

THE COMPETITIVE EDGE IN EFFECTIVELY STREAMLINED SALES WORKFLOWS

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Aberdeen Group has found that organizations that are effective at streamlining sales workflows – like quote/proposal generation, contract delivery, and deal signing – drastically outperform their peers. In this report, Aberdeen explores this competitive edge in sales competency and explains the factors that enable organizations to achieve outstanding results

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Best-in-Class sales teams are 42% more likely to have defined “formulas for success.”

Aberdeen's Maturity Class Framework

Aberdeen's research determines Best-in-Class **marketing & sales** performance by benchmarking organizations against five key qualitative and quantitative performance metrics:

- percentage of respondents “effective” or “very effective” at managing profitable marketing & sales operations
- current lead acceptance rate
- current percentage of revenue attributed to marketing
- year-over-year improvement (decrease) in sales cycle length
- year-over-year improvement (increase) in total company quota attainment.

By looking at organizational performance, we then break the survey respondents into three maturity classes, as described below:

- **Best-in-Class:** top 20% of performers
- **Industry Average:** middle 50% of performers
- **Laggard:** bottom 30% of performers

Sometimes, a fourth maturity class, **All Others**, is used to describe Industry Average and Laggard combined.

Compounding Sales Competency Improvements: How Sales Leaders Can Get Even Better... at Getting Better

A hallmark of Best-in-Class marketing and sales organizations, (defined in sidebar) is being able to establish and maintain repeatable “formulas for success.” Seventy-five percent of Best-in-Class organizations are able to “identify, dissect and duplicate effective campaigns, communications, proposals, configurations, etc.,” and these organizations are 42% more likely to be able to do so compared to All Others.

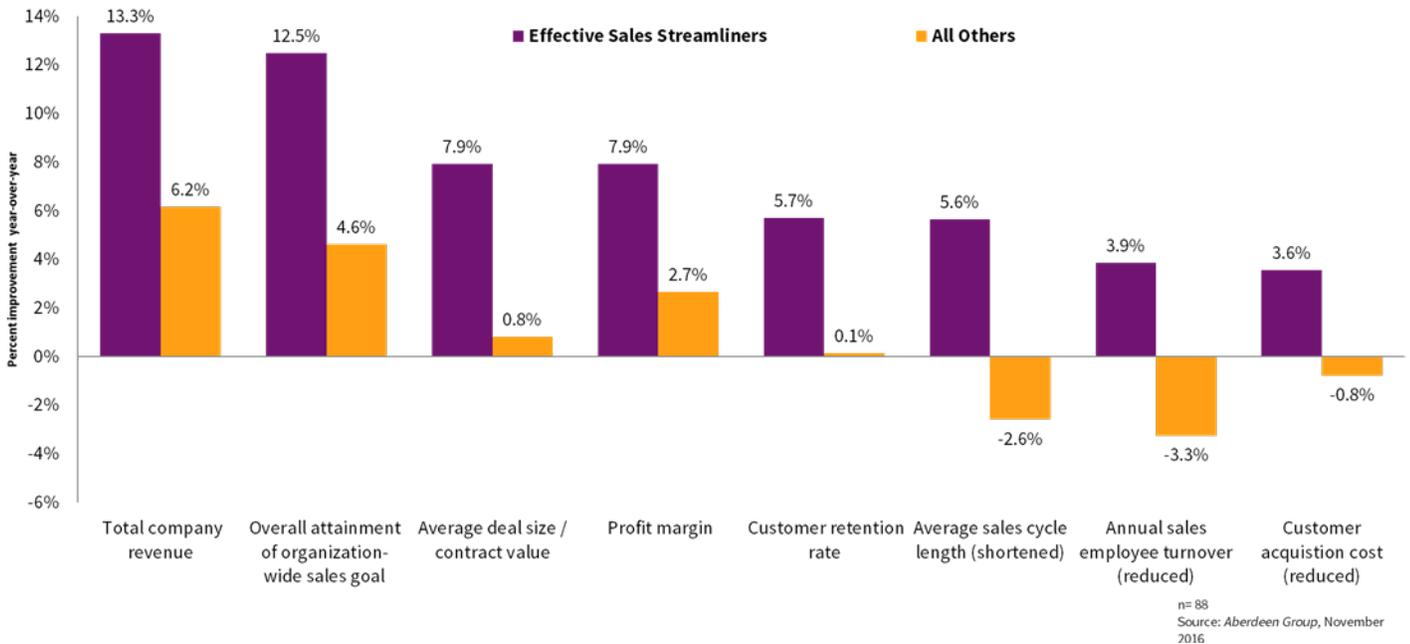
Not all formulas for success are created equal. Things like catchy subject lines, novelty ice-breakers, or other “works every time” gambits might work every time in getting conversations started. In terms of overall performance, though, these may not actually impact the bottom line. In [a recent report](#), however, Aberdeen did find one particular competency, which, when practiced at effective or very effective levels, produced dramatically higher performance levels. To echo the outlook of Best-in-Class organizations on establishing formulas for success, we identify this cohort of top performers, dissect the pertinent details for how they achieve their competitive advantage, and explain how to duplicate these results for your organization.

