Accelerating Revenue with Sales Technology

Arion Research LLC
Digital Insights and Innovation

Michael Fauscette, CEO & Chief Analyst

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How do you scale your organization's revenue generation capabilities in spite of the current sales productivity crisis? As we discussed in the report "The Sales Productivity Crisis", the convergence of a tight labor market; long hiring, onboarding and ramp up times for new reps; more autonomous buyers and high rep turnover have significantly reduced the effectiveness of scaling by adding sales headcount. The Sales Productivity Crisis report also showed that an emerging category of solution, called sales acceleration platforms, flip the traditional onboarding and ramping paradigm from one dependent on the success of training programs and existing level of sales skills to one that isn't. Sales acceleration platforms create a **digital support structure that combine AI, on-demand content and crowd sourced intelligence** to and increase productivity of existing sales reps, ensure new reps onboard quickly, come up to speed and meet performance targets sooner, while reducing the 'friction' that is creating the low job satisfaction and turnover.

> **With the proliferation of AI in sales technology, how should leaders allocate capital to increase revenue?**

To increase revenue most companies do what they have always done and turn to increasing sales headcount, increasing quotas, increasing outbound calls and pushing marketing to generate more leads by whatever means the budget allows. How effective are these traditional tactics today? Some eye opening statistics:

- Only 13% of customers believe salespeople understand their needs. — The Brevet Group
- 87% of what is learned in sales training is forgotten in 12 weeks — Xerox Corporation
- It takes 6 — 9 months (or more) to onboard and get a new rep productive. — CSO Insights
- 25 — 33% of new sales hires don't work out. — David Skok, Matrix Partners
- 55% of salespeople lack basic sales skills — Forbes

Continuing to attack this problem using traditional methods doesn't seem to be an effective approach anymore. In this report we will examine 2 investment choices, **hire a new sales rep or add AI enabled sales technology with a sales acceleration platform**? Companies are trying a lot of sales tech to aid the sales team, but it doesn't appear that using the most common sales tech stack increases the productivity of the actual rep and the overall sales team. **Can AI enabled sales technology bridge the gap in traditional sales tactics and tools; and perhaps even help companies right-size their sales organization?**

What categories of tech tools are the most common in most companies' sales tech stack? That isn't as simple to answer as you might think. Over the past 10 or so years the number of categories of SaaS solutions in the sales tech categories has exploded. The review site G2.com lists 16 sales software categories and that doesn't include solutions that are not just sales focused like video conferencing, team collaboration, customer data platforms (CDP), project management, productivity, etc. In those 16 categories there are about 2562 solutions listed. Most enterprise sales teams have some combination of:

- Sales Force Automation (SFA) - CRM
- Sales Compensation Management
- Call Tracking
- Sales Coaching / Sales Onboarding and Training / Conversation Intelligence
- Sales Performance Management
- eSignature
- Contract Management
- Configure, Price, Quote (CPQ)
- Lead Tracking
- Pricing Optimization
- Sales Intelligence
- Sales Enablement
- Sales Engagement
- Email Tracking
- Plus other company systems

A lot of these categories are about the management of selling, selling operations and information to track and support selling, and **not about the actual work of selling**. Do these technologies actually move the needle on revenue generation? When you consider the technology gap in sales execution solutions and data from the Forbes sales time management study that found that sales reps spend only 35% of their time selling, current sales tech solutions are lacking when it comes to increasing sales productivity.

When looking at a complete sales tech stack, I'd suggest simplifying the sales tech landscape by consolidating the solutions into 4 high level categories:

- Sales Team Management
- Sales Operations Management
- Sales Process Execution
- Sales Data Management
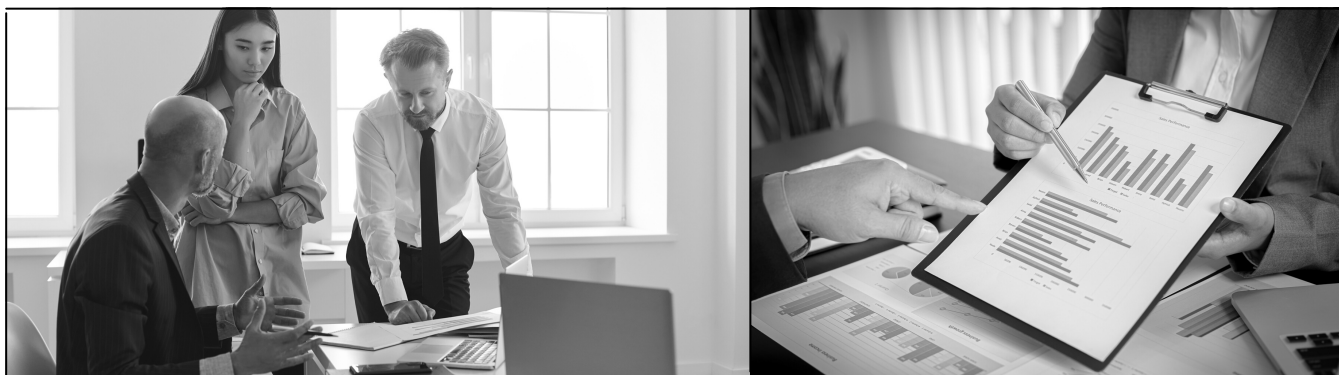
According to a Forbes article the three most important sales skills are:
1. Sincerity – Listen without an agenda, it's not about your needs
2. Ethics – Don't try to talk someone into something, listen to what they want
3. Asking – Serve others by asking questions that will assist them in making a wise buying decision

I would add communicating effectively to that list as well.

