

# **Sales Performance Optimization Study**

## **2016 Key Trends Analysis**



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## 2016 Sales Performance Optimization Study Introduction

The data used for this analysis were gathered as part of CSO Insights' 22nd annual Sales Performance Optimization study. As part of this research effort, we utilized the first 500 respondents surveyed from companies worldwide, collecting information on over 100 sales effectiveness related metrics to create this report. We continue to leave the [survey open](#) to collect additional data for benchmarks based on geography, vertical industry, company size, etc. A detailed breakdown of the survey participants can be found in Addendum B in the 2016 Sales Performance Optimization Key Trends Analysis topical report.

The following graphs reflect the aggregated results from the study participants. Advisory Services clients seeking segmented responses based on factors such as industry, company size, country, complexity of sales process—virtually every metric in the study—may obtain this information by contacting their [CSO Insights Analyst](#).

### Key Trends Analysis Introduction

*“The secret is not in getting your customers to understand your strategy; it's you understanding theirs.”*

*-Merritt Lutz, Morgan Stanley  
Senior Advisor, Chairman of MS Technology Holdings*

In 1994, we conducted our first study looking into optimizing business performance. As background for creating *The Information Technology Challenge*, we created an interview list of North American hardware and software industry executives and asked them the following question: “In order for your company to be around in the year 2000, what are you going to have to do differently?” That simple query generated a wealth of insights into how sales, marketing, customer support, finance, IT, product development, manufacturing, etc. needed to change to enable companies to be viable competitors going forward. When recently reviewing those interviews, we revisited the above observation that Merritt Lutz shared with us. Prior to joining Morgan Stanley, Merritt



was one of the leading innovators in developing the software industry, and one of his main precepts was putting the customer at the very core of what a company needs to focus on to be successful.

Fast forward to today. CSO Insights just completed its 22nd annual Sales Performance Optimization study. The research methodology is more refined, the survey question set expanded and now generates 124 metrics, and we have survey participation from firms across all major industries and geographies. Over the years we have noted major changes in the world of sales, including major shifts in sales process, the adoption of CRM technology, the evolution of sales intelligence services and sales analytics, and the move from face-to-face selling to telesales to virtual selling. But some things have not changed.

A number of the challenges that surfaced in the inaugural study are still present today and may just have new labels attached to them. Take for example all the current discussion around aligning your company to your *customer's journey*. Isn't that essentially what Merritt was preaching 22 years ago? What is interesting about Merritt's quote is that he refers to it as a "secret." The *what we need to do* part of his statement is clear to most executive teams, but when looking at the study data from the 2016 Sales Performance Optimization survey, the *how to do it* clearly remains an elusive secret for many companies.

In the following Key Trends Analysis we shed some light on where, why, and how sales, along with the rest of the enterprise, needs to be transformed to meet the needs of the marketplace today. We first provide an update on where the world of sales is at the macro level. Next, we overview what the 2016 Sales Performance Optimization study participants see as the major goals for 2016 and the barriers to success. Then we profile how sales process and customer relationships are defining who the market leaders are and how some companies are turning how they engage and collaborate with their customers into a sustainable competitive edge. We provide you with a way to assess your current sales performance, identify the areas you need to improve, and formalize a vision of where you need to be to effectively compete going forward. Finally, we provide you an overview of the other six topical reports that make up the complete 2016 Sales Performance Optimization study analysis, which you can leverage to define the strategies and tactics you need to put in place to achieve your new sales transformation vision.

As you read this analysis, we encourage you to make notes regarding the areas where your company is underperforming. Advisory Services clients have direct access to their [CSO Insights Analyst](#) at any time, and we encourage you to use this service. Contact us if you have questions or comments regarding this report, or if you want to know about companies that excel in a specific area or how best to invest in people, process, technology, and knowledge to increase your effectiveness at winning more deals.



We hope the information contained in this year's Sales Performance Optimization Analyses will help you more effectively chart the course for your 2016 sales transformation initiatives. The issues raised have broad applicability, and we encourage you to use the information and insights as the basis for brainstorming, goal setting, and identifying and prioritizing your organization's sales effectiveness challenges. Everyone can benefit from understanding the strategies and tactics employed by other companies. But in the end, you have to implement solutions that fit the specific challenges that your organization faces, not those of other firms.

