



4TH EDITION

INDICATOR:

Mood of the Sales Leader 2021

The definitive annual report into the New Zealand Sales Leadership Landscape

IN PARTNERSHIP WITH

HubSpot

YoungShand.

consult RECRUITMENT SPECIALISTS

CONTENTS

OVERVIEW	Intro	p3
01	COVID-19	p5
02	What happened in 2020	p6
03	The outlook for 2021	p8
04	Resourcing	p11
05	Marketing	p13
06	Sales & Marketing Technology	p15
Summary	Mood Clouds	p17
	Conclusion	p18
	Our Partners	p19
	Our offerings	p22
	About Indicator	p23

Overview



Mike Stokes / Indicator

Welcome to the 4th edition of the annual Indicator Mood of the Sales Leader Report

Since 2017 we have been capturing the mood & sentiment of NZ sales leaders each January, establishing the MOTSL report as the barometer of business sentiment and expectation for the year ahead.

Undoubtedly this is one of the most unique and challenging years that many of us have ever experienced. With the continued uncertainty Covid-19 brings, this year more than ever we were fascinated to see what our local sales leaders were thinking and feeling, given their unique position at the coalface of the market, competition, and face to face with clients.

The 2021 survey has not failed to deliver.

We received responses from 327 revenue leaders (an increase of more than 44% over 2020) who are collectively responsible for over \$11 billion in revenue and approximately 4000 salespeople, giving wide and robust results.

Contributors to the survey

327

Respondents

4027

Number of salespeople responsible for

\$11.4B

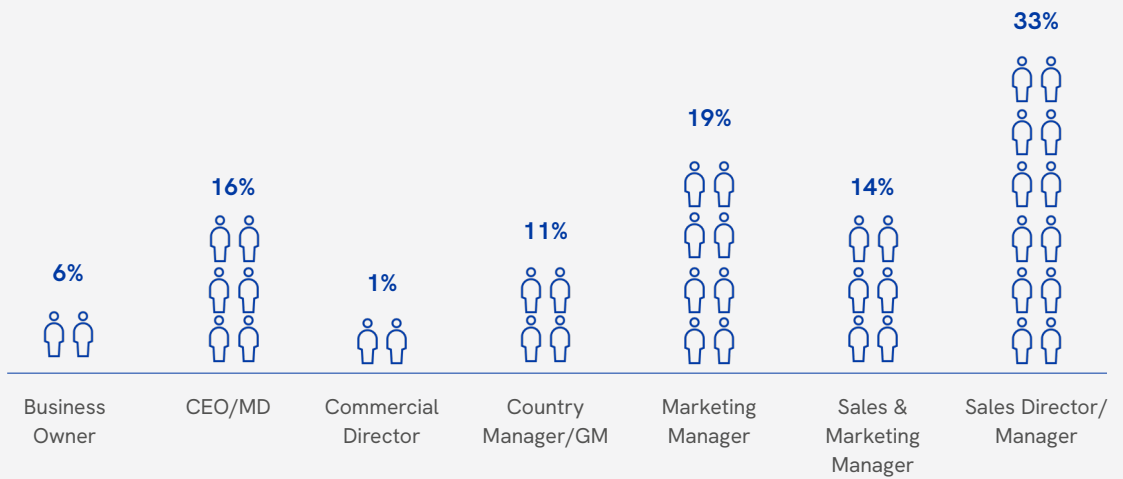
Amount of revenue responsible for

15

Industries

We are grateful for the contribution of our partners to publish this year's report. Technology world leader HubSpot joined us as a partner once again and we were delighted to welcome two new partners, market leaders Consult Recruitment & creative digital agency YoungShand. These partner's bring a unique insight and intelligence to the report. This year you will see the addition of marketing insights, highlighting what we view as the increased importance of sales and marketing working together in generating revenue.

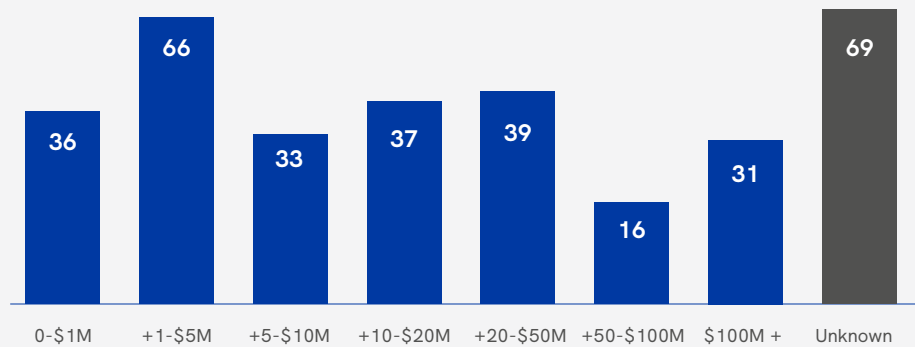
Contributor roles



There are 3 key insights immediately capturing attention from this year's report:

1. Pessimism has reduced since the start of 2020 with revenue leaders being on the whole cautiously optimistic about 2021.
2. Competition has been overtaken for the first time as the number one concern with revenue leaders stating their top concern is the challenge of clients with reduced budgets.
3. It appears sales leaders are resorting to organic growth as opposed to embracing innovation, changing the way they sell and focusing on improving their sales leadership or sales culture to achieve growth.

Size of companies



What we have learnt in 2020 is that the game is constantly changing and we all need to change with it, at pace. We would like to thank all of the 327 contributors to the Indicator Mood of the Sales Leader 2021 and we trust this report will help you to navigate the complexities of revenue generation for a successful year ahead.

