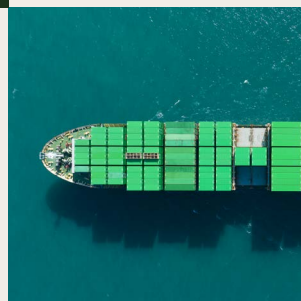
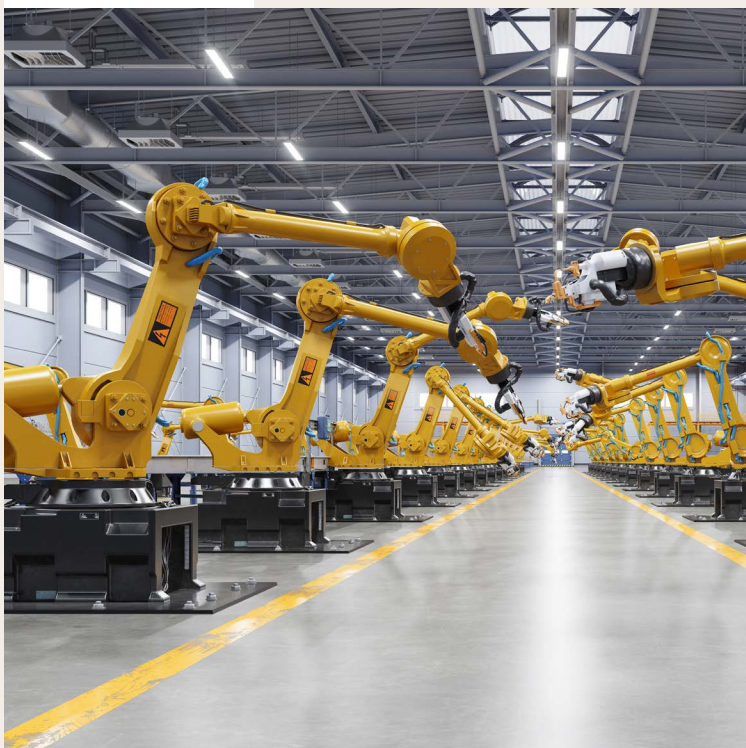


Selling in manufacturing and distribution 2026/27

A report that shows where selling
is struggling, and how to fix it



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Introduction

Overwhelm and opportunity

Complexity compounded by complexity. That's what commercial teams at modern manufacturers and distributors face every working day.

Salespeople and account managers must juggle broad product catalogs, across large customer portfolios, while navigating overlapping responsibilities. Their trusted systems (CRMs, ERPs, and more) should make life simpler. Instead, they offer an abundance of commercial data, but relatively little practical guidance.

Most companies now believe their commercial teams spend too long sifting through information and not enough time acting on it. And for most, commercial performance has stubbornly plateaued: just 21% have achieved strong and consistent growth over the last 12 months.

The report you're about to read is based on interviews with 209 business leaders at mid-sized manufacturers and distributors, headquartered around the world. It reveals the internal barriers preventing better commercial performance, as well as the substantial rewards awaiting companies that successfully dismantle these barriers.





At its heart, it tells a simple story. Businesses have invested heavily in sourcing, building, and shipping with pinpoint accuracy and perfect timing. Now, they need to bring that precision to the way they sell – guiding their commercial teams to take exactly the right action, at exactly the right moment.

Those that do? They stand to improve planning and forecasting, identify customer risks earlier, and boost commercial productivity. They also stand to realize millions in additional revenue.

Business leaders believe they could generate 10% additional revenue from existing customers over the next 12 months, simply by ensuring commercial teams know where to focus and what action to take.

It's a huge opportunity, and one that companies expect AI-enhanced commercial applications to help them seize. Nine in ten say AI will significantly improve commercial precision over the coming two years. More than three-quarters believe it'll have a substantial or transformative effect on commercial performance.

