2025 State of Distributor Sales: Best Practices to Compete in a Changing Market

By Brian Gardner

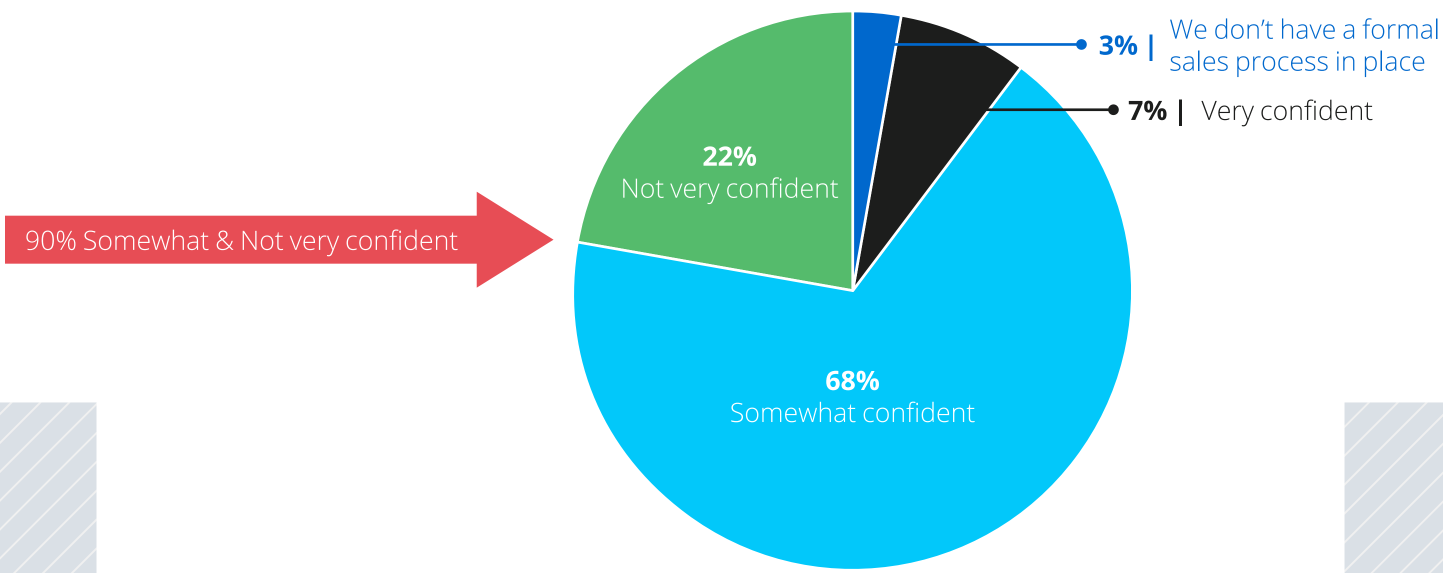
DISTRIBUTION STRATEGY GROUP

Distributors know there's room for improvement in their sales processes.

In a survey I did with Distribution Strategy Group, we found that 90% were only somewhat or not very confident that their sales processes support consistent, repeatable success. Only 7% were very confident. This isn't because they haven't tried. Most distributors have to focus on the day to day; stepping back and building the systems and culture to do what's needed can be difficult.

There's no easy button.

How Confident Are You That Your Sales Process Supports Consistent, Repeatable Success?



This lack of confidence leads to bigger problems within distributors' organizations.

Protecting margins and pricing effectively was by far the top sales challenge in our survey (more than 60%). Finding new customers, retaining sales reps, and equipping the sales team with the right tools and data made up the next three top challenges. Selling more to existing customers is also a challenge I encounter a lot when working with industrial organizations; it's a missed opportunity. I believe that most customers don't know the breadth of your product and service offering.

