



PREDICTING THE FUTURE

Business Performance Benchmark Study 2017

The Business Performance Benchmark Study 2017

The Business Performance Benchmark Study is primary research conducted by [Altify](#) in conjunction with [IDD Consult](#). It was designed to illuminate the challenges that face enterprise business-to-business (B2B) companies in 2017 – exploring strategic initiatives, revenue considerations, top priorities for businesses, and metrics that can be used to gauge progress. The data for this study was collected over a period of three months between early November 2016 and late January 2017. The opinion, viewpoint and conclusions in this report are based on Altify's experience working with executives and go-to-market leadership from a range of companies around the world; from small and medium size operations to some of the world's largest B2B enterprises.

To gain a broad perspective of opinion and to make this the definitive global guide to the challenges and opportunities that we all face in 2017, we were joined by a number of distribution partners in this endeavor: [Buyers Meeting Point](#), [DocuSign](#), [eQuiddity](#), [Gainsight](#), [NewVoiceMedia](#), [Sales Hacker](#), [Salesforce](#) and [Xactly](#). We are extremely grateful for their participation.

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Introduction



Introduction

The Business Performance Benchmark Study explores strategic directions, revenue growth considerations, improvement priorities and metrics to gauge progress. It outlines strategic imperatives for 2017, impending disruptive factors and the business impact of societal factors such as trust and diversity. It assesses the opinions of business leaders, management and individual contributors on sales and marketing effectiveness, and examines relationships between the efficacy of best practices, the degree to which a company's customer guides its actions, and the consequent company performance.

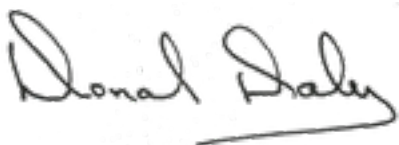
The study analyzed over 60,000 data points; their interrelations and correlations, across all regions of the globe in 12 different industry segments. It measured effectiveness and output and is one of the world's richest insight sources on how some organizations consistently perform better than others. For business leaders who are tasked with driving profitable, predictable revenue growth, or improving customer experiences, this report is particularly relevant to those in Sales, Sales Operations, Marketing or Customer Service, though all business leaders will gain insight.

How Do You Compare?

To assess your own performance, compare against this benchmark, and get recommendations for improvement, please [contact me](#) or email benchmark@altify.com.

I hope that you get value from the study and I am grateful to the participants who shared their data. Without you this would not have been possible.

Thank you.

A handwritten signature in black ink, appearing to read "Donald Daley", with a horizontal line underneath.

Executive Summary



Executive Summary

The Business Performance Benchmark Study was conducted between November 2016 and January 2017. The submissions from the 833 participants, from 60 countries, provided an in-depth perspective on the current state of business performance and outlook around the world.

Top 15 Insights for 2017

1. **Business Outlook Is Positive**

Despite 2016 being a year that many people seem to want to forget, the outlook for 2017 is positive. 87 percent expect a *Minor* or *Major Improvement* in their business in 2017 compared to 2016. **The feeling we get from the study, also reflected in much of the media, is one of #Goodbye2016.**

2. **#1 Strategic Initiative – Customer Retention**

On a global basis, with some regional variations, Customer Retention just beat Revenue Growth to the top spot as the #1 Strategic Imperative for 2017. 87.3 percent of participants selected Customer Retention as a strategic focus for 2017, **just ahead of the** 86.6 percent who choose Revenue Growth as a key strategic area.

3. **#1 Cause of Disruption – Digital Transformation**

The winner – if that's the right term for disruption – was very clearly *Digital Transformation*. **48 percent of study participants believe that Digital**

Transformation will cause significant disruption to business in 2017. Even as we looked through every lens; regional, role, industry, company size, etc., the perspective did not change. *Digital Transformation* has rocketed to the top of everyone's list of priorities, well ahead of *Advancement in AI* (27 percent) and *Currency Volatility* (26 percent) in second and third places.

4. **Currency Volatility and Brexit Demand Attention in EMEA**

Perhaps unsurprisingly, **those in EMEA fear disruption in 2017 from Currency Volatility (41 percent) and Brexit (39 percent)** almost as much as they expect disruption from Digital Transformation (43 percent).

5. **Trust in Corporations & Government is Declining**

Trust in both Corporations and Government has declined in the last 12 months, with **15.4 percent of participants saying that they trust corporations less than a year ago**. The situation with Government is worse, **42 percent of participants trust government less than last year**, and only 8 percent say they trust government more.

6. **People Value Company Reputation and Trust Opinion of Peers**

When asked "Who do you trust to provide advice when making a purchase decision from a company?" **54 percent trust Company Reputation and 53 percent trust Peers in other companies**, while **only 29 percent trust the Company CEO**.

7. **Diversity Drives Business Results**

70 percent believe that a diversity policy has impact on the business performance of their organization. Similarly, 61 percent of the respondents believe their companies' track record on diversity is either *Good* or *Great*, and

companies with a positive track record have 50 percent better customer retention performance, and a 17 percent greater Win Rate, and 17 percent shorter sales cycle.

8. **Sales Metric #1 – Access to key buying influencers**

39 percent of companies say their sellers are not good at accessing key buying influencers. The impact is significant. **Those who are effective at accessing key players have a 28 percent better Win Rate.**

9. **Sales Metric #2 – Uncovering the customer's business problem**

When sellers are able to uncover the customer's business problem, their sales cycle decreases by 21 percent. But not all sellers have this skill nailed. **32 percent say they are not effective at uncovering the customer's business problem.**

10. **Marketing Metric #1 – Failing to deliver qualified opportunities**

Just 40 percent of companies, including 61 percent of marketers, say that *Marketing* delivers a reasonable number of opportunities, and 50 percent of sellers think that *Marketing* does not understand their customers. The submissions to this study paint a pretty grim picture on the effectiveness of marketing.

11. **Marketing Metric #2 – Marketers don't understand the customer**

In addition, in a more specific and possibly more damning indictment of *Marketing*, **43 percent of study participants do not believe *Marketing* understand customers.** If we look at the opinions of the Sales contingent, half of Sales concur with that viewpoint.

12. **Sales Management Metric #1 – Sales forecasting is still broken**
Among the companies represented by participants in the study just one third (33 percent) of companies close deals as originally forecasted. The consequence of inaccurate forecasts can be devastating for a sales manager and the company. **In companies where sales forecasting is accurate, Win Rate is up 18 percent and sales cycle is down 23 percent.**
13. **Customer Metric #1 – The customer is king but not all sellers are aligned**
83 percent of study contributors say “Customers are more in control of the buy/sell process than ever before.” 90 percent of marketers and 84 percent of sales believe this to be true, but while most (77 percent) agree that the sales person is an advocate for their customer, **only 65 percent of sellers align their sales process with the customer's buying process.**
14. **#1 Priority Project – New Customer Acquisition**
The #1 priority project for 2017 among the participants in the study is New Customer Acquisition. 81 percent of submissions identified this as a 2017 priority. This is slightly at odds with the #1 Strategic Imperative being *Customer Retention*, though fully aligned with Revenue Growth – a close second Strategic Imperative.
15. **#1 Customer Related Priority Project – Revenue from existing customers**
Nearly two-thirds of participants (65 percent) nominated Revenue from existing customers as a 2017 priority project. It is by far the most frequently selected customer related project, followed by *Connect solutions to customer's business problems* (48 percent) and *Understanding the customer's business* (37 percent).

Your Benchmark

Insights derived from benchmarking can provide companies with tangible evidence on how they measure up against their peers in key performance metrics. Based on the insights gleaned from this and other Altify research projects, **Altify is now offering a complimentary benchmarking service for qualifying companies.**

Based on a minimum of 50 participants from a specific company or division, who each will spend 10 minutes completing a survey, the output from the benchmarking service is an absolute measure of your company's performance, a comparison with this benchmark, and a prioritized list of recommendations. Altify, with its research partner IDD Consult, leverages a structured methodology and applied technology to deliver your benchmark report to you in about 30 days and to provide the service without charge. This compares with a typical paid engagement of 90 days or more.

The insight driving the analysis for each company benchmark is a blend of the correlations from this research (and other Altify research) refined to derive the primary causal factors that consistently allow top-performing companies to achieve 'escape velocity.' Every company can benefit from understanding that blueprint.

The methodology underpinning the derivation of recommendations in this benchmark report, and for each company, was based on the experiences of Altify's engagements with more than a million business professionals, and supplemented by Donal Daly's personal experience as CEO of five global companies.

To assess your own performance, compare against the benchmark, and get recommendations for improvement, please email benchmark@altify.com.

About Altify

For B2B sales organizations, Altify provides proven enterprise sales methodology in software sellers want to use. The Altify platform helps sales teams win the deals that matter and increase wallet share in existing customers. With Altify, sales people, managers and executives achieve revenue growth consistently. Customers include: Autodesk, BMC, Brocade, BT, GE, Honeywell, HP Enterprise, Johnson Controls, Optum, Salesforce, and Software AG.

About the Author

Donal Daly is Executive Chairman of Altify, having founded the company in 2005. He is author of numerous books and ebooks including the Amazon #1 Best-sellers [Account Planning in Salesforce](#) and [Tomorrow | Today: How AI Impacts How We Work, Live, and Think](#). Donal combines his expertise in enterprise software applications, artificial intelligence, and sales methodology, as he continues to transform how progressive organizations grow. Altify is Donal's fifth global business enterprise.



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Analysis & Insights

Strategic and Cultural

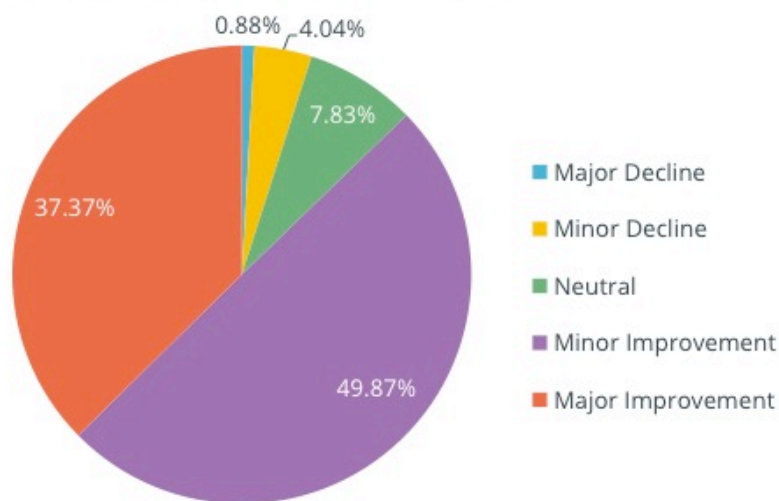
1. 2017 is a year for Optimism: Business Performance Outlook

The world belongs to optimists. Pessimists are only spectators.

François Guizot

The World Bank is forecasting the global economy will accelerate in 2017 after 2016 delivered the worst performance since 2008. "*We are encouraged to see stronger economic prospects on the horizon,*" said World Bank President Jim Yong Kim. The participants in the study are also feeling optimistic.

Business Outlook 2017

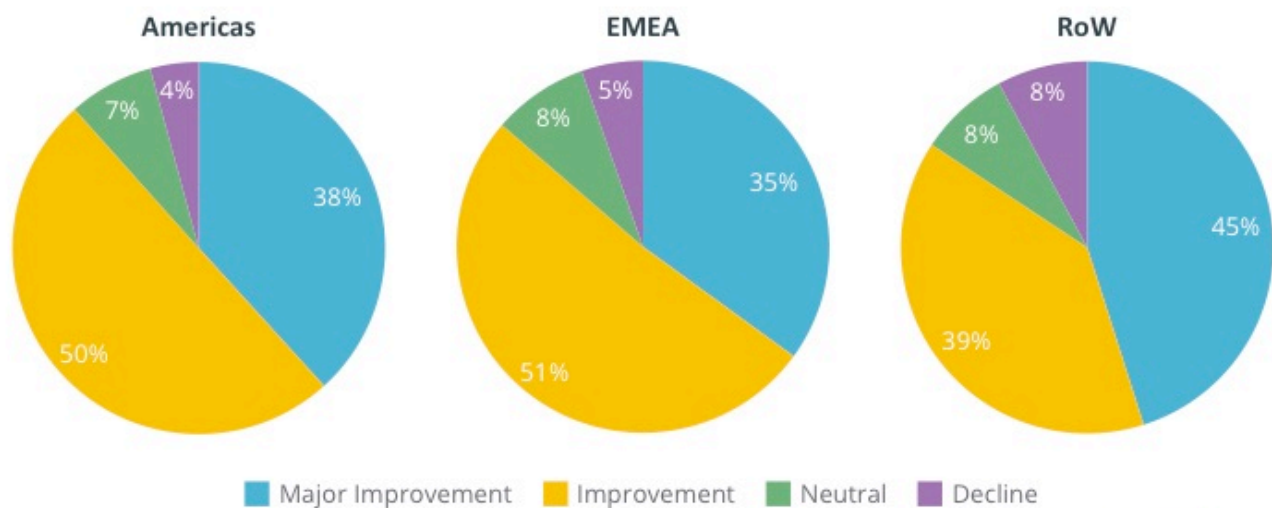


Source: Altify Business Performance Benchmark Study 2017 (n=833)

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87 percent expect a *Minor or Major Improvement* in their business in 2017 compared to 2016. The feeling we get from the study, also reflected in much of the media, is one of **#Goodbye2016**. Almost regardless of age, gender, region, industry and role the world has an optimistic outlook facing into 2017. (The 0.88 percent who expect a *Major Decline* in 2017 is so negligible we grouped it with *Minor Decline* for other analysis.)

Business Outlook 2017: Regional Perspective



Source: Altify Business Performance Benchmark Study 2017 (n=833)

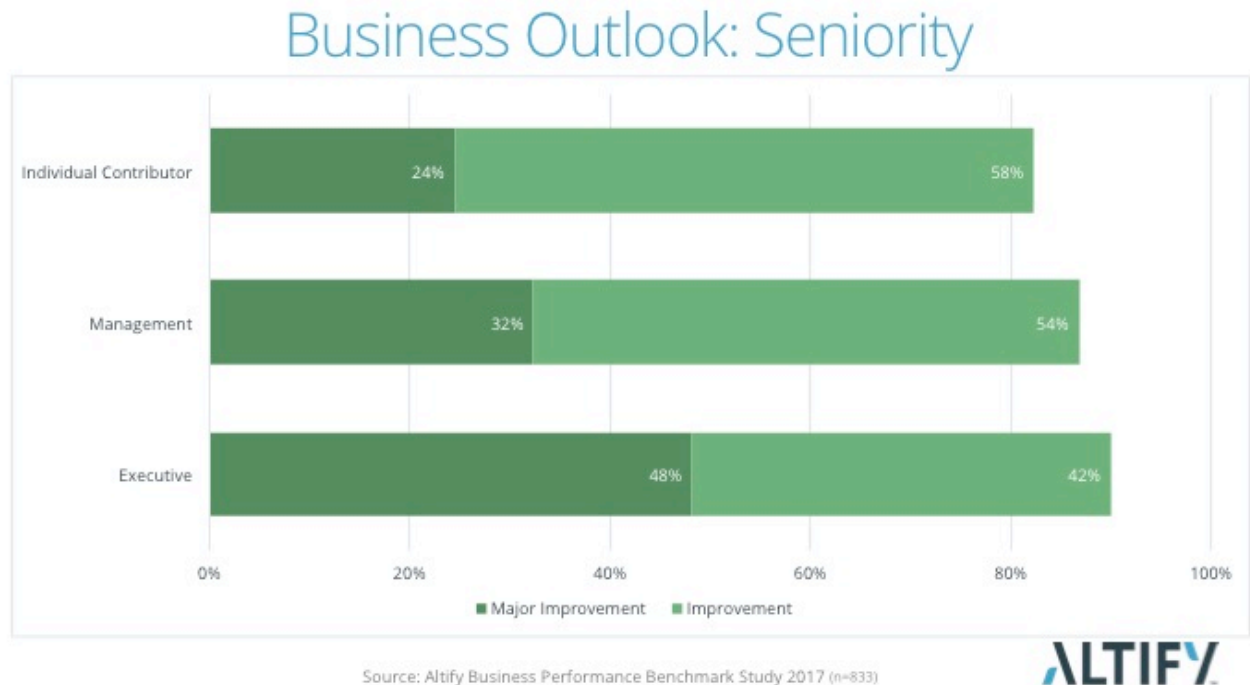
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From a regional perspective, we can see that those from *RoW* are most optimistic; 45 percent expect a *Major Improvement*. When we dissect the *Major Improvement* category, we found the smallest percentage of *EMEA* participants taking this view, being more cautious than both the *Americas* and *RoW*. Linking this to the insights of the strategic considerations we have learned the consequence of *Brexit* and the attendant *Currency Volatility* have a major impact on the psyche of *EMEA* business people today.

While the instability in China gave rise to some concerns and challenges for 2017 for our *RoW* participants it does not seem to materially temper their optimistic prognosis.