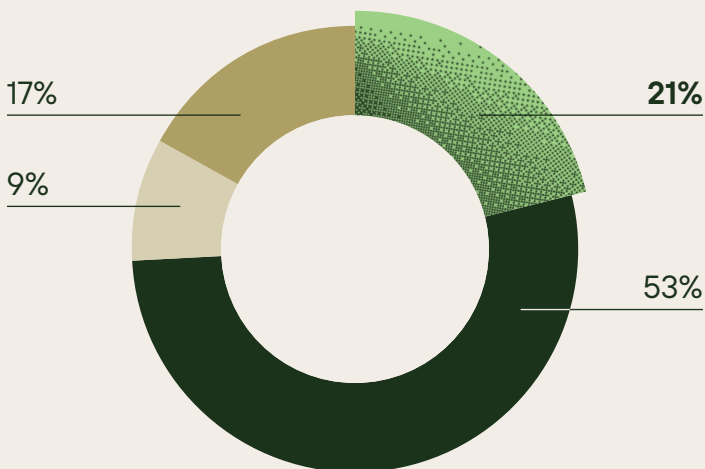
We hope you find this report useful. If you're a business leader yourself, it'll help you make the case for empowering your own salespeople and account managers – so they're able to act quickly and strategically, as part of a tightly synchronized, high-performance selling machine.

Why growing revenue is increasingly tough

Commercial performance has plateaued for most mid-sized manufacturers and distributors.

Just 21% have consistently achieved strong commercial growth over the last 12 months – and unlocking new revenue isn't easy.

Commercial performance over the past 12 months



■ We have consistently delivered strong commercial growth

■ Commercial performance has been inconsistent

■ Commercial performance has been broadly stable

■ We have struggled to deliver sustainable commercial growth





As you'll see in the pages that follow, the root cause of this stagnation can be traced back to complexity.

A substantial 37% of business leaders describe their company's commercial environment as highly or extremely complex, with many customers and products. When you dig into how companies' commercial teams actually operate, the layers of complexity multiply.

How complex is your commercial environment?



Put yourself in the shoes of an account manager. You're already working to stay across a broad range of products. Typically, according to our research, you'll also be trying to stay on top of 86 customer accounts.

86

average accounts managed by commercial team members

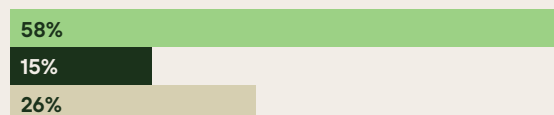
Some of those customers are new. Some are worryingly quiet. Others are approaching reorder. Each group needs a different kind of attention, and requires coordination across various customer-facing teams.

In more than a quarter of companies, the effort to win new customers is shared between sales and account management. In almost a third, both teams are expected to work on managing existing relationships. And when it comes to growing revenue from those customers, sharing the responsibility is the norm.



In your organization, which team is primarily responsible for these key commercial activities?

Winning new customers



Managing existing customer relationships



Growing revenue from existing customer relationships



- Sales team
- Account management team
- Shared responsibility

So, there you are, an account manager with an extensive product catalog, a large and diverse customer portfolio, and responsibilities you can't fully own. All these layers of complexity don't just stack. They interact, compounding each other.

For the majority of businesses, the result is a commercial environment that's increasingly difficult to manage.

63%

of business leaders say commercial complexity is increasingly difficult to manage

What makes managing and improving commercial performance challenging?

Identifying growth opportunities within existing customers

49%

Commercial information exists across multiple systems

45%

Commercial teams manage many competing priorities

45%

Large numbers of customers, products, and commercial data

37%

Commercial decisions rely heavily on individual knowledge and experience

35%

Forecasting and planning accurately

30%

Customer behavior changes quickly

29%

Reliance on top performers who are approaching retirement

19%

Long and complex customer relationships

11%

None of the above

0%

Ask business leaders what makes improving commercial performance challenging, and you immediately see the symptoms of this compounded complexity. Their top three answers include the struggle to identify growth opportunities, to work across multiple systems, and to manage competing commercial priorities.

