CSO Insights™
The Research Division of Miller Heiman Group

2018
Sales Operations
Optimization Study

Terms and Conditions

Executive Summary

INSIDE THIS REPORT
This is CSO Insights' first annual *Sales Operations Optimization Study*. It draws upon detailed responses provided by more than 300 study participants from all over the world to create a snapshot of sales operations as it is today.

The increasing recognition of the role ops can play in improving sales performance has many parallels with the emergence of sales enablement as an indispensable dimension of the modern sales organization. This new report takes its place alongside our annual sales enablement studies as part of CSO Insights' continuing efforts to advance the science of selling through research.

MAJOR FINDINGS

Sales operations is widely established as a dedicated function in the tech industry and in larger companies. The majority of study participants reported that their organizations have a dedicated sales operations team, with technology and quarter-billion-dollar companies leading the way.

Sales leaders need, and expect, decision-making data from sales operations. When asked to name sales operations "areas that need the most improvement in the next 24 months" the highest-ranked answer was,

"deliver key decision-making data to executives." This fits with broad trends in sales analytics and the increasing need for planning to be informed by more detailed and specific information.

Sales operations has a very wide range of responsibilities. The study identified 16 business activities and measured five levels of involvement in each.

A formal forecasting approach, with accuracy targets and measurement in place, outperforms all other approaches. Subjective, "gut feel" forecasting gets sub-par results. Formal, structured forecasting processes lead to higher win rates for forecasted deals.

CRM systems have been almost universally implemented, but adoption rates are a different story. Only 47% of study participants reported an adoption rate of greater than 90%. High adoption combined with a rigorous sales process sets the basis for achieving better and more predictable sales results.

Sophisticated new sales tools are on the rise, but... New tools present new challenges, particularly in the areas of training, integration, and getting full value from the investment.

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Introduction

Chapter 1: Introduction

Almost no sales leader would dispute the need to have some sort of sales operations function in place. However, when it comes to clearly defining sales operations' purpose and primary responsibilities, asking ten sales leaders will lead to ten different answers: from having a small team that creates reports and forecasts up to a strategic function that serves as the right hand of the sales leader and is responsible for the entire sales system.

These same sales leaders are also concerned with the accelerated rate of change that's occurring in their business. In our *2017 World Class Sales Practices Study*, over 70% of respondents indicated that the rate of change in "customer expectations" and "competitive activity" was increasing noticeably or significantly. Sales leaders are compelled by these concerns to expand their awareness of new threats and new opportunities to develop their own competitive advantage.

And where there's opportunity, there are vendors. We've seen a tremendous explosion of sales productivity tools leveraging next-generation capabilities like artificial intelligence, predictive analytics and machine learning. But making bets on these technologies can be risky. As a result, more and more sales operations leaders are being asked to understand the range of potential of these new technologies and to help sales leaders make the right bets on new ways to align with their customers buying journeys and improve their sellers' productivity.

CSO Insights has studied and tracked the function of *sales enablement*, documenting its growth from 2013, when only 19.3% of companies had a dedicated sales

enablement "person, program, or function," to today, when 59.2% of companies have a dedicated sales enablement initiative or function. This emergence of sales enablement as a business function means that the role of sales operations is going through its own evolution and clarification.

The purpose of the *2018 Sales Operations Optimization Study* is to clarify what sales operations actually does, its approaches, current priorities, areas of improvement, and of course, the related business impact.

Our preliminary definition of sales operations (which will be refined in our future research) is this: *Sales operations is a strategic function, designed to provide a platform for sales productivity and performance by providing integrated methods, processes, tools, technologies and analytics for the entire sales force and senior executives.*

Sales operations is focused on designing and running the sales system that provides the foundation that the sales force needs to be both productive and effective. Sales enablement builds on this foundation and equips all salespeople (ideally all customer-facing professionals) and their managers with consistent and effective enablement services (mainly training, content, coaching and tools) so that they can be valuable, relevant and differentiating in every customer interaction. By necessity, there is overlap between these two functions and probably will be for years to come. But, we expect that they will continue to narrow in their focus and specialize in their services. How they decide to do this will depend on the positive performance impact that their services deliver. CSO Insights will continue to identify, document and study these emerging best practices.

Global Participation

We truly appreciate the support of the more than 300 study participants from all over the world who invested the time to give us their input and help us ensure that this is a worldwide study.

Survey Participants by Region
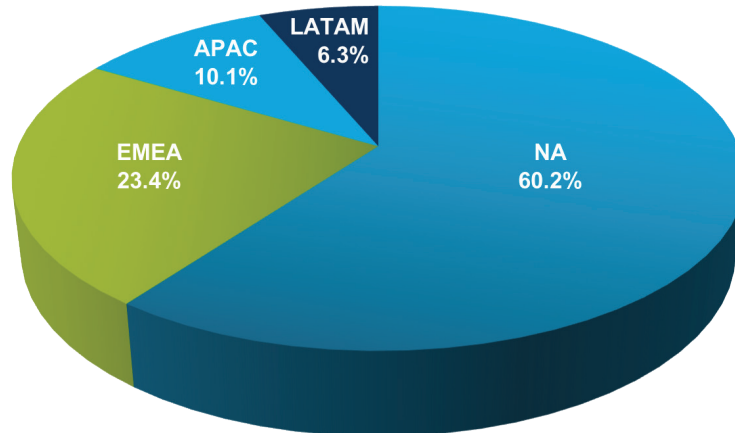
The chart provides a breakdown of participation by geography. While just over half of the input came from organizations in North America, the international communities were also well represented.

In addition, within the geographies, we invited the participation of organizations with mature sales operations functions to ensure we had meaningful data for the analysis.

The following two charts present an overview of the high-level makeup of the industries that are represented in the study, as well as the organizations' sizes in terms of total annual revenues.

Survey Participants by Industry
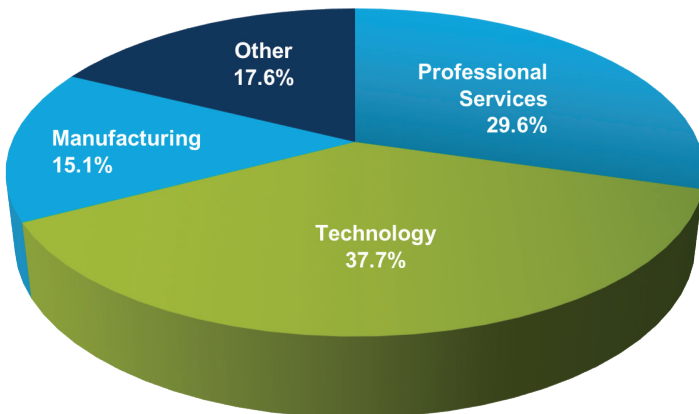
Survey Participants by Company Revenue
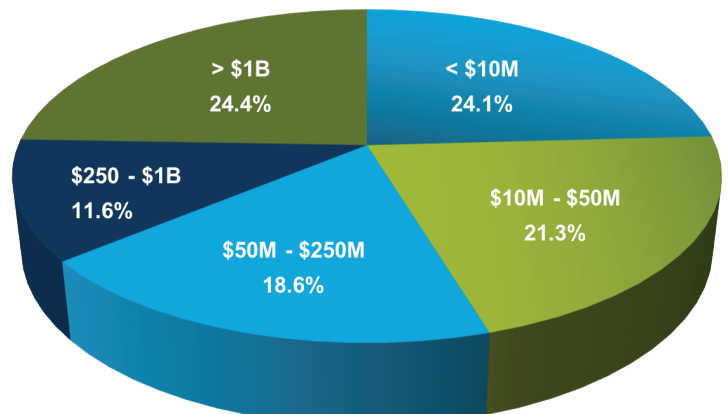
The participating roles are also of interest. The largest group consists of sales operations professionals (40.3%), followed by senior sales management (24.2%) and executive management (19.8%). Additional roles such as sales enablement professionals, salespeople, frontline sales managers and roles from related functions cover the remaining 15.7% of study participants.

Sales operations is widely established in the technology industry and in larger organizations with annual revenues higher than $250M.

Every organization with a sales force has operational requirements that ensure their sellers are productive and capable of doing their jobs. This doesn't necessarily mean that the organization has a dedicated sales operations team. Sometimes, these responsibilities are shared by individuals from non-sales operations teams like marketing, finance, IT or HR.

Percentage of Organizations with Dedicated Sales Operations Team

Planned
7.5%

No / Function is Shared Across Teams
28.6%

Yes
63.9%

The majority (63.9%) of our study participants reported having a dedicated sales operations team, while 36.1% reported that their sales operations responsibilities were spread across multiple teams. Of these, 7.5% indicated that they planned to create a dedicated sales operations function within the next 12 months.

When we looked at this question across industries, we found that over 80.5% of all organizations in the technology industry have a dedicated sales operations function. Across all of the other industries combined, only 54.6% of their organizations have a dedicated sales operations team.

Percent of Dedicated Sales Operations Teams by Company Revenue

	< $10M	$10M - $50M	$50M - $250M	$250M - $1B	> $1B
	37.3%	56.1%	74.0%	80.6%	81.6%
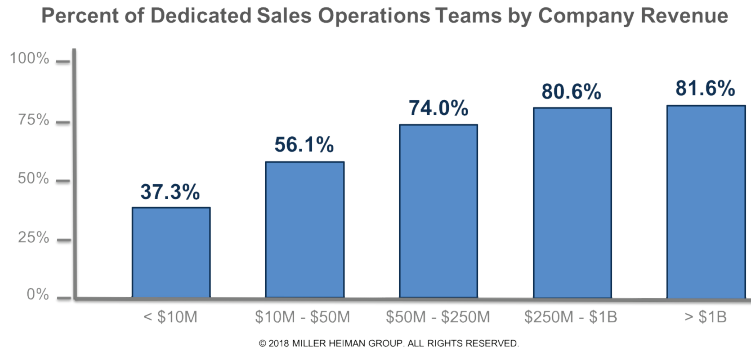
It's an interesting trend we already observed with sales enablement, where the technology industry has been and still is the leading industry: 79.1% of all organizations in tech already have a dedicated sales enablement initiative or function, compared to an average of 50% across other industries.

It is noteworthy that an organization's size impacts its sales operations efforts. The above chart shows that dedicated ops teams are less prevalent in smaller organizations (less than $10M in revenues), where only 37.3% have a dedicated team, compared to large organizations (annual revenues higher than $250M), where more than 80% have a dedicated team.