There is a distinct and direct correlation between *Seniority* and 2017 business outlook. Perhaps *Executives* feel more in control of the future or may have greater visibility into the growth plans of the company, but at 48 percent, nearly half are expecting a *Major Improvement* in business in the next 12 months. This compares with just 24 percent for *Individual Contributors*.

Perhaps from the higher floors you can see further and from the perspective of *Executives* the horizon looks inviting. It is encouraging to see that positive change is most expected by those who work *on* the business rather than *in* the business.



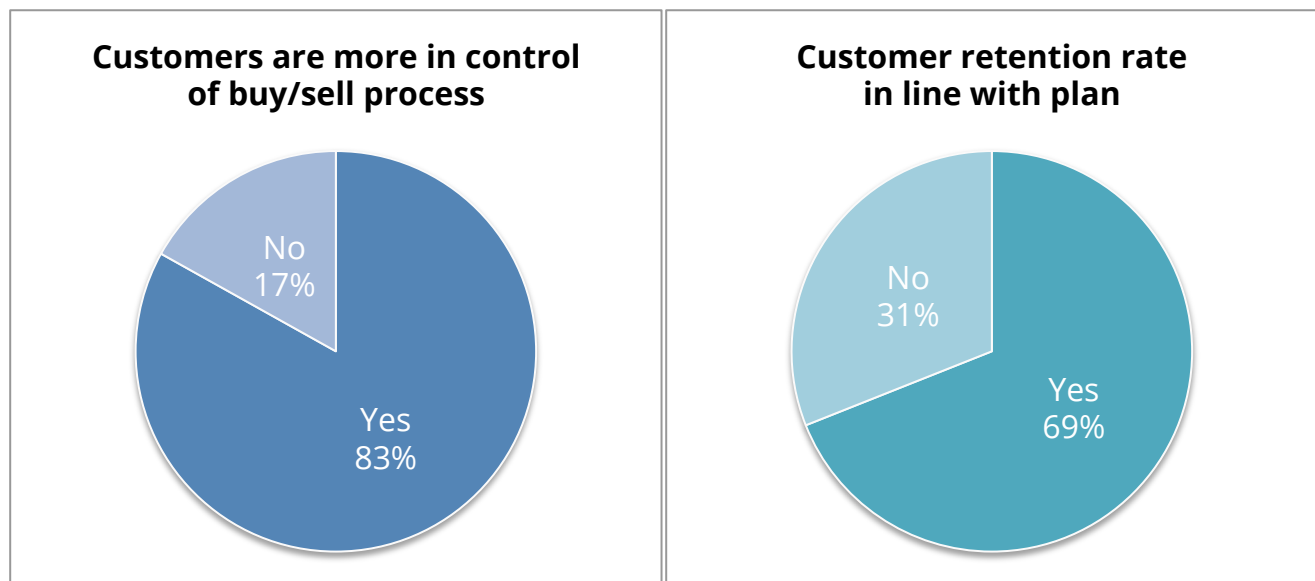
The onus is on these business leaders to share their perspective with the broader company to have a commonly understood vision and to articulate a plan that the *Individual Contributors* and *Management* can understand and execute. Top-down vision needs to be met with bottom-up execution for the improvement to materialize.

Outlook: Other Perspectives and Insights

- **Company size:** The bigger the company, the more difficult it is to make big improvements and the analysis reflects that. While nine out of ten participants from *\$1Bn+ companies* expect improvement in 2017, just 21 percent expect *Major Improvement*. This compares with the 51 percent in the *<\$10m* revenue range.
- **Role:** This is truly the age of *Age of the Customer*, and *Customer Service* contributors are feeling the love. A glowing 97 percent see an improvement in 2017 with nearly half (46 percent) saying that this will be a *Major Improvement*. *Operations* feels least optimistic overall.
- **Age:** There is no material difference in the outlook of the different age groups.
- **Gender:** This is one area where *Male* and *Female* participants are generally aligned, with 87 and 86 percent respectively feeling positive about 2017 relative to 2016.
- **Industry:** With so much change going on in the world it is possibly not surprising that 92 percent of the *Professional Services* participants see a rosy future ahead; 45 percent see a *Minor Improvement* and 47 percent see a *Major Improvement*. Change is usually good for business for those in that industry. It is also noteworthy that 50 percent of *High Tech* firms expect a *Major Improvement* – and that would be consistent with the opportunity for rapid growth in some *High Tech* markets. *Telco & Media* seems still to be under pressure and, at 24 percent, this industry represents the smallest proportion who see the possibility of a *Major Improvement*.

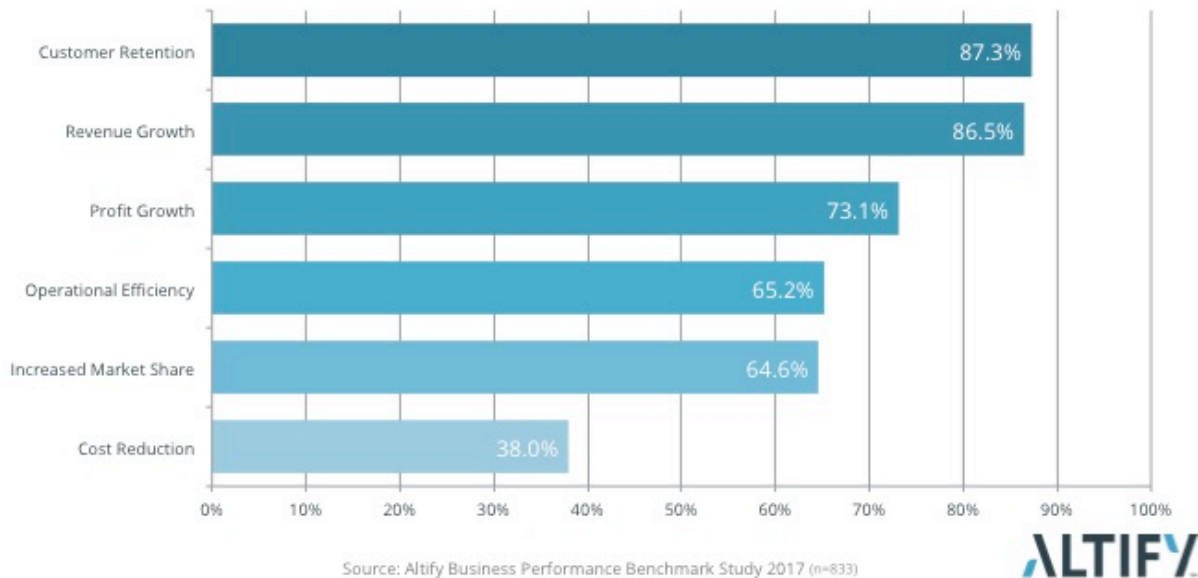
2. Strategic Imperatives for 2017

There has been much talk about the growing importance of putting the customer at the center of all business activities. The analysis shows that company strategies around the world now reflect a 'customer-first' approach. The growth of the subscription economy, the recognition of customer-centricity as a key driver for business growth, and the increased power of the customer, fueled by the Internet and the ubiquity of information, has put into focus the need to retain existing customers.



Our analysis shows **83 percent believe that customers are more in control of the buy/sell process than ever before, but only 69 percent state customer retention is materially in line with plan.** The increased focus on *Customer Retention* is possibly an attempt to grow that 68 percent.

Most Important Strategic Focus



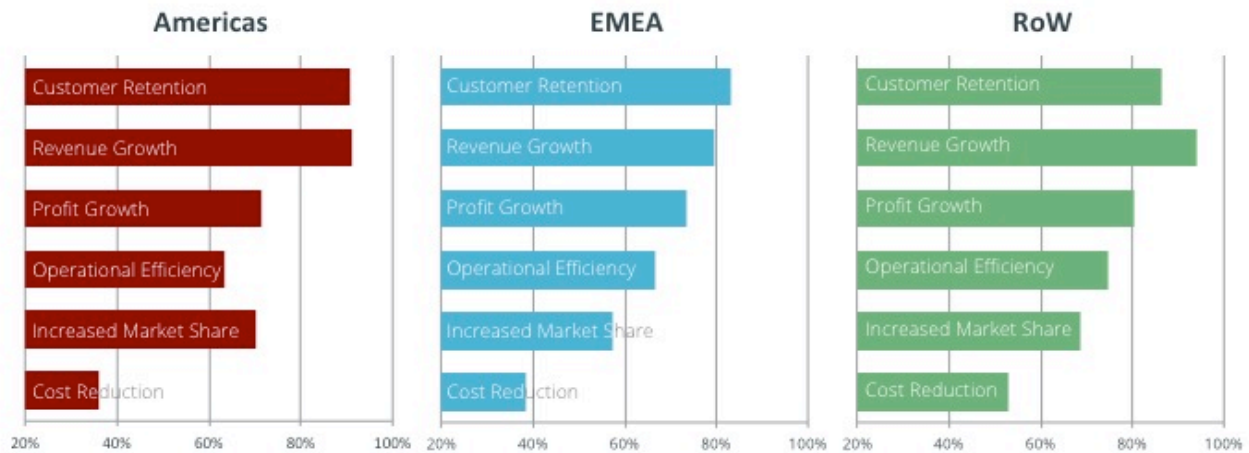
On a global basis, with some regional variations, **Customer Retention beat Revenue Growth to the top spot as the #1 Strategic Imperative for 2017.**

- **87.3 percent of participants selected Customer Retention as a strategic focus for 2017**, just ahead of the
- **86.6 percent who choose Revenue Growth as a key strategic area.**

This increased focus on *Customer Retention* is all good news for the customer. The selling organization needs to maintain a customer-centric focus throughout the lifetime of their relationship with the customer and continue to deliver value after the sale.

Customer centricity starts with the first promise you make and ends with the first promise you break. When you are doing business in the different regions of the world, it is important to know what is uppermost in the minds of your business counterparts. The general focus on *Customer Retention* is almost universal, but there are some regional variations.

Strategic Focus | Regional Perspectives



Source: Altify Business Performance Benchmark Study 2017 (n=833)



In the *Americas*, *Customer Retention* and *Revenue Growth* come in at the same level with 91 percent of submissions from those regions selecting these two initiatives as *Very Important* or *Critical* in 2017. The absolute numbers are not as high in *EMEA*, but it is the relative measures that count, and in *EMEA*, *Customer Retention*, at 83 percent, is a few points ahead of *Revenue Growth*. In *RoW*, we see a variation in the priorities. Not only is *Revenue Growth* (94 percent) ahead of *Customer Retention* (86 percent), the number of participants (53 percent) in *RoW* who identified *Cost Reduction* as *Very Important* or *Critical* in 2017 is much higher than the *Americas* or *EMEA*.

The variance is reflective of the maturity of those markets, where almost two-thirds of the participants categorized as *RoW* come from emerging economies.

It is generally a truism that *Executives* care about the future, *Management* cares about the present and *Individual Contributors* care about the past. Like all generalizations, there are exceptions to this rule, but the analysis from this study supports this thesis.

	Executive	Management	Individual
Cost Reduction	34%	42%	37%
Increased Market Share	59%	68%	69%
Operational Efficiency	61%	69%	67%
Profit Growth	69%	74%	79%
Revenue Growth	87%	85%	89%
Customer Retention	87%	87%	89%

Relatively speaking; *Executives* care least about *Cost Reduction* (34 percent) and *Operational Efficiency* (61 percent). The *Executives'* focus is definitely forward-looking and growth oriented. They give instructions to *Management* who, you will observe, have a relatively increased emphasis on these three areas. *Individual Contributors*, typically younger and less experienced than their *Executive* or *Management* colleagues, are less discerning in selecting what they deem to be important. A high proportion of the Individual Contributors in the study want to focus on nearly all of the strategic elements at the same time.

Further analysis demonstrates parallels between small companies, less established economies (*RoW*) and *Millennials*. Larger companies, more established economies, and older participants have less extreme views and are less singularly focused.

Strategic Focus | Other Insights

- **Size:** Bigger companies have to worry about everything and, in most cases, view all of the Strategic Imperatives as *Very Important* or *Critical* – though there is a clear priority, where **94 percent of companies with revenue over \$1Bn have selected *Customer Retention***. But for these big companies, they can't ignore any of the Strategic

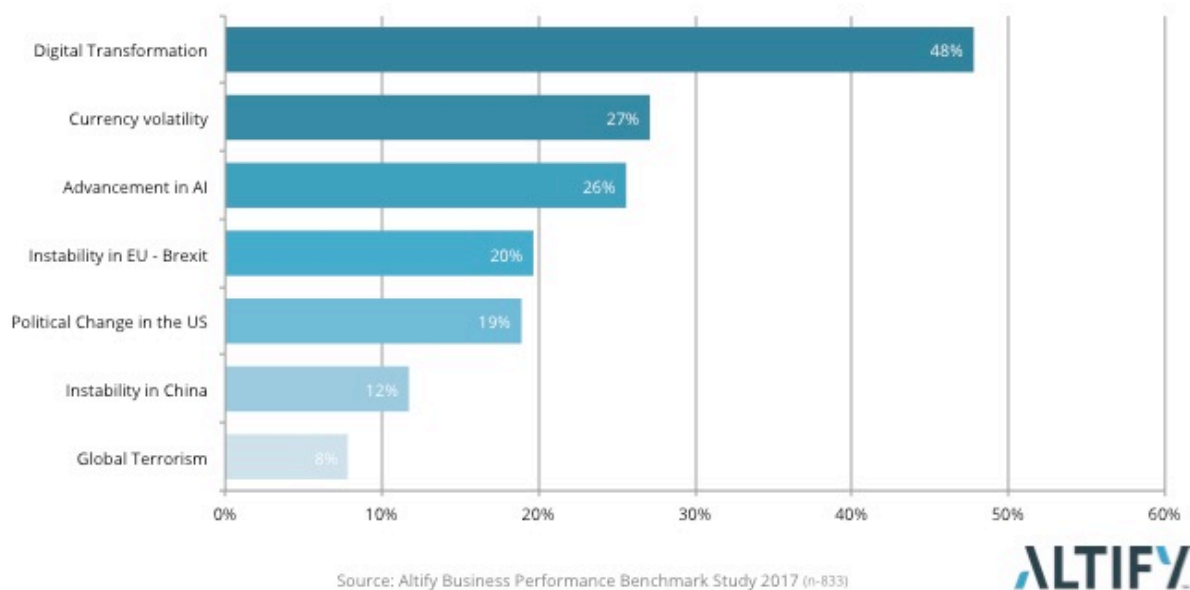
Imperatives. *Cost Reduction*, the lowest ranking item across all company sizes, is still viewed as *Very Important* or *Critical* by more than half (53 percent) of the largest companies.

- **Age:** *Millennials* are focused on *Revenue Growth* while *Baby Boomers* and *Gen X* care more about *Customer Retention*.
- **Role:** *Sales* and *Marketing* care about *Revenue Growth* while *Customer Service* focus on *Customer Retention*.
- **Industry:** *Financial Services* are most focused on *Revenue Growth* and *Customer Retention*, while *Professional Services* are least concerned with *Cost Reduction*.
- **Gender:** There is no material difference in the perspectives of *Males* and *Females*.

3. Disruptive Forces

The winner – if that’s the right term for a disruption – was very clearly *Digital Transformation*. **48 percent of study participants believe that Digital Transformation will cause significant disruption to business in 2017.** Even as we looked through every lens; regional, role, industry, company size etc., the perspective did not change. *Digital Transformation* has rocketed to the top of everyone’s list of priorities.

Expectation of Significant Disruption to Business



Constellation Research defines Digital Transformation as more than a technology shift:

The digital disruption comes from both transforming business models and shifting how brands, enterprises, people, and machines will engage.

Our research has uncovered that today Digital Transformation is ‘top of mind’ for nearly half the companies we surveyed, irrespective of size, or industry.

More populist reports call it the ‘*Uber-ization of everything*’, a fear of disruption by non-traditional competitors, and a well-founded belief that Digital Transformation is more than the application of technology for efficiencies.

Causes of Disruption of Business (% of participants)	
Digital Transformation	48%
Currency Volatility	27%
Advancement in AI	26%
Instability in EU - Brexit	20%
Political Change in the US	19%
Instability in China	12%
Global Terrorism	8%

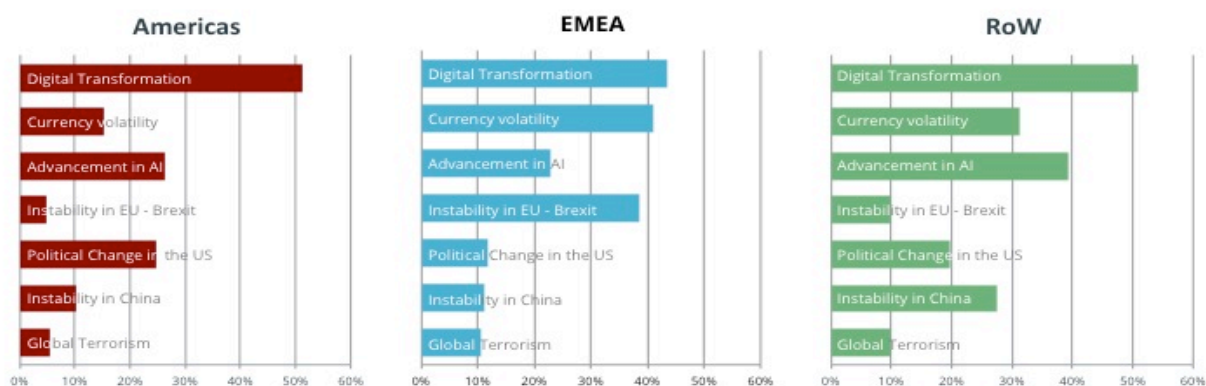
Advancements in AI is identified by many as an area to watch. In my book, [*Tomorrow Today: How AI Impacts How We Work, Live, and Think*](#), I highlight the threat and opportunity that AI brings:

The risk is that we don't stop and fully consider how to apply these technological advancements to our betterment. Most successful advances result from a conscious purposeful search for innovation opportunities. They are rarely accidental and they demand an uncommon level of domain-specific knowledge to be successful. Today's technology enables innovations in processes, products and marketplaces at a pace we have never seen before. In addition to the technological advances, successful innovation requires ingenuity, focus and, above all else, insight into the problem being solved. That demands deep domain knowledge—particularly when applied to knowledge workers.