This grouping of sales organizations is defined as “those able to cite effective, or very effective competency levels, at streamlining proposal, contract, ordering, quoting and other key sales workflows. Collectively, these organizations are referred to as “Effective Sales Streamlines.” While generally, being able to make sales workflows faster and more efficient is a desirable end in itself, there’s an extra layer that makes this worthy of a full analysis, covered in this report.

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Looking at the year-over-year (YOY) performance of these Effective Sales Streamliners (also referred to in this report as ESS) in Figure 1, at a glance, the comparison to All Other organizations becomes striking.

Figure 1: Streamlining Sales Workflows – The Killer Competency



Effective sales streamliners increase company revenue at 2.2x the rate of All Others, YOY.

The ESS increase company revenue at 2.2 times the rate, YOY, of All Others (13.3% vs. 6.2%). (All Others, being organizations that are neutral, or ineffective, at streamlining sales workflows.) The ESS also increase profit margins at a 198% greater rate YOY (7.9% vs. 2.7%) and average deal size/contract value by an 8.8 times greater rate (7.9% vs. 0.8%). Suffice it to say, in terms of revenue performance, having strong, swift, quick-to-close sales workflows,

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The ESS shorten the length of their sales cycles by 5.6% YOY, while All Others actually lengthen their YOY sales cycles by 2.6%.

helps to ensure that these sales teams are compounding on the value of this competency for their organizations.

While revenue metrics will certainly grab executives by the figurative lapels, and shout, “Refining sales workflows and operations matters!” there’s even more evidence in Figure 1. In terms of pure sales efficiency – winning deals faster, keeping more sales reps, and cutting down on costs – the contrast becomes all the more significant. Effective sales streamliners shorten the length of their sales cycles by 5.6% year-over-year, while All Others actually lengthen their sales cycles by 2.6% YOY. Similarly, in almost a mirrored dynamic, the ESS retain 3.9% more sales reps annually, while All Others increase rep turnover by 3.3%.

However, before we dive into the actual factors that allow organizations to more effectively streamline their sales workflows, it’s worth taking a step back, to understand the significance of what’s happening. Think of the sales process like a road map to a destination. Without refined sales workflows, most of the roads organizations can take are winding, indirect, and potentially even bogged down with speed restrictions. Any given sales rep may have his or her own preferred route to a close, and anything can happen along the way. By increasing effectiveness at hastening sales workflows, however, organizations essentially build high-speed, direct highways – from the start of the sales process – to its ultimate close. The refinement of sales workflows may seem like a clunky, infrastructural undertaking, but like the impact of highways on travel, the result is transformative.

With that in mind, and a solid grasp of why effective sales workflows matter, it’s now time to dig into how organizations make them happen. This report outlines four factors that are integral to this process.

Factor 1: Accounting for the Whole Buyer’s Journey

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Buyers control 64% of the power dynamic in their relationships with vendors.

