

# Sales Intelligence

The Secret to Sales Nirvana

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## Executive Summary

In October and November 2008, Aberdeen surveyed over 300 companies to understand how organizations leverage sales intelligence from *external* content providers to affect overall sales productivity. The phrase “sales intelligence” itself refers to the external sources of information that a company can use to improve the effectiveness of the sales force and enrich the quality of leads in the sales pipeline. Common examples of sales intelligence include news on industry trends, general contact and company information, analyst reports, targeted prospect lists, and consumer-generated content relating to vendor assessment. This benchmark report will examine the benefits of incorporating sales intelligence into the early portion of the sales cycle, as well as the value in aggregating and disseminating information in a manner that protects against “information overload” by weaving content into the daily workflow of sales representatives.

### Research Benchmark

Aberdeen’s Research Benchmarks provide an in-depth and comprehensive look into process, procedure, methodologies, and technologies with best practice identification and actionable recommendations

### Best-in-Class Performance

Aberdeen used four key performance criteria to distinguish Best-in-Class companies:

- Year-over-year increase / decrease in the amount of time sales representatives spend searching for relevant company / contact information (on a daily basis)
- Year-over-year performance in lead conversion rates
- Year-over-year performance in sales cycle time
- Year-over-year performance in the percentage of sales representatives achieving quota

“We found a system that allowed people to share contacts amongst themselves. At the time, it was new, fresh way to go about getting contacts and numbers, one that had far fewer data quality issues.”

~ Tim Walls  
Senior Manager of Sales  
Operations  
Netuitive

### Competitive Maturity Assessment

Survey results show that the firms enjoying Best-in-Class performance shared several common characteristics:

- 72% of Best-in-Class companies currently have a process for tracking prospect engagement
- 64% of Best-in-Class companies currently have a centralized repository of marketing and product information
- 51% of Best-in-Class companies currently have executive-level support for the use of third-party information providers within sales

### Required Actions

In addition to the specific recommendations in Chapter Three of this report, to achieve Best-in-Class performance, companies must:

- **Reconcile organizational data quality issues with sales intelligence initiatives.** The old adage “garbage in, garbage out” has a profound impact on top line revenue; salespeople need to be empowered with quality data to deliver quality results. As a result of this truth, organizations should carefully evaluate where they source their information from to ensure data quality. The fact that 63% of survey respondents indicated that sales automation tools are the end-user system that is most likely to have serious data quality issues suggests the need for reliable intelligence data. In order for companies to effectively map their products or services to the unique business challenges of the prospect, sales representatives must have access to accurate customer and prospect data from reputable sources.
- **Proactively spark the adoption of sales automation tools.** Sales representatives are typically creatures of habit; therefore, the mandated use of a new sales solution among the more seasoned reps will go unnoticed unless there is incentive to adopt. Currently, 52% of Best-in-Class companies incentivize the use of a CRM / SFA solution, compared to 25% of all others. The need for complete and accurate information (71%) and the need to adhere to formal and documented sales processes (36%) were identified by Best-in-Class companies as the top two reasons for incenting the use of sales automation tools. An added concern for businesses, however, is the need to track leads through the sales pipeline. By tying a sales representative’s compensation plan to CRM / SFA adoption or tracking usage information for performance reviews, Best-in-Class companies achieve desired results. Seventy-one percent (71%) of Best-in-Class companies indicate that sales representatives spend between three and five hours a day using the CRM solution, compared to 62% of all others. The benefits for Best-in-Class companies are the ability address some of the data quality issues associated with sales automation tools and counteract the prevailing belief amongst sales reps that prospects are their assets, not the companies.

*Send to a Friend* 

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## Chapter One: Benchmarking the Best-in-Class

Economic conditions have reduced the number of legitimate sales opportunities. As a result, organizations are relying on sales intelligence tools to identify high-value prospects and intelligently map their products and services to the prospect's business challenges. In October and November 2008, Aberdeen surveyed over 300 companies to understand how organizations leverage sales intelligence information to improve the effectiveness of the sales force and enrich the quality of leads in the sales pipeline. This report examines how top performing companies are implementing sales intelligence initiatives to increase the quality of leads in the pipeline and contextualize opportunities with relevant industry or account information.