Sales Operations' Focus Areas of Improvement

Sales operations covers a large variety of activities and responsibilities (which we will discuss in the next chapter) and has to be flexible in how they support their executive team and sales leaders. Study participants said that in the next 24 months, they would most like to see improvement in these areas:

Areas That Need Most Improvement in the Next 24 Months

	High Priority	Medium Priority	Low Priority
Deliver key decision-making data to executives	59.6%	33.1%	7.3%
Sales enablement	49.7%	43.6%	6.7%
Improved forecast accuracy	48.9%	36.5%	14.6%
Drive operations improvements with minimal disruption	42.0%	40.8%	17.2%
Continuous Improvement of efficiency through automation	40.1%	46.1%	13.8%
Consistently engage and embrace input from customers	39.3%	42.5%	18.2%
Connect tools and technologies to the sales organization	36.9%	44.2%	18.9%
Ensure accurate operational data	36.7%	48.9%	14.4%
Improved territory definition and compensation management	30.8%	45.7%	23.5%
Channel enablement	27.9%	38.8%	33.3%

"Deliver key decision-making data to executives" tops the list. We can think of two reasons for this: First, executives, by necessity, are being asked to be more data driven in all aspects of their business and decision-making. Sales leaders' requirements regarding the quality and the quantity of the data they need for their decision-making processes are becoming deeper and broader at the same time, based on the emergence of the digital age and the explosion of sales analytics and intelligence tools.

Second, sales operations' priority has always been the operational productivity of their sellers. They are responsible for delivering a sales system, featuring primarily the CRM. Taking advantage of the CRM (and all of their sales tools) by providing insights and intelligence is becomingly increasingly more complex and sophisticated. Highlighting this area for improvement is clearly an indication that they feel this is important, but also indicates that this may be one of their biggest challenges.

It's not surprising that sales enablement is listed as the second most important area of improvement. Sales operations and sales enablement are still very closely linked, especially in large organizations (with more than $1B in revenues) where sales enablement teams are more than twice as likely to report into sales operations (37.3% vs. 17.6% for all other company sizes).

From an effectiveness perspective, survey data consistently shows that sales enablement is not achieving its objectives. In our *2017 Sales Enablement Optimization Study*, only 34.6% of our respondents indicated that they were meeting or exceeding the majority of their expectations. Although sales operations professionals said their involvement in sales enablement was mostly effective (65.5% reported meeting or exceeding expectations for sales enablement), it's clear that sales enablement and sales operations have to collaborate closely to ensure productivity and performance across the sales force.

Providing methods and processes to create accurate forecasts is one of the core responsibilities of all sales operations teams, and improving forecast accuracy is an ongoing challenge. While there is more data available than ever, data accuracy is still suspect. There is also a need for improved clarity on how to use structured coaching sessions around opportunities and pipelines to improve forecasting. Leaving the forecasting process up to the managers is not the most effective way to ensure forecast accuracy. For more details, see Chapter 4.

The fourth area identified for improvement, the ability to drive operational improvements with minimal disruption, means that sales operations, as the designer, maintainer and developer of the sales system, must "fix the plane while it's flying." And the fifth area, continuous improvement of efficiency through automation, is based on the same challenge but more focused on deriving the maximum value from the growing number of available technologies.

What You Can Expect From This Report

Now that we've shared the mechanics of the *2018 Sales Operations Optimization Study*, let's spend a moment talking about what's in this report. Chapter 2 looks at what sales operations is responsible for in the organizations that responded to our study.

Because this list is a long one, we'll spend Chapter 3 discussing how to prioritize these activities.

Chapters 4, 5 and 6 go deeper into a few of the major areas of responsibility, namely forecasting, CRM (with a focus on utilization) and sales effectiveness, and other sales tools and technologies. Finally, we'll close with a chapter that summarizes our key takeaways from the study and recommends actions you can take to improve your sales operations discipline

Chapter 02
Sales Operations' Areas of Responsibility

Chapter 2: Sales Operations' Areas of Responsibility

Introduction

As sales continues to evolve from an "art" to a "science," the role of sales operations expands, incorporating a broad pool of new activities, both strategic and tactical. In fact, just about anything that involves a process, a technology or a spreadsheet may well find its home in sales operations.

Based on a series of interviews with sales operations leaders as well as the results of our previous studies, we identified a list of 16 activities commonly undertaken by sales operations functions. For each, we sought to understand just how involved sales operations was in the activity. In order to break this list down into manageable chunks, we have organized this activity analysis into four buckets: Strategic Planning Support,

Sales Performance Analysis, Sales Readiness and Enablement and Technology Management.

Strategic Planning Support

Periodically, usually in preparation for the onset of the fiscal year, sales leaders undertake the planning activities needed to translate the organization's go-to-market initiatives into a set of sales strategies ("go-to-customer" strategies). Leaders define target markets, territory assignment methods, channel coverage and more. Sales operations can be a key planning partner in these activities, as they often have the access and skill sets to collect the available data, build the models to test scenarios, validate assumptions and layer the needed details into an overarching strategy.

Strategic Planning Support Activities

Activity	Not Involved	Somewhat Involved	Regularly Involved	Heavily Involved	Leadership Role
Customer Analysis & Reporting	4.8%	21.7%	35.5%	28.6%	9.4%
Sales Organization Structure	11.7%	24.2%	27.0%	28.9%	8.2%
Compensation Modeling	17.6%	20.1%	26.1%	23.6%	12.6%
Territory Modeling	13.5%	23.9%	32.4%	21.1%	9.1%
Channel Definition	13.5%	24.5%	34.9%	19.5%	7.6%
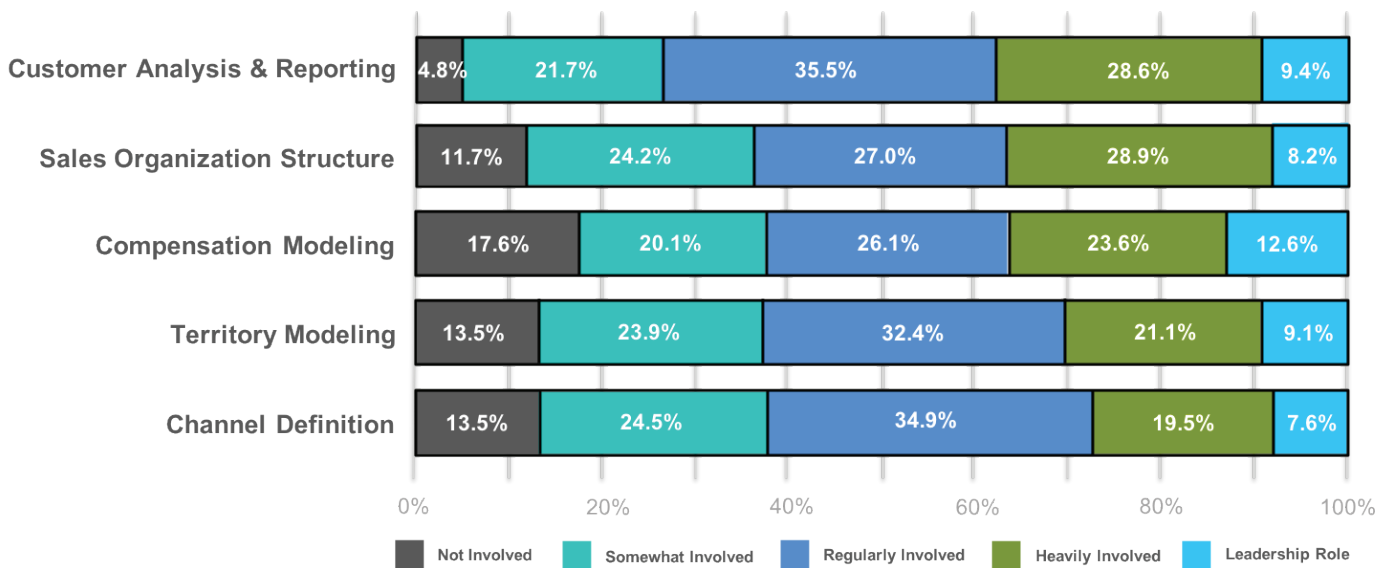
Sales operations teams were "regularly involved" in each of these activities. Over a third reported "heavy involvement" or a "leadership role" in the areas of Customer Analysis (38.0%) and Sales Structure Definitions (37.1%).

1. **Customer Analysis & Reporting** – Sales operations assists the sales and marketing organizations with populating targeted customer segments with identifying data and identifying markers for ideal customer profiles. This can create great value for the organization. Almost half (48.2%) of respondents surveyed in the *2017 World-Class Sales Practices Study* said that their ability to identify which customers to focus prospecting efforts on needed improvement or major redesign.

2. **Sales Organization Structure Definition** – Sales operations can help determine the potential impact of organizational design decisions. What happens if you were to reorganize the division of sales work into hunter/farmers? What would happen if you increased or decreased manager span of control? How might you use the available data to stress test the idea of creating a key account management layer of sellers? The ability of sales operations to support these decisions is critical to long-term success, which is underscored by the *2017 World-Class Sales Practices Study* finding that only 39.4% of organizations said their *"structure allowed them to easily adapt to our customer's changing needs."*

3. **Sales Compensation Modeling** – Sales operations can help leaders model compensation strategies and determine the impact of changes, identify risks and suggest alternatives levers to pull for optimal impact. Ultimately, sales operations is also often responsible for the administration of the plan. Our World-Class study also highlighted compensation planning as an area in need of change as only 41.2% of respondents agreed or strongly agreed that their compensation policies and metrics were aligned with business objectives.

4. **Territory Modeling** – Sales operations helps model the impact of territory design decisions. And as a follow-on activity, sales operations may be responsible for account allocation, territory balancing and other ongoing administration of the territory management system.

5. **Channel Definition** – This includes activities for determining how channels play a role in the sales distribution model and how the mix of direct and channel sellers will provide adequate coverage without excessive channel conflict.

Sales Performance Analysis

The next set of activities covers areas where sales operations creates and manages data collection processes and provides analysis to leaders to assist in the execution of sales strategies.

Again, sales operations reported regular involvement in each of these activities with nearly half reporting heavy involvement or a leadership role in Forecasting (46.8%), Sales Performance Metrics (45.3%) and Sales Process Definition (44.3%).

1. **Forecast & Pipeline Management** – Operations often owns the processes, systems and tools needed to create and refine forecasts for use by senior executives and other stakeholders.