01

Covid-19



Overall impact from Covid

14% Negative

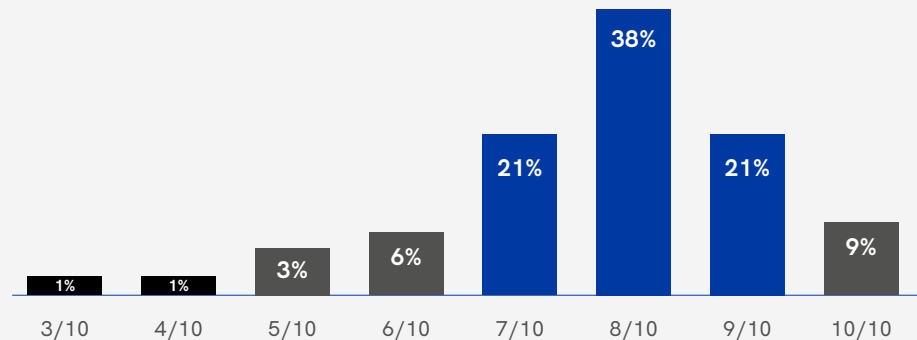
25% Neutral

45% Positive

16% Unknown

Leading NZ economists noted at the tail end of 2020 that on the whole we escaped what should have been a significant recession for our country. Revenue leaders were very complimentary of how their businesses handled the challenges of Covid-19 with 67% rating highly their company's response. Encouragingly, 45% believe Covid-19 will have a positive impact on their company in the medium term, citing increased market share opportunities and increased demand for their products or services.

How would you rate the performance of your company responding to the challenges of 2020?



We were keenly interested to see how sales leaders felt Covid-19 would impact their business over the next 3 - 5 years and not surprisingly, they are seeing both challenges and opportunities ahead. Ongoing supply chain disruption and pressure on gross margins were identified as the most common challenging impact of Covid-19, and opportunities were expected to come from increased demand for products and market share growth opportunities.

2 biggest negative impacts of Covid



Anticipated Supply chain constraints



Pressure on gross margins

3 biggest positive impacts of Covid



Demand for our products will increase



Increased market share opportunities



Adopt more technology

What happened in 2020?

The game changed for all businesses in 2020 as the world adapted to a global pandemic. New Zealand was better placed than most other countries but we all had to adapt with many facing a huge increase in demand for essential services, whilst others encountered revenue completely drying up overnight.

Sales leaders and salespeople were thrust into working remotely both with their teams and with their clients. Salespeople in particular needed to quickly adapt their sales approach given that they could not be face-to-face with customers and prospects. Empathy and understanding of each customer’s situation became increasingly important.

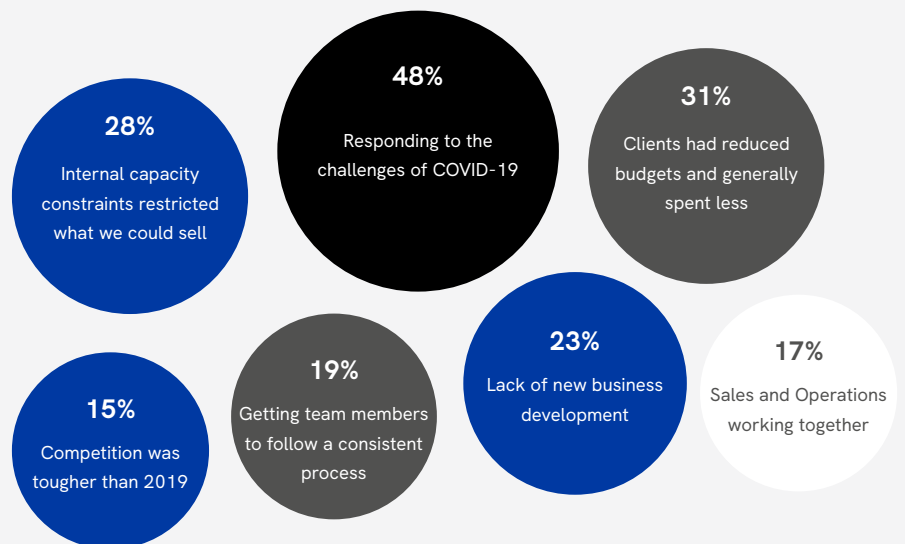
Biggest Challenges in 2020



Trend Comparison

Biggest Challenges in 2019:

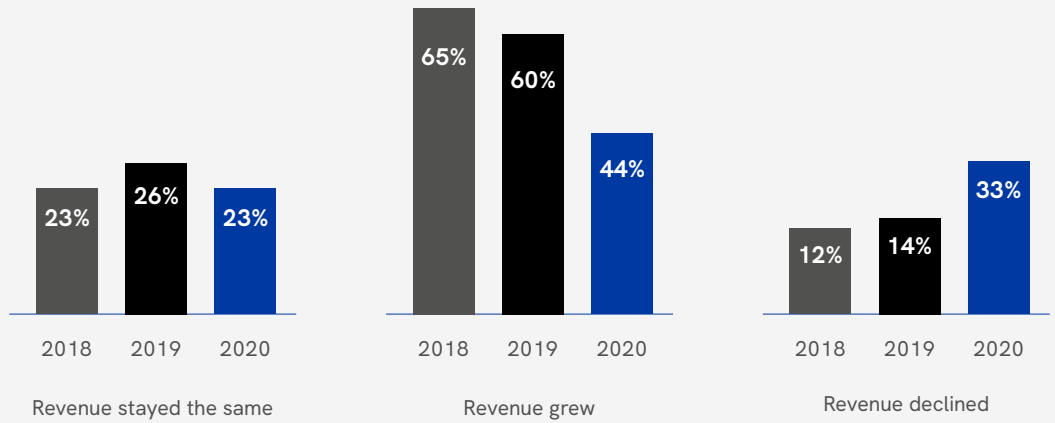
1. Competition
2. Internal capacity restraints restricted what we could sell
3. Lack of new business development



