

SALES MANAGEMENT ASSOCIATION RESEARCH REPORT

Managing Salesperson Activity

**Emerging trends in tracking, analytics,
and return-on-effort**

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AUTOPYLOT

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Research Report: Managing Salesperson Activity: Emerging Trends in Tracking, Analytics, and Return-on-Sales Effort

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SUMMARY OF FINDINGS

Specific findings of note in this research include:

- Firms that track sales activity by sales process step are 35% more likely to achieve sales objectives than firms ineffective in doing so. Fig. 12.
- Sales productivity improvements also correlate with firms' broader sales activity tracking capability. Even firms that are "somewhat effective" in general sales activity tracking enjoy a 26% improvement in productivity over their ineffective peers. Fig 11.
- While 87% of firms consider tracking sales activities by sales process step important, just 49% of firms consider their sales activity by sales process data mostly complete. Fig. 6.
- Activity data by contact mode is largely incomplete. For most types of salesperson activities, fewer than half of firms consider their activity data "mostly complete." (Although for email interactions, 52% consider activity data mostly complete; for face-to-face meetings 50% of firms do.) Fig. 5.
- Activity data is mostly self-reported. At least half of firms rely on salespeople to self-report most sales activity data. Fig. 8.
- Self-reported data comes at great cost in diminished selling capacity. On average, firms' salespeople spend 5.9 hours per week reporting activity. One quarter of firms' salespeople spend 8.0 hours or more. Fig. 9.
- As the pandemic recedes, we see little enduring preference for virtual meetings as a replacement for face-to-face meetings. Face-to-face meetings appear to have resumed their pre-pandemic importance; that said, the data suggest the future of sales interactions will reflect a permanently broader set of communication modes. Fig. 1.
- Tracking salesperson activity is generally considered important by sales organizations. Tracking face-to-face meetings and video conferences are the two activity types that are considered important by the greatest percentage of firms. Fig. 2.
- Considered most important of all is tracking activities by sales process step; it's considered more important than tracking any one single type of salesperson activity. Fig. 3.



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OVERVIEW

Firms generally have a firm grasp on what they expect salespeople to do; but management is not likely to really know, our research reveals. The day-to-day activities in which salespeople engage receive remarkably little scrutiny, given that the sum total of these activities represents the firm's largest single selling investment.

Most sales organizations have only a superficial level of insight into the quantity and quality of salesperson interactions like face-to-face sales calls, video or telephone conversations with customers. Why? Too few seem to solve for the most fundamental challenge inherent in analyzing salesperson activities – accurately recording them.

Despite the acknowledged importance of sales activity data, most firms characterize theirs as incomplete, and mostly self-reported by salespeople themselves, suggesting accuracy is at best a wobbly proposition. Most concerningly, what data that are collected come at great cost, siphoning away a surprisingly large volume of high-value selling time.

Given this, we are left largely to question the value of tracking salesperson activity as most firms practice it – by assembling incomplete data of questionable validity at the cost of diminished sales capacity.

On the other hand, it's apparent that significant performance advantages accrue to those firms effective in tracking salesperson activity. This is especially true of firms able to map salesperson activity to sales process; they are 35% more likely to meet firm sales objectives, compared to their less effective peers.

The key to addressing the deficit in salesperson activity data is to focus on clearing the first-order hurdle of automating data acquisition. With more efficient (if not automated) capture of activity data, firms can reduce the considerable expense in salesperson capacity misallocated to self-reporting data of dubious quality.