So from a sales tech stack perspective where does **asking, listening and understanding the prospects' business issues and needs** come from? The answer is the sales rep, but there is a problem with this answer. The discovery process is completely manual and depends on the training and expertise of the sales rep. As we have already seen, **55% of salespeople lack basic sales skills** according to a recent Forbes article and according to Xerox **87% of what is learned in sales training is forgotten in 12 weeks.**

The solution to the discovery process execution dilemma lies within the Sales Process Execution solution category. Sales Acceleration Platforms provide **sales onboarding and training, sales intelligence, sales discovery and sales communication**; or effectively a complete set of tools, enhanced with artificial intelligence, that leverage the voice of the customer data to drive improved sales execution and results. In the report "The Sales Productivity Crisis" we estimated a 52% increase in revenue generation for a new rep using a sales acceleration platform over a traditionally equipped sales rep. **How does the productivity increase from using a sales acceleration platform stack up across a full sales team in comparison to adding one additional rep?**

For the analysis we need to make a few assumptions to build out the scenario.

1. Sales team of 50 reps, Chicago, IL based tech company
2. Average recruiting and other cost to hire a new rep = $75,000
3. Average time to hire a new rep with 3-4 years experience 6 months, ramp time 3 mos to active, 9 mos to full productivity (~52% quota attainment in 1st 12 months)
4. Median annual salary for a technology account manager in Chicago, IL according to Salary.com = $138,000
5. Average sales quota for an enterprise SaaS sales rep is ~$900K according to Quora
6. Estimated annual subscription costs of a sales acceleration platform is $100,000
7. Average annual quota attainment 70%
8. Use of a sales acceleration platform gives the full team a 10% productivity lift

Productivity Boost with a Sales Acceleration Platform
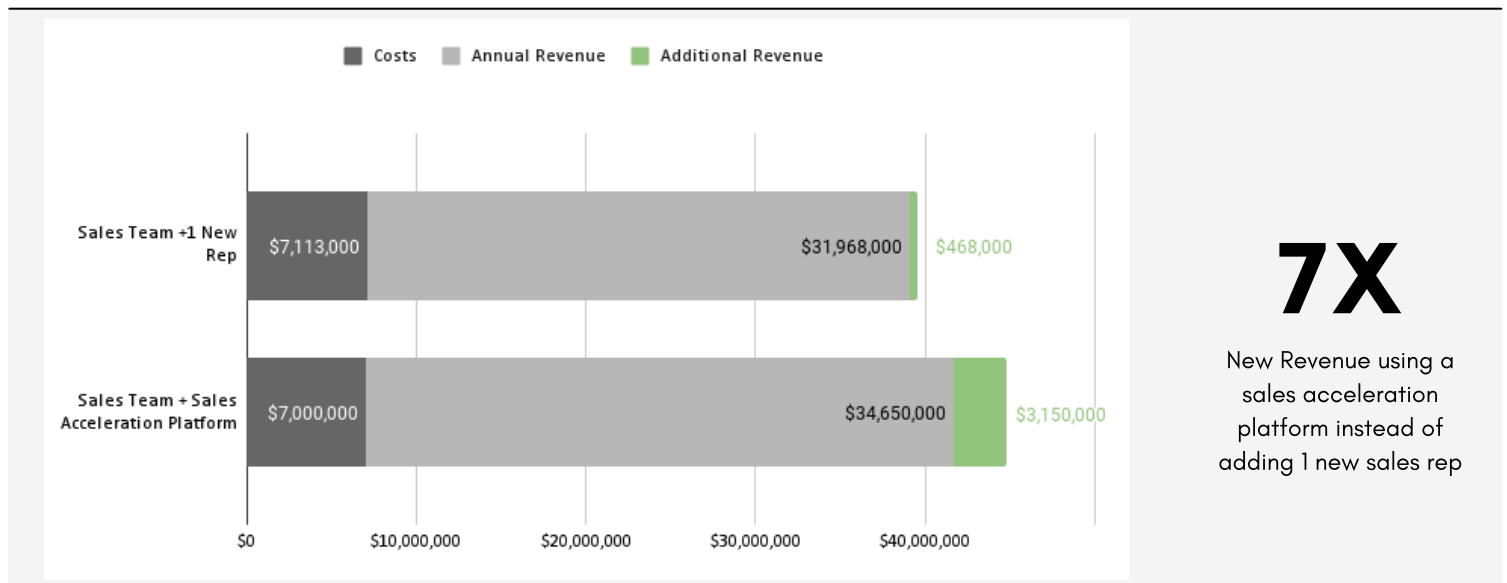
As you can see in this simple example, **deploying a sales acceleration platform to the complete sales team increases productivity and thus revenue while minimizing costs**. The assumption of an average increase of 10% across the entire team is conservative, with a great deal of upside. If the productivity impact increased to 20%, for example, the impact on new annual revenue would increase 14X. In addition, as we found in "The Sales Productivity Crisis", the uplift in productivity for a new rep could be 52% or more, and would rapidly accelerate the time to productivity for any new headcount in the future. Building out a voice of the customer approach with technology instead of relying on the sales rep alone provides a great deal of leverage and provides a better customer experience. For future hires reducing onboarding time, providing just in time resources instead of upfront training investments, and creating a learning discovery system that uses AI to improve over time **increases productivity, decreases time to value and provides a sales team environment that is more conducive to increased job satisfaction and retention.**