



THE
**SALES
MANAGEMENT**
ASSOCIATION

RESEARCH REPORT

ASSESSING SALES OPPORTUNITIES

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RESEARCH UNDERWRITER

TinderBox

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Research Report: Assessing Sales Opportunities

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Our research initiatives address topics relevant to practitioners across a broad spectrum of sales effectiveness issues. Our research is available to members on our site at www.salesmanagement.org.

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1 RESEARCH SUMMARY

1.1 RESEARCH OBJECTIVES

Accurately assessing opportunity is an essential competency for sales organizations. It underpins critical resource allocation decisions, such as how and where to deploy salespeople, and it determines how essential work is prioritized within the sales force. Opportunity assessment involves a continuum of activities, from identifying and qualifying leads, to sizing active sales opportunities in prospects or customer accounts, to forecasting sales.

This research focuses on two activities in this continuum – lead scoring and sales forecasting. Lead scoring is chiefly focused on prioritizing which opportunities to target in a portfolio of leads, whereas sales forecasting is more concerned with assigning a value and probability to qualified opportunities. In this survey we use the term “sales opportunity assessment” to collectively include lead scoring and sales forecasts.

The research sought to answer several questions related to how sales organizations practice sales opportunity assessments. These questions include the following: What forms of opportunity assessment are being implemented effectively? How accurate are sales forecasts and what can be done to improve them? Do sales people have a bias to overinflate or underinflate sales opportunity assessments? Finally, what metrics are used in sales opportunity assessment and which are most valuable?



REPOENDENTS	TOTAL
FIRMS	137
SALES MGRS.	13,000
SALESPEOPLE	102,000

1.2 ONE HUNDRED THIRTY-SEVEN FIRMS PARTICIPATED IN THE RESEARCH. COMPLETE RESPONDENT DEMOGRAPHICS ARE PROVIDED IN SECTION 8.

1.2 SUMMARY OF KEY FINDINGS

The majority of respondents utilize buying process modeling to better understand prospects' readiness to buy. While most firms (85%) model a generic buying process, significantly fewer model more specific buying processes. We found firm utilization of a more specific approach to buying process modeling correlates with higher performance. High-performing firms (those that met or exceeded sales objective in the preceding 12 months) are substantially more likely to use multiple, specific buying processes models, between 28% and 95% more likely, compared to lower-performing firms. The largest difference appears in the use of market segment specific buying processes models, something high-performing firms do almost twice as often as low-performing firms.

Slightly less than half (49%) of respondent firms use a formal lead-scoring methodology. Those that do most frequently utilize salesperson interaction and purchase intent as lead scoring criteria. High-performing firms, however, are much less likely to utilize purchase intent in lead scoring, and much more likely to utilize social media interactions, firmographics, and purchase history, when compared to lower-performing firms.

Most firms (79%) had "low" or "very low" confidence in lead scores, corresponding to a level of confidence of 60% or less. This suggests lead scoring's value is directional, and best considered as part of a continuum of qualification and value estimation activities.

Firms use an average of 4.3 measures for sizing sales opportunities. The most frequently used measure, utilized by 70% of respondents, is in-person meetings, followed by lead source (utilized by 58%), website metrics (47%), and contract information (46%). Of these, in-person meeting outcomes are deemed the most valuable measure of opportunity value. Proposal and contracts data were rated next most effective (both at 2.3), followed by phone call data. In comparison to lower-performing firms, high-performing firms use opportunity measurement criteria differently. High-performing firms are more likely to use data from presentation, online chat, video, and virtual meetings, but less likely to use website data or lead source data.



Given forecasting's close association with opportunity assessment, we focused a significant portion of this research on sales forecasting practices. We learned that forecasting is a deeply flawed activity in many firms. In many firms, it consumes substantial effort, generates widespread dissatisfaction, and yields data of dubious predictive value. Its importance to management remains undiminished, however; 70% of respondents consider accurate forecasts "very" or "extremely" important.

Just 37% of respondents rate their overall satisfaction with their firm's sales forecasting positively. A key contributor of dissatisfaction is forecast inaccuracy (just 43% of respondents are satisfied with forecast accuracy). Firms that are satisfied with forecast accuracy are much more likely to track it; 85% of "satisfied" firms track forecast accuracy, compared with just 55% of "not satisfied" firms.

Subjectivity and bias are widely present in sales forecasts, and are likely contributors to inaccuracy. Eight in 10 firms indicate that their sales forecasts rely on salesperson judgment, and 68% acknowledge salesperson bias in submitted forecasts.



2 MAPPING THE BUYING PROCESS

Assessing sales opportunities involves more than a static estimate of financial value. A more complete measure of value emerges only when opportunity size is combined with an estimate of when the opportunity will materialize. Even the largest of potential requirements, if ultimately never actually purchased, represents an opportunity with an effective value of zero. Considering opportunity size in the context of timing is therefore essential for measuring real opportunity value.

An accepted construct for including this element of timing is to evaluate an opportunity's location along a generalized sequence of buying steps, or buying process. Ideally, sales organizations develop sales processes that mirror the buying process. While evaluating sales process effectiveness is beyond the scope of this initiative, our research did attempt to understand respondents' efforts to codify buying process, and their degree of specificity in considering how (not just how much) their customers and prospects plan to buy.

PERCENTAGE OF SALES ORGANIZATIONS MAPPING CUSTOMER BUYING PROCESSES



PERCENTAGE OF FIRMS

2.1 MOST FIRMS (85%) MODEL A GENERIC BUYING PROCESS; JUST 36% MODEL MORE SPECIFIC BUYING PROCESSES ASSOCIATED WITH SPECIFIC SOLUTION APPLICATIONS OR USERS.

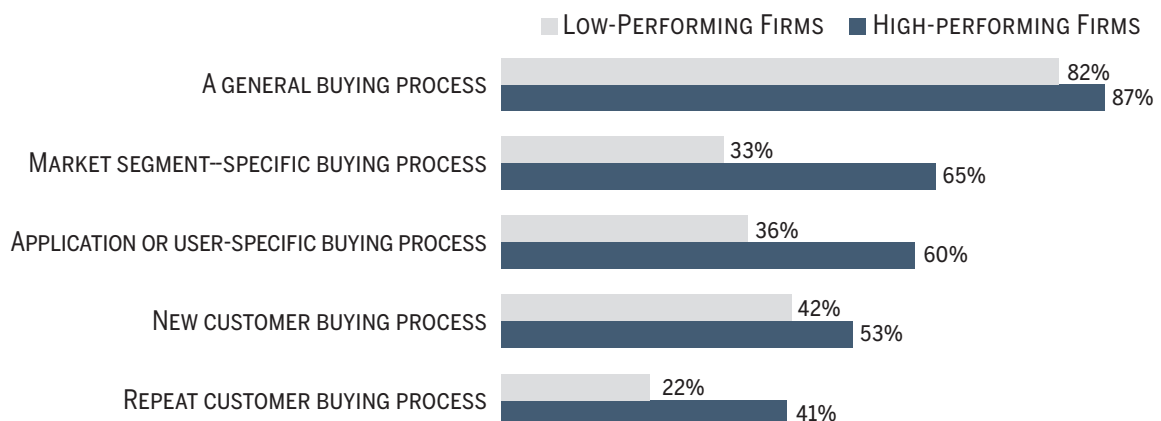


We found that most firms (85%) formulate a general buying process, applicable in a generic sense to how all purchases are made by all customers or prospects. Far fewer further document buying processes by customer type or segment. Fifty-six percent develop buying process models for new customers, 53% for repeat customers, and 50% for segment-specific buyers. Least likely of all is the use of buying process models for application or user-specific buyers; just 36% examined buying process at that level of specificity.

2.2 BUYING PROCESS MODELING AND FIRM PERFORMANCE

Comparing high-performing firms¹ with their lower-performing peers reveals marked differences in how buying processes modeling is employed. High-performing firms are slightly more likely to utilize a generic buying process model (87% do so, compared with 82% of low-performing firms). However, they are substantially more likely to develop more specific buying processes models – between 28% and 95% more likely, compared to low-performing firms. The largest difference appears in the use of market segment-specific buying processes models, something high-performing firms do almost twice as often (95% more often) than low-performing firms.

PERCENTAGE OF FIRMS MAPPING THE CUSTOMER BUYING PROCESSES



PERCENTAGE OF FIRMS

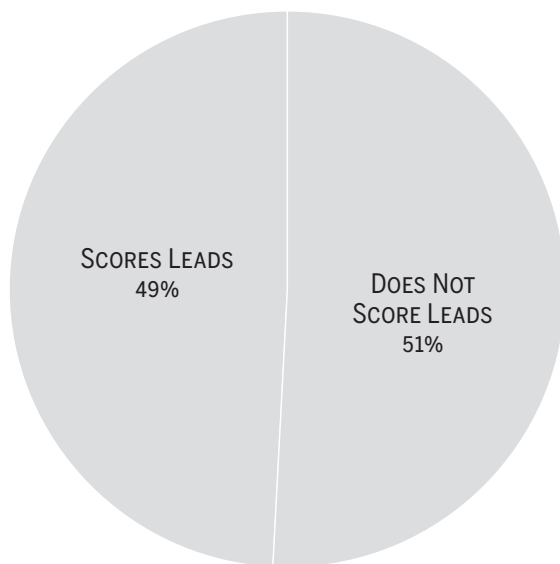
2.2 HIGH-PERFORMING FIRMS ARE MUCH MORE LIKELY TO USE BUYING PROCESSES MODELS THAT ADDRESS SPECIFIC TYPES OF CUSTOMERS.

¹ High-performing firms are those that met or exceed the firm sales objective for the preceding 12-month period.