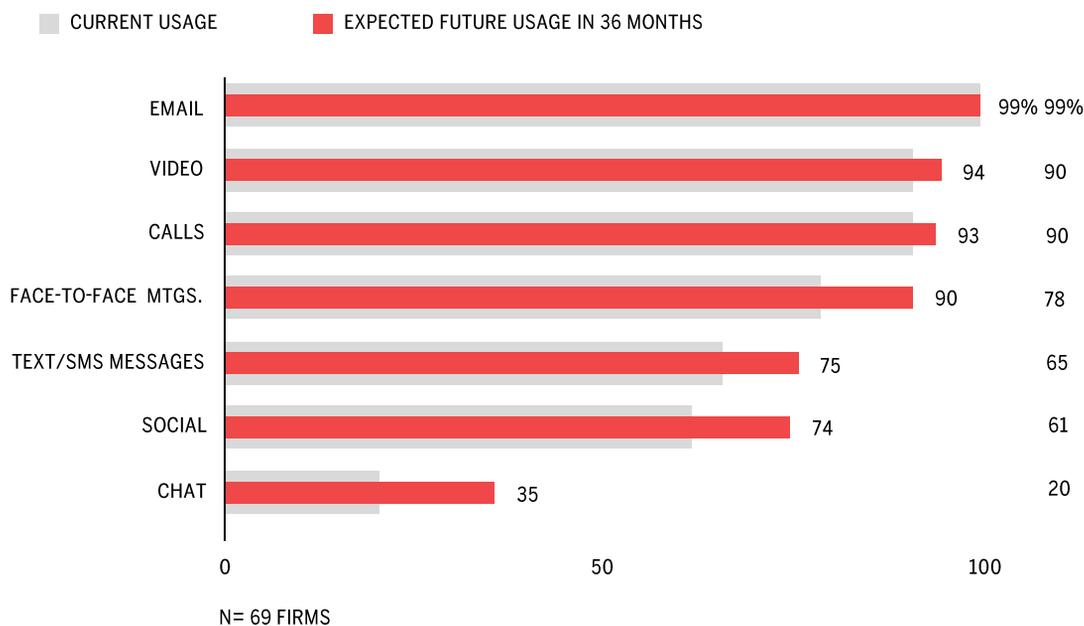


CUSTOMER CONTACT MODES AND ACTIVITY TRENDS

Respondents in this study are predominately field sales organizations; 78% have sales forces in which at least one-half of salespeople make face-to-face sales calls (an additional 12% of firms will meet this description in the next 36 months). Ninety percent or more of all firms have sales organizations in which one-half or more of all salespeople use video conferencing, telephone calls, and emails while selling.

FIG. 1. CURRENT AND EXPECTED USAGE OF VARIOUS COMMUNICATION METHODS BY SALESPEOPLE

PERCENTAGE OF FIRMS IN WHICH HALF OR MORE SALESPEOPLE UTILIZE COMMUNICATION METHOD



For most of these firms, face-to-face meetings appear to have resumed most of their pre-pandemic importance. Many of the virtual interaction technologies widely adopted during the pandemic appear to remain important however, implying that the future of sales interactions may include a permanently broader set of communication modes.

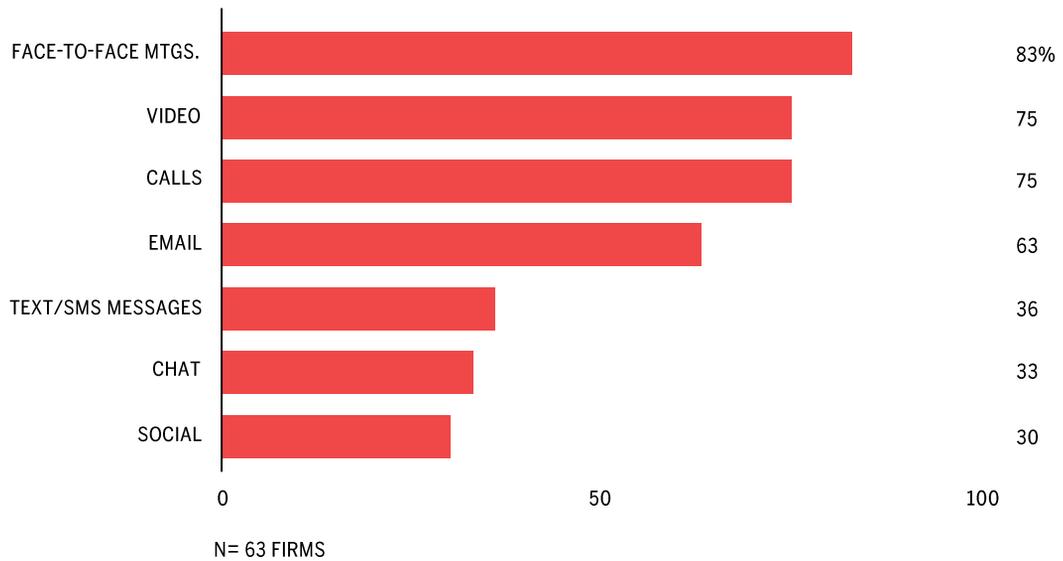
The usage of all communication modes included in the research is expected to increase in the next 36 months (email remains virtually universally used by 98% of firms). And more firms were likely to consider any one communication mode more important in the future than less important. Fig. 1.



