

# The 2019 Sales Growth Report

Supporting Canada's high-growth economy  
through investment in the sales profession.

Findings of a national survey of commercial  
sales professionals.



# Introduction from CPSA

Working in Canada today, there are 1.2 million sales professionals who represent 6.6% of the Canadian workforce.

Half of these are in commercial sales (B2B and B2C) and the numbers are growing – quickly. And yet, this significant portion of our economy is often forgotten and under appreciated. This is one important reason that our 2019 labour market research project focused on understanding the ways that investment in our national sales profession can support a high-growth economy in Canada.

The Sales Growth Report is the first survey of its kind and it is urgently needed to bring new ideas and benchmarks that will help organizations understand the relationship between their salesforce and their ability to achieve high rates of sales growth.

Why now? Here's one reason: The Government of Canada would like to double the number of high-growth companies

in Canada by 2025. One key factor required to meet this goal is a strong and vibrant sales profession, armed with the skills and toolsets required to succeed.

According to the Conference Board of Canada, the sales and marketing professions have been among the top 5 specializations in highest demand over the past 10 years. The future of Canadian sales professionals and the future of the Canadian economy are inextricably linked.

From talking to industry leaders, a powerful message emerges: employers want a national standard for sales professionals, they want more from new recruits, more skills, more knowledge, more commitment and more results.

Sales is one of very few professions where there traditionally has been no specific experience or training required – many people simply fall into sales and it's not commonly offered in college or university as a

concentrated area of study like marketing.

Our research reveals that 74% of Canadian Organizations are currently working towards high rates of year-over-year sales growth, yet facing challenges with regards to strategic planning, hiring, technology, and skill development.

The CPSA is proud to present the first ever sales report touching on these issues, and many others, in Canada. The Sales Growth Report reaffirms the CPSA's commitment to carrying out critical research on behalf of the sales community – to help us move the profession forward.

We are grateful for the contributions of our volunteer Labour Market Research Committee members in helping us select, design, conduct, and validate findings of this year's study.

# Methodology

The survey, commissioned by the Canadian Professional Sales Association, was conducted by Yardstick Research from December 18, 2018 to January 25, 2019.

A total of 361 surveys were completed by commercial sales professionals and commercial sales managers in B2B and high-value B2C sales at small, medium, and large firms across Canada. The survey was available in both official languages.

The survey was conducted using a multi-mode design with three sample sources:

- 230 interviews were completed online, recruited from Maru/Blue's panel.
- 109 interviews were completed online with members of the Canadian Professional Sales Association who were invited to participate through email.
- 22 surveys were completed by phone, obtained through available business listings.

To add additional context to the research, 87 industry stakeholders and representatives – including sales leaders, undergraduate students, and sales faculty members at HEC Montréal – participated in in-depth focus group interviews.

230 Surveys Through Maru

109 Surveys Over Email

22 Surveys By Phone

# Sample Distribution

	Weighted	Unweighted
<b>Region</b>		
Atlantic	9%	5%
British Columbia	15%	14%
Ontario	48%	43%
Prairies	17%	26%
Quebec	11%	12%
<b>Firm Size</b> (Number of Employees)		
Small (<100)	59%	
Medium (100 to 499)	18%	
Large (500+)	19%	

The sample was statistically weighted so that the distribution of respondents was representative of the provincial distribution of organizations across Canada.



# Key Insights

74% of Canadian companies have expectations for “high growth in sales” over the next 3 to 5 years.

To achieve this, companies have plans to leverage a diverse approach to generating expected growth, including plans for upselling and account development, geographic expansion into Canada, the US, and Europe, and industry and vertical expansion.

However, companies are facing critical obstacles to their growth plans.

There are clear gaps in strategic sales planning – while many hope for high growth, fewer companies have strategic sales plans to support this. Organizations are facing challenges with their sales force in terms of hiring, effectiveness, and professional development.