3 MANAGING LEADS

USE OF LEAD SCORING BY FIRM



PERCENTAGE DISTRIBUTION OF RESPONSES

3.1 APPROXIMATELY HALF OF RESPONDENT FIRMS SCORE LEADS.

3.1 LEAD SCORING UTILIZATION

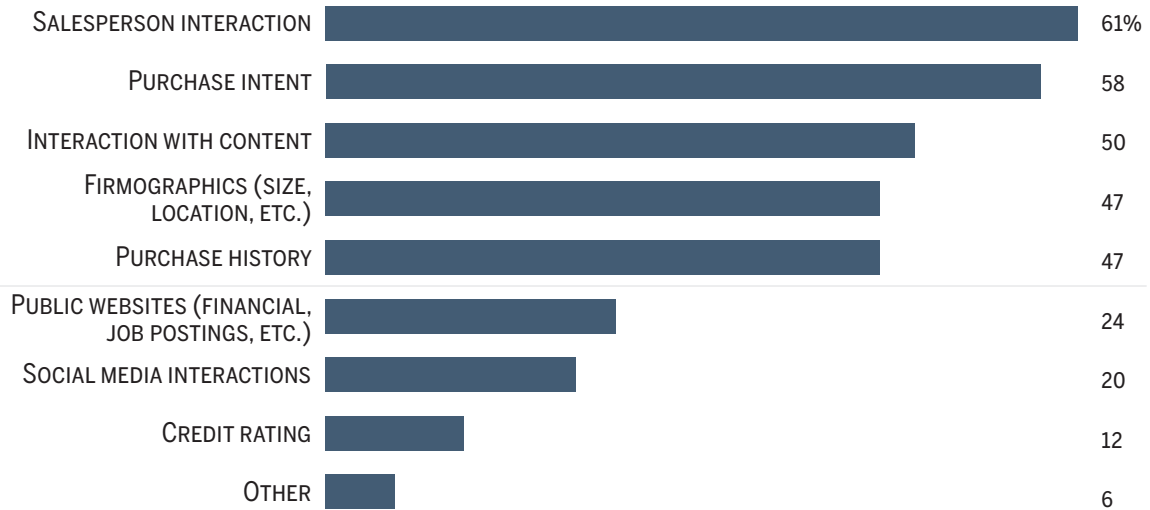
Lead scoring is an emerging practice gaining adoption as marketing automation and other technology-based methods become more widely used. We found that 49% of research respondents use a formal lead scoring methodology.

3.2 LEAD SCORING CRITERIA

The most widely used criterion for scoring leads is salesperson interaction (utilized by 61% of respondents). Other criteria, in descending order of popularity, are purchase intent (58%), interaction with content (50%), firmographics (47%), and purchase history (47%). Least often utilized are public website data (24%), social media interactions (20%), and credit rating (6%).



CRITERIA USED IN LEAD SCORING

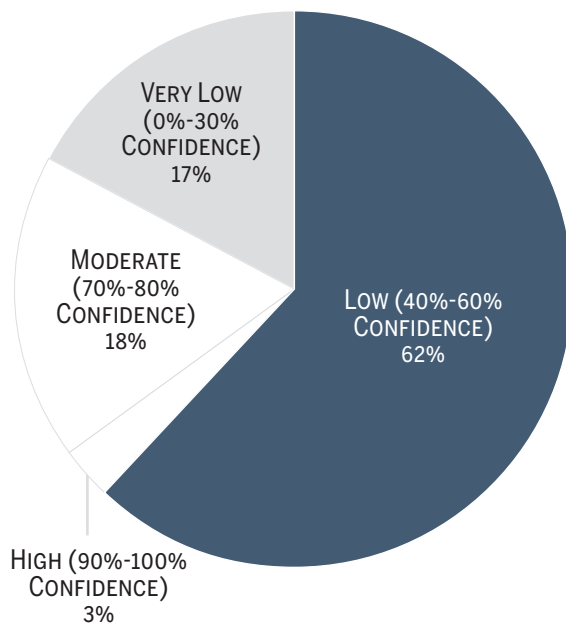


PERCENTAGE OF FIRMS UTILIZING CRITERIA

3.2 SALESPERSON INTERACTION AND PURCHASE INTENT ARE THE MOST FREQUENTLY UTILIZED LEAD SCORING CRITERIA.

CONFIDENCE IN LEAD SCORING RELIABILITY

PERCENTAGE DISTRIBUTION OF RESPONSES



3.3 MOST FIRMS (79%) HAD “LOW” OR “VERY LOW” CONFIDENCE IN LEAD SCORES.

3.3 LEAD SCORING CONFIDENCE

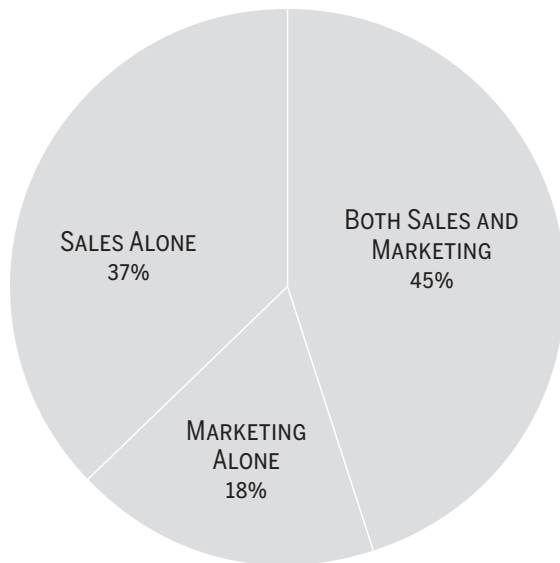
Among firms that score leads, confidence in leads’ scores is low. Sixty-two percent of respondents say lead scores are accurate between 40% and 60% of the time. Seventeen percent found lead scores even less reliable (“0% to 30% reliability”); 21% said scores had reliability of 70% or better. This suggests lead scoring’s value is directional, and best considered as part of a continuum of qualification and value estimation activities.

3.4 QUALIFYING LEADS

Though marketing may be most involved in developing leads, the sales organization is more involved in qualifying them. The sales organization alone qualifies leads in 37% of firms. Sales and marketing functions jointly



WHICH FUNCTION QUALIFIES LEADS?



PERCENTAGE DISTRIBUTION OF RESPONSES

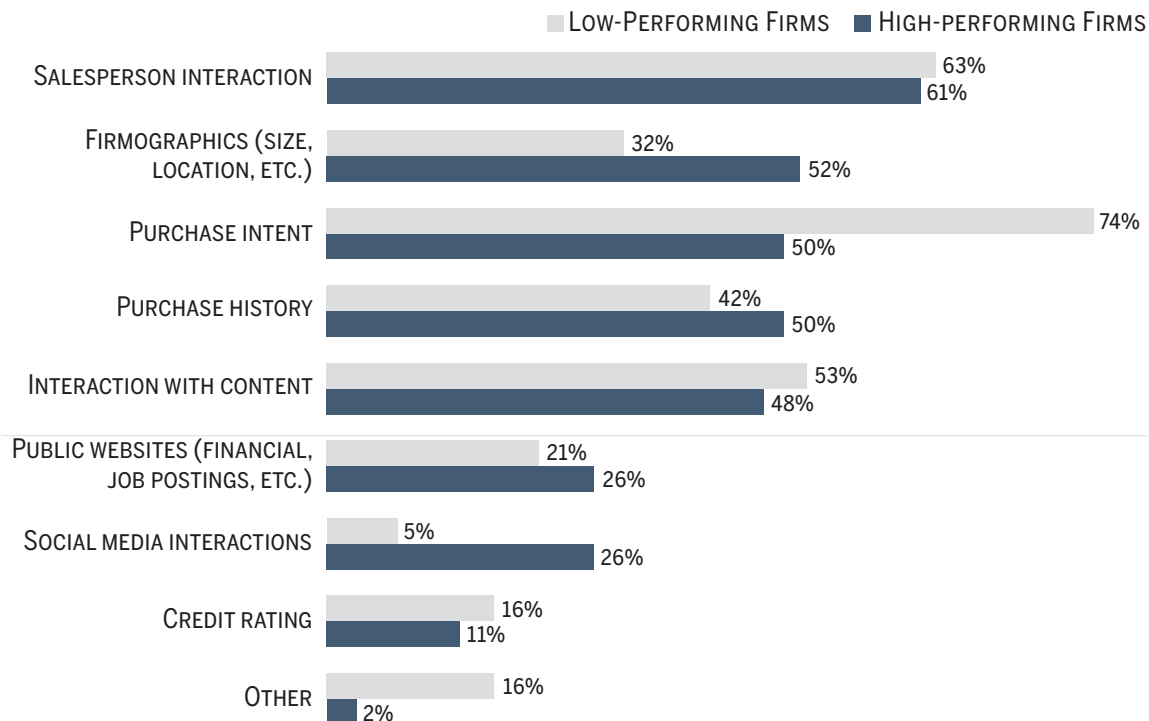
3.4 THE SALES ORGANIZATION IS INVOLVED IN QUALIFYING LEADS – EITHER BY THEMSELVES OR IN COLLABORATION WITH MARKETING – IN 82% OF FIRMS.

qualify leads in 45% of firms, and in 18% of firms marketing alone handles lead qualification.

3.5 DIFFERENCES IN HIGH-PERFORMING FIRMS' LEAD SCORING CRITERIA

Comparing high- and low-performing firms reveals differences in criteria emphasized in lead scoring. High-performing firms are much less likely to utilize purchase intent in lead scoring (50% of high-performing firms use this criterion, compared with 74% of low-performing firms); they are much more likely to utilize social media interactions (26% vs. 5%), firmographics (52% vs. 32%), and purchase history (50% vs. 42%).

