

# 2015 - 2016

## Sales Effectiveness & Sales Acceleration Survey



# Research Summary Brief

## 2016 Extended Update

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# 2015-2016 Sales Effectiveness & Sales Acceleration Survey Research Brief - 2016 Extended Update

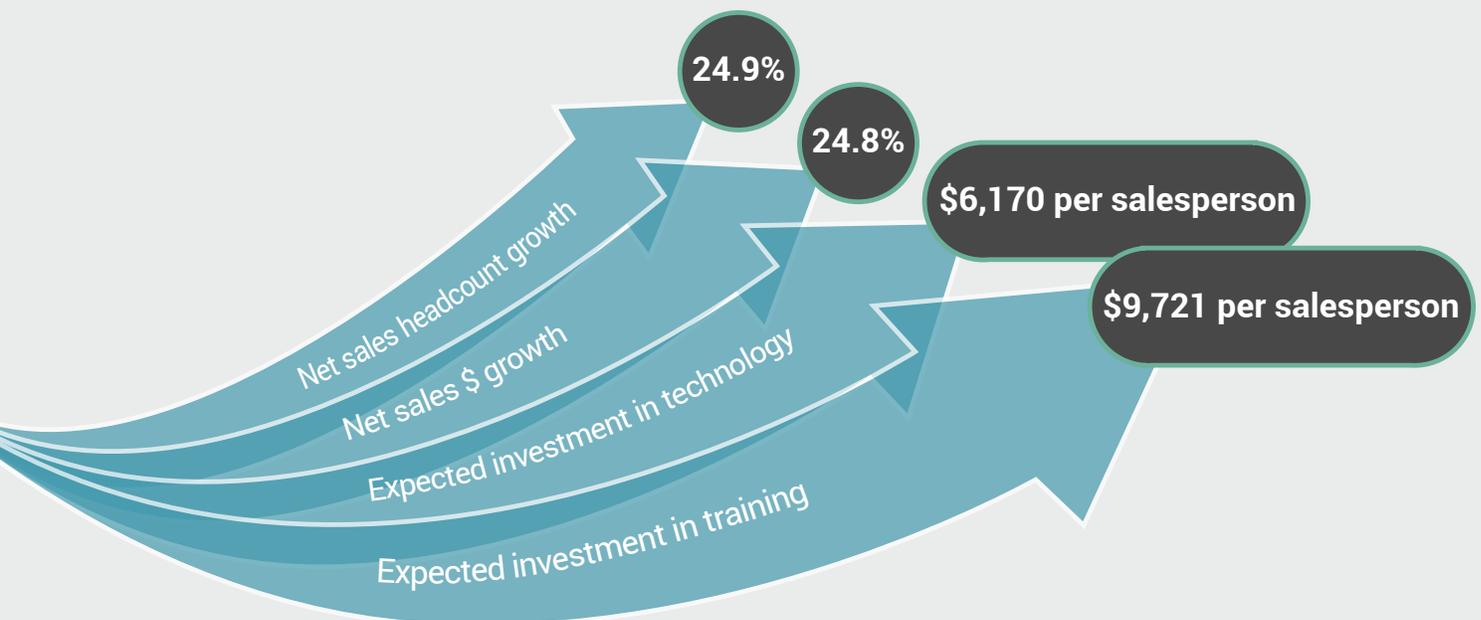
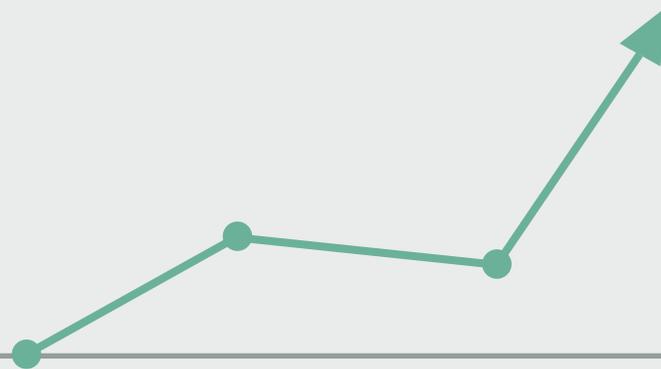
## Introduction:

As the sales landscape continues to change for organizations, the Center for Sales Leadership at DePaul University regularly conducts best-practices research to provide sales professionals and academics with timely information, insights, and direction on a range of sales and sales technology topics.

