How we will sell: Future trends in sales networks

Julián Villanueva and Cosimo Chiesa have compiled a report in which 350 companies examine their sales teams and evaluate trends in the new sales landscape.

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Over the course of eight years of economic recession in Spain, most companies have seen their sales drop. Fortunately, 2015 has brought with it a note of optimism: only one in 20 firms is still saddled with falling revenues; 2012 and 2013 were the years in which most companies touched bottom. Yet the market has changed indelibly and sales strategies must take this into account going forward.

In an effort to help sales teams face the future, IESE professors **Julián Villanueva** and **Cosimo Chiesa** have led a sixth annual survey of corporate sales networks, carried out by IESE and Barna Consulting Group.

A total of 350 managing directors and sales directors responded to the 2015 survey, the results of which are neither black nor white: the crisis is over, but there are clearly areas in which sales teams in Spain can improve.

Consensus on major trends

Regulatory pressure, the lack of differentiation between products and services and the emergence of new sales channels and players thanks to the Internet means that the traditional roles that sales networks have played are now in flux.

The digital world has given consumers more power via greater transparency and access to suppliers. As a result, this report warns, salespeople must stop being "talking catalogues" —

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in other words, mere mouthpieces for what a company has to offer.

For 45 percent of the firms polled in this study, changes over the past eight years have been nothing short of radical. Meanwhile, only 24 percent believe they have been insignificant or negligible. As for the future, 57 percent feel that the changes ahead will be major, and only 13 percent foresee an era of stability.

The future challenges that most agree upon in the survey include:

- Data and information systems will grow in importance as tools for competing successfully.
- The Internet will not replace the corporate sales force: it will help companies increase the effectiveness of sales visits and cut costs. Only 17 percent believe the Internet will mean less work for salespeople.
- Direct sales will continue to be one of the main conduits for reaching customers, although the multichannel format will become more and more important.
- Attention to corporate reputation will increase, as this can affect sales. Furthermore, social media is accelerating the pace at which a corporate image — and the public standing of its executives — can strengthen or wither.

What will happen to the flesh-and-bone salesperson?

Although the old-fashioned salesperson will not vanish, sales work will change in many sectors. Most of those surveyed agree that they will increasingly have to sell "solutions" rather than "products." In addition, salespeople will need to specialize more and venture into cross-selling.

In order to succeed, salespeople will need to establish closer, more personal relationships with their customers, based on trust and adding value. This trend, more prevalent in sectors such as pharmaceuticals, is one of the biggest challenges for sales strategies to fit the future.

Does gender play a role here? In 53 percent of the companies polled, female employees account for less than a fifth of the total sales team. And things look more lopsided as one ascends the corporate hierarchy: in 62 percent of companies polled, women make up less than a fifth of the total intermediate-level sales managers.

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Agreeing to disagree

While clear trends like the growing importance of data, technology and corporate reputation were agreed on by most executives, in other areas disagreement prevailed.

For instance, executives expressed very different opinions regarding the future of cross-selling and how easy or hard it is to carry out. They also disagreed about the importance of the size of a direct-sales network and its weight compared to other channels. The roles that intermediaries will play in future sales was another area with conflicting views.

The authors hope the results of the study will help executives set goals to improve — such as comparing themselves to other firms — and find new ways to resolve old problems.

Recurring errors

In some sections, the conclusions of this sixth edition of the study are quite similar to those of earlier editions. For example, over half of respondents still feel that their sales force is better than the competition's. Indeed, only 7 percent rate their team as less productive.

This shows a degree of complacency among executives: not everyone can be the best. Only 21 percent feel that their sales teams can improve and 59 percent say the way they do their jobs is already good or excellent.

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