

THE ULTIMATE GUIDE

TO SALES SUCCESS IN 2017 THROUGH SALES MATH

A report pertaining to sales processes and sales metrics

KEY FINDINGS:

1. How sales reps can drive more sales with a metric-based approach in 2017
2. Top sales performance metrics to track throughout the entire sales process
3. What is killing your sales pipeline and how to avoid it

THE CUSTOMER JOURNEY: BEFORE IT BEGINS

Actionable Insights

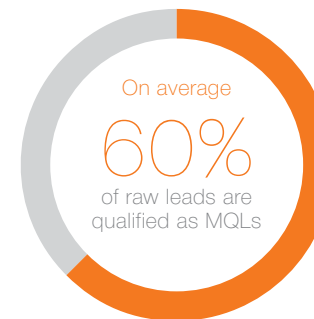
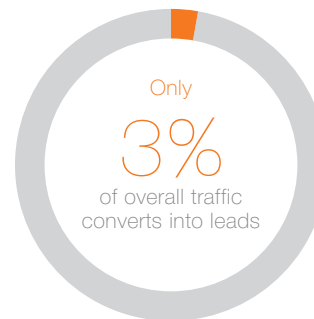
Focus on social media engagement and mobile. New business is found on smartphones and tablets, which are increasingly responsible for a larger portion of all time spent online.

The increase in sales reps who view social media as a critical enabler for their sales proves that it's working. According to Aberdeen, sales reps who leverage social media in their sales process are 79% more likely to attain their quota..

Make sure your marketing team leverages the power of marketing automation tools. Aberdeen research reports that companies that adopt marketing automation see 53% higher conversion rates (from initial touch to MQL) and 3.1% higher annual revenue rates than do non-adopters. Businesses that use marketing automation to nurture prospects experience a 451% increase in qualified leads.

For the past decade, digital channels and tools have been developing at rocket speed. Every industry has been affected and it would not be an exaggeration to say that the customer now rules and speed is the new currency of business. With an ever growing number of responsibilities and tactics to test, marketers must keep a tight focus on the metrics that affect both – revenue and customer satisfaction.

BENCHMARKING STATISTICS



- 70% of the buying process is now complete by the time a prospect is ready to engage with sales
- 31% of B2B marketers say that sales lead quality is the most important metric

Tip:

An additional reason to invest in a marketing automation system is lead scoring. These tools score explicit criteria that includes demographic factors and other parameters which align with the company target market or ideal customer profile. When leads are objectively scored to indicate when they are sales ready, marketing passes better qualified leads to sales. By eliminating low quality leads, sales productivity increases. For instance, a recent study found that a 10% increase in lead quality generates a 40% increase in sales productivity.

BUILDING YOUR PIPELINE: KEY METRICS TO CONSIDER

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Quick response time can boost the performance of your sales team considerably.

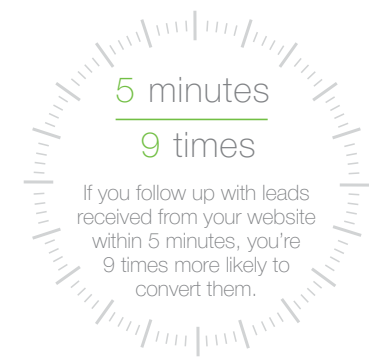
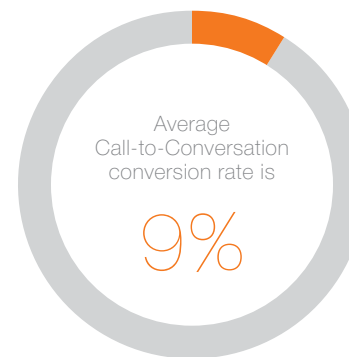
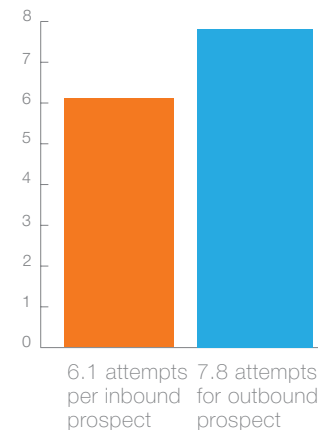
Automation of key sales processes and employing data science will pay off by enabling your sales development reps to respond to leads quickly and efficiently.

Companies that automated lead management see 10% increases in revenue in 6-9 months. 80% of businesses using marketing automation have seen an increase in leads.