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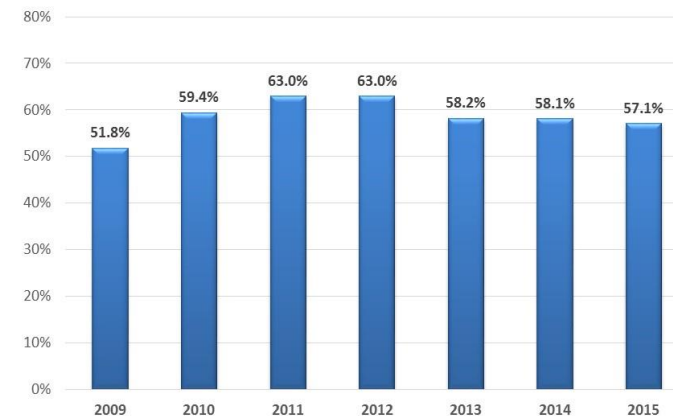


## Sales Performance Analysis for 2015

The world of sales is anything but boring. Changes in the economy, competitive landscape, power balance in politics, etc. can dramatically impact the ecosystem in which we live, thus creating new opportunities or threats to counteract. The chart to the right shows the impact that change has on the performance of salespeople as they swing back and forth between periods of feast and famine.

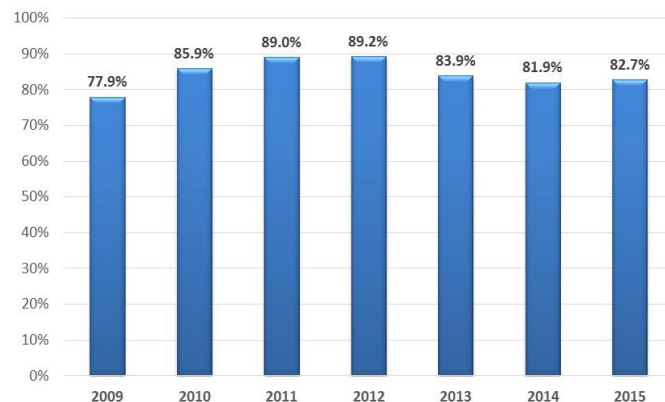
Looking back to the horrendous downturn in the worldwide economy during the second half of 2008, the recession created massive challenges for salespeople in 2009. However, we saw their resiliency as their performance got back on track in 2010 - 2012. Performance fell off noticeably in 2013 and has hovered in that same range the last two years.

Percentage of Salespeople Making Quota  
2009 - 2015



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Percentage of Revenue Plan Attainment  
2009 - 2015



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Moving up the performance ladder to overall company plan attainment, we see a clear correlation. The success of salespeople impacts the success of the company, as shown in the chart to the left presenting the past eight-year total revenues trend.

The suboptimal achievement by salespeople and sales organizations over the past three years is troubling in light of a metric that we discuss in more depth in the 2016 Sales Performance Optimization Going Forward Analysis. A total of 92.5% of firms raised their revenue targets for 2016. With sales teams already struggling, how are they going to be successful this year without more help from their firms?





## Sales Management Objectives for 2016 . . . and Barriers to Success

To explore how companies are planning to achieve their current revenue goals, we asked the companies taking part in this study what their top three objectives are for 2016. The chart below shows that they are placing their bets in a variety of areas.



Topping the list is capturing new accounts. While a key to long term success, as you will see in the 2016 Win More Analysis, the new account sales cycle requires much more selling effort than selling to existing accounts. How can this task be made easier? Optimizing lead generation climbed into the number three spot. As we profile in the 2016 Find More Analysis, salespeople are generating 47.8% of the leads they pursue, which along with researching prospect accounts is consuming 21.7% of their work week. How can the demand creation problem be solved? As sales leaders scan items 2 – 12 on this list, they will realize they are ultimately dependent on achieving objective number two: increasing sales effectiveness. How can sales organizations make this happen?



What does sales management see as the barriers to achieving these objectives? The chart below summarizes the feedback from the 2016 Sales Performance Optimization study data.



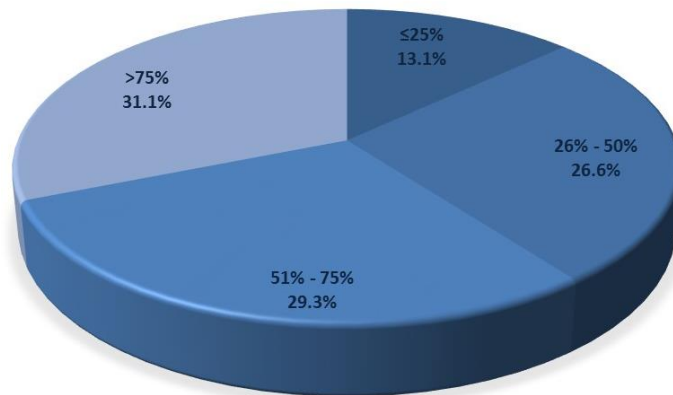
Once again, the inability to generate qualified leads is the number one challenge for sales organizations. The 53.3% figure shown in the chart above represents a marked increase from the 43.6% of firms that identified this lead generation problem last year. When we shared this chart with our advisory board, they noted that the number two issue is actually sales process. Adding up the lack of a common sales process, an ineffective process, and low sales process adoption rates, this comes to a combined total of 51.5%. Looking at the other challenges mentioned, many factors could derail a company's ability to hit the higher revenue targets that most firms have set for 2016. So what can firms do to overcome these issues?