VALUING THE IMPORTANCE OF TRACKING SALES ACTIVITIES

Firms consider tracking salesperson activity important. Activities associated with the greatest potential for meaningful interaction – namely face-to-face visits, video conferences, and telephone calls – are considered among the most important to track; those activity types considered more transactional or superficial, such as social media interactions, are considered less important to track.

FIG. 2. IMPORTANCE TO FIRM OF SALESPERSON ACTIVITY TRACKING, BY ACTIVITY TYPE
 PERCENTAGE OF FIRMS THAT CONSIDER TRACKING IMPORTANT*



*AMONG FIRMS WHERE AT LEAST SOME SALESPEOPLE ENGAGE IN ACTIVITY TYPE



Considered most valuable of all are higher-level insights attached to activity data – namely, the progression through the sales process associated with any specific sales activity. Eighty-seven percent of firms consider important the ability to track selling activity by sales process step.

Furthermore, firms see the importance of tracking sales activities increasing in the future. For each communication mode researched, more firms indicated an increase in future importance for tracking than indicated decreasing importance.

FIG. 3. IMPORTANCE TO FIRM OF TRACKING SALESPEOPLE ACTIVITY BY SALES PROCESS STEP

PERCENTAGE OF FIRMS THAT CONSIDER IMPORTANT

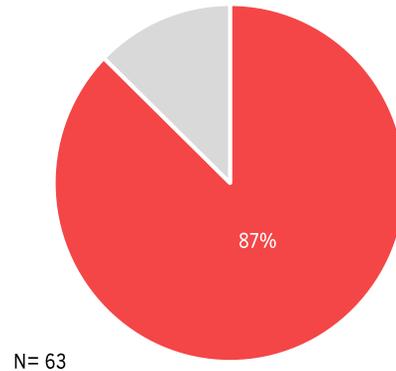
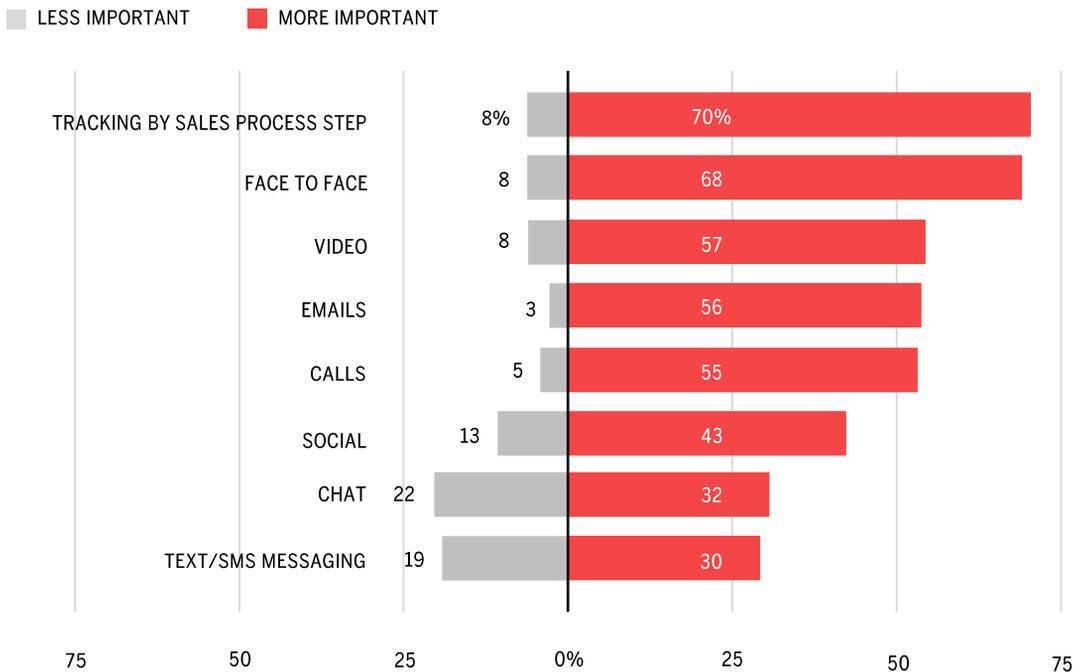


