2015-2016
Sales Effectiveness -
Sales Acceleration Survey

Research Summary Brief

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Introduction:

As the sales landscape continues to change for organizations, the Center for Sales Leadership at DePaul University regularly conducts best-practices research to provide sales professionals and academics with timely information, insights, and direction on a range of sales and sales technology topics.

This research study is an extension of our ongoing sales effectiveness research to develop an understanding of the one of the rapidly evolving areas of sales today: sales acceleration technology products and services. Utilized by an increasing number of leading sales organizations, the evolving area of sales acceleration products and services represents the application of various technologies to an organization's existing CRM (sales and marketing automation) systems to enhance both the effectiveness and efficiency (velocity) of the selling process. The present research reports on this important topic respective of sales organizations today.

Research Objectives:

Selling effectiveness requires a mix of organizational practices and operational behaviors, inclusive of CRM and sales acceleration technologies that drive sales performance.
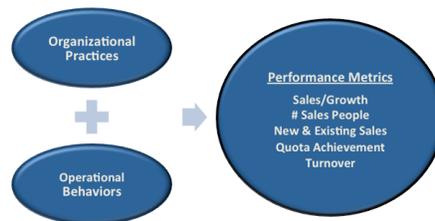
The ***primary*** objectives of this research study is

1. *Profile sales organization performance metrics and measure the relative effectiveness of these organizations in key areas including sales growth, sources of sales growth, quota achievement, and turnover.*

2. *Understand current use of sales acceleration technologies*

3. *Report current findings as well as significant relationships specific to any operational behaviors (i.e. sales process, technology utilization) and organizational activities (sales talent) that impact performance.*

Research Methodology:

The survey information was collected primarily from a sample of small-medium businesses (SMBs) as well as large organizations across the United States and Canada. Qualtrics® online survey software was used to collect and analyze the data in the survey. A total of 149 firms responded to the survey with 127 usable responses for analysis.

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General Respondent Profile:

The survey results related to respondents reveal several significant facts:

- Respondents are evenly distributed among senior, middle, and field level management
- The majority of sales organizations (80%) had less than 250 sales associates
- The sales organizations reported a 60/40% split between outside/field and inside sales roles
- Half of inside sales organizations perform both inbound and outbound activities

Performance Profile:

The survey results related to performance reveal several significant facts:

- Survey respondents reported an impressive net sales increase of 35.2% over prior year.
- Acquisition of new business has accelerated, reaching 51% of annual sales.
- A small part (25%) of the sales force exceeded quotas, delivering most of the gains.
- The typical salesperson deal size range reported was between $10k and $50k.
- Current levels of missed quotas are far too high (42%) and correlated with the significant turnover of 26.9% reported for inside sales positions and 25.7% for outside sales positions (26% average).
- The reasons for turnover were driven by voluntary resignations (50%) followed by involuntary dismissals (33%) and retirement (22%).
- The average time to replace a hire ranges between 3.69 months (inside sales) and 5.42 months (field sales).

Sales Acceleration:

The survey results related to sales acceleration technologies and services provide several significant facts:

- The most utilized CRM system to manage the sales process is Salesforce.com (54%) with companies reporting average use of 5 years across their currently installed CRM systems.
- Only 4% of respondents were presently not using a CRM system.
- A significant (76%) number of the organizations utilize a defined sales process.
- A significant number (38%) of respondents were presently *not* utilizing any of the sales acceleration technologies, which represents an important opportunity for technology providers.
- The sales acceleration technologies utilized the *most* by sales organizations include data subscribers and enrichment (40%) and communications/dialing technology (38%)… followed by predictive intelligence and lead scoring (21%), lead flow management (19%), gamification (12%), as well as data visualization and application experience (7%).

Organizational and Operational Behaviors – Key Insights from Research

- Identifying and retaining talent is a challenge for companies

  Consistent with our past sales effectiveness research, sales organizations continue to need to develop more effective methods designed to secure and retain sales talent. The high annual turnover for both inside and outside roles of 26.9% and 25.7% (26% average) respectively is costly for firms, especially with a reported average cost per turnover of $97,690. Responses confirm that sales talent recruiting and retention continues to be a critical challenge for sales organizations.

- Sales process usage is increasing, but could be improved

  In capturing a firm's use of a sales process, 76% of respondents reported utilization of a defined sales process. The specific sales process identified most by the respondents included various value selling (48%) and strategic selling (32%) models. While the current study reflects an increasing utilization of defined sales processes, consistent and disciplined use of sales processes continues to be a challenge for most organizations with only 58% frequently or always utilized by the sales organization.

- Adoption and use of sales acceleration technologies is becoming more essential

  While adoption (96%) and use (5 year average) of CRM systems is strong with the firms in this study (96% presently utilize a CRM system), 62% are further leveraging its capability to increase sales effectiveness through the adoption and use of sales acceleration technologies and services.

  Firms in the study reporting the use of at least one type of sales acceleration technology compared to those not using any, on average, had higher performance respective of sales growth, meeting/exceeding quota achievement, and turnover.

- Increasing interest in sales acceleration technologies and services

  While most firms are still looking to better leverage their existing CRM systems, 60% of respondents will be investing in at least 1 new or additional sales acceleration technology in the coming year to support their sales organization and goals for 2016. The top 3 areas of interest in sales acceleration technologies and services noted by respondents are lead flow management, predictive intelligence/lead scoring, and sales communication/dialing technologies.

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