## The Impact of Sales Relationships and Process on Sales Performance

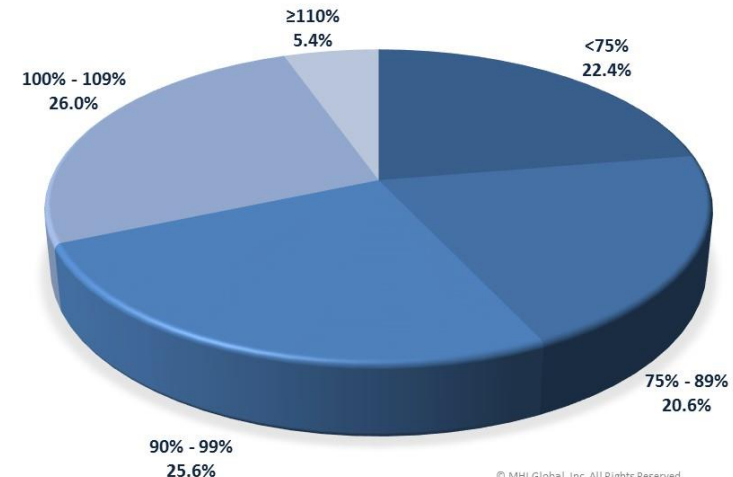
Going back to the charts that profiled salesperson and overall company sales performance, what is shown are averages. While knowing that, on average, 57.1% of salespeople make quota and the overall revenue plan attainment is 82.7% are useful, these two figures hide insights. For each of these two averages, there are companies doing much better and much worse. The next step in our data review was to perform a spread analysis of the two metrics to determine what the actual mix of these sales performance figures represent. The following two charts summarize the findings.

2015 Spread of Salespeople Making Quota



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2015 Spread of Overall Plan Attainment



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The above charts show that 31.1% of firms had at least 75% of their sales force hit their personal goals and 31.4% of companies met or exceeded 100% of their overall revenue target. In drilling deeper into the study data, a number of factors can impact sales performance, both at the individual salesperson and overall company levels. The two that have consistently shown to have a significant impact on results are sales process and customer relationships, which we have been studying in-depth for a decade.



In 2006, *Harvard Business Review* dedicated an entire magazine issue to the topic of sales. In this issue, there were twenty-two articles on sales, one of which was written by CSO Insights on the four levels of sales process. Ten years later, sales leaders have embraced the findings from our article, and we continue to do research and analysis from these early findings. The following is a summarization of the four levels of sales process.

- **Level 1—Random Process:** A company may be perceived as being anti-process, although what it really lacks is a single standard process. Essentially salespeople do their own thing their own way.
- **Level 2—Informal Process:** A company exposes its salespeople to a sales process and indicates that they are expected to use it, but its use is neither monitored nor measured.
- **Level 3—Formal Process:** A company regularly enforces the use of a defined sales process (sometimes religiously), conducts periodic reviews of the process to determine its effectiveness, and makes changes based on the analysis.
- **Level 4—Dynamic Process:** A company dynamically monitors and provides continuous feedback on salespeople's use of its formal sales process. It also proactively and continually modifies the process when changes in market conditions are detected.

Our initial findings showed that as sales organizations move up the process level hierarchy, everything gets better—the percentage of salespeople making quota increases, overall revenue plan achievement increases, competitive win rates of forecast deals improve, and salesperson turnover decreases. In the 2008 Sales Performance Optimization study, we added the following five levels of customer relationships to the equation.

- **Level 1—Approved Vendor:** A company is seen by the majority of their customers as legitimate providers of the products or services they offer, but they are not recognized for having any significant, sustainable competitive edge over alternative offerings.
- **Level 2—Preferred Supplier:** Based on their marketplace reputation and past dealings with customers, while competitors may offer alternatives, Level 2 companies are normally seen as the preferred vendors with whom to do business.



- **Level 3—Solutions Consultant:** Based on a specific set of product-related, value-added knowledge or services they offer, customers see Level 3 firms as not only vendors, but also consulting resources on how to best use the products or services they purchase.
- **Level 4—Strategic Contributor:** Above and beyond the products and services they offer, customers view Level 4 firms as sources of strategic planning assistance for dealing with broader-based challenges they currently face.
- **Level 5—Trusted Partner:** At this highest level, Level 5 firms are seen as long-term partners whose contributions—products, insights, processes, etc.—are viewed as key to their client’s long-term success.

When thinking about the levels of sales process and customer relationship, it became obvious that when combining these two factors to create what is called the Sales Relationship/Process (SRP) Matrix™, we had developed a model for sales organizations to understand where they are currently performing and how they could improve their overall sales performance.