The systems depended upon by commercial teams could help to solve such issues, by unifying data, surfacing commercial opportunities, and enabling prioritized, coordinated actions across teams. But, as we'll see next, they're often adding to the overwhelm.

Teams need help to make better commercial decisions

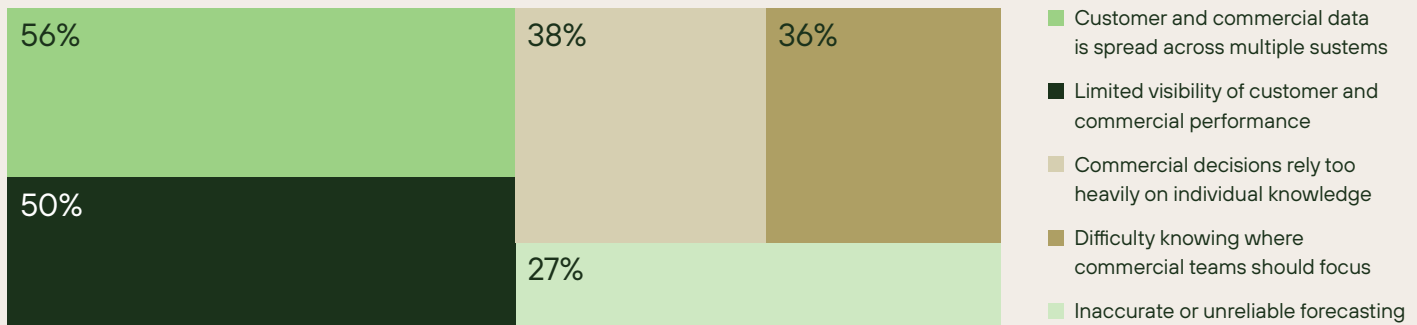
Manufacturers and distributors have invested heavily in their ability to source, build, and ship. In the factory, in the warehouse, in the distribution center, they understand that operational precision is the key to greater efficiency and lower costs.

But most have yet to extend such precision to their commercial organizations.

At 72% of companies, investments in systems to manage and grow customer relationships have lagged behind investments in systems to make and manage products. Unsurprisingly, today only 15% of business leaders say their company's commercial activities display greater precision than their operational ones.



The top five barriers to commercial precision



72%

of manufacturers and distributors have invested more in systems to make and manage products than to grow and manage customer relationships

15%

say their company's commercial activities display greater precision than their operational ones

The great majority of companies (82%) support their commercial activities with either a dedicated CRM or multiple connected systems, for example, a CRM, their ERP, and various reporting tools.

But this research shows such systems, while often trusted as a source of commercial truth, aren't empowering commercial teams to work with the precision of their colleagues on the factory or warehouse floor. Rather, they're adding yet another layer of complexity.

Just look at the top barriers to commercial precision selected by our respondents. The most common barrier is the way their organization's existing systems silo customer and commercial data. The next, a lack of visibility into customer and commercial performance. And in third place – chosen by over a third of business leaders – how difficult it is for their salespeople and account managers to know where to focus.

Guided selling: The missing component

Purchase histories. Risk indicators. Pricing policies. Salespeople and account managers at mid-sized manufacturers and distributors are swimming in commercial and customer information. Indeed, over two-thirds of business leaders say their commercial teams already have more information than they can act on.