### Business Context

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The traditional sales pressures of lengthening sales cycles and low quota achievement have only been exasperated by the recent economic downturn. Many businesses have been forced to cut cost, eliminate waste, and often freeze spending. The few organizations that might be looking to spend are increasingly engaging in intense due diligence through various online sources, such as consumer-generated content forums and other third-party information providers, to educate their purchasing decisions. The hardened reality for sales representatives is that the time-tested practice of "putting the right message in front of the right person at the right time" is becoming more of a challenge. In order to meet the demands of this new selling environment, top companies are implementing sales intelligence initiatives as a way to improve the effectiveness of the sales force and enrich the quality leads in the sales pipeline.

Seventy-six percent (76%) of respondents indicate that the use of sales intelligence, such as prospecting tools or industry news sources, is a priority for improving sales effectiveness. In fact, only 1% of respondents indicated sales intelligence wasn't important at all. Furthermore, 59% of respondents also cited the current economic climate as a prominent factor in the decision to incorporate sales intelligence into the sales plan. By building more complete profiles of current customers and prospects for segmentation purposes or equipping sales reps with relevant information to key accounts or industries, top performing organizations better understand the business challenges and corporate hierarchies of prospective clients. The result is a more effective method of mapping products and services to the prospect's needs and a shortened sales cycle.

### What is Sales Intelligence?

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The phrase "sales intelligence" refers to the various sources of information a company can collect and use to improve the performance of the sales department and enrich the leads in the sales pipeline. This includes, but is

#### Fast Facts

- √ **52% of survey respondents** plan to increase the budget for sales intelligence initiatives and solutions in 2009. Only 6% plan to decrease spending in this area.
- √ **59% of Best-in-Class companies** are satisfied with the quality of information they receive from information providers.
- √ **24% of Best-in-Class companies** measure sales performance in real-time or on a daily basis, compared to 15% of the Industry Average and 14% of Laggards.

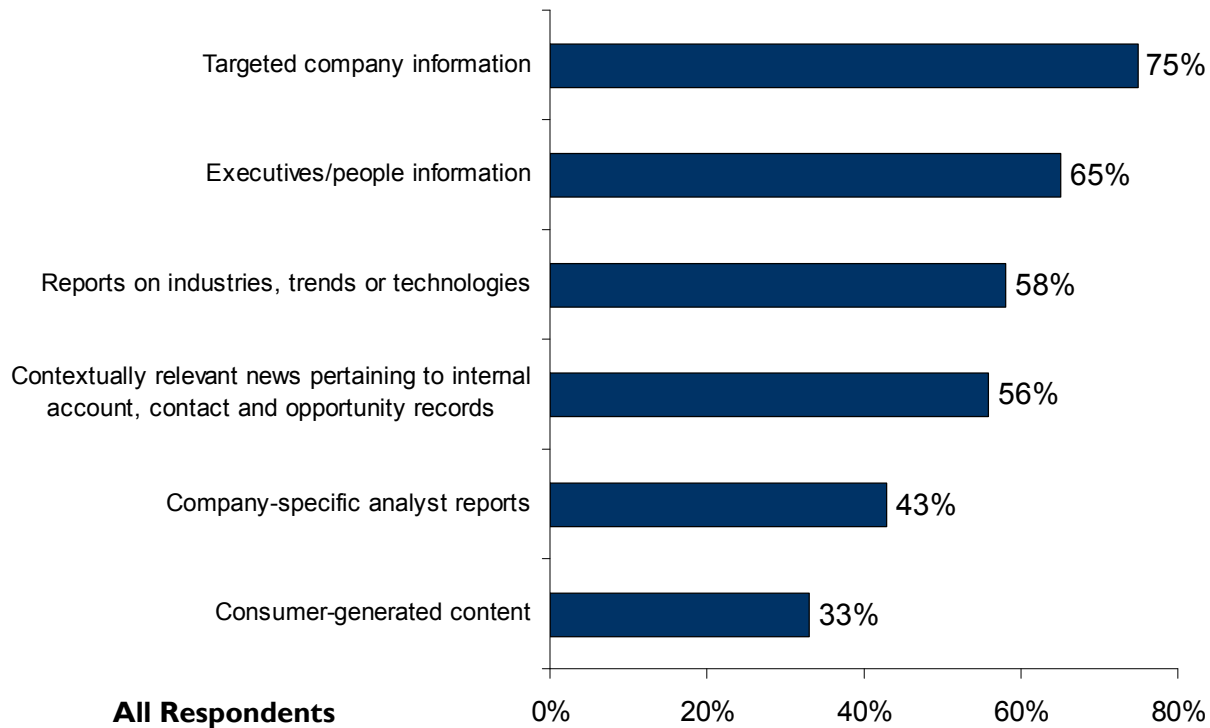
not limited to, news on industry trends, consumer generated content, analyst reports, prospect lists, trigger events, and general company and contact information. The successful use of sales intelligence, however, depends on how well an organization can aggregate relevant information and deliver it to a rep in a manner that is unobtrusive and within the daily workflow.