CRITERIA USED IN LEAD SCORING



PERCENTAGE OF FIRMS UTILIZING CRITERIA

3.5 HIGH PERFORMING FIRMS ARE MUCH MORE LIKELY TO UTILIZE SOCIAL MEDIA INTERACTIONS, PURCHASE HISTORY, AND FIRMOGRAPHICS AS LEAD SCORING CRITERIA.

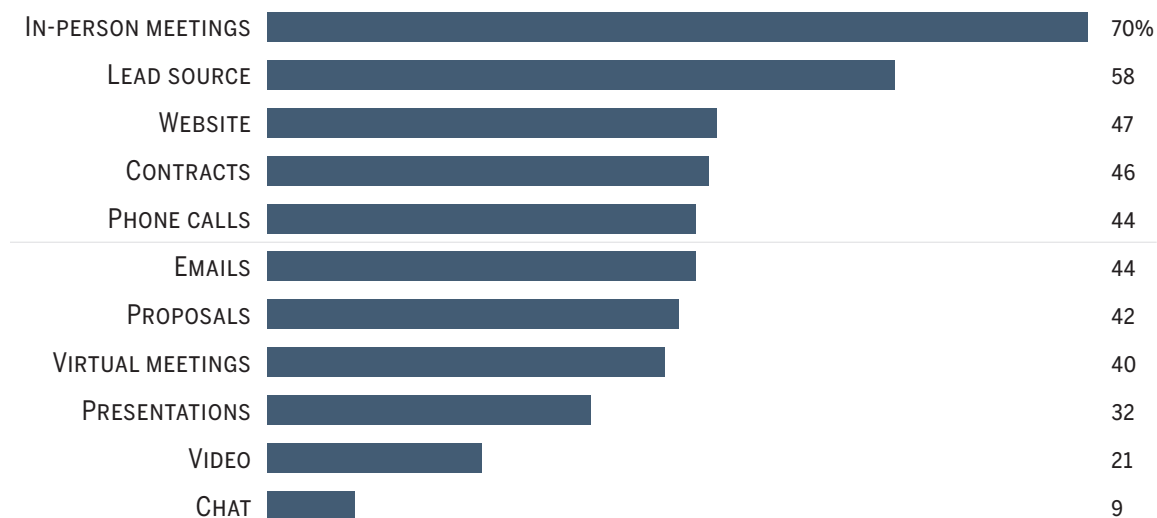


4 ASSESSING OPPORTUNITIES' VALUE

4.1 METRICS USED IN ASSESSING CUSTOMER OR PROSPECT VALUE

Firms use a variety of approaches to quantify opportunity value, and 80% of all firms use two or more value measures (on average, firms use 4.3 opportunity size measures). The most frequently used measure, utilized by 70% of respondents, is in-person meetings, followed by lead source (utilized by 58%), website metrics (47%), and contract information (46%). The least frequently used measures are data related to video content interaction (21%) and online chat interactions (9%).

METRICS USED IN ASSESSING CUSTOMER OR PROSPECT VALUE



PERCENTAGE OF FIRMS UTILIZING

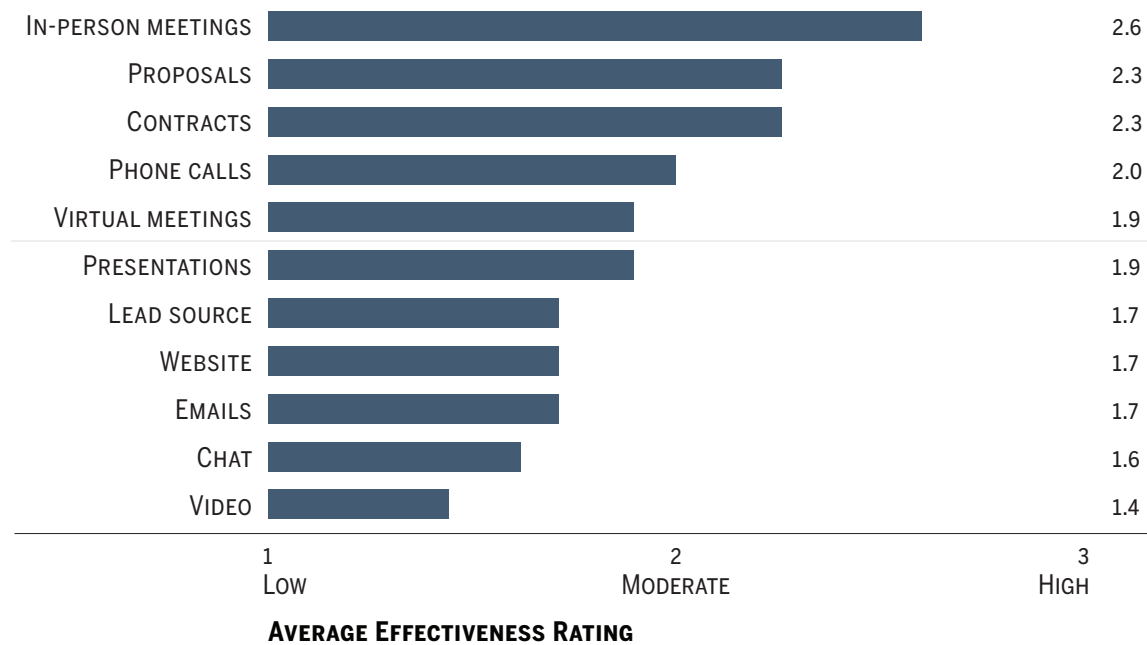
4.1 RESPONDENTS MOST FREQUENTLY USE IN-PERSON MEETING INTERACTIONS TO ASSESS OPPORTUNITY VALUE.



4.2 EFFECTIVENESS OF METRICS USED IN VALUING OPPORTUNITIES

In-person meeting outcomes are deemed the most valuable measure of opportunity value. This measure was rated 2.6, on average, on a 3-point effectiveness scale where 1 is not at all effective, 2 is moderately effective, and 3 is highly effective. Proposal and contracts data were rated next most effective (both at 2.3), followed by phone call data (2.0). Rated as least effective are email, video, and chat interaction data, rated at 1.7, 1.6, and 1.4, respectively.

FIRM RATING OF METRICS' VALUE IN ASSESSING POTENTIAL



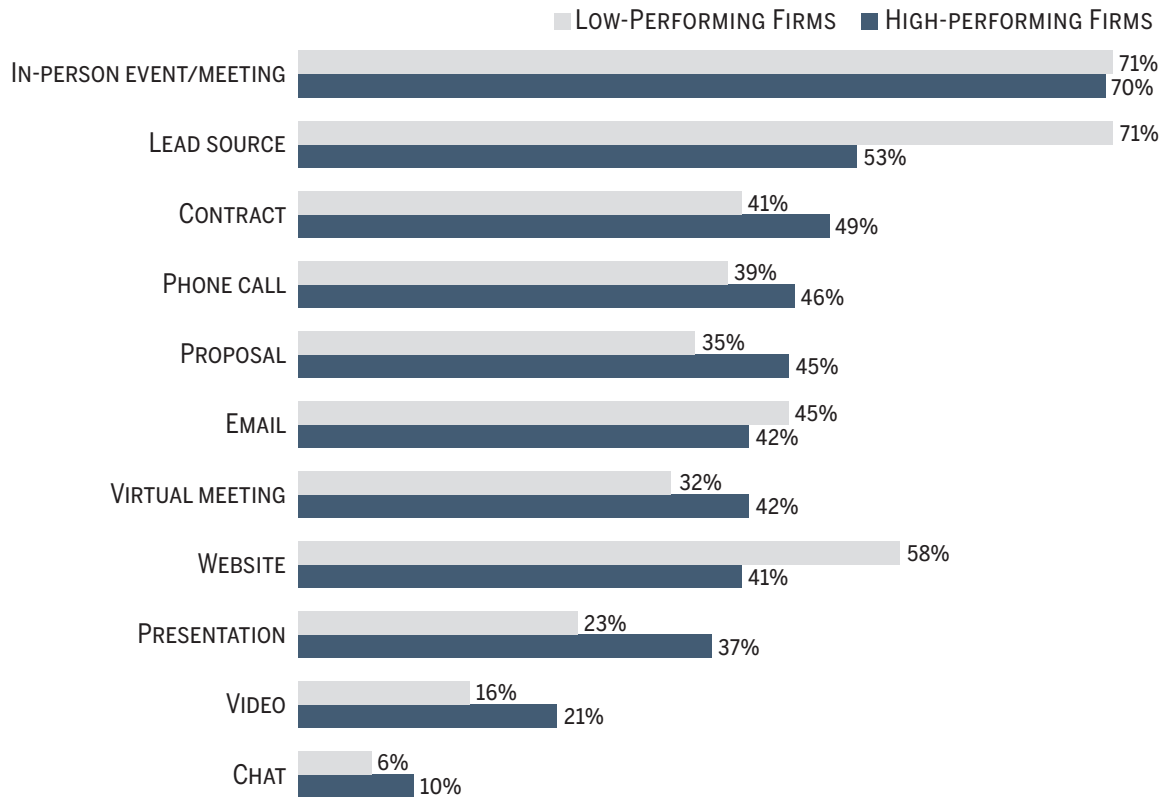
4.2 FACE TO FACE MEETING OUTCOMES ARE CONSIDERED THE MOST VALUABLE MEASURE OF OPPORTUNITY VALUE.

4.3 DIFFERENCES IN HIGH-PERFORMING FIRMS' USE OF OPPORTUNITY VALUATION METRICS

High-performing firms are more likely to use metrics related to presentation interaction (used by 37% of high-performing firms, vs. 23% of low-performing firms), online chat interactions (10% vs. 6%), online video content interaction (21% vs. 16%), and virtual meeting interactions (42% vs. 32%). They're less likely to utilize website data (41% vs. 58%) and lead source information (53% vs. 71%).



