



SIXTH EDITION

# 2024 State of Sales Small to Mid-Size Businesses

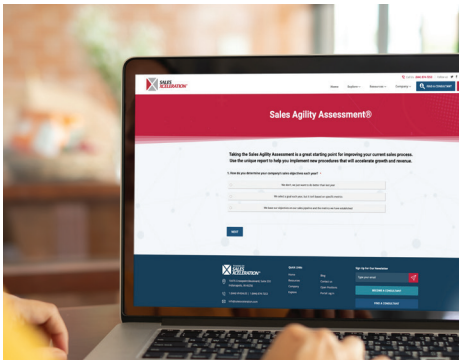
Sales insights from **4,425** small to mid-size business leaders on how well their sales organizations are functioning.



## The Data Source

This is Sales Xceleration’s sixth year of publishing the State of Sales Report. These insights come from small to mid-size businesses, clients, or prospective clients, that take the 4.0 Sales Agility Assessment (SAA). When an Advisor begins working with a client, this assessment is given to help uncover the biggest opportunities for improvement. The goal is to uncover the biggest opportunities for improvement. The SAA has been around for 12 years and asks very detailed questions about what is needed to run an effective sales organization.

## Who Took the Assessment:



Quantity **4,425** completed Sales Agility Assessments (SAAs)



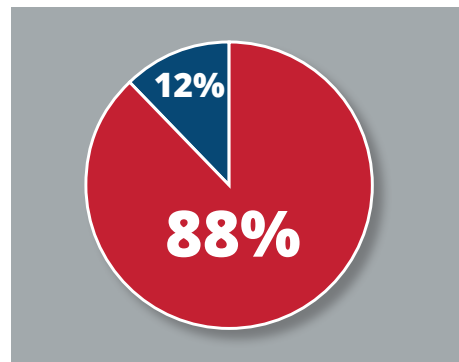
**One person per company:** CEO, President, or COO



Small to Mid-Size Businesses ranging from **\$1M** to **\$100M** in Revenue



Companies located in North America, **95%** from the U.S.



**88%** B2B and **12%** B2C

The SAA is comprised of **48 multiple-choice questions** and each response is assigned a specific number of points, designed to evaluate critical aspects of a sales organization. Study-wide scores fit into the following grading scale of **Excellent, Average, Below Average, and Poor**. While salespeople may participate at some companies, our report findings focus on the leadership roles within the organization, with the exception being the comparison of CEO/President to Sales Leader insights on page 5, there are approximately 2,906 sales leaders who have also taken the 4.0.

## Executive Summary

In 2023 only 22% of small to mid-size businesses reported a sales increase from the previous 12-month period. The root cause of the issue is that most companies lack the foundational processes, tools, and teams to run high-performing organizations.

Out of the four categories for establishing a solid sales foundation, the SAA data revealed two with overall improvement and two with performance declines.

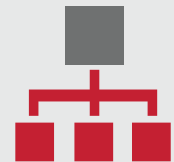
### SALES AGILITY ASSESSMENT BY CATEGORY

#### SALES STRATEGY



**3%** improvement  
from 2023

#### SALES ORGANIZATION



**9%** decline  
from 2023

#### SALES METHODOLOGY



**3%** improvement  
from 2023

#### SALES ANALYSIS



**2%** decline  
from 2023

## AI Tools are Starting to Make an Impact on Sales



The next few pages highlights key areas within the categories where companies, and some industries, require improvement, as well as instances where there were slight improvements compared to the previous year.

**In 2023, AI took center stage, becoming a mainstream focus and topic of widespread interest. Although AI-related questions are missing from this report, the current year assessment contains questions related to AI, which will be included in the 2025 report.** Additionally, Sales Xceleration launched a new AI offering, Sales Playbook, and is partnering with AI companies making significant strides in supporting lead generation.

It is clear that many utilizing AI lack a solid strategy for maximizing its benefits, are often unaware of the full spectrum of tools available and have yet to establish company protocols for effective utilization. As businesses continue to test and implement AI strategies, 2024 will be a year of both learning and gauging the proof of concept on this new data source and tools as well vendors in the marketplace.