**Sales Relationship/Process Matrix**

Trusted Partner				R5/P4
Strategic Contributor				
Solutions Consultant				
Preferred Supplier				
Approved Vendor	R1/P1			
	Random Process	Informal Process	Formal Process	Dynamic Process

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Sales is often described as a blending of art and science. In our analysis, we did not see the case where one company's selling was pure art and another pure science, but we did see a propensity toward one over the other. As you ponder the SRP Matrix concept based on sales process levels and customer relationships, examples of sales forces probably come to mind. Consider two hypothetical firms. The first is Approved Vendor/Random Process (R1/P1), and the second is Trusted Partner/Dynamic Process (R5/P4). Reflecting on the definitions mentioned above, clear differences in how these two companies operate start to surface.

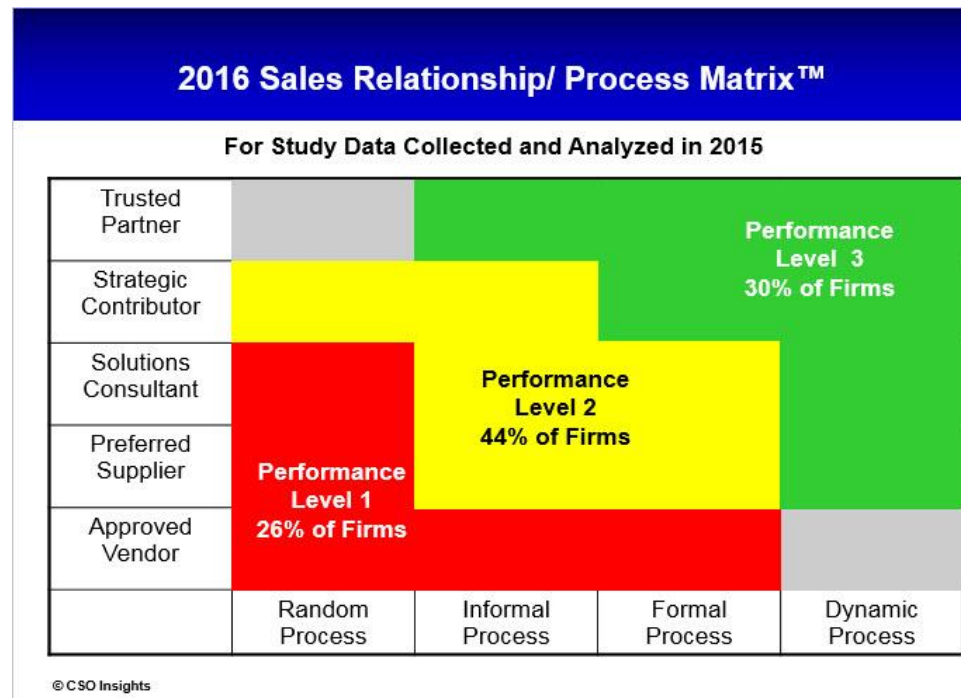
The R1/P1 firm lacks science at the organizational level and relies on the art of individual salespeople to close deals. But at the salesperson level, it has its own unique level of science that it brings to the table to win opportunities. And within the R5/P4 firm, we clearly see science reinforced and enforced across the sales teams, but for specific opportunities, salespeople may need to rely on their personal artistry to win.

So what we see is a blending of art and science. But looking closely at the data from all the firms that took part in the 2016 Sales Performance Optimization study and aggregating their performance based on which SRP Matrix quadrant they fell into, a clear trend becomes apparent. On average, *the more companies rely on the science of selling versus the art, the more success they achieve.*

We came to this conclusion based on an analysis we conducted aggregating data from companies that were in each of the SRP Matrix quadrants. We focused on examining several key metrics that contribute to sales success: percentage of salespeople making their quota, percentage of the overall company plan achieved, percentage of deals resulting in a win, loss, or no decision, and sales force turnover (voluntary plus involuntary).

Before we share our summary of this analysis, we should point out that there are two quadrants that are nearly empty and are reflected in the gray areas in the following SRP Matrix. Companies that consistently function randomly do not achieve a trusted partner level of relationship. Similarly, dynamic sales process firms are nearly always perceived by their customers to at least be at the preferred supplier level, if not higher, in their relationships.

For the remainder of the SRP Matrix we found individual successes and failures in each relationship/process category. When we compared the average sales performance numbers for each of the quadrants in the SRP Matrix, three clear classes of performance differences emerged, as shown on the following page.



A deeper analysis of these three levels of sales performance shed light on the real power that sales process and customer relationships can have on sales results. Where a sales organization is on the SRP Matrix may well dictate whether it succeeds or fails in hitting its revenue goals as shown in the table on the following page.

