

# **ENGINEERING & TECH FIRMS DO NOT HAVE A SALES PROBLEM.**

**THEY HAVE A REVENUE LEAKAGE  
PROBLEM WORTH \$3.5M A YEAR.**

How mid-sized engineering & tech businesses lose 5% to 18% of revenue through missed opportunity.

“Opportunity is often already visible, viable and in motion within a business. It simply does not convert.”

## **THE HIDDEN REVENUE PROBLEM**

Most engineering and technology firms believe growth is constrained by market conditions, competition, or a lack of demand.

In reality, the bigger issue sits inside the business. Revenue is being lost every day through missed, mismanaged, or unrecognised opportunity. Not because teams are underperforming, but because the system around them is not set up to consistently capture the value already in play.

For a typical \$20M to \$30M engineering firm, this gap is significant. Based on benchmark data across win rates, utilisation, and client retention, it equates to approximately \$3.5M in lost revenue each year.

This is not pipeline that never existed. It is revenue that was visible, viable, and often already in motion. It simply did not convert.

This is not a sales problem in the traditional sense. It is a revenue leakage problem.

# THE REVENUE LEAKAGE MODEL

Revenue leakage does not usually happen in one dramatic moment.

It happens quietly, across the business, through everyday decisions, missed signals, inconsistent follow-up, weak qualification, unclear ownership, and customer conversations that never turn into commercial opportunity.

For mid-sized engineering and tech firms, this leakage typically appears in three places:

- New revenue that should have been won
- Existing revenue that should have been protected
- Expansion revenue that should have been captured

Individually, each gap can look manageable. Together, they create a significant commercial drag.

For a \$25M firm, even a conservative leakage rate of 14 percent represents around \$3.5M in lost revenue every year.

That is the uncomfortable truth.

The revenue is often already visible. It sits in current clients, open tenders, project variations, technical conversations, service issues, account reviews, referrals, and early-stage opportunities that never get properly progressed.

The problem is not that the opportunity does not exist. It's that no one is consistently set up to recognise it, own it, and move it forward.

# WHERE THE \$3.5M GOES

Revenue leakage usually shows up in five predictable ways.

## 1. OPPORTUNITIES ARE SEEN TOO LATE

Engineering and tech firms are full of people having valuable customer conversations.

Project managers, engineers, technical specialists, service teams, account leads, and senior operators often hear what is really happening inside a client's business long before the sales team does.

They hear about:

- New projects
- Budget pressure
- Delivery issues
- Competitor dissatisfaction
- Scope changes
- Compliance problems
- Internal growth plans
- Future infrastructure needs

But because these conversations are not seen as sales, the opportunity often stays informal.

It might be mentioned in passing. It might sit in someone's notebook. It might be assumed that someone else is handling it. By the time the business responds, the opportunity has cooled, changed shape, or gone elsewhere.

This is one of the most common ways revenue leaks. Not through lack of skill. Through lack of commercial awareness and internal handover.

## 2. THE WRONG WORK GETS CHASED

Many firms lose revenue not because they do not have enough opportunities, but because they spend too much time on the wrong ones.

This shows up as:

- Poorly qualified tenders
- Low-margin work
- Prospects outside the ideal client profile
- Time-consuming proposals with low win probability
- Work that keeps people busy but does not improve profitability

A good opportunity should pass three tests:

1. Is it strategically worth winning?
2. Is it commercially worth delivering?
3. Do we have a real chance of winning it?

If the answer is no, the firm is not building pipeline. It is burning capacity.

In firms where “sales” feels uncomfortable, there is often a tendency to treat every enquiry as worth pursuing, and that creates a hidden cost.

Senior people spend hours scoping, estimating, reviewing, and proposing work that was never likely to become profitable revenue. The business looks busy, but the pipeline is weak.

This is not just a sales issue. It is a leadership issue.

### **3. EXISTING CLIENTS ARE UNDER-MANAGED**

In many engineering and tech businesses, strong client relationships are taken for granted. The thinking goes something like this:

*They know us. They trust us. They'll come back when they need us.*

Sometimes they do, but often, the relationship slowly weakens.

A competitor gets closer. A new decision-maker arrives. A project underwhelms. A small service issue is not followed up. A client's needs change, but no one asks the right questions. The firm only notices when the next project goes somewhere else.

