



B2B Sales Report

Australian Trends & Outlook

2017

For the second consecutive year FMG surveyed over 200 sales leaders across Australia, focusing on organisations that engage in Business to Business (B2B) sales. The aim of the research was to:

- Benchmark trends and challenges facing those managing B2B sales teams
- Uncover the future outlook as seen by these B2B sales leaders
- Present a comprehensive view of how B2B sales teams are facing the challenges in today's economic climate.

Focusing on sales team dynamics, sales team effectiveness, sales targets & lead management (including systems and processes), the B2B Sales Report provides an opportunity for B2B sales professionals to see how they are performing against other Australian sales teams

The key findings from this year's research are:

- Sales teams have continued to grow and are expected to grow during 2018
- Looking at sales targets, the responses overall were positive with 69% of organisations meeting sales targets in 2016/17 and 77% expecting to meet the current financial year's target
- 96% of respondents have either gained market share or remained the same
- The biggest challenges facing sales teams are sourcing quality leads, followed by increased competition
- Referrals and partnerships are becoming increasingly important as new sales channels

ABOUT FMG

FMG provides Australian companies with outsourced business development services, including phone based B2B prospecting, sales lead generation and market research. We are 100% Australian owned and operated.



SALES TEAMS

LOOKING AT THE SIZE AND STRUCTURE OF SALES TEAMS WE HAVE SEEN THE FOLLOWING :

- +** 37% of sales teams grew in size in 2017 compared with 47% in 2016
- +** It is anticipated that 38% of sales teams will grow during 2018, compared with an expected 44% in last year's report
- +** There has been a slight increase in the outsourcing of marketing to a third party – increasing from 8% to 10%. We also saw a decrease in the number of respondents who had a separate internal marketing team – from 53% last year to 46% this year.
- +** For the second consecutive year, the most common way of tracking sales team productivity was by tracking the number of proposals / quotes completed
- +** Consistent with the results in 2016, the most common way of tracking sales team effectiveness continued to be through monitoring the number of sales made and also whether targets were achieved

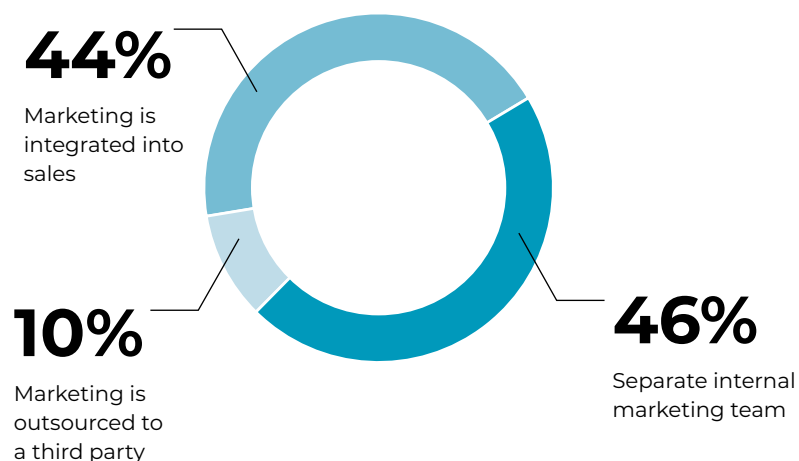
DID YOUR SALES TEAM GROW, REDUCE OR STAY THE SAME DURING 2015/2016?



DO YOU EXPECT YOUR SALES TEAM TO GROW, REDUCE OR STAY THE SAME NEXT YEAR?



WHO LOOKS AFTER YOUR MARKETING?



SALES TARGETS & BUDGETS

LOOKING AT SALES TARGETS THE RESPONSES OVERALL WERE POSITIVE :



69% of organisations met their sales target in 2016/17 – identical to in 2015/16



Down slightly from the previous year, respondents were still confident in meeting this year's sales targets with 77% saying it was likely the target would be met

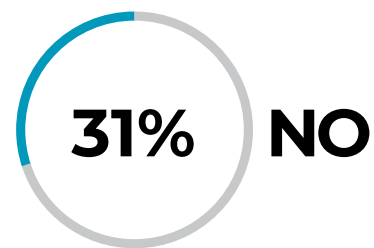
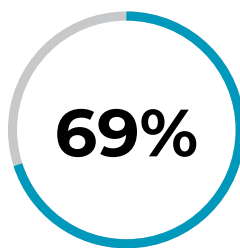