There is also a need for alignment between Sales and Marketing departments, particularly as companies struggle to face a new technological landscape – including Artificial Intelligence and Social Selling.

# Canadian companies are optimistic about growth gains from sales in the next 3 to 5 years

74%

of Canadian companies are trying to **achieve high growth** (over 6.7% growth per year)

Larger companies, in particular, are taking a diverse approach in their strategic sales plans, including diversification, acquisition, training, and investment in analytical tools and technology.

*How do **you** plan to achieve growth?*

*"Increased specialization of the sales team – towards certain verticals and product specialization"*

- Software Sales Executive

*"Increasing the sales force, investing in technology, and training."*

- Telecommunications Sales Executive

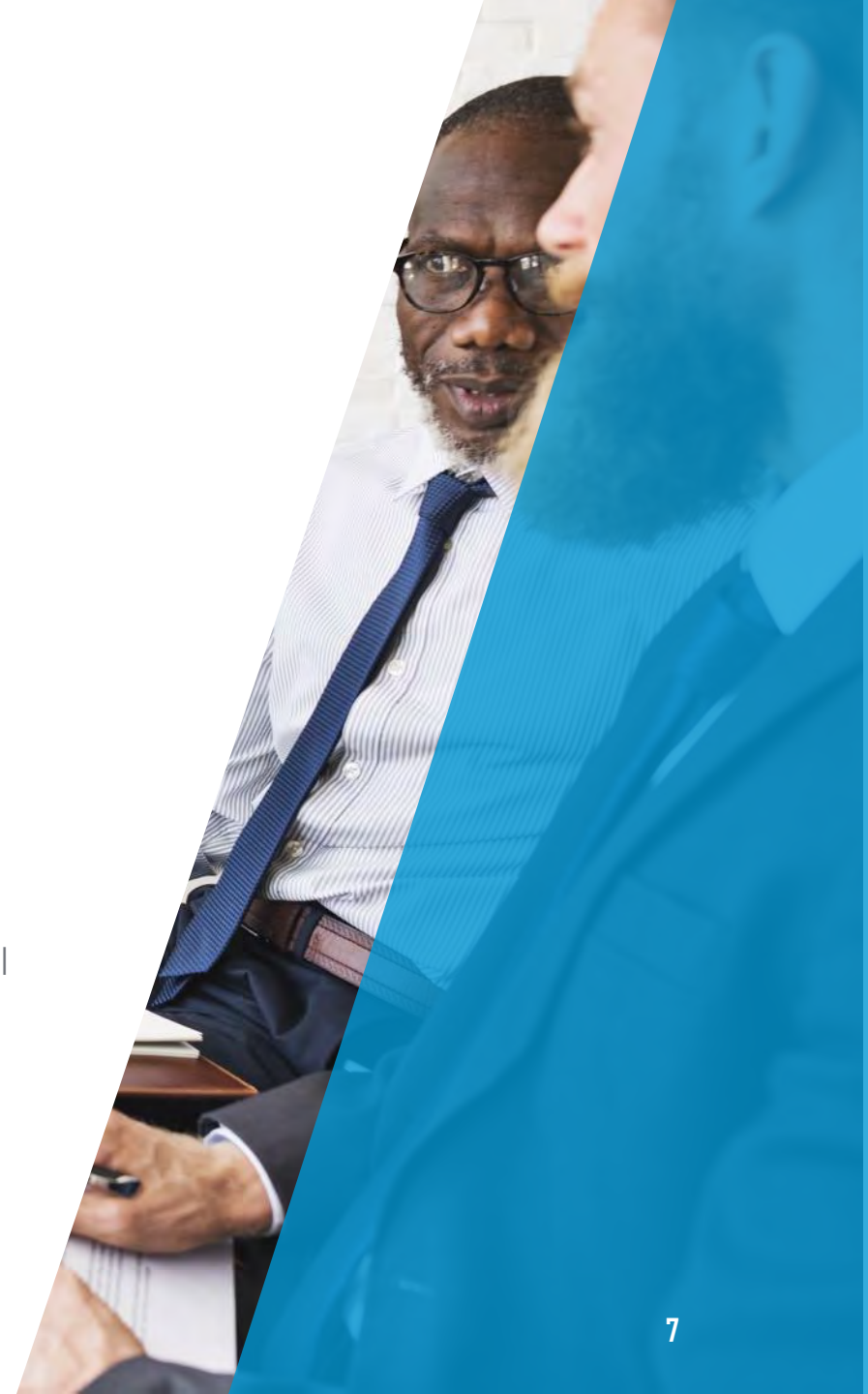
# There are critical obstacles to growth plans