These principles apply equally to both *Digital Transformation* and *Advancements in AI*.

As starkly as *Digital Transformation* is the #1 perceived cause for disruption, we were quite surprised by the topic that was ranked last. At #7 of seven, ***Global Terrorism is viewed as being the least disruptive of the topics presented.*** We would like to think that is true, but when we consider the economic impact of previous terrorist events, it seems a little optimistic to expect that we will get through 2017 without at least the continued threat of terrorism significantly impacting our business and personal lives. Unsurprisingly, the *Americas* are not overly concerned with *Brexit*, or *Currency Volatility* as a business threat in 2017, but more concerned about *Political Change in the US*.

Disruption | Regional Perspectives



Source: Altify Business Performance Benchmark Study 2017 (n=833)

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Expected Significant Cause of Business Disruption in 2017 by Region

	EMEA	Americas	RoW
Digital Transformation	43%	51%	51%
Currency Volatility	41%	15%	31%
Advancement in AI	23%	26%	39%
Instability in EU - Brexit	39%	5%	10%
Political Change in the US	12%	25%	20%
Instability in China	11%	10%	27%
Global Terrorism	10%	5%	10%

Those in *EMEA* are understandably focused on *Currency Volatility* and *Instability in the EU – Brexit* as issues they should be concerned about. We would suggest that the *Americas* should pay greater attention to these topics as much of the American economy is dependent on international trade.

According to the US Chamber of Commerce:

America cannot have a growing economy or lift the wages and incomes of our citizens unless we continue to reach beyond our borders and sell products, produce, and services to the 95% of the world's population that lives outside the United States. Manufacturing is the sector that exports the most, with more than \$1.4 trillion worth of exports in 2014. U.S. exports of services are also booming, topping \$716 billion in 2015 and achieving a trade surplus in services of \$227 billion.

Disruption | Other Insights

- **Company Size:** *Digital Transformation* is a big deal for big companies. A full two-thirds of companies with revenues over \$1 billion are concerned about its impact in 2017. This compares with less than half of all other study participants citing it as a threat. The causal factor for this discrepancy is the longer-term horizon that large companies adopt, as evidenced by their focus on *Customer Retention* as their #1 Strategic Imperative. As a group, these large companies are also most concerned about *Currency Volatility* and *Advancements in AI*, the former reflecting the global nature of their business, and the latter being seen as a fellow traveler of *Digital Transformation*.
- **Industry:** The analysis by Industry shows some very distinct perspectives that align with the different industry profiles. **69 percent of Telco and Media companies are focused on *Digital Transformation* as a key disruptive**

influence in 2017, and 36 percent also selected *Advancement in AI*. As you would expect *High Tech* and *Financial Services* are also very high on Digital and AI. With the changing of the guard in the White House and the polarized Republican / Democrat perspectives on the Affordable Care Act, it is not surprising that the Healthcare industry (31 percent) cares more about *Political Change in the US* than any other group. *Manufacturing* bucks the *Digital Transformation* trend with only one in four from that sector expressing particular interest in Digital but *Currency Volatility* and *Instability in China* come to the fore for both *Manufacturing* and *Retail and Consumer*. That's to be expected given the likelihood of the manufactured or sourced goods coming from non-national sources.

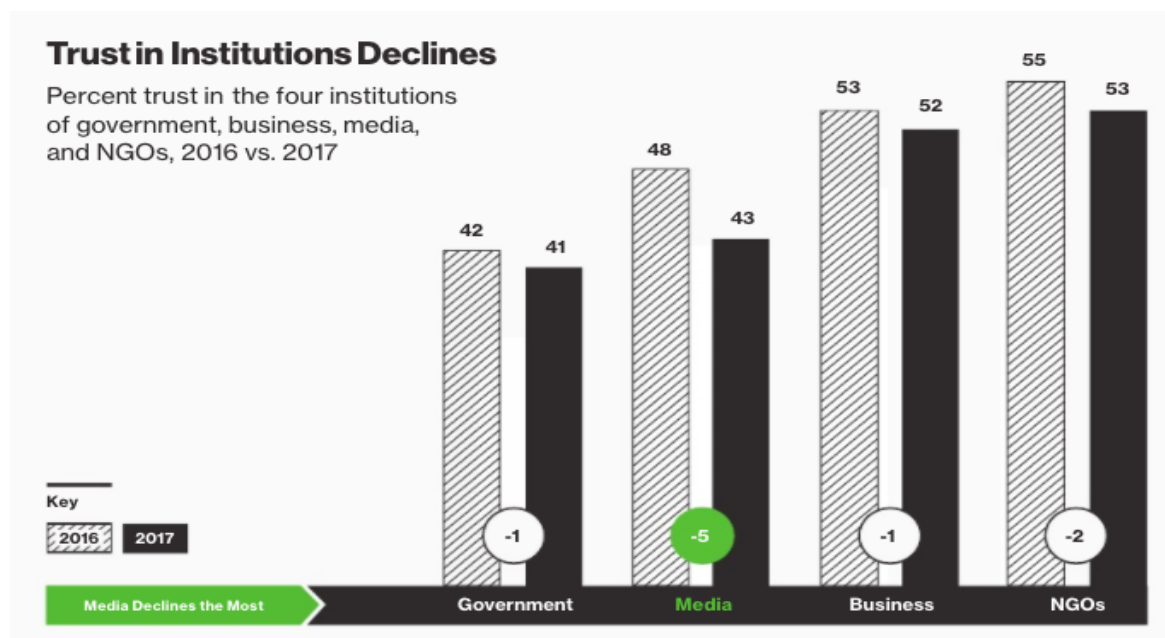
- **Role:** Of all the roles, *IT* cares most about *Digital Transformation*.
- **Seniority:** Other than a greater focus on *Political Change in the US* by *Individual Contributors* and *Management* worrying about *Currency Volatility*, there is no material difference in the perspectives of *Executives*, *Management* and *Individual Contributors*.
- **Age:** *Millennials* are focused on *Digital Transformation* while *Baby Boomers* care most about *Political Change in the US*.
- **Gender:** There is no material difference in the perspectives of *Males* and *Females*.

4. Trust in Corporations and Government

Trust is the fulcrum upon which every relationship pivots. It is a valuable currency that must be earned, but never spent. Trust is built one step at a time, and unless protected, can be blown away in a moment. Complete trust between people is infrequent, and between companies or governments and individuals even more rare. Trust is not attainable by request or appeal and it is not transferrable. It sits on the three pillars of authenticity, integrity and honesty; promising only what you can give, and giving what you promise. Attitude and preference are as likely to be informed by whether a customer feels they can trust you as by the capabilities your company can provide.

The 2017 Edelman Trust Barometer reveals that trust is in crisis around the world:

The general population's trust in all four key institutions — business, government, NGOs, and media — has declined broadly, a phenomenon not reported since Edelman began tracking trust among this segment in 2012.

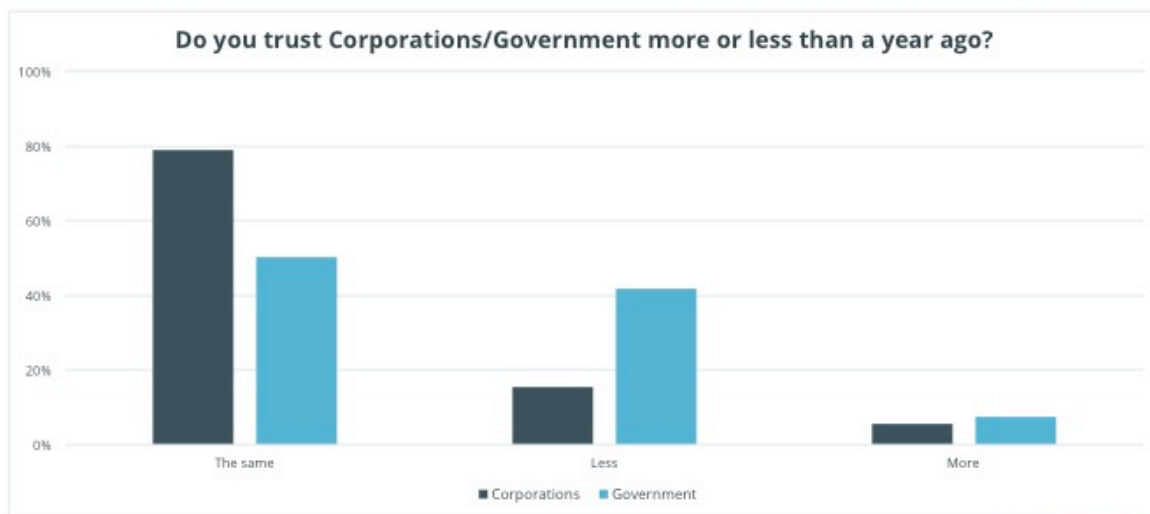


Reference 1: 2017 Edelman Trust Barometer

In many cases, companies and governments have defaulted on their obligations to customers and citizens, who feel ignored, poorly treated, and perceive that their concerns are rarely heard. In [Account Planning in Salesforce](#), I examined the factors at the crux of sustained customer relationships and referred to this deficit in trust as the *Trust Default*.¹

Our analysis supports the Edelman findings. Trust of Corporations and Governments by consumers and citizens is in a pretty dire state and declining over time. The findings from the study illustrate this plainly. For corporations, trust has declined over the last year. For our participants, **in 15.4 percent of cases, they trust corporations less than a year ago, nearly three times as much as those (5.7 percent) who say they trust corporations more than before.** The interesting thing about this finding is that the majority of participants in the study are themselves in corporations, though they don't necessarily always adopt that perspective.

Trust in Corporations and Government



Source: Altify Business Performance Benchmark Study 2017 (n=833)

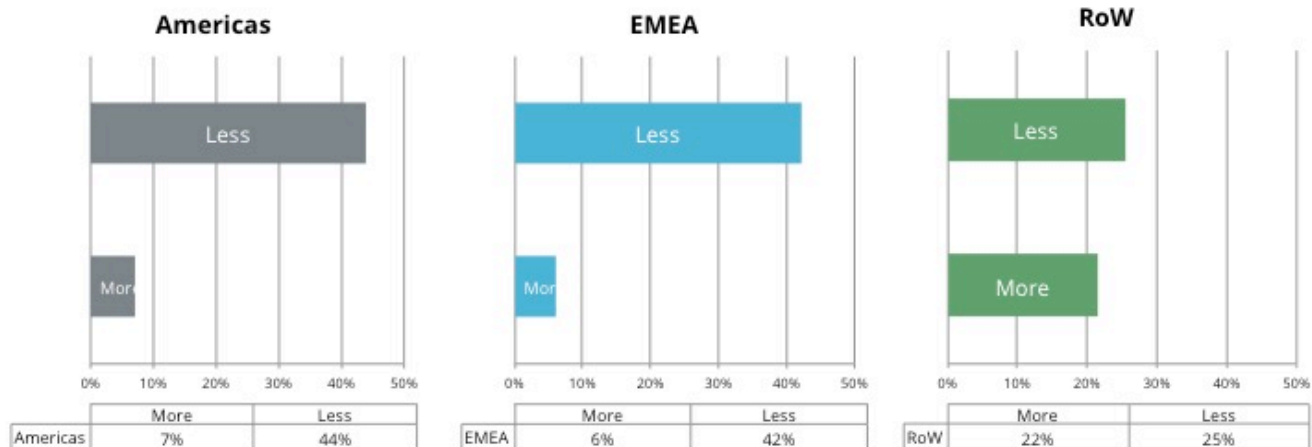
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¹ To discover how to build trust with your customer through Account planning;
Read: [Account Planning in Salesforce](#)

² To discover how to create an effective call plan;
Business Performance Benchmark Study 2017 – Page 29. © Altify 2017

The situation with governments is worse. In the study, **42 percent of participants trust government less than last year, and only 8 percent say they trust government more.** When regional perspectives are factored in the analysis became even more stark.

Government Trust | Regional Perspectives



Source: Altify Business Performance Benchmark Study 2017 (n=833)

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When we analyze trust in government from a regional perspective, the story that is unfolding from the *Americas* and *EMEA* is not at all what we would want to see. There has definitely been an increased polarization of perspectives. One might have expected that those who supported the winners of the recent Brexit and US Election battles might feel more secure in their government but with only 6 percent and 7 percent in *EMEA* and *Americas* respectively saying they trust government more that appears not to be the case. This substantiates the position of some commentators who classify those victories somewhat as the result of a protest vote.

Change in Trust in Government	More	Less
Americas	7%	44%
EMEA	6%	42%
RoW	22%	25%

Trust in Corporations and Government | Other Insights

- **Seniority:** A higher percentage of *Individual Contributors* (20 percent) are losing trust in corporations faster than *Management* (15 percent) and *Executives* (14 percent). With respect to government, the same trend applies; 39 percent of *Executives*, 41 percent of *Management* and 52 percent of *Individual Contributors* trust their government less now than a year ago.
- **Company Size:** At 19 percent of participants, companies with revenue <\$10m say they trust corporations less. In response to the question about change in trust in government, 11 percent with revenue greater than \$1Bn say they trust government more, while the leading distrusters are those in companies with a revenue range of \$100m-\$1Bn. 46 percent of this cohort say they trust government less.
- **Age:** Consistent with the other extreme views of *Millennials*, at 18 percent, they lead the pack saying they trust corporations less. *Gen X* is at 13 percent and *Boomers* are at 17 percent. A similar pattern emerges for those who are losing trust in government. *Millennials* are at 52 percent, *Gen X* at 27 percent and *Boomers* are at 43 percent.
- **Role:** It is noteworthy that none of the *Customer Service* participants in the study trust corporations more than last year, and 14 percent trust them less. *IT* and *Marketing* are most disenfranchised, each at 18 percent have a decreased level of trust in business. On the other hand, *Customer Service* is again the outlier when looking at trust in government. At 38 percent saying they trust government less, this group is the smallest distrusting percentage of all participants, while *G&A* has the highest rank in this area at 49 percent.
- **Industry:** With respect to trust in corporations, *Healthcare* is an outlier – with a net increase in trust, 11 percent trust more and 6 percent trust less than a year ago. *High*

Tech has become most disenfranchised with 18 percent of that contingent saying their level of trust in corporations has declined. *Healthcare* is again consistent, taking the lowest percentage (31 percent) of those who say they trust government less. The highest (47 percent) is *Financial Services*. Is it a bit ironic that nearly half of *Financial Services* participants say they trust government less?

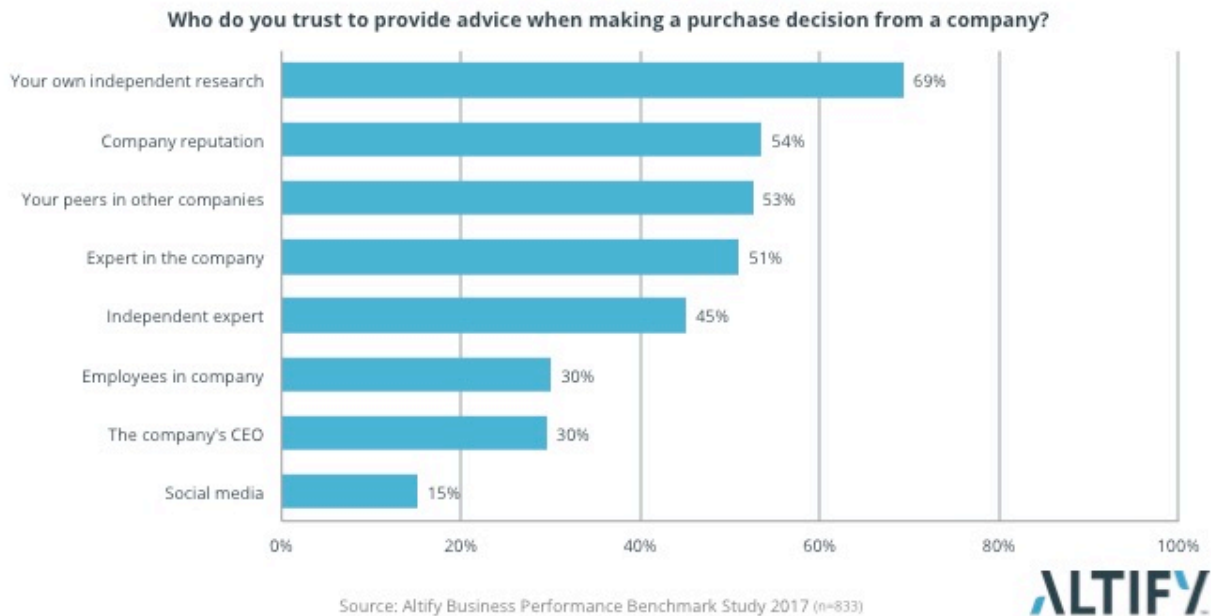
- **Gender:** There is no material difference in the perspectives of *Males* (16 percent trust less) and *Females* (15 percent trust less) with respect to how much their trust in corporations has changed. Nearly half of the female participants in the study (49 percent) say they trust government less than this time last year, compared to 41 percent of their male counterparts.

