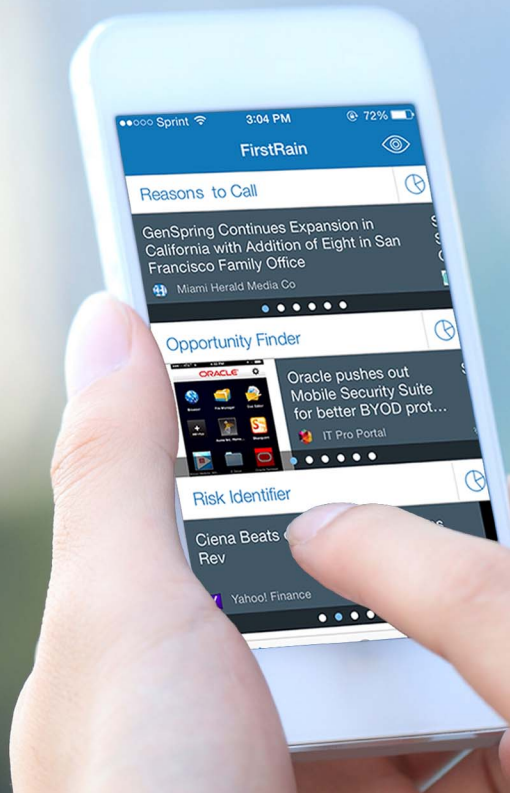




Supporting Sales with Personal Business Analytics



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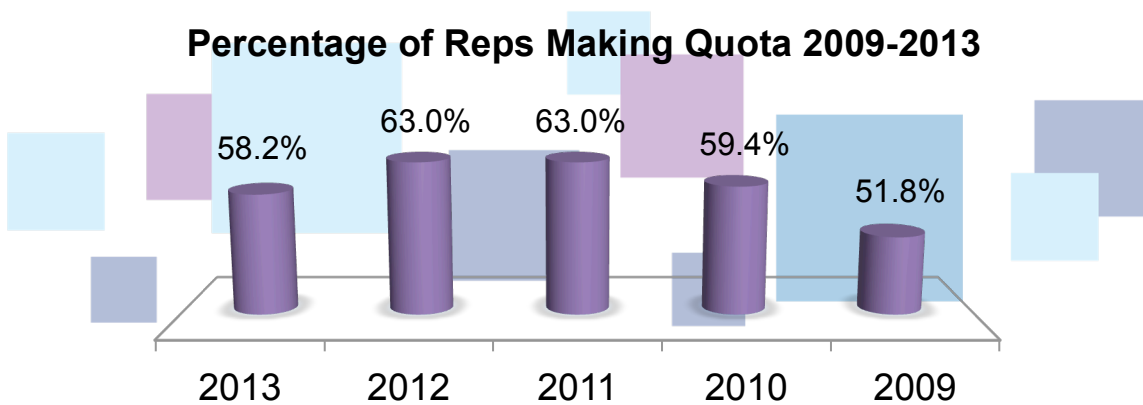
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Introduction

The collision between a warm air front and a cold air front will produce a rainstorm—which can, sometimes, evolve into extreme storms and natural disasters. CSO Insights' 2014 Sales Performance Optimization (SPO) survey of over 1,200 firms worldwide recently surfaced a collision of two fronts in business that may well result in problems for sales organizations.

When we asked study participants to tell us how their quotas for 2014 compared to the revenue targets that were set for 2013, 94.5% of sales executives told us the numbers were higher. Clearly, companies are responding to investor pressure to show topline growth in 2014, thus creating a “warm front” of higher revenue expectations. When we then looked at the percentage of salespeople making quota, the study found a disturbing “cold front,” as shown in the following chart that compares the percentages of salespeople who achieved their revenue objectives over the last five years.