Perhaps the biggest hindrance to any organization, making any kind of positive change, is unrealistic expectations. For organizations aiming to streamline sales workflows, one such unrealistic expectation is that the scope is exclusively within the purview of sales. While the sales processes and technical workflows an organization deploys are managed by internal admins and sales leaders, what those systems aim to manage is, well, much less manageable. As Aberdeen's [*The B2B Business / Customer Arc: Crafting keystones for Marketing & Sales*](#) report showed, buyers essentially control 64% of the power dynamic in their relationships with vendors. In other words, if sales workflows don't ultimately support the delivery of what buyers want, or need, those workflows are still apt to fail. Aberdeen's report, [*The State of Sales 2017: Systems and Strategies for Winning Revenue*](#), supports this principle as 73% of Best-in-Class organizations actively maintain relevant value propositions that are well-aligned to buyers' business needs. Managing buyers' needs, though, is not entirely on sales.

If first impressions are everything, this makes effective sales workflows highly dependent on the actual "first impression" managers: the marketers. To have seamless, external-facing sales workflows – like contract delivery, or digital signing through eSignature – buyers need to be accustomed to consistent, convenient communications. One hundred percent of eSignature users in sales, for example, depend on email for their sales communications. If marketing lands an organization's IP address in the spam or junk folder of a buyer's inbox, there's a significant chance for a slowdown. By not getting seen in the proper email

→ [Related Research](#)
The State of Sales 2017: Systems and Strategies for Winning Revenue

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“in” box, that auto-generated contract (that might be triggered as part of a sales workflow) would also go unsigned.

Looking at how effective sales streamliners perform in the lead-to-revenue cycle, (the internally measured conversion rates that reflect the external success of moving buyers along on their journey), we see consistently elevated performance, compared to All Others. This is illustrated in Table 1:

Table 1: Effectively Streamlining Final Sales Workflows Starts Before Sales

Lead-to-Revenue Stages	Effective Sales	
	Streamliners	All Others
Stage 1: Unknown Visitors to Marketing Responses (Raw Leads)	3.23%	2.16%
Stage 2: Marketing Responses to Marketing Qualified Leads	18.47%	11.09%
Stage 3: MQLs to Sales Actioned Leads (SALs)	34.84%	24.14%
Stage 4: SALs to Sales Opportunities	38.79%	27.57%
Stage 5: Sales Opportunities to Closed-Won Deals (Revenue)	37.29%	29.51%

n= 88

Source: Aberdeen Group, February 2017

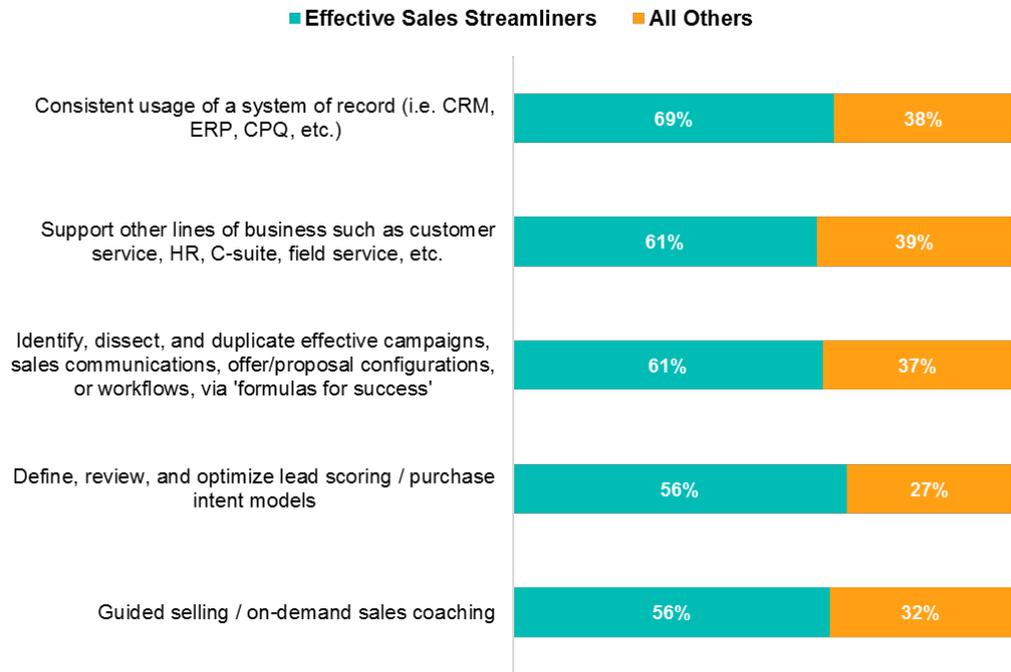
The key here is that effective sales streamliners build their sales workflows on the firmest foundation possible, in terms of interactions with buyers. If marketing is serving up seamless, relevant communications, sales must follow suit with easy, frictionless purchase completion steps.

