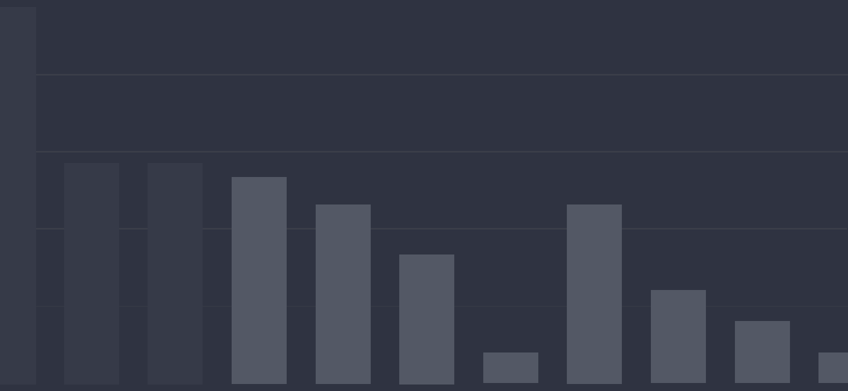
2020

Sales Engagement Report.

Trends, Metrics, Technologies

How confident are organizations
in their sales data and process?



A Report by REVENUEGRID + SMARTCLOUD CONNECT

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The 4 Trends Shaping Sales Engagement in 2020

Sales teams everywhere are searching for ways to improve processes, effectiveness, and efficiency. With new selling tools, strategies, and techniques appearing daily, it's getting harder for companies to keep up with what they should be doing to succeed.

As sales engagement is establishing itself as a driving component behind the success of leading sales teams, new technologies and artificial intelligence (AI) has already disrupted the way customers buy. As more organizations become aware of new sales engagement offering, personalization and customer engagement gain critical mass at every stage of the buyer’s journey.

Uncovering and leveraging trends in the sales engagement landscape can help sales teams shift to being more customer-centric and ultimately build better relationships with customers.

To find out what trends will shape sales engagement in 2020, RevenueGrid conducted an in-depth Q&A that collected information from 300+ sales teams selling to B2B buyers.

This report takes a close look at the state of sales engagement in 2020 and the four trends that will influence the future of sales technology and the way sales teams and modern B2B buyers interact.

TREND #1

KPIs of any customer-facing team will be measured around pipeline growth

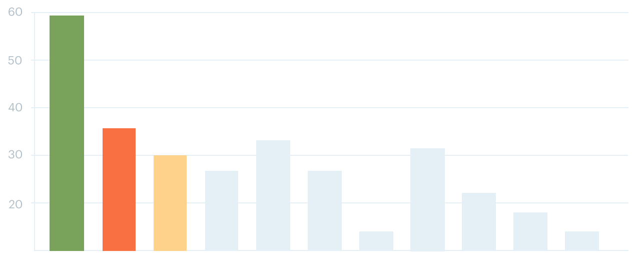
The top three metrics that companies will use to measure the sales team's performance are the Pipeline growth, Rate of new opportunities and Opportunity-to-win ratio.

59% of sales teams think that Pipeline growth is the single most important metric. It makes sense that companies are starting to keep a closer eye on the growth of their sales pipeline.

Rate of new opportunities and Opportunity-to-win ratio were also named among top 3 metrics that sales leaders are measuring the performance of their teams, which expands on the same issue: companies are looking to grow, but also pay attention to the quality of leads and how well opportunities get closed.

Top metrics of sales teams' performance

↑ 59% Pipeline growth ↑ 36% Rate of new opps ↑ 29% Opportunity-to-win ratio



And **growth** is key here. Letting your pipeline stagnate while you try and close every deal in it can be dangerous.

Alice Heiman
Sales expert
and coach

> *Look at the shape of the pipeline, which I call a sales funnel. We know there needs to be a lot in the top for the appropriate sales revenue to come out the bottom.*
>
> *"If the top of the funnel is very small, generate more leads. If the funnel is bloated in the middle, get those opportunities moving.*

There should always be more opportunities in the left part of your sales pipeline than the right, which makes sense. For example, when a deal progresses, inevitably, prospects will be lost along the way. Yet the further to the right a prospect moves in your pipeline, the more likely they are to turn into a customer.