This kind of revenue loss is especially painful because it usually comes from clients the business should have kept. The opportunity was not cold. The relationship was not broken. The revenue was not out of reach. It was simply not actively managed.

### **4. EXPANSION OPPORTUNITIES ARE MISSED**

Most firms have significant untapped revenue inside their existing client base.

This may include:

- Adjacent services
- Follow-on projects
- Maintenance or support work
- Advisory work
- Training
- Project extensions
- Additional sites
- Introductions to other divisions or regions

But these opportunities are often missed because no one wants to feel like they are selling. So instead of asking better questions, teams stay in delivery mode. They solve the immediate problem, complete the job, and move on. That may feel professional, but commercially, it leaves value on the table.

The best firms do not push unnecessary services. They do not turn engineers into aggressive salespeople. They teach customer-facing teams how to notice commercial signals and pass them to the right person at the right time.

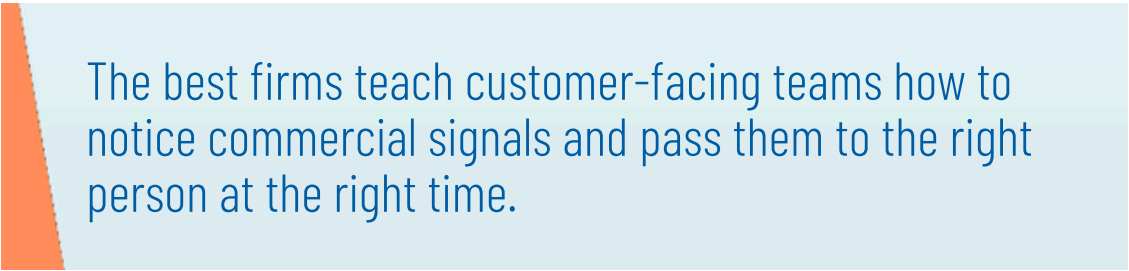
## **5. NO ONE OWNS THE GAP**

Revenue leakage thrives when ownership is unclear.

Sales may assume delivery teams will flag client issues. Delivery teams may assume account managers are across the relationship. Senior leaders may assume opportunities are being followed up. Technical teams may avoid commercial conversations altogether.

The result is a business where everyone is close to the opportunity, but no one is clearly responsible for progressing it.

This is how good businesses lose good revenue. Not because people don't care, but because the system does not make ownership clear.



The best firms teach customer-facing teams how to notice commercial signals and pass them to the right person at the right time.

# WHY THIS IS NOT A TRADITIONAL SALES PROBLEM

The answer is not “do more sales”. That is too simplistic.

Infact, telling technical teams to sell more often makes the problem worse. It creates resistance, discomfort, and poor behaviour.


The real opportunity is different. It is to help the whole business become more commercially aware without turning everyone into a salesperson.

That means helping people understand:

- What a good opportunity looks like
- What signals to listen for
- When to ask one more question
- Who to pass information to
- How to protect client trust
- How their role connects to revenue and profitability

This is not about scripts, pressure, or hard selling. It is about making opportunity visible.

For engineering and tech firms, this distinction matters. Most people in the business are already helping clients solve problems. The missed opportunity sits in helping them recognise when those problems point to something bigger.



A technical question may not just need an answer. It may reveal an upcoming project. The opportunity is already in the conversation.

# THE COMMERCIAL IMPACT

A \$3.5m annual revenue gap sounds large, but for a mid-sized engineering or tech firm it can build quickly.

For example, in a \$25m business, revenue leakage might come from:

LEAKAGE AREA	EXAMPLE IMPACT
Missed new business opportunities	<b>\$900k</b>
Poor qualification and low-value pursuit	<b>\$750k</b>
Lost or reduced existing client revenue	<b>\$850k</b>
Missed expansion in current accounts	<b>\$850k</b>
Weak referral and relationship followup	<b>\$500k</b>
<b>TOTAL ESTIMATED LEAKAGE</b>	<b>\$3.5M</b>

The exact number will vary by firm. But the pattern is consistent.

The lost revenue is rarely caused by one catastrophic failure. It is the cumulative effect of small commercial misses across the business.

A delayed follow-up. A weak handover. A proposal that should not have been written. A client relationship left unmanaged. A delivery team that hears the signal but does not know what to do with it.

This is why revenue leakage is so dangerous. It is rarely obvious enough to trigger alarm, but significant enough to affect growth, margin, and business value.