5. People Trust Peers, Company Reputation, but not the CEO

We have seen from the previous section that trust in institutions is declining. As we make decisions we generally seek input from other sources to help us. In this section we were interested in whose advice we trust when making a purchase decision.

Other than *Your own independent research*, at 69 percent, ***Company's reputation* (53 percent) tops the leader board as a trusted source**, above *Peers in other companies* (52 percent) or *Experts in the company* (51 percent).

Trusted Sources

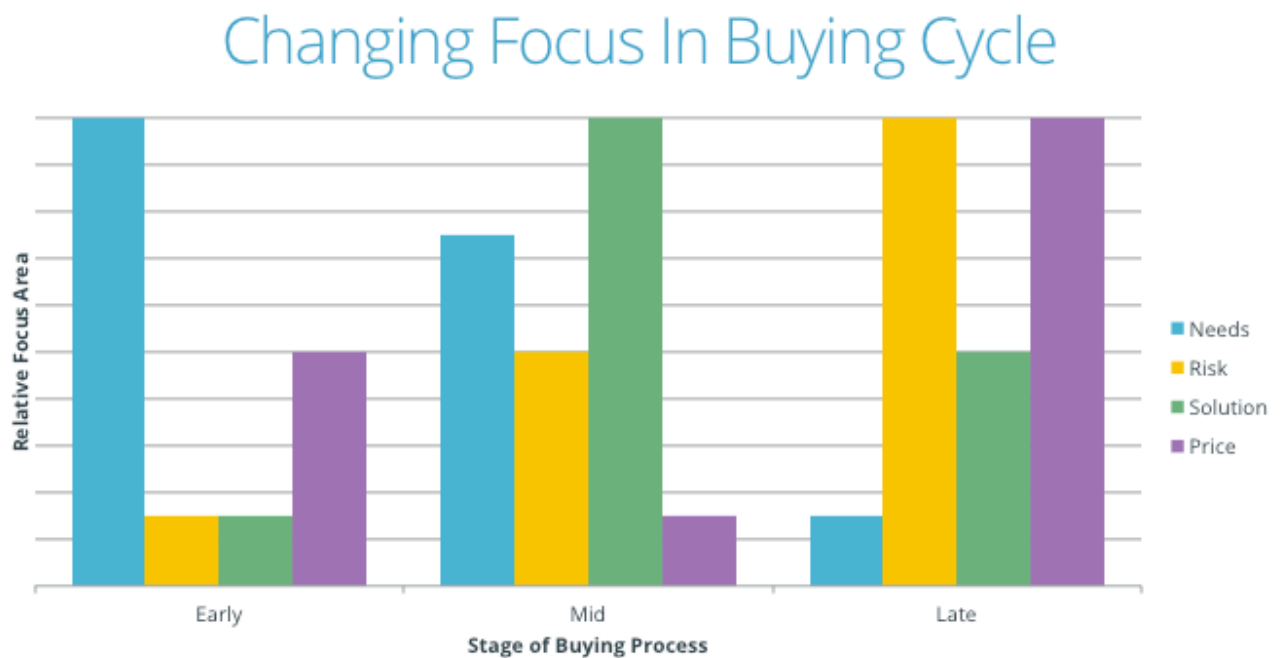


We tend to help ourselves by consciously or subconsciously building our own decision matrix, a series of questions that you require answers to in order to place the possible alternatives into a comparative order. It is probable, or at least possible, that the reason why *Your own independent research* is most frequently cited as a trusted source is because it is an aggregation of many of the other sources.

The buying process is a funny thing. People often use information and data after the fact, to rationalize the very personal emotional decisions made during the buying process. While this is certainly truer in personal consumer purchases than in the corporate buying process, it is important to understand the different legs of the journey that customers will travel as they head towards their buying decision – and while we don't as yet have any direct proof to substantiate this – we would suggest that people look to different sources at the different stages of their buying engagement.

All through a buying cycle, buyers are concerned about risk and price. They seek evidence and assurance the supplier is trustworthy and can meet their needs. However,

emphasis changes throughout the process and focus shifts. If you are a buyer (as we all are at some point in either a personal or professional capacity) you will recognize this. You probably look to online sources in the early stage of the buying process as you focus on your needs and assess whether the purchase price is somewhere in your budget range. Our evidence would suggest that we look more to human affirmation as we get closer to signing on the dotted line, or click on the buy button.



If you are a seller, or you're a marketing professional looking to influence a business buyer's behavior, we would recommend that you consider which channel of influence is most appropriate for each stage of the buyer's journey. Knowing the buyer's perspective at each stage in the buying cycle, you can be extra conscious of the issues that will be to the forefront of his mind and how you best communicate the value that you can deliver. According to the participants in the study, the two losers in the trust equation are *Social Media* and the *Company CEO*.

- **Just 15 percent of study participants use Social Media as a trusted source to influence a buying decision.**
- **Less than a third (30 percent) consider the Company CEO as an authority they should place their trust in when making a purchase from the CEO's company.**

It is hard to know how to advise CEOs. Leadership is judged on results, but also on the integrity of actions. In most cases, the CEO of the organization has a large amount of influence in the lives of their employees, and in turn on the customers of that company.

We follow a great leader not for him but for ourselves. There are leaders and there are those who lead. Leaders hold a position of power, authority, those who lead, inspire us - Simon Sinek

The type of workplace great CEOs create, the inspiration they provide, the benefits and opportunities they afford and the moral compass that guides them are critical ingredients to individual and economic well-being. In our current, often less than civil society, in a world where understanding and including diverse cultures and viewpoints is vital, the role of these leaders takes on even more significance. While there are many great CEOs who *'walk the talk,'* there is clearly a perception among the participants in our study that there is yet much work to be done to earn the trust of the market.

In contrast to the *Americas* and *EMEA* regions, more of the *RoW* participants (67 percent) value *The expert in the company*. They are also less distrusting of the CEO.

Trusted Sources: Regional Perspectives



Source: Altify Business Performance Benchmark Study 2017 (n=833)



Trust for Purchase Decisions | Other Insights

The charts on the following pages illustrate other insights on trusted sources:

- **Industry:** At 43 percent, *Retail & Consumer* is the industry with the highest percentage that selected the *Company CEO* as a trusted source.
- **Role:** Among all of the roles represented in the study *Marketing* (26 percent) and *IT* (28 percent) are the greatest fans of *social media* as a source that you can rely on, while *IT* (42 percent) represents a stronghold for people who trust the *CEO* – well above average.
- **Age:** Perhaps surprisingly, *Gen X* (18 percent) out-paces *Millennials* (13 percent) in their outlook on *Social Media* as a trusted source even though according to Pew Research, *Millennials* are much higher users of *Social Media*. Meanwhile *Millennials* (39 percent) are the highest supporters of the *Company CEO*.
- **Seniority:** Unsurprisingly *Executives* (34 percent) are more in support of the *Company CEO* than either *Management* (29 percent) or *Individual Contributors* (21 percent).

- **Gender:** The ladies in the study generally trust more than the men. Either they are less critical or just more trusting. The exception is when it comes to trusting the CEO. When compared with their male counterparts, a smaller percentage of women feel they can look to the CEO as a trusted source.
- **Size:** Except in the case of the CEO, there is no material difference in the trend of what sources we trust. With respect to the CEO, there is an inverse relationship between size and percentage who trust the CEO: the bigger the company, the less trust; 22 percent for \$1Bn+ companies versus 34 percent for those with less than \$10m in revenue.
- **Role:** 26 percent of *Marketing* believes social media is a trustworthy source for buying decisions. This is in contrast with the other roles where the average is 15 percent.
- **Industry:** *Financial Services* (at 80 percent) is top on *Independent Research* while *Retail & Consumer* (43 percent) and *Professional Services* (37 percent) score highest in their trust in the company's CEO.

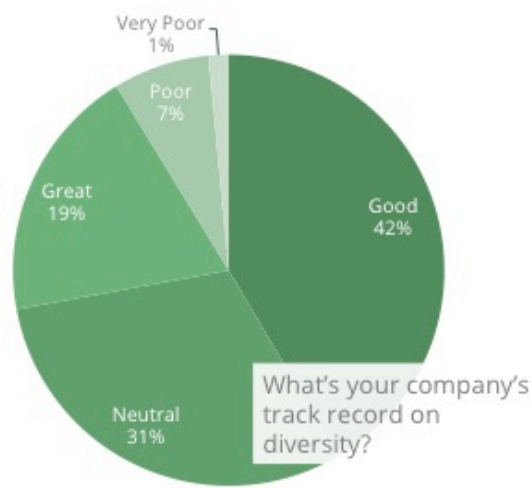
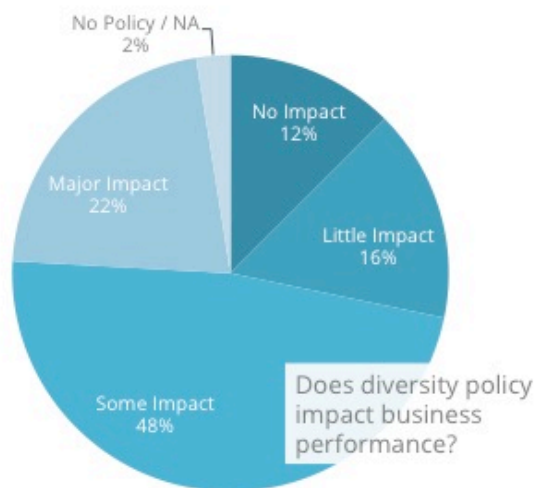
6. Diversity Drives Business Results

Our ability to reach unity in diversity will be the beauty and the test of our civilization. Mahatma Ghandi.

Though regarded as a good thing in the workplace, diversity can pose significant challenges for businesses and leadership. Balancing diversity with other priorities is often a conundrum for leaders as they juggle what some might perceive as *'Important, but not Urgent.'* It should be no surprise however those **companies with a good track record on diversity are achieving better financial performance.**

We asked our participants about the impact of diversity on business performance and how they rate their own company's track record on execution of the diversity policy.

Diversity Policy & Track Record

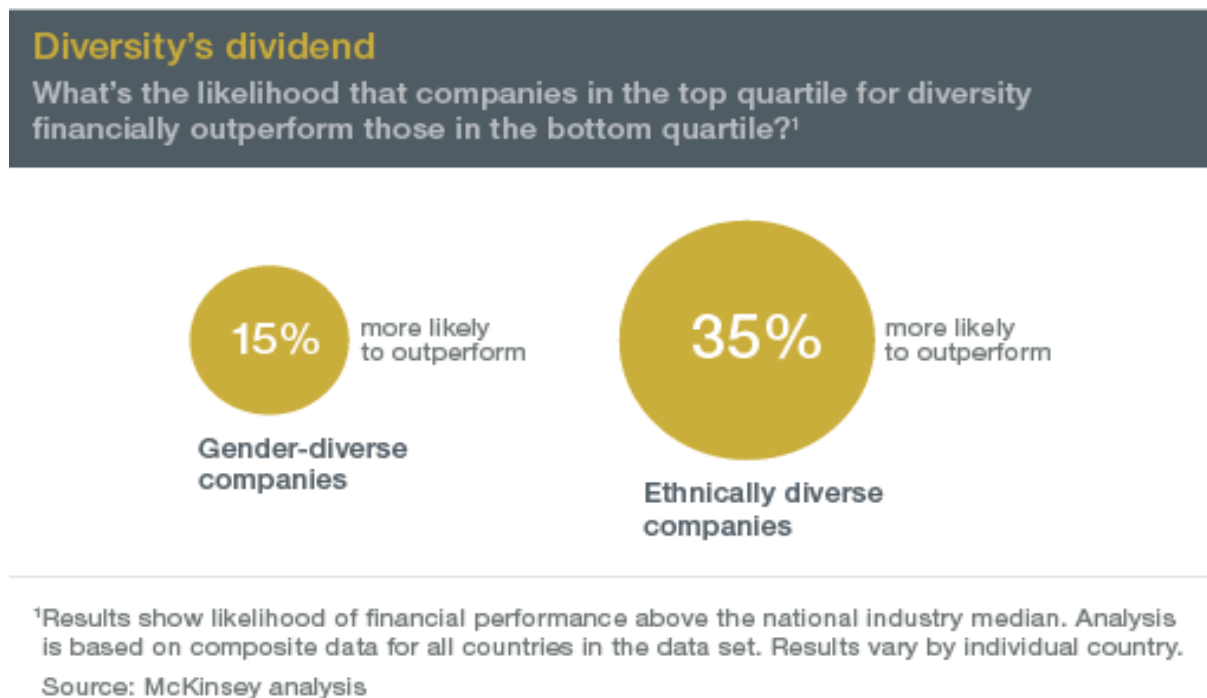


Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

The initial numbers are encouraging. **70 percent believe that a diversity policy has impact on the business performance of their organization.** Similarly, **61 percent of believe their companies' track record on diversity is either *Good* or *Great*.**

A recent McKinsey report suggests 15-35 percent better financial results are achieved in companies where diversity is being promoted.

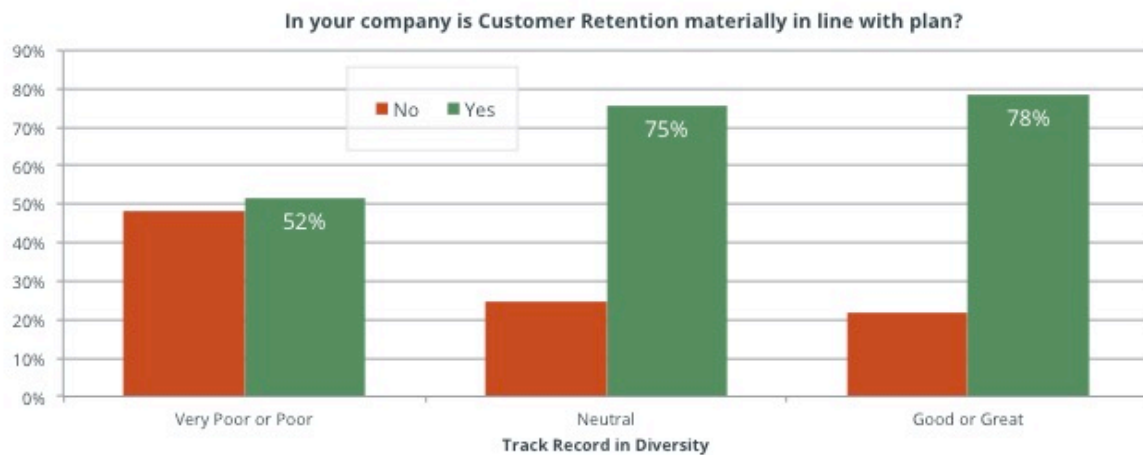


While correlation does not equal causation, the results indicate that when companies commit themselves to diversity they are more successful. Our analysis supports this.

We consider *Diversity* to be a cornerstone of interpersonal respect, and hypothesized that companies with a strong track record in performance in this area probably had a better relationship with their customers. The customer's experience of dealing with a company is usually a reflection of the company's values. If this is true, then it should follow that *Customer Retention* would be better for companies where *Diversity* was part of the culture.