68%

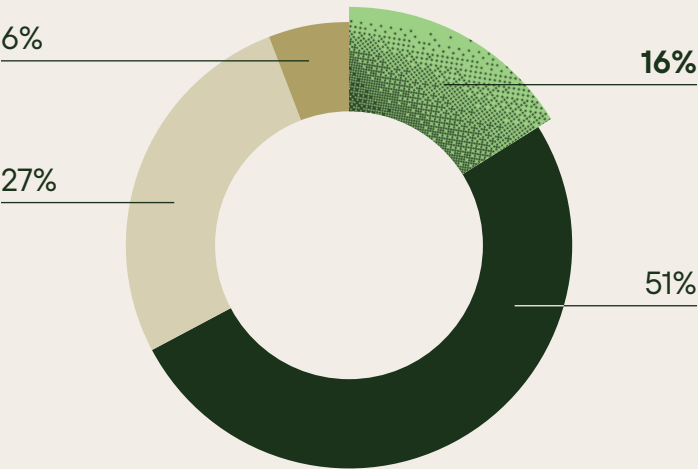
of manufacturers and distributors say their commercial teams receive more information than they can effectively act on



Now, they need this information to be translated into recommendations on what to do, where, when, and how: Focus on these accounts today. Follow up with Raj after the pitch. Contact Sarah about her upcoming reorder. Review this group of customers who, based on recent changes in the competitor landscape, our company now has an increased risk of losing altogether.

Clear, timely guidance. It should cut through the compounded complexity of the commercial environment, and make precision operations possible. But guidance is exactly what 84% of commercial teams lack.

What today's commercial teams need the most



- Commercial teams have the information and guidance they need
- Commercial teams need better information and better guidance on where to focus
- Commercial teams have enough information but struggle to act on it
- Commercial teams have too much information and not enough guidance on where to focus



The absence of commercial guidance is a theme that echoes throughout our findings. 78% of business leaders, for example, say their commercial teams spend too little time acting on recommendations, and too much time sifting through information. Nearly as many believe a 360-degree customer view is of limited value without clear priorities and recommended actions – and most say traditional CRMs fail to provide them.

The CRM, the tool that is supposed to help sellers sell, has clearly failed on delivering on this promise. What people are saying they need is not a system of record, but a system of guidance.



78%

think commercial teams would perform better if they spent less time analyzing information and more time acting on recommendations

.....

71%

say a 360-degree customer view is of limited value without clear priorities and actions

.....

53%

say traditional CRM systems provide information but not clear priorities or recommendations

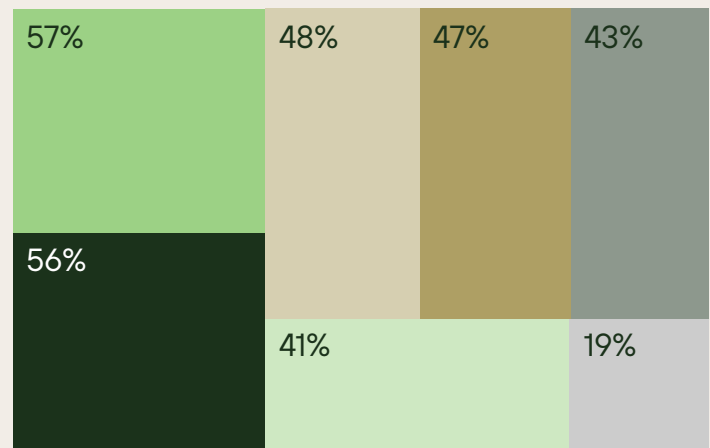
The revenue waiting to be realized

A shift toward guided selling and greater commercial precision would, according to business leaders themselves, deliver diverse and substantial rewards.

Nine out of ten leaders believe companies that successfully extend operational precision to their commercial teams will gain a significant commercial advantage in their sector. Indeed, many leaders draw a direct line between commercial performance issues, such as slow decision-making and increased customer defection, and their lack of precision today.

Business leaders expect guided selling to deliver a raft of commercial benefits. Ask them to pick the most substantial, and most point to improved forecasting and planning, and a keener focus on the highest-value opportunities. Almost as many say the greatest benefits will be earlier identification of customer risk and an uptick in commercial productivity.

If commercial teams had clearer recommendations to follow, what would be the biggest benefits?