As Canadian organizations try to achieve high growth in sales and revenue, the study showed that there is a **clear gap** that companies are overlooking:

40%

**do not have a strategic plan** to increase sales and revenue

The high-growth target may be hard to achieve for organizations without strategic sales plans and may necessitate additional tools and training to help companies plan for a successful future.



# How are companies working to achieve sales growth?

Organizations are planning to undertake a variety of approaches to increase sales and revenue over the next 3 to 5 years:

## Top Strategies for Increasing Sales and Revenue



With companies feeling increasing pressure to get more done with less – and recognizing that it can often be easier to sell to a current client than a new one – it’s not surprising that organizations first and foremost plan to achieve growth by focusing on selling more to their current clients.



# Upselling is key: existing relationships are the path to the future

81%

of Canadian organizations are **planning to sell more to current clients** to increase sales and revenue.

While strengthening client relationships and increasing the level of service are considered critical for retaining clients, organizations are primarily planning to sell more to their existing client base by offering new products and services, and by increasing overall product awareness.

*How will your organization sell more to current clients?*

*"Growing our existing base through the introduction of complementary products."* -  
**Software Development Executive**

*"Implementing relationship management strategies, providing a higher level of service, and having a customer advisory board to better understand client needs"* - **Software Sales Executive**

# Canadian organizations are crossing borders

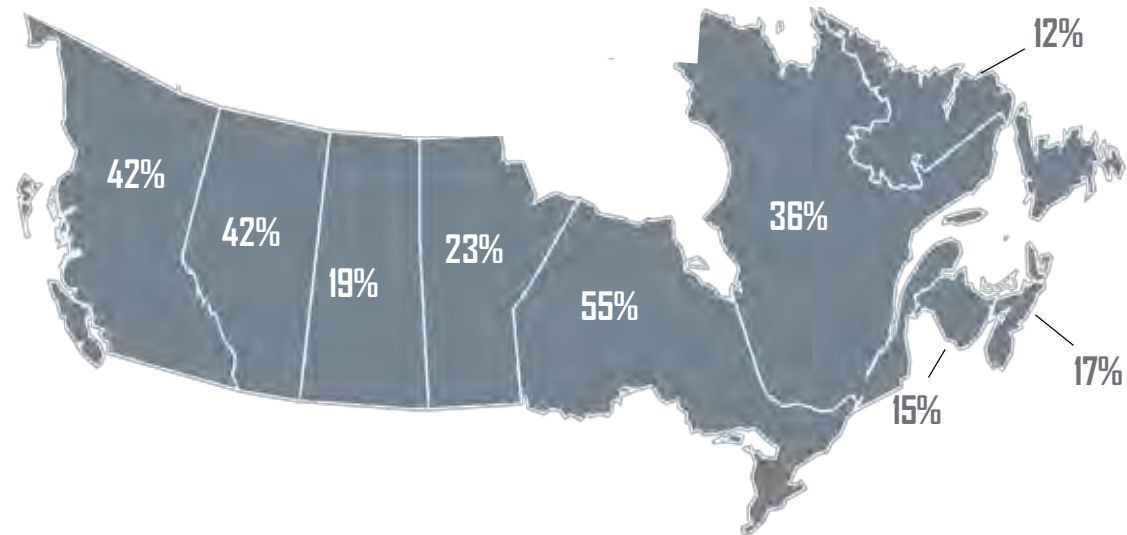
60%

of Canadian organizations are planning to **expand geographically**.