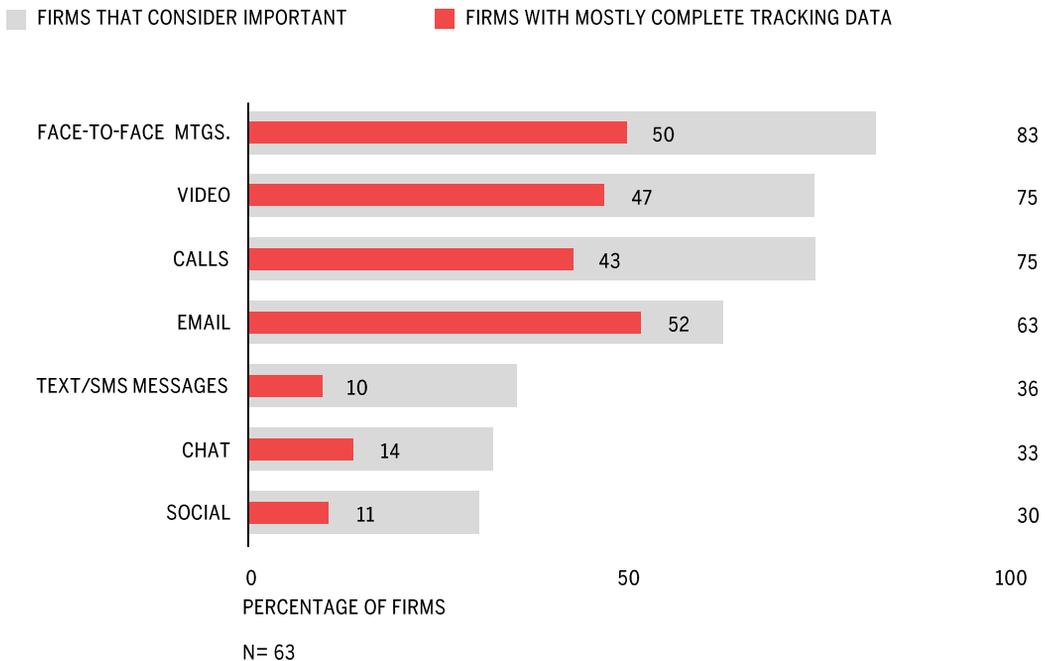
FIG. 4. EXPECTED CHANGE IN FUTURE IMPORTANCE TO FIRM OF SALESPERSON ACTIVITY TRACKING, BY ACTIVITY TYPE
PERCENTAGE OF FIRMS



ACTIVITY TRACKING EFFECTIVENESS

Half or fewer firms' sales activity data is largely complete for any one type of buyer/seller interaction (data on email is an exception, with 52% of firms indicating that data is largely complete). Just 49% of firms can assign sales activities to a specific sales process step.