Today's competitive sales environment imposes the need to pay particularly close attention to all sales metrics. However, not all organizations today track the number of calls and emails, response and reaction time or other actions the sales reps perform. With this data in place, companies could become more successful in expanding their sales pipeline and reaching their goals. Here are the stats every sales professional needs to know in order to increase response and conversion rates.

BENCHMARKING STATISTICS

Sales development reps attempts



- Only 25% of leads can become prospects and get into the sales funnel
- The average sales development rep makes 52 calls daily
- Reaching out to a contact at least 6 times can increase contact rate by 138%

Tip:

Contact the prospect within an hour of the first inquiry. Companies that contact a lead within an hour of the initial inquiries are seven times more likely to qualify the lead than those companies that wait even an hour longer. Companies that wait a full 24 hours before contacting the lead are 60 times less likely to qualify the lead than those who respond within the first hour.

METRICS TO FOCUS ON DURING THE EARLY STAGES

Qualification

Needs analysis

Presentation

Proposal

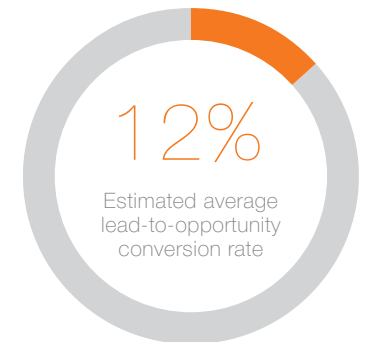
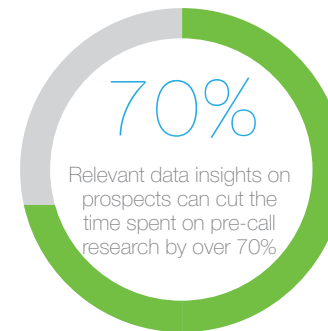
Negotiations

Contracting

Closed won

During the early stages of the sales process, you need to measure the actions performed by your reps within a certain timeframe if you want to succeed. Pay attention to not only the quantity of the actions taken to generate opportunities, but also whether those actions are efficiently leading to closing.

BENCHMARKING STATISTICS



- 44% of salespeople give up after one follow-up
- 65% of a sales rep's time is spent on activities that don't directly generate new sales
- Only 2% of sales occurs in the first meeting



Tip:

Monitor and reward sales reps on early sales funnel activities to drive a healthy long-term pipeline of deals and predictable revenue. The criteria that matter most during the early stages are speed-to-contact, opportunity qualification, estimating the buying cycle and planning the right sales strategy.

PUSHING DEALS THROUGH THE SALES PIPELINE

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Monitor your sales cycle and pipeline conversion closely. Benchmarking your metrics against the market averages. Your company's historical pipeline trends will let you identify and eliminate bottlenecks, and provide data to make well-weighted and timely decisions.

Once you understand how effective and efficient your reps' activities are in creating the pipeline during the early stages of the sales process, it's time to convert that pipeline, which means identifying buyer behavior while understanding which opportunity should be first in line.

BENCHMARKING STATISTICS



- The average sales cycle has increased 22% over the past 5 years due to more decision makers being involved in the buying process
- The probability of successful closing at "presentation" is not higher than 30%. Up to 10% of SQL reach this stage

Tip:

If you want to optimize your team's performance and increase their win rates, you need to know where your reps are having the most difficulty converting opportunities to the next stage. Analyzing the sales pipeline by stage shows exactly where you are having pipeline leakage so you can identify exactly where your sales reps need to improve.

KEEPING YOUR SALES PIPELINE HEALTHY

Actionable Insights

Encourage your sales reps to keep the data about their pipeline clean and accurate. Enhanced data accuracy is required to build precise sales forecast and make better business decisions.

In addition, a more transparent view of the pipeline will help increase conversion rates and generate more revenue.

A deeper look at your pipeline tells you how it has changed over time, whether it is growing in line with rising revenue targets, and exactly how much revenue you can expect to produce from it. A shrinking pipeline needs to be evaluated quickly, and this can only be achieved if you are carefully tracking the net flow of opportunities in your pipeline.

BENCHMARKING STATISTICS



- 75% of deals in sales pipelines never close
- Only 46% of reps think their pipeline accurately reflects future business
- 80% of reps think they are good at qualifying opportunities
- Average pipeline slippage is 21%
- 51% of forecasted deals don't close
- Companies with effective pipeline management have 15% faster revenue growth than those with an ineffective management

Tip:

Employ dynamic processes in your CRM in order to help your sales reps keep their pipeline clean. An automated process guides users through the next steps, alerts them about any overdue tasks and notifies them about any information required at a certain stage.