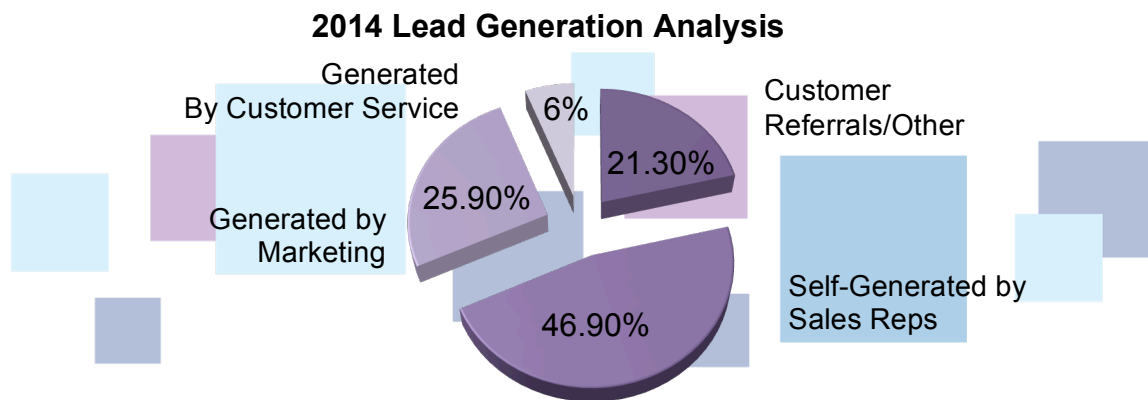


We saw sales rep performance hit an all-time study low in 2009, after the economic downturn at the end of 2008. Sales teams rebounded in 2010 and again in 2011, and then performance plateaued in 2012. Even armed with that knowledge, the vast majority of sales organizations raised revenue targets for 2013, and the net result was a noticeable drop in the percentage of salespeople hitting their revenue goals.

Facing even higher expectations for 2014, unless something changes, more salespeople may find the challenge of meeting quota too hard to achieve. So, what can be done to alleviate this storm? One trend the 2014 Sales Performance Optimization study surfaced to help increase sales effectiveness is leveraging business analytics to give sales teams access to the insights they need at three different stages of the sales process: finding a game, getting in the game, and finally winning the game.

Finding a Game

When we think of who owns lead generation, marketing may be the first group that comes to mind, but the 2014 Sales Performance Optimization survey data surfaced a different answer. The following chart shows a summary of the responses received when study participants were asked to identify the source of leads that turn into sales. The results show that salespeople have to generate nearly half of their leads. Time spent on account research and demand generation is, on average, taking up one-fifth of a sales person's workweek.



A small minority, about 10% of the firms surveyed, shared that they are now starting to use business analytics to help salespeople identify which accounts in their territories are likely to buy from them. They are getting these insights from mining data they have collected in their CRM, ERP, customer support and other information systems. In doing a peer group analysis of existing customers, they are able to generate a profile of what a highly qualified prospect looks like.

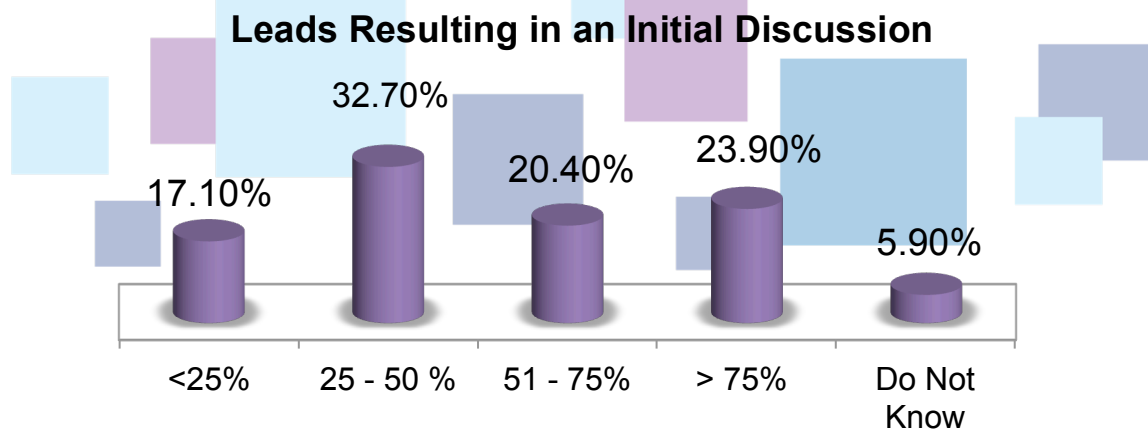
For example, this analysis may show that you are stronger at selling into certain vertical markets than others, more effective at solving the problems of certain types of stakeholders, more likely to win when going up against certain competitors than others, etc. Used in this way, technology can act as a digital research assistant for salespeople by surfacing opportunities for them to pursue and by giving them the insights they need to develop an effective account penetration plan.