While many companies plan to expand into other geographic markets, the Canadian markets that organizations expect to primarily drive growth over the next 3 to 5 years include Ontario and Western Canada.

Companies also have plans beyond national borders, indicating that American and European markets will also drive growth.

As more companies cross borders and face each other in an increasingly competitive landscape, it will be critical that organizations ensure the quality of their sales team.



# New industry sectors show potential for those looking to expand

55%

are planning to penetrate new industry segments to increase sales and revenue

Expanding into new industry segments may help counter growth limits that organizations are facing in their vertical markets. Market penetration can be high-stakes, however. Recognizing that many organizations are failing to plan for growth, it will be critical that they undertake significant planning before expanding into new markets, which carries with it a new set of challenges such as properly identifying new target audiences, developing client and market intelligence, conducting cost-benefit analysis, and avoiding markets that are already saturated.

The top new industry segments reported included:



Oil and gas



Construction



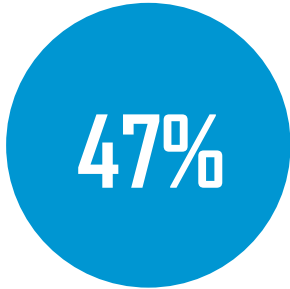
Health



Automotive

# Companies are investing in technology, prepared to handle the change

but not all feel



of Canadian organizations are **planning to invest in technology** to increase sales staff productivity, which will improve efficiency and complement their organization's sales force – with larger organizations (500+) being the most likely to invest.

However, there is a gap in terms of preparedness: more than half of those investing in tech **don't feel prepared to handle changes in technology.**

**Software solutions and social media** (e.g., Salesforce.com, LinkedIn) are some of the top ways organizations plan to use technology to increase sales staff productivity. Particular outcomes that are expected from investment in technology include having methods to track and analyze performance, improved sales forecasting, and improved time management – all of which sales leaders and managers feel will be key to improving the efficiency of their sales force.

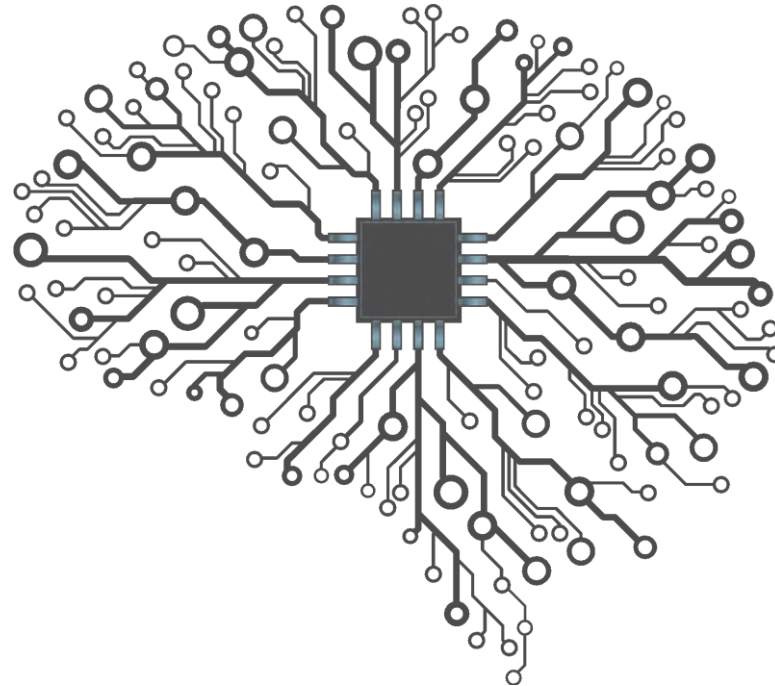
# Companies feel even less prepared to handle changes in Artificial Intelligence

76%

feel their sales force isn't ready for artificial intelligence

With a lack of clarity on what exactly artificial intelligence will do for their organization, there is little agreement amongst sales professionals that AI will reduce the need for inbound and outbound sales staff.