This research study is an extension of our ongoing sales effectiveness research to develop an understanding of the one of the rapidly evolving areas of sales today: sales acceleration technology products and services. Utilized by an increasing number of leading sales organizations, the evolving area of sales acceleration products and services represents the application of various technologies to an organization's existing CRM (sales and marketing automation) systems to enhance both the effectiveness and efficiency (velocity) of the selling process. The present research reports both current perspectives and future directions on this important topic respective of sales organizations today.

# Sales growth

over the coming year



## ***Research Objectives:***

Selling effectiveness requires a mix of organizational practices and operational behaviors, inclusive of CRM and sales acceleration technologies that drive sales performance.

### ***The primary objectives of this research study are:***

- 1** Profile sales organization performance metrics and measure the relative effectiveness of these organizations in key areas including sales growth, sources of sales growth, quota achievement, and turnover.
- 2** Understand current use and future directions on sales acceleration technologies and services in six key areas including sales communications/dialing technology, gamification, predictive intelligence and lead scoring, data visualization and application experience, data subscribers and enrichment, and lead flow management
- 3** Report current findings as well as significant relationships specific to any operational behaviors (i.e. sales process, technology utilization) and organizational activities (sales talent) that impact performance.

## ***Research Methodology:***

The survey information was collected primarily from a sample of small-medium businesses (SMBs) as well as large organizations across the United States and Canada. Online survey software was used to collect and analyze the data in the survey. A total of 149 firms responded to the survey with 127 usable responses for analysis.

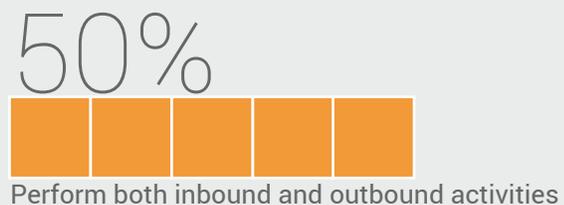
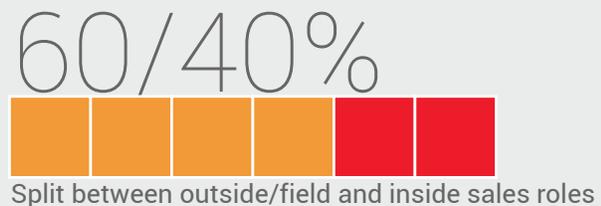
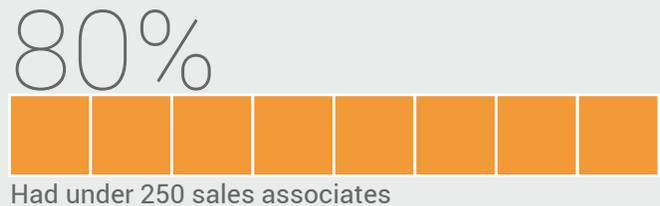
# 2015-2016 Sales Effectiveness & Sales Acceleration Survey Summary of Finding

## General Respondent Profile:

The survey results related to 127 respondents reveal several significant facts:

- Respondents are evenly distributed among senior, middle, and field level management
- The majority of sales organizations (80%) had under 250 sales associates.
- The sales organizations reported a 60/40% split between outside/field and inside sales roles
- Half of inside sales organizations perform both inbound and outbound activities

## Who?



## Performance Profile:

The survey results related to performance reveal several significant facts:

- Survey respondents reported an impressive net sales increase of 35.2% over prior year
- Acquisition of new business has accelerated, reaching 51% of annual sales
- A small part (25%) of the sales force exceeded quotas, delivering most of the gains
- The typical deal size range reported was between \$10k and \$50k
- Current levels of missed quotas are far too high (42%) and correlated with the significant turnover of 26.9% reported for inside sales positions and 25.7% for outside sales positions
- The reasons for turnover were driven by voluntary resignations (50%) followed by involuntary dismissals (33%) and retirement (22%)
- The average cost to replace a salesperson is \$97,690 and takes between 3.69 months (inside sales) and 5.42 months (field sales) to fill a position