Sales growth for last year varied from over 800% increase in sales from the previous year (for a start up) to a 12% drop in sales from the previous year

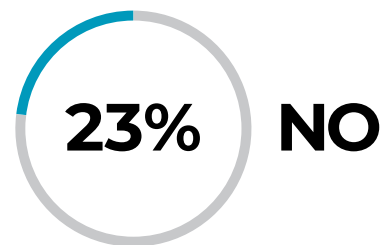
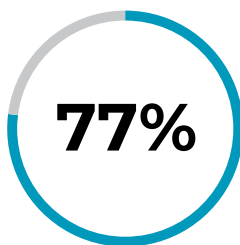


96% of respondents have either gained market share or remained the same, with only 4% stating they have lost market share

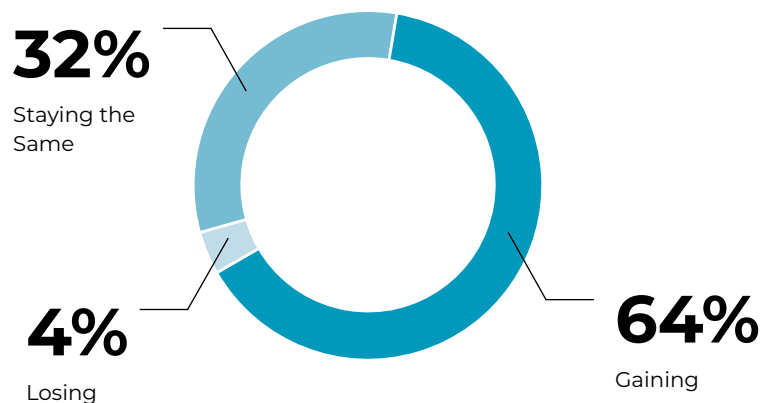
DID YOU MEET YOUR LAST YEAR'S SALES TARGET?



ARE YOU CONFIDENT YOU WILL MEET THIS YEAR'S SALES TARGET?



ARE YOU GAINING OR LOSING MARKET SHARE?

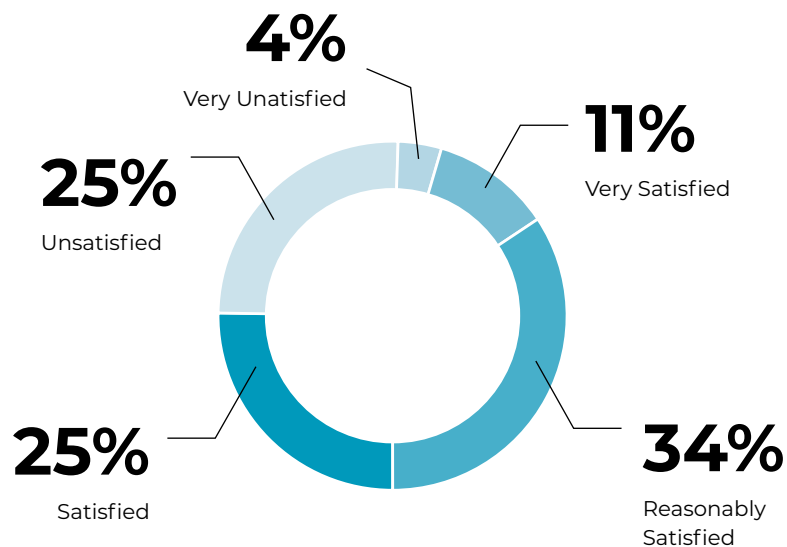


SALES LEADS

LOOKING INTO SALES LEADS IN MORE DETAIL, WE HAVE FOUND :