It starts with the percentage of salespeople achieving their quota goals. On average, only 50% of sales representatives met or exceeded their 2015 sales goals for Level 1 companies—down from the figure of 53%

2016 Sales Performance Optimization Study Level Comparison	Level 1: 2015 Results	Level 2: 2015 Results	Level 3: 2015 Results
% Reps Making Quota	50%	58%	63%
% of Company Plan Attainment	80%	84%	88%
% Forecast - Wins	43%	47%	51%
% Forecast - Losses	34%	29%	26%
% Forecast - No Decisions	23%	24%	23%
% Sales Force Turnover	18%	15%	14%





reported the previous year. The number increases by 16% to 58% for Level 2 firms, and 63% for those organizations in the Level 3 category.

If more salespeople are hitting their goals, then the odds of companies achieving their revenue targets should also increase. And that is clearly the trend we see as related to overall plan attainment, which increases from 80% to 84% to 88% as firms move up in levels of sales performance. A major contributor to this success is that the win rate of forecast deals correspondingly improves from 43% to 47% to 51%. These new wins are attributed to the fact that companies lose fewer deals to competitors as they progress up and over in the SRP Matrix.

If total revenue attainment less than 90% is disappointing (and it is), a good place to look for additional upside is reducing the number of forecast deals resulting in No Decision. These “opportunities” are incredibly expensive to have pursued to the end, only to have them stall out or evaporate; at the same time, real opportunities go unaddressed (i.e., missed) because sales capacity is being consumed by these non-starters. Rigorously and continuously qualifying deals throughout the sales cycle can help minimize No Decisions and free up resources to close more business.

A final factor of note is sales force turnover. As we overviewed in the 2015 Sales Performance Optimization Sales Force Demographics Analysis, 2015 had a significant decline in sales turnover, so the differences in rates for this year are lower than in the past. Still, with ramp-up times for new salespeople taking longer than ever before, any reduction in turnover is a positive in helping a company hit its revenue goals. Note: See Addendum A for an additional view of the study data using the Top 10%, Middle 60%, and Bottom 30% analysis of the study participants’ data.

The consistency of these trends over the past nine years has confirmed that as organizations formalize their sales process, they start to uncover ways to deepen the level of relationships they have with their customers. When firms do that, and align their mission to their customer’s journey, the marketplace they sell into rewards them with more success.

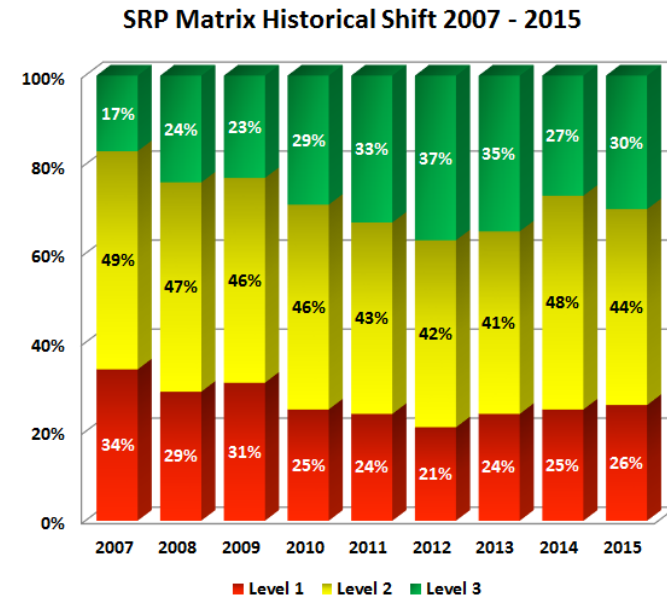




While the data clearly make a compelling business case for all to strive to move to a Level 3 sales performance position on the SRP Matrix, the chart to the right shows that while the percentage of firms that are doing so has increased from 17% in 2007 to 30% today, these sales organizations are still the exception as opposed to the rule. So, how can more companies unlock the secret that Merritt Lutz proposed?

This past year, as we worked with research clients on how to leverage the SRP Matrix to chart their sales transformation course, we started creating sets of definitions and characteristics for each sales process and customer relationship level. These were tailored for each client to take into account the marketplaces it sold into.

These served as useful tools for providing sales leaders with a basis of comparison across sales teams, divisions, geographies, and ultimately against other organizations within the same industry. Let's review a sample of one of these comparisons that sales management can use to further assess where their company is in relationship to the SRP Matrix. If changes are warranted, management can also start to uncover the steps needed to get where they need to be on the SRP Matrix.





## A Deeper Dive Into the SRP Matrix Self-analysis

For each of the five characteristics listed below related to sales process, circle the one that best reflects your company today. Then if you decide you need to make a change, circle the statement that best reflects where you want to be.

