Sales Performance Optimization Study
2016 Win More Analysis

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2016 Sales Performance Optimization Study Introduction

The data used for this analysis were gathered as part of CSO Insights’ 22nd annual Sales Performance Optimization study. As part of this research effort, we utilized the first 500 respondents surveyed from companies worldwide, collecting information on over 100 sales effectiveness related metrics to create this report. We continue to leave the survey open to collect additional data for benchmarks based on geography, vertical industry, company size, etc. A detailed breakdown of the survey participants can be found in Addendum B in the 2016 Sales Performance Optimization Key Trends Analysis topical report.

The following graphs reflect the aggregated results from the study participants. Advisory Services clients seeking segmented responses based on factors such as industry, company size, country, complexity of sales process—virtually every metric in the study—may obtain this information by contacting their CSO Insights Analyst.

Win More Analysis Introduction

As overviewed in the 2016 Sales Performance Optimization Going Forward Analysis, we asked sales executives to share the sales effectiveness initiatives they are looking to put in place this year. Topping the list was optimizing lead generation. As noted in the 2016 Find More Analysis, sales teams are experiencing a lack of qualified leads, and there are also issues impacting the ability of salespeople to convert qualified leads into opportunities. But that is far from the only problem.

The win rate of forecast deals this year came in at 47.7%. The chart to the right shows the spread of the responses received. It identifies that 64% of firms have a win rate of 50% or less. Let’s be clear. We are talking forecast—not pipeline. The forecast is a plan that salespeople and sales managers create together based on their
assessment that specific opportunities will close and on time. Poor closing performance clearly shows that sales is experiencing an execution challenge.

The following Win More Analysis focuses on the key trends that surfaced relative to what sales organizations do to help navigate a qualified opportunity through the buy and sales cycles to the point of closing the deal. We also evaluate the technologies sales teams use to facilitate opportunity, contact, and forecast management, along with the additional CRM 2.0 solutions they have in their arsenal to effectively execute the various tactics that are part of their sales process. A chart set with all the answers to all the survey questions has been created for those looking for more data beyond the scope of this analysis.

As you will see in the findings, if there was ever a time that being in sales was easy, now is not the time. Therefore, in addition to pointing out the challenges salespeople are facing, we also present some best practices for companies to consider as potential ways to deal with the issues impacting sales execution performance.

As you read this analysis, we encourage you to make notes regarding the areas where your company is underperforming. Advisory Services clients have direct access to their CSO Insights Analyst at any time, and we encourage you to use this service. Contact us if you have questions or comments regarding this report, want to know about companies that excel in a specific area, or how best to invest in people, process, technology, and knowledge to increase your effectiveness at winning more deals.

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Observations and Insights

When we look at the dynamics between sellers and buyers, there is a lot of interest in what is going on in the “sales process.” This is made up of all the tactics that salespeople use as they qualify a lead, conduct an analysis of the prospect’s needs, educate the client on the vendor’s products or services capabilities, configure a solution, generate a proposal, and close/process the order. Clearly, all of these tactics are important steps to getting to “yes.” But, if these are the only things salespeople are focusing on, then they are only looking at half the equation.

The other half is understanding what is going on in the “buying process”—what are the tasks prospects are doing? The thing to always remember is that the sales cycle is there for one reason—to support the buying cycle. A salesperson can do much in the sales cycle, but at the end of the game, the customer has to commit to make the purchase. As shown on the chart above, 51.8%
of firms meet or exceeded their expectations at having clarity on what the buying process entails. This is up 8.9% from the figure reported in the 2015 Sales Performance Optimization study.

A deeper analysis of this topic reveals that a real understanding of what is happening on the buyer side can be very complex. As part of the 2016 Sales Performance Optimization study, we asked how many people were involved in the final buying decision. Historically, salespeople were taught to find the “one” person who could make a deal happen. The chart to the right shows 7% of firms deal with a single decision maker. Across the entire survey population, the average number of decision makers came in at just under four.

Assuming each one of these decision makers has someone to turn to for advice, the number of stakeholders that sales needs to effectively engage increases even more. Our research also surfaced differences in decision-making styles between procurement buyers (what it costs), value buyers (how it helps achieve gain or remove pain), generational buyers (i.e., boomers versus millennials), etc.