FIG. 5. IMPORTANCE TO FIRM/COMPLETENESS OF DATA OF SALESPERSON ACTIVITY TRACKING, BY ACTIVITY TYPE
 PERCENTAGE OF FIRMS THAT CONSIDER ACCURATE DATA IMPORTANT



As a result, only about half of firms (51%) actively track salesperson selling activity; 45% actively track salesperson activity by sales process step; and only about one quarter attempt to measure the effectiveness of salesperson interactions in face-to-face sales calls (27% do) or video conferences (25%). A scant 5% track salespersons' text interactions. Despite these limitations, most firms (63%) believe they can track



the relative differences in activity levels between salespeople, though given the acknowledged lack of underlying data, one is left to conclude that management can draw only the broadest of comparative insights from such limited data.

FIG. 6. COMPLETENESS OF SALESPERSON ACTIVITY TRACKING BY SALES PROCESS STEP

PERCENTAGE OF FIRMS WITH TRACKING THAT IS MOSTLY COMPLETE

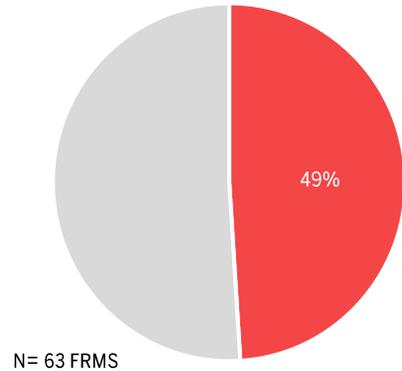


FIG. 7. TRACKING SALESPERSON ACTIVITY

PERCENTAGE OF FIRMS THAT AGREE



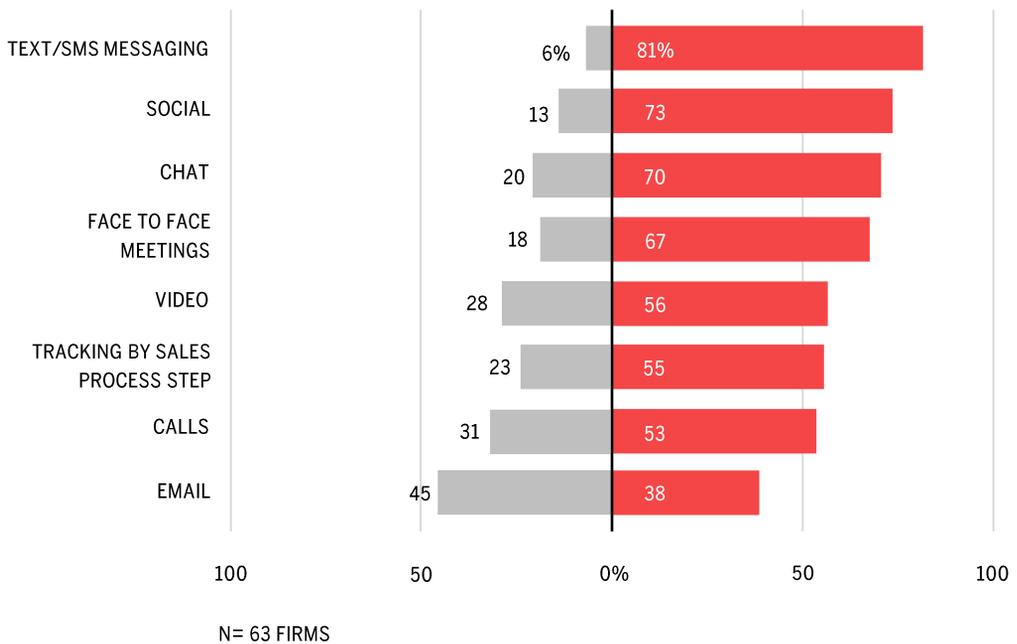
SALESPERSON, TRACK THYSELF

The overwhelming majority of sales activity data is self-reported. This limits both the completeness of data as well as its accuracy. We find salespeople spend an average of 5.9 hours per week reporting selling activity, and in one quarter of firms, time spent self-reporting activity information averages 8.0 hours or more per week.