Getting in the Game

Knowing whom you want to call is a great first step, but you next need to determine why the prospect would want to talk to you. CSO Insights, along with many others, have been writing about the changing buy cycle.

Customers today can get a wealth of information about a vendor's products or services via a variety of online options including your web site, your competitor's site, reading analyst blogs, joining networking groups within social media services such as LinkedIn, and more. So, when a sales person calls to ask for some of a prospect's time, they may already feel they know enough about the vendor's offerings and decline to meet.

We have been documenting this trend over the past five years as part of our annual Sales Performance Optimization studies. The following chart shows a summary of conversion rates when we asked the firms taking part in the survey to tell us what percentage of qualified leads turn into a first discussion with a sales person. As you can see, convincing a prospect to give a sales person time to talk with them is a challenge for many firms.



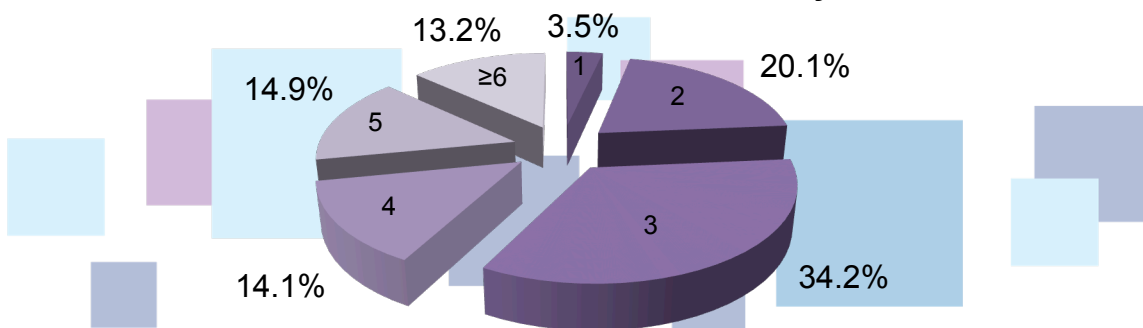
This is another stage in the sales process where technology can help increase sales rep effectiveness. By accessing external data sources, a business analytics solution can help salespeople identify who the right person is within a prospect account that the rep should initially focus upon. These solutions also give the sales person insights into the types of issues that the individual is going to be concerned about and how their company has dealt with those needs with other clients.

With access to this type of knowledge, salespeople can plan what they are going to say when they initially contact the prospect to schedule some time to discuss their needs. The messaging they use is no longer centered on the product they sell, but rather on the business issues the stakeholder is dealing with, why those problems exist, and how they (the vendor) has the best solution to effectively deal with those issues. Being effective at this, and being seen as a solution consultant, can significantly increase lead conversion rates.

Winning the Game

It is one thing to get in the game, and yet another to actually win it. Over the past few years, winning has gotten more complicated. Years ago, the conventional wisdom in sales was to find that one person, the financial decision maker, and focus your attention on that person who controlled the budget for your purchase. Today we find that one person to focus on rarely exists, as shown in the following chart that summarizes findings from the 2014 Sales Performance Optimization when participants were asked how many decision makers were involved in the final go/no go choice for their products or services. In 42.2% of companies there are four or more decision makers, each with their own agenda.

Number of Individuals Involved in Final Buy Decision



Again, business analytics can help salespeople more effectively execute the end stages of the sales process. It first helps salespeople create relationship maps of all the key stakeholders inside a prospect's firm (and also who the influencers are that these people rely on). Next, it helps identify key insights into the prospect's company and their marketplace that salespeople can leverage in creating business-focused versus product-focused proposals, targeted toward the different agendas of each of the decision makers.

Based on identifying the benefits that other users have seen in solving similar problems, business analytics can help sales teams build justifiable ROIs to avoid no decisions. In addition, they can also surface key points of differentiation to minimize competitive losses. With the average win rate of forecast opportunities coming in at 46.4% in the 2014 study, it is clear that salespeople need more help closing the deal.

Business Analytics in Action

As part of our sales effectiveness benchmarking efforts, we had a chance to review how Flextronics is leveraging what they refer to as business intelligence (BI) to further increase the efficiency and effectiveness of their sales teams.

By way of introduction, **Flextronics** is a global end-to-end supply chain solutions company with services that include design, manufacturing, distribution and aftermarket services. The \$25B company operates in 30 countries and four continents around the world.

