



THE POWER OF ONE

# GETTING A BETTER SALES RETURN



One team. One mission. That is **THE POWER OF ONE**

# GETTING A BETTER SALES RETURN

## MORE TIME WITH CUSTOMERS

During tough times, business leaders tend to search for areas where they can reduce costs and drive a better return on investment. When resources are finite, sales leaders strive to find ways to hit ongoing growth and margin goals with reduced budgets and staff. Doing more with less is a common struggle that is exacerbated by rising overhead costs and fixed investment commitments.

Adding flexibility to your investment strategy is crucial for continued success when you need to pivot in a dynamic market. Surprisingly, many business leaders choose to focus on improving organizational areas that don't have a direct impact on generating revenue, rather than focusing on areas that can increase revenue, such as sales. Companies that are best positioned to maintain a competitive advantage in today's world understand the full cost of sales staff and how to better align their investment with sales performance.

## WHERE TO FOCUS FOR SALES ROI IMPROVEMENT

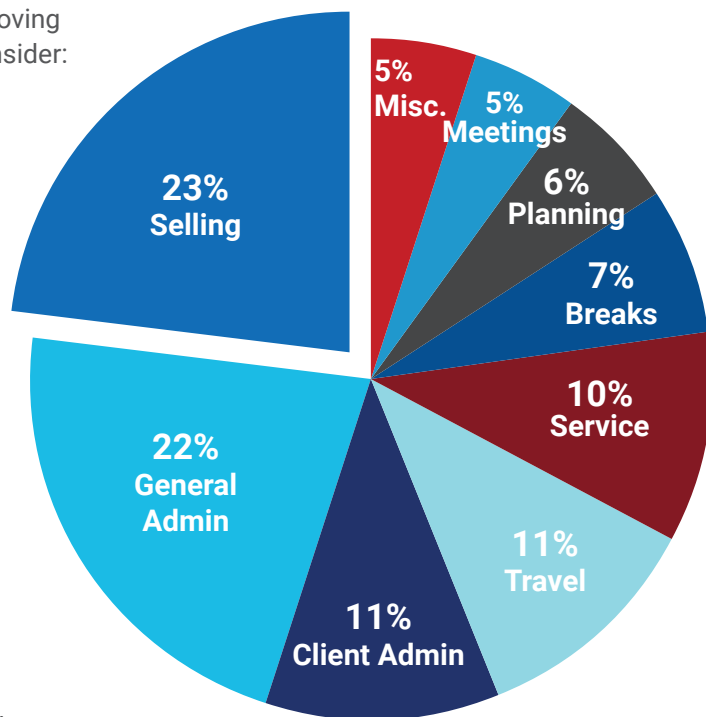
If your goal is to do more with less by cutting costs while improving sales performance, there are several strategies you should consider:

### 1. Improve the efficiency of sales staff

While most managers expect field sales reps to spend at least 50% of their time selling, the harsh reality is that only 23% of their time is spent actively selling. This is not because they are working less or more slowly, but because a huge portion of their time is dedicated to administrative tasks.<sup>1</sup>

**Finding ways to reduce the burden of administrative tasks will keep reps selling and delivering more topline growth. Companies that leverage technology to automate manual tasks, or hire dedicated staff to handle administrative work, free the sales reps to move faster and capture more opportunities.**

By adopting lean thinking, you can identify areas that require sales reps' time but aren't productive or providing a return, and then automate or outsource them. For example, contracting with a sales partner to manage lead generation, lead management, and customer acquisition frees in-house sales staff to focus on existing customers.



**SALES REP  
TIME PER WEEK**

<sup>1</sup> <https://www.paceproductivity.com/single-post/2017/02/09/How-Sales-Reps-Spend-Their-Time>



## 2. Shift fixed sales costs into variable costs that can ebb and flow with the market

When you consider the full cost associated with maintaining salaried employees, using in-house sales representatives is expensive. No matter what is going on in the market, in-house sales staff are paid salary and benefits along with travel and expenses, and they incur other indirect operating costs as well. Leveraging an external sales force or adopting a hybrid model that uses both in-house and outsourced reps to sell your products will shift some personnel costs from fixed to variable, giving you the flexibility to scale costs and personnel during market fluctuations.

**For example, the cost to maintain an experienced sales manager including salary, bonuses, employment taxes, health benefits, training investment, travel, and expenses can range from \$175,000 to \$250,000 or more. If you adopt a sales model that incorporates an external sales partner that is paid based on their sales performance, you will not only gain a higher return on sales but you also get more flexibility during market swings.**

## 3. Invest in diversified sales channels

Companies that effectively sell across multiple channels (inside sales, field sales, distributors, or wholesalers) achieve more than **40% higher sales ROI** than companies wed to a single channel model (e.g., only key account management and/or field sales).<sup>2</sup> Inside sales reps can handle key accounts in remote areas or nurture accounts over time to increase account penetration and loyalty while channel partners can bring in new business and increase market penetration.

## 4. Segment Customers

Leading sales organizations implement some type of customer segmentation strategy to divide customers into manageable groups that have similar needs. They look at different customer attributes (organization size, industry, location, product usage, channel, etc.) and pain points to categorize customers and prospects based on similar characteristics.

Having a clear segmentation strategy backed by data allows your sales team to focus on customers that are more likely to value your offering and therefore deliver the greatest return. Top sales organizations leverage segmentation to grow faster, reduce churn, and upsell existing customers.

**The bottom line: To promote sales agility and cut sales costs, invest in a diversified sales strategy. Leverage a committed team of in-house sales reps while working with an external sales partner to expand reach and improve sales efficiency. Investing in both an in-house sales team and outsourced sales support has consistently demonstrated a strong ROI no matter what the market is doing. To calculate the full cost of your sales force, download this [calculator](#).**