FIG.8. DEGREE OF AUTOMATION IN SALES PERSON ACTIVITY TRACKING, BY ACTIVITY TYPE

PERCENTAGE OF FIRMS

■ PREDOMINATELY AUTO COLLECTED BY FIRM ■ PREDOMINATELY SELF REPORTED BY SALES PERSON



Demands on salespeople to self-report tracking data appear to be relatively consistent across sales organizations of various sizes, with one notable exception. There is a jump in reporting time in firms between 41 and 200 directly employed salespeople. Reporting demands are lower in smaller firms, and in firms with more than 200 directly employed salespeople. Our conjecture is that this “reverse Goldilocks” effect occurs in firms large enough to have added an additional layer of management who may be making increased demands for information, but too small to leverage automation efficiencies to the degree found in larger firms.

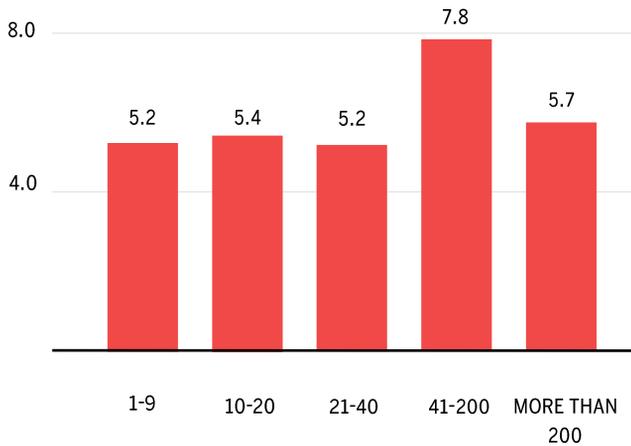
FIG. 9. SALESPERSON TIME SPENT TRACKING, REPORTING ACTIVITY, BY FIRM

MIN	-
10 TH PERC.	1.0
25 TH PERC.	2.0
MEDIAN	5.0
75 TH PERC.	8.0
90 TH PERC.	10.0
MAX	25.0
AVERAGE	5.9

N= 60 FIRMS

FIG. 10. SALES ORGANIZATION SIZE AND AVERAGE TIME SPENT ON SELF REPORTING SALES ACTIVITY

AVERAGE WEEKLY HOURS SPENT BY SALESPERSON ON REPORTING ACTIVITY, BY QUINTILE



TOTAL NUMBER OF DIRECTLY EMPLOYED SALESPERSONS

N= 60 FIRMS DIRECTLY EMPLOYING 30,362 SALESPERSONS



THE BUSINESS VALUE OF ACTIVITY TRACKING

We find that significant performance advantages accrue to firms that track salesperson activity effectively. In fact, even firms with a modest salesperson activity tracking capability have higher sales productivity. They are 26% more likely to achieve firm sales objectives than firms ineffective in tracking salesperson activity. (Though there is little difference in this advantage among firms that are “effective” and those merely “somewhat effective,” suggesting diminishing returns for tracking capabilities beyond a threshold level.)

FIG. 11. FIRM ABILITY TO MEASURE SALES PERSON ACTIVITIES AND FIRM SALES PRODUCTIVITY

AVERAGE PERCENTAGE OF FIRMS ACHIEVING SALES OBJECTIVE, PRECEDING 12 MONTHS

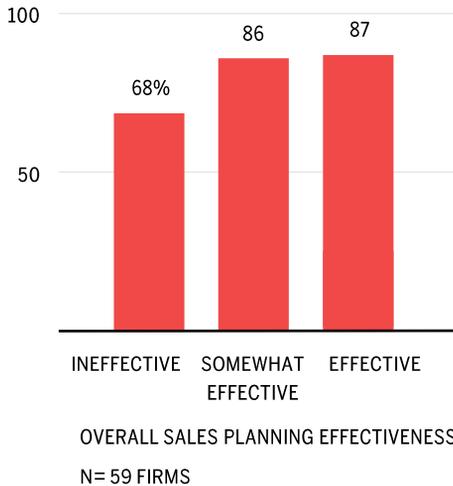


FIG. 12. ABILITY TO ASSIGN SALES PERSON ACTIVITIES TO SALES PROCESS STEP AND FIRM SALES PRODUCTIVITY

AVERAGE PERCENTAGE OF FIRMS ACHIEVING SALES OBJECTIVE, PRECEDING 12 MONTHS



There is a more compelling correlation with firm sales productivity among firms able to associate sales activity with sales process steps. They are 35% more likely to achieve sales objectives than firms ineffective at tracking activity by sales process step. And, increased benefit appears to accompany increased capability, with those firms considered “effective” enjoying a significant advantage over firms merely “somewhat effective.”