Factor 2: Baseline Contributing Behaviors

While accounting for the full buyer’s journey is an important factor for managing expectations, and establishing foundations (read: intangibles) to be among the ESS, there are also very tangible actions and behaviors that this group exhibits. In Figure 2, we break it down very simply in showing the percentage of effective sales streamliners who practice specified behaviors, vs. the percentage of All Others.

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Figure 2: What Effective Sales Streamliners Do That All Others Don't



n= 88

Source: Aberdeen Group, February 2017

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Effective sales streamliners are 81% more likely to practice consistent usage of a system of record, compared to All Others.

Perhaps most important to consider, in duplicating ESS behaviors, is the consistent usage of a system of record. Effective sales streamliners are 81% more likely to practice this type of record keeping, compared to All Others (69% vs. 38%). This is not simply mandating from the top-down, that all sales reps must use a solution like CRM. Instead, this kind of consistent system usage stems from a more horizontally expanding basis of value from a system of record. In generating a proposal, for example, if a configure price quote (CPQ) solution is integrated with CRM, the generation of a quote or proposal can become much easier if details within that proposal can be auto-populated from CRM data. In such scenarios, sales reps directly benefit from consistent data entry and regular usage of all other workflows in CRM.

From the consistent usage of a system of record, sales leaders, naturally, can make more objectively-informed decisions, and further benefit from CRM insights. Sales admins and ops managers who are structuring, maintaining, and improving workflows, can also track what's working, and what's not, more effectively. All-in-all, this creates a virtuous cycle of more consistent behaviors that yield more wins. Of course, in turn, compels reps, and the sales team at-large, to buy into the technology and workflows even more.

Factor 3: Savvy Sales Tech Stack Selections

Tangible behaviors are clearly important factors, but to maintain such a virtuous cycle (as noted above), it takes an external force to keep the cycle turning. This is where the role of technology comes into play. For the most part, technology can seem like the simple home base of sales workflows: sales reps enter their data into CRM, solutions like CPQ, pull data into a custom proposal, that proposal is verbally accepted, and a formal contract is generated

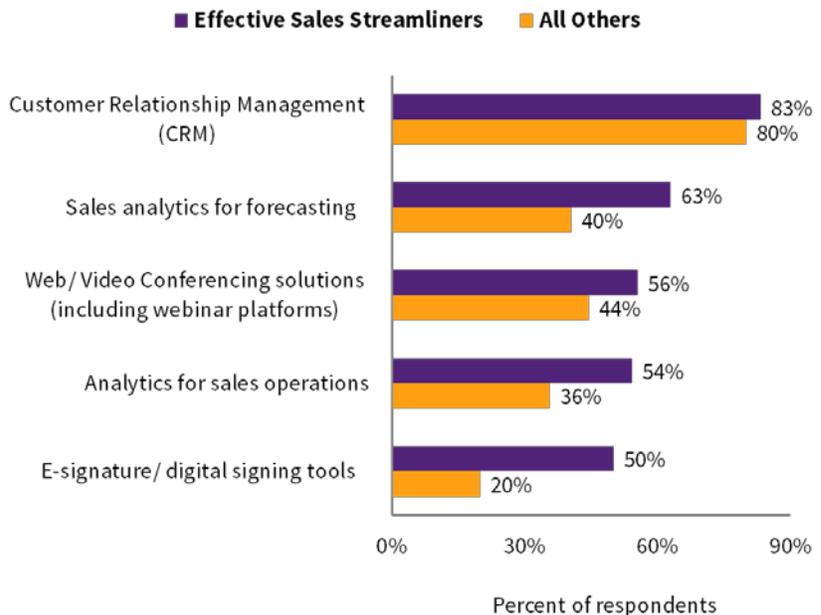
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with eSigning capabilities overlaid. All the technologies serve their purposes, and such is the purpose of all technology, right?