The hypothesis proved out. **The *Customer Retention* performance for companies with a *Good or Great* track record in *Diversity* exceeded those with a *Very Poor or Poor* track record by 50 percent.**

Impact of Diversity on Customer Retention



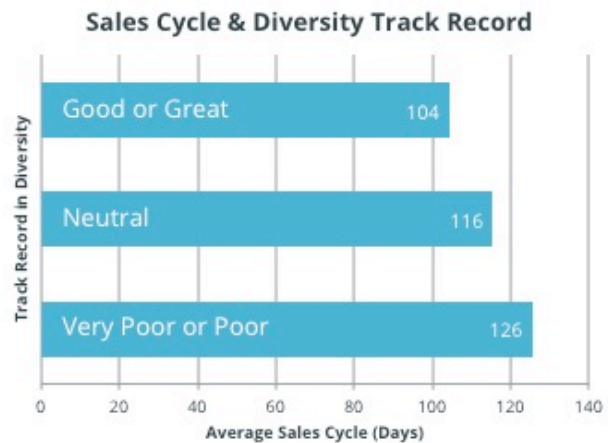
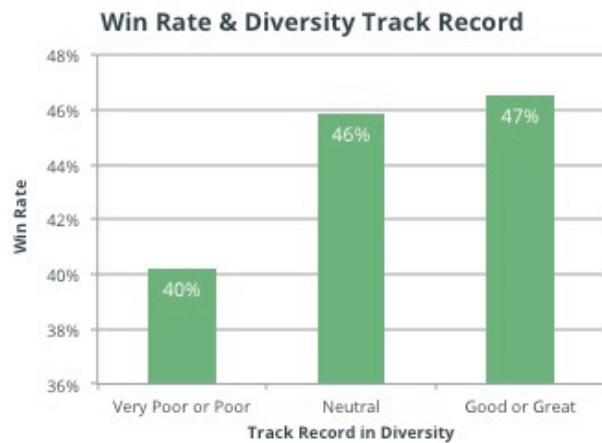
Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

While 70 percent (those who believe that a diversity policy has impact on the business performance) is a very respectable number, there were 30 percent of participants who believe it has *Little Impact* or *No Impact* on the performance of the company. Our analysis would suggest that re-evaluating that perspective might be worthwhile.

It is also clear that overall business performance is impacted when a company is supportive of a diverse culture. Companies with a *Good or Great* track record in *Diversity* had an average *Win Rate* 17 percent (or 7 points) greater and an average *Sales Cycle* 17 percent (or 22 days) shorter than those with a *Very Poor or Poor* track record in diversity.

Impact of Diversity on Win Rate & Sales Cycle



Source: Altify Business Performance Benchmark Study 2017 (n=833)



As technology seeps further into the everyday domain of all workers in business, there is both risk and opportunity. Because we are constantly pounded by so much external stimulus we tend to filter the input, select our preferences and consume that which only confirms our own inherent biases. *Bias* is an increasingly worrying problem and *Diversity* can be an antidote to bias.

We constantly see the echo-chamber effect where people converse or interact only with those of a like-minded opinion. This symptom has been all too prevalent in the recent polarized political races in both the US and EMEA. This is not a way to learn or to broaden one's perspective. It does not build a network of trust. It is not how we will experience different thinking or expand or question our viewpoint.

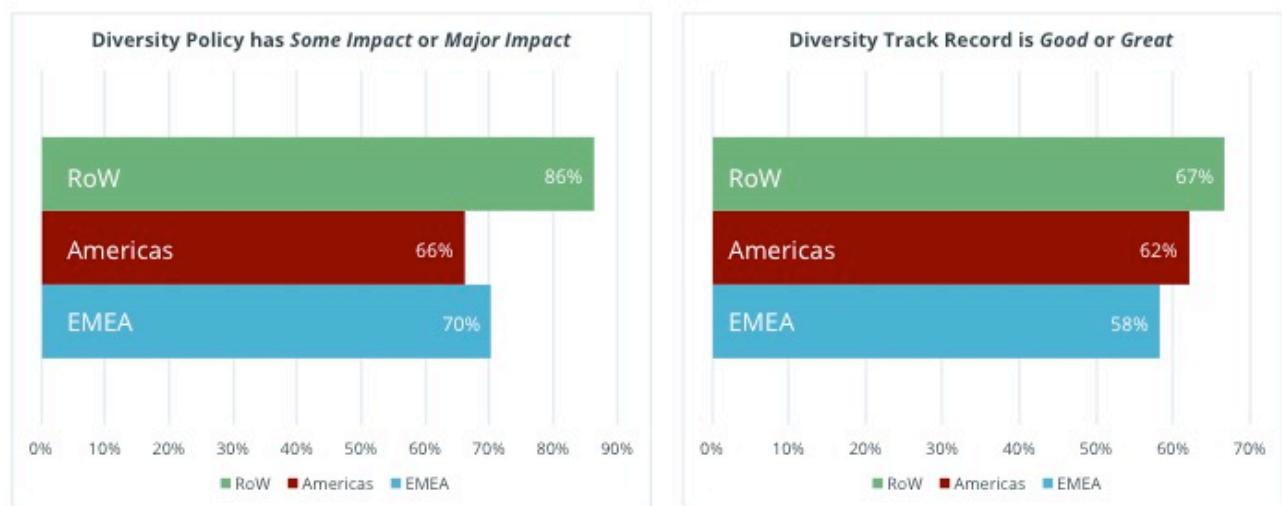
By embracing diversity we can embrace other opinions, other cultures and other perspectives to offset the risk of a potentially narrowing mindset.

In Canada, we got a very important thing right, not perfect, but right. In Canada, we see Diversity as a source of strength, not weakness. Our country is strong, not

in spite of our differences, but because of them. Justin Trudeau, Prime Minister of Canada, UN General Assembly, 2016

The emerging economies in *RoW* firmly believe (83 percent) that a diversity policy has *Some Impact* or *Major Impact* on the business performance and more (67 percent) of the participants from *RoW* are positive about their companies' track record in this area.

Diversity: Regional Perspectives



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

The implementation of diversity is better in *RoW* than in *Americas* or *EMEA*. While *Americas* is closing the gap on the *RoW* when it comes to executing the diversity policy, *EMEA* is lagging behind both regions on their delivery of tangible results of diversity policies.

Diversity: Other Perspectives and Insights

- **Seniority:** *Management* (74 percent) is more convinced that there is an impact on business of a diversity policy. Worryingly, *Executives* (64 percent) are the least aligned with this perspective. On the other hand *Management* represent the lowest relative number (59 percent) who are impressed with their companies' track record.

- **Company size:** The bigger the company, the more they realize the impact of a diversity policy (74 percent of *\$1Bn+ companies*) and the more satisfied they are with their track record. 72 percent of *\$1Bn+ companies* are happy with their track record, versus just 56 percent of *\$100m-\$1Bn* companies who are the laggard in this measure.
- **Gender:** There is a measurable difference of opinion between the genders with respect to diversity. 79 percent of *Female* participants believe that a diversity policy impacts business performance. This compares with just 66 percent of their *Male* counterparts.
- **Age:** There is no material difference in the age groups on the diversity measures.
- **Role:** *IT* (82 percent) is well ahead of the average in recognizing the importance of a diversity policy, but second last (56 percent) in being satisfied with their companies' track record. Fewer than half (48 percent) of the *Marketing* participants in the study says that their companies have a *Good* or *Great* track record with respect to diversity.
- **Industry:** *Healthcare* (75 percent) and *Professional Services* (74 percent) see most value in a diversity policy, though most industries fare pretty well. The most satisfied industry is *Financial Services* where 73 percent of participants believe that their companies deserve a *Good* or *Great* ranking when it comes to their track record in supporting diversity.



Analysis & Insights

Revenue and Performance

7. Spotlight on Sales

Our analysis shows the area that requires most attention for Sales relates to growing revenue from their existing accounts. **Less than half of Sales (48 percent) and just over a third of Marketing (35 percent) believe that their companies are good at maximizing the potential revenue from major accounts.** When all submissions from all participants are collated, the result is still a low 45 percent.



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

The opinion of *Sales* is generally more positive than that of their colleagues, perhaps most notably in respect of *Marketing's* opinion of the seller's ability to mine their existing customers for more business.

In every case though, the perspective of *Sales* on their skills or the effectiveness of their activities is more positive than the broader community.

The following table is a summary of the results for this section from *All* participants in the study, as well as the submissions from *Sales* and *Marketing* recorded separately.

Do you agree with the following in the context of your company?	Sales	Marketing	All
We are effective at maximizing the potential revenue from our major accounts	48%	35%	45%
Before most customer meetings, the seller has a clear plan on what they should achieve, and how to achieve it	62%	58%	59%
Our sales team is effective at gaining access to key buying influencers	61%	52%	59%
Our sales team is good at uncovering the customer's business problem	68%	64%	64%
Our sales team is effective at qualifying sales opportunities	71%	52%	66%
Our sales team can present our unique value to customers	76%	66%	74%
The salesperson cares deeply about the customer's success	87%	70%	80%

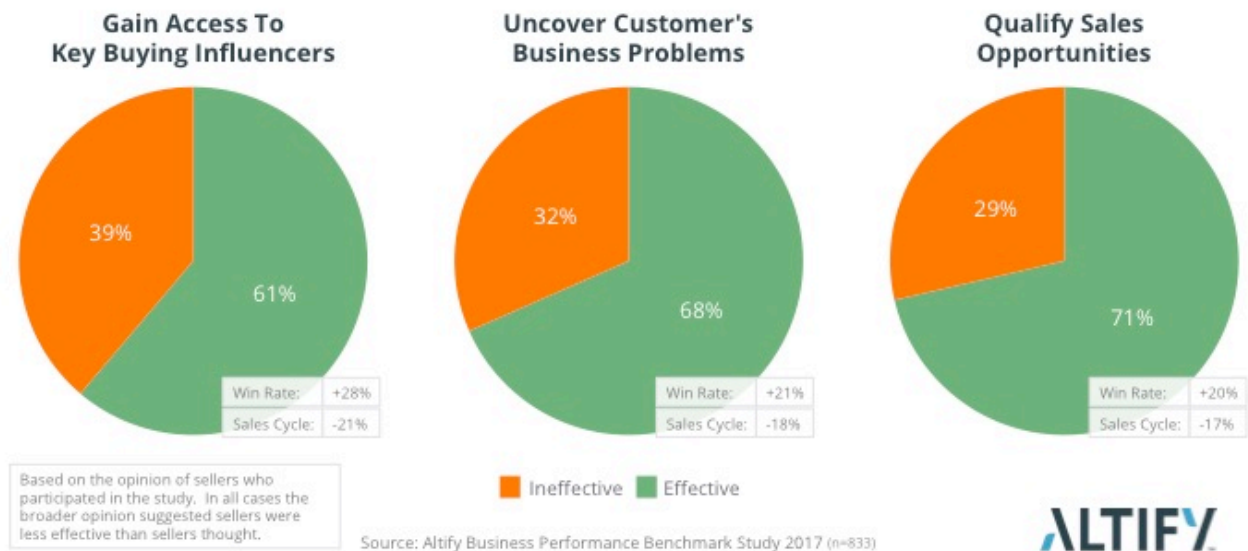
Five Opportunities for Improvement in Sales

Based on the submissions by those in the study who classified themselves as part of the *Sales* community, we identified five key areas for improvement.

Those who agreed with these statements recorded greater performance over those who disagreed with the assertion	Sales Cycle	Win Rate
We are effective at maximizing the potential revenue from our major accounts	-10%	+8%
Before most customer meetings, the seller has a clear plan on what they should achieve, and how to achieve it	-12%	+17%
Our sales team is effective at gaining access to key buying influencers	-21%	+28%
Our sales team is good at uncovering the customer's business problem	-18%	+21%
Our sales team is effective at qualifying sales opportunities	-17%	+20%

We compared the *Win Rate* and *Sales Cycle* for those who classified themselves as effective with those who did not agree with the assertion. The charts illustrate that those who are effective experienced improved *Win Rates* and reduced *Sales Cycles*.

Sales Effectiveness: Opportunities to Improve



Now that we know Customer Retention is the #1 Strategic Imperative, we would hope that Sales would leverage those efforts to grow their business from their existing accounts. The [Account Planning Book of Evidence 2016](#) shows how leading organizations are using account planning methodology, powered by software, to grow their key account revenue by over 200 percent.

It is well known that selling to existing customers is easier and more profitable than acquiring new customers. If a company is not effective at maximizing the potential from major accounts the best way to address this deficiency is to engage in effective account planning and management. Notice we have separated the two. First you have to plan, and then you have to execute. We have seen too many occasions where one part is done and the other ignored. If your major accounts are indeed 'major,' then you can't do this

on your own, and you need corporate level buy in and sustained commitment. Major account development takes time before it provides a return, and there is no point in trying to develop major accounts unless your company has the infrastructure, inclination and ability to apply the necessary resources to make it work.

Only 62 percent of sellers believe they have a clear plan on how they should have a successful meeting with a customer. The [Altify Buyer / Seller Value Index 2016](#) research study shows that most (62 percent) of customer meetings with sales are a waste of time, and just 38 percent progress to a next meeting. B2B sellers waste, on average, over \$38,000 per year in direct costs on meetings that do not go anywhere. Planning a sales call or meeting with a customer is something that is wholly within the control of the sales team, and [methodology and software solutions](#) exist that sellers can use to end ineffective sales calls. ²

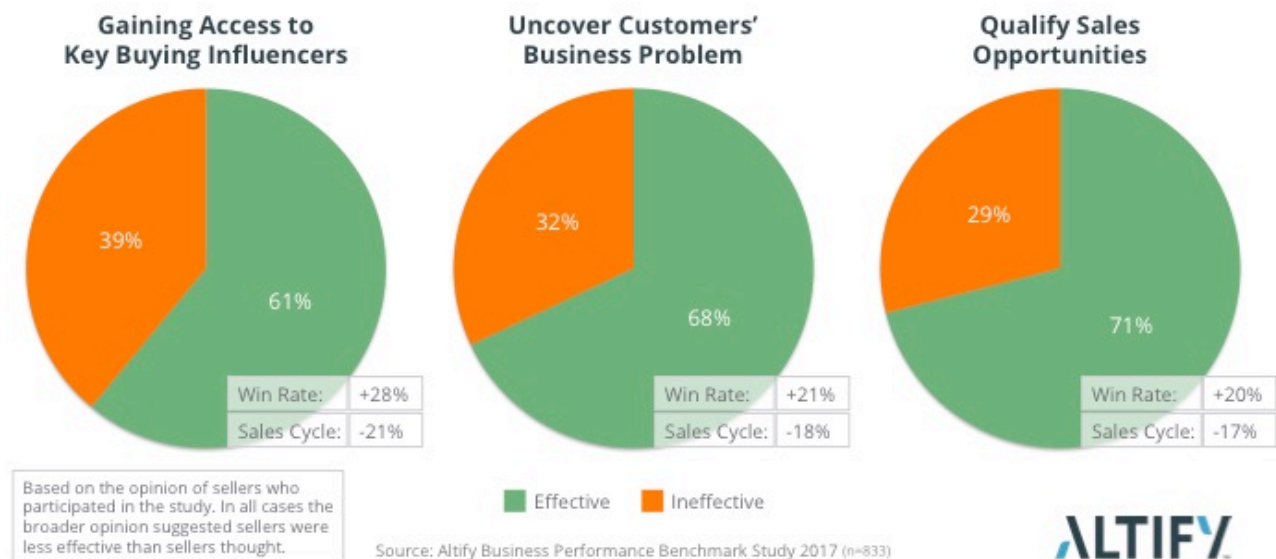
The results of the study show that **only 62 percent of sellers are effective at gaining access to key buying influencers. Those who are effective have a 28 percent greater Win Rate and a reduction in Sales Cycle of 21 percent.** As the saying goes - companies don't buy, people buy. Failing to gain access to key influencers in a deal is definitely one of the main reasons why deals are lost - and unfortunately it seems a sizable majority of the companies represented in the study have some work to do here. The first step is to identify who the real influencers are; and then consider things from their perspective. Usually senior executives - who are often the key influencers - will only take a meeting if someone in their internal organization asks them to. The second key most likely to open the door is a referral from someone in their industry, perhaps a peer

² To discover how to create an effective call plan;

Download: [10 Elements of a Sales Call Plan](#)

at a similar company. Unless you figure out how to gain access, your win rate will definitely be sub-optimal, and the sales cycle will drag.

Sales Effectiveness: Opportunities to Improve (2)



68 percent of Sales participants and 64 percent of all respondents believe that their sales organizations are good at uncovering the customer's business problem. The difference between those who can and those who can't is a **21 percent increase in Win Rate and 18 percent shorter Sales Cycle.**

Without understanding the customer's business problem, there is no way you can know the value your offering will provide, or indeed even how to apply your solution to solving the problem.³

³ To learn how to apply your solution to the customer's business;
Download: [Connect Solutions To Customer Problems](#)

8. Spotlight on Marketing

Just 40 percent of companies, including 61 percent of marketers, say that *Marketing* delivers a reasonable number of opportunities, and 50 percent of sellers think that *Marketing* does not understand their customers. The submissions to this study paint a pretty grim picture on the effectiveness of marketing.



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

There are few distinct viewpoints in business that are as polarized as those of marketing and sales professionals. Marketing is glamorous, sales less so. Sales are measurable, marketing less so. The uneasy relationship between sales and marketing is widespread and infects almost all types of businesses. Marketing folks decry the poor sales conversion rate delivered by the sales team, who in turn abhor what they would characterize as the negligible value delivered by expensive marketing campaigns.

In this study, 40 percent of all respondents and 46 percent of sales people say that *Marketing* is not an effective investment of the company's resources.