DEFINING LEVELS OF SALES PROCESS	LEVEL 1 RANDOM	LEVEL 2 INFORMAL	LEVEL 3 FORMAL	LEVEL 4 DYNAMIC
<b>Definition</b>	No documented or adopted sales process	Sales process has been documented and exposed to salespeople, but its use is not reinforced/enforced	Sales process has been documented and exposed to salespeople, and its use is reinforced/enforced	Sales process has been documented and exposed to salespeople, its use is reinforced/enforced, and metrics are constantly used
<b>Characteristics</b>	<ol style="list-style-type: none"> <li>1. Salespeople do what they feel needs to be done to advance/ close sales opportunities</li> <li>2. Managers track activities and bookings</li> <li>3. SMEs brought in as needed with little/no briefing on topics to be covered</li> <li>4. Proposals are generated by individual salespeople, mostly using cut and paste from prior proposal efforts</li> <li>5. Salespeople operate as “lone wolves” and keep winning tactics to themselves</li> </ol>	<ol style="list-style-type: none"> <li>1. Salespeople know there is a sales process; some use it as a roadmap and others map their own course</li> <li>2. Managers track activities, pipeline, and bookings</li> <li>3. SMEs brought in as needed with some insights on topics to be covered</li> <li>4. A few standard selling templates exist, but salespeople are not required to use them</li> <li>5. Some sharing of ideas exists, but no basis for group metrics or learning</li> </ol>	<ol style="list-style-type: none"> <li>1. Salespeople have integrated the sales process into their sales activities</li> <li>2. Managers track key metrics via dashboards and reports</li> <li>3. SMEs are part of the collaborative team-selling model and focus on specific items to be addressed</li> <li>4. Proposals leverage templates, follow playbook guidelines, and salespeople are expected to adhere to them for all opportunities</li> <li>5. Best practices are routinely identified and shared across the sales team</li> </ol>	<ol style="list-style-type: none"> <li>1. Salespeople and managers have integrated the sales process into their daily work flow and continually assess how well they are performing</li> <li>2. Managers are proactively updated on metric changes and alerts provided for all KPIs</li> <li>3. SMEs are constantly mining pipeline and sales data looking for emerging challenges/opportunities and ways they can help sales</li> <li>4. Template/playbook-based proposals are tracked throughout the process and win/loss stats are constantly reviewed</li> <li>5. CRM system is the foundation for social, marketing, sales templates, and best practices sharing</li> </ol>



Now do the same as related to the characteristics related to levels of customer relationship.

DEFINING LEVELS OF CUSTOMER RELATIONSHIPS	LEVEL 1 APPROVED VENDOR	LEVEL 2 PREFERRED SUPPLIER	LEVEL 3 SOLUTIONS CONSULTANT	LEVEL 4 STRATEGIC ADVISOR	LEVEL 5 TRUSTED PARTNER
<b>Definition</b>	Salespeople have detailed knowledge of their product/service offerings	Salespeople understand how customers use their products/services and have a proven track record of delivering as promised	Salespeople understand the buyer's business and how their products/services will help improve the buyer's business (i.e., the customer's customer)	Salespeople understand the buyer's industry and how their products/services will help improve the buyer's competitive position	Salespeople understand the buyer's organization and how purchasing their products/services impacts long-term relationship goals/objectives
<b>Characteristics</b>	<ol style="list-style-type: none"> <li>1. Focus is on product function/feature knowledge</li> <li>2. Sales teams have basic sales skills (presenting, proposing, discovery)</li> <li>3. Tactical orientation, deliver what was ordered</li> <li>4. Limited contacts within accounts/prospects</li> <li>5. Technical skills (including ability to put together an accurate bid)</li> </ol>	<ol style="list-style-type: none"> <li>1. Strong technical knowledge</li> <li>2. Sales teams understand how customers use the product</li> <li>3. Accountability/proven delivery within promised time frame</li> <li>4. More established contacts; but not at high levels within accounts</li> <li>5. Consistently generate repeat business and renewals</li> </ol>	<ol style="list-style-type: none"> <li>1. Have ability to diagnose and prescribe solutions</li> <li>2. Rapport, built through business acumen and solid communication</li> <li>3. Knowledge of how to leverage products to achieve gain/remove pain</li> <li>4. Established contacts at all key levels within accounts</li> <li>5. Able to demonstrate industry expertise on how clients can best use products or services</li> </ol>	<ol style="list-style-type: none"> <li>1. Have extensive domain and business expertise</li> <li>2. Sales teams able to advance and accelerate buying process</li> <li>3. Contribute to the success of the client's business plans</li> <li>4. Regular interactions with all key levels within accounts</li> <li>5. Considered part of the buying organization's long-term team</li> </ol>	<ol style="list-style-type: none"> <li>1. Have a network of contacts and partners to bring value to clients</li> <li>2. Sales teams part of client's strategic vision</li> <li>3. Have long-range view of where customer is going and ability to support it</li> <li>4. Proactively serve as a knowledge resource to all key contacts within accounts</li> <li>5. Co-define and align objectives with key customers</li> </ol>



As sales leaders conduct initial self-assessments, they may see that certain characteristics fall into more than one category level. That is fine. Again, the goal is to begin to understand where the sales organization is today. Once sales management has a good understanding of this, they should look at the other characteristics and determine if that is where they want to be, or if they take steps to move up the sales performance ladder. For example, assume that the knowledge your sales teams bring to the table is as a Level 1 – Approved Vendor. This is based on the characteristics that your salespeople focus on product function/feature knowledge in their selling activities.