In Figure 3, if we only looked at the technology adoption for CRM, this assumption, that CRM is the standard, inescapable hub of sales workflows, might seem true. Both effective sales streamliners, and All Others, have pretty comparable adoption levels at 83% and 80%, respectively. Although three percent is a slight edge for the ESS, it's not enough to say that these top-tier organizations have a strong lead over All Others.

However, a much clearer edge is illustrated in the rest of Figure 3. (This is where the takeaways on technology get more nuanced.)

Figure 3: The Effective Sales Streamliner Tech Stack



n= 88
Source: Aberdeen Group, February 2017

Effective sales streamliners are 2.5x as likely to use eSignature technology compared to All Others.

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The higher propensity to use analytics for forecasting and operations (among effective sales streamliners) reflects how technology is used to monitor and optimize the health and/or utility of sales workflows. Collaborative tools like web/video conferencing solutions allow sales teams to communicate with their buyers face-to-face, and connect with internal stakeholders on a moment's notice. And while overall, only 31% of all organizations surveyed by Aberdeen Group report using digital signing tools, 50% of effective sales streamliners do so (at 2.5 times the adoption rate of All Others).

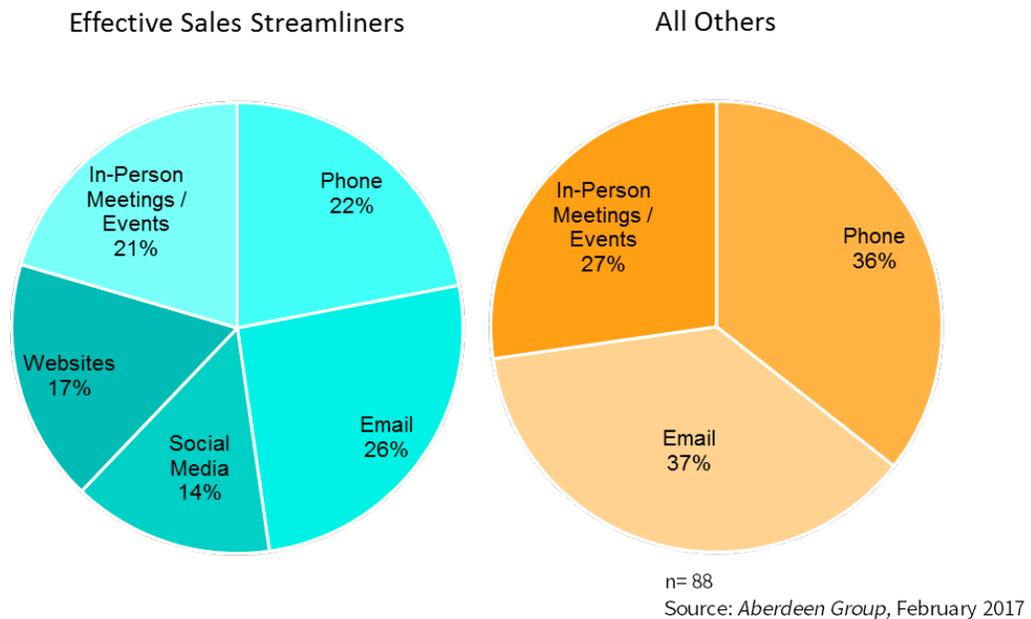
In other words, how the ESS use technology is not simply in infrastructural terms. The technology isn't simply the chassis of the car. It's the engine, and the onboard computer inside, that makes the vehicle purr. Thus, it comes as no surprise that effective sales streamliners are 2.8 times as effective at increasing productivity with integrated technologies, compared to All Others (51% vs. 18%).