Do you agree with the following in the context of your company?	Sales	Marketing	All
Sales and marketing are effective at leveraging social media	36%	51%	38%
Our marketing team delivers a reasonable number of qualified sales opportunities	34%	61%	40%
Our marketing team understands our customers	50%	68%	57%
Marketing in our company is an effective investment of the company's resources	54%	86%	60%
Our sales and marketing organizations work well together	66%	71%	65%
Our marketing team understands our products	71%	78%	73%

In addition, in a more specific and possibly more damning indictment of *Marketing*, **43 of study participants do not believe *Marketing* understand customers.**⁴ If we look at the opinions of the Sales contingent, half of Sales concur with that viewpoint. From the *Marketing* perspective, just two-thirds (68 percent) of marketers themselves believe they understand their customers. On the other hand, most marketers understand the company's products, with about three-quarters (73 percent) of all participants, and 78 percent of *Marketing* sharing that viewpoint. But the reality is, relatively speaking, understanding your products, but not your customer, is a recipe for mediocre performance at best. As you can see from the chart below, other than the organizational velocity that happens when *Sales* and *Marketing* work well together, **the positive impact of Marketing understanding the customer outweighs all other performance indicators.**

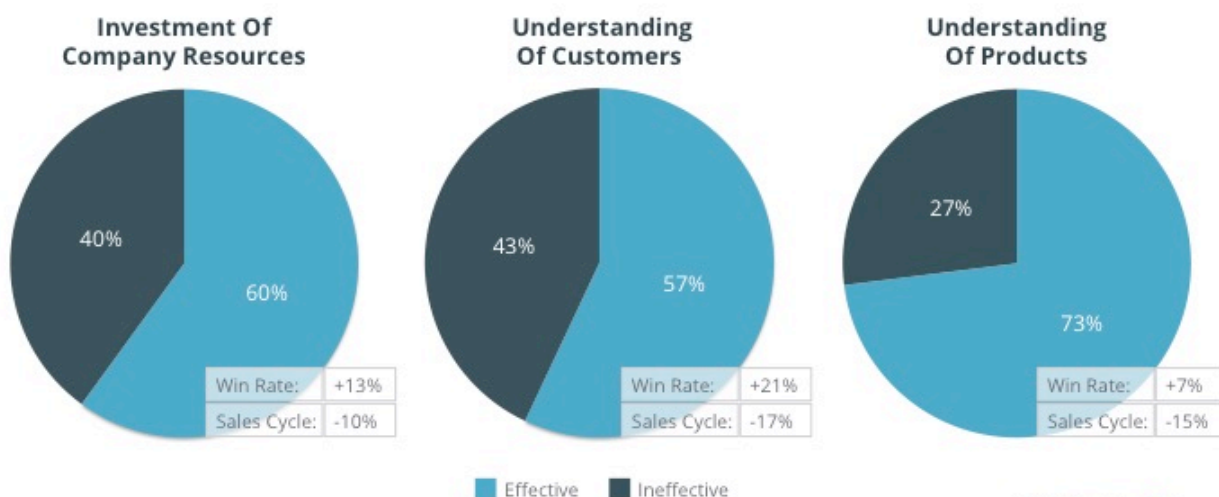
⁴ To learn how to apply your solution to the customer's business;
Download: [Connect Solutions To Customer Problems](#)

Six Opportunities for Improvement for Marketing

Like many opposing forces, however, the true interdependence between *Sales* and *Marketing* is often understated and sometimes unclear. Let us be clear in this report. According to the participants in our study, and the analysis of their recorded performance, **Sales and Marketing working well together is the single biggest marketing contribution to improved results.**

Those who agreed with these statements recorded greater performance over those who disagreed with the assertion	Sales Cycle	Win Rate
Our marketing team understands our customers	-17%	+21%
Marketing in our company is an effective investment of the company's resources	-13%	+10%
Our marketing team understands our products	-15%	+7%
Our sales and marketing organizations work well together	-18%	+26%
Our marketing team delivers a reasonable number of qualified sales opportunities	-15%	+15%
Sales and marketing are effective at leveraging social media	-16%	+11%

Marketing Effectiveness: Opportunities to Improve (1)

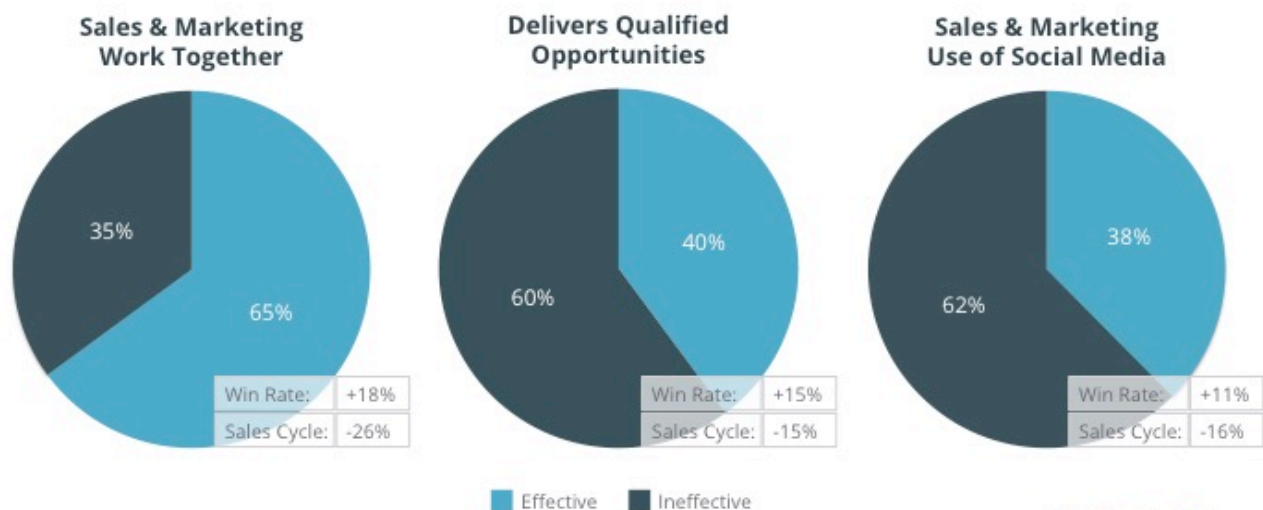


Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

In some cases where sales and marketing are not aligned around the customer, the strategic marketing function believes that it sets out the game plan, only to find that there are no players who understand the strategy.

Marketing Effectiveness: Opportunities to Improve (2)



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

In other scenarios, *Sales* execute plays, without understanding the corporate goal. On today's playing field, successful selling encapsulates the best of strategic marketing, but at an individual customer level. Today's sales winners eschew their previous role as vehicles for communication of marketing messages, and take responsibility for value creation, delivered to carefully chosen prospects – to convert them to valued and valuable customers. This development means that *Sales* and *Marketing* must be in synch.

According to this study; for those organizations **where *Sales* and *Marketing* work well together Win Rate is 18 percent higher and Sales Cycle is reduced by 26 percent.**

There are very few organizations that we have encountered where *Sales* is happy with the number or quality of sales opportunities delivered by *Marketing*. The study bears this out. **66 percent of sellers say that *Marketing* does not deliver a reasonable number**

of qualified opportunities, and 39 percent of marketers agree that their performance in this area is inadequate.

However, the focus on marketing developed opportunities and the common chant from *Sales* of “We need more leads” may well be misplaced energy. Where we have sales organizations outperforming their competitors, we have also seen an accompanying acceptance that *Sales* owns the opportunity pipeline, and that *Marketing* is the supporting player, not the leading role.

The difference in performance is not that dramatic between companies where *Marketing* delivers a reasonable number of qualified opportunities and those who don’t – just a 15 percent improvement in both *Win Rate* and *Sales Cycle*. While this difference is not insignificant, it is a correlation, and not definitively a causal factor.

As is true with any of the metrics in this report, isolating one factor to predict outcomes is never enough. In many cases, good performance in any one area is both valuable in itself, but also probably an indicator of broader good business discipline.

Elsewhere in the study we examined the trusted sources to which people turn when choosing to do business with a company. *Social Media* was at the bottom of the list. In this case, just **38 percent of all participants (51 percent of Marketing) say that Sales and Marketing are effective at leveraging social media.** Is this a missed opportunity? Well, maybe so. Based on the results presented by the participants in the study, **Win Rate and Sales Cycle are better by 11 percent and 16 percent respectively in those organizations where Sales and Marketing are effectively leveraging social media.**

9. Spotlight on Sales Management

Frontline sales managers have the toughest job in sales. They are the last link between the company and the sales team's interaction with the customer. For a company to be successful, the sales management function must perform. But sales managers are pulled in so many different directions, by so many people, it can be hard for them to find the time to focus on effective sales performance management. Even if they have the time, it can be hard to get the insights they need from the flood of data in the CRM. These factors often lead to Sales Management having little time to coach, inaccurate sales forecasts, and an underperforming sales team.

Nearly two-thirds (62 percent) believe that the first-line sales managers in their companies are able to do their job effectively. However, some of the other measures from the analysis might call into question their efficacy in certain areas.

What About Sales Management?



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

Sales management expertise needs to be at the core of any sales organization. If sales management does not have expertise, domain knowledge, experience and a 'nose' for what's right, they can't apply the qualitative input – making it hard to connect the dots.

Nevertheless, there are leading sales organizations that are doing this well. They're adept at combining sales expertise with coaching and data analysis, and using software to ask the right questions, derive the pertinent insights, and scale the coaching solution to gain significant benefits.

- Increased performance of the sales team based on more informed sales management and more knowledgeable sales coaching
- Improved sales productivity for individual sellers with automated coaching and visualization of results for greater alignment and motivation
- Accelerated sales velocity by measurement and analysis of win rate, sales cycle, deal size and pipeline health to reduce risk and take advantage of opportunities

Among the companies represented by participants in the study **just one third (33 percent) of companies close deals as originally forecasted.** The consequence of inaccurate forecasts can be devastating for a sales manager and the company. While the increased performance associated with those companies who can forecast accurately, at 18 percent increase in *Win Rate* and 23 percent reduction in *Sales Cycle* are valuable – this measure is really a reflection of the aggregate impact of the rest of the sales best practice measures, rather than a performance boost because of forecasting skill.

Four Opportunities for Improvement for Sales Management

We assigned primary responsibility to *Sales Management* for just four of the questions in the study. In each case there is a direct correlation between a positive response to those questions and improved performance in both *Sales Cycle* and *Win Rate*.

Those who agreed with these statements recorded greater performance over those who disagreed with the assertion	Sales Cycle	Win Rate
We close deals as originally forecasted	-23%	+18%
Sales coaching is effective in our organization	-19%	+17%
Our sales team is effective at maximizing the value of each deal	-15%	+16%
Our first-line sales managers are able to do their job effectively	-12%	+26%

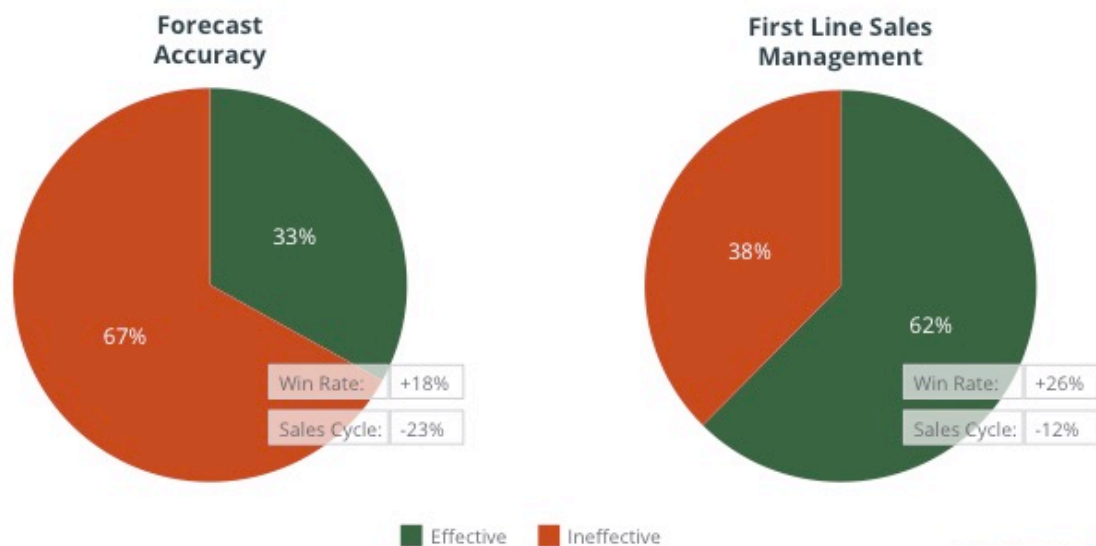
	Sales	Marketing	All
We close deals as originally forecasted	38%	22%	33%
Sales coaching is effective in our organization	48%	31%	42%
Our sales team is effective at maximizing the value of each deal	52%	38%	48%
Our first-line sales managers are able to do their job effectively	66%	53%	62%

However, the traditional method of forecasting is part of the problem. The 'Commit Theory' of sales forecasting is completely broken. In fact, it never worked.

The theory goes something like this. At the start of a quarter, the sales person 'commits' a specific deal to the sales forecast. He or she is guaranteeing that the deal is going to

close in the quarter. In its worst manifestation, this commitment is an unbreakable contract between the sales person and his or her manager. The theory is that the resultant pressure is enough to ensure that the sales person will get the deal. That's a pretty flawed theory, and one of the reasons why 50% of forecasted deals don't close.

Sales Management: Opportunities to Improve (1)



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

Accountability is good – but the misguided use of commitment is dangerous. It can be the enemy of good sales practice, and has the potential to alienate good sales people and damage customer relationships. Making, or accepting a commitment, without an objective assessment of the ability to deliver on the commitment, is counterproductive. Sales expectations are misaligned, and subsequent actions that are taken - based on the commitment - are built on a flawed foundation. ⁵

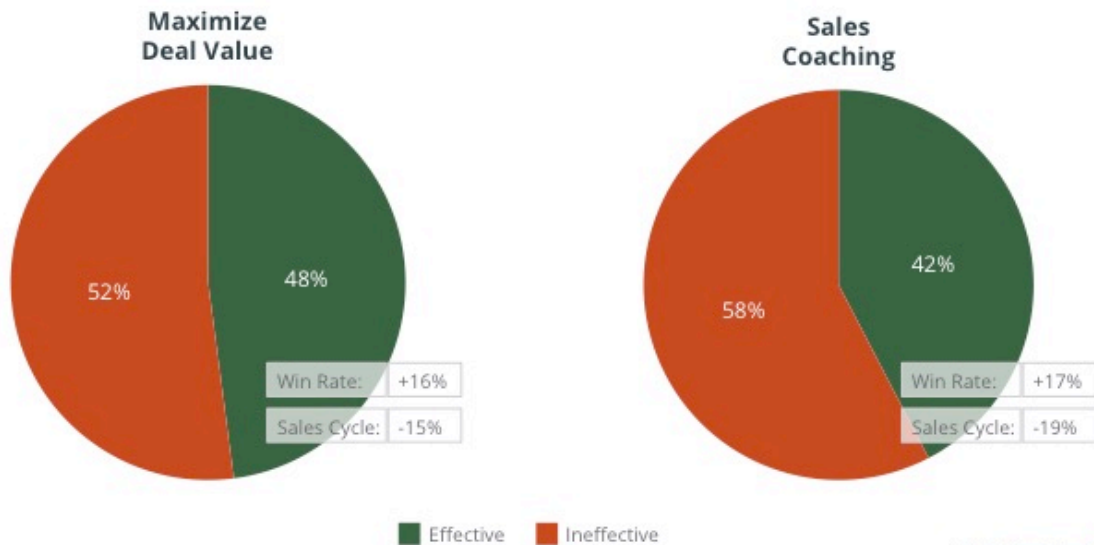
Even though **coaching** is recognized as being a true driver of sales productivity, most

⁵ For guidance on how to address this and other sales management problems;

Download: [Winning Sales Performance Management](#)

sales managers don't coach on a regular basis. In fact, 73% of sales managers spend less than 5% of their time coaching. The theory of regular coaching is great, but in most cases, it's not working in practice; largely because the infrastructure required to consistently deliver effective coaching - for even a moderately sized sales team - is lacking.