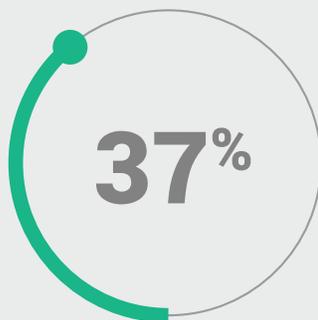
## Sales Acceleration Profile:

The survey results related to sales acceleration technologies and services provide several significant facts:

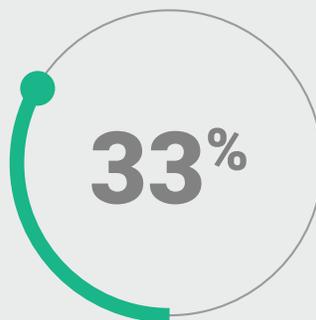
- The most utilized CRM system to manage the sales process is Salesforce.com (54%) with companies reporting average use of 5 years across their currently installed CRM systems
- Only 4% of respondents were presently not using a CRM system
- A significant (76%) number of the organizations utilize a defined sales process, with the “top 3” most utilized sales models as value selling (various), strategic selling (Miller Heiman), and FAB
- A significant number (38%) of respondents were presently not utilizing any of the sales acceleration technologies, which represents an important opportunity for technology providers
- The sales acceleration technologies utilized the most by sales organizations include data subscribers and enrichment (40%) and communications/dialing technology (38%)... followed by predictive intelligence and lead scoring (21%), lead flow management (19%), gamification (12%), as well as data visualization and application experience (7%)

## Top 3 sales investment areas of 2016

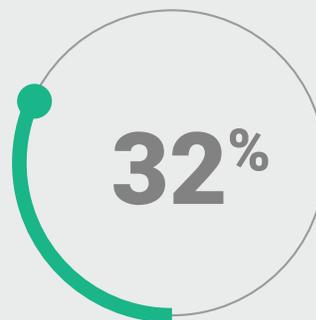
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Lead flow management



Predictive intelligence /  
lead scoring



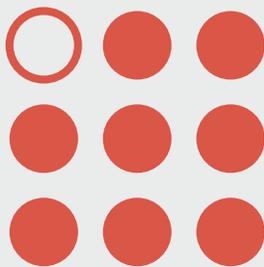
Sales communication /  
dialing technology

## Sales Acceleration Technologies and Services Highlights and Insights:

The survey data and verbatim responses provided additional context to extend some further insights regarding usage of current sales acceleration technologies and services. While the six different sub-group sample sizes were too small to provide reliable statistical analysis, the following are key findings:

### Communications/dialing technology:

- Respondents had used their noted communications/dialing technology for an average of 2.52 years with an initial implementation time of 4.74 weeks.
- Respondent primary reasons for selecting their communications/dialing provider (in rank order):
  - #1 CRM Integration
  - #2 High volume automated dialing (software),
  - #3 (statistical tie) click-to-call dialing, analytics and reporting, inbound call routing
- Key Metrics reported (on average) from respondents utilizing these technologies:



**65** average # dials per day / salesperson



**21** average # call attempts to reach a lead



**3.1** average # conversations per day / salesperson

### Predictive intelligence and lead scoring:

- Respondents have been utilizing their current predictive intelligence/ lead scoring products and services an average of 2.47 years
- Most noted reasons for selecting: Increasing qualified pipeline and better information/ support to sales team for customer calls.

### Data visualization and application experience:

- Respondent satisfaction (7-point Likert scale), in this category was 5.33 regarding their current product and service, which suggests that respondent firms are presently “somewhat satisfied.”
- Respondents have been utilizing their current data visualization and application experience products and service an average of 3.03 years.

### Data subscribers and enrichment:

- Respondents have been utilizing their current data subscriber and enrichment products and services an average of 3.03 years
- Most noted reasons for selecting: Better data quality, easier access, and better/deeper content for contacts

## Lead flow management:

- Respondents have been utilizing their current lead flow management products an average of 3.71 years, which is the longest use of any sales acceleration product category in the survey.
- Most noted reasons for selecting: Ease of integration with CRM, marketing preference, and better quality (versus quantity) leads.