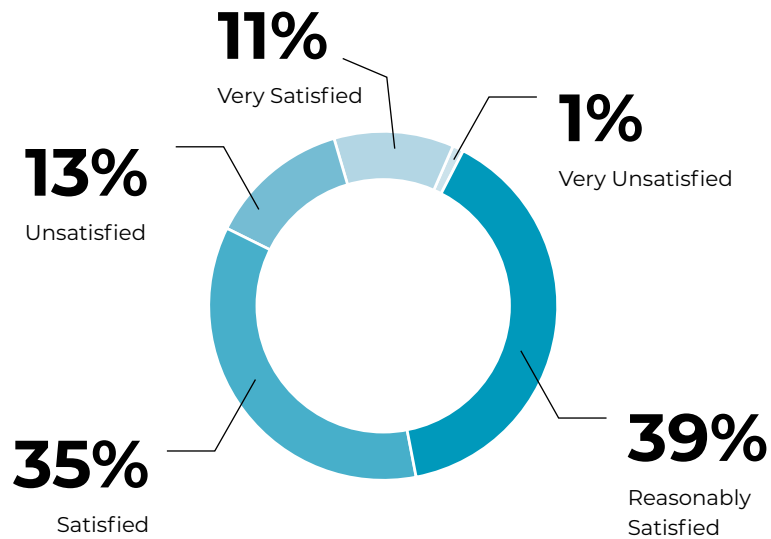
- +** 70% of respondents were satisfied with the number of leads they are receiving, although this was down slightly from 79% in 2016
- +** 85% of respondents were satisfied with the quality of leads they are receiving, increasing slightly from 83% in 2016
- +** There continued to be no difference in the level of satisfaction with regards to the quality or number of leads between those who had separate internal marketing departments and those where marketing was integrated with sales
- +** In 77% of organisations sales people are responsible for generating their own inbound leads. However we have seen an increase in outsourced lead generation – from 4% in 2016 to 9% in 2017
- +** Only 4% intend to decrease the amount of outbound lead generation activity for the coming year, with 96% intending to increase or keep the activity the same
- +** 78% of respondents had an average sales cycle of less than 6 months – a slight increase from 74% in 2016
- +** Looking at other channels that respondents were focusing on for leads – referrals and partnerships were the standouts
- +** 59% of organisations perceived their lead management process as either Ad Hoc or Emerging – significantly less sophisticated than how this was perceived in 2016

HOW SATISFIED ARE YOU IN THE QUANTITY OF SALES LEADS?

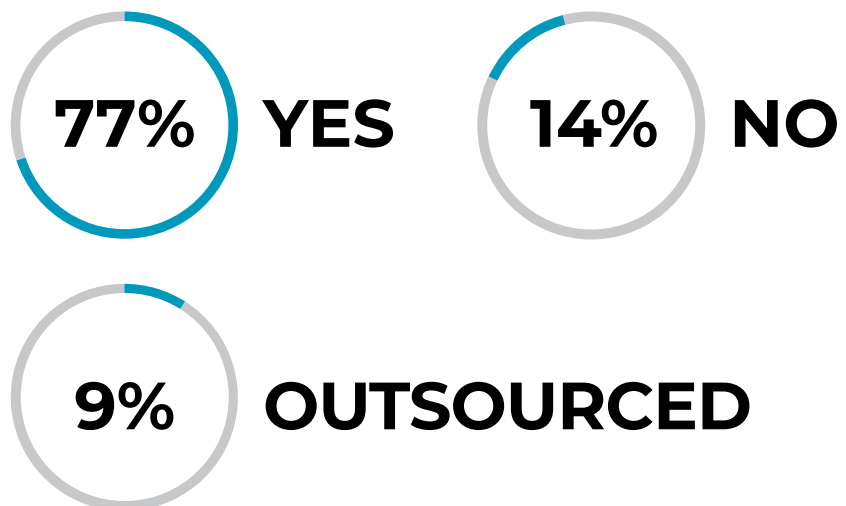


SALES LEADS

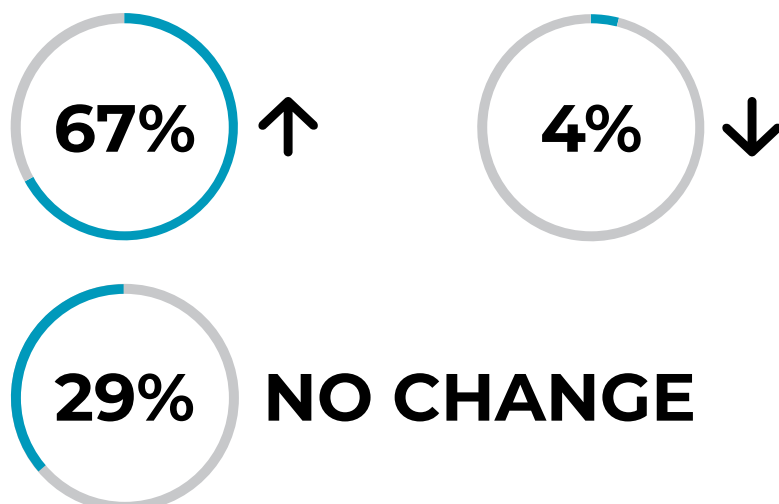
HOW SATISFIED ARE YOU WITH THE QUALITY OF SALES LEADS?