How do sales organizations begin to understand, and achieve, sales process/buying process alignment? CSO Insights’ The CSO’s Guide to Transforming Sales provides a roadmap for how to effectively develop a process to align these two functions. It is based on benchmarking what best-in-class companies successfully do to conduct a sell cycle/buy cycle analysis. This roadmap walks sales leaders through the steps to define the sales organizations’ selling process from a strategic level down to a tactical level. This process is the same for the customer’s buying process. A key piece of the process is setting up interviews with the salespeople and those at the client organization who are working on opportunities that will end in wins, losses, or no decisions. The objective of this tactic is to gather metrics on what the sales team and customer are doing and their respective responses to each step in the sell/buy cycle. By including customers in the interview process, sales can determine buyers’ intentions and understand what they are doing to move the opportunity closer to a win, or not. Download The CSO’s Guide to Transforming Sales—a 70-page document designed to help sales leaders transform their sales organization.
Key Findings

- Getting to all key decision makers remains a challenge for most sales organizations.
- Leveraging buying process/selling process analysis data can surface key players’ personas.
- Best Practice: Leverage sales intelligence data to provide insights into how to effectively engage stakeholders.

Observations and Insights

This metric was added to the 2013 Sales Performance Optimization study in response to the continued rise in the number of people involved in the decision-making process. That year 46.1% of firms met or exceeded expectations at targeting and engaging with all key decision makers. As shown in the chart above, effectiveness at this aspect of selling has declined to 43.3%. Several factors are contributing to poor performance. The first is understanding who the key decision makers could or should be. To deal with this challenge, we’ll illustrate the importance of conducting sales process/buy process mapping.

A medical products company that manufactures blood chemistry analytics equipment shared the results of an analysis they conducted to determine who was involved in opportunities that ended in wins, losses, or no decisions. They found that six areas within a hospital could be involved: purchasing, nursing, compliance, IT, patient advocacy, and senior management.
Their study found that not all decision makers’ opinions were of equal value as their product line was well established in the medical community, compliance, and IT. Additionally, patient advocacy rarely had any problems with the vendor that was ultimately selected. The “real” key influencers were purchasing and nursing. The analysis showed that when purchasing took the lead in the evaluation process, their win rate was 38%. The reason for their low success rate was their equipment was noticeably more expensive than competitive alternatives.

However, when nursing took the lead, the win rate was 64%. As the ultimate users of the equipment, nurses valued the ease of use, test reliability, and quick turnaround with results. They cared far less about the price. Nursing could regularly sway senior management into investing more to have a better quality experience. Based on these insights, sales management did not allow any opportunities to be added to the pipeline if nursing was not taking the lead on the evaluation.

When working with accounts, it is one thing to know which personas sales wants to engage and another to create a compelling reason for the account to want to engage with sales. Sales intelligence applications can help surface compelling reasons for motivating prospects to talk with salespeople. The chart to the right shows the performance of sales teams that are effectively making use of sales intelligence services such as InsideView, LinkedIn, Avention, and Data.com. Their effectiveness at targeting and gaining access to key decision makers is noticeably higher than the results shown on the previous page.

We published a case study on how SAS, an analytics software developer, implemented a new sales process that leveraged sales intelligence data and key stakeholder relationship mapping to increase their effectiveness in determining which individuals to engage at a major account. This included key messaging that each person would want to discuss. To learn more about their sales transformation initiative from Jason Huckabee, Director of SAS Global Sales Training, click the following link to view the online briefing: SAS Online Briefing.
Key Findings

- Minimal changes seen in sales’ ability to conduct a thorough needs analysis.
- Needs analysis output is motivating prospects to continue the conversation.
- Best Practice: Leverage mobile CRM technology to facilitate the needs analysis task.

Observations and Insights

In your personal life, if you told your physician that you had stomach pains, before he or she prescribed a course of action you would expect to have questions asked. How long has it been like this, how severe are the pains, have you been injured, have there been changes to your diet, are you under more stress than normal, etc.? You want and expect a thorough diagnosis. Otherwise, how would a doctor know what to do to help?

This type of diagnosis in the sales world is a needs analysis. As shown in the chart above, more companies struggle with this sales task than are proficient at doing it. On a year-to-year basis there is very little change in sales effectiveness. When looking deeper into the data, we found two areas that highlight problems with being unable to thoroughly understand the goals a prospect wants to achieve: 1) the barriers in the way of doing so, and 2) the cost of doing nothing that is failing to either achieve gain or remove pain from some aspect of their business.
The first of these is related to finding compelling reasons that a prospect should commit to going further down their buying process. The chart to the right shows a summary of the input when survey participants shared their conversion rate of a client being willing to move to a presentation after the initial discussion. On average, 47.9% of sales organizations reported a conversion rate of >50%.