## Gamification:

- Respondents have been utilizing their current gamification products an average of 1.02 years
- Most noted reasons for selecting: Driving CRM adoption, and knowledge retention/training

## Sales Acceleration Technologies - Looking to the future

Respondents provided additional data and verbatim responses regarding expected sales organization growth, salesperson investments (training and technologies), and interests in sales acceleration technologies in the coming year:

- **Continued growth in the size of sales organizations:** Firms expect to grow their sales organizations, on average, 24.9% over the coming year. Planned headcount growth is greater across inside sales roles (30.6%) and slightly lower planned growth across field sales roles (16.3%).
- **Continued strong sales growth:** Respondents expect 24.84% overall net sales growth for the organizations over the next year. The most significant contributor to that growth, on average, will come from inside sales compared to outside/field sales.
- **Continued investment in salesperson training and sales technology:** Firms expect to invest an average of \$9,721 in sales training and \$6,170 in sales technology per salesperson over the next year.
- **Increasing interest in sales acceleration technologies and services:** Given the lower penetration (60%) in the current use of sales acceleration technology and services across all respondent organizations, the “top 3” greatest areas of interest in additional investment in the coming year are lead flow management (37%), predictive intelligence/lead scoring (33%), and sales communications/dialing technologies (32%).



- **Other areas of interest:** Although slightly lower, data visualization and application experience (24%), as well as gamification (19%) and data subscribers and enrichment (19%) were noted as areas of increased interest in investment in the coming year. “Other” noted areas of interest (verbatim responses) included sales enablement/playbooks, sales content creation, and sales process.

## ***Organizational and Operational Behaviors – Key insights from research***

### **Identifying and retaining talent is a challenge for companies:**

Consistent with our past sales effectiveness research, sales organizations continue to need to develop more effective methods designed to secure and retain sales talent. The high annual turnover for both inside and outside roles of 26.9% and 25.7% respectively is costly for firms where an average cost per turnover of \$97,690. Combined with planned hiring growth rate targets of 30.6% and 16.3% for inside and outside sales roles respectively, talent recruiting and retention continues to be a critical challenge for sales organizations.

### **Sales process usage is increasing, but could be improved**

In capturing a firm's use of a sales process, 76% of respondents reported utilization of a defined sales process. The specific sales process identified most (top 3) by the respondents included various value selling (48%), strategic selling (32%), and FAB models. While the current study reflects an increasing utilization of defined sales processes, consistent and disciplined use of sales processes continues to be a challenge for most organizations with only 58% frequently or always utilized by the sales organization. Those firms noting a higher frequency of use with a selling process had a stronger correlation to meeting/exceeding quota and increased sales growth.

### **Adoption and use of sales acceleration technologies is becoming essential**

While adoption (96%) and use (5 year average) of CRM systems is strong with the firms in this study (96% presently utilize a CRM system), only 62% are further leveraging its capability to increase sales effectiveness through the adoption and use of sales acceleration technologies and services.

Simply, there was a statistically significant difference ( $p < .05$ ) between the group of firms reporting integration and use of at least one type of sales acceleration technology and the group of firms not presently using any type of CRM respective of sales growth, meeting/exceeding quota achievement, and turnover. In this particular study, on average, the firms leveraging sales acceleration technologies had improved performance.

### **Sales Acceleration Technologies – Further extended insights from qualitative research**

Following the close of the main electronic survey, 26 survey participants that noted "open to follow-up interview" were contacted and 8 (31%) participated in a 15-minute follow-up Q&A interview under the premise of anonymity (no identifying information).

The following are a few prominent themes and feedback from the interviews:

**Sales Process:** The interviews consistently brought up the need for Sales Acceleration technologies to help with establishing/supporting a disciplined sales process in various stages of the sales process. Given the variety of sales skills within their inside sales teams (and high turnover), technology that can help “discipline reps” to the variety of steps in the sales process would be very helpful and provide great value to their sales organizations. They also mentioned a need for providing tools that introduce early stage to late stage questioning to help their reps get through qualifying. Basically they see the technology as a means to deliver timely support tools aligned within each phase of the sales process to provide a “best practice” environment across their sales teams.

**Predictive Intelligence/ Lead Scoring** – While all valued the benefits of predictive intelligence, the common point across the interviews was that their sales reps don’t take the time to put good information into the system. Better lead quality (information) and lead scoring had the greatest practical weight in SA technology for them and valued the option of data subscription resources. A few noted that better lead scoring will still need to allow reps flexibility to be the drivers to “decipher the best ones.”

**End**

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