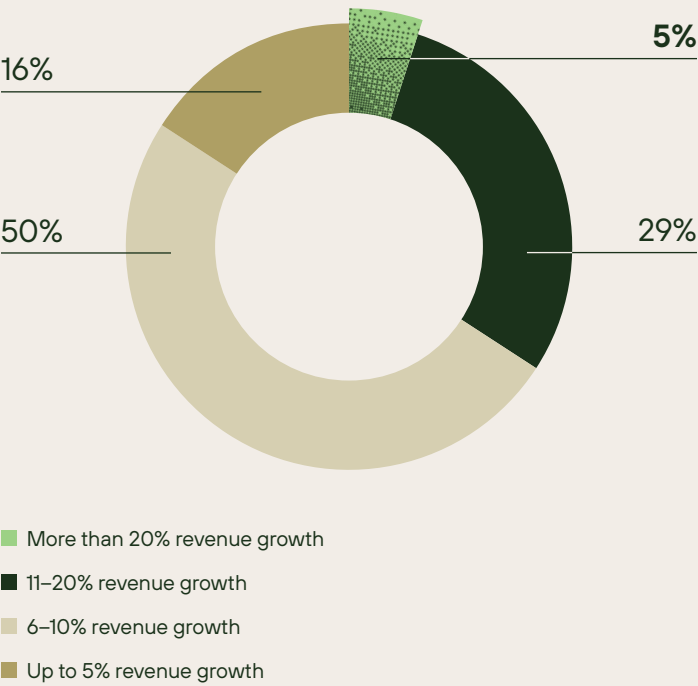


- Greater focus on the highest-value opportunities and activities
- Improved forecasting and planning
- Earlier identification of customer risks
- Increased commercial productivity
- The identification of more revenue growth opportunities
- More consistent commercial decision-making
- Less time spent analyzing information

Taken together, such improvements are expected to have a huge impact on overall commercial performance.

Business leaders estimate they could generate 10% additional revenue from existing customers over a 12-month period, if their commercial teams knew where to focus and what actions to take.

Potential revenue growth from existing customers, in the next 12 months – if commercial teams know where to focus and what actions to take.



Mean average additional revenue: 10%

For companies of this size, that 10% represents millions in additional revenue. And 10% is only the average figure; a third of business leaders anticipate additional revenue in the region of 11–20%, or even higher.

It’s an unmissable opportunity, especially when so few companies in the sector are consistently experiencing strong commercial growth. And it’s an opportunity that business leaders are looking to AI to help them seize.

AI brings commercial precision within reach

Over the next two years, mid-sized manufacturers and distributors expect AI to transform the way their business sells.

Above all else, they see AI identifying growth opportunities, connecting information across systems, and recommending next best actions – which is to say, they see AI helping to provide the clear, timely guidance that’s currently missing from their commercial operations.

Over the next two years, where will AI have the greatest impact on commercial performance?

Identifying revenue growth opportunities

50%

Connecting information across ERP, CRM, and other systems

49%

Recommending next best actions

44%

Improving forecasting and planning

41%

Identifying customers at risk of declining spend or churn

39%

Helping commercial teams decide where to focus

39%

Giving commercial teams a more complete and trusted view of customers

26%

Reducing manual work and administration

12%



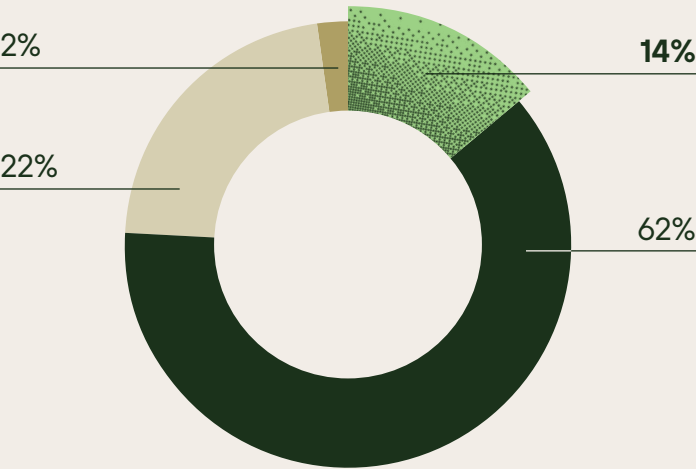
Through this AI-assisted guidance, companies can finally extend the clockwork efficiency of the core business to their commercial teams. And business leaders know it. 90% believe AI has the potential to significantly increase the precision of their commercial activities.