* Respondents chose up to 3 challenges each

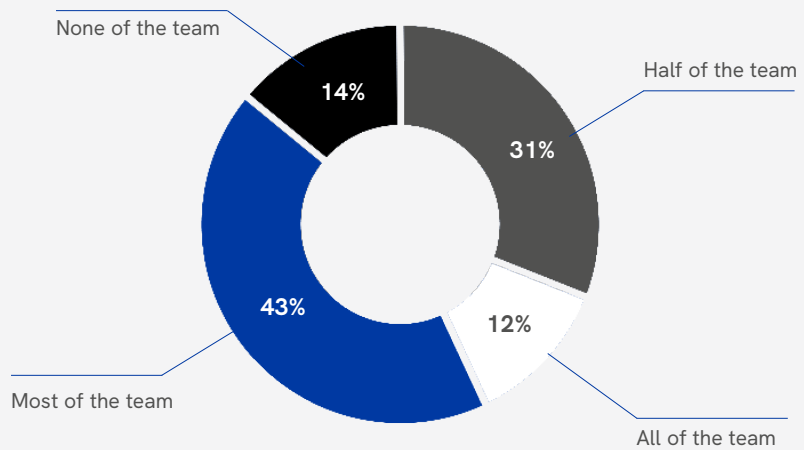
For the first time since we began MOTSL, “Competition” was knocked off its perch as the number one challenge. Sales leaders were now responding to new challenges, including Covid-19 and clients spending less. Anecdotally, it appeared that big business spending dried up for many, with extended sales cycles as a result of deferred decisions and reduced enquiry levels.

**Revenue
Trend Comparison**



In the previous two years sales leaders have reported strong results with more than 60% achieving revenue growth and less than 14% recording revenue declines. Not unexpectedly, we are seeing a very different picture for 2020. 44% of respondents still achieved revenue growth, however this was a 27% reduction on the year before and 33% recorded a revenue decline in the past year which is more than double than the previous two years.

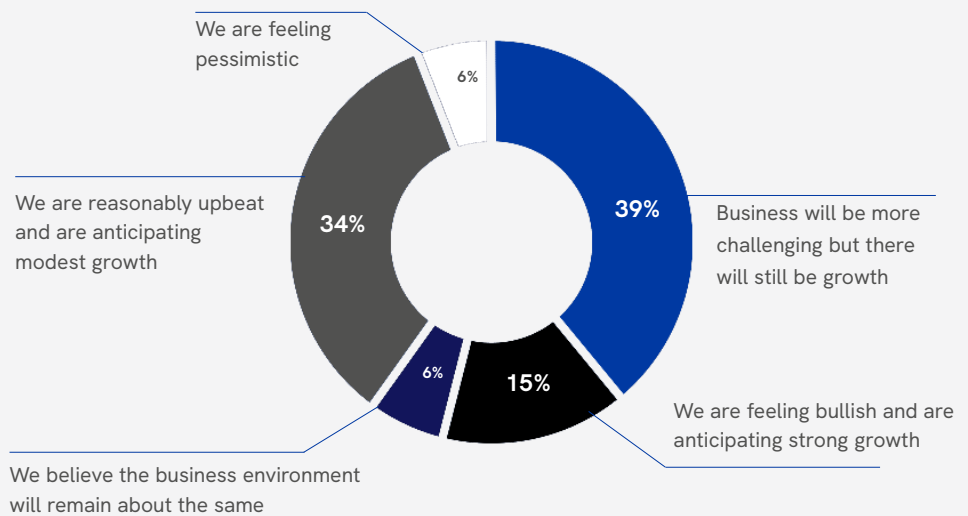
What percentage of your team achieved their sales targets in 2020?



The outlook for 2021

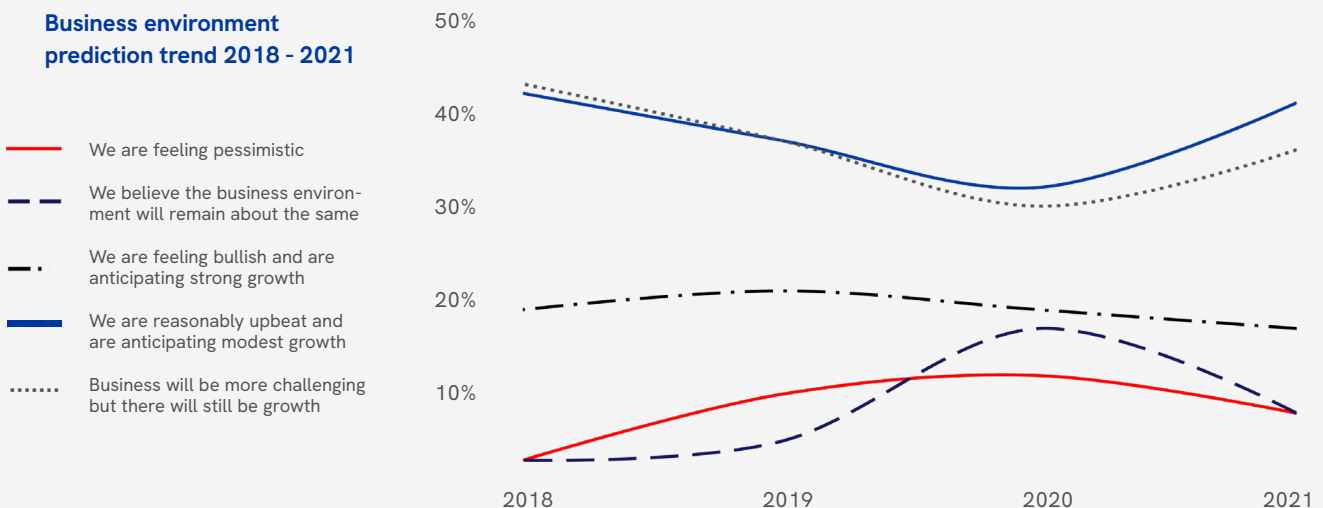
Most sales leaders are cautiously optimistic for business growth in 2021, despite business being more challenging. Clients spending less is their biggest concern, closely followed by Covid-19 still causing disruption in the year ahead. Whilst competition is still in the top 3 this has been the first year that it has not taken the number 1 spot.