Now assume your sales leadership decides they are the CSO of this firm and want to move to a Level 4 – Strategic Advisor. In order for this to happen they need to have the sales force demonstrate product knowledge as well as domain and business expertise. Would anything need to change for this to happen?

Would leadership see the need to conduct more training on the customer's marketplace? When hiring new salespeople, would management use the same hiring profile as in past years? Would the sales compensation plan remain the same? What about the coaching that managers give their salespeople? Would strategic account management planning processes need to be formalized? Would sales need access to additional sales intelligence services on their customers and key stakeholders? This begins to show sales management the full scope of what sales transformation means.



## 2016 Sales Performance Optimization Study Topical Reports Overview

How do sales organizations chart the right course to get to where they need to be? Our suggested starting point is that sales leaders peruse the following six reports and the Key Trends Analysis.

- **Sales Force Demographics Analysis:** The report explores sales force turnover, projecting hiring plans for 2016, the ability to effectively hire salespeople who will succeed, the use of sales attitude/competency testing in the hiring process, average ramp-up time for new salespeople, salesperson time allocation, average salesperson quota assignment, average deal size, average sales cycle length for both new and existing customers, and the impact that compensation plans have on selling behaviors.
- **Sales Process Analysis:** The report includes the average sales training spend per salesperson, an assessment of the quality and quantity of sales messaging and presentation training, customers' marketplace training, sales purchase justification training, CRM application training, social selling training, the types of methods used to support training reinforcement, sales process adoption rates, the impact of sales training on sales performance, and the implementation of a sales enablement function to support sales teams.
- **Find More Analysis:** The report presents a lead source analysis, sales assessment of marketing generated leads, the effectiveness of websites in effectively engaging clients, sales and marketing alignment on the definition of a qualified lead, and conversion rate analysis of leads to first discussions. Conversion rate analysis of first discussions to presentations/demonstrations, ability of sales teams to prioritize which accounts to focus on, capability to recognize buying triggers, proficiency to develop strategic account plans, competencies to thoroughly research prospect accounts, ability to qualify and prioritize opportunities, and the adeptness to effectively incubate leads are also included.
- **Win More Analysis:** The report explores the ability to understand the customer's buy cycle, proficiency to gain access to all key decision makers, adeptness to conduct a thorough needs analysis, competencies to effectively differentiate products and services from the competition, ability to optimize average deal size, capability to build a business case/ROI to justify a purchase, ability to close deals as originally forecast, CRM utilization, utilization of emerging CRM 2.0 solutions, understanding the impact Mobile CRM has on sales performance, and the utilization of tablets in sales.



- **Keep and Grow More Analysis:** The report explores the ability to renew business with existing customers. Competencies to penetrate other business units within existing accounts, proficiency to effectively cross-sell and up-sell, adeptness to generate customer referrals, examine who is responsible for minimizing customer churn, understand the role of customer support in generating sales, the relationship between sales and customer report, ability to farm additional deals from existing customers, capability to effectively communicate with customers, and the skill to create cases studies and references are included.
- **Going Forward Analysis:** The report first explores the revenue targets that have been set for 2016, an assessment of the likelihood companies will achieve their targets, what sales effectiveness initiatives companies are putting in place this year to increase sales effectiveness, and the growing role that sales enablement is taking to lead the charge to optimize sales performance. We then explore the key changes companies need to make to determine the right focus for their sales organization—hiring the right tem, providing the right motivation to salespeople, identifying the right prospects, creating the right account plans, providing the right support to sales teams, executing the right steps to close deals, and making the right changes to the sales process at the right time to keep current with changes in the marketplace.

After you have had a chance to digest the findings of this year's study, feel free to contact your [CSO Insights Analyst](#) to schedule a briefing to discuss any questions you may have. You may also want to discuss the goals and objectives that your sales organization needs to accomplish this year with us so that we can help develop an action plan for how CSO Insights can support your vision with our research, expertise, and best practices.