90%

of business leaders believe AI has the potential to significantly improve commercial precision in their organization

AI-assisted commercial precision, in turn, is expected to drive stronger commercial performance. More than three-quarters (76%) of business leaders believe the value AI delivers in this area will be significant or transformational.

How much value do you see AI creating, in terms of improved commercial performance, over the same period?



- Transformational value
- Significant value
- Moderate value
- Limited value

As with all new, truly transformational technologies, it's the early adopters of AI-assisted selling that stand to gain the greatest competitive advantage. And the race is most definitely underway. 41% of businesses have already made a strategic decision to invest in AI, and reviewed their commercial technology environment.

Conclusion

Selling with “source, build, and ship” precision. It’s the next source of competitive advantage.

Right now, the commercial teams at mid-sized manufacturing and distribution companies are drowning in complexity. Inundated with information, disempowered by shared responsibilities, they struggle to know where to focus and what action to take. But business leaders expect that to change.

Within the next 24 months, they expect AI to start doing what their legacy CRMs don’t – guiding salespeople and account managers toward the most valuable opportunities and the smartest next steps.

As commercial teams begin to operate with the precision of their colleagues on the factory and warehouse floor, companies will unlock new revenue from existing customers. At the same time, they’ll develop a whole new source of competitive advantage.

Want to see if your company is AI-ready?

TAKE OUR ASSESSMENT NOW →

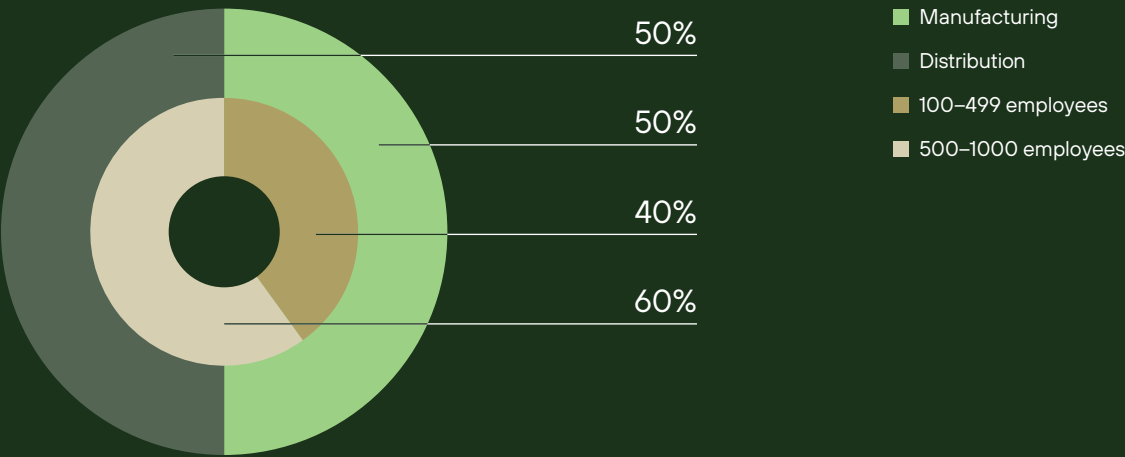
About the research

This study was commissioned by SugarAI, and conducted by our independent research partner, Insight Avenue, in July 2026.