Thinking ahead to 2021, what are you anticipating in terms of your business environment?

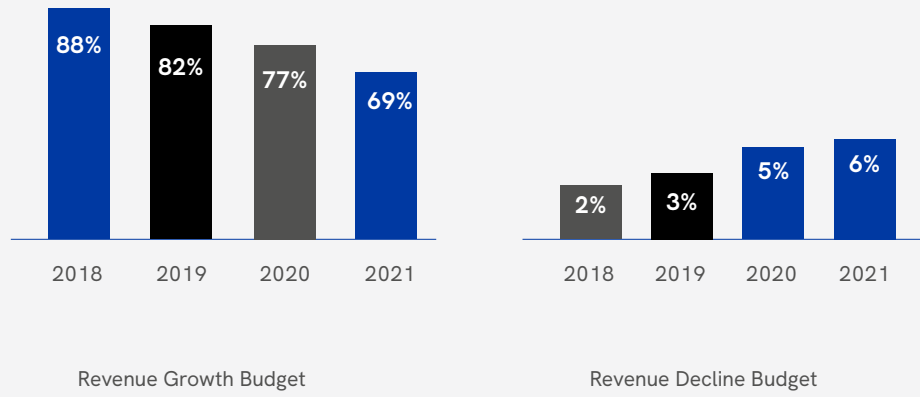


There are a number of key statistics that deliver the complete picture of business confidence and one we like to monitor is the level of pessimism from sales leaders who are by nature a very optimistic group. In 2018 the level of pessimism was only 1%, this rose considerably to 8% in 2019 and a record level of 10% at the start of 2020. These predictions largely came true and with only 6% pessimism in 2021, we hope they continue to do so.

Business environment prediction trend 2018 - 2021



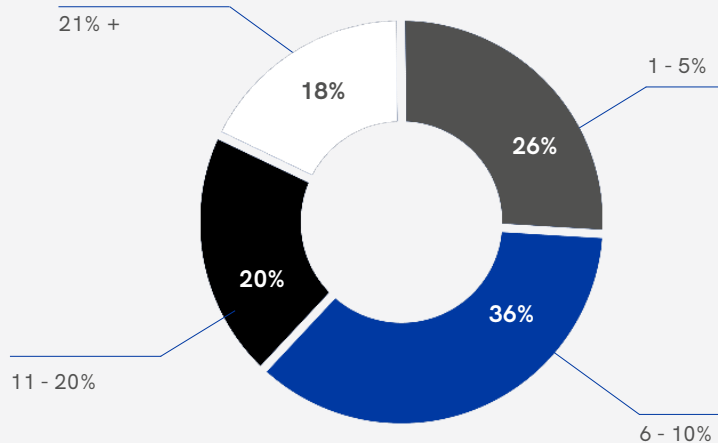
What type of budget are you setting?



“Most sales leaders are cautiously optimistic for business in 2021”




There has been a consistent drop in the number of growth budgets that sales leaders have been setting over the past 4 years. At the end of 2017 88% of sales leaders were planning for growth. Four years later there is a 22% reduction in the numbers of growth budgets planned for the year ahead and a softening across the board in business indicators. In 2018 just 12% of sales leaders were planning for a flat based or reduction in revenue, now we see that has grown significantly to 31%. Supply chain disruption, covid impact and clients spending less join competition as the biggest challenges impacting the number of revenue leaders planning for growth budgets. Despite a consistent decline of businesses setting growth budgets (88% falling to 69%) there has been no change in the size of growth aspirations.

Growth expectations



The top 3 answers to achieve revenue growth for sales leaders focused on organic growth, not innovation as you might expect given the upheaval of the past year. Whilst you could argue that selling new products and services is a form of innovation, we were surprised to see that the top 3 were not dominated by an interest in doing things differently or improving the way we sell.

What are you going to do to achieve this growth in revenue?