## WHAT LEADERS SHOULD LOOK FOR

The signs of revenue leakage are usually visible if leaders know where to look.

- Revenue growth has slowed, despite a busy team
- Pipeline looks healthy, but conversion is inconsistent
- Senior people are dragged into too many deals
- Good clients are not growing
- Margins are under pressure
- The business wins work it later regrets
- Account management is informal or inconsistent
- Technical people avoid commercial conversations
- Teams are busy, but profitability is not improving
- Opportunities depend too heavily on one or two rainmakers

None of these signs mean the business is broken. They mean the business has reached a stage where informal opportunity capture no longer works.

What got the firm to \$5M, \$10M or \$20M in revenue will not necessarily get it to the next stage.

At some point, growth needs to become less dependent on individual instinct and more supported by a clear commercial system.

That is where the opportunity sits.

# THE SHIFT ENGINEERING AND TECH FIRMS NEED TO MAKE

The shift is not from “technical” to “sales”. That would be the wrong message.

The shift is from delivery-only thinking to commercially aware delivery.

It means the business still leads with expertise, trust, and client value. Only it now builds the discipline to notice, qualify, and progress opportunity before it leaks away.

Moving to commercially aware delivery requires five practical changes.

## 1. DEFINE WHAT A GOOD OPPORTUNITY LOOKS LIKE

Teams cannot recognise opportunity if the business has not defined it.

Leaders need to be clear about:

- Ideal clients
- Strategic sectors
- High-value problems
- Minimum margin expectations
- Services the firm wants to grow
- Work the firm should stop chasing

Without this clarity, teams either chase too much or miss what matters.

## 2. TEACH PEOPLE TO HEAR COMMERCIAL SIGNALS

Most customer-facing people do not need to become salespeople. However, they do need to understand the signals that suggest a client may need more help.

These include phrases like:

- We’re struggling with...
- We’re looking at...
- We’re not happy with...
- We need to find a better way to...
- We’ve got budget pressure around...
- We’re planning for...

The goal is not to push. The goal is to notice.

### **3. CREATE A CLEAR HANDOVER PATHWAY**

Opportunity dies when people do not know what to do next. A simple internal pathway can make a major difference:

- What did the client say?
- Why might it matter?
- Who should know?
- What is the next action?
- When will it be followed up?

This does not need to be complicated, but it does need to be consistent.

### **4. BUILD COMMERCIAL CONFIDENCE**

In many firms, people avoid commercial conversations because they do not want to damage trust. That instinct is understandable. Unfortunately, avoiding the conversation does not protect the relationship, it often weakens it.

It is also worth pointing out that while clients do not expect technical experts to hard sell, they do expect them to be curious, helpful, and proactive.

Commercial confidence is not about pressure. It is about knowing how to ask useful questions that help both sides understand the problem more clearly.

### **5. HOLD LEADERS ACCOUNTABLE FOR LEAKAGE**

Revenue leakage is not solved by training alone. Leaders need to create the conditions for opportunity to be captured.

That means tracking:

- Where opportunities come from
- Which teams identify them
- How quickly they are followed up
- Which clients are expanding
- Which clients are shrinking
- Which proposals are worth pursuing
- Which types of work improve margin

If leaders do not measure leakage, they will continue to underestimate it.

## CONCLUSION

Engineering and tech firms do not need to become sales-led organisations. They need to become commercially aware organisations.

That is a much better fit.

The best firms will still win because of their expertise, relationships, delivery, problem-solving, and technical credibility. But they will also build the systems, language, and confidence to capture the opportunities already sitting inside the business.

For many mid-sized firms, that gap is worth millions. Not someday, but every year.

The question is not whether the opportunity exists. The question is whether the business is set up to see it, own it, and convert it.



Most engineering and tech firms are closer to their next stage of growth than they realise. The challenge is knowing where opportunity is being missed.

## FIND OUT WHERE REVENUE IS LEAKING IN YOUR BUSINESS

The opportunity is often already there, inside current clients, live projects, technical conversations, tenders, referrals, and relationships. The challenge is knowing where it is being missed.

Uncommon Sense helps leadership teams identify where revenue is leaking, why opportunity is being missed, and what needs to change to capture more of the value already inside the business.

**[WWW.UNCOMMONSENSE.NZ](http://WWW.UNCOMMONSENSE.NZ)**

# CITATIONS & SOURCES

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