METRICS USED IN ASSESSING CUSTOMER OR PROSPECT VALUE



PERCENTAGE OF FIRMS UTILIZING

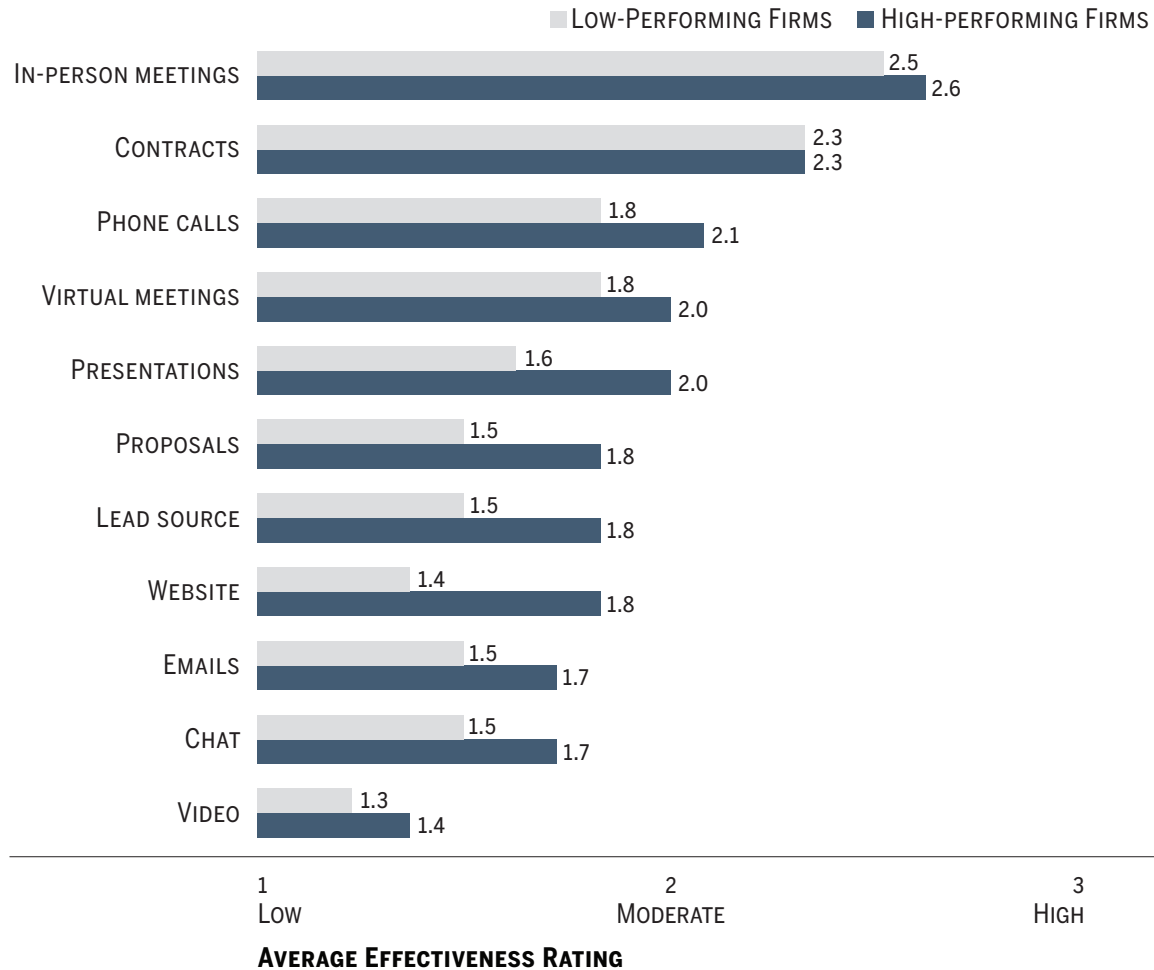
4.3.1 IN COMPARISON TO LOWER-PERFORMING FIRMS, HIGH-PERFORMING FIRMS USE OPPORTUNITY MEASUREMENT CRITERIA DIFFERENTLY. HIGH-PERFORMING FIRMS ARE MORE LIKELY TO USE DATA FROM PRESENTATION, ONLINE CHAT, VIDEO, AND VIRTUAL MEETINGS, BUT LESS LIKELY TO USE WEBSITE DATA OR LEAD SOURCE DATA.

High-performing firms rate all value measures higher than do lower-performing firms (even if only nominally for several). The greatest variance in rated value is for website metrics (rated 1.8 by high-performing firms compared with a 1.4 rating from lower-performing firms), presentation metrics (2.0 vs. 1.6), and lead source metrics (1.8 vs. 1.5). These higher value ratings for lead source and website metrics come despite high-performing firms' less frequent use of these measures. This suggests their more specialized and selective utilization of these measurement approaches.



ASSESSING OPPORTUNITIES' VALUE

FIRM RATING OF METRICS' VALUE IN ASSESSING POTENTIAL



4.3.2 HIGH-PERFORMING FIRMS FIND WEBSITE METRICS, PRESENTATION METRICS, AND LEAD SOURCE DATA MORE VALUABLE IN SIZING OPPORTUNITIES THAN DO THEIR LOWER-PERFORMING COUNTERPARTS.



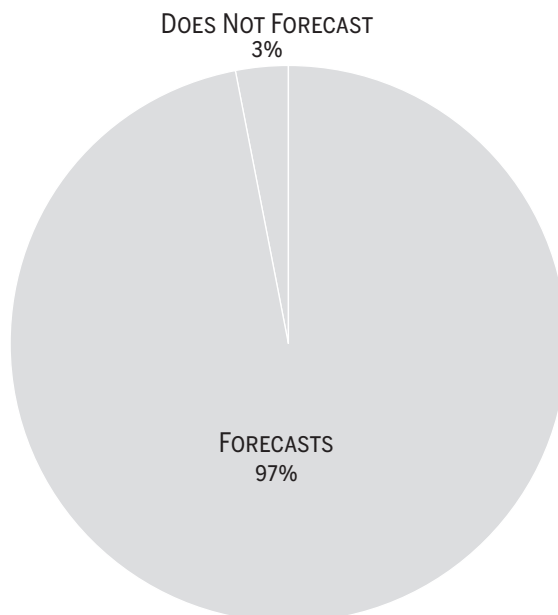
5 SALES FORECASTS

Opportunity assessment is an integral component of sales forecasting. Given forecasting's close association with opportunity assessment, we focused a significant portion of this research on sales forecasting practices. We learned that forecasting is a deeply flawed activity in many firms.

5.1 SALES FORECASTING PRACTICES

USE OF SALES FORECASTS BY FIRM

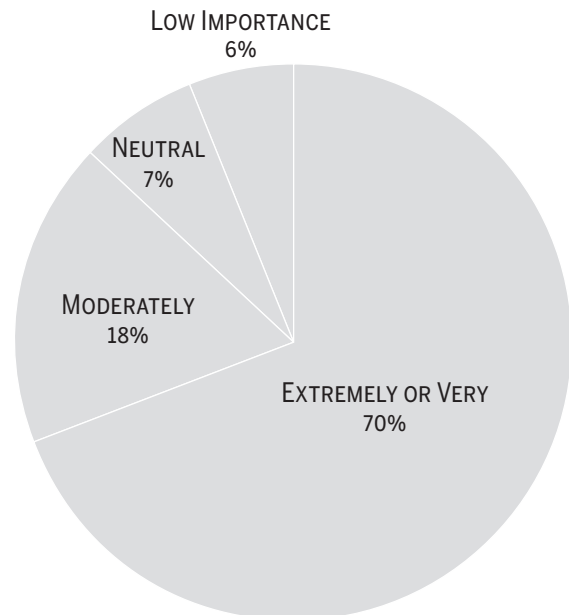
PERCENTAGE DISTRIBUTION OF RESPONSES



5.1.1 VIRTUALLY ALL ORGANIZATIONS FORECAST SALES RESULTS.

HOW IMPORTANT ARE ACCURATE SALES FORECASTS?

PERCENTAGE OF FIRMS



5.1.2 SEVENTY PERCENT OF FIRMS CONSIDER ACCURATE SALES FORECASTING "VERY" OR "EXTREMELY" IMPORTANT.



Virtually all respondents (97%) forecast sales results, and 70% consider accurate sales forecasts either very or extremely important.

Sales forecasts benefit first-line sales managers and more senior sales leaders (98% and 96% of whom, respectively, are named as beneficiaries of forecasts by respondents' firms). In more than nine out of 10 firms, accurate forecasts also benefit C-suite leadership and the finance function. Less frequently, beneficiaries within the firm include operations (in 81% of firms), salespeople (in 74% of firms), and marketing (in 63% of firms).

BENEFICIARIES OF SALES FORECASTING WITHIN THE FIRM



5.1.3 SALES MANAGEMENT, THE FINANCE DEPARTMENT, AND C-SUITE LEADERS ARE THE MOST FREQUENT BENEFICIARIES OF ACCURATE SALES FORECASTS WITHIN THE FIRM.

Forecasted performance horizons are most frequently quarterly (in 42% of firms), followed closely by monthly (in 41% of firms). Sales organizations' forecasts require frequent updating, 36% update forecasts monthly, and 32% update forecasts weekly. Just 4% of respondents forecast as infrequently as once per year.