How to measure the pipeline

1. For example, you have 150 prospects in your pipeline at the "lead" stage. Sales opportunities at this stage normally close at about 10%.
2. So, you might have 15 prospects set to get a demo from a sales rep. Let's say you have a 60% chance of turning them into customers at this point.
3. Finally, let's say your average deal size is $10,000 and the sales cycle is 20.

Now, let's use the pipeline velocity formula:

$$\frac{15 \times 60 \times 10{,}000}{20} = \$450{,}000$$

15 - Number of deals in the pipeline;
60 - Overall win rate percentage;
10,000 - Average deal size in $;
20 - Length of sales cycle in days.

Now to calculate growth of the pipeline, you need to see the change in that number from period to period. If the number increases, your pipeline is growing.

These thoughts correlate with what the folks over at McKinsey have to say about pipeline growth. Their research shows that while most CEOs are actively involved in setting sales budgets and goals, few are actively monitoring their sales pipeline, which can ultimately cost their businesses money. They also found that CEOs who prioritize their sales management outperform those who don't in revenue and profitability by 80%.

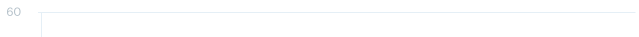
TREND #2

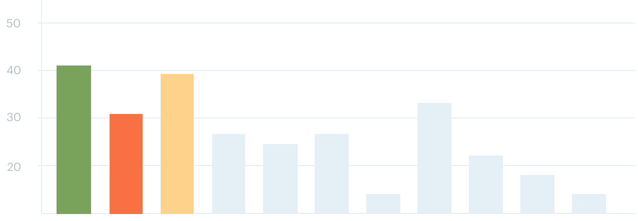
Sellers will need to build better relationships with key decision-makers

Most deals are lost because a product is too expensive, right?

Wrong. Our study found there are two reasons a team loses a deal ahead of price: timing and poor relationships with decision-makers. To draw this conclusion, we asked participants what their top three reasons for not winning a deal were. They ranked them as:

↑ 41% Poor relationship with a key decision-maker ↑ 39% Timing ↑ 31% Price





Why? Researchers from Gartner found that even with the technology that's available to today's sales teams, reps still fail to build relationships with their prospects. Modern B2B buyers are self-reliant, they conduct own research and it becomes increasingly more difficult not to be brushed off by them.

Prospects value relationships with individual sales reps less. Instead, they want information specifically designed to simplify the process of purchasing a product. Sales teams need to drive business through information; not overwhelm them with it. Building relationships with prospects in the future won't be done on an individual level—it'll take an entire (sales) village.

TREND #3

Finding a way to prioritize the right deals will become more difficult for companies

Sales technology can become a double-edged sword.

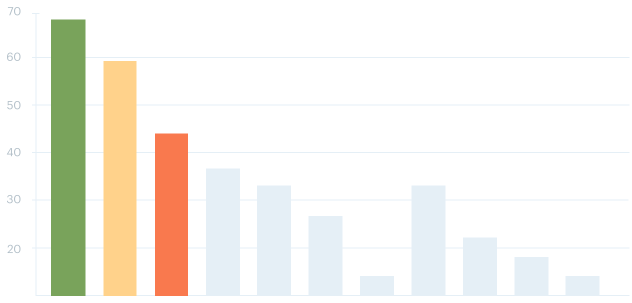
On one hand, the right tools can empower your sales reps to keep track of everything. On the other, it can make it more difficult for them to decipher what they should be preferencing—like how they prioritize deals.

Our study results reflected this when we asked sales leaders how they prioritized what deals their teams focused on. Here are their top three ways for our respondents:

↑ **69%** Deal size

↑ **59%** Deal urgency

↑ **44%** Decision-makers involved



Looking at the numbers, it's clear that sales leaders are trying to juggle several criteria for prioritizing deals. As most opportunities would qualify in at least one category, the problem with the right prioritization becomes evident.