Top Sales Challenges

One answer for many? Technology. More than 60% of distributors in the survey have adopted CRM to support their sales team. But 60% also told us that they "use some tools, but adoption is inconsistent across the team." That's not an unusual story; implementation and adoption are challenging for many reasons:

- Sales teams' perception that CRM is "extra work"
- Lack of clear sales processes before implementation
- Poor data quality
- Weak training and onboarding
- Not integrated with daily tools
- Leadership misalignment
- Feature overload
- Fear of transparency

Only about 15% of distributors told us that their sales process is highly digital and data-driven.

This is a tale of two distributors.

The first: adopting technology, but not being able to fully take advantage of it – and features collecting dust. The second distributor is highly digital and data-driven; they hold the competitive edge.

The edge isn't about technology itself, however. If it were just about implementing CRM, the 60% of distributors in the survey who have implemented CRM would already be ahead. But they're not. They're struggling with adoption and only getting a fraction of the tool's value.

A distributor's true competitive edge comes from three pieces and how well they manage each:

Sales cycle management

Better manage the front end of the sales cycle (leads and opportunities), ensuring leads are managed efficiently and opportunities are better nurtured.

Team collaboration and information sharing

Empower teams to share and leverage critical customer information, leading to increased wallet share and stronger customer relationships.

Unified data and one source of truth

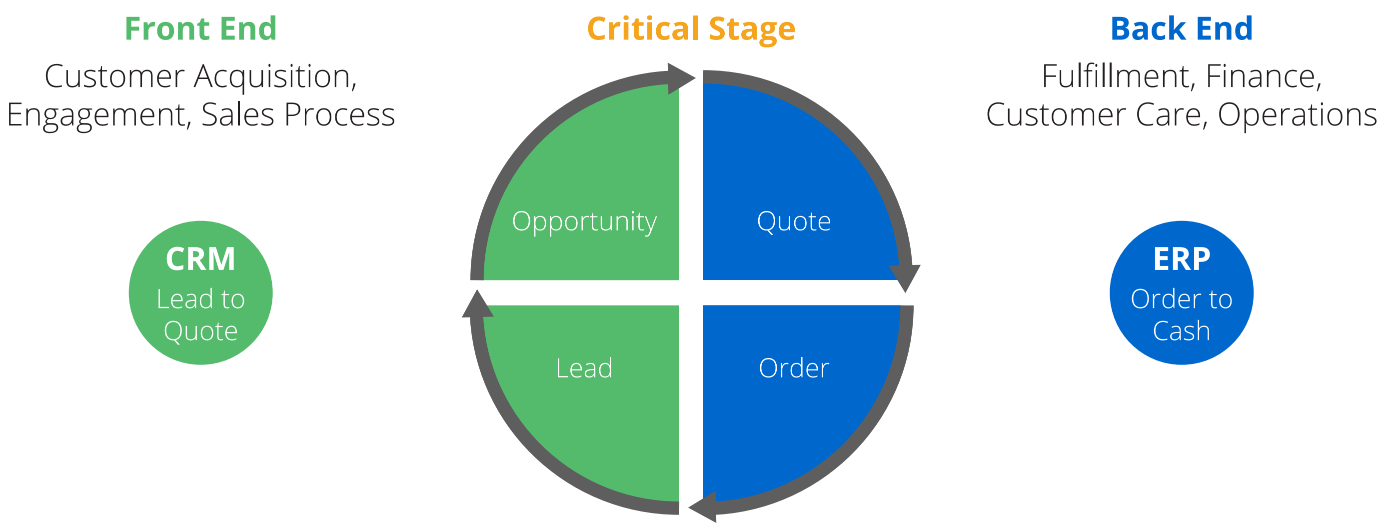
CRM offers a 360-degree view of your business. A CRM can truly be the heart of your sales engine that not only manages data but transforms it into actionable insights.

Let's break down each piece further:

Sales Cycle Management

Imagine the sales process as a circle. The back end is the quote-to-order stage. The front end includes leads and opportunities, the 180 degrees that companies tend to dedicate fewer resources to despite being a critical point in the pursuit of sales. Between the opportunity and quote stages is where the rubber meets the road and sales are won. Weaknesses in process and management at this juncture will put you on the outside looking in.