Sales Performance Analysis

Activity	Not Involved	Somewhat Involved	Regularly Involved	Heavily Involved	Leadership Role
Forecast & Pipeline Mgmt	5.7%	14.8%	32.7%	30.8%	16.0%
Seller Performance Metrics	5.7%	18.9%	30.2%	30.2%	15.0%
Sales Process Definition	11.3%	18.6%	25.8%	30.5%	13.8%
Leadership Communication	12.6%	25.5%	33.6%	21.7%	6.6%

Legend: Not Involved · Somewhat Involved · Regularly Involved · Heavily Involved · Leadership Role
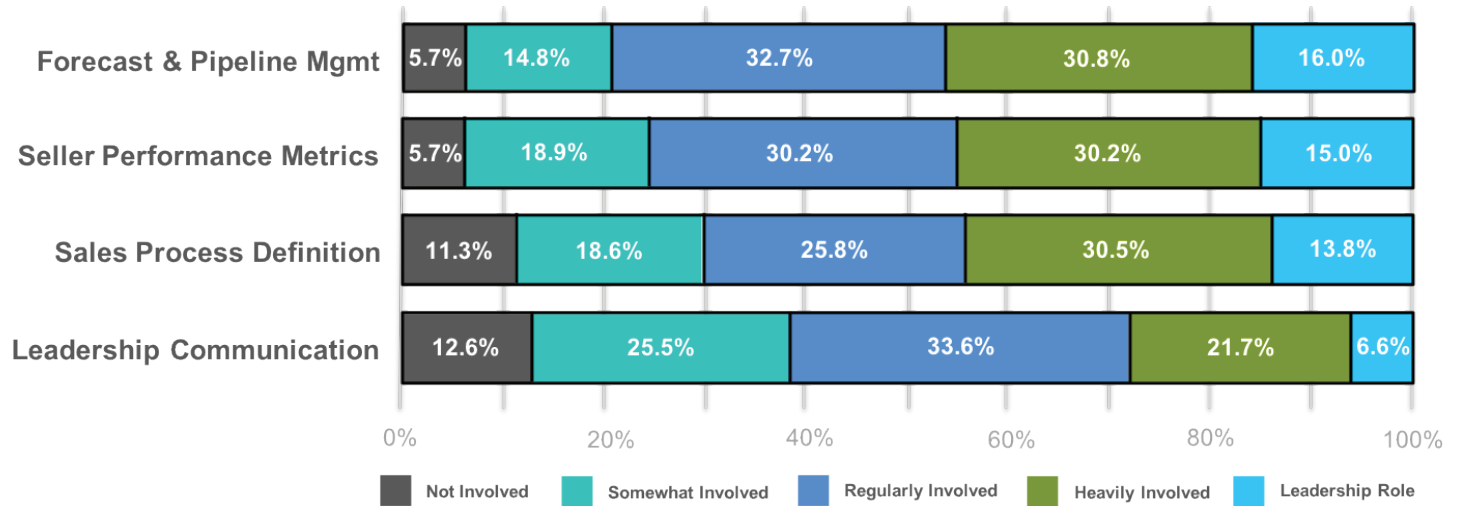
Operations is ultimately responsible for ensuring forecast accuracy in partnership with sales leadership. This was the activity most likely to have high involvement of all those queried. Forecasting, as a discipline, is addressed in greater detail in Chapter 4 of this report.

2. **Seller Performance Metrics** – Sales performance metrics are usually embedded in a range of sales systems. Using the output from these systems, operations builds dashboards and reports that provide visibility into team and individual seller performance metrics. These reports give sales leaders, managers and salespeople the insights they need to improve results. While organizations respondents also reported heavy involvement in this activity, 47.5% also said that their sales operations team needed improvement or major redesign when it came to "providing managers with metrics they need."

3. **Sales Process Definition** – This activity involves defining and refining the selling processes that align with targeted customers' buying processes. In order to have a "dynamic" process, organizations must define it, train to it, and reinforce it so that it becomes a natural part of selling. Then, they must continuously refine the process using analytics. While organizations reported heavy involvement in this too, only 27.9% felt like they had achieved the level of a dynamic sales process within their organization.

4. **Leadership Communication** – These activities focus on synthesizing the available data into insights that sales leaders need to most effectively execute the sales plan and establishing a regular communications cadence to get these actionable insights into the hands of leaders at the right time. It is important to do this well because leaders rely on these insights to make informed, data-driven decisions. Although still "regularly" involved, operations functions were much less likely to be heavily involved here.

Sales Readiness and Sales Cycle Support

The next group of activities includes tasks that sales operations executes to assist sellers in most effectively and efficiently moving opportunities through the funnel.

Sales Readiness & Sales Cycle Support

	Not Involved	Somewhat Involved	Regularly Involved	Heavily Involved	Leadership Role
Sales Enablement	5.4%	15.4%	33.6%	30.5%	15.1%
Deal Desk / Quote Mgmt	17.0%	23.6%	25.8%	25.2%	8.4%
RFP / Proposal Mgmt	21.7%	21.1%	28.9%	21.1%	7.2%
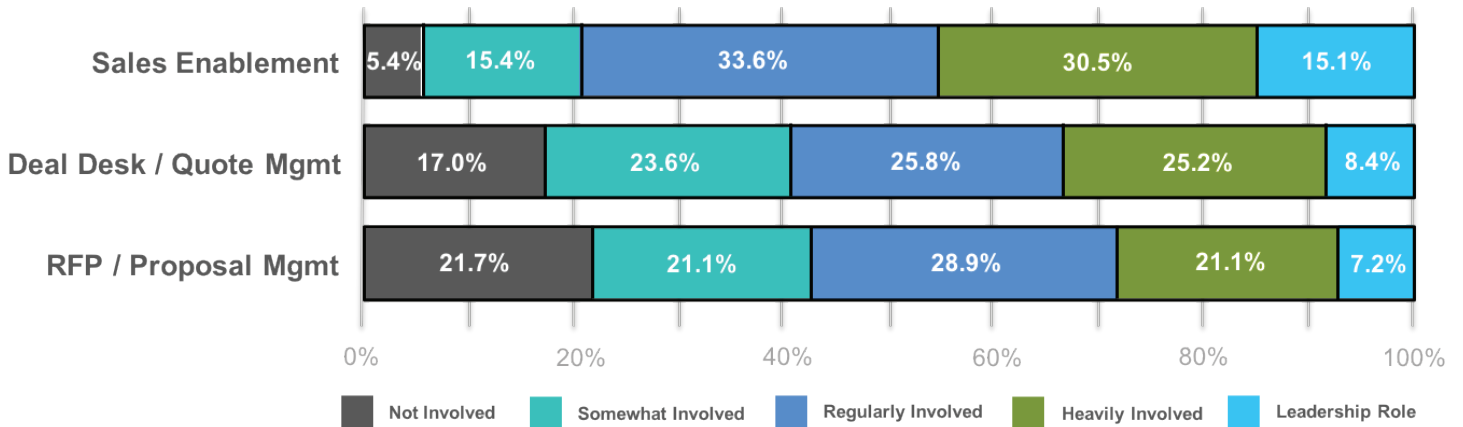
Although less involved than in the analytical activities above, sales operations reported being at least regularly involved in each activity. A notable number of sales operations teams reported "no involvement" in Deal Desk (17.0%) and RFP management (21.7%).

1. **Sales Enablement** – Enablement includes the provision of coaching, training and content services to customer-facing resources and their managers. While our *2017 Sales Enablement Optimization Report* shows that enablement is increasingly a separate function, reporting directly to sales leadership, it is not uncommon to have the enablement function nested under sales operations. The key is involvement. While not necessarily owners of sales enablement, sales operations should be completely integrated with the enablement team. Otherwise, there may be a disconnect between sales process and sales methodology, low adoption of key technologies as well as other pitfalls.

2. **Deal Desk / Quote Management** – Often focused on non-standard deals, deal desks help with everything from pricing, establishing discount levels, configuring solutions and managing quotes through to shepherding deals through contracting processes.

3. **RFP / Proposal Management** – Such activities help salespeople use objective go/no-go criteria to determine whether to respond to an RFP, pull together boilerplate language, orchestrate responses from corporate functions, project manage proposal responses, etc.

Technology Management

Sales operations is also commonly responsible for managing key technologies used by the sales team (with varying degrees of partnership with IT) as well as the management of the data within these systems and the alignment and integration between them. See Chapter 6 for a more detailed list of the actual technology tools in use.

Technology Management

	Not Involved	Somewhat Involved	Regularly Involved	Heavily Involved	Leadership Role
CRM Definition & Update Strategy	6.6%	20.8%	25.8%	22.3%	24.5%
Sales Tool Mgmt	8.1%	16.7%	27.4%	27.7%	20.1%
Operational & Tech Change Mgmt	10.7%	20.8%	28.3%	28.0%	12.2%
Marketing Automation Mgmt	19.8%	31.4%	30.5%	13.3%	5%
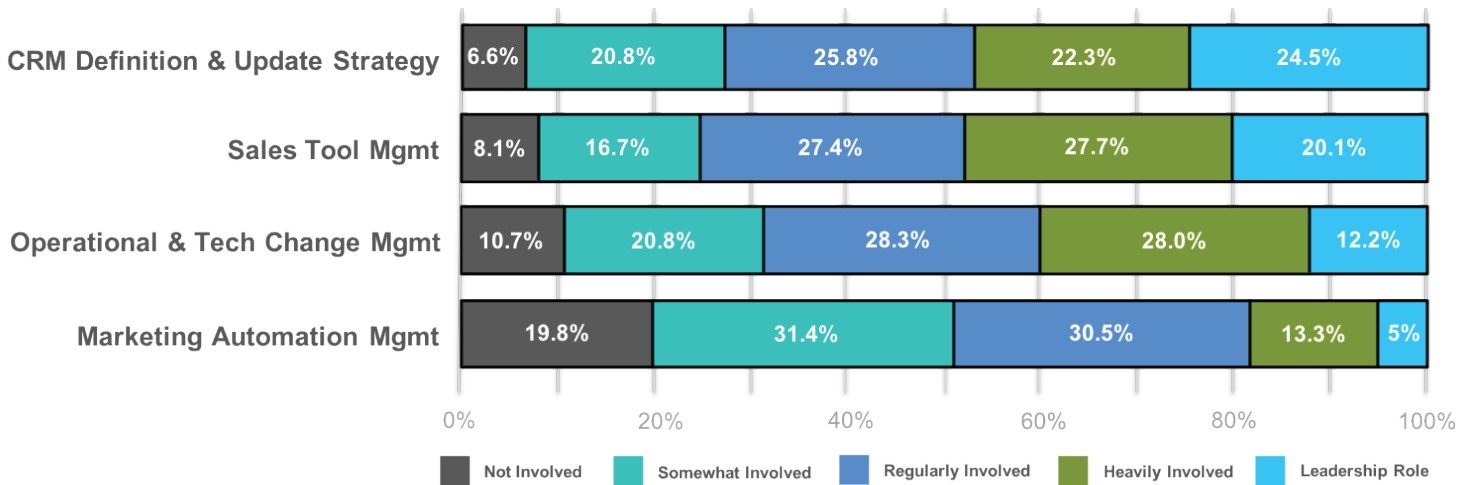
Operations teams reported high involvement in technology. In fact, these were the activities in which operations most commonly took a leadership role, in particular, CRM Definition/Update Strategy (24.5%) and Sales Tool Management (20.1%). The notable exception was a lack of involvement with the Marketing Automation system. As noted below, this is not surprising given the continued issues organizations experience with sales and marketing integration.

