So while it's a limited and precious resource, invest it wisely.

# Product Challenges

Not all sales problems are sales driven. An offering that isn't resonating with a target customer base poses a huge issue for many sales teams. Product problems are the result of quality issues and customer satisfaction, not keeping up with technological change, and poor inventory management.

Poor quality products and products that are not performing as expected create significant customer satisfaction concerns and additional hurdles for manufacturing sales. With today's robust technology resources, buyers are hungry for innovation. Finally, inventory issues from out-of-stocks to slow order fulfillment are adding to the product challenges facing today's sales teams.



## SOLUTIONS

Addressing product challenges can involve better budgeting and planning. So can turning the model around to truly put the customer at the center of all things product.

**Put Yourself in the Customer's Shoes.** Addressing major issues, such as customer satisfaction, means truly understanding your customer. Do you know that they value most about your product? Are you delivering on it and they just aren't aware, or is there an opportunity to add a new feature to address it. How are they using your product? Are quality issues arising because there isn't sufficient follow-up communication or usage guidance? Asking yourself the questions that lead you to a deeper understanding of your customer will help you understand how to meet their needs — and even exceed them.

**Anticipate Product Needs.** Beyond increasing inventory, ask yourself what resources you can bring together on both the buyer side and your internal team to anticipate what your customers will need in the future. This can go beyond just planning for re-order quantities, but can even start to expand to additional features, capabilities and new products.

**Become an Innovation Partner.** It can be easy to provide negative feedback or identify product gaps and put it all on the product team to solve. Instead, find the appropriate amount of time to spend giving them the feedback you frequently hear as roadblocks from customers. Also, understand what research the product team is planning. Ask if your customers or prospects could participate. Providing a voice to customers can both provide rich information and show that you value their perspective.

# Sales Process Challenges

Leads, leads and more leads. Generate them and convert them. Not surprisingly, these are the biggest pain points that leaders (and their team members) feel in the manufacturing sales process.

To generate leads, sales people are struggling to find quality new accounts, to identify the correct person to talk to within accounts, and to simply source cold leads. Once that happens, conversion is the next matter on the horizon — qualifying buyers, gaining access to the right level of authority and decision making, and closing the deal.



## SOLUTIONS

Solving the issues in sales processes means rethinking the overall approach. Tapping into deeper insights regarding prospects and customers and how they buy is essential to get at the core of solving for leads, increasing their quality, and converting them at strong rates..

**Understand What Makes Your Buyer Unique.** We credit Albert Einstein with saying, “The definition of insanity is doing the same thing over and over again, but expecting different results.” Is this what you’re doing with your leads? Whether it’s looking where the rest of the industry looks — the same trade shows, the same websites — or just going after the same prospects over and over again, deeper understanding of your buyer can help you source better, more qualified leads. Dig in and understand what makes your buyers unique — do they have a different mindset about how to use your product? About the role the product plays in their business? Do they tend to be organizations of a particular size, industry, or location? Whatever it is, grasping these differences can help identify new ways to locate and source leads.

**Map Out the Buyer Journey.** What did it take for your most recent new buyer to finally close? What happened first? Did they call you, or did you call them? What was happening in their business that triggered their interest in your offer? Once they were interested, who else needed to be involved to make a decision? What most interested them during the evaluation process? Gaining an awareness of the customer’s buying process is critical. Prioritization of the most important business factors to promote and defend as they go through their buying journey can change your entire sales process trajectory.

# Marketing Challenges

Marketing presents an entirely separate host of challenges to sales. Specifically, poor marketing can lead to a lack of differentiation, branding problems, and gaps in customer research that impact the effectiveness of the sales team.