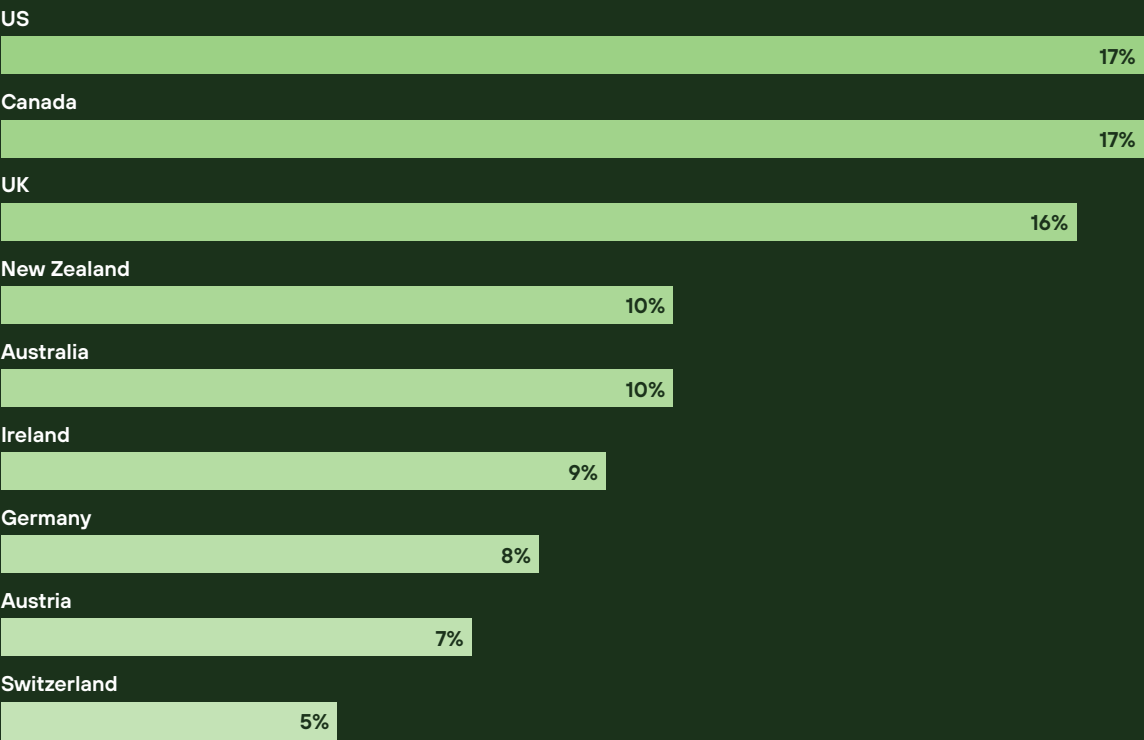
The study reached senior business leaders at mid-sized manufacturing and distribution companies headquartered in the US, Canada, the UK, Ireland, Germany, Austria, Switzerland, Australia, and New Zealand. It comprised 209 interviews, split across four decision-maker roles.