Sales Management: Opportunities to Improve (2)



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

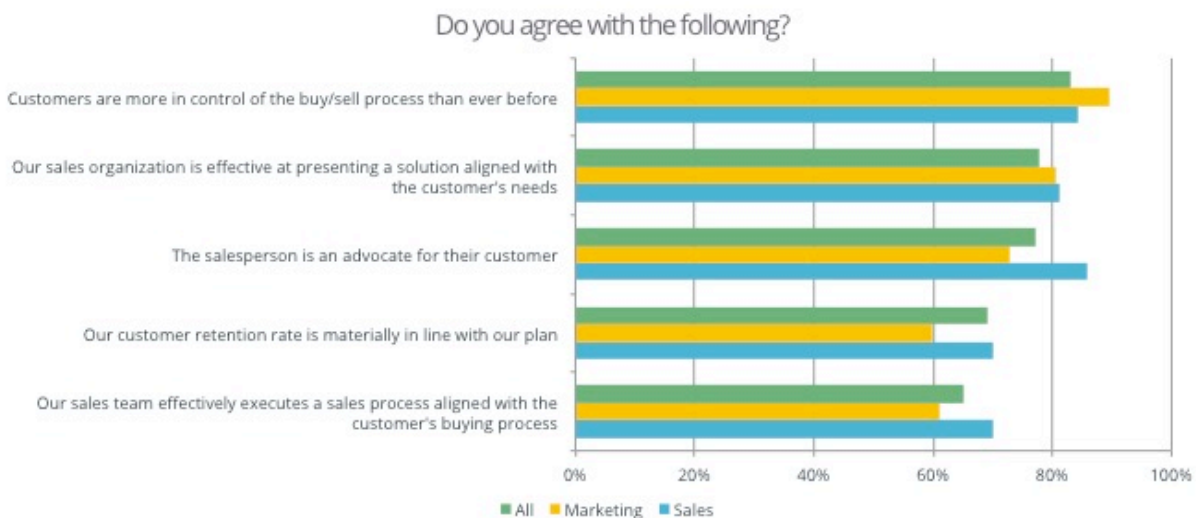
The math better illustrates this phenomenon. Let's assume that the sales manager has eight people on his team, each working six material opportunities, and a 90-day sales cycle. That's 48 opportunities in his universe, at any given time. Even if he tries to coach just half of these opportunities effectively each month, spending two hours per opportunity, he runs out of time. The consequence then is that the manager cannot support the seller to maximize the value of each deal by selling value truly aligned with the customer's business need. It is no surprise that the efficacy levels for coaching and maximizing deal value is similar.

10. Spotlight on the Customer

Principles, once seemingly engraved in stone, now reveal themselves to be more fluid than rigid. In a world where 'value creation' is a necessity, and the foundation upon which profitable sales relationships are built, activity alone no longer suffices.

This is the good news story from the study. The participants' companies clearly understand that the customer is the center of their universe.

What About The Customer?



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

We know that the old adage of 'sales is a numbers game' rings hollow in a world where information is everywhere, and customers are frequently as knowledgeable as you are about your products, and those of your competitor. Unless you create – rather than just communicate – value, customers will look elsewhere. Professional selling has evolved beyond a "Go get 'em, Tiger!" approach, and *a good listener will beat a fast talker anytime.*

	Sales	Marketing	All
Our sales team effectively executes a sales process aligned with the customer's buying process	70%	61%	65%
Our customer retention rate is materially in line with our plan	70%	60%	69%
The salesperson is an advocate for their customer	86%	73%	77%
Our sales organization is effective at presenting a solution aligned with the customer's needs	81%	81%	78%
Customers are more in control of the buy/sell process than ever before	84%	90%	83%

Customers now look to a seller as their partner in developing a future vision for their organizations. They expect actions – not just words. The winning professional salesperson is becoming a customer confidante, a trusted advisor in his industry, and both company and customer benefit.

Three Opportunities for Improvement in Customer-centricity

Based on the input received pertaining to customer-focused activity, we identified three key areas for improvement.

Those who agreed with these statements recorded greater performance over those who disagreed with the assertion	Sales Cycle	Win Rate
Our sales organization is effective at presenting a solution aligned with the customer's needs	-21%	+33%
Our sales team effectively executes a sales process aligned with the customer's buying process	-22%	+22%
The salesperson is an advocate for their customer	-13%	+15%

We compared the *Win Rate* and *Sales Cycle* for those who classified themselves as effective with those who did not agree with the assertion. The charts illustrate that those who are effective experienced improved *Win Rates* and reduced *Sales Cycles*.

There is a tremendous opportunity for improved sales performance when the sales team's presentation maps to what the customer wants. This may seem obvious, but **31 percent are not effective at presenting a solution that is aligned to their customer's needs**. For those who are in that 31 percent, the improvement opportunity is significant. **Win Rate improves by 33 percent, and Sales Cycle reduces by 21 percent when sellers can present a solution mapped to customer's requirements.**⁶

Customer-centric Activity: Opportunities to Improve



Source: Altify Business Performance Benchmark Study 2017 (n=833)

ALTIFY

Historically, sales processes were designed from the sales organization's perspective and

⁶ For guidance on how to get closer to your customer;

Download: [Putting the Customer At The Center](#)

it went something like this: Qualify, Conduct Discovery, Present, Send Proposal, Negotiate Pricing, Close. This approach was focused on internal activities, and did not consider the customer's buying process or how they preferred to engage. By adopting a buyer-centric sales process, aligned to the buyer's desired approach, sales activities can be mapped to the customer's buying activities, resulting in a less contentious interaction and more fruitful endeavor.

According to the study, **65 percent of organizations adopt a sales process aligned to the customer's buying process.** The difference in effectiveness is dramatic. **When a buyer-centric sales process is used, Win Rate increases 22 percent, and Sales Cycle is reduced by 22 percent.**⁷

The third customer-focused area that emerged from the study was the role of sales person as customer advocate. **77 percent of study participants say the sellers in their organizations are advocates for the customer.** Clearly that is a positive development. It has not always been that way. And this behavior is not entirely altruistic. **Where sellers act as advocates for their customer, Win Rate is increased by 15 percent and sales cycles run 13 percent faster.** This is one factor that clearly shows the benefit of taking care of the customer. When you do the right thing, good things happen.

⁷ For guidance on how to design a winning sales process;

Download: [12 Elements of a Great Sales Process](#)

11. Priority Projects

In this section of the study we provided participants with a list of projects so they could choose those that they wished to prioritize in 2017.

What are the top priority challenges to address for 2017?

Sales-cycle times	Number of qualified sales opportunities	Revenue from existing customers
New customer acquisition	Average size of deals with new customers	Alignment of Sales and Marketing
Understanding the customer's business	Account Based Marketing	Effectiveness of first-line sales management
Opportunity Win Rate	Time to on-board new sales hires	Connecting solutions to customer's business problem
The customer experience	Product quality	Utilization of Social Media
Sales systems and infrastructure	Marketing systems and infrastructure	Customer service systems and infrastructure

In life there are always choices you have to make and the same is true in business. Every business leader, manager or individual contributor must set priorities and realize that they cannot focus on everything. If your lens is too open your vision is blurred. Then it is hard to see anything clearly. Not everything can assume equal importance. You cannot be best at everything or take everything on at the same time. No one can have it all. Concessions must always be made.

As you can see from the following chart the majority of participants (56 percent) selected between four and eight priority projects. A small number did not pick any priority project and we have discounted those from our analysis, but a fifth of participants selected more than 10 priority projects. Unless there is abundant resource and great delegation, it will be hard to achieve success with all of these initiatives.

Priority Projects for 2017

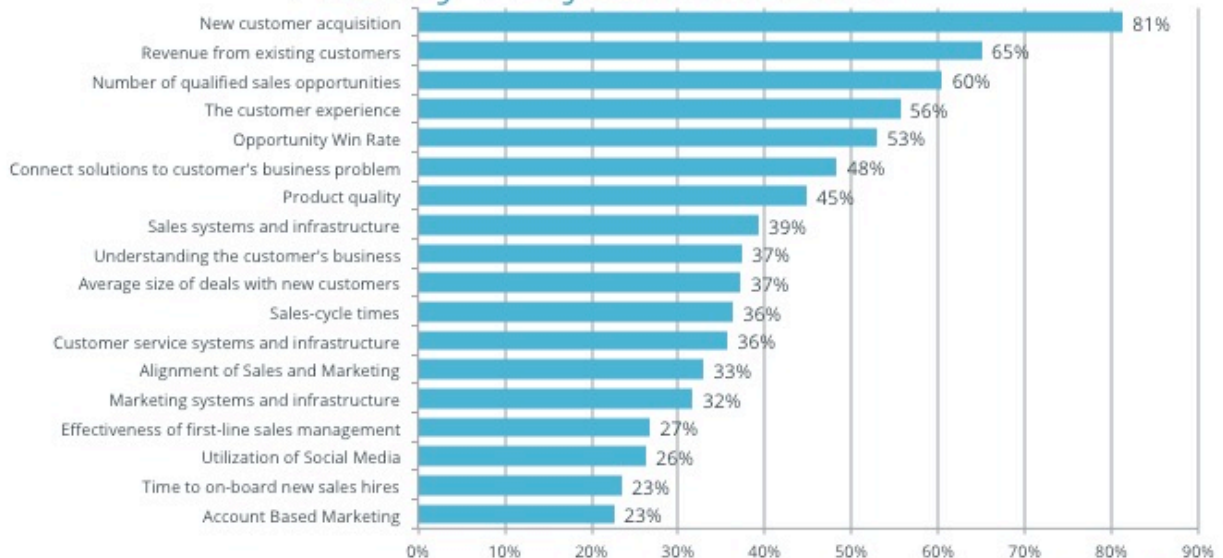


Source: Altify Business Performance Benchmark Study 2017 (n=833)

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The #1 priority project for 2017 among the participants in the study is *New customer acquisition*. 81 percent of submissions identified this as a 2017 priority.

Priority Projects for 2017



Source: Altify Business Performance Benchmark Study 2017 (n=833)

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Priority	Percent
1. New customer acquisition	81.21%
2. Revenue from existing customers	64.94%
3. Number of qualified sales opportunities	60.40%
4. The customer experience	55.61%
5. Opportunity Win Rate	52.96%
6. Connect solutions to customer's business problems	48.30%
7. Product quality	44.77%
8. Sales systems and infrastructure	39.22%
9. Understanding the customer's business	37.33%
10. Average size of deals with new customers	37.20%
11. Sales-cycle times	36.32%
12. Customer service systems and infrastructure	35.69%
13. Alignment of Sales and Marketing	32.91%
14. Marketing systems and infrastructure	31.65%
15. Effectiveness of first-line sales management	26.73%
16. Utilization of Social Media	26.23%
17. Time to on-board new sales hires	23.46%
18. Account Based Marketing	22.57%

Having *New customer acquisition* as the top priority is possibly at odds with *Customer Retention* being the top strategic initiative as reported earlier in the report, though obviously you have to have customers to retain. The second priority *Revenue from existing customers* is more easily connected to *Customer Retention*; as you pay more attention to existing customers, it drives better customer service.

We recommend these four initiatives to improve *Customer Retention*:

- Revenue from existing customers (2)
- The customer experience (4)
- Connect solutions to customer's business problems (6)
- Understanding the customer's business (9)

From a *Revenue Growth* perspective, we would focus on:

- New customer acquisition (1)
- Opportunity Win Rate (5)
- Connect solutions to customer's business problems (6)
- Understanding the customer's business (9)
- Revenue from existing customers (2)
- Effectiveness of first-line sales management (15)

Everything begins and ends with the customer – and both *Customer Retention* and *Revenue Growth* are impacted by many of the priority projects identified.

To simplify the presentation of the findings we created two groups of topics; one primarily **Customer** related, and the other **Revenue** related. Some of these could have been in both groupings, but this segmentation provides an effective lens to assess different perspectives.

Customer Related Projects	#	Revenue Related Projects	#
Revenue from existing customers	1	New customer acquisition	1
The customer experience	2	Number of qualified sales opportunities	2
Connect solutions to customer's problems	3	Opportunity Win Rate	3
Product quality	4	Average size of deals with new customers	4
Understanding the customer's business	5	Sales-cycle times	5
Customer service systems	6	Effectiveness of first-line sales management	6

Customer Related Priority Projects

65 percent of participants plan to prioritize a project to increase *Revenue from existing customers*, followed by: *The customer experience*, *Connect solutions to customer's problems*, *Product quality*, *Understanding the customer's business*, and *Customer service systems*.

Customer Focused Projects	
1. Revenue from existing customers	65%
2. The customer experience	56%
3. Connect solutions to customer's problems	48%
4. Product quality	45%
5. Understanding the customer's business	37%
6. Customer service systems	36%

For an organization to increase the revenue it receives from its existing customers, it should view that as a result of a number of other good behaviors that focus on a '*mutual value*' approach, which is the core of customer-centricity⁸, the compass by which all actions must be guided to maximize revenue from existing customers.

Based on our experience, and empirical results, we would prioritize as follows:

1. *Understanding of the customer's business*

This initiative was ranked fifth in the list of priorities from the study and only on the list for 37 percent of all participants in the study. Without an understanding of the customer's business it is almost impossible to know how your solutions can be applied to help the customer solve her problem.

2. *Connect solutions to customer's problems*

This is the third most common customer focused project, with nearly half (48 percent) identifying it as a priority project. Once you have an *Understanding of the customer's business* you should be able to help the customer understand how they might apply your solution to solve their business problem. When you have a good understanding of their goals, the internal and external pressures that they are dealing with, and the obstacles to progress, you can directly link your solutions or specific elements thereof to the particular broken processes that the customer has to fix or the specific tasks that need to be undertaken to relieve the pressures and achieve the goals.

3. *Maximize Revenue from existing customers*

Both of the prior strategies should be applied whether you are pursuing an individual sales opportunity or trying to expand your footprint in an existing account. However,

⁸ For a guide to customer-centricity;

Download: [Putting the Customer at the Center](#)

if you already have a foothold in an existing account it is essential that you understand the customer's business and how your solution helps them make progress. Effective account planning is a proven way to do this.

As you will have seen from earlier analysis in this report, those who are effective at maximizing revenue from existing customers have a greater *Win Rate* (+8 percent) and a shorter *Sales Cycle* (-10 percent) than the rest of the study participants. Those who excel in this area are usually practitioners of account planning and management.

According to the [Account Planning Book of Evidence 2016](#), other benefits that accrue from this activity include: *Increased Understanding of Customer's Business, Better Customer Loyalty, Increased Deal Size, Better Executive Access and Non-Competitive Deals.*⁹

Revenue Related Priority Projects

81 percent of all participants plan to prioritize a project for *New customer acquisition*. Customer acquisition is of course a pre-requisite to sustained revenue growth.

Even though it is proven that gaining revenue from existing customers is particularly effective as a revenue generator, you need to continue to acquire new customers so that you can grow them.

⁹ For detailed insight on the benefits of Account Planning;

Download: [Account Planning Book of Evidence 2016](#)

Revenue Related Projects

1. New customer acquisition	81%
2. Number of qualified sales opportunities	60%
3. Opportunity Win Rate	53%
4. Average size of deals with new customers	37%
5. Sales-cycle times	36%
6. Effectiveness of first-line sales management	27%

As you strive to grow revenue you should consider the following: The revenue that you can achieve is a function of the *Number of Deals*, your *Win Rate*, *Average Deal Size* and length of *Sales Cycle*.¹⁰ When you combine these four factors you get the core elements of your Sales Velocity - the measure of the revenue that can be achieved in a given period. No matter how complex your business, these are the only four levers that you can pull, and are each represented in the Revenue related projects as #2, #3, #4, and #5.

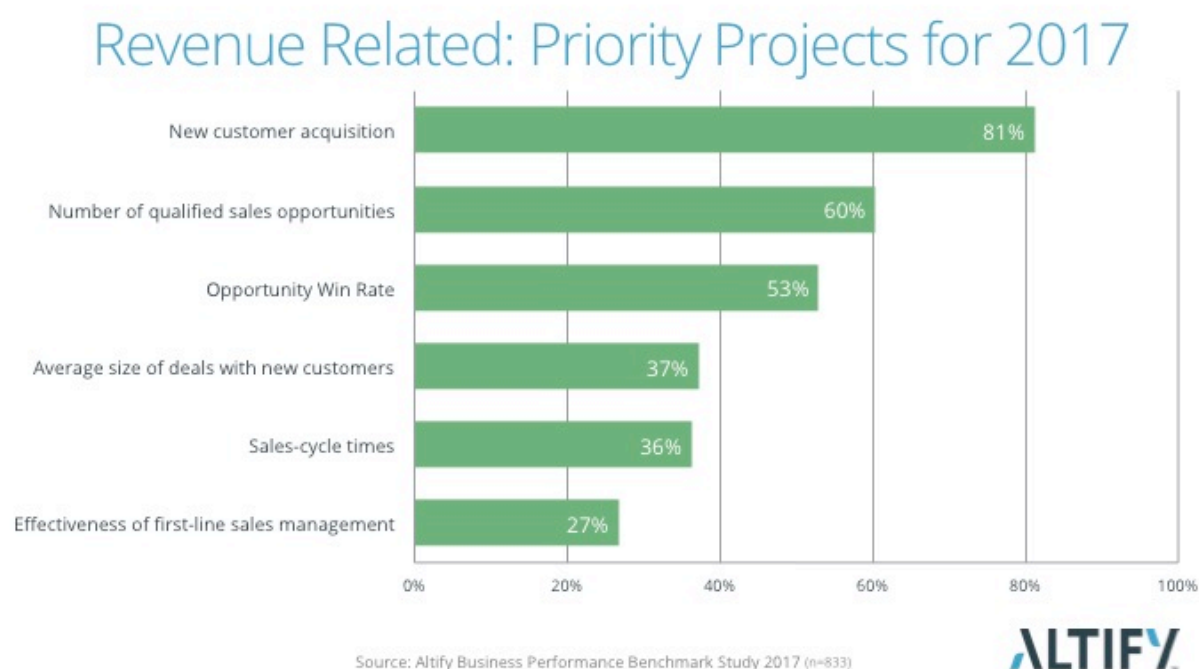
$$\begin{array}{c} \text{SALES VELOCITY} \\ V = \frac{\begin{array}{ccc} \text{OPPORTUNITIES} & \text{DEAL VALUE} & \text{WIN RATE} \\ \# & \times \$ & \times \% \end{array}}{\begin{array}{c} L \\ \text{LENGTH OF SALES CYCLE} \end{array}} \end{array}$$

¹⁰ For deeper insight on the Sales Velocity Equation;

Download: [Optimize Sales Results with the Sales Velocity Equation](#)

To increase revenue in any period, you need to grow the values above the line and reduce the value below the line. Increasing each of *Number of Deals*, *Win Rate*, and *Average Deal Size* by 10 percent and reducing *Sales Cycle* by 10 percent results in an overall improvement of 47 percent. We call the formula the ***Sales Velocity Equation***.