We segmented the data based on a firm’s ability to conduct and identify a prospect’s needs and found a marked difference in performance. For companies that needed improvement at doing a needs analysis, only 38.5% reported a first call to presentation conversion rate of >50%. That number increased to 57.1% for companies that met or exceeded expectations at this sales task.

There were also key differences in a salesperson’s ability to align what he or she sold with a customer’s needs. Again, segmenting the data based on needs analysis effectiveness, only 45.5% of the firms that needed improvement reported being effective at creating a solution that was directly linked to the client’s needs. That number skyrocketed to 81.7% for firms that met or exceeded expectations at doing a needs analysis.

One emerging trend that should help salespeople do a more effective needs analysis is leveraging mobile CRM technology. A manufacturing firm worked with their product management team to map what a comprehensive needs analysis would look like—the questions to ask, the array of answers to expect, the questions or objections that might surface, etc. They then programmed that information into an application running on the tablet PCs they provided their salespeople. The application guided the salespeople through needs analysis discussions, used the answers they received from the prospect to determine the best question to ask next, and ensured they had a full understanding of the investment needs. Using this technology-enabled needs analysis approach, salespeople were able to tailor specific recommendations plans for each prospect. The conversion rate of prospects to customers increased by 34% within a year of implementation.
Swedish economists and authors of Funky Business, Kjell Nordström and Jonas Ridderstråhle, are noted for making the following observation about the new reality of the marketplace: “Today we have a surplus of similar companies, employing similar people, with similar backgrounds, coming up with similar ideas, producing similar things, with similar quality, and similar pricing.” The first time we saw this message we asked, “Is this true? Have we commoditized everything?” After much soul-searching, we decided that it was true, if you let it be true. If you cannot effectively articulate how and why you are different from the competition, clients may assume that all solutions are essentially equal.

The chart above shows that companies are getting the message. In terms of all the metrics gathered on what sales teams are doing to win more business, competitive differentiation received the second highest ratings (being beaten by a meets or exceeds rating of 61.2% for the ability of sales organizations to effectively present features and benefits of their offerings). But, while the ratings
were good in this area, when we conducted a deeper analysis of the study data we were surprised at what we found in the differences in sales performance successes.

The following table summarizes the findings of an analysis used to determine what percentage of forecast deals ended in the competitive loss column based on how effective a company was at competitive differentiation. Looking at the differences between the needs a major redesign/needs improvement and the exceeds expectations groups, there is a loss rate difference of 5.7 percentage points. Any CSO would welcome that level of decrease in deals going to a competitor.

<table>
<thead>
<tr>
<th>Outcome of Forecast Deals as Related to Competitive Differentiation Effectiveness</th>
<th>Differentiation: Needs Redesign/Improvement</th>
<th>Differentiation: Meets Expectations</th>
<th>Differentiation: Exceeds Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forecast Deals That Result in a Competitive Loss</td>
<td>31.7%</td>
<td>29.7%</td>
<td>26.0%</td>
</tr>
</tbody>
</table>

How can sales get even better at competitive differentiation? As part of CSO Insights’ Sales Management 2.0 initiative, we interviewed Joe Batista. Joe may well have the greatest title we know, as he is a Director and Chief Creatologist for Hewlett Packard. When we asked Joe what a Creatologist does, he shared that his main responsibility is to act as a resource to valued clients and the HP Field Account Professionals. His focus is to live at the intersections of business and technology domains and uncover or create competitive advantage for their clients. These are Joe’s views on competitive differentiation:

*We cannot just rely on delivering excellent products to the marketplace and expect to be successful. Even bundling or repackaging products into solutions is not enough. We have to go beyond that and help our clients see how the solutions can be successfully integrated into their organization to solve their real business challenges, with a sensitivity that each company’s DNA (technology, culture, people, markets) is different.*

*To apply this concept to your marketplace, you first need to understand all the value you can bring to the table and then unleash this on your clients. When you move to the mindset of thinking, ‘How can we impact the business of our clients using our complete portfolio of assets?’ only then does your (differentiation) journey begin.*
Key Findings

- Maximizing the return on selling effort by optimizing deal size is more challenging than in the past.
- Cross-selling/up-selling effectiveness has significant impact on sales performance.
- Best Practice: Use big data/sales analytics to create detailed buyer personas.

