

Is Outside Sales Another Endangered Species?



Our world is changing. Global warming is causing polar bear and killer whale numbers to decline. Human sprawl is knocking out major sections of natural habitat, which impact species like the gorillas and pandas. And now rising fuel prices and the growth of the Internet are killing off outside sales professionals.

Who would have thought we could ever see the end of the outside sales professional? They have been helping companies grow for over 100 years. They have introduced products, educated markets and grown companies through their efforts. They have been the driving reason for some of our greatest companies like IBM, Xerox and American Express. Many of our most successful business leaders started their careers in sales. Today, outside sales professionals are in jeopardy.

Google has had a profound impact on sales. In just a few short years, Google has taken control away from the sales professional and given it to the customer. In a few keystrokes a customer can identify all of their buying options. They can read product reviews, get competitive pricing, find vendors and choose the best option without ever speaking to a salesperson.


Google has replaced much of the front-end work salespeople do. Customers aren't waiting for a salesperson to cold call them. When they have a business challenge, they go to Google to find the answer. When they want to compare their options and see which companies offer the best value, they go to Google again. Try this on yourself. When you go to buy your next vehicle, will you A, go to a dealership and ask a salesperson what they have for you, or B, go to Google and build your own shortlist of vehicles. If you are like most consumers, you will know exactly which vehicle you want to buy long before you speak to a salesperson.

The second major influencer for the extinction of outside sales professionals is the rising price of fuel. In less than two years fuel prices have soared. The annual cost of a salesperson who drives a mid-size vehicle an average of 32,000 kilometers a year is \$12,684.70 per year.* This may not seem like much, but imagine you had 100 sales reps on the road. That is over one million dollars of your sales force's budget! Imagine you directed that investment to more productive marketing efforts? Imagine you put that money into Internet marketing programs? Would you be better off? Most likely.

High fuel prices have caused sales professionals to monitor their driving habits. Within separate online polls, CPSA and LEAPJob polled sales professionals on the impact of rising fuel costs on their driving habits. In both polls, over 50% of respondents said they have reduced the number of business kilometres they are driving. This is a remarkable thing for a salesperson to do, because if they are making fewer trips then they are seeing fewer customers. This will directly impact how they sell. They will have to be much more strategic in their sales efforts if they hope to hit quota.

The outside sales professional is being squeezed at both ends. Customers are circumventing the sales process by getting information on their own, and the cost to travel is forcing salespeople to think twice about making client visits. Sales forces must become much more strategic about how they engage, support and sell to their customers.

Sales forces need to master the same web tools their customers have embraced. The obvious statement for any company is to be where your customers are. If the first place a customer looks for products and services is the web, then you had better be in their search results if you want a shot at selling to them. If a customer's first impression of your company is your website, it had better be remarkable. The reliance on an outside sales force is a clear sign that a company's sales and marketing efforts are too dependent on very expensive sales resources. The increasing costs of an outside sales force means companies have to focus these expensive resources to where they will have the most impact such as product demonstrations, negotiations and strategic account management. Conducting business as usual is suicide.

It is safe to say that the cost of fuel isn't going to suddenly drop, and that innovation on the Internet is going to suddenly stop. The forces killing off outside sales professionals are here to stay. Companies have a choice. They can embrace the new realities, or they can become conservationists and try to save another endangered species. 

Jeremy Miller is a partner with LEAPJob, a sales recruiting firm in Toronto, Canada. LEAPJob recruits sales professionals and sales leaders for many of Canada's most recognized companies. You can reach Jeremy at Jeremy.Miller@LEAPJob.com or 905.281.3090, ext. 22. For more information on LEAPJob, visit <http://www.LEAPJob.com>.

*Figures taken from CPSA's 2007/2008 Guide to Vehicle Costs and Policies.