DOES YOUR SALES TEAM GENERATE THEIR OWN OUTBOUND SALES LEADS?

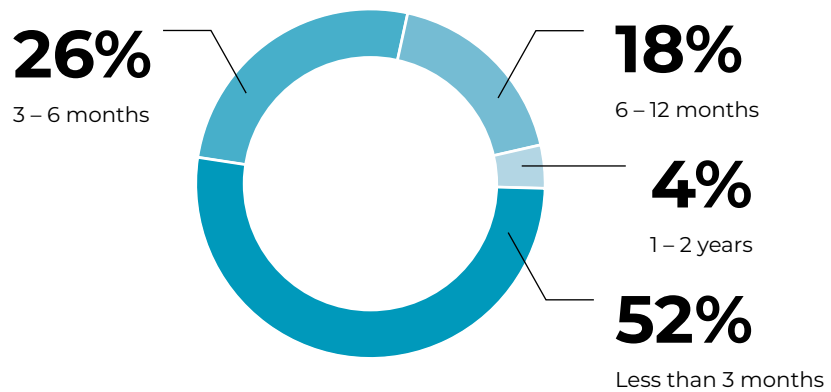


WILL YOU BE INCREASING OR DECREASING YOUR OUTBOUND LEAD GENERATION ACTIVITY THIS YEAR?

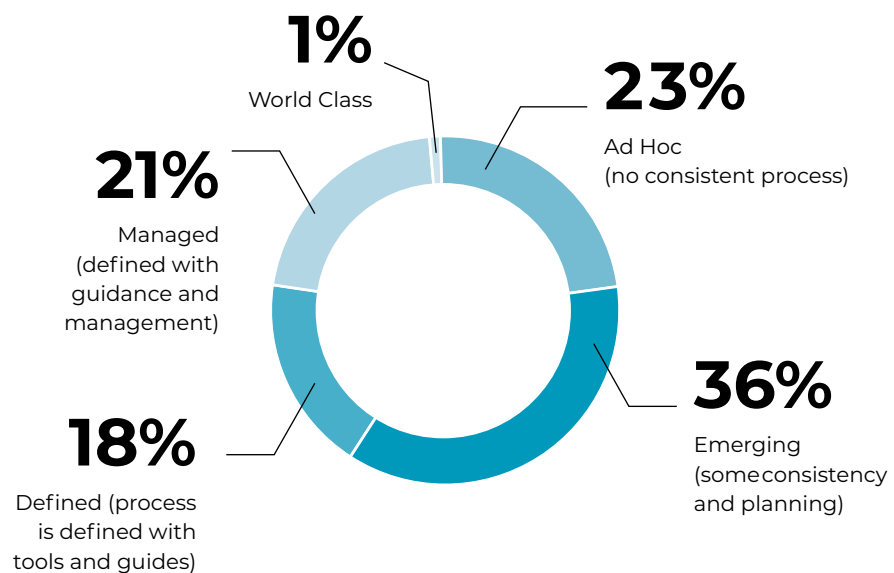


SALES LEADS

WHAT IS THE LENGTH OF YOUR AVERAGE SALES CYCLE?



HOW WOULD YOU DESCRIBE YOUR LEAD MANAGEMENT AND SALES PROCESS?



SALES SYSTEMS & TECHNOLOGY

LOOKING AT THE TECHNOLOGY OR FORMAL SYSTEMS USED TO MANAGE THE SALES FUNCTION WE FOUND THE FOLLOWING :



77% of respondents use a dedicated CRM system. The most common CRM systems continue to be Salesforce and Microsoft Dynamics



83% of respondents are satisfied that their CRM is effectively managing their sales leads and pipeline



For those not using a CRM to manage sales leads and pipeline, the most common tool being used was Excel



The most common reasons people were not using a CRM were – the business was too small, the business was a start-up, or the business was not sophisticated enough



The most common marketing automation tool used was Mailchimp



Where no marketing automation was in place, the most common way of nurturing leads was via the phone or face to face meetings