The problem we commonly see is that sales and marketing organizations tend to place extraordinary emphasis and disproportionate effort just on the focus on the *Number of Deals* and don't give enough attention to the other Sales Velocity levers.



This *Number of Deals* centric behavior is evident also in the study results. To understand the missed opportunity you should consider this:

What happens if you work a constant number of deals, but increase Win Rate and Deal Size by 10 percent while reducing Sales Cycle by 10 percent?

Mathematically this equates to $(110\% \times 110\%) / 90\% = 134\%$, a sales increase of 34 percent.

Think of it another way. Winning four \$100k deals is equivalent in value terms to winning five \$80k deals, but if executed effectively consumes less resource and time.

Only **37 percent** of study participants selected a priority project to address **Average size of deals with new customers**, though we know from earlier analysis that **52 percent** are not effective at maximizing deal value. Similarly, **just 36 percent** have prioritized fixing sales cycle times.

Deal slippage is one of the greatest culprits contributing to an inaccurate forecast, and we know that more than two thirds of the study participants consider that they are not effective at accurate forecasting.

60 percent of participants highlighted *Number of qualified sales opportunities* as an area for priority focus in 2017. Getting in front of enough qualified prospects is critical to revenue growth and should be considered the joint responsibility of both Sales and Marketing. **72 percent** of Sales, but only **57 percent** of Marketing see *Number of qualified sales opportunities* as a 2017 priority project.



This may partly explain **only 34 percent** of sellers and **61 percent** of marketers believe that **Marketing delivers a reasonable number of qualified opportunities**.

Salespeople have control over two things; what customers they meet and what they do

when they get to the meeting.¹¹ Increasing the number of opportunities is not in itself effective. These opportunities need to be with the right customer at the right time, and the seller needs to fully understand how to apply their solutions to solve the customer's problem. Every part of the sales process should be aligned with the customer's buying process. Each deal should be qualified rigorously and continuously.

Every call or meeting must be planned with clear objectives and strategies for the meeting or call. Most importantly, all sellers (and marketers and other customer facing people) must remember that the customers care about their problems, their business issues and how these might be solved. They care less about the vendor's solution unless they can clearly identify how to connect the solution to the their business problems.¹²

Sales Management: The sixth and final topic in this section is *Effectiveness of first-line sales management*. **Just 27 percent of participant identified first-line sales management as an area for focus in 2017.** This may be because 62 percent say they believe that their sales managers are effective, but there may also be a lack of understanding of the critical nature of the role. We know that frontline sales management is one of the key levers. According to the study, *Win Rate* is up by 26 percent when sales managers do their job effectively. The study also found a small percentage of companies (42 percent) where *Sales Coaching* is effective, and just a third where *Sales Forecasting* is accurate. Both of these activities fall squarely within the remit of sales management.¹³

¹¹ To make sure every call or meeting with customers is effective;

Download: [10 Elements of a Sales Call Plan](#)

¹² To help customers understand how your solution addresses their business problem;

Download: [Connect Solutions to Customer Business Problems](#)

¹³ To design an effective sales management cadence;

Download: [Winning Sales Performance Management](#)

Whose Story Is This?



Whose Story Is This?

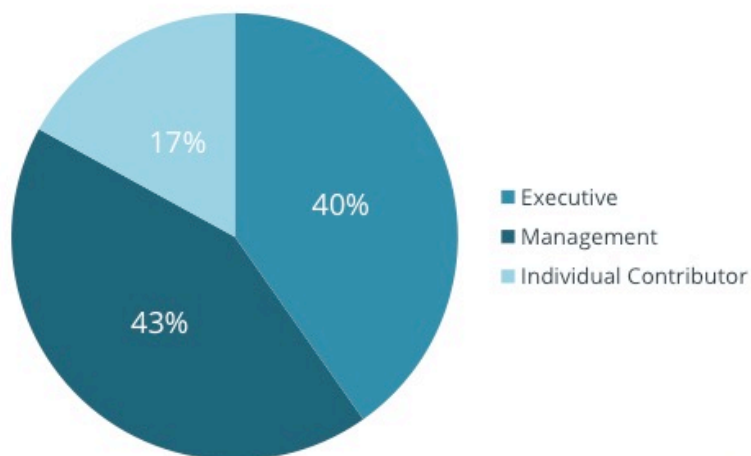
833 Participants

60 Countries

Contribution from Senior Executives

There were 833 participants from 60 countries who contributed to the Business Performance Benchmark Study. Participants represented all levels in their respective organizations though there was a strong senior level contribution with 83 percent coming from Executive or Management roles.

Seniority of Participants



Source: Altify Business Performance Benchmark Study 2017

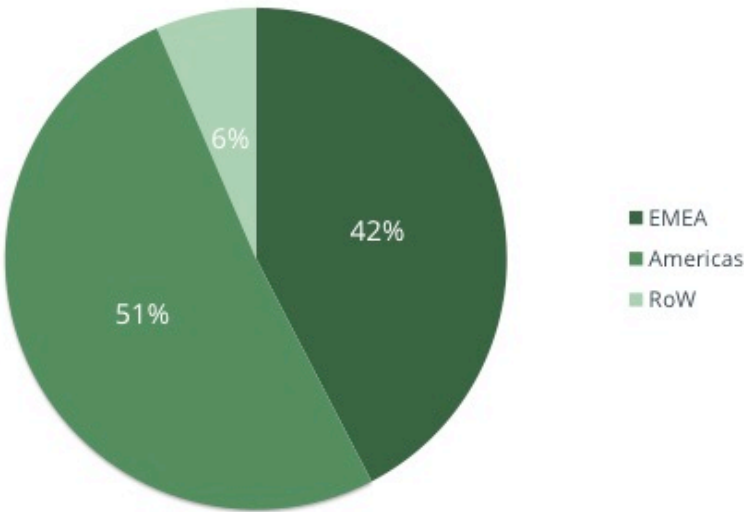
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Executive	40%
Management	43%
Individual	17%

Global Perspective

People came from far and wide to share their perspective. Sixty countries are represented from Australia to Austria, Iceland to Ireland, and of course the United States to the United Kingdom. You will see from the analysis that there is definitely a regional bias that comes through some of the data points. Just over half (51 percent) of the respondents are located in the Americas, followed closely by the EMEA delegation who account for two out of five participants. At only 6 percent, the Rest of the World has light representation.

Regional Distribution



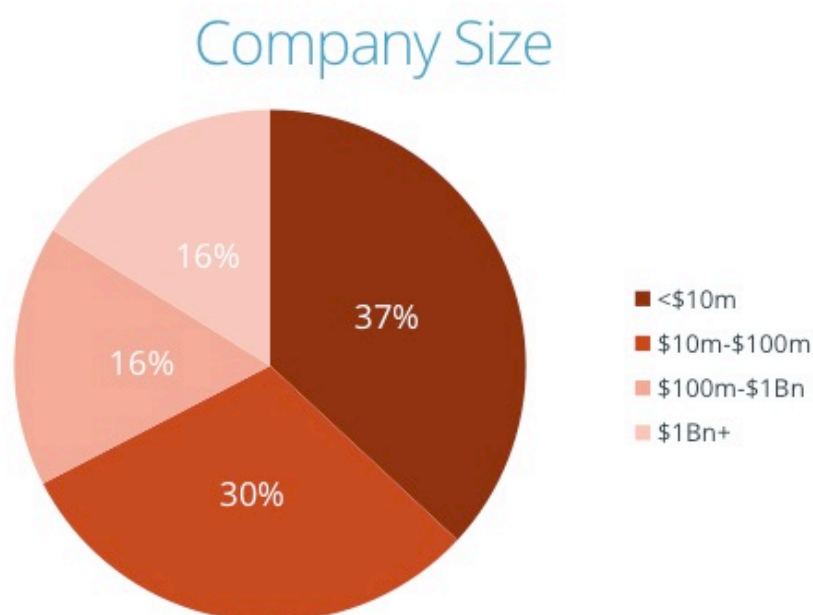
Source: Altify Business Performance Benchmark Study 2017



Americas	51%
EMEA	42%
Rest of World	6%

Broad Range of Target Company Profiles

The economy of the future, and the world that we live in today, is made up of companies of all shapes and sizes. How you design your engagement strategies; sales, marketing, and customer service, can be informed by better understanding the perspectives of each. Through the analysis, we segment the data by company size to bring clarity to the different viewpoints.



Source: Altify Business Performance Benchmark Study 2017

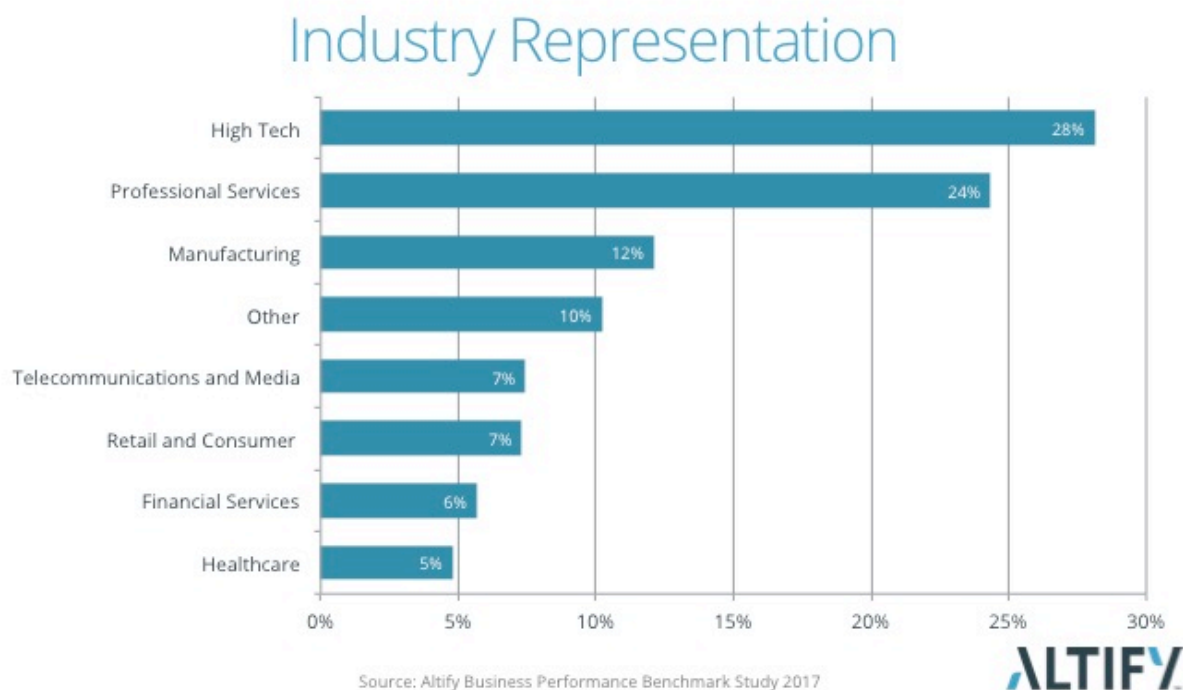


As you would expect, the majority of respondents come from smaller companies. Two thirds represent their position in companies with less than \$100m in revenue. But there is also a meaningful cohort above \$100m and equally over \$1Bn.

<\$10m	42%
\$10m-\$100m	24%
\$100m-\$1Bn	15%
\$1Bn+	11%

Strong Representation from High Tech, Services, & Manufacturing

Among the participants, there is a good representation across most of the major industries. As expected, there are significantly more participants from companies in *High Tech* (28 percent) and *Professional Services* (24 percent), reflecting the technology and service bias of today's economy.

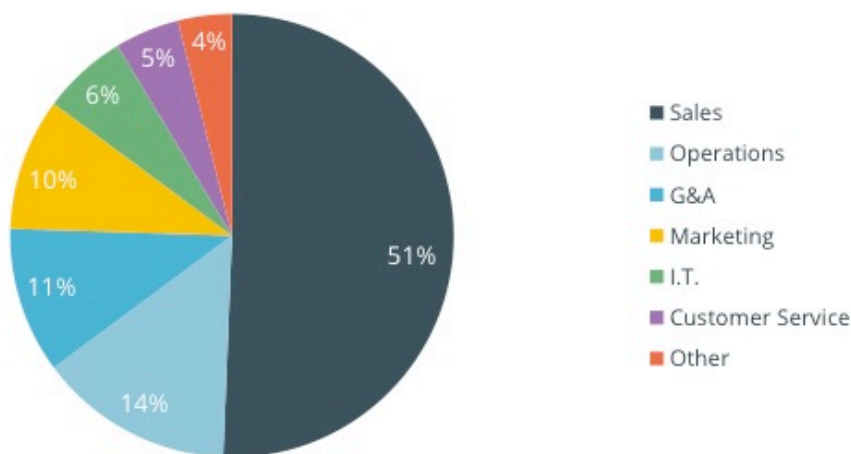


High Tech	28%
Professional Services	24%
Manufacturing	12%
Other	10%
Telecommunications & Media	7%
Retail & Consumer	7%
Financial Services	6%
Healthcare	5%

Sellers Have Their Say – But The Opinions Of Others Matter Too.

Reflecting the focus areas of the study partners, and Altify's core audience, it is not surprising that the largest cohort of participants (51 percent) represents those who are engaged in sales. However, because we have a large number of overall participants, the opinions of those from each of the other functional areas are equally statistically significant.

Participants' Job Function



Source: Altify Business Performance Benchmark Study 2017

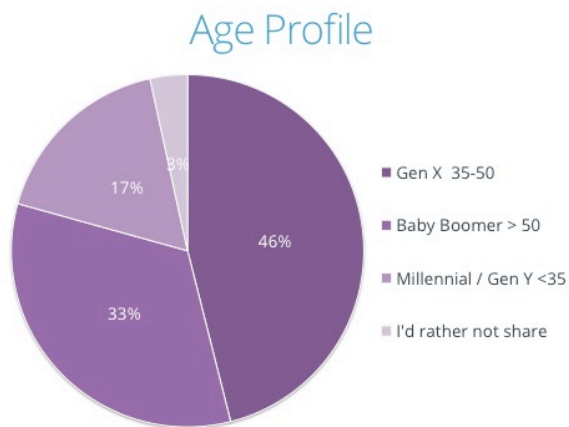


Later in the analysis you will see we delineate the specific opinions of Sales and Marketing and compare with all respondents, so that we can uncover variances between the direct customer facing functions, and those who are less in the front line.

Sales	51%
Operations	14%
G&A	11%
Marketing	10%
I.T.	6%
Customer Service	5%
Other	4%

A Blend Of Age And Gender

Gen-Xers, those in the 35-50 age bracket, are the most represented group in the study at 46 percent of participants. However they are balanced well by the combined 50 percent of Baby Boomers and Millennials, at 33 percent and 17 percent respectively.

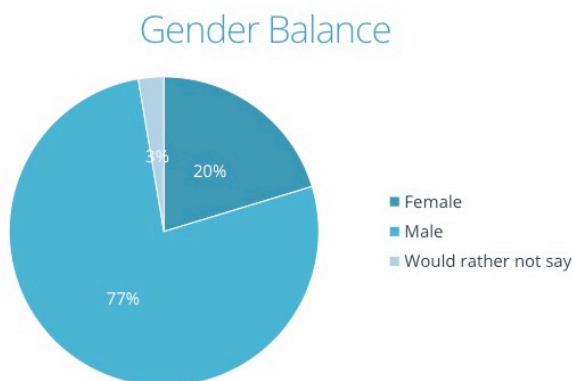


Source: Altify Business Performance Benchmark Study 2017

ALTIFY

In the analysis you will see that the opinions of each age group varies in many of the points raised in the study. This information will be valuable if your audience or marketplace is more heavily represented by a certain demographic.

From a gender perspective; the number of *Male* respondents (77 percent) greatly outweighs the number of *Female* participants (20 percent). Given that women (in the US)



Source: Altify Business Performance Benchmark Study 2017

ALTIFY

represent about 47 percent of the workforce, this is a notable anomaly, but probably explained by the *High Tech* and *Sales* bias in the respondent demographic.

There is a further twist to that tale: Even though one-in-five of the respondents is female, only one-in-eight of the *Executive* respondents is female.