Despite this, sales leaders and managers recognize its potential, indicating that AI processes could be used to mine existing data, tailor the customer experience, and support lead generation.



# Sales and Marketing alignment is emerging

58% of organizations are planning to use marketing, communication and analytics to increase sales and revenue.

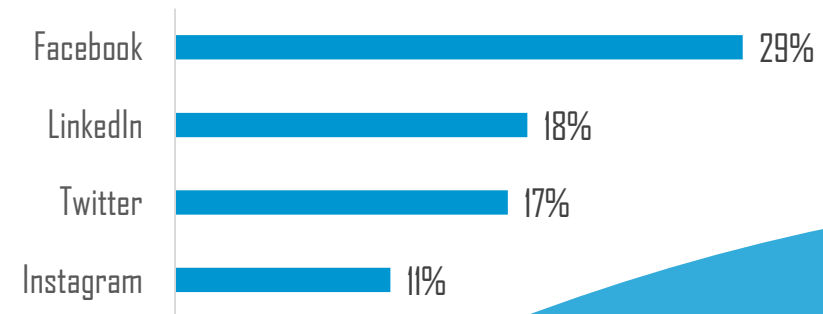
Popular **social media** and digital platforms that will drive this approach include Facebook, LinkedIn, Twitter, and Instagram.

Social media is being used to build awareness and support account-based selling and – with relatively low uptake of these tools amongst sales organizations – there is clear opportunity for sales growth by increasing their digital presence.

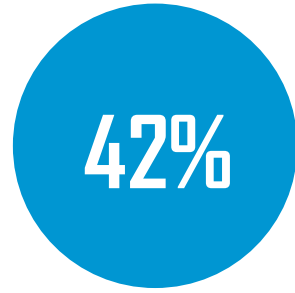
In addition to social media, organizations are also relying on company websites to drive sales.

Additional tools that will support marketing analytics include use of **Net Promoter Score (NPS)**, and metrics such as **percentage of revenue** from existing customers.

Most Mentioned Media/Digital Platforms



# Organizations are feeling the gap in their sales force



report having a sufficient number of sales staff to achieve high growth

While it was generally felt that organizations are able to attract talent, only **4 in 10 organizations** report having a sufficient number of sales staff to achieve high growth of sales and revenue. Retention is also a concern for respondents, as is their organization's ability to easily restructure their current team to meet organizational needs.

With regards to the skills and qualifications that make a strong sales professional, industry work experience and formal education are highlighted as critical factors; however, soft skills such as self-discipline and business acumen are not to be underestimated.



# More sales staff are needed to achieve high growth

43%

of Canadian organizations are planning to hire more sales staff to **increase sales and revenue**

Of those planning to hire, the need is greatest for sales professionals versus sales team leaders – on average, organizations plan to hire 6 to 10 sales professionals per year, within the next 3 to 5 years.

While sales team leads and managers are also an integral part of the workforce, organizations only plan to hire 1 to 5, on average, to fill leadership roles.

Larger organizations – with more resources at their disposal – have the biggest plans for hiring.





# Hiring Sales Talent

The **local talent pool** (including university graduates) is a priority for organizations when looking to hire. Almost three-quarters are looking to hire most of their talent locally, while approximately one-third are looking to hire **in Canada, more broadly**. Conversely, fewer than 2 in 10 are looking to hire **internationally**.

