



# Evalueserve Quarterly Sales Index Survey: What's Holding Back 'Small and Medium Sized Businesses' from Growing?

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PR9.NET July 12, 2007 - Gurgaon, India: Sales productivity remains a major challenge for 80 percent of small and medium sized businesses and is the key factor that is holding them back. This was revealed by the first quarter study of the quarterly sales productivity survey conducted by Evalueserve in the US. Over 60 Sales Directors and CMOs from small-to-medium-sized public and private companies in the US and Canada participated in the survey and gave valuable insights on understanding the effectiveness and impact of the sales and marketing functions in organizations.

The Evalueserve sales productivity survey was based on telephonic interviews with sales and marketing executives (titles of Director and above), from small to medium-sized companies. Respondent companies include both public and private firms that have operations in North America, Europe, or APAC, with revenues between \$20 million and \$800 million. When questioned about "their most pressing challenges in the recent quarter" over one-fourth of the respondent felt that low sales productivity was a drain on spending for other strategic programs and 18 percent of the respondents felt that poor sales data analyses were negatively affecting their decision-making as managers. In addition, over 15 percent felt that general inability to measure the ROI of marketing programs was holding back further investment in lead generation campaigns to better help sales.

This first quarterly survey of sales and marketing executives also revealed that nearly one-fourth of the small and medium sized businesses used some form of outsourcing and/or offshoring in their marketing and sales functions, and the number of companies planning to outsource will grow by 6.8 percent in the second quarter of 2007.

The study also showed that almost one-third of companies that used outsourced sales and marketing services grew more rapidly and where twice as profitable as firms that did not take advantage of offshore outsourcing.

Donald MacDonald, Director, Sales & Marketing at Evalueserve, said, "Smaller firms in our survey were more likely to use outsourcing than their larger mid-sized company counterparts. As opposed to this trend being a function of company size, we attribute this to the age (newness) of smaller firms, as outsourcing of sales and marketing operations is a rather recent trend. Smaller companies, especially early stage tech start-ups and firms that have recently gone public, are under tremendous pressure from their venture capital investment partners and stockholders to produce bottom-line results."

He further added, "Given their circumstances, we believe that small and medium-sized businesses are more likely to pursue outsourcing and offshoring as a way to control expenses and to aggressively extend their sales reach into emerging markets overseas."

In a more significant finding, the survey found that the number of companies with established outsourcing programs expected those programs, measured by the increase in the number of FTEs (Full Time Equivalents) engaged, to grow by 30.1 percent in the same period.

## About Evalueserve

Evalueserve offers high-quality knowledge services in Investment Research, Business Research, Intellectual Property, Market Research, and Data and Financial Analytics to clients worldwide. Founded in 2000, it has operations centers in India, China and Chile, and a strong sales presence across all major global locations. Evalueserve won several awards in 2006, including the Red Herring Asia Top 100 Award, the NASSCOM IT Innovation Award for Business Model Innovation, and the Deloitte Fast 500 APAC Award.

To learn more about Evalueserve, please visit [www.Evalueserve.com](http://www.Evalueserve.com)

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