Focus on the Front End of the Sales Cycle



So, how do you measure up at each stage of the sales process? Rank each on a scale of 1 to 5 stars in terms of your company's processes, visibility, standards and so on.

Typically, I find that most companies have higher numbers at the order stage, and lower numbers at the lead and opportunity stages. That's a problem because the front end is driving your growth. The back end of the sales process is important, but most companies already have processes and visibility at this stage.

The purpose of the above exercise is to get you to think about how your company is managing the early, critical stages of the sales process. It doesn't have to be complicated. I have experience firsthand what focusing on the front end can do for a company. This is where CRM shines. Technology used to automate effective processes and procedures on the front end is one of the biggest opportunities to get ROI from CRM.

Team Collaboration and Information Sharing

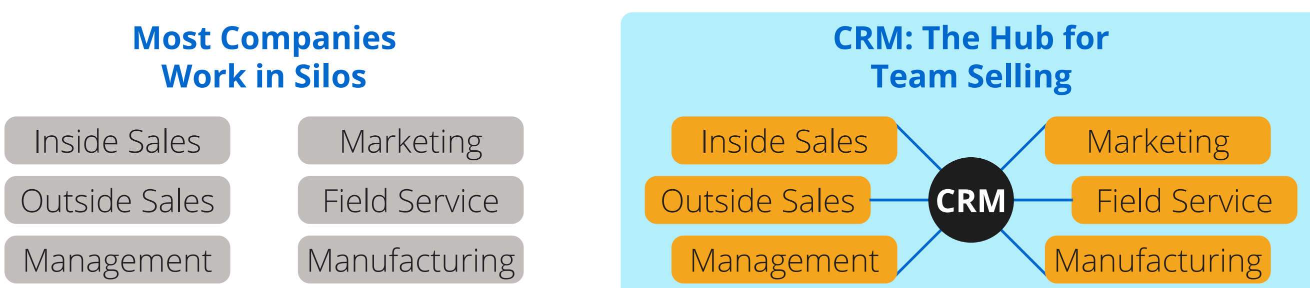
On a recent team call with a client, a sales rep raised her hand and shared a story. A customer had told her – unsolicited – that her onboarding as their new rep was the "best transition they'd ever experienced" across countless sales teams over the years.

She explained:

She didn't have to start from scratch. She had everything she needed: the history, conversations, open opportunities, quotes, service tickets, even the contacts her inside team had added. She could pick up the ball and run without making the customer repeat themselves. In other words, she didn't have to waste the customer's time.

That's the power of team collaboration and information sharing. By breaking down data silos, she had visibility into the full picture: ERP orders, quotes, service interactions, and inside and outside activity. Instead of piecing together fragments, she had a playbook at her fingertips through her CRM.

The result was a seamless customer experience that strengthened the relationship. This is what happens when distributors invest in tools that enable that collaboration: smoother handoffs, consistent service and the ability to deliver value without missing a beat. Customers notice, and they remember.



Unified Data and One Source of Truth

For distributors, CRM should be a backbone that unites customer data, processes and teams. When you have a single source of truth for customer interactions, opportunities and history, the benefits ripple across every part of the business.

Customer experience

Distributors win and retain business not just on product, but on service and relationships. CRM strengthens both. Here's how:

- **Improved external and internal customer experience**
  When every team member from inside sales to outside reps to customer service has access to the same information, customers don't have to repeat themselves or explain their history. Internally, colleagues can collaborate more easily, which reduces frustration and delays.

- **Consistent, seamless customer engagement**
  CRM ensures every interaction feels connected, no matter who picks up the phone or answers the email. Whether it's a new rep taking over an account or a specialist stepping in, customers feel continuity and professionalism.