The companies

Industry sector and employees

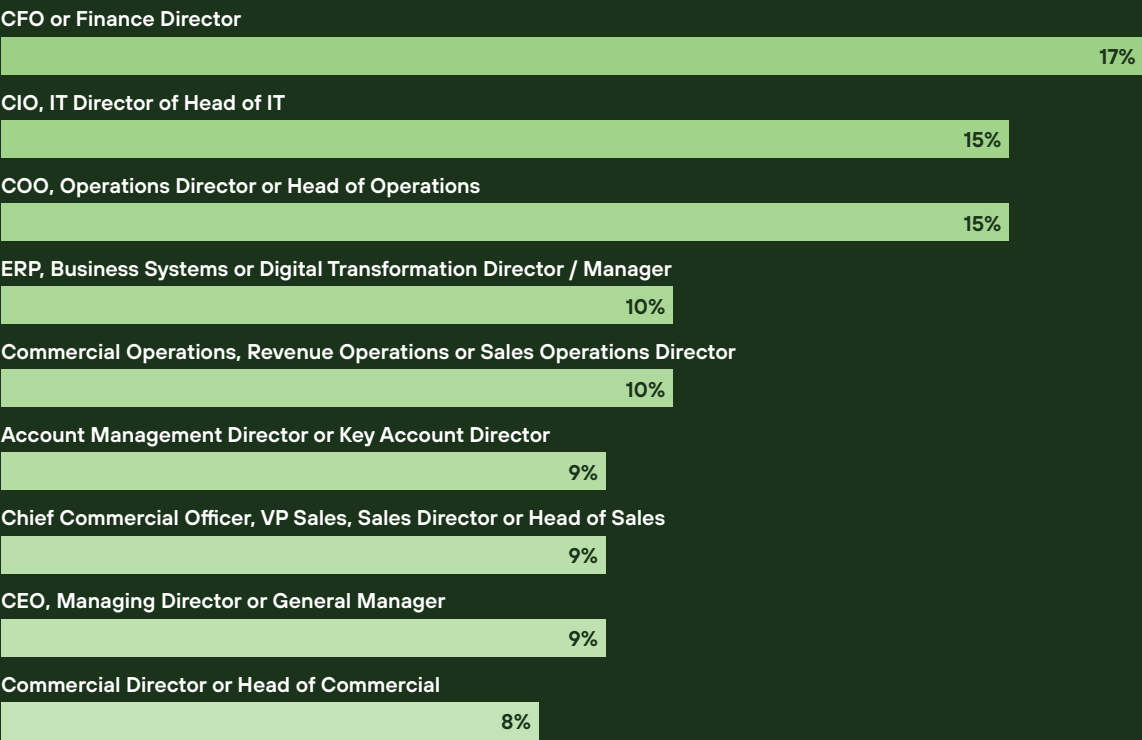


Country

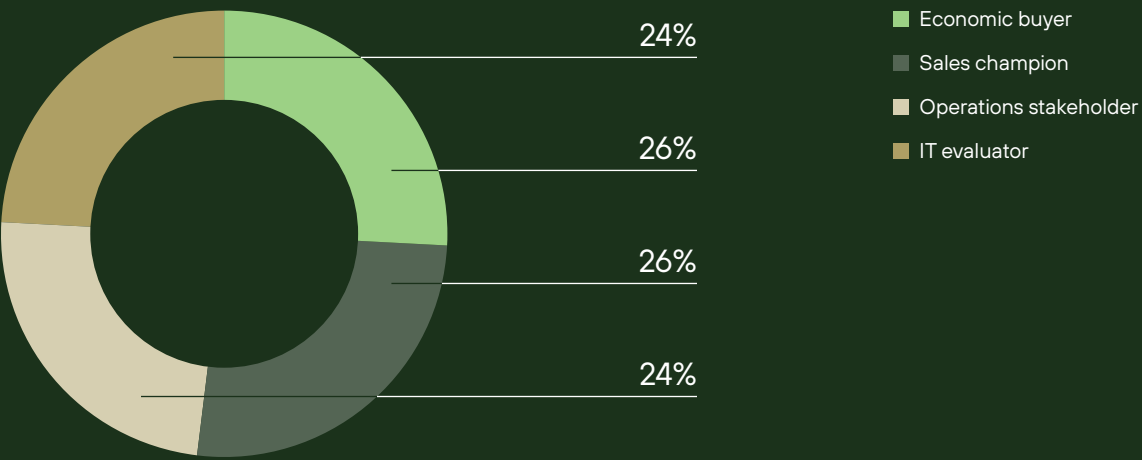


The business leaders

Current role



Role groupings





Unlock sales potential

About SugarAI

SugarAI is reimagining CRM for a new era of selling. We turn customer intelligence into action, helping sellers focus on the accounts that matter most, uncover risk and growth opportunities, and know what to do next. The result is greater precision across every customer relationship helping businesses win, retain, and grow more revenue.

Learn more at www.sugarai.com