72% plan to hire locally



31% plan to hire in Canada



16% plan to hire from abroad

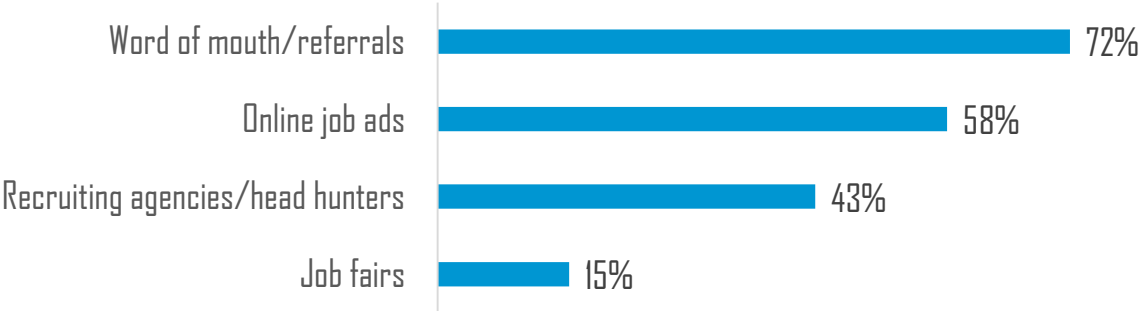


# How are companies attracting talent?

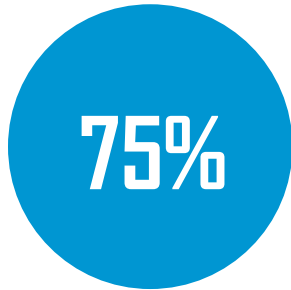
Those looking to add to their sales force are using a variety of means to recruit employees, with the most notable strategy – and a favorite of smaller companies – being word of mouth and referrals.

More traditional methods, such as online job ads (e.g., via LinkedIn, Indeed, company websites, etc.) and employing head hunters, were also key approaches for those looking to add to their talent.

## Top Recruitment Strategies



# There is an opportunity to increase hiring diversity



of organizations **do not** have a strategy for diversity in hiring

While some organizations promote their gender and ethnically diverse workplaces, only **one in five organizations** have strategies in place to further diversify their sales team with women specifically. Just over **one in ten** have a strategy to hire new Canadians.

Considering that these segments continue to be underrepresented in sales, it will be particularly important that sales organizations are prepared to develop and implement strategies in support of ensuring a diverse workforce. With such a large proportion lacking diverse hiring strategies, there is clear opportunity for organizations to close the sales talent gap.

In terms of hiring across different age groups, data shared from the qualitative sessions revealed that Millennials are considered to possess a technological edge over older generations. However, Millennials are also seen as being less experienced in the sales industry.



# Training is a big part of the team development process, but few organizations sponsor it

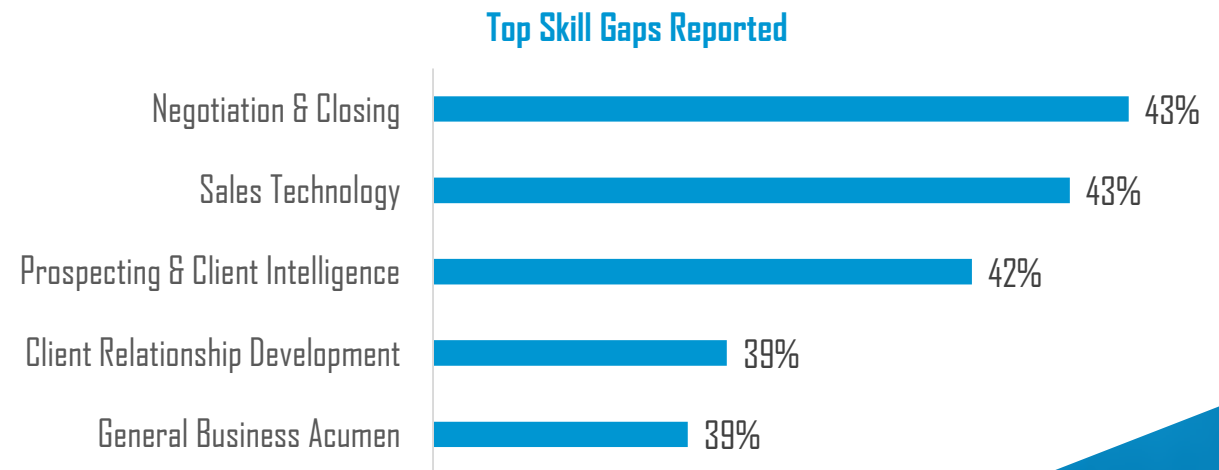
Various types of continuing education or training are sponsored by the workplace, with a focus on effective sales planning, account management, and client development – but each applicable to approximately **3 in 10 organizations**. Notably, there is less emphasis on training for emotional intelligence and revenue management (less than 14% of respondents reported their organization sponsors this type of training).