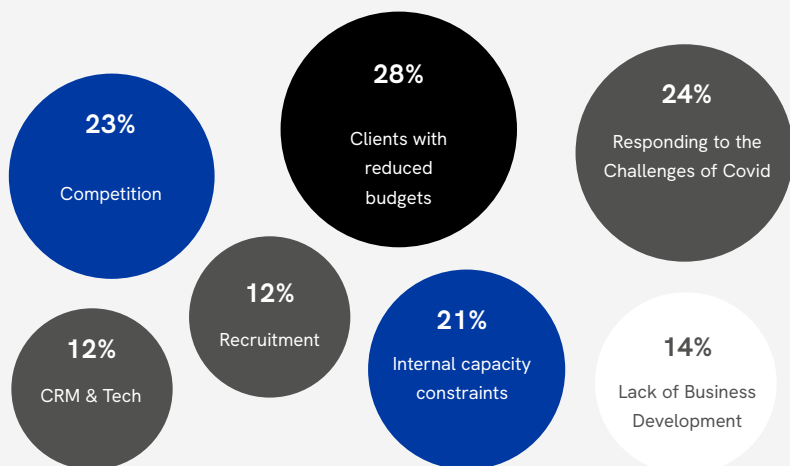
- | | | |
|---|---|---|
|  <p>1.
Sell more to our existing clients</p> |  <p>2.
Sell new products and services</p> |  <p>3.
Focus on new business development</p> |
|  <p>4.
Increase the size of our sales team</p> |  <p>5.
Invest in sales and marketing technology</p> |  <p>6.
Improve our sales culture</p> |



“The number one concern for sales leaders in 2021 is clients with reduced budgets”

The number one concern for sales leaders in 2021 is clients with reduced budgets. This appears to be a growing trend since we began the MOTSL survey and has now taken over from competition as the perceived biggest challenge for the year ahead, seeing businesses (particularly big businesses) spending less. Fear of what is around the corner is no doubt fueling this. NZ sales leaders also see the lingering challenges of Covid-19 to continue to be a concern followed in third place by the incumbent number one spot of competition.

Biggest Challenges in 2021



* Respondents could choose more than 1 challenge



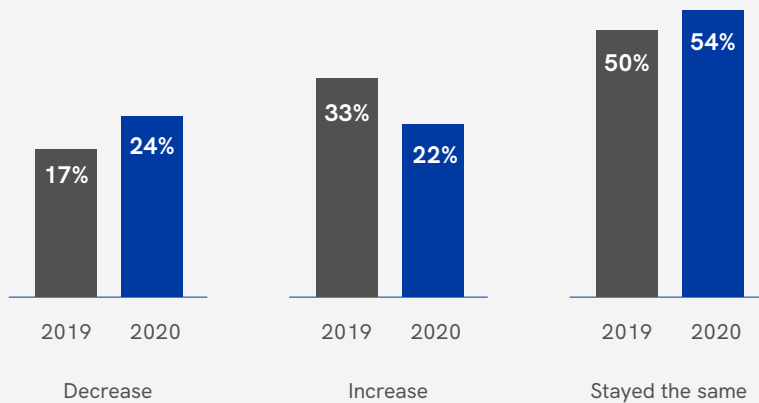
Did your sales team receive any training?

68% Yes

32% No

In line with revenue leaders feeling optimistic for 2021, it is heartening to see that 45% of businesses are looking to increase the size of their sales team in the year ahead. This is slightly higher than last year at 43% and considerably down from the 63% of 2018. Whilst the number of salespeople receiving training was slightly down in 2020, Indicator experienced record numbers of attendees for Indicator online webinars and events in the last 12 months.

Did the size of your sales team change in 2020?

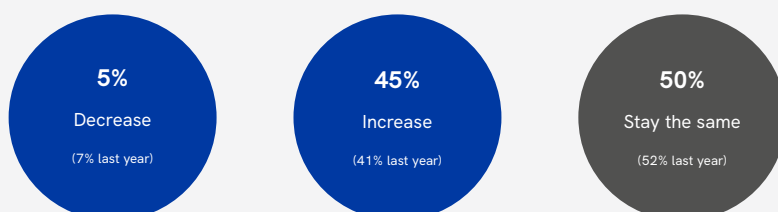


What is your attitude towards workplace flexibility?

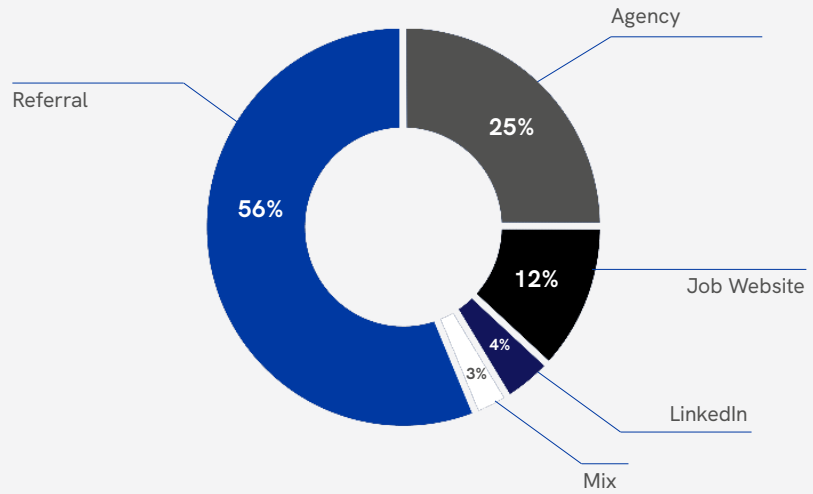
2020		2021
6%	We do not believe in it	5%
75%	We encourage it	77%
19%	Offer it occasionally to the right person	18%

With all the hype around working remotely, we were surprised there was no meaningful shift in the way that sales leaders felt towards work flexibility with 23% of respondents not fully committed to providing greater work flexibility for their sales teams. With an increasing number of businesses committed to introducing greater workplace flexibility, are sales leaders out of step with the wider business community or does the sales role not lend itself as naturally as other roles to working flexibly?

Thinking ahead to the 2021 calendar year do you have plans to change the size of your sales team?



What do you believe is the most effective way to hire new salespeople?