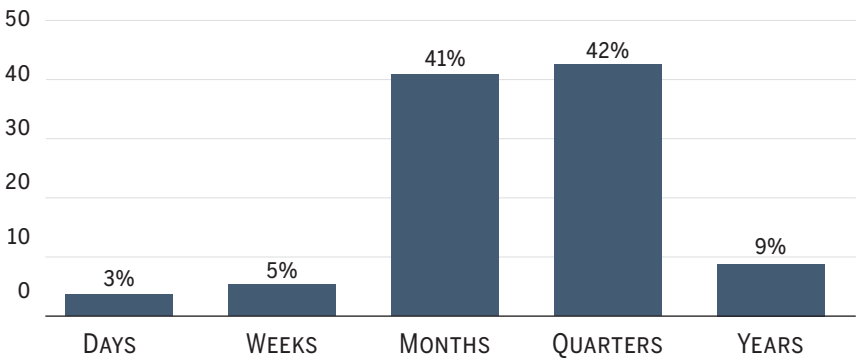
In sum, sales organizations spend lots of time forecasting. More than two-thirds of respondents (68%) indicate that forecasting in their organizations involves "considerable effort."



5.1.4 IN MORE THAN 80% OF FIRMS, FORECASTED PERFORMANCE HORIZONS ARE EITHER MONTHLY OR QUARTERLY.

FIRMS' SALES FORECAST TIME HORIZON

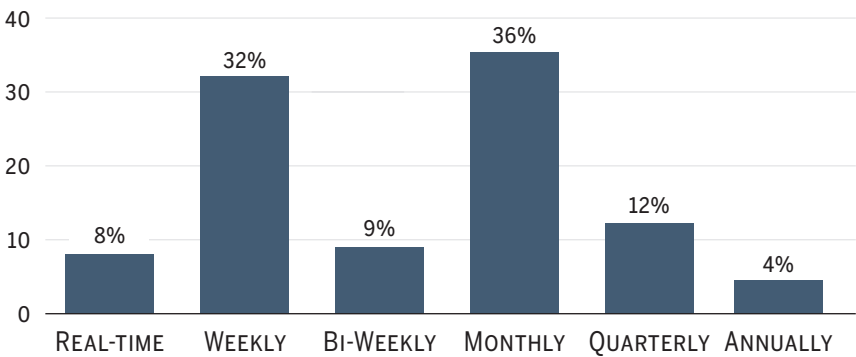
PERCENTAGE DISTRIBUTION OF FIRMS



5.1.5 SALES ORGANIZATIONS' FORECASTS REQUIRE FREQUENT UPDATING – 36% UPDATE FORECAST MONTHLY, AND 32% UPDATE FORECASTS WEEKLY.

FIRMS' SALES FORECAST UPDATE FREQUENCY

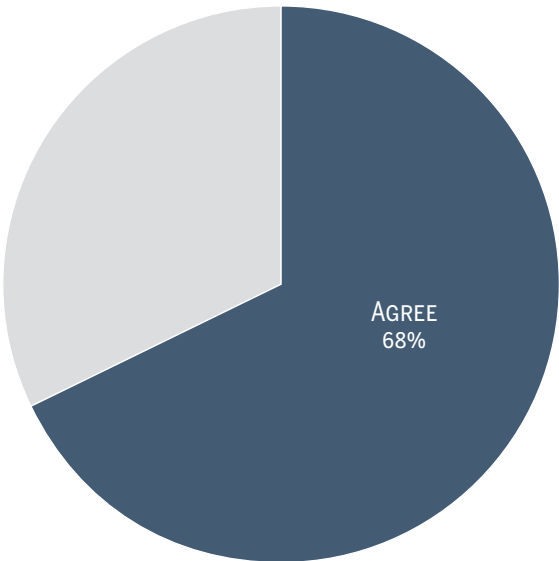
PERCENTAGE DISTRIBUTION OF FIRMS



“OUR FIRM PUTS SUBSTANTIAL EFFORT INTO DEVELOPING SALES FORECASTS”

PERCENTAGE OF FIRMS

5.1.6 SALES ORGANIZATIONS EXPEND CONSIDERABLE EFFORT FORECASTING.



5.2 SATISFACTION WITH SALES FORECASTS

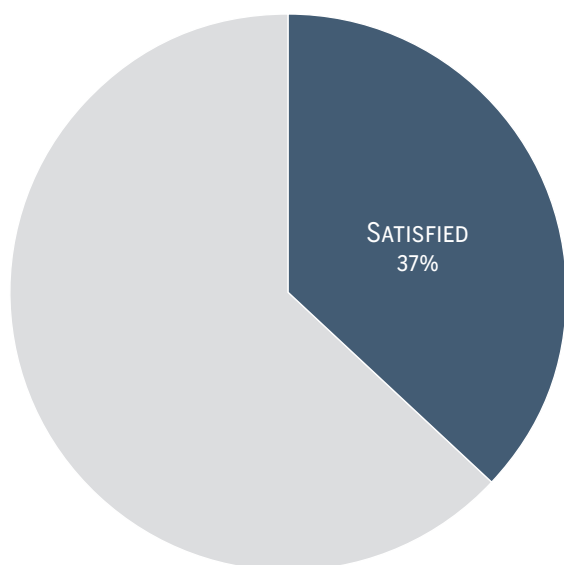
For all the effort it requires, forecasting yields wholly unsatisfactory results, judging from respondents' forecasting satisfaction ratings. Just 37% rate their "overall" satisfaction with their firm's sales forecasting as positive. A key contributor of dissatisfaction is forecast inaccuracy. Fifty-seven percent of respondents are dissatisfied with their firms' sales forecast accuracy.

A likely reason for dissatisfaction: inadequate tracking. Our research found that firms satisfied with forecast accuracy are much more likely to track it. Eighty-five percent of firms satisfied with forecasting accuracy track it, compared with just 55% of firms not satisfied with forecast accuracy.

A closer look at forecasting satisfaction ratings reveals bi-modal response distributions. These suggest sales organizations are separating into two distinct populations, the first representing slightly more than a third of firms, is reasonably satisfied with overall forecasting value and accuracy, and the second, also roughly one-third, stuck with unsatisfactory forecasting outcomes and inaccurate forecasts.