Price is rarely the ideal focus for sales discussions. But in the absence of communicating meaningful value through marketing, sales has no other option. Frequently, branding efforts are not delivering increased customer loyalty. The opportunity to improve customer research runs deep, with sales yearning for:



Examples of Needed Customer Intelligence

## SOLUTIONS

Sales and marketing need to be partners. Being oriented around common goals and outcomes is essential to making this happen. Lack of alignment is all too frequent between sales and marketing. Ensuring both teams are on the same page — or figuring out how to get there — needs to happen before any solutions can be put in place.

**Sell Value and Benefits.** Not attributes. It's exciting to talk about the latest and greatest product features. And it's easy to get caught up focusing on them. However, what prospective customers really want to understand is why your solution matters to them. Work with marketing to turn your sales conversations around. Start with why your customer should even listen to what you have to say — explain the value your product will bring to their business. Then, they will come asking about features, attributes, and all the rest. They'll want to know how they can achieve the benefits you described.

**Treat Research as a Journey not a Destination.** Work with the marketing team to build a continuous learning approach with your customers. Too often voice of the customer insights are approached in a moment of crisis with the thought, "If we are able to learn X, then we will know what to do." But customers' preferences change, the competition changes, and the macro environment is always shifting — which means what you know today may not hold tomorrow. Take what you've learned, incorporate it into your sales process, and then get ready to do it all over again. This becomes easier when you have a system in place for gathering customers' feedback over time.

# Business Direction Challenges

The pressure of strategic planning and complexity in managing change are driving business direction challenges. Strategic planning is being impacted by an incredibly wide cross-section of issues from forecasting to operations to the opportunity to be more solutions-focused. Managing change: changing markets, changing customers, and changing teams, also drives the effect business direction is having on sales.



## SOLUTIONS

Not having everyone in your organization headed in the same direction can bring business to a halt. Chasing different goals, lack of certainty of how to proceed or not knowing how to respond to variability will all slow the gears down. Instead, understand what it takes to build support for a common direction and how to ensure you have the right people with the right skills to get there.

**Align around a Shared Vision.** Your Customers' Needs. It would be rare if the individuals in your organization had no opinion on where the company should be headed. In order to align all those different perspectives, center the focus on the customer. Find out what matters to them. Then, you can build a shared vision around how your company is able deliver on this better and differently than your competitors.

**Build a Skills Toolkit.** Having a skills toolkit to tap into when tackling unexpected business problems is key. To do this, look at your team: What unique skills do the various team members have? Where are there gaps in skills? Recognizing where you have missing capabilities in your team is the first step. Then figure out how to develop those skills in current employees, hire for them, or identify flexible solutions you can tap into — such as contractors. This will provide the ability to manage through planning cycles, changing environments, and changing strategies with a ready set of resources for support.

# Conclusion

Addressing manufacturing sales challenges is a complex and ongoing task. While the drivers of these challenges vary, there are multiple paths to tackle them. More importantly, by understanding the drivers, you and your sales team can effectively prioritize where you will start. Finally, beyond identifying which challenges your team is facing, look for shared solutions that will help the broader team make the greatest strides.

## ABOUT THIS STUDY

This survey was conducted amongst US manufacturing leaders in the first quarter of 2017.

Survey respondents were asked about top challenges facing their industry as well as the challenges facing their own sales teams. Additionally, they shared the solutions they were using to address these issues.

We received over 100 responses from companies self-designated as manufacturers across more than 8 sub-sectors. Organizations ranged in size from less than \$500M in sales (40%), \$501M-\$1B (13%) and to greater than \$1B (47%).

Among individual respondents, 64% were managers of sales teams, and the other 36% identified themselves as high-level sales leaders within their respective organizations (with VP-level leaders at 17% and Director-level leaders at 19%). From the full list of respondents, 76% cited 10 or more years of experience in sales.

## ABOUT VENNLI

Vennli helps manufacturers increase revenues by providing real-time insights about how customers make choices. Manufacturers identify the best customers, learn how to navigate the buying process with them, and take quick, targeted actions to increase sales.

Learn how Vennli can help grow your business and follow us on our [blog](#), [Twitter](#) and [LinkedIn](#).