RECOMMENDATIONS FOR MANAGEMENT

It is not difficult to understand why management considers collecting sales activity data an important priority. Without accurate insights into sales activities, management make only partially informed decisions about sales resource allocation, or optimizing sales productivity and capacity.

Yet as our research shows, most firms' efforts to track sales activity suffers from three fundamental problems. The first is that data collected isn't sufficient; the second is that most sales activity data is self-reported. And the third is that salespeople spend inordinate effort self-reporting sales activities, at a heavy cost in sales capacity diverted for this purpose.

Our recommendations for management focus on automating activity reporting where possible, minimizing self-reporting where it isn't, and reconsidering the opportunity cost of self-reported data when establishing administrative demands on sales resources.

We recommend seeking out automation tools that can collect and analyze sales activity data with minimal salesperson involvement. Automation tools for digital communications, including email, texts, telephone, and video conferencing have made substantial strides in the past few years and represent viable and high-ROI solutions for most sales organizations. Solutions for fully automating data collection of face-to-face sales interactions are not yet as viable (these use GPS or mobile device-based location tracking, which present a range of implementation challenges). However, solutions that provide partial automation can significantly reduce salesperson involvement and administrative burdens.

We also recommend firms undertake a thoughtful re-costing of sales capacity, which we believe is under valued in most organizations. Freeing salespeople from administrative requirements increases the time available for selling. By establishing a cost basis for an hour of selling time, firms can apply an "internal rate of return" metric on administrative demands made on sales resources. An as example, an hour of selling time might be estimated to be worth US\$100.00 per salesperson, a not unreasonable estimate for many firms. At this rate, one must ask if the value gained from self-reported salesperson activity data, costing six hours per week per salesperson (the firm average), is worth more than US\$30,000 per salesperson to the firm over the course of a year? Or more than US\$3 million for a 100-person sales organization?



Lastly, where automation or augmented reporting solutions are not applicable, we suggest that sales organizations reconsider ongoing demands on salespeople for self-reported activity data. In its place, episodic data collection through direct management observation or the use of third-party research firms can often provide more accurate and useful substitutes, without the ongoing burden on sales capacity.

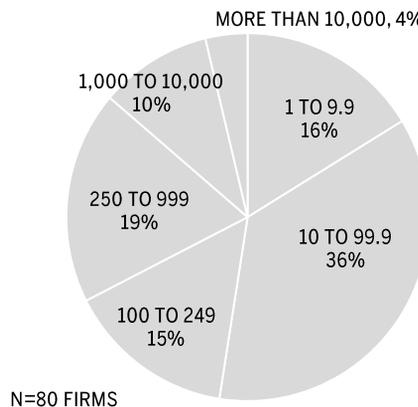
RESPONDENT CHARACTERISTICS

This research report incorporates data from 80 survey respondents. Respondents include firms of varied size and industry makeup.

Firm Size

Eighty participating firms ranged in size from small to very large. Firms below US\$1 million in revenue are excluded from the survey sample. Fifty-two percent of firms have annual revenue between US\$1 million and US\$100 million; 48% of respondents' firms have annual revenue in excess of US\$100 million; and 14% are firms with annual revenues in excess of US\$1 billion.

FIG. 13. RESPONDENTS' FIRM REVENUE, US\$MILLIONS
PERCENTAGE DISTRIBUTION OF RESPONDENTS



On average, firms directly employ 405 salespeople and 67 first line sales managers. Two large participating firms skew these numbers; median values are 40 directly employed salespeople and five first line sales managers. In total, participating firms directly employ 30,362 salespeople and 5,007 first line sales managers.