## Training for team leaders and managers

Organizations planning to train or provide professional development opportunities for team leaders or managers, are offering both general leadership and management training, as well as sales training.

Among organizations providing training, opportunities are mostly offered through a mix of external and internal opportunities.

Half of those surveyed indicated that staff in their organization do not have the skills they need, citing gaps such as negotiating and closing skills, sales technology, and prospecting skills and gathering client intelligence. Without addressing the need for training, skills gaps may challenge organizations as they pursue high growth year-over-year.



# Companies will face a number of challenges as they aim to grow sales and increase revenue

Sales organizations disclosed challenges that concern them most as they strive for high rates of sales growth.

1. As a predominant concern – organizations are struggling with a lack of qualified applicants, whether it's a lack of formal education, credentials, sales training, or relevant industry experience. Organizations are finding that there are fewer applicants for sales positions in general.
2. Organizations are struggling with adapting to new technologies and artificial intelligence, in addition to new sales techniques. Although sales organizations anticipate that Millennials can help bridge this gap, they have less work experience, and organizations are also faced with the additional challenge of accommodating different approaches to training for different generations.

3. Organizations are also reporting challenges with a lack of mentors to teach new sales professionals – making it important to continue to build internal relationships, to promote knowledge sharing, and communications so that individuals on the sales team can learn from each other.

## Industry-specific challenges exist

In addition to these challenges, approximately one-third (30%) anticipate facing challenges particular to their industry, such as competition with other businesses, an economic downturn, and – as is a common theme – new and evolving technology in their industry.

# Key Opportunities for Sales Growth

As the future unfolds, the opportunities for sales growth can be unlocked by organizations taking the time for strategic sales planning.

The initiatives that organizations will undertake to achieve high growth in sales and revenue will include:

- Selling more to existing accounts and deepening client relationships;
- Finding new customers in new geographic markets (Canada, US, Europe) and new industry segments;
- Identifying the potential for sales technology and artificial intelligence, and opportunities to use these approaches to improve customer success and growth;
- Increasing alignment between Sales and Marketing departments.

Last but not least, there is significant opportunity to improve the quality of the sales force, including hiring more sales people and team leads, considering strategies for diversity and inclusion, and improving the skills of existing sales talent.

Commercial Sales  
Professionals in Canada  
(Survey)

Working Canadians 18+  
(2016 Census)

Gender	Male	68%	Male	52%
	Female	30%	Female	48%
	Non-binary	<1%		
	Not Stated	2%		
Age	Under 40:	14%	Under 40:	44%
	40 to 54:	31%	40 to 54:	35%
	55+:	55%	55+:	22%
Diversity	Culturally diverse members	19%	Culturally diverse members	21%





Surveying, Interviewing, and Reporting by:

**Yardstick** Research

Funded in part by the Government of Canada's Sectoral  
Initiatives Program

**Canada** 