“self motivation being the number one attribute followed by resilience”

Recruiting the right team members is one of the most important jobs that sales leaders undertake. The challenge of finding quality salespeople particularly business development focused individuals is as hard as it has ever been. Referrals are seen as the number one way to successfully hire salespeople, having a trusted contact introduce a potential staff member is a strategy that works well for many. 25% of contributors to the survey believe that utilising the skills and network of an agency is the most effective to hire staff. One of the big current challenges in recruitment is that the best salespeople are usually being well looked after in their current roles and are often not looking. Often the best results come from a strategy of utilising a variety of different channels.

When asked what are the number one attributes of your top salespeople there were two very clear winners, with self motivation being the number one attribute followed by resilience. Sales leaders also valued (in order of importance) communication skills, work ethic, coachability, EQ and the ability to solve problems. EQ needs to be front and centre as a desirable attribute, we need to look out for this strength, test for it and nurture it to ensure we are meeting today’s business needs.

A key question to ask is how much attention are you placing on these attributes, not only in your recruitment process but also in the development of your sales team?

Top 6 attributes of your best sales performer?



1.
Self motivated



2.
Resilient



3.
Communication Skills



4.
Work ethic



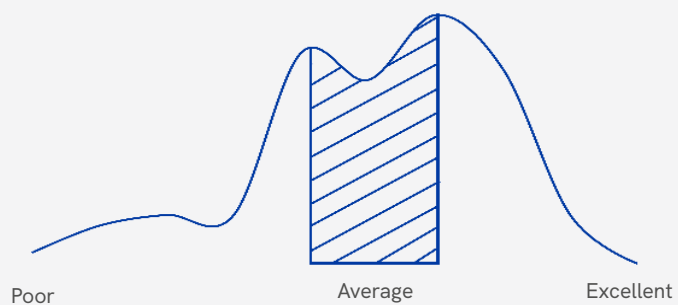
5.
Coachable



6.
EQ

We have introduced a series of questions around the effectiveness of the sales and marketing relationship to this year's survey as we strongly believe that in 2021 the relationship between sales and marketing teams needs to be a key area of focus to drive revenue outcomes.

How effective is your Marketing team at driving leads?



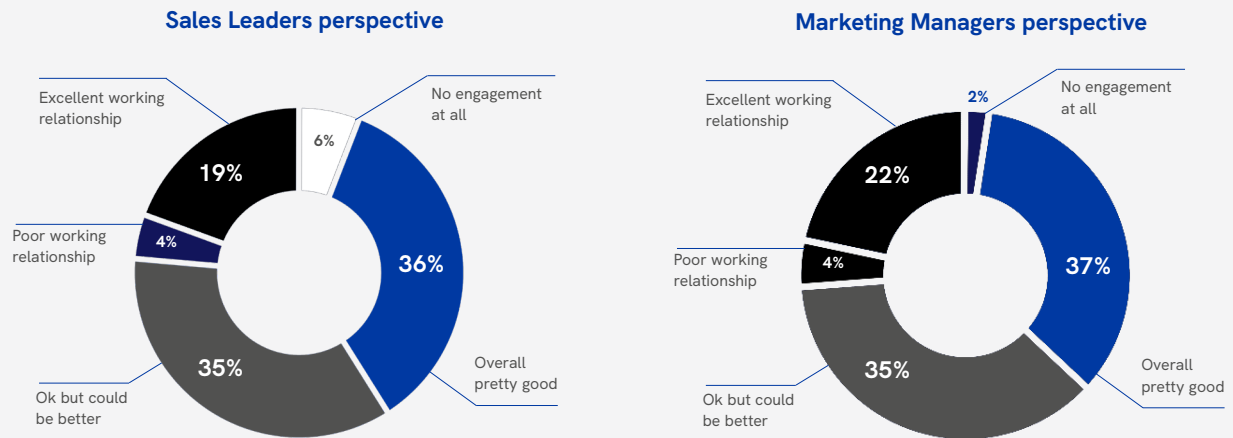
More than 50% believe their marketing team is average at driving leads (score 5 -7)

Looking at this year's results, whilst not broken, there is work to do with more than 50% reporting that their marketing team is average at best at producing leads. Perhaps the answer to improving this score lies in the response to our next question: how well do sales and marketing work together? We noted that 45% of sales leaders listed that they have an average or poor working relationship with marketing and a similar response from marketing managers with 41% believing the relationship could be better.

What more do sales leaders want from their marketing team?

- #1
Better qualified leads
- #2
Useful market research and insights
- #3
Better digital approach
- #4
Compelling stories

How well does Sales & Marketing work together?



“45% of sales leaders listed they had an average or poor working relationship with marketing”

One area that sales and marketing leaders agree on is the top 3 marketing challenges albeit in a slightly different order. Sales leaders would like to see their brands more recognised in the market which will help them gain credibility when they are with prospects or when companies are searching for help. Having a positive digital experience will be crucial as clients will continue to research online and expect a superior customer experience. As we still buy on emotion, companies that utilise great stories will increasingly attract customers towards them and continue to keep them close.

What are your biggest marketing challenges?

Sales leaders perspective



1. Lack of brand awareness



2. Poor digital experience



3. Lack of good storytelling

Marketing managers perspective



1. Poor digital experience



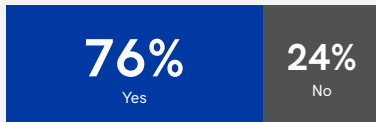
2. Lack of brand awareness



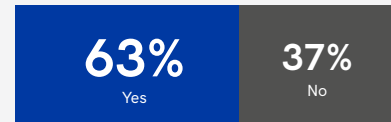
3. Lack of good storytelling

Considering the emphasis on technology as the way forward in the current climate, it is a surprise that utilisation of technology is not seen as more of a priority. It appears that NZ sales leaders are late adopters of new technologies, and we believe this may be detrimental to success. The survey highlights a slight decrease in companies that see innovative technologies as a game changer and a decrease in the companies that are starting to invest in these areas.