Observations and Insights

Referring back to the 2016 Sales Performance Optimization Key Trends Analysis, a list of the top sales objectives that companies had set for 2016 was presented. Topping the list were goals such as capturing new accounts, optimizing lead generation, increasing customer loyalty, etc. All the way down at number seven on the list was optimizing deal size by increasing cross-sell/up-sell effectiveness.

When looking at the ratings in the above chart, one might be led to believe that sales management has more pressing issues to deal with than focusing on optimizing their deal size. However, when the numbers for 2016 are compared to those of 2012 when tracking this metric began, a marked drop in performance is seen. The meets or exceeds percentage four years ago was 58.9%, and this year the figure is 51.4%.

To help understand the impact that cross-selling and up-selling can have on sales effectiveness, we segmented the 2016 Sales Performance Optimization study data based on the ratings companies gave themselves in the area of deal size optimization.
viewing the following table we look at sales performance from two perspectives: how many salespeople achieve their individual sales goals and how well did the company as a whole do in hitting their revenue target? The data clearly show the upside or downside a sales organization can experience depending on how effective they at optimizing the size of an average deal.

<table>
<thead>
<tr>
<th>Revenue Performance as Related to Ability to Optimize Deal Size</th>
<th>Optimization: Needs Redesign/Improvement</th>
<th>Optimization: Meets Expectations</th>
<th>Optimization: Exceeds Expectations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage of Salespeople Achieving Quota</td>
<td>53.5%</td>
<td>61.0%</td>
<td>66.1%</td>
</tr>
<tr>
<td>Percentage of Overall Plan Attainment</td>
<td>80.2%</td>
<td>85.8%</td>
<td>95.0%</td>
</tr>
</tbody>
</table>

One strategy companies are starting to employ is the use of big data and sales analytics to surface ways that salespeople can increase cross-sell/up-sell effectiveness. A case in point was shared by a large medical products distributor. This firm represents 300 medical manufacturers, and their salespeople have access to a catalog of over 10,000 products that they can sell. Expecting each salesperson to be up to speed on such a huge product line is an impossible task, so the company turned to technology for help.

Using a sales analytics solution, they mined the data in their CRM, ERP, and customer support systems looking for logical buying patterns based on the type of medical professions they sold into. They were able to determine what cardiologists, internists, neurosurgeons, etc., were likely to order to support their practices, detect patterns based on factors such as geographic location of the practices, and whether or not the physicians accepted Medicare patients.

After creating these personas, the company compared each existing client with the list of products they should be buying. If they found that Dr. Jane Smith was currently ordering seven products from them, but the persona said that she was a likely buyer of 20 products, a list of potential cross-sell opportunities was prepared for the salesperson. These insights were made available to the sales team on the iPads used during sales calls. The company reported a double digital increase in deal size as a result of this initiative.
Key Findings

- No improvement seen in the ability of salespeople to create a justification for a purchase.
- Ineffectiveness at building a business case correlates with poor sales training ratings.
- Best Practice: Get insights from customers on the value they see a sales organization providing.

Observations and Insights

With the consensus that the economic outlook for 2016 is looking sluggish, CFOs are keeping a close eye on expenditures. Purchases are being made, but many require that there be a solid justification for spending funds now, versus postponing the order. This is putting more pressure on salespeople to help their clients build the business case for making investments. The chart above shows that many sales organizations are struggling with this task. Comparing this year’s ratings to those of past years, again there is a decline in performance. Going back to 2010, the meets or exceeds expectations numbers were 41.5% and 15.8%, respectively.

Two things happen when sales cannot present the full value of their products or services. The first is that they get pressure to cut the price, negatively impacting margins. The second is worse: the deal ends as a no decision. As noted in the introduction of this report, the no decision rate of forecast deals is hovering at 23.8%, which means that sales teams are investing a lot of time on deals that generate no return.
A major contributing factor to poor performance in this area is that many companies are doing an inadequate job of educating their salespeople on how to effectively sell value. The chart to the right summarizes the responses received from the 2016 Sales Performance Optimization study when organizations rated the quality and the quantity of the training they provide relative to purchase justification.

To understand the impact this can have on sales performance, we looked at the outcome of forecast deals for purchase justification: major redesign/needs improvement group and the meets/exceeds expectations group. The average win rates were 43.6 and 50.5%, respectively.