- **Increased customer loyalty**
  When customers feel known, valued and supported, they're far less likely to shop around. CRM enables distributors to deliver that personal service that builds loyalty and long-term relationships.

Operational efficiency

Inefficiency costs profit. CRM can streamline how teams work. Here's how:

- **Improved efficiency as a team**
  Instead of chasing down updates in spreadsheets or emails, sales and service teams can work from a shared playbook. Everyone sees the same pipeline, activity history and open tasks, reducing duplicate work and missed opportunities.

- **Increased speed and velocity of deals**
  When sales reps don't waste time re-entering data or searching for answers, they can respond faster to quotes, proposals and customer needs. Faster response times mean faster closes.

- **Competitive edge**
  Distributors that can quickly deliver accurate information, anticipate needs and provide seamless handoffs stand out from competitors that are stuck in siloed systems. CRM becomes a differentiator.

- **Increased margins**
  CRM reduces costly errors, eliminates redundancies and uncovers opportunities to sell higher-margin products or services.

Data and decisions

Distribution runs on data but without CRM, much of that data is scattered or hidden. CRM centralizes it, making it usable and actionable. Here's how:

- **One source of truth**
  CRM consolidates interactions, opportunities and history into a single record that everyone can trust.

- **360-degree view of your business**
  CRM gives leaders visibility into the entire customer lifecycle. That visibility supports strategic decisions and day-to-day execution.

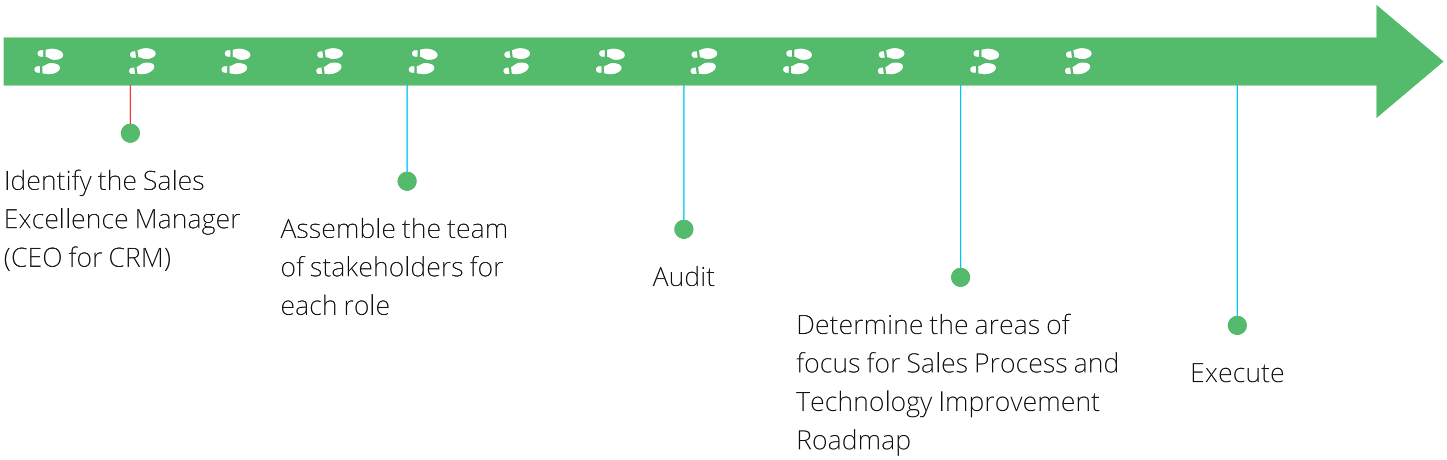
- **Data at your fingertips for better decisions**
  Reps can prioritize the right accounts, managers can forecast accurately, and executives can allocate resources with confidence.

- **Increased sales by selling wider and deeper**
  CRM makes it easier to identify cross-sell and upsell opportunities, spot gaps in account coverage and expand wallet share with existing customers.