"OVERALL SATISFACTION" WITH SALES FORECASTS

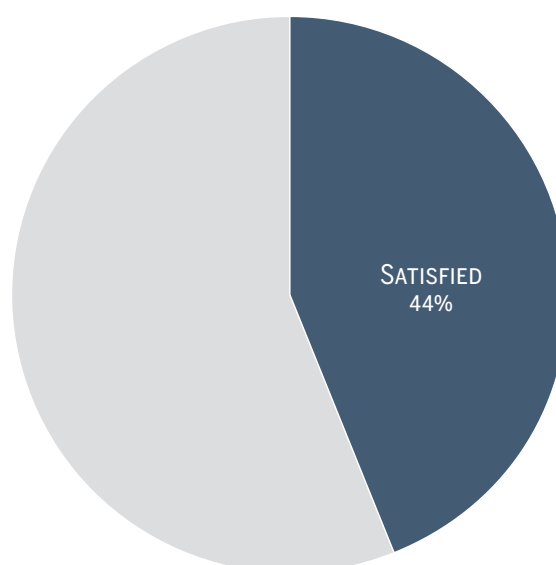
PERCENTAGE OF FIRMS



5.2.1 JUST 37% OF RESPONDENTS RATE THEIR "OVERALL" SATISFACTION WITH FIRM SALES FORECASTING AS POSITIVE.

FIRMS' SATISFACTION WITH SALES FORECAST ACCURACY

PERCENTAGE OF FIRMS

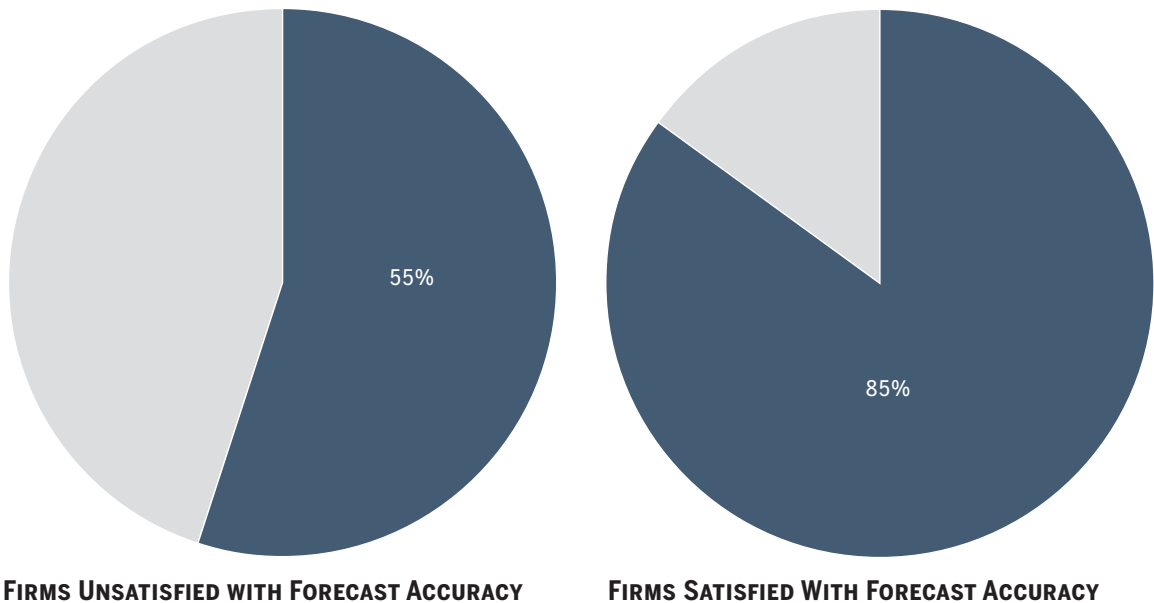


5.2.2 FORTY-FOUR PERCENT OF RESPONDENTS ARE SATISFIED WITH SALES FORECAST ACCURACY.



TRACKING FORECAST ACCURACY AND ITS LINK TO SATISFACTION WITH FORECASTS

PERCENTAGE OF FIRMS THAT TRACK FORECAST ACCURACY

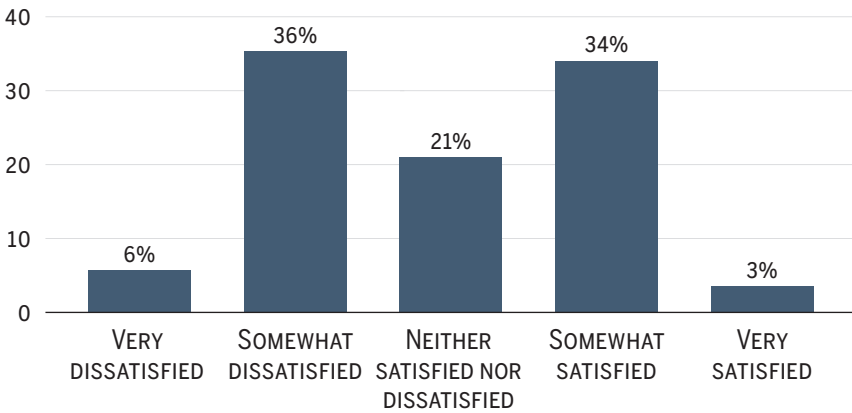


5.2.3 FIRM SATISFACTION WITH FORECAST ACCURACY CORRELATES WITH WHETHER FIRMS TRACK IT.

FIRMS' OVERALL SATISFACTION WITH SALES FORECASTS

PERCENTAGE DISTRIBUTION OF FIRMS

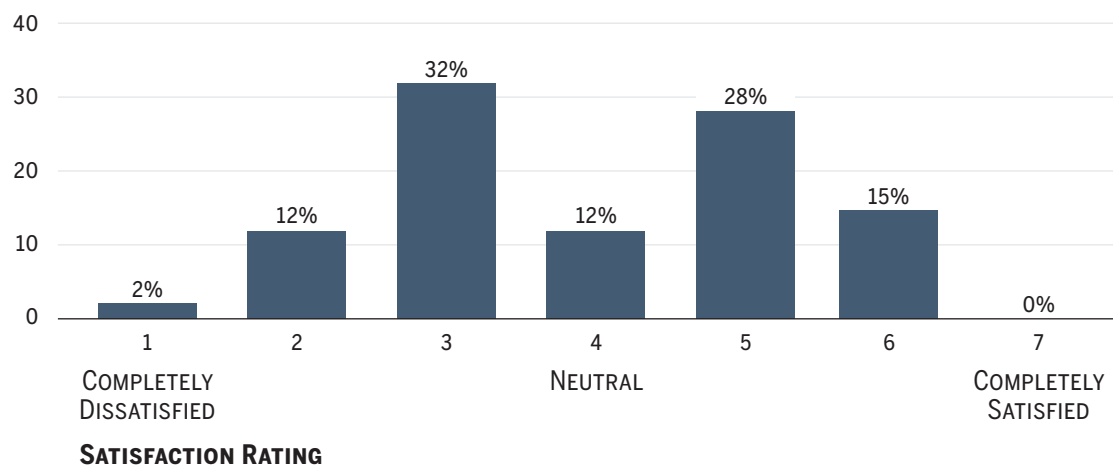
5.2.4 FIRMS' OVERALL SATISFACTION WITH FORECASTING SHOWS A BI-MODAL DISTRIBUTION, WITH MOST FIRMS ON EITHER SIDE OF THE MEDIAN (NEUTRAL) SATISFACTION RESPONSE. THERE ARE MORE DISSATISFIED (42%) THAN SATISFIED (37%) FIRMS.



SALES FORECASTS

FIRMS' SATISFACTION WITH SALES FORECAST ACCURACY

PERCENTAGE DISTRIBUTION OF FIRMS

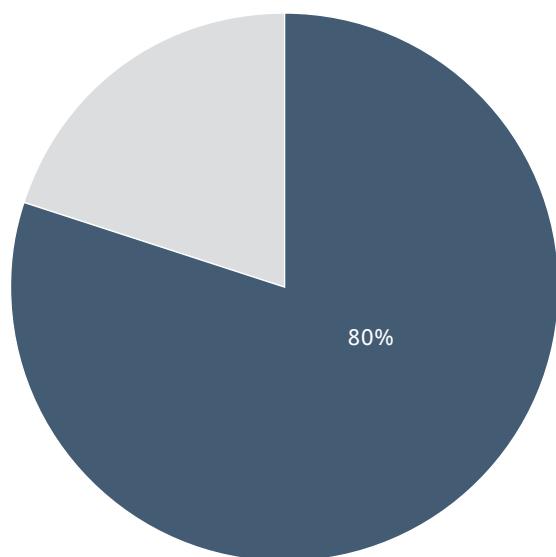


5.2.5 FIRMS' SATISFACTION WITH FORECASTING ACCURACY ALSO SHOWS A BI-MODAL DISTRIBUTION, WITH MOST FIRMS ON EITHER SIDE OF THE MEDIAN (NEUTRAL) SATISFACTION RESPONSE. THERE ARE MORE DISSATISFIED (45%) THAN SATISFIED (43%) FIRMS.

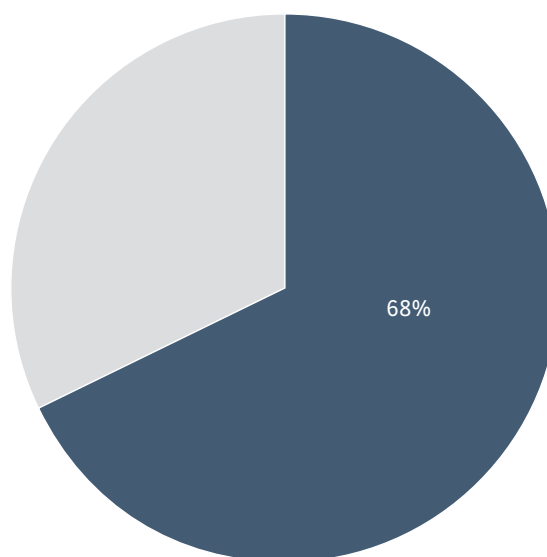
5.3 SUBJECTIVITY AND BIAS IN SALES FORECASTS

Subjectivity and bias are widely present in sales forecasts, and are likely contributors to inaccuracy. Eight in 10 firms acknowledge that their sales forecasts rely on salesperson judgment, and 68% of firms acknowledge salesperson bias in submitted forecasts.

PERCENTAGE OF FIRMS WHOSE SALES FORECASTS RELY ON "SALESPERSON JUDGMENT"



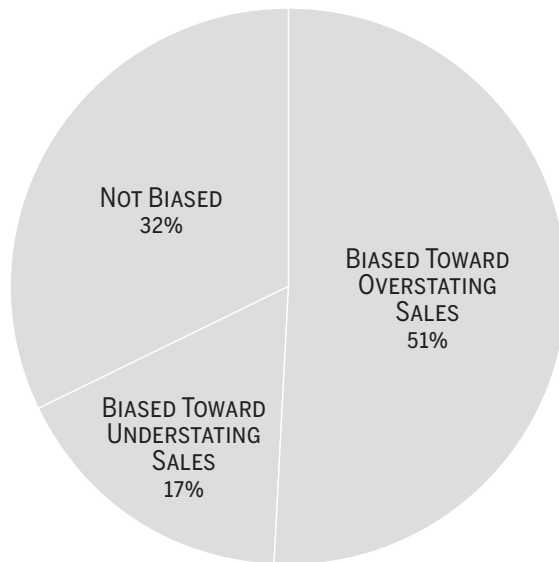
PERCENTAGE OF FIRMS WHOSE SALESPERSON SUBMIT BIASED FORECASTS



5.3.1 EIGHT IN 10 FIRMS ACKNOWLEDGE THAT THEIR SALES FORECASTS RELY ON SALESPERSON JUDGMENT, AND 68% OF FIRMS ACKNOWLEDGE SALESPERSON BIAS IN SUBMITTED FORECASTS.



SALESPERSON BIAS IN SALES FORECASTING
PERCENTAGE DISTRIBUTION OF FIRMS



Salesperson bias is most often manifest in overstated forecasts (in 51% of firms). Understated forecasts are most often present in 17% of firms.