We wrote a case study on a sales transformation initiative conducted by Fairchild Semiconductor. They implemented a new value-centric sales process/training program and, over the course of 18 months, were able to increase margins from 24%-31%.

At that time Allan Lam was their EVP of Worldwide Sales and Marketing. He shared that many of the value statements they used with prospects came from interviewing existing customers. Fairchild analyzed their past deals looking for clients who were willing to pay more for their products than others. As an example, they had an electronic device where the key feature was that it didn’t use much power and generated little heat. In conducting the interviews, they found out what customers were actually doing with the device. For a car manufacturer, these features represented little value as the cars had a large battery and the frames could easily dissipate heat. For a cell phone manufacturer, these features were very important. By surfacing these use cases, they started targeting prospects who would be predisposed to understanding the value Fairchild provided, which helped increase margins on deals. To view an online briefing on this project click the following link: [Fairchild Case Study](#).
Key Findings

- Even when companies are winning deals, the inability to accurately forecast remains an issue.
- Major variances in what was forecast, versus what was actually sold, are a source of concern.
- Best Practice: Implement seller/buyer tollgates into the sales process.

Observations and Insights

In a perfect world, the forecast is a leading indicator for planning, enabling the entire enterprise to look at the forecast and use the data it contains to make business decisions. Manufacturing should be able to leverage the forecast data to decide what to produce and when. Finance should be able to determine how to effectively manage lines of credit based on seeing what will be invoiced based on projected closed deals. Customer support should be able to do staff planning based on the forecasted flow of product shipments/implementations. They “should” be able to do these things, but many firms can’t because they can’t trust the forecast, even for deals that close.

In the introduction to this report, we noted that the win rate of forecast deals had improved slightly this year to 47.7%. While getting that number higher is key to driving increased revenue performance, it is not the only forecast management challenge companies are facing. The chart above shows that even when sales is accurate in predicting that a deal will close, 62.7% of companies said they were wrong about what the customer ultimately ordered; which products, at what prices, to be shipped on which dates.
To further clarify the scope of the problem, we asked study participants to share what percentage of wins ended up not closing as originally forecast. The chart to the right shows that 40.5% of the companies are wrong more than half of the time about when an order closes.

One factor that can turn this around is for sales to get closer to their customers. As we discussed in the 2016 Sales Performance Optimization Key Trends Analysis, the higher the level of relationship companies have with their customers (from Level 1 – Approved Vendor, Level 2 – Preferred Supplier, Level 3 – Solutions Consultant, Level 4 Strategic Contributor, to Level 5 – Trusted Partner), the better sales performance. In looking at the percentage of deals that close as forecast for Level 4/Level 5 firms, 28% of companies reported a forecast accuracy rate of >75% and another 30.3% of firms reported a rate of 51%-75%. These numbers were 15.9% and 31.4%, respectively for Level1/Level2 firms.

For years our advice regarding forecast management has been, “Trust, but verify.” To turn that into a reality, a manufacturing firm we benchmarked implemented what they called the “tollgate process” to force sales teams to continuously take a hard look at the opportunities they were pursuing. Salespeople had to convince themselves and their managers that they were going after a high probability deal.

The process was designed around a series of exercises that the salesperson and the prospect had to complete to show the deal was on track toward a win and that the salesperson had a full understanding of what the deal was all about. For example, if the salesperson wanted to fly out to see a prospect, he or she had to secure a meeting with a VP-level contact to review the needs analysis results in order for the trip to be approved. Before engineering could commit to conducting a demo, the account manager needed to get an “intent to purchase” letter signed by the prospect. If a salesperson wanted to ship sample parts, he or she had to get records from the prospect showing the quantity of these types of parts that were being ordered from other suppliers. These
exercises not only helped the salesperson initially qualify accounts, but they also aided in continually re-qualifying opportunities over the seven months it typically took to close a deal.
Observations and Insights

In looking at the percentage of companies that have formally implemented a CRM platform, the figure continues to hover around 80%. Usage ranges from a high of 91% in technology firms to 67% for banking/financial services firms. Of interest is that 90% of firms said they were using a commercial core CRM offering (Salesforce.com, Oracle, SAP, Microsoft Dynamics, SugarCRM, etc.), and 10% have built their own system internally.