LEARNING FROM THE OUTCOME: SALES RESULTS METRICS

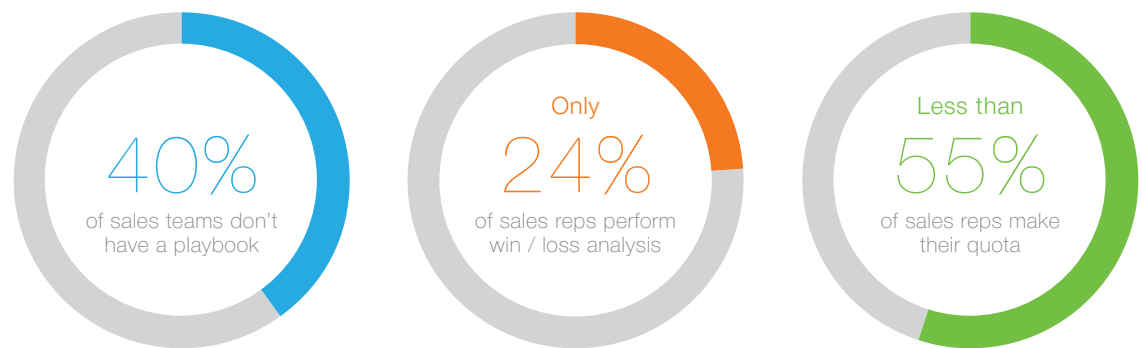
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Analyze the buying cycle of the clients you've won to have in-depth understanding of their journey, major touchpoints, and the main reasons why they decided to go with you.

Analyze your churn rate and identify the sales cycle that best correlates to high customer satisfaction.

At this stage of the sales process you should have already measured your reps activities, built and analyzed their sales pipeline based on historic data and tracked how the pipeline changed over time. Based on this information and other analytics you can evaluate your strategy.

BENCHMARKING STATISTICS



- Lost sales productivity and wasted marketing budget costs companies at least \$1 trillion a year
- Sales teams with at least 3 hours of pipeline meetings a month experienced revenue growth of over 11%
- Sales teams that implement best practices across their organizations have almost 90% quota attainment – nearly twice more than organizations that neglect best practices
- Companies with optimized marketing/sales relationship grow revenue 32% faster than companies that do not

Tip:

Share the insights acquired during the sales process with your marketing team. This will help your marketing team utilize these insights for further improvements of their campaigns, messages and assets. Better sales and marketing alignment will help you hit your revenue goals. Recent research shows that aligned organizations achieved an average of 32% annual revenue growth.

RETAINING CUSTOMERS IS A REWARDING ART

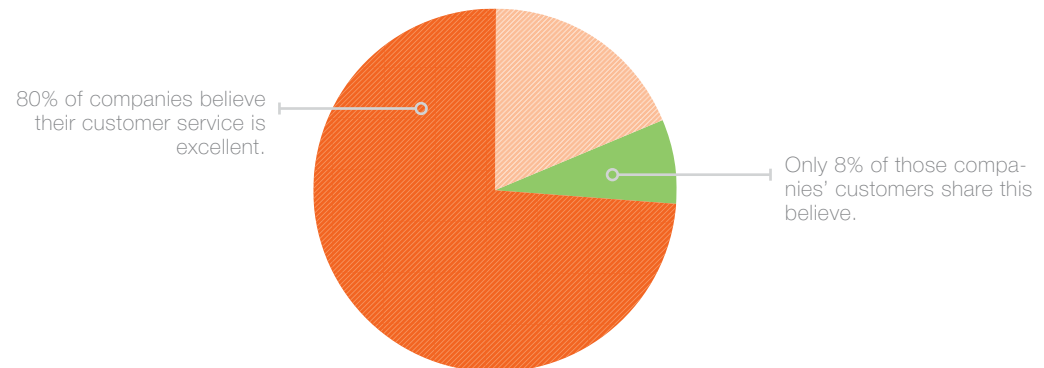
Actionable Insights

Apply proactive approaches to customer service. Instead of waiting for problems to occur, a company that implements anticipatory service can eliminate problems before they happen.

Implement a relationship based marketing strategy. Use marketing automation tools to deliver personalized messages to maintain strong relationship with your customers after the sale.

There is a saying that the rule for customer retention is that you must be willing to spend as much to keep a customer as you did to acquire them. A successful deal is not the end of the story, but rather the beginning. Customer retention, repeat sales, and referrals are the holy grails of any business. Successful customer retention starts with the first contact an organization makes with a customer and continues throughout the entire lifetime of the relationship.