Questions or comments regarding this report should be sent to:

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## Addendum A

### Sales Performance Analysis: Top 10%, Middle 60%, Bottom 30%

#### The Top 10%

##### **71.2% of Salespeople Met/Exceeded Quota and Achieved 111.4% of Full Company Plan**

- 54.8% of firms are Sales Process Level 3 or 4
- 56.4% of firms have a Sales Process Adoption Rate of >75%
- 38.1% of firms are at a Customer Relationship Level 4 or 5
- 85.7% of firms have implemented a Core CRM System
- Of the firms that have a Core CRM System, 44.4% have an adoption rate of >90%
- 54.8% of firms provide their sales teams with access to Sales Intelligence Solutions

#### The Middle 60%

##### **61.6% of Salespeople Met/Exceeded Quota and Achieved 92.2% of Full Company Plan**

- 48.5% of firms are Sales Process Level 3 or 4
- 49% of firms have a Sales Process Adoption Rate of >75%
- 34.2% of firms are at a Customer Relationship Level 4 or 5
- 80.6% of firms have implemented a Core CRM System
- Of the firms that have a Core CRM System, 39.8% have an Adoption Rate of >90%
- 51.4% of firms provide their sales teams with access to Sales Intelligence Solutions

#### The Bottom 30%

##### **41.4% of Salespeople Met/Exceeded Quota and Achieved 49.6% of Full Company Plan**

- 31.3% of firms are Sales Process Level 3 or 4
- 32.1% of firms have a Sales Process Adoption Rate of >75%
- 29.4% of firms are at a Customer Relationship Level 4 or 5
- 71.6% of firms have implemented a Core CRM System
- Of the firms that have a Core CRM System, 26.9% have an Adoption Rate of >90%
- 52.7% of firms provide their sales teams with access to Sales Intelligence Solutions



## Addendum B Study Demographics

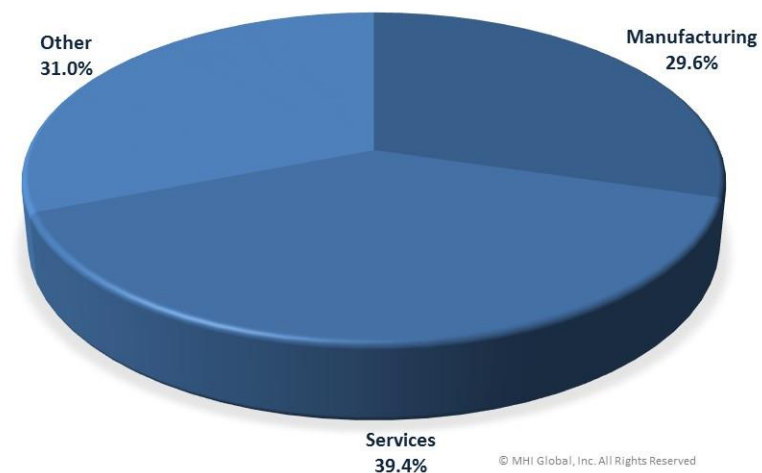
The 2016 Sales Performance Optimization study represents CSO Insights' 22<sup>nd</sup> annual survey to assess the challenges facing sales teams, determine why these problems exist, and benchmark how companies are leveraging people, process, technology, and knowledge to increase the efficiency and effectiveness of their sales forces.

Again this year, we received broad-based participation. The chart to the right provides a breakdown of the industry segments representative of the firms taking part in the 2016 Sales Performance Optimization survey. The top industries with the most participants are professional services and consulting, business services, technology, technology services, traditional manufacturing, banking/financial services, telecommunications, and health care.

Regarding geographic participation, 53.9% of the firms are based in the United States and 46.1% are international. By way of size, 12.6% of the firms have revenues of greater than \$1B, 21.9% are in the \$51M - \$1B range, and 65.5% of the companies have revenues of ≤\$50M.

Advisory Services clients seeking segmented responses based on factors such as industry, company size, country, complexity of sales process—virtually every metric in the study—may obtain this information by contacting their [CSO Insights Analyst](#).

Vertical Industry Make-up of Participants







## About CSO Insights

[CSO Insights](#) is dedicated to improving the performance and productivity of complex B2B sales organizations. We measure and analyze the behaviors, metrics, and strategies behind world-class sales performance, providing our members with the research, data, and expertise required to build strategies for sales performance improvement.

With over 20 years of sales research experience, the CSO Insights team is comprised of respected analysts with decades of success as sales practitioners and sales executives. This unique perspective, along with our wealth of sales performance metrics and benchmarks, give us the exceptional ability to collaborate directly with sales leaders around the world to explore the best practices, strategic trends, and next generation capabilities driving sales performance.

Our research, data, and expertise help sales leaders create and execute strategies to find more, win more, and keep and grow more business. CSO Insights' annual sales and marketing effectiveness studies have become industry standards for sales leaders seeking operational metrics, data, and analysis, most notably the *Sales Best Practices Study*, *Sales Performance Optimization Study*, and *Lead Management and Social Engagement Study*.