The chart above shows the user ratings when study participants were asked if they would implement again or recommend the CRM solution they were using to others. We see that 24.7% of firms are dissatisfied with their CRM choice. Looking back at the ratings from the 2006 Sales Performance Optimization study, overall ratings are down from the past. A decade ago, the definitely and very likely numbers were 20.1% and 29.5%, respectively; compared to the 14.2% and 22.5% figures shown above. While we do not see signs of any major shake-up in the CRM vendor space, this year’s ratings may open the door for an existing or new vendor to start getting companies to change platforms if they can build a noticeably better application.
In looking deeper into CRM usage, we asked companies to share their end-user adoption rates, which we define as the percentage of salespeople actively using the CRM system in their daily workflow. The chart to the right shows that adoption varies widely. Again, going back to the 2006 Sales Performance Optimization study, we were somewhat surprised to see adoption numbers slipping. As we reported in that study analysis, the <25% adoption number was 5.3% compared to 12.6% figure shown here.

In looking at factors that can increase CRM usage, we reviewed the findings from CSO Insights’ 2015 Sales Compensation and Performance Management study (membership required). We found that 30.9% of companies are now tying a salesperson’s compensation to their CRM system adoption. Incentivizing salespeople via their paycheck has shown that it can increase CRM usage, but are they responding because they want to use the system or because they feel they have to?

Another approach that generated nearly universal usage was shared by Rex Caswell, the Vice President of Small Business Sales for CT Corp; a professional business services firm. The tack that CT Corp took was to directly integrate their sales process into their CRM application. The process comprised all the tactics salespeople were expected to use to guide a prospect through their sales cycle. With the process embedded in the CRM system, KPIs could be measured at the activity level; number of demos by product line, number of meetings, conversion ratios for each step in the sales process, etc. Because the reports relied on CRM data, if sales representatives were not using the CRM system, their ratings against the various KPIs would be zero.

By having technology reinforce and enforce the use of the sales process, CT Corp was able to double their close rate and cut the length of the sales cycle by 50%. To view the online briefing of CT Corp’s marriage of technology, process, and training, click the following link: CT Corp Case Study.
Key Findings

- Web-based meetings are experiencing the highest usage of CRM 2.0 systems, as well as value ratings.
- Sales force collaboration, content management, and configure/price/quote usage are increasing but with mixed results.
- Best Practice: Ensure the first sale made with CRM 2.0 is an internal sale.

Observations and Insights

Implementing a CRM solution (e.g., Salesforce.com, Oracle, SAP, Microsoft Dynamics, SugarCRM, etc.) establishes a solid foundation for leveraging technology to increase sales performance, but it is not the only solution needed. We continue to see the vast majority of companies implementing other CRM 2.0 tools to leverage and enhance the capabilities provided by their core CRM applications.

Topping the list, in terms of adoption rates, are tools that allow salespeople to conduct meetings and presentations online using applications such as Adobe Connect, ClearSlide, GoToMeeting, join.me, Skype, and WebEx. As face-to-face meetings continue to decline, web-based meetings can blend high tech with high touch to help salespeople build relationships with customers and prospects. This is especially true when leveraging video conferencing to actually see all parties in the conversation. We found that
67% of the users of these applications reported that they had a noticeable or significant impact on sales performance, the highest rating of any of the CRM 2.0 Tools.

Sales force collaboration solutions such as Chatter, Jam, Jive, and Yammer came in second on the usage list. The primary use of these platforms is to facilitate internal collaboration within the sales organization, as well as across functional areas within a company. They hold the promise for collecting a wealth of insights and best practices that other employees can leverage.

Sales content management applications such as CallidusCloud, SAVO, Tellwise, Showpad, and Qvidien represent an area we expected to see significant increases in adoption by firms. As part of CSO Insights’ 2015 Sales Enablement Optimization study (membership required) over one-third of companies have established a sales enablement function within their company. One of the key objectives of sales enablement is to provide integrated content, training, and coaching services to sales teams—and they are increasingly turning to CRM 2.0 solutions to help in this area.

The other category we are tracking is the growing use of configure/price/quote (CPQ) solutions from vendors such as Apttus, CallidusCloud, PROS, and SteelBrick. These systems not only help increase configuration accuracy, but they are helping to increase the average deal size, decrease the length of the sales cycle, improve margins, and more. Many companies that are starting to implement these next generation of CRM 2.0 tools are finding challenges in doing so. This is reflected in the ratings given to these tools in terms of them noticeably/significantly increasing sales performance. The scores for sales content management, sales force collaboration, and CPQ came in at 35.8%, 38.3%, and 33.7%, respectively.