1. **CRM Definition & Update Strategy** – Sales operations typically owns CRM and makes the decisions on when to update it, how to cleanse it, etc. They also are responsible for designing and managing the sales technology stack, which typically has CRM as the backbone. This is no easy task, as adoption of, and productivity improvements from, CRM remain elusive. See Chapter 5 for a more complete discussion of CRM.

2. **Sales Tool & Technology Management** – Sales operations is the first point of contact when the sales organization wants to deploy a sales-specific technology. They own the sales technology stack and manage the deployment and integration of such tools, e.g., sales enablement content management tools, virtual coaching tools, lead scoring tools and more. For more on the tools sales operations uses, see Chapter 6.

3. **Operational & Technology Change Management** – In our recent *World-Class Sales Practices Study*, participants noted massive changes on the horizon in product, market and competition. Further, sales leaders said the #1 thing they were worried about

versus 12 months previously was transforming their sales organization. Each and every change to the sales organization cascades into a systems and technology change for operations. Coupled with the evolving nature of technologies, operations is in a perpetual state of managing change.

4. **Marketing Automation Management** – This includes setting up and managing the lead flow processes between the marketing automation system and the CRM. As you can see, of all the common activities, respondents reported the least involvement with this technology. This makes sense if you consider that our *2017 World-Class Sales Practices Study* respondents found a serious alignment gap remaining between sales and marketing. Only 31.1% said that sales and marketing had a formal process for jointly nurturing leads, and only 26.1% had a mutually accepted definition for lead scoring.

As we look through the activities overall, a common theme emerges. Sales operations is regularly involved in almost all of these activities, yet they rarely have a leadership position. This is a reflection of the position and the challenge of sales operations. Sales operations is asked to do a lot, but usually downstream of the strategy-setting process. However, as technologies continue to evolve and play a larger role in sales success, sales operations teams may well have an opportunity to become much more strategic, making recommendations to sales leaders on what to do versus just modeling the impact of previously made decisions.

Making Decisions on Where to Spend Time

With such a large set of responsibilities and a fixed set of people and budget to work with, sales operations leaders must continuously prioritize and re-prioritize their activities, ebbing and flowing with the natural movement of the sales calendar year, e.g., territory setting time, end of quarter forecasting, annual technology upgrade schedules, and flexing to invest time in activities with the greatest payoff. There is never enough time or resources to do it all, and most (if not all) sales operations functions are haunted by a large backlog of projects.

There is an expression in the military: "What the General finds interesting, I find fascinating." The clearest direction on where to best spend operations time comes from the Chief Sales Officer. Sales operations works on what will most benefit the go-to-customer strategy as laid out by sales leadership.

However, as noted in Chapter 3 on priority setting, this does not have to be a top-down mandate. As sales operations becomes a more strategic and integral part of the sales ecosystem, there are opportunities to proactively shape the identity of its function and scope. As such, we looked again at each of the 16 activities and compared their effectiveness (as reported by participants) to key sales performance metrics. That analysis yielded several activities where a high level of effectiveness was linked to higher sales metrics. If given the opportunity, these may be places where a sales operations function could usefully advocate for greater involvement.

In the table below, we look at two key performance metrics: the percentage of salespeople making/exceeding their quota goals and the win rates of forecasted deals. In each case, we compare these metrics across two groups: those who said that the listed activity was a strength in their organization and those who saw it as an opportunity for improvement. Those reporting strong performance in an activity had better sales results than those who saw these activities as gaps.

	Quota Attainment		Win Rates	
	Needs Improvement or Major Redesign	**Meets/Exceeds Expectations**	**Needs Improvement or Major Redesign**	**Meets/Exceeds Expectations**
Sales Org Structure	55.0%	66.2%	49.1%	59.7%
Sales Process Def.	53.4%	63.7%	44.1%	59.3%
Sales Enablement*	55.4%	64.5%	47.0%	60.7%
Territory Modeling	57.2%	64.7%	49.5%	60.6%
Forecasting	60.2%	62.4%	48.9%	59.7%
Sales Perf. Metrics	60.1%	63.0%	49.1%	59.4%

* Based on what we know about the evolution of sales enablement, we see the opportunity for the operations function to offer a strong partnership with a distinct sales enablement function, both reporting up into senior sales leadership. Refer to our *2017 Sales Enablement Optimization Study* to learn more.

Sales Operations' Scope is Broad but Leadership Remains Rare

Survey participants reaffirmed that sales operations has a very broad range of responsibilities, with respondents reporting that they were at least "regularly" involved in 15 of the 16 activities listed. Heaviest involvement was noted in areas that would typically be expected from operations, such as forecasting, CRM and sales tool management.

	Heavily	Leader	Combined
Sales Tool & Technology Management	27.7%	20.1%	47.8%
CRM Definition & Update Strategy	22.3%	24.5%	46.8%
Forecast & Pipeline Management	30.8%	16.0%	46.8%
Sales & Sales Support Enablement	30.5%	15.1%	45.6%
Seller Performance Metrics	30.2%	15.0%	45.2%
Sales Process Definition	30.5%	13.8%	44.3%
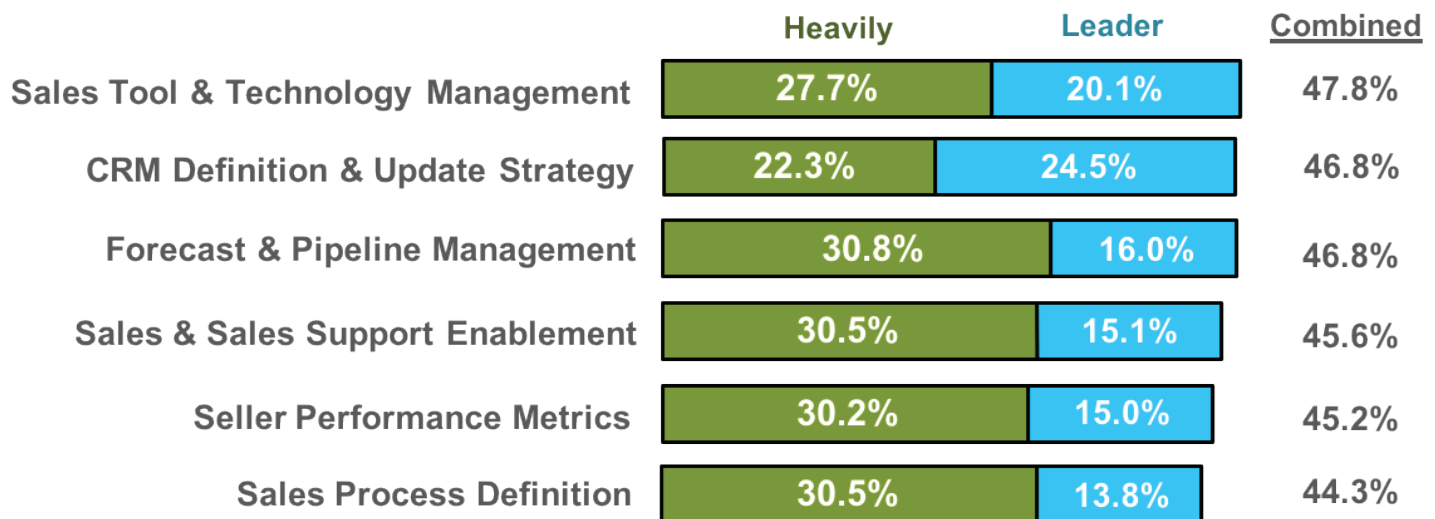
At the same time, however, there was clearly not one template that delineated sales operations' responsibilities, and opportunities for operations to take a leadership role remain rare.

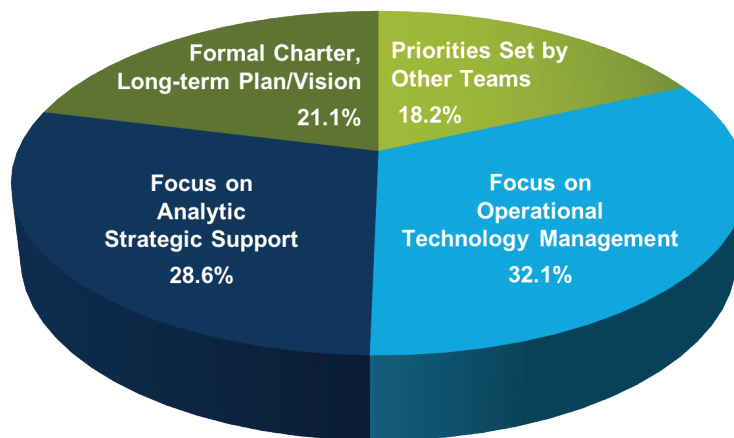# Chapter 03
Sales Operations' Priorities

Chapter 3: Sales Operations' Priorities

We've said that sales operations teams are involved in a wide range and variety of responsibilities: day-to-day technology management, periodic support for new sales tool rollouts or sales enablement initiatives, monthly or quarterly delivery of analytic packages, and even annual planning exercises. Like many other teams, they also have limited staff, budget and bandwidth. So, how do they prioritize?

How Sales Operations Priorities are Set

Formal Charter, Long-term Plan/Vision
21.1%

Priorities Set by Other Teams
18.2%

Focus on Analytic Strategic Support
28.6%

Focus on Operational Technology Management
32.1%

- **Formal Charter, Long-Term Vision** – 21.1% of respondents indicated that "Sales operations has a formal charter that covers a long-term plan for functional vision / strategy, clearly defined operational services, a technological roadmap, and success metrics, which we track regularly." In contrast, in our *2017 Sales Enablement Optimization Study*, only 13.1% of sales enablement teams had a formal charter and vision.

- **Priorities Set by Non-Ops Leadership** – 18.2% of respondents indicated that "Sales operations is a support role whose functional priorities are established by other leadership teams, limiting long-term planning."

- **Focus on Operational & Technology-Based Programs** – 32.1% of respondents indicated that "Sales operations coordinates priorities with executive leadership, but most initiatives are focused primarily on *operational and technology-based* programs."

- **Focus on Analytic Support for Executive Decision-Making** – 28.6% of respondents indicated that "Sales operations coordinates priorities with executive leadership, but most initiatives are focused primarily on *analytic support for strategic executive decision-making.*"

The percentage of respondents who reported their organizations were focused on operational and technology-based programs was lower than we expected – not much higher than those focusing primarily on analytic support for decision-making.