Factor 4: Diversified Sales Communications Channels

While technology is not merely a home-base for sales workflows, there are clear residences for where the outputs of sales workflows live for buyers. For example, a buyer may get a contract to sign digitally in their inbox. There may be a verbal phone confirmation. There might even be an online web interface where the transaction gets framed out (e.g., CPQ solutions that can be shown on a website to allow buyers to make their own product/order configurations). This is followed up by the sales rep to confirm or finalize the order. So, for buyers, sales workflows live in their communication channels.

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Figure 4: Comparing the Composition of Sales Communication Channels



Effective sales streamliners maintain two more actively used communication channels compared to All Others.

In Figure 4, the simple truth is that effective sales streamliners maintain two more actively used communication channels compared to All Others. Fittingly, the two additional communication channels added to the mix are social media and website interactions. Websites, in particular, are key for allowing buyers to self-inform or even self-select (like in the CPQ example noted earlier on page 8). Both websites and social channels are also trackable and manageable through technologies connected to sales workflows. From responding to a topical tweet, to walking a buyer through the final steps of a purchase the buyer has scoped out in advance, effective sales streamliners are more able to execute their workflows where they serve buyers best.

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Conclusion:

The modern sales environment grows increasingly more competitive every day. Top performing sales organizations stay ahead by perfecting core competencies and expending on the returns of execution. Organizations that effectively streamline sales workflows, build out a stable, strong framework that enables them to outperform their peers and improve results YOY. To achieve similar results, remember the four factors described throughout this report and recapped here:

- **Effective closing sales workflows must account for the entire buyer's journey.** Although 73% of Best-in-Class organizations actively maintain relevant value propositions well-aligned to buyers' business needs, this alignment is not limited to the final steps of the sales process. Buyer expectations must be appropriately set from start to finish, so that what sales delivers (in quotes, proposals, or contracts) synchs up with what buyers experience and expect from prior marketing and sales interactions.
- **Maintain baseline, manageable sales behaviors that can be measurably enhanced by sales workflows.** Effective sales streamliners are 81% more likely to practice consistent usage of a system of record, compared to All Others (69% vs. 38%). Using a system of record, in such a way, is a core competency, and a critical enabler for duplicating ESS skill sets. With consistent behaviors around an enabler, like a system of record, an organization can scientifically observe, test, and tweak what's working (in terms of outputs from sales workflows) and what's not.
- **Seek sophistication in the selection of tools for the sales technology stack.** Effective sales streamliners are 2.8 times as effective at increasing productivity with integrated

Effective sales streamliners are 2.8x as effective at increasing productivity with integrated technologies, compared to All Others.

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technologies, compared to All Others (51% vs. 18%) because getting the most out of said integrated technologies, is a vital component of this skill set. Sales organizations (in this category) evaluate the upticks and efficiencies that sales technologies can deliver, and make their selections based on needs. For example, while only 31% of all respondents, in sales, use eSignature, 50% of effective sales streamliners use this technology for its critical impact on accelerating deals.

- **Diversify sales communication channels to be where your buyers need you.** Effective sales streamliners maintain two more actively used communication channels, compared to All Others. While typical sales organizations operate in the traditional sales channels (phone, email, and in-person / on-location meetings or events), effective sales streamliners are where their buyers need them to be. This ensures workflows, that drive increased operational efficiency for sales, also deliver improved control and convenience in the purchase process for buyers.

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For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

The State of Sales 2017: Systems and Strategies for Winning Revenue (February 2017)

Visibility, Insight, Impact: Simplifying Complex Sales Processes with CPQ (July 2016)

Powering a Profitable Sales Organization: How CPQ Cuts Costs (August 2016)

The B2B Business / Customer Arc: Crafting Keystones for Marketing & Sales; (May 2016)

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About Aberdeen Group

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