Does your company use a CRM?



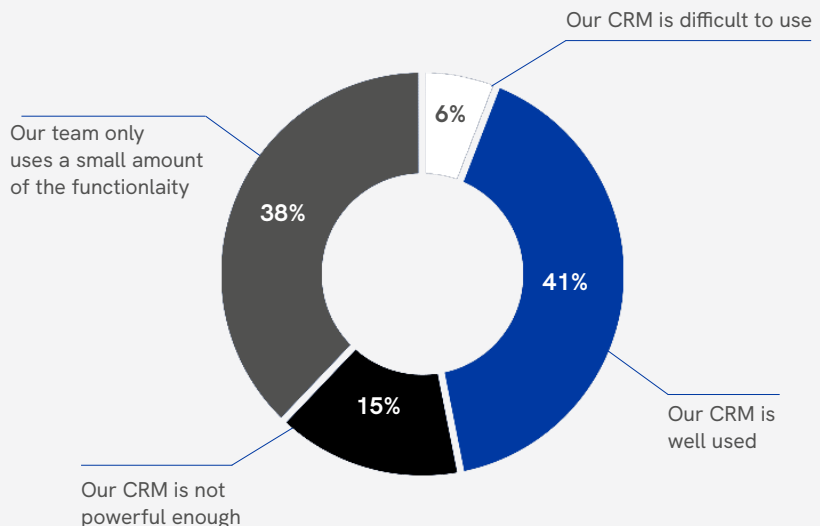
Does all of your business work from the same CRM?



“fewer than half of respondents (41%) consider they use CRM well”

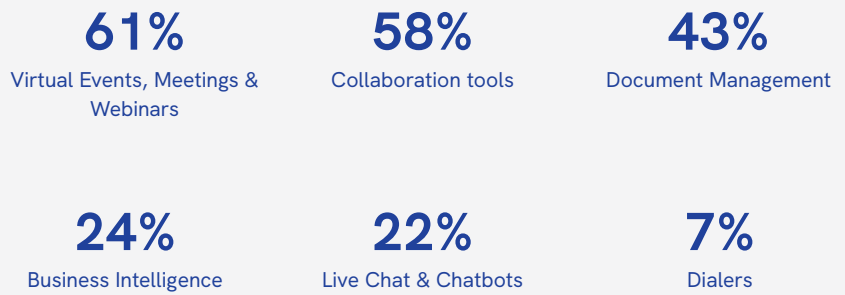
76% of companies involved in this survey work with a CRM and it appears that a significant percentage, 37%, are using more than one CRM in their business. Fewer than half of respondents consider they use CRM well, with the remainder utilising a CRM that is not fit for purpose or is simply not used well within the company.

How would you describe CRM use?



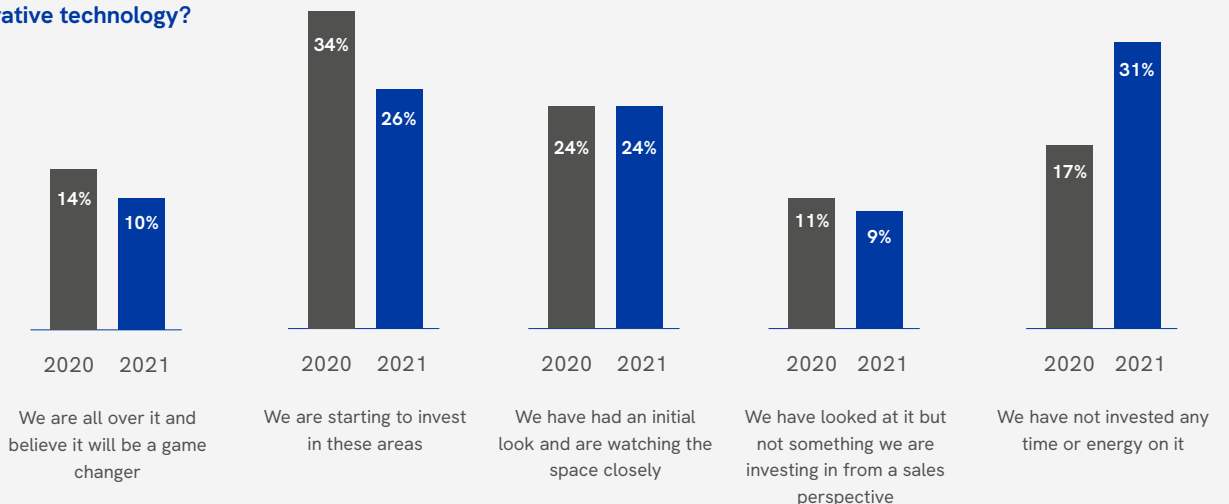
The most commonly used technologies for sales leaders are collaboration tools such as Teams or Slack, and not surprisingly, the use of tools to hold virtual meetings or webinars such as Zoom and Eventbrite. Both outcomes of remote working and the reality of spending less time face-to-face with customers and prospects.

What software do you use?



The use of more advanced sales technology such as automated diallers and chatbots is low, however we do expect a substantial increase in these over the next few years as the business environment continues to become more competitive.

What is your approach to using innovative technology?



One thing your team could do better?



What is the biggest risk to your success?