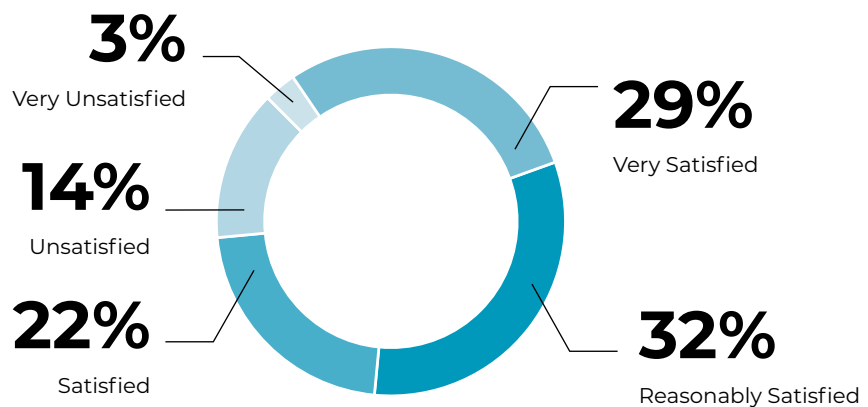
DO YOU USE A CRM?

77% SAID YES

23% SAID NO



HOW SATISFIED ARE YOU THAT YOUR CRM IS EFFECTIVELY MANAGING YOUR SALES LEADS, PIPELINE AND PROCESS?



DO YOU USE A MARKETING AUTOMATION SYSTEM?

50% SAID YES

50% SAID NO



PLANS FOR THE COMING YEAR

LOOKING AT WHAT PLANS ARE IN PLACE FOR THE COMING YEAR



84% plan to develop and improve their sales processes



79% plan to invest in people

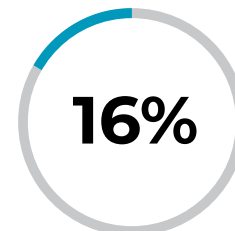
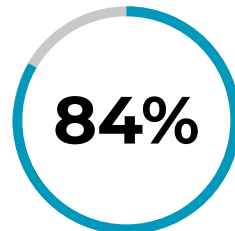


64% plan to invest in technology

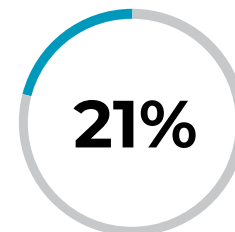
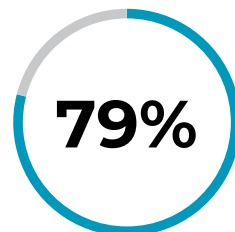


Only 43% plan to hire additional sales people / increase head count, down from 53% in the previous year

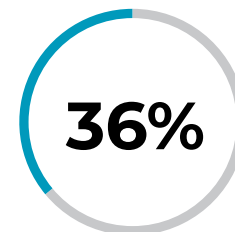
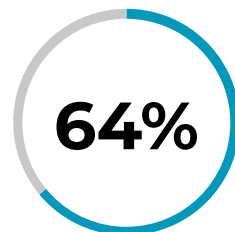
LOOKING AT THE COMING YEAR, ARE YOU PLANNING ON DEVELOPING / IMPROVING SALES PROCESSES?



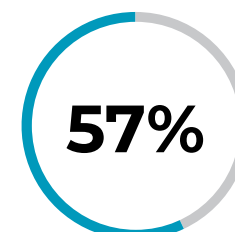
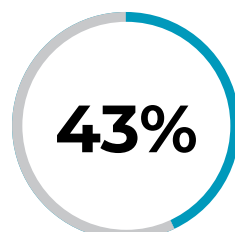
LOOKING AT THE COMING YEAR, ARE YOU PLANNING ON INVESTING IN PEOPLE?



LOOKING AT THE COMING YEAR, ARE YOU PLANNING ON INVESTING IN TECHNOLOGY?



LOOKING AT THE COMING YEAR, ARE YOU PLANNING ON HIRING ADDITIONAL SALES PEOPLE?