## SAA Overall Scores

Results reveal that very few companies have a solid sales foundation and the processes necessary to drive sales growth year over year. Each individual assessment score is capped at 400 points, reflecting those who are implementing all the right strategies. Unfortunately, only 1% of companies are excelling. The assessment has scoring bands, each associated with high-level descriptions based on their final score. **Only about 24% (Levels 3-5) of all companies demonstrate having most of the essential components to run a successful sales organization.**

These scores are prior to working with an Advisor.

PERCENTAGE	SCORE	DEFINITION
1%	350-400	<b>Level 5:</b> Solid Sales infrastructure in place, minor adjustments may be needed.
6%	300-349	<b>Level 4:</b> Many sales infrastructure components in place, some additional components needed.
17%	250-299	<b>Level 3:</b> Basic sales infrastructure components in place, additional components needed to maximize sales.
54%	150-249	<b>Level 2:</b> Few sales infrastructure components in place, considerable action needed to maximize sales.
22%	0-149	<b>Level 1:</b> All or most sales infrastructure components missing, sales generation is severely impacted.



## Overall Category Scores

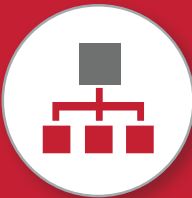
No one said selling was easy! Each day, client prospects complete the SAA, providing insights into their strengths and opportunities for improvement in building a successful sales organization. Yearly trends show companies improving overall in some areas while regressing in others. The root cause of this fluctuation is the absence of established, implemented, or standardized processes and tools.