To summarize, according to this data, 78.9% of sales operations teams do *not* establish priorities using a long-term, strategic plan. Through our sales enablement research, we have become advocates for establishing a formal charter as a critical component to building a highly effective sales enablement discipline. The existence of a formal charter makes it easier to set priorities, manage expectations and measure success. In the sales enablement space, we have seen a 27.6% improvement in quota attainment for those organizations that are able to execute on a long-term sales enablement strategy. Is there a similar impact here?

Prioritization Impact

When we analyzed the four prioritization approaches based on seller performance, one emerged as the leader. Those organizations where sales operations established a formal charter and long-term vision out-performed all of the other approaches by a minimum of 6.9%.

In contrast, those organizations where sales operations' priorities were set by non-sales-operations leaders fell below the top-performing group by 15.2%.

Impact of Prioritization Approach on Quota Attainment Rates

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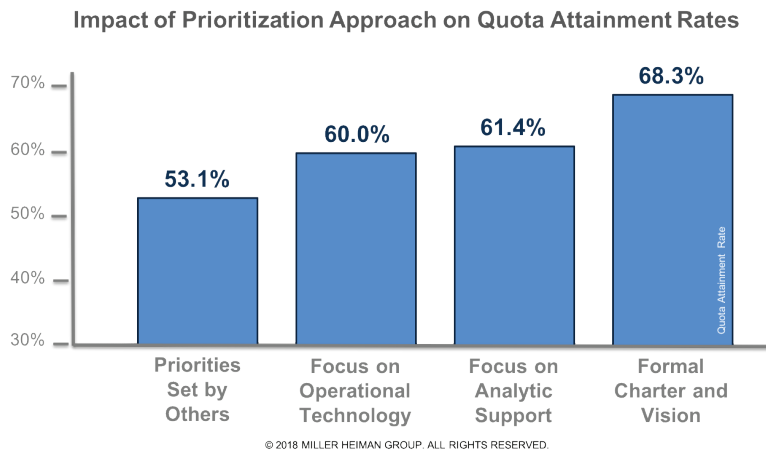
The study found no statistically significant difference between those organizations that focused on analytic support and those that focused on operational and technology-based programs.

It's clear that a long-term strategic focus has the optimal impact on performance. Furthermore, those organizations where the sales operations team is relying on non-sales operations leaders to determine priorities are missing an opportunity to achieve better seller performance.

Recommendations for How to Evolve Your Sales Operations Function

Based on our research and engagement-work with clients, here are four ideas for how to strategically evolve your sales operations function, leveraging a formal charter to ensure a focused and purposeful approach to achieve your desired vision.

1. **Clarify your sales operations' vision, mission and purpose:**
   Conversations with your senior executive stakeholders should help you define sales operations' role in supporting the organization's

business strategy, not just the sales leader's revenue generation strategy. How is sales operations perceived today, and how should it be perceived in the future? What does a sales operations function look like that sets the sales force up for productivity in the digital age? Take the time to mutually define the vision (where you want to go), the mission (how to get there) and the purpose (the reason why sales ops exists).

2. **Develop your strategy to get to your vision:**

   1) Define your internal customers – Sales operations supports multiple constituents, from senior executives to sales managers and field sales personnel. It is important to clearly define your vision specifically for each group so that you can properly manage the expectations of your leadership team.

   2) Develop strategy – Your sales operations strategy will have to combine two points of view: your leadership's revenue attainment strategy, which is likely focused on the fiscal year's revenue goal, and your overall business strategy, which is multi-year. Analyzing how these two strategic points of view affect the execution of your sales organization (and how that might evolve over time) will give you insight into the strengths and weaknesses of your sales system.

   3) Translate to actions – Once your overall strategy is defined, you can define specific objectives for achieving your strategy and translate these into programs and initiatives.

3. **Map your strategy to a timeline:**
   Once your objectives and initiatives are defined, it's very important to create and track a high-level timeline. This timeline should cover multiple years, with annual (or even quarterly) milestones. This timeline will not only help you focus your team's prioritization to your formal strategy on an annual basis, but it will provide you with a mechanism to manage expectations when new initiatives are considered or updates to the business strategy occur.

4. **Define how to measure success:**
   To ensure the success of your charter, a sales operations team should not be measured solely on overall revenue or quota attainment, because these are tactical rather than strategic indicators. Think about your role in driving digital transformation, improving alignment with your customer's buying journey, and assisting your organization's business strategy, and measure your sales operations team's progress accordingly. Measuring these kinds of contributions in both tactical and strategic ways can insulate your long-term vision's value from the potential fluctuations of quarterly revenue performance.

Sales Operations Leaders Need to Take Control

Less than a quarter of our respondents (21.1%) set sales operations priorities based on a charter or some other sort of formalized long-term vision. Nearly as many (18.2%) said they left their priorities up to other, non-ops leadership roles. The rest of the group were relegated to narrow, task-based responsibilities such as analytical support and technology programs. While these are important areas, the lack of the charter or long-term vision limits the scope of sales operation's role in the organization and their ability to make a positive impact.

Chapter 04
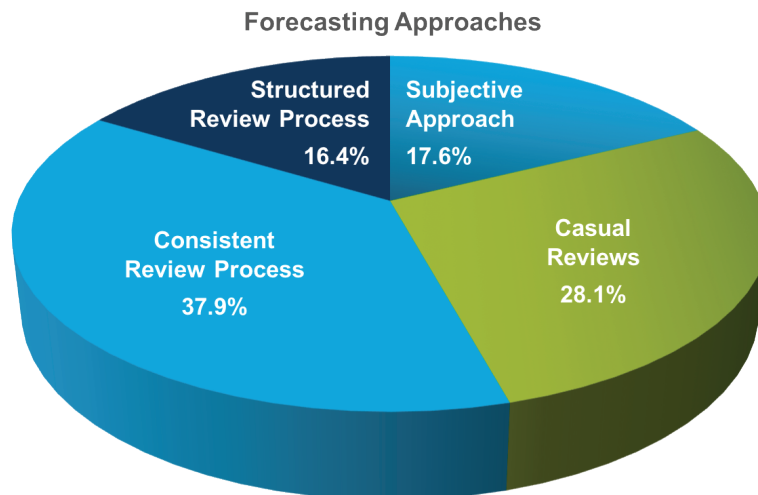# Forecasting Review

Chapter 4: Forecasting Review

"Forecast accuracy" remains an oxymoron, even though having accurate sales forecast results in operational efficiencies throughout an organization. It is one of the primary vehicles that executives use to manage the expectations of anyone who has a stake in the company, including board members, investors, industry analysts, Wall Street analysts, employees and, of course, the company's other functional areas.

Though actual deals won have been less than half of those forecast to be won over the past several years, the good news is that in *this* study, which reflects greater participation by individuals with sales ops responsibilities (see also Chapter 1), the win rates are up nearly 10 percentage points.

The improvement in overall win rates might suggest organizations are finally getting a handle on predicting wins, but results vary – the average masks marked differences in predictability/reliability based on the level of rigor applied. A related question inquired about the approach to forecasting (see below).

The more rigorous the approach and the more involved sales leadership (including success targets and measurement), the more accurate the forecast results.

Forecasting Approaches

Structured Review Process 16.4%
Subjective Approach 17.6%
Casual Reviews 28.1%
Consistent Review Process 37.9%

Impact of Forecasting Approach on Win Rates
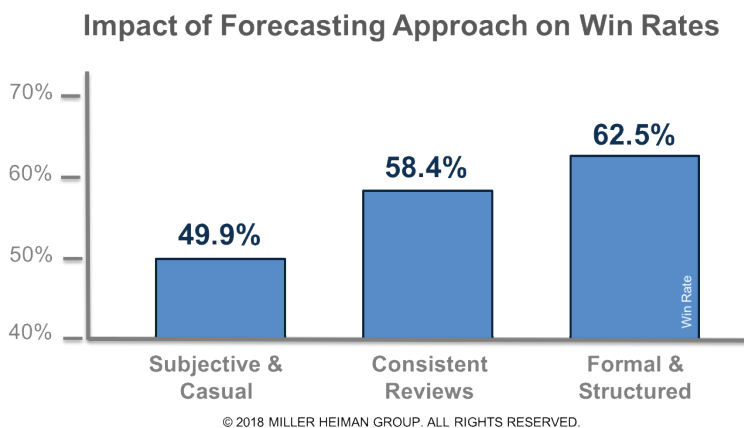
One contributor to poor forecasting is confusion between "making your number" and making your forecast. The difference is significant and can impact staffing, margins and, even, shareholder value.

Let's say a salesperson has an annual quota of $2M and, for simplicity, $500K/quarter. She has eight deals (A-H of product X) in the pipeline averaging $100K each and gives an average, or overall, probability of 60%. She's on the cusp of success with a forecast of $480K ($800K X 60%) and, clearly, any additional win will put her solidly on plan, even slightly ahead. But wait, what does "60%" mean? Without structure, consistency and/or ongoing modeling (over time), it simply means it sounds better than 50/50 but is more cautious than saying 90%.

This is a scenario familiar to all sales managers and leaders where one salesperson's "60%" is understood as always optimistic, a second salesperson's "60%" is always pessimistic, and a third's "60%" is realistic. With informal or no structure, defining processes and/or rigor in identifying an opportunity's place in the sales cycle, all are subject to interpretation.

In the first salesperson's case, what actually books are orders A and B (of Product X) at $100K each

and mega-order M (of Product Y), for $300K. Her quarterly bookings are $500K – right on the money. She is celebrated – and rewarded – for making her number, even though she has completely blown her forecast. This is especially troubling when orders are not identical units (Product X) but units the company has not anticipated needing to produce in quantity this quarter (Product Y). In such cases, margins can be completely eroded, even as volumes are realized.

The negative organizational impacts are increased when, as seen above, only 55% of the anticipated (i.e., forecast) volumes are realized! Further, where did order M come from, and whatever happened to orders C-H? M materialized from out of nowhere, and C-H disappeared without explanation or, more commonly, pushed out to a later date – a scenario likely to be repeated over and over again.

What exactly is the problem? Let's examine it through the lens of barriers to accurate forecasting.

Barriers to Accurate Forecasting

Even those organizations using a formal review process with structure, measurement and tracking still lost 37.5% of the opportunities they committed to close. What's preventing our respondents'

organizations from improving their close rate and achieving more accurate forecasts? The chart below shows the main reasons (or excuses) as salesperson subjectivity, followed by lack of managers really drilling into deals and the lack of forward-looking, predictive data.