BENCHMARKING STATISTICS



- 2% increase in customer retention has the same effect as decreasing costs by 10%
- Reducing your customer defection rate by 5% can increase your profitability by 25%
- Between 40% and 62% of customers change the brand if they are dissatisfied with customer service even if they are happy with the product

Tip: 88% of customers won't make a repeat purchase from the company that ignored their comments or complains submitted through social channels. Making customer care a key part of your business strategy sounds like a no brainer but is not always implemented in practice. Treating CRM as a base for your business development and a core element of your strategy can potentially increase your customer retention rate to 90%.

PROCESS OPTIMIZATION BASED ON THE SALES MATH

Why effective sales processes are important:

53% increase in forecasted deals won

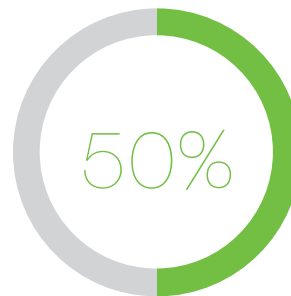
65% increase in reps making their quotas

88% increase in companies hitting their bookings targets

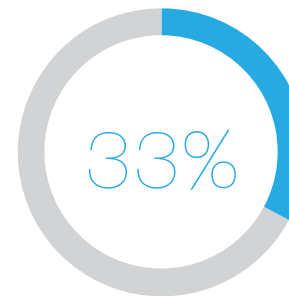
Sales process consists of the steps your reps must take to sell your product, and it should be mapped as a complete customer journey. Doing so will help you identify the actions that your reps need to perform to successfully move an opportunity from one stage to the next. Therefore, you must create and formalize your sales process while delivering to your reps a clear understanding of all the steps within the process so they can identify what actions they need to take to successfully close the deal.

BENCHMARKING STATISTICS

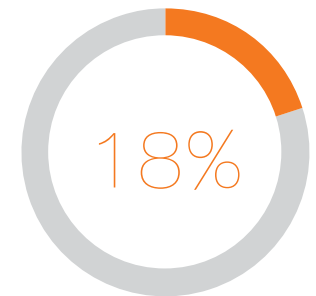
Developing a formal sales process means having clearly defined stages and milestones that are understood by all of your sales reps. Your sales team shouldn't have to guess where a particular deal stands or how they should be managing opportunities at every stage.



The win rate exceeds 50% for 2/3 of companies that have a defined process in place



Companies that follow a well-defined sales process are 33% more likely to be high performers



Companies that reported having a formal sales process had 18% higher revenue than those with informal

Tip:

It takes careful analysis and a clear understanding of important factors to make progressive changes to your sales process. Use sales metrics as a base for creating a dynamic and responsive sales process that will help you improve results and reach your sales goals.

Conclusion

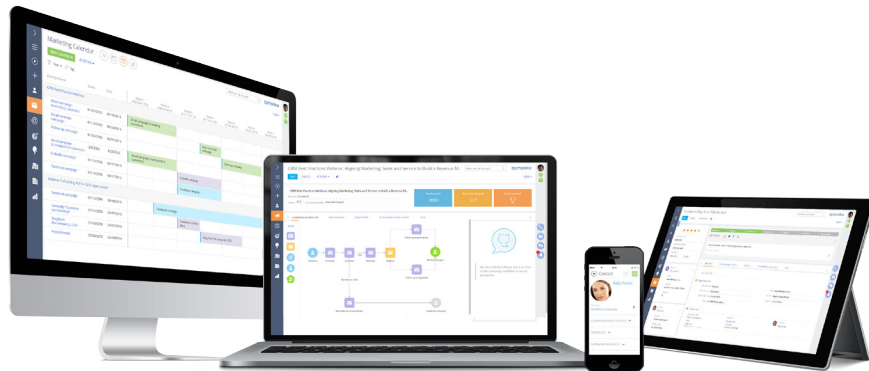
With over one trillion dollars spent annually on sales teams, maximizing sales productivity is a critical goal for every enterprise. While all sales organizations are different, it is always important to measure the KPIs and outcomes at each stage of the sales process.

Sales is a numbers game. Having the benchmarks to measure performance makes companies better equipped for today's new selling environment. In addition, a process-driven sales automation tool can help manage sales metrics to achieve the heightened win rates every company seeks.

There is no magic or quick fix to improve your sales metrics — it takes careful analysis and a clear understanding of important factors. Tracking the metrics outlined in this eBook will help you create a dynamic and responsive sales process so you can improve your results and reach your sales goals.

Source: bpm'online index, supported by third-party research

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