- **Data as the new gold**
  Information is a distributor's most valuable asset. With CRM, data stops being trapped in spreadsheets or individual inboxes.

- **AI as an accelerator**
  AI can quickly analyze customer data, spot trends, and uncover opportunities but only if the foundation is solid. With clean, organized CRM data, AI becomes a powerful tool to help sales teams work smarter, improve forecasting, and maximize margins.

Where to Start with CRM



Remember that statistic I mentioned at the start of this report? That 90% of those surveyed by DSG are only somewhat or not very confident that their sales processes support consistent, repeatable success?

Let's talk about how they can increase their probability of success with CRM. These steps apply whether you currently have a CRM, thinking about getting a new one, or in the process of implementing one right now. I've worked with a lot of industrial companies that are on their second or third try with CRM.

Identify the Sales Excellence Manager (or CEO for CRM)

The No. 1 reason I believe that CRM implementations fail: a lack of leadership, aka a CEO for CRM. The CEO for CRM is the CRM advocate and executive champion for its success in your organization. This person is typically in a sales management position, understands the sales process and needs of the sales team, and has the bandwidth to tackle this ongoing commitment.

The CEO for CRM's role includes:

- Ensuring the CRM build aligns with the company's goals, starting with the end in mind and making sure the system is built to achieve these objectives.
- Maintaining alignment with the CRM partner and ensuring that the build is following the roadmap outlined above. The CEO for CRM should sign off on phases.
- Monitoring data structure and hierarchy. While this can be complex, and the CEO for CRM may not fully understand it, they need to support decisions around data structure.
- Guiding the creation of role-based dashboards. The CEO for CRM should sign off on role-based dashboards and ensure they meet users' needs.

- Overseeing testing and feedback before launch. The CEO for CRM should encourage comprehensive testing by super users to ensure that the CRM workflows are aligned with the users' needs. The CEO for CRM should also make sure everyone feels comfortable providing feedback.

You can learn more about the role of the CEO for CRM in my new book, "CEO for CRM: Your Roadmap for CRM Success."

Assemble the team of stakeholders.

Without the right team, the CEO for CRM will fall short. Identify up to a dozen team members to be involved in the CRM selection and implementation journey. Try not to go bigger than that, even if your organization is large. The supporting cast to the CEO for CRM should include:

Executive Leadership

When executives are involved in the selection, they will feel invested from the start and will have a better understanding of CRM's potential to help the company achieve its goals.

Super Users

Super users are your CRM evangelists — users from different roles and skill sets within the company who will actively use the CRM system in their workdays. Without their real-world insights, you can miss important opportunities or risk creating inefficiencies within various departments. Get your top guns involved from the beginning. They are good at what they do and have the respect of their teammates. Typically, the super users include:

- Sales managers
- Outside and inside sales
- Customer support representatives
- Marketing managers
- Data analysts
- Other C-level executives

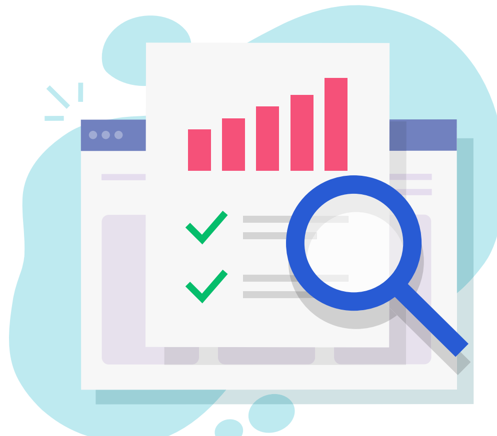
The Naysayer

Members of your team who may be skeptical should be part of the conversation. This could be someone who may have tried CRM at your or another company and thinks it won't work on this round either. If you can get them onboard with CRM by the end of the initial implementation, you're golden.

Audit your sales processes.