Barriers to Accurate Forecasting

Salespeople are too subjective about close possibilities	47.0%
Sales managers do not investigate their sales people's commits well enough	37.9%
Reporting looks backward, we do not have enough predictive information	36.3%
Information we have is not accurate enough	32.2%
Limitations in the technology we use to manage forecasts	24.6%
Not enough historical data to compare against	24.3%
We have no formal sales methodology	19.6%
No major barriers, we are doing fine	18.0%

In reviewing the barriers above, two immediate solutions are worthy of consideration: 1) increased sales process implementation and 2) decreased fear.

Readers of CSO Insights' other reports will be familiar with the sales process maturity model. The overarching observation from more than a decade of research is that higher levels of sales process implementation correlate with higher levels of predictability; hence, more accurate forecasts. (The 2017 results can be found in our *World-Class Sales Practices Study*.) As seen above, increased rigor, management involvement, structure and measurement (i.e., accountability) all correlate with higher forecast accuracy, a finding that will likely prove consistent in future years, just as it has played out with sales process implementation. To be sure, the two go hand-in-hand, and it would be surprising if they did not rise and fall together.

Let's briefly discuss the second possibility here: Fear of telling the truth about current opportunities. Most salespeople do not have enough quality opportunities in their sales pipeline/funnel. They continue to drag poor quality (i.e., unqualified) opportunities along and include them in their forecasts to avoid being

hounded by their managers for not having a sufficient volume (e.g., long-standing rule of thumb: 4X quota) in process. Salespeople forecast these poor or lesser quality "deals," offering their subjective assessment and/or rationalizations for why they are valid or, at a minimum, possible.

At the same time, the second barrier to success is managers failing to truly investigate the commits their salespeople are offering. Managers, like their salespeople, fear sending in forecasts that are anemic and/or fall short of assigned targets. If one digs too deeply into so-called opportunities, one might find the result of such investigation to be not happy news.

Between juggling the various subjective estimates of individual salespeople and not really analyzing/inspecting deals for fear of what might be found, there is already considerable variability built into the forecast. Layer on any of the other conditions – too little, too old, or too new data, lack of technology or lack of its adoption – and you have a perfect storm for imperfect projections.

The "Right" Answer
It's always tempting, when comparing your own answers to a broad population, to wonder how you compare and what those doing better are doing differently. First, it may be worth discussing whether there even is a "right" answer. Is 100% forecast accuracy attainable or even desirable? From an engineering perspective it would seem so, but from a sales perspective, the effort to sell to forecast can encourage behaviors that are not helpful or are simply wasteful. Examples of activities that are "not helpful" include only pursuing opportunities we absolutely are assured of winning, being overly selective and ignoring large and/or emerging

market segments. "Wasteful" activities could include managers spending an inordinate amount of time creating, updating, double-checking and reporting forecast figures.

The end result might be winning 100% of forecast opportunities, but the pipeline and forecast might prove to be artificially constrained in several ways and not reflective at all of actual market conditions and/or potential.

Second, we may be searching for the "Goldilocks Zone" with respect to forecasting and who is involved in producing forecasts. When left on their own, sales managers didn't produce more accurate forecasts regardless of how much time they allocated to doing so. When sales managers spent between 15-20% of their time producing their forecast, win rates remained around 46.5%. When they spent more than 20% of their time on forecasting, win rates, in fact, declined to 44%.

Similarly, sales operations involvement isn't, by itself, a cure. Peak achievement came with sales leadership creating the forecast with sales ops regularly involved. This was the most popular arrangement and produced a win rate of 64.2%.

Again, with only a year's worth of data, we are not claiming a trend, but the data points toward the most success being found with regular, consistent and structured forecasts being developed by sales managers with regular sales operations input.

The Path to More Predictable Results
Bringing increasing accuracy and predictability to sales projections remains an elusive goal. The ability to hire people, schedule production, commit to promises

and operate more efficiently are all more difficult when sales fails to close opportunities on time. Some companies do better than others. Those with the most rigorous approach lose only a third of forecast deals, while those leaving forecasts to the impressions of salespeople and managers lose over half.

Three elements contribute to more positive and more predictable results:

- Increased involvement of sales leadership

- More structure and consistency in process and less subjectivity
- Development of models and measurements powered by analytics

When sales operations had minimal involvement, forecast accuracy in this year's study hit its nadir (49.6%). When rigor and discipline replaced fear and subjectivity, forecast accuracy improved – a good thing for all involved.

Chapter 05

Utilization of CRM and Sales Effectiveness

Chapter 5: Utilization of CRM and Sales Effectiveness

Picking up where we left off on the last chapter, where we explored the barriers to accurate forecasting, the words of W. Edwards Deming come to mind: *"Eighty-five percent of the reasons for failure are deficiencies in the **systems and process** rather than the employee. The role of management is to change the process rather than badgering individuals to do better."*

Access to solid processes, robust systems and accurate data are necessary for salespeople to effectively do their jobs, not just in terms of forecast management, but also in nearly all the other activities with which they are tasked. For the next part of this study, we looked at the tools sales operations personnel leverage to support salespeople in the various aspects of their job.

The most ubiquitous system in sales today is the core CRM system, comprised of capabilities such as contact management, account management, opportunity management, etc. Nearly all the study participants reported having a CRM in place, with 84.5% of companies leveraging a commercially available CRM vs. 15.5% opting to develop a CRM
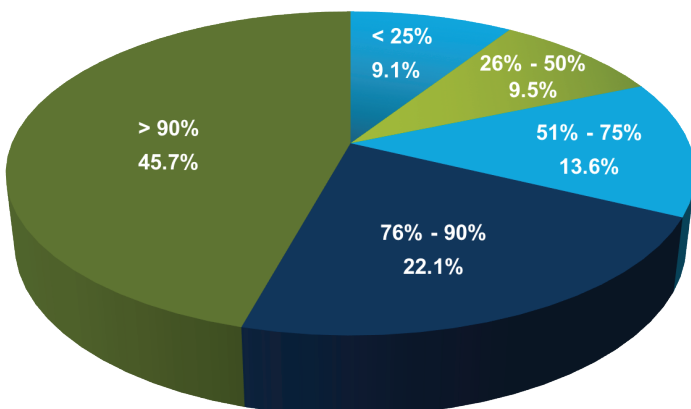
internally. The first area of inquiry was to review the current usage of these systems and the impact they were having on sales performance.

CRM Adoption and Sales Performance Results

The chart below on the left shows a summary of the responses received when we asked study participants to share the CRM adoption rate within their sales organization. Here we see that the nearly universal implementation of CRM systems into sales organizations does not directly translate into universal adoption. Only 45.7% of the study participants reported an adoption rate of greater than 90%, which we have long advocated as the goal companies should target to achieve.
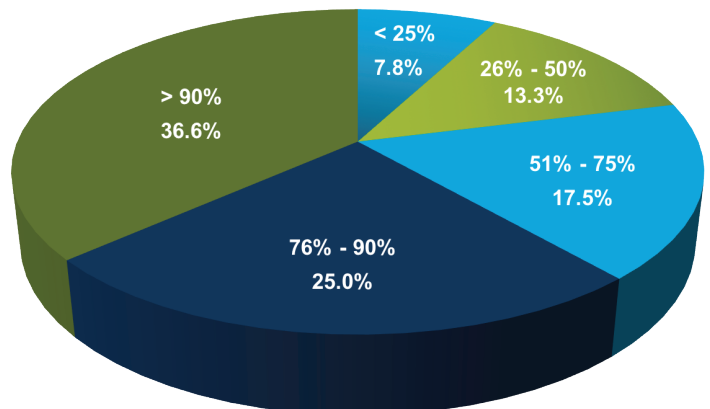
Going back five years to the data collected in the *CSO Insights 2013 Sales Performance Optimization Study*, the chart to the upper left shows that adoption is slightly on the rise. While at first take this appears to be a positive trend, it begs the question: Does higher CRM utilization result in better sales performance? To answer that question, we segmented the sales operations study data based on adoption rate as

Adoption Rate of CRM System by Salespeople 2018

< 25%
9.1%

26% - 50%
9.5%

> 90%
45.7%

51% - 75%
13.6%

76% - 90%
22.1%

Adoption Rate of CRM System by Salespeople 2013

< 25%
7.8%

26% - 50%
13.3%

> 90%
36.6%

51% - 75%
17.5%

76% - 90%
25.0%

related to outcome of forecast deals and revenue target attainment. In the following table, we see that companies with adoption rates of ≤75% have a noticeably lower win rate of forecast deals than sales organizations with a higher adoption rate. However, the difference in the percentage of salespeople meeting or exceeding their revenue targets is less pronounced.

Sales Performance as Related to CRM Adoption
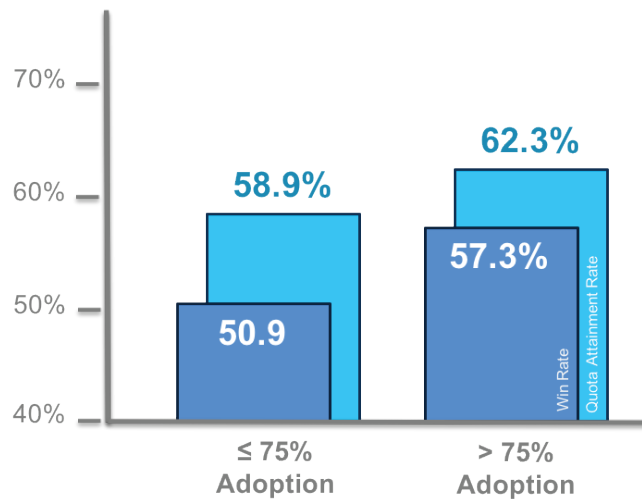
When we dove deeper into the study data, a second factor emerged. We segmented the companies with CRM adoption rates of >75% based on the level of sales process they had in place. To ensure meaningful sample sizes, we combined organizations with Random Process and Informal Process into one group and those with Formal Process and Dynamic Process into another.

Sales Performance when CRM Adoption >75% Related to a Company's Level of Sales Process
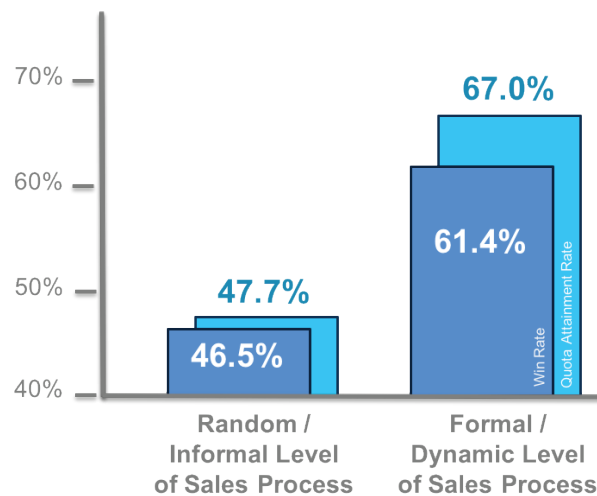
The significant differences seen here show that high CRM adoption alone should not be the goal for sales operations. Rather, adoption needs to be partnered with a high degree of sales process formalization in order to set the basis for achieving better/ predictable sales results.