CHALLENGES & FUTURE OUTLOOK

LOOKING AHEAD RESPONDENTS ADVISED THE FOLLOWING:

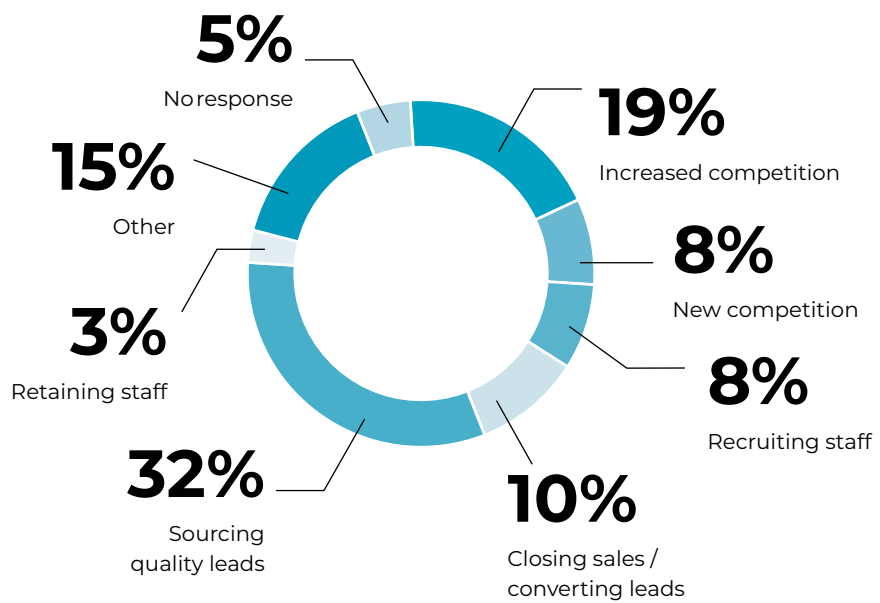


The biggest challenges for 2017 differ from 2016 where increased competition was the biggest challenge. For 2017 32% stated that sourcing quality leads was their biggest challenge, followed by increased competition at 19%

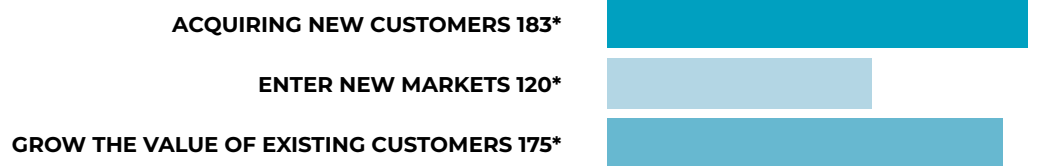


Both acquiring new clients and growing the value of existing clients were viewed as the top sales objectives for the coming year

WHAT IS YOUR BIGGEST SALES CHALLENGE RIGHT NOW?



WHAT ARE YOUR SALES OBJECTIVES FOR THE COMING YEAR?



*Number of respondents

SURVEY DEMOGRAPHICS

WHAT IS THE ANNUAL
TURNOVER OF YOUR
ORGANISATION?

LESS THAN \$5 MILLION 44%

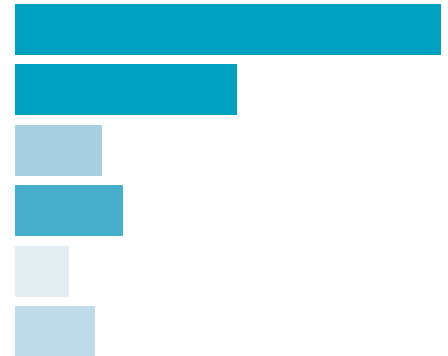
\$5 MILLION - \$24 MILLION 23%

\$25 MILLION - \$49 MILLION 9%

\$50 MILLION - \$499 MILLION 11%

\$500 MILLION + 5%

UNSURE / WILL NOT DISCLOSE 8%



INDUSTRY:

TOURISM, ACCOMMODATION & FOOD SERVICES 7%

AGRICULTURE, FISHING & MINING 2%

BANKING, FINANCE & INSURANCE 6%

COMPUTER SOFTWARE & SERVICES 11%

CONSTRUCTION 3%

EDUCATION & TRAINING 1%

HEALTHCARE & SOCIAL ASSISTANCE 5%

HR & RECRUITMENT 4%

IT & INFORMATION 5%

MANUFACTURING INCLUDING AUTOMOTIVE 7%

MEDIA & TELECOMMUNICATIONS 7%

OTHER SERVICES 12%

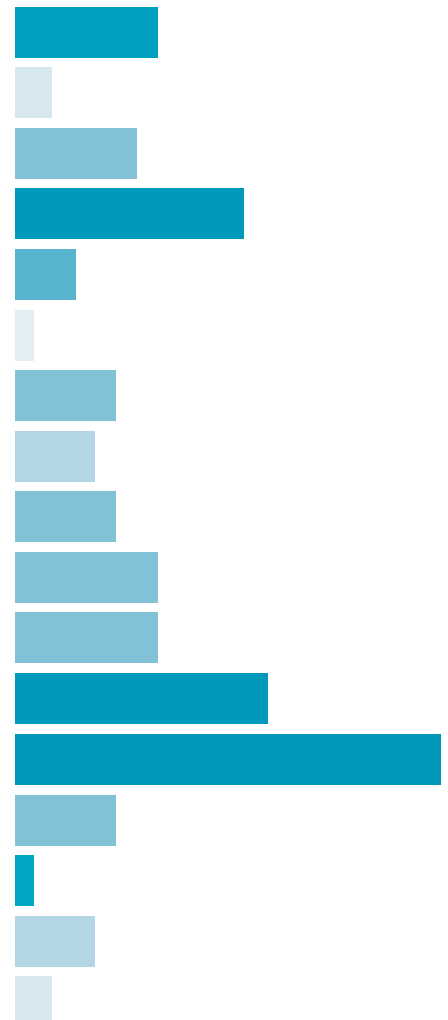
PROFESSIONAL SERVICES 19%

RETAIL 5%

SCIENTIFIC & TECHNICAL SERVICES 1%

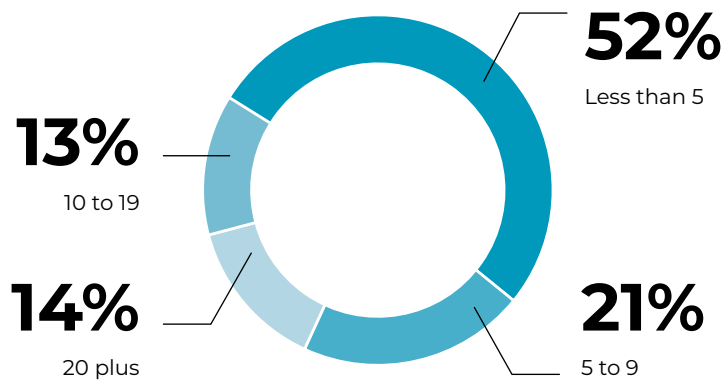
WHOLESALE 4%

NO RESPONSE 2%

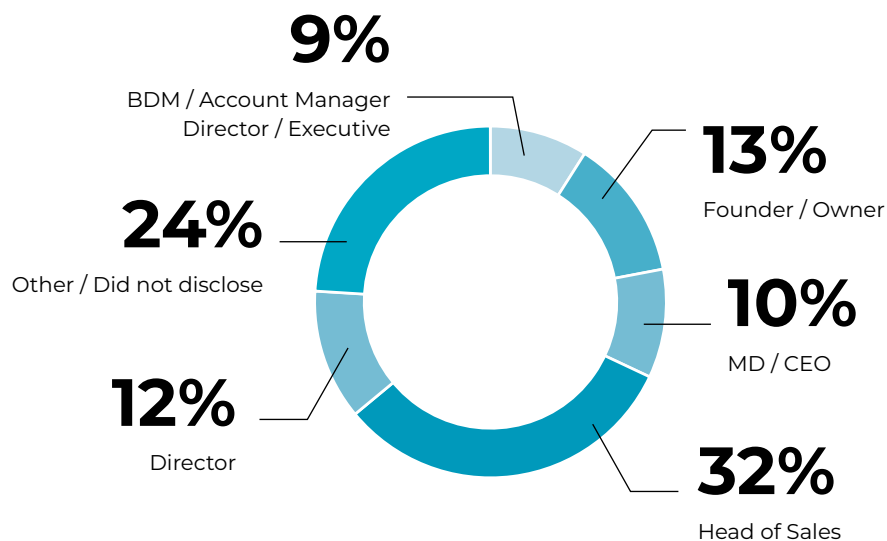


SURVEY DEMOGRAPHICS

SIZE OF THE SALES TEAM



WHAT IS YOUR ROLE / POSITION



Conducted late in 2017 covering the financial year 2016/17, this survey resulted in responses from 201 respondents.

The aim was to survey as broad an audience as possible with regards to industries, turnover and organisation size in the B2B sales space.

Due to rounding some percentages in this report may not total 100%. Respondents included existing and past customers as well as contacts who had opted in.

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