Greg Mihran is the Senior Director of Global Sales Enablement at Flextronics. Greg shared with us that when he joined the company in 2012, sales enablement was not a dedicated function within the organization. Even though business intelligence was readily available across many functional teams within Flextronics, it was not fully optimized for the sales process. If a salesperson wanted to gather insight about their customers, prospects, emerging technologies, industry trends, or competitive moves, they had to reach out to a very small internal team for help, search a broad internal library, or perform their own search on the Internet.

Greg's industry background is in business development, so he came into the new role at Flextronics with a clear understanding of the challenges facing sales teams and the ROI that could be generated from successfully improving access to more customer-focused business intelligence. Fundamentally, the more sales teams could easily access and understand their customer's business, the more effective they would be at developing and growing a long-term strategic relationship and new business for Flextronics.

Like many large global companies that participate in a range of strategic markets, Flextronics sales teams focus on both named accounts in their primary markets, and on new prospects in emerging markets. In both cases, a better understanding of customer business models, industry focus, products and applied technologies, as well as customer supply chain trends and processes, will generate more active and relevant conversations around existing and new business opportunities. Greg partnered with **FirstRain**, a leading business analytics solution provider, to get easy access to personalized, relevant business intelligence to bolster effective account development.

Flextronics sales teams call on many levels within their customer's organization. Customer contacts range from C-level executives to functional leaders within the Supply Chain. Therefore, the range of customer business intelligence required for a successful long-term relationship extend from the strategic big picture industry and market trends, to the technologies and processes that integrate into their Supply Chain.

Now in the second year of the new Sales Enablement effort at Flextronics, Greg has been leading a broad-based initiative to further inform the sales teams on how to leverage more of the proactive features of FirstRain on all devices, including smartphones and tablets. He believes that business intelligence for Sales should be a 24x7 accessible tool that provides teams with what they need to know, when they need to know it, wherever they are – especially outside the office.

Through these efforts, Flextronics sales teams are now able to access relevant business intelligence more efficiently and effectively, enabling them to be more prepared for their customers and more competitive as they pursue new business. Ultimately, by helping their customers be more successful with their business, Flextronics generates incremental, defensible revenues of their own that will help them continue to grow in new and existing markets.

Our View

Increasing revenue expectations is a way of life in sales, and we don't see that changing anytime soon. But the days of simply telling reps to work "harder" to hit those targets are past. When sales organizations give their teams higher quotas, they also should be telling them, "Here is what we are going to be doing to help you achieve these higher targets."

A company's effectiveness at helping salespeople evolve from product experts to business problem solvers is going to be what dictates whom the market leaders are, and who is part of the pack fighting for what is left over in the marketplace.

In that regard, we need to explore shifting budgets away from training salespeople on "what" to do: call high, create a sense of urgency, sell value, differentiate versus the competition, etc. Instead we should invest in providing the resources for "how" to do all those things. If we do so, we can dissipate the "cold fronts" that negatively impact sales effectiveness and get back on the revenue growth curve.

Comments or questions on this analysis can be directed to:

Jim Dickie
(303) 521 4410
jim.dickie@csoinsights.com

Barry Trailer
(916) 712 9621
barry.trailer@csoinsights.com

About CSO Insights

CSO Insights is a sales and marketing effectiveness research firm that specializes in measuring how companies leverage people, process, technology, and knowledge to improve the way they market and sell to customers. For twenty years, CSO Insights' surveys of over 15,000 sales effectiveness initiatives have been the standard for tracking the evolution of the role of sales, revealing the challenges that are impacting sales performance, and showing how companies are addressing these issues.

About FirstRain

FirstRain is a pioneer and leader in personal business analytics solutions for the enterprise. FirstRain's mobile, cross-platform solutions provide sales, marketing and finance professionals analytics tuned to their specific company strategy and allow them to deeply understand their customer's business and their markets. FirstRain's patented, advanced analytics technology finds business-focused Web and social media and then integrates it seamlessly into the world's premier CRM and social enterprise platforms, including Salesforce.com, Chatter, Cisco WebEx Social, Microsoft SharePoint and Dynamics, Jive and Yammer. This intelligence is similarly incorporated into leading research platforms such as Fidelity.com, Interactive Data and Mergent. Based in San Mateo, California, FirstRain also has offices in New York and Gurgaon, India.

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