The CRM Data Accuracy Challenge

In evaluating CRM issues surfaced in our other studies over the past year, two major trends emerged that sales operations needs to be aware of and, in many companies, also address. The first of these is the confidence sales organization have in the CRM data. In the following chart, we summarized the input we received from 1,200+ participants in the *2017 World-Class Sales Practices Study*. It is disconcerting to see that only 24.9% of the study participants surveyed expressed high confidence in the quality of the data in their CRM system.

Our sales organization is highly confident in CRM data

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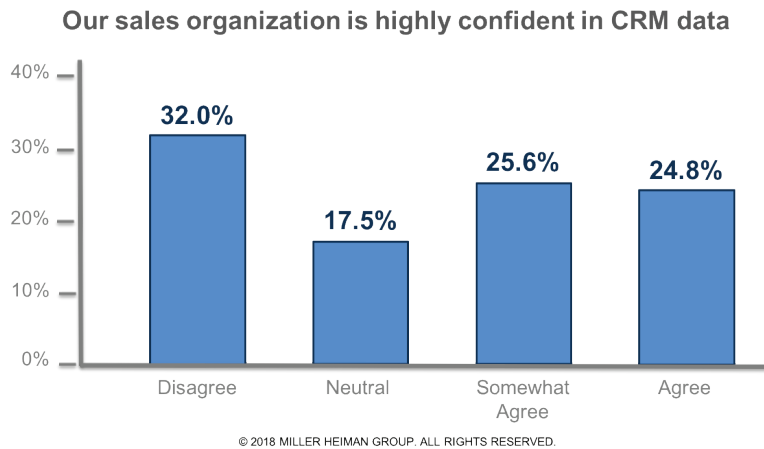
Following up on that question, we asked for an assessment of the impact CRM had on sales productivity. The following chart shows similar concerns about the value CRM delivers in terms of optimizing sales performance as only 25.3% of survey participants fully agreed that CRM enhances the productivity of salespeople.

Our CRM system significantly improves the productivity of our salespeople

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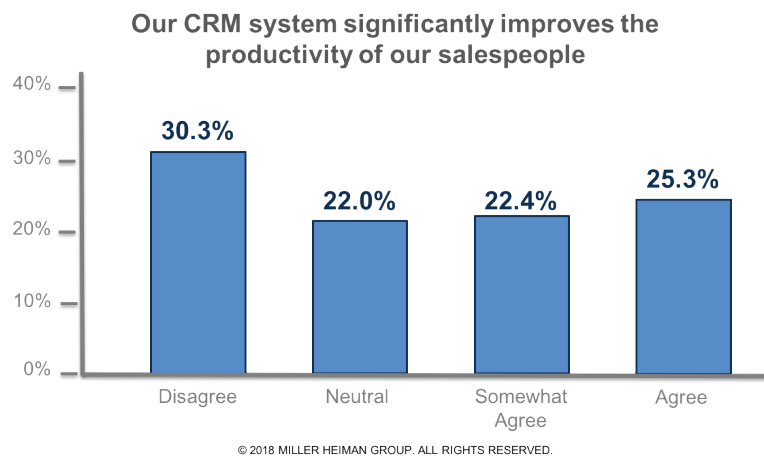
These two data points raise concerns regarding sales operations relying primarily on CRM as the main tool used to support salespeople. As we have often pointed out, CRM is the foundation for the technology stack that sales organizations need in order to be able to measure, monitor, and ultimately, enhance sales performance. However, it is far from the only tool that groups like sales operations need to have access to fully support the array of activities that fall under the scope of their responsibility.

Creating a Technology Foundation for Sales Performance

Reflecting on the words of Deming at the start of this chapter, systems and processes can either make or break sales operation' ability to achieve their objectives. Here are a few process-related items that sales operations should also consider as they create a technology foundation for sales performance.

- To set the underpinning for confidence in/ and usage of CRM, data cleansing and data augmentation processes need be in place to ensure the information in CRM is accurate and current.

- Formalizing the sales process is required if companies are going to get the full ROI from their CRM investments.

- The ability to track the selling process within CRM needs to be coupled with the ability to track the buying process so that sales operations has a comprehensive view of what is happening in the pipeline.

In the next chapter, we will explore other technologies that companies are leveraging to create robust sales performance management technology solutions platforms.

Chapter 06

Sales Tools & Technology for Sales Operations

Chapter 6: Sales Tools & Technology for Sales Operations

We've seen a great deal of technological innovation over the past five years in Sales Performance Management (SPM) and Sales Enablement (SE) solutions. As a follow-up to our CRM utilization chapter, we next wanted to understand what kinds of sales tools and technologies are becoming commonplace and which ones are gaining in interest.

While there are a tremendous number of sales tools in the market, we focused on five primary areas:

- Sales Tools that support lead generation and lead conversion
- Sales Tools that support activity and sales process management
- Sales Tools that support sales enablement content and training
- Sales Tools that improve seller efficiency/ productivity
- Technology for general operations

The following chart summarizes the responses we received sorted by the percentage of respondents who reported these tools are currently in place. It also shows the percentage of respondents planning to implement these tools within the next 12 months.

It's no surprise that lead generation/lead intelligence and social selling top the current list. Organizations have been heavily investing in the front end of pipeline creation for some time. And we can see a potentially emerging shift in investment towards opportunity management technologies: Account & Opportunity Planning, Sales Methodology & Workflow, Content Management and Prospect Engagement

Management topped the percentages in terms of planned investment over the next 12 months.
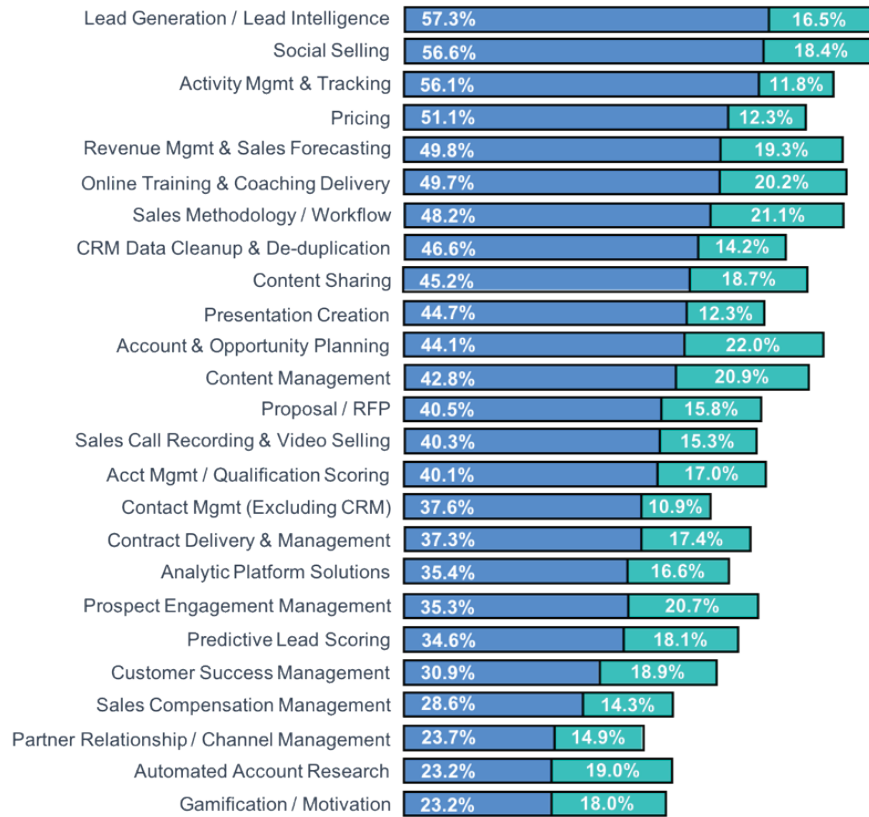
In addition, more than one-third of our participants indicated that they have already invested in and implemented 20 out of the 25 tool categories, and all 25 tool categories had at least 10.9% of respondents indicating an intent to invest in the next 12 months. As the scope of this list demonstrates, most companies realize that their CRM alone will not meet all the needs of sales.

Additional Takeaways from the List of Sales Tools & Technologies Chart

Three key items surfaced when we analyzed the implications of the full list of sales tools and technologies. The first of these is a tool/training disconnect. Based on our past efforts to benchmark sales transformation initiatives, most, if not all, of the items on this chart come with the requirement for sales operations and, potentially, the entire sales organization to implement changes to the way they are doing things. To facilitate that change, salespeople require training to help them understand how to optimally use the tools and how to integrate them into their workflow processes.

As part of CSO Insights' *2017 Sales Enablement Optimization Study*, we did a detailed analysis of the quality and quantity of the various types of training offered to sales organizations. Looking at that data, some red flags become evident. For example, the utilization of social selling tools tops the tools list on the previous page. Tools related to optimizing coaching and pipeline forecast management also received high rankings for current or planned usage.

Sales Tools & Technologies Leveraged by Sales Operations

Tool / Technology	Currently in Use	Planned in Next 12 Months
Lead Generation / Lead Intelligence	57.3%	16.5%
Social Selling	56.6%	18.4%
Activity Mgmt & Tracking	56.1%	11.8%
Pricing	51.1%	12.3%
Revenue Mgmt & Sales Forecasting	49.8%	19.3%
Online Training & Coaching Delivery	49.7%	20.2%
Sales Methodology / Workflow	48.2%	21.1%
CRM Data Cleanup & De-duplication	46.6%	14.2%
Content Sharing	45.2%	18.7%
Presentation Creation	44.7%	12.3%
Account & Opportunity Planning	44.1%	22.0%
Content Management	42.8%	20.9%
Proposal / RFP	40.5%	15.8%
Sales Call Recording & Video Selling	40.3%	15.3%
Acct Mgmt / Qualification Scoring	40.1%	17.0%
Contact Mgmt (Excluding CRM)	37.6%	10.9%
Contract Delivery & Management	37.3%	17.4%
Analytic Platform Solutions	35.4%	16.6%
Prospect Engagement Management	35.3%	20.7%
Predictive Lead Scoring	34.6%	18.1%
Customer Success Management	30.9%	18.9%
Sales Compensation Management	28.6%	14.3%
Partner Relationship / Channel Management	23.7%	14.9%
Automated Account Research	23.2%	19.0%
Gamification / Motivation	23.2%	18.0%

■ **Currently in Use**　　■ **Planned in Next 12 Months**

Unfortunately, most organizations are not backing up the implementation of these tools with adequate education. As we see when reviewing the sales enablement study data in the table below, of those companies that offer training in these three areas, more than half give themselves "needs a major redesign" or "needs improvement" ratings.