**86%**

### Struggle with Sales Strategy

- Industry Positioning
- Competitors
- Value Proposition



**96%**

### Struggle with Sales Organization

- Staffing
- Hiring
- Training
- Roles & Responsibilities



**90%**

### Struggle with Sales Methodology

- Territories
- Coverage
- Processes
- CRM



**91%**

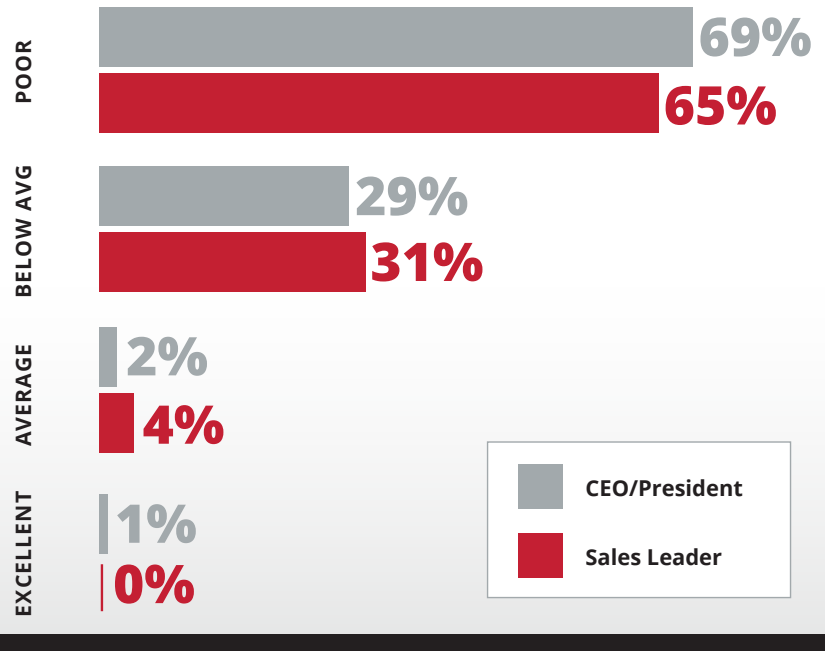
### Struggle with Sales Analysis

- Goals
- Quotas
- Metrics
- Reporting
- Compensation & Incentives



## CEO/President vs. Sales Leader

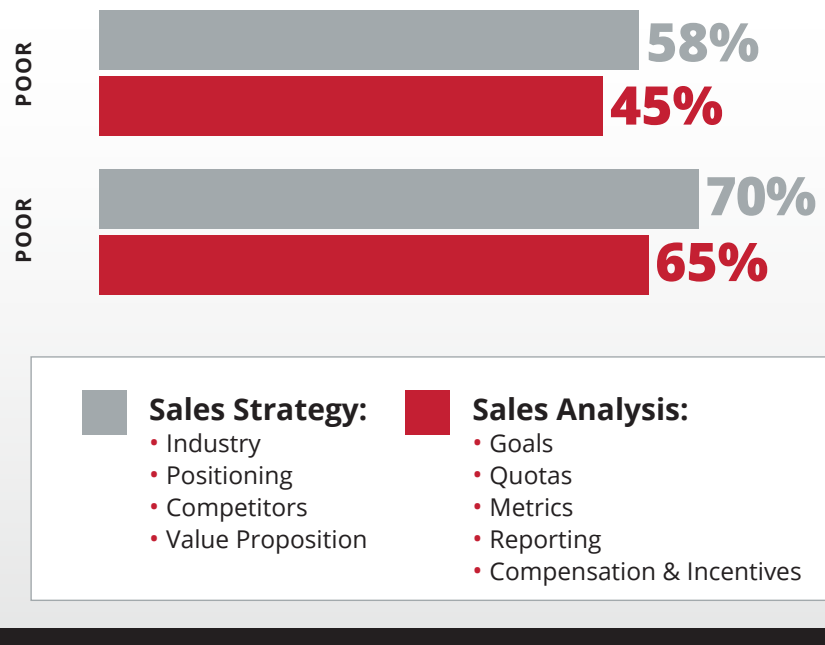
The average tenure of a Head of Sales is 18 months, with departures occurring either voluntarily or through termination. At the core of this issue lies a disconnect in perceptions between the CEO/President and the Sales Leader regarding their performance in sales strategy, process, team management, and execution.



## The Greatest Divide

The biggest areas that they are divided on are:

- Poor communication
- Unreasonable expectations and pressure
- Lack of process documentation
- No standardized tools
- Not having the right reporting and, possibly not having the right team members.



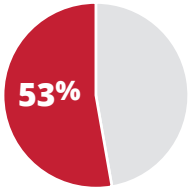
### What companies should focus on to create CEO/President and Sales Leader alignment:

- Investing in onboarding and training
- Improving communication and recognition
- Setting reasonable expectations and collaborating on goal setting
- Implementing the tools and resources needed to establish effective processes

Implementing these strategies can make all the difference in keeping Sales Leaders and team members longer, increasing employee satisfaction, and helping companies achieve their sales goals.

## Key Areas Companies Struggle in Sales Strategy

Sales Strategy = Industry Positioning, Competitors, and Value Proposition



### 53% don't have a CRM

The data reveals that companies continue to lack a comprehensive database of existing and prospective clients. Utilizing a CRM, actively using it, and leveraging its reporting capabilities are some of the basic foundational needs for a well-run sales department.

The data revealed that these industries are struggling more than others to build a thorough database of prospects and clients:



77%  
FINANCE



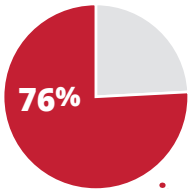
68%  
MANUFACTURING



58%  
CONSTRUCTION

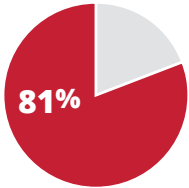


56%  
PROFESSIONAL SERVICES



### 76% don't have a Unique Selling Proposition

It is common to observe sales teams without a consistent sales story to share the value of what their company offers. Inconsistency within the team's messaging leads to varied value propositions in the market, resulting in confusion.

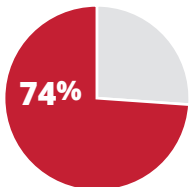


In fact, **81% of prospective/existing clients are unaware of what makes their company unique**, leaving prospects unsure of the what problem they should expect to be solved. This could lead to retention issues for current clients and lower close rates for prospective clients.