Summary



“NZ companies on the whole have survived well”



“Covid-19 will have a positive effect on business”

MOTSL 2021 Conclusion

Whilst the rest of the world has been left reeling from the global pandemic, NZ companies have on the whole survived well. The overall sentiment of NZ sales leaders is positive, believing there is still opportunity for growth in 2021, and nearly half of all sales leaders believing that in the medium term (3 - 5 years) Covid-19 will have a positive impact on their business.

Tempering this, there is real and valid concern for sales leaders in 2021 regarding reduced budgets. As revenue leaders we need to focus on how we get a bigger piece of the pie to maintain current levels or to attain the growth that close to 70% of sales leaders are hoping to achieve.

The relationship between sales and marketing was always going to be an interesting study and we were not surprised that on the whole the relationship is seen as an area for improvement. At Indicator we believe strongly that revenue success in the years ahead will rely on the way that sales and marketing work together to focus on customer experience leading to outstanding relationships with prospects and clients alike.

Surprisingly, little change was seen in the feelings towards working flexibility, with very little changed over the last 12 months. Whilst more sales leaders have adopted CRM's, many have work to do for these to be used to their full advantage, with issues such as having the wrong CRM or not using it properly holding back progress.

A key insight that sales leaders are mainly looking for organic growth is an interesting one for many reasons. In 2020 we were handed the permission to change the way we structured our teams, the way we sell and the way that we truly understand our customer base. We saw advancements in a very short space of time across a range of areas. Is it risky to continue to operate in the same fashion that we always have?

Some of our success may be taken out of our hands in 2021 however we can only play the hand that we are dealt. We wish everyone well for 2021 and recognise that whilst the sentiment of NZ sales leaders is largely positive, it is somewhat of an unknown how the year will pan out as the global pandemic continues to cause massive world wide disruption and chaos.


Our Partners

YoungShand.



Duncan Shand / YoungShand

YoungShand helps grow brands and businesses today, by being curious about tomorrow. We're an independent, integrated agency combining creative thinking with media, digital, and data to solve our clients biggest problems. Our focus is on driving growth for mid sized New Zealand brands.

 Duncan Shand
Managing Director

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“We’re excited about being part of the Mood of the Sales Leader as the ultimate job of marketing is to drive sales and revenue. We believe taking an integrated approach to look at the full customer journey and developing a performance based communication strategy will drive significant growth. Our approach is to partner with our clients and drive significant growth for businesses turning over between \$10m and \$200m.”

Our Partners




Richard Gray-Smith/ Consult Recruitment

Consult Recruitment is New Zealand’s leading recruitment agency for accessing the best talent. Our specialist teams and networks combined with leading technology and a good dose of kiwi ‘can-do’ attitude mean that we find the best people for our clients. We love success stories and seeing our candidates and clients create awesome outcomes. We’re proud partners of New Zealand’s best companies, passionate supporters of our communities and crazy coffee drinkers who believe in the power of the team.

Consult: Making Good People Easy to Find.

 Richard Gray-Smith
Division Manager

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 richard@consultrecruitment.co.nz

“2020 was the perfect case study for why a strong and capable team is essential for business success. Some teams thrived and took the opportunity, while others struggled under the pressure of so much change. Irrespective of your business - the quality of your people will determine your success. The right people create impact and the best people can be hard to find which is why the Consult team was kept busy in 2020. Specialist knowledge, specialist networks and a strong partnership focus mean we can access the best talent. We’re excited to partner with Indicator, and believe that together we are all stronger - especially right now.”

Our Partners



James Moore / HubSpot

HubSpot is a leading customer relationship management (CRM) platform that provides software and support to help companies grow better. The platform includes marketing, sales, service, and website management products that start free and scale to meet our customers' needs at any stage of growth. Today, more than 100,000 customers across more than 120 countries use HubSpot's powerful and easy-to-use tools and integrations to attract, engage, and delight customers.



James Moore
Principle Sales Manager Enterprise and Mid-Market



jamoore@hubspot.com

“In 2021 and beyond, how you sell is more important than what you sell. No matter what they are purchasing, your prospects demand a frictionless experience, and companies that fail to adapt their approach will lose out. The problem is, most sales teams lack the technology and data required to meet those expectations during the sales process. I’m proud that HubSpot is supporting the Mood of the Sales Leader to help sales leaders better meet the evolving expectations of the modern consumer.”

Offerings

Our Products

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SALES SYNDICATE

Sales Syndicate is a monthly programme designed to enhance sales success by linking similar skilled sales managers and sales leaders in a non-competitive peer to peer environment.

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WHO.

TIMING.

INVESTMENT.

REGISTER

SALES ACADEMY

Sales Academy is a monthly programme specifically for B2B sales people to enhance their skills in a peer to peer environment. A completely unique programme that is designed in short sharp hits for maximum learning and reinforcement.

INDICATOR:

SALES CONSULTING.

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REGISTER

SALES CONSULTING

Indicator offers bespoke consulting to support New Zealand B2B companies. Engagements will typically start with one of Indicator's diagnostic tools to create the right solution each time.

About Indicator



"Indicator's number one goal is to partner with our clients to have a positive impact on their sales performance"

Founded in 2015, Indicator is driven to increase the overall quality in the sales and sales leadership of New Zealand companies.

To achieve our ambition, Indicator partners with companies and individuals to achieve improved B2B sales results. Indicator works with many of New Zealand's most progressive companies and has a passion for driving sales performance to deliver top and bottom line results.

Sales training companies are ubiquitous, yet most focus on individuals rather than the leaders, processes and systems. Get the balance right and success will flow through to your team.

Sales is becoming increasingly complex, and more and more companies are being left behind. That is why Indicator is here.



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