What today's sales teams are missing

Clients' needs are shifting, as are the ways they approach and evaluate products and services. Given this transformation, shouldn't sales teams change and adopt new tools as well?

October 5, 2016

A survey of more than 600 CEOs and sales directors of companies operating in Spain shows that concerns about customer acquisition and retention are, in many cases, devoid of the necessary methodologies and tools. What's more, only two out of every 10 companies consider customer recovery one of their business priorities.

The seventh annual study of corporate sales networks in Spain, overseen by IESE's **Julián Villanueva** and **Cosimo Chiesa**, also reveals that some of the customers lost in recent years due to budget cuts may be ripe for recovery. Analyzing the reasons behind customer loss, a task currently carried out by only 67 percent of companies, may help bring them back into the fold.

Continuing a trend first seen in 2014, price continues to be the leading cause of customer loss. Following close behind are (in descending order): a mismatch between a company's offerings and a customer's needs, after-sales support, quality, and customer service.

Given the scant interest in customer recovery, it's not surprising that only 22 percent of companies have a standardized methodology for reaching out to former clients. Thankfully, an encouraging 26 percent of respondents intend to implement some sort of customer recovery protocol in the future.

Mistakes in customer acquisition and retention

As was already evident in previous years, most companies — this year, a full 85 percent —

focus their sales efforts on customer acquisition. A slightly smaller majority — 74 percent — make an effort to retain those they already have.

However, this focus isn't backed up by concrete strategies. In fact, an analysis of the survey results makes clear that in many cases companies haven't enacted customer-acquisition protocols, a significant portion lack customer-acquisition objectives, and about half neglect to measure their customers' loyalty or implement loyalty programs.

These figures notwithstanding, the executives surveyed were aware of the need to measure customer satisfaction. Currently, only 48 percent regularly carry out satisfaction surveys, yet more than 90 percent of companies have used them at least once, or are considering using them in the future.

A new era needs new customer management

The report on the survey results concludes that many companies hit a wall because top management doesn't understand the technological revolution underway: many avoid commitment to or even involvement with plans for technical upgrades. When met with even minimal resistance, digitalization efforts are abandoned in favor of business as usual.

The current state of employees' training is unlikely to help managers buck this trend: survey respondents rated "applications and electronic assistance systems" as one of their most deficient areas of training.

As in previous years, there is a clear need for companies to increase customer service efforts. The study recommends broadening customer management efforts in order to generate value with each and every interaction — whether in person or via other channels.

In a similar vein, companies must continue to work on their sales planning. Currently, 44 percent of companies don't even have a sales road map, and a further 12 percent have one but don't follow it.

Additionally, 53 percent of executives surveyed believe their companies' sales and marketing departments aren't sufficiently aligned in terms of the value propositions they offer.

There has been considerable progress, however, in the use of social networks: the percentage of companies that use them to improve their sales forces' communication with clients has risen from 23 to 34 percent in the past two years.

A certain complacency

Generally speaking, those surveyed still believe their sales teams are on a par with or superior to their competition's in terms of performance and professionalism.

According to the authors, this optimism may help explain why professionalizing commercial networks isn't considered a priority. Only half (54 percent) of survey respondents have a defined and well-known sales strategy (or methodology) internalized by their sales team. An additional 28 percent have such a strategy, but their sales team doesn't put it into practice.

This complacency could speak to a lack of understanding of the business environment, or even of a company's own sales team's dynamics — especially considering that a majority of respondents (almost 70 percent) say sales managers don't accompany their teams even 30 percent of the time.

Methodology, very briefly

The study is based on more than 600 responses to questionnaires sent to over 2,500 CEOs and sales directors. The authors applied no filter with respect to company size or revenue, resulting in a higher percentage of respondents from smaller businesses.

www.iese.edu/insight