5.3.2 BIAS IS MOST FREQUENTLY REFLECTED IN OVERSTATED FORECASTS.

6 CONTRACTS

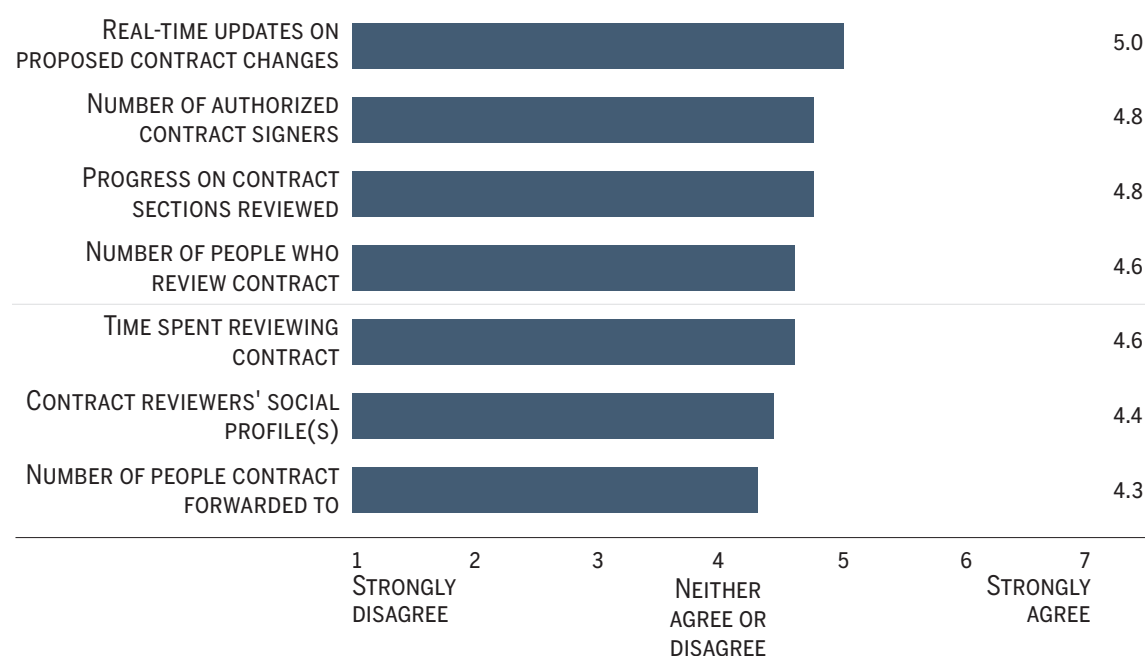
Our research included questions about contract and proposal data as sources of insight for assessing opportunities. Many firms find that even deals that reach the contracting phase can still be difficult to size and assess. Collecting data on how buyers interact with contracts offers data helpful in developing useful insight into timing and final opportunity size.



CONTRACTS

Respondents were most agreeable that real-time updates on proposed contract revisions would be useful for opportunity assessment. This was rated 5.0 on a 7-point agreement-scale, where 1 is completely disagree and 7 is completely agree. Also rated highly were data from the number of authorized contract signers (4.8), and progress on contract review (4.8). Rated least useful was the number of people the contract was forwarded to (rated 4.3).

THE FOLLOWING CONTRACT RELATED METRICS COULD SUBSTANTIALLY IMPROVE SALES ASSESSMENTS



AVERAGE AGREEMENT RATING

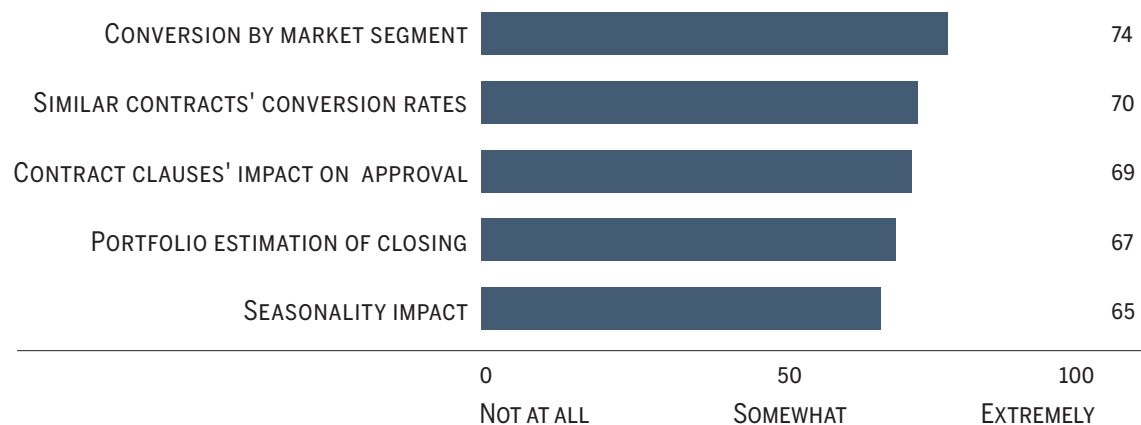
6.1 RESPONDENTS RATED REAL-TIME UPDATES ON PROPOSED CONTRACT REVISIONS AS THE MOST USEFUL POTENTIAL PIECE OF CONTRACT-RELATED DATA FOR SALES OPPORTUNITY ASSESSMENT.

In rating a list of proposed benchmark metrics on contract activity, respondents indicated conversion by market segment would offer the greatest insight. It was rated 74 on a 100-point usefulness rating scale, where 0 is not at all useful and 100 is extremely useful. Other ratings were for conversion rates of similar contracts (70), the impact of contract clauses on approval (69), an estimate of contract closing probability (67), and insight on seasonality (65).



PROPOSED CONTRACT CONVERSION BENCHMARK METRICS

PROJECTED USEFULNESS



AVERAGE USEFULNESS RATING

6.2 IN RATING A LIST OF PROPOSED BENCHMARK METRICS ON CONTRACT ACTIVITY, RESPONDENTS INDICATED CONVERSION BY MARKET SEGMENT WOULD OFFER THE GREATEST INSIGHT.

7 ABOUT THE RESEARCH

RESENDENTS	TOTAL
FIRMS	137
SALES MGRS.	13,000
SALESPeOPLE	102,000

7.1 ONE HUNDRED THIRTY-SEVEN FIRMS PARTICIPATED IN THE RESEARCH. COMPLETE RESPONDENT DEMOGRAPHICS ARE PROVIDED IN SECTION 8.

7.1 RESEARCH APPROACH

This study aggregates participating firms' responses to a web-based survey. The Sales Management Association developed the survey and recruited participants from our membership and broader audience of sales managers and sales operations professionals. In exchange for participating, we offer respondents advance copies of the detailed study report.



Before reporting results, we eliminate invalid or ineligible responses, and sometimes contact respondents to clarify their responses. Survey results are only reported in aggregate, and never in a way that would compromise the identity of any single respondent. All individual respondent data are treated with strict confidentiality.

7.2 RESEARCH TIMING AND SCOPE

This research represents summarized data from 137 participating firms, directly employing more than 84,000 sales professionals. Data was collected between December 2015 and February 2016. Respondent demographics and descriptive information is summarized at the end of this report.

7.3 RESEARCH UNDERWRITERS

This study was made possible in part through the underwriting support of Tinderbox. The Sales Management Association underwriters provide annual financial support to The Sales Management Association. Underwriters may suggest research topics, participate in ongoing research projects, and encourage participation or otherwise promote research initiatives.

Underwriters are not involved with research administration, data collection, analysis, interpretation, or report development, unless explicitly noted in the report. Also, unless noted, underwriters do not pay a research-specific fee or directly commission research initiatives.

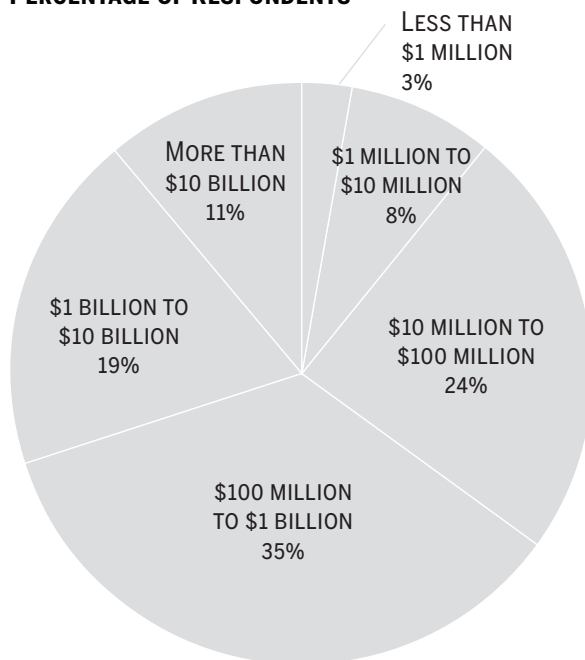
The Sales Management Association is grateful for the support underwriters provide to our research efforts.



8 RESPONDENT DEMOGRAPHICS

RESPONDENTS' FIRM REVENUE (USD)

PERCENTAGE OF RESPONDENTS



8.1 SIXTY-FIVE PERCENT OF RESPONDENT FIRMS HAD ANNUAL REVENUES IN EXCESS OF US\$100 MILLION.

8.1 FIRM SIZE

One hundred thirty-seven participating firms ranged in size from small to very large. Sixty-five percent of respondents' firms had annual revenue in excess of US\$100 million; 11% were firms with annual revenues in excess of US\$10 billion.

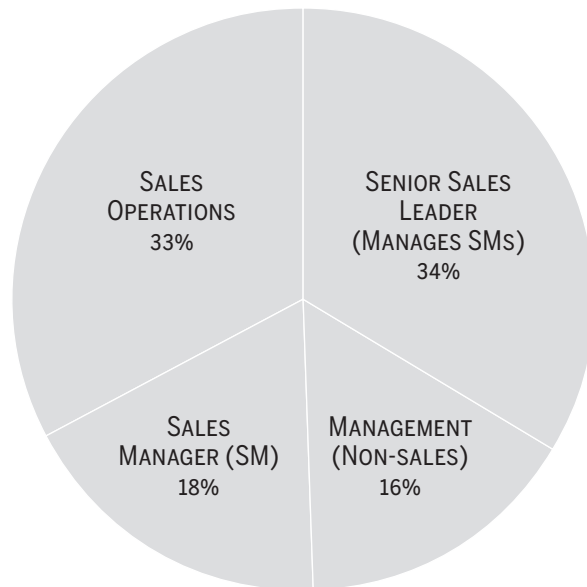
8.2 JOB ROLE

Respondents are predominately sales managers in their firms. Eighteen percent of respondents are first-line sales managers (i.e., they directly manage salespeople). An additional 34% are senior sales leaders, managing sales managers. One-third are in sales operations management roles, and 16% are in non-sales-related management positions.