TREND #4

The number one way to close more deals will be knowing when and how to reach out

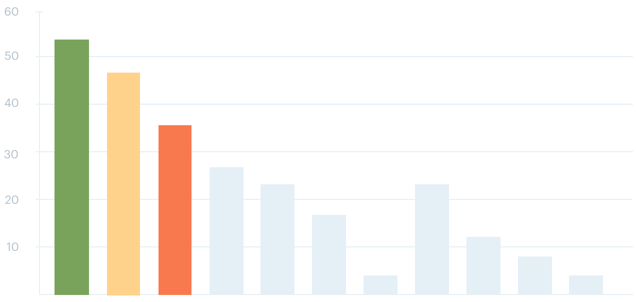
Our research found that sales reps are **9x** more likely to close a deal if they know when and how to reach out to a prospect.

The number one insight that could've helped them close more deals was knowing how, i.e. via what channel and when to reach out to their prospects. Our study found the top three insights that the top sales teams feel might have helped them close more deals:

↑ **53%** Knowing when to reach out to prospects

↑ **47%** Spending time on tasks that have higher ROI

↑ **36%** Knowing who has the strongest relations with the particular account



Many of our respondents struggle to pinpoint the right time and channels to reach out to prospects, and the tools they should use to succeed.
Moreover, as many as almost half of sales reps are still grappling with routine and admin tasks, despite the fact that sales automation tools have been widely implemented among sales organizations.

Technologies behind Sales Engagement

Surprisingly, most of the sales teams—64%—do not use any Sales Engagement tools or platforms.
Yet, when asked if they'd like to change or improve anything around their sales engagement process, absolute majority of respondents—67.5%—answered affirmatively, while only 11% didn't want to change anything.
Here's the breakdown of their answers:

Do you use any Sales Engagement software?

64% NO

36% YES

What would you like to improve in your sales engagement process?

30%	14%	12,5%	11%
Relationships	Automation	Content management	Personalization

These numbers demonstrate innate need sales professionals have in Sales Engagement software, which encompasses the following core capabilities:

Sales AI
Automation of routine tasks, like AI-assisted data capture, easier scheduling and access to full customer communication data.

Sales Communication and Engagement
Customer engagement via multiple channels, including automated email sequences and follow-ups, phone calls, and social selling, with full engagement and content analytics.

Guided Selling
Automation of sales methodologies, customer intelligence with behavior-based recommendations and alerts, comprehensive deal analytics.

What the future looks like for sales teams

In 2020 and beyond, sales teams face a number of towering challenges. Every team will need to put more effort in building stronger customer bonds, prioritize deals effectively, and know when and on which channels to reach out to prospects. Above all else, the challenge of sustaining long-term pipeline growth is always there.

Sales teams can no longer rely on old-school selling methods to close their quotas. It's not about the quantity of touches anymore, but how many of sales activities are aimed at quality prospects.

This is where sales engagement comes into play. It gives a sales team the skills, tools, and analytics for success in the current sales landscape.

3 key hacks for effective sales engagement in 2020

To make it effective, sales teams need to adopt a number of approaches when implementing sales engagement software.

- **Human:**
  Keep it empathetic, engaging, informed, value-first, account-based.
- **Scientific:**
  Based on a systematic, repeatable, scalable, data-centric, process-oriented approach.
- **Responsive:**
  Adaptable to whatever path sales activities take.

As buyers become more sophisticated, it's up to forward-thinking sales organizations (like yours) to look to new selling methods and technologies to get onto your prospect's level. Today, companies use more tools and programs than ever within their sales technology stack, and investing in a sales engagement hub is shaping up to be a natural progression for many sales teams.

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Discover the value of sales engagement now

See it in Action →

sales@invisible.io +1 866 684 9276 support@invisible.io

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