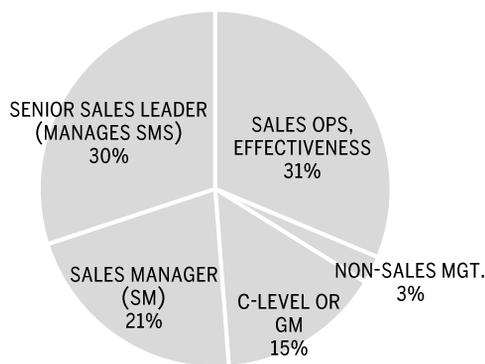
FIG. 14. RESPONDENTS SALES FORCE SIZE

DIRECTLY EMPLOYED PERSONNEL		
	SALES- PEOPLE	SALES MGRS.
MIN	2	-
10 TH PERC.	5	1
25 TH PERC.	11	2
MEDIAN	40	5
75 TH PERC.	148	24
90 TH PERC.	733	64
MAX	10,000	1,400
TOTAL	30,362	5,007
AVERAGE	405	67

N= 75 FIRMS

FIG. 15. RESPONDENTS' JOB ROLE

PERCENTAGE DISTRIBUTION OF RESPONSES



N= 80 FIRMS

Job Role

Respondents work in a range of sales and sales effectiveness management roles. Sales operations, sales effectiveness, and related sales support roles represent 31% of respondents. Twenty-one percent of respondents are first-line sales managers (i.e., they directly manage salespeople). An additional 30% are senior sales leaders, managing sales managers; 15% are in non-sales-specialized senior general management roles; and 3% are in non-sales related management roles.



Firm Performance

A large majority of respondents met or exceeded firm sales objectives in the preceding 12-month period. Fifty-two percent exceeded objectives, 28% met objectives, and 20% fell short of firm sales objectives.

FIG. 16. RESPONDENTS' ACHIEVEMENT OF FIRM SALES OBJECTIVE, PRIOR 12 MONTHS

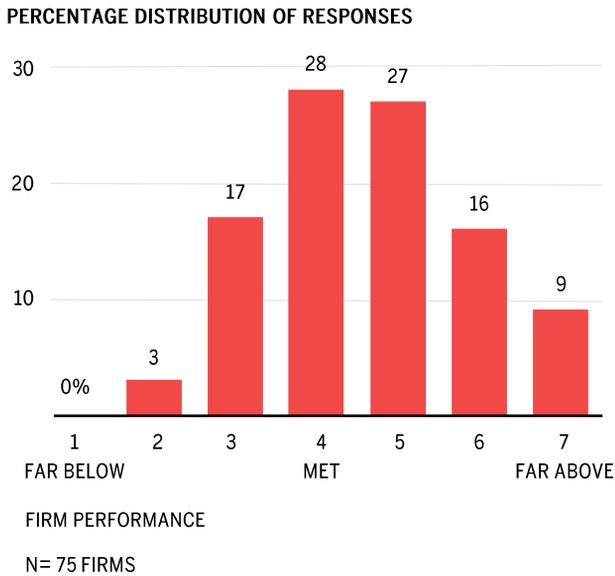


FIG. 17. PERCENTAGE OF SALESPEOPLE MEETING OBJECTIVE, PRIOR 12 MONTHS

MIN	0%
10 TH PERC.	13
25 TH PERC.	30
MEDIAN	60
75 TH PERC.	80
90 TH PERC.	85
MAX	100
AVERAGE	55
TOTAL	45

N= 74 FIRMS

On average, 55% of firms' salespeople met or exceeded quota in the preceding 12-month period (the median value is 60%).



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AutoPylot is the sales automation solution for successful sales organizations. The AutoPylot mobile app automatically captures, records and logs sales calls, texts and meeting notes, taking the hassle out of time-consuming data entry. Sales people can spend more time selling, while sales

sales management gets accurate and timely data about customer engagements. Plus AutoPylot is compatible with leading AI systems to add conversational insights into phone calls and text messages. www.autopylot.com.