A second trend that got our attention is the amount of green in the chart. Organizations are clearly planning to implement a lot of new tools in the next 12 months. Expanding the sales operations tool set may very well be warranted, but we need to consider the number of new technologies sales professionals can realistically become proficient at using in a single year to avoid the mental meltdown that comes from trying to absorb too much, too fast.

Finally, based on our understanding of the SPM and SE marketplaces, we need to point out that many of the items on this list are available as point solutions versus comprehensive tool suites. Therefore, the level of integration between individual classes of tools may well be far less than what sales operations needs to fully achieve their goals.

Sales Enablement Study Sales Training Ratings	Needs Major Redesign	Needs Improvement	Meets Expectations	Exceeds Expectations
Social Selling	15.1%	41.2%	37.3%	6.5%
Coaching/Mentoring Skills	14.1%	41.1%	35.1%	9.7%
Forecast/Pipeline Management	11.2%	47.1%	35.5%	6.2%

Technology-enabled sales operations will be required if sales organizations hope to achieve their goals going forward, but companies need to fully consider all the ramifications of doing so before they start making wholesale changes in tool sets.

The AI "X" Factor for SPM and SE Tools

Over the course of the past year, we have been doing a significant amount of research into the implications that AI will have for SPM and SE toolsets. As part of that analysis, we have evaluated over 45 AI solutions. About half of these tools have already passed our litmus test in terms of providing true AI-enabled capabilities and insights.

In doing case studies of organizations that have been early adopters of these tools, the early field-proven results are showing that AI can radically enhance many aspects of how sales organizations operate. We have found examples where implementing AI-enabled tools has resulted in double-digit increases in win rates and average deal size as well as similar decreases in sell-cycle length.

This emerging AI technology transformation raises a question. Should a company adopt a two-phase SPM/SE tool strategy, looking to implement traditional solutions that have been in the marketplace for the past several years and then consider AI-augmented replacement versions of these systems down the road? Or should they start to leverage AI tools where practical now?

The answer will be influenced by several factors such as a company's culture, the challenges facing sales teams, the tolerance a firm has for taking risks, etc. CSO Insights advisory services clients who are interested in exploring the pros and cons of both options are encouraged to contact their CSO Insights analyst. We can set up a session to brief you on a full array of traditional and AI-enabled SPM and tools and then explore which options make the most sense for your organization.

Recommendations for Optimizing your Sales Tool & Technology Platform

Business strategist Jess Greenwood is credited with observing that, "*Data is the new oil. It's only useful when it is refined!*" Having access to robust SPM and SE tools will be the only way for sales operations to do the refining of all the information that is/will be available to sales organizations. To set the stage for harnessing the power of data, we recommend companies focus on the following:

- Ensure that there is ongoing collaboration between sales operations and sales enablement

teams to create a unified vision for what a comprehensive sales optimization technology stack entails.

- Prioritize which of those capabilities to implement based on an understanding of which tools will have the highest impact on sales performance.

- Create a time-based roadmap for implementation that considers sales operations' and the sales organization's capacity to assimilate new tools.

- Develop an understanding of all investments needed to fully implement and support the tools required to support sales performance optimization and determine the negative impact of "the cost of doing nothing" if you fail to do so.

With the rapid advancements in technology and the increased adoption of advanced capabilities like AI, sales technology will not only be a driver of performance; it will also be a key differentiator between sales organizations. Those that do sales technology better than the rest will find themselves light years ahead in the market.

Takeaways and Recommendations

Chapter 7: Takeaways and Recommendations

Throughout this report, we've shared numerous data points, trends, insights and recommendations regarding a function that usually isn't in the spotlight. After digesting all the data, and given the vast scope of activities for which sales operations is responsible, the lack of focus on this vital function is a surprise.

Sales operations deserves more attention than it currently gets because the function literally designs, builds, maintains and evolves the sales system that serves as the foundation for everything your sales organization does. To create a solid foundation, sales operations' overall strategy must be well aligned to the organization's business strategy, sales strategy and current challenges.

Furthermore, this foundation needs to be ready for the digital age, ready for the age of the customer. This is the overall challenge we had in mind when we composed our takeaways and recommendations for this report. In this final chapter, we'll summarize these takeaways and have a look, once more, at the essential relationship between sales operations and sales enablement.

The majority of study participants (63.9%) have a dedicated sales operations team.

- In the technology industry, more than 80% reported having a sales operations function. Outside the technology industry, that percentage dropped to 54.6%.
- As expected, sales operations teams are more prevalent in businesses with over $250M in revenues with at least 80.0% of them indicating they have a dedicated sales operations team.

Sales operations is a multifaceted function that includes a broad set of different business activities and different levels of involvement. Sales operations is most likely to take on a leadership role in the area of technology management.

- *Strategic Planning Support:* This group of activities covers compensation modeling, customer analysis and reporting, territory modeling, sales organization structure and channel definition. Over a third reported 'heavy involvement' or a 'leadership role' in the areas of Customer Analysis (38.0%) and Sales Structure Definitions (37.1%).
- *Sales Performance Analysis:* This group of activities covers forecast and pipeline management, salesperson performance, sales process definition and leadership communication. Organizations are regularly involved in each of these activities with nearly half reporting heavy involvement or a leadership role in Forecasting (46.8%), Sales Performance Metrics (45.3%) and Sales Process Definition (44.3%).
- *Sales Readiness & Enablement:* This group of activities covers sales enablement, deal desk and quote management as well as RFP and proposal management. In this group of activities, sales enablement seems to be the most important activity, although only 15.1% report taking on a leadership role in this area.
- *Technology Management:* This group of activities covers CRM definition and update strategy, sales tool management, operational and tech change management as well as marketing operations. The most common activities in which operations took on a leadership role were CRM

Definition/Update Strategy (24.5%) and Sales Tool Management (20.1%)

Sales operations teams use methods for setting priorities: A strategic and holistic approach that is based on a long-term vision outperforms all others in terms of sales productivity measured by quota attainment.

- 21.1% reported setting their priorities based on a long-term vision and leveraging the power of a charter that explained how they planned to reach that vision. This group achieved a quota attainment of 68.3%.

- 18.2% reported setting priorities outside of sales operations. With quota attainment of only 53.1%, this approach cannot be recommended.

- 60.7% use two different approaches that lead to medium levels of quota attainment: 32.1% are more focused on operational aspects and technology, while 28.6% set their priorities based on analytical decision-making support.

- Creating a charter becomes a mandatory aspect of successful sales operations leaders.

Sales operations teams approach forecasting in different ways. A formal approach, with accuracy targets and measurement in place, outperforms all others. Dealing with barriers to forecast accuracy is equally important.

- Organizations that rely on sales managers to leverage their personal experience to determine their forecast and those organizations that provide some guidance to their sales managers but do not leverage any particular structure to ensure consistency do not perform well, achieving only a 49.9% win rate for forecasted deals.

- In contrast, organizations that leverage a consistent review process, which includes sales leadership input and some predictive forecasting, out-perform the more "subjective" and "casual" organizations by 8.5%, achieving a win rate of forecasted deals of 58.4%.

- At the high end, organizations that leverage a formal and structured forecast review process, which includes sales leadership input, predictive modeling and the tracking of forecast and pipeline accuracy with regular measurement, out-performs the "subjective" and "casual" approaches by a minimum of 12.6%, achieving a win rate of forecasted deals of 62.5%.

- Dealing with barriers to accurate forecasting is a key challenge for sales operations: Salespeople are too subjective, sales managers don't leverage their coaching time to investigate the accurate forecasts, and the lack of enough predictive information were reported to be the most serious barriers to accurate forecasting.

CRM adoption is essential, but shouldn't be a stand-alone goal. Instead, the level of sales process maturity plays a key role when it comes to CRM adoption *and* increased productivity and performance.

- CRM adoption has improved over the last five years. We witnessed a modest increase—from 61.6% of our respondents (*2013 CSO Insights Sales Performance Optimization Study*) to 67.8% in this study—in organizations with adoption rates greater than 75%.

- Organizations with greater than 75% CRM adoption rates show win rates improved by 6.4% and seller quota attainment rates improved by 3.4% versus organizations with lower than 75% adoption.

- In addition, we drilled into the maturity of their sales processes and found that those organizations with greater than 75% CRM adoption that have a formal or dynamic sales process out-perform organizations with only a random or informal sales process by 14.9% for win rates and 19.3% for seller quota attainment rates.

Sales technologies are exploding, but education is lacking.

We're seeing an explosion of sales and marketing technologies that surround the CRM system and can be leveraged to make salespeople more productive and effective. In this study, we looked at tools that support lead generation and lead conversion, activity and sales process management, and sales enablement content and training, as well as those focused on overall salesperson productivity.

- Across 25 categories of tools, 20 of them were used by at least one-third of respondents.
- All 25 tool categories had at least 10.9% of respondents indicating an intent to invest in the next 12 months.
- Most organizations are not backing up the implementation of these tools with adequate education.

The Future? We're Optimistic

When we look at the big picture, the story that emerges from the study results shows both encouraging news and cautionary news. It's encouraging that many organizations have a sales operations function at some level – almost 64% have a dedicated team. It also appears that sales operations doesn't struggle as some other disciplines do to get involved in areas where they can make an impact. In Chapter 2, we discussed the results that showed sales operations regularly involved in 15 of the 16 activities cited. Sales operations at least has a foundation for creating a larger, more positive and more sustainable impact on sales performance.

The cautionary news is that sales operations may have reached a plateau – one at which they will remain unless sales operations leaders finally accept the leadership mantle. There is no greater evidence of this that the finding we discussed in Chapter 3, where only 21.1% had a formalized charter or strategy. The rest of sales operations organizations either let other executive leaders decide their priorities or they were relegated to a specific function such as analysis.

The study shows that sales operations can have far-reaching, positive impacts on vital areas such as forecasting process, sales technology usage and CRM adoption, especially when coupled with process automation. These results should not be used stand-alone. Instead, they are the fodder that should feed internal discussions around what is possible and what your formal sales operations charter should include.

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How to Engage CSO Insights

As we continue to track sales operations in future studies, we will uncover additional areas of improvement linked to best practice programs, tools and processes.

We encourage you to read our other research studies on sales enablement, sales best practices and sales leadership. If you have questions or comments regarding this report or wish to discuss how to refine your sales operations strategy and maximize your sales operation budget, please don't hesitate to engage us at info@csoinsights.com.