RESPONDENTS' JOB ROLE

PERCENTAGE OF RESPONDENTS



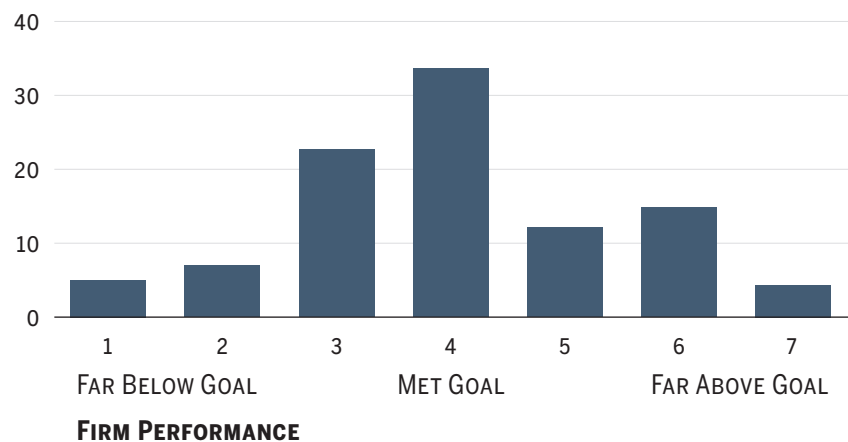
8.2 MOST RESPONDENTS (52%) ARE IN SALES MANAGEMENT ROLES, EITHER AS FIRST-LINE SALES MANAGERS (18%) OR SENIOR SALES LEADERS (34%).

8.3 FIRM PERFORMANCE

Sixty-four percent of respondent firms met or exceeded firm sales objectives in the preceding 12 months, and 71% met or exceeded profit objective in the same period. Respondents were asked to rate their firm's achievement of profit and sales objective based on a 7-point scale ("1" for far underachieved objective, "4" for met objective, and "7" for far exceeded objective). We use this performance rating approach in order to normalize company performance across large and small firms, and high and moderate growth sectors. Twenty-two percent of respondents rated profit objective achievement in the highest two categories ("6" or "7"); 19% of firms rated sales objective achievement in the highest two performing categories. Thirty-nine percent of respondent firms had positive revenue growth in the preceding 12 months. Thirty-two percent had flat revenues, and 29% experienced declining firm revenues.

RESPONDENTS' SALES OBJECTIVE ACHIEVEMENT

PERCENTAGE DISTRIBUTION OF FIRMS



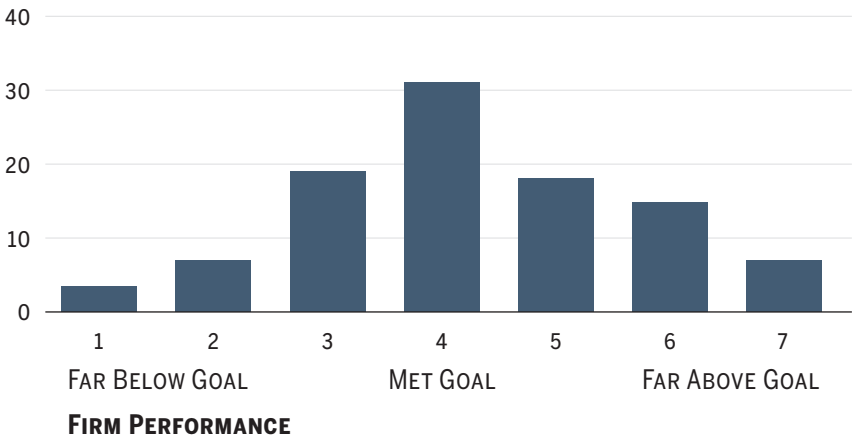
8.3.1 SIXTY-FOUR PERCENT OF RESPONDENT FIRMS MET OR EXCEEDED FIRM SALES OBJECTIVES IN THE PRECEDING 12 MONTHS.



8.3.2 SEVENTY-ONE PERCENT OF RESPONDENT FIRMS MET OR EXCEEDED FIRM PROFIT OBJECTIVES IN THE PRECEDING 12 MONTHS.

RESPONDENTS' PROFIT OBJECTIVE ACHIEVEMENT

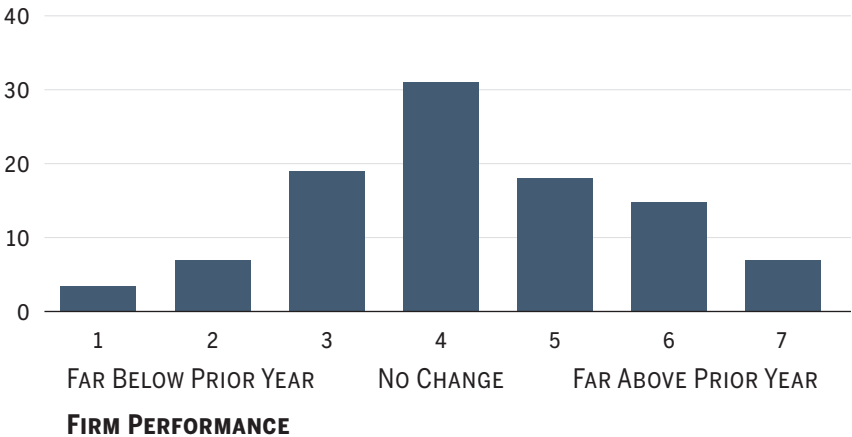
PERCENTAGE DISTRIBUTION OF FIRMS



8.3.3 THIRTY-NINE PERCENT OF RESPONDENT FIRMS GREW YEAR-OVER-YEAR REVENUES IN THE PRECEDING 12 MONTHS.

RESPONDENTS' YEAR-OVER-YEAR SALES GROWTH

PERCENTAGE DISTRIBUTION OF FIRMS



8.4 SALES FORCE SIZE, STRUCTURE, AND MANAGEMENT SPAN OF CONTROL

Respondents firms have an average of 95 sales managers, and 745 salespeople; sales managers have 7.9 direct-report salespeople on average by firm.



RESPONDENT DEMOGRAPHICS

SALESFORCE SIZE (NUMBER OF SALESPeOPLE)

MIN	10
10TH PERCENTILE	12
25TH PERCENTILE	20
MEDIAN	65
75TH PERCENTILE	275
90TH PERCENTILE	1,500
MAX	18,000
AVERAGE	745
TOTAL	101,997

8.4.1 RESPONDENTS HAVE AN AVERAGE OF 745 DIRECT-EMPLOYEE SALESPeOPLE.

SALESFORCE SIZE (NUMBER OF MANAGERS)

MIN	1
10TH PERCENTILE	2
25TH PERCENTILE	3
MEDIAN	8
75TH PERCENTILE	28
90TH PERCENTILE	153
MAX	4,000
AVERAGE	95
TOTAL	12,989

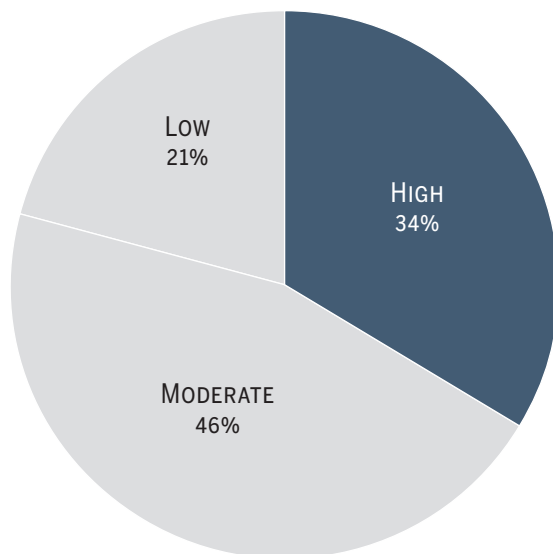
8.4.2 RESPONDENTS HAVE AN AVERAGE OF 95 FIRST-LINE SALES MANAGERS.

Corresponding median values are 65 salespeople per firm, and eight managers per firm.

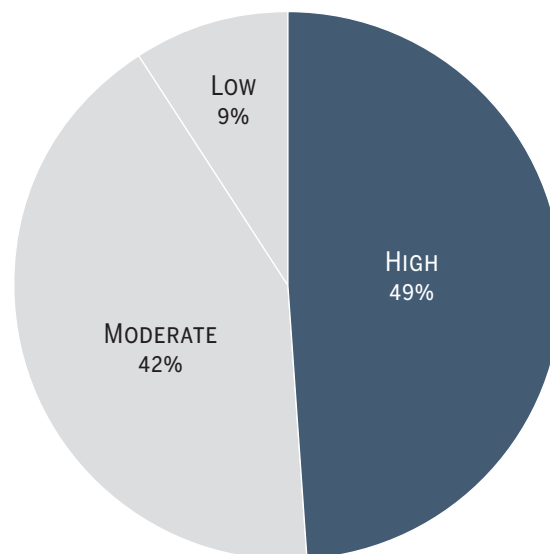
8.5 RESPONDENTS' STRATEGIC CONTEXT

Forty-nine percent of respondents report high industry competitiveness, 42% report moderate competitiveness, and 8% report low competitiveness. Thirty-four percent indicate a high degree of industry change, 46% a moderate degree, and 21% a low degree.

DEGREE OF INDUSTRY CHANGE



DEGREE OF INDUSTRY COMPETITIVE



8.5 MOST RESPONDENTS OPERATE IN MODERATE-TO-HIGHLY COMPETITIVE INDUSTRIES, WITH MODERATE-TO-HIGH AMOUNTS OF CHANGE.