## Key Areas Companies Struggle in Sales Methodology

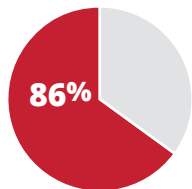
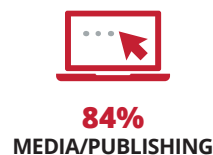
Sales Methodology = Territories, Coverage, Processes, and Customer Relationship Management



### 74% don't have a documented sales process

There is some good news regarding process documenting, as there was a 10% overall improvement compared to the 2023 report. One essential factor for a sales department to achieve repeatable and sustainable sales results is the establishment of well-defined processes. It is no different for sales; with the right processes shared with the team, it can significantly impact an organization.

Some industries are doing even worse than the average:



### 86% don't understand what needs to occur at each sales cycle step

There was a 6% improvement from last year in companies advancing in this area. While there is still a considerable amount of work ahead, a little progress is being made. It is mission-critical for a sales team to understand the steps involved in closing a sale and, more importantly, the sequence in which these steps should occur before proceeding to the next step.

The following key industries need the most improvement in building a sales cycle process with clearly defined steps:



**"Concentrate on what will produce results rather than on the results, focus on the process not the prize."**

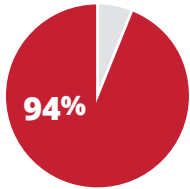
Bill Walsh



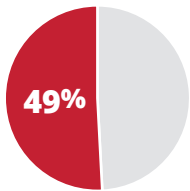


## Key Areas Companies Struggle in Sales Analysis

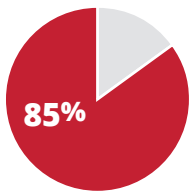
Sales Analysis = Goals, Quotas, Metrics, Reporting, Compensation, and Incentives



..... **94%** don't create individual sales reps' goals that align with the corporate goals.



..... **49%** don't have a dashboard to track sales success or lack of sales, hindering their ability to understand if they are on track to meet their goals.



..... **85%** don't pay their sales rep the right way to incentivize behavior providing a salary that is too high, or only a salary doesn't incentivize them to want to close deals. Likewise paying only commission, especially when there is a long sales cycle, devalues the other contributions reps make to the organization.

THE IDEAL PAY MIX IS:

**50%** base salary and **50%** Commission



This mix can fluctuate slightly by industry, but a balanced base and commission drive the best results from Sales Leaders and sales team members.



## Key Areas Companies Struggle in Sales Organizations

Sales Organization = Staffing, Hiring, Training, Roles, and Responsibilities

Onboarding and training are not priorities for most companies; however, they are critical drivers in creating success for sales team members.



### Onboarding

**57%** of companies do not have a structured sales rep onboarding process.

**29%** train new hires for one week and then send these sales reps out into the field.



### Training

**91%** of companies do not offer any sales training to their team.

Digging further into key industries highlighted these that need to make sales training a priority:

- **94%** Construction
- **92%** Manufacturing
- **92%** Marketing
- **91%** Tech companies
- **80%** Professional Services
- **77%** Consulting



### Performance Reviews

**61%** of companies do not provide written performance reviews.

And if they do provide written performance reviews, **70%** don't provide any consequences if their sales goals are not met.



## This is not consulting as usual: we do the work for you.

At Sales Xceleration, our mission is clear: to build a path to more sales for our clients through our Certified Sales Operating Management System™ and the guidance of our Outsourced VPs of Sales.

Our system, is a proven model designed to elevate sales performance through the core elements of **Strategy, Process, and Execution.**

Our highly experienced Certified Sales Leaders specialize in crafting a sales growth plan tailored to your company's unique needs to cover every aspect of building a sales organization that drives revenue year over year.



SALES STRATEGY



SALES INFRASTRUCTURE



SALES MANAGEMENT



SALES TEAM



**SALES**  
**XCELERATION®**

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