The goal of a CRM should be to improve and automate the sales process with your team, not just outside sales reps. That's where the real ROI is. We use a questionnaire to look for pain by going through each part of your company — I like to compare it to a doctor's visit. If the doctor doesn't know where the pain is, he can't treat it. If you don't know where gaps exist in your sales process, you can't fill them. We document processes in the following areas:

- Overall company
- Outside sales
- Inside sales
- Service
- Marketing
- Lead management
- Opportunity management
- Quote management
- Reports



Determine the areas of focus for sales process and technology improvement.

In each of the above sections in the Sales Process Review, write down areas of improvement — or gaps — where you feel you could add focus with improved processes. That is our starting point for where you can get the most out of CRM. Focus on categorizing gaps and directing attention to solutions with the most strategic impact.

After you have listed all the gaps or areas of improvement in each of the above categories, fill out a CRM Roadmap with each, including:

- **Focus:** This is the gap (area of improvement/focus).
- **Departments needed:** Which departments will be needed for this?
- **Value proposition:** What is the value proposition for focusing on this particular gap?
- **Obstacles:** What are the obstacles to improving your process in this area?
- **Difficulty:** How difficult will improving this be? Select high, medium or low.
- **Impact:** What is the overall impact of improving this area? Select high, medium or low.
- **Internal champion:** Who will be the internal champion for this improvement? This is the person ultimately responsible.

- **Major action items:** What are the major actions that will need to occur to move forward on this initiative? List what needs to happen first, second and so on in order.
- **Changes in CRM system:** This can apply whether you have a CRM now or not. List the major functionality you will need in a CRM system to do this.

Gaps (Areas for Improvement)

Summary of the gaps from each department. Areas that can be improved with better processes and systems for you and the team.

By Department				
	Opportunity	**Difficulty**	**Impact**	**Matrix**
Outside Sales				
	Lack of visibility and communication between outside sales and inside sales	L	H	LH
	Lack of competitive analysis: why are we losing business	M	M	MM
	Lack of visibility to what is being quoted to their accounts	L	H	LH
	Not an accourate sales pipeline	M	M	MM
	Documented account profiling	M	L	ML
Inside Sales				
	Not advising outside sales of the RFQ's that are coming in	L	M	LM
	Need to have better product and application knowledge	H	M	HM
	Not documenting or advising their touchpoints with customers	M	M	MM
	They spend too much time on managing existing orders vs. selling. Reactive vs. proactive	H	H	HH
Lead & Opportunity Managment				
	Not following up on leads	M	M	MM
	Not documenting the touchpoints and next actions on opportunities	M	M	MM
	Not expanding the products we can sell on an opportunity	M	H	MH
	Not managing the forecast date and probability %	L	M	LM
	Not following the sales process	M	M	MM

You can do this in a simple spreadsheet. After you document the gaps, sort them by difficulty and impact. For example, an **LH** is a low difficulty but high impact. These are the low-hanging fruit or the quick wins. Focus on these first. Here is a potential order of priority:

1. LH (low difficulty, high impact)
2. LM (low difficulty, medium impact)
3. MH (medium difficulty, high impact)

Go after the low-hanging fruit that will provide a return. The CEO for CRM should balance the team's eagerness to address everything at once by emphasizing a phased approach. A philosophy I lean on is what I call the one-hand rule to create a manageable action plan focusing on five (or fewer) key areas by role where a CRM can provide the most value. Once you tackle those focus areas in phase one, you return to your audit results and apply the one-hand rule to identify your next focus areas, and so on.