Our benchmarking of these initiatives shows that the problem is not with the tools but rather project management/change management issues. An example of this surfaced in a case study on industrial manufacturer, Cleaver-Brooks. Chris Weckler, Development Manager for Sales Tools, shared how their first attempt to implement CPQ fell short of expectations. By focusing on selling the value of CPQ to the sales force and giving them the required level of support, the second launch of this initiative generated the results they were looking for.

To view an online briefing on how change management can help when implementing CRM 2.0 solutions, click the following link: Cleaver-Brooks Case Study.
Key Findings

- Number of companies providing access to corporate data/tools via mobile CRM is rising.
- Major focus of usage is increasing sales efficiency as opposed to effectiveness.
- Best Practice: Make mobile CRM capabilities more robust for a bigger payback.

Observations and Insights

When CRM systems first hit the scene, they were useful for planning and following up a sales call, but they essentially provided minimal value when actually making a sales call. At that time, the client server technology model made CRM cumbersome to access during a sales meeting and retrieve corporate data and sales tools remotely. Cloud computing changed that paradigm. However, the real advancement that drove interest in using CRM when out of the office or working remotely was mobile CRM support, which allowed sales to access CRM information and sales tools via smartphones and tablets.

In 2010, 42.8% of firms that had implemented a core CRM application gave salespeople access to customer information and sales content via mobile devices. The 2016 Sales Performance Optimization study data show that number has increased to 74%. The chart above provides insights into what salespeople are doing now that they have access to content and tools wherever they are.
Topping the list are gaining access to a salesperson’s email, calendar, and CRM data (i.e., contacts, opportunities, pipelines/forecasts, sales collateral, and sales tools). These are primarily capabilities that increase a salesperson’s efficiency; reducing the time it takes to get the information needed when working remotely. As noted in the 2016 Sales Performance Optimization Sales Force Demographics analysis, salespeople are able to dedicate only 35% of their work week to selling. Anything sales leaders can do to free up time for salespeople to make “more” calls is a plus.

However, the real goal should be to help salespeople make “great” calls. This is why the rest of the items shown in the chart are of keen interest. The emergence of mobile CRM applications is designed to increase sales effectiveness. They help a salesperson conduct a thorough needs analysis, make the most effective presentation possible, co-develop a solution to meet the client’s needs while meeting with the prospect, and close the deal by capturing the buyer’s signature electronically and creating the order—all while working remotely.

It is the second set of use cases that embody the true promise of mobile CRM. The table below shows the impact of mobile CRM on sales performance. We segmented the study data based on companies using CRM for efficiency support purposes versus those incorporating mobile CRM in sales effectiveness uses as well. We then looked at the ratings firms gave mobile CRM in relationship to increasing sales performance. The table below summarizes the responses.

<table>
<thead>
<tr>
<th>Impact on Sales Performance as Related to Types of Mobile CRM Use</th>
<th>Mobile CRM; Basic Use Cases</th>
<th>Mobile CRM; Advanced Use Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significantly Increases Sales Performance Ratings</td>
<td>7.9%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Noticeably Increases Sales Performance Ratings</td>
<td>37.7%</td>
<td>56.7%</td>
</tr>
</tbody>
</table>

As part of our benchmarking efforts, we reviewed a number of successful case studies in technology, medical products, traditional manufacturing, financial services, etc. To view an online briefing of how technology can optimize sales calls, click the following link: Mobile CRM in Action.
About CSO Insights

CSO Insights is dedicated to improving the performance and productivity of complex B2B sales organizations. We measure and analyze the behaviors, metrics, and strategies behind world-class sales performance, providing our members with the research, data and expertise required to build strategies for sales performance improvement.

With over 20 years of sales research experience, the CSO Insights team is comprised of respected analysts with decades of success as sales practitioners and sales executives. This unique perspective, along with our wealth of sales performance metrics and benchmarks, gives us the exceptional ability to collaborate directly with sales leaders around the world to explore the best practices, strategic trends, and next generation capabilities driving sales performance.

Our research data, and expertise help sales leaders create and execute strategies to find more, win more and keep and grow more business. CSO Insights’ annual sales and marketing effectiveness studies have become industry standards for sales leaders seeking operational metrics, data, and analysis, most notably: the Sales Best Practices Study, Sales Performance Optimization Study, and Lead Management and Social Engagement Study.