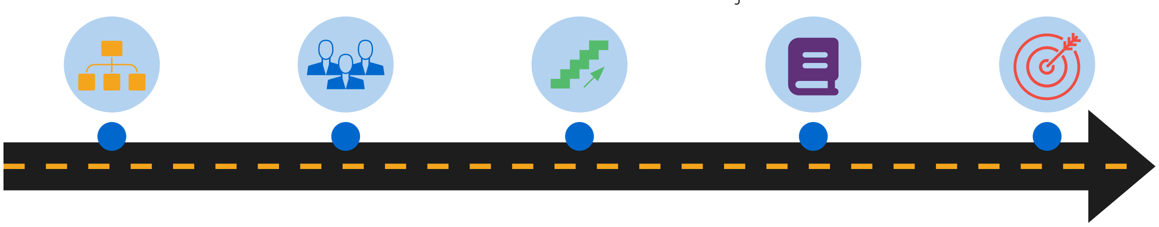
Execute

Many companies jump into CRM too quickly, trying to do too much too soon. That's a recipe for failure. My advice: Start slow and grow. CRM is a marathon, not a sprint. As described above, a phased approach to implementing CRM, with an eye on key pain points identified in your Priority Matrix, can ease implementation and adoption.

You also can't hit go, and hope for the best. A lot of issues will come up after implementation, including how the team communicates with one another, how leadership handles error management or role-specific training.

Keys to Success: CRM & Change Management

1. **Establish a Process Mindset** — CRM is an engine, not just an IT project.
2. **Engage Your Team Early** — Involve key stakeholders on day 1 so no one is left behind.
3. **Phased Rollout** — Start slow, scale fast. Proven wins to build momentum.
4. **Train & Communicate** — Set expectations, build buy-in. Training is not just "how to."
5. **Embed and Sustain** — CRM as SOPs, leadership stays involved.



Follow-up training sessions and opportunities for feedback are a vital part of the CRM journey. I recommend a CEO for CRM run weekly or bi-weekly follow-up sessions during the first two to three months following the launch, and then move to monthly for the next nine to 12 months. After that, plan monthly or quarterly training and best practices sessions that align with your needs. These ongoing sessions ensure long-term acceptance and adoption of CRM and allow for the opportunity to troubleshoot discrepancies before they become problems.

Process Before Technology:The Key to ROI from CRM

Let me leave you with this:

Distributors aren't short on tools or systems. What's missing is clarity and alignment in the sales process. Too often, information lives in silos – in an inbox, in a spreadsheet on someone's desktop, or in the head of a rep who has been there for 30 years. When that happens, the front end of the sales process suffers. Leads fall through the cracks, and opportunities are missed. Customers will notice.

CRM done right matters. It's about building a repeatable sales process your team can follow. Your team needs one place to work from so they can spend less time looking for information and more time serving customers. It's also the only way you will be able to use AI as an accelerator to spot buying signals earlier, forecast with accuracy and guide reps on their next best actions to take.

So, your real challenge isn't whether you need CRM or need AI. Instead, are you building a strong front end of the sales process to set your teams up for success? That's where deals will be won or lost.

At the end of the day, your competitive edge isn't just the products you stock or the systems you buy. It's how well you use your data and your people together to improve the sales process from the first touch.

Brian Gardner
Founder
SalesProcess360

About the Author

Brian Gardner, the founder of SalesProcess360, is the author of "CEO for CRM: Your Roadmap for CRM Success," the follow-up to his first book, "ROI from CRM: It's About Sales Process, Not Just Technology." Brian served as a sales manager for a major regional industrial distribution rep company for 15 years before building Selltis, an industrial sales team CRM solution with roots in process improvement. He took his passion for sales process improvement to the speaking and coaching world with SalesProcess360. He is also a frequent guest speaker on CRM at Texas A&M University and the LSU Professional Sales Institute. Reach him at brian.gardner@salesprocess360.com.

DISTRIBUTION STRATEGY GROUP

Thought Leadership for Wholesale Change Agents

Distribution Strategy Group helps you compete and win. In an evolving business environment marked by digital transformation, shifting customer preferences and the pivotal role of AI, we are your go-to source for research-backed webinars, whitepapers, blogs and live events that will help you make better decisions.

Our proprietary, specialized, distributor-focused analytics systems provide actionable insights you can use to drive superior outcomes with customers and employees, and versus competitors.

Contact us:
distributionstrategy.com | 303-898-8626 | contact@distributionstrategy.com