### Internal versus External

Various sources of internal information, such as the results of a win/loss analysis or analytics solution, can also be used to target the deficiencies in sales performance and stimulate overall productivity. For the purposes of this research, however, Aberdeen defined and tested sales intelligence as external content that is sourced from a third-party and used to supplement, not replace, internal assessments of sales performance.

As shown in Figure 1, companies use various sources of external content to improve the overall effectiveness of the sales force.

**Figure 1: External Content Sources to Improve Sales Effectiveness**



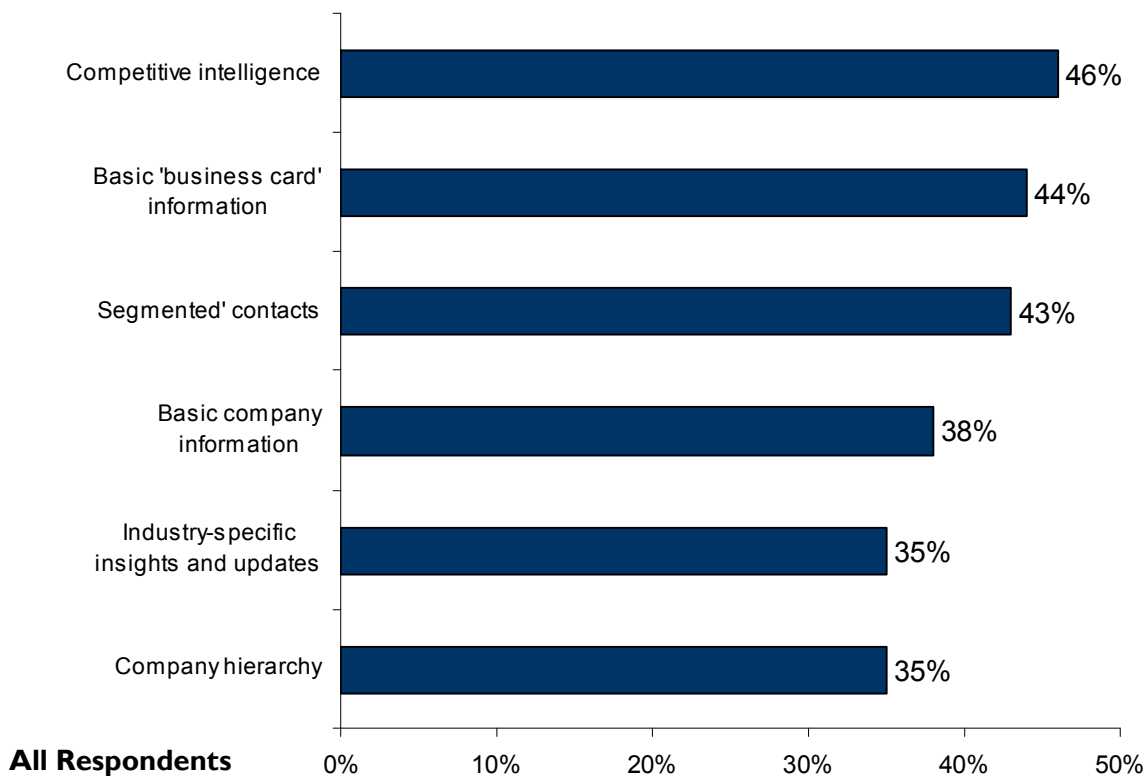
Source: Aberdeen Group, November 2008

Targeted company information and executive / people information are two of the top sources of information companies use to supplement their sales reps knowledge of a particular space and improve the quality of leads in the sales pipeline. In addition, 58% of respondents believe that analyst reports dealing with specific industries, trends, or technologies also help a sales

representatives' knowledge of a particular space and help map their products and services to prospects business challenges.

Figure 2 displays the types of information (collected by third-party sources) that survey respondents believe are the most valuable to sales representatives. Forty-six percent (46%) of survey respondents believe that competitive intelligence, such as news on product announcements or leadership changes, is a top three source of information that is most valuable to sales reps. As sales representatives strive to stand out in a crowded marketplace, the use of competitive intelligence allows them to wisely highlight competitive differentiators for prospects.

**Figure 2: The Most Valuable Information to Sales Representatives**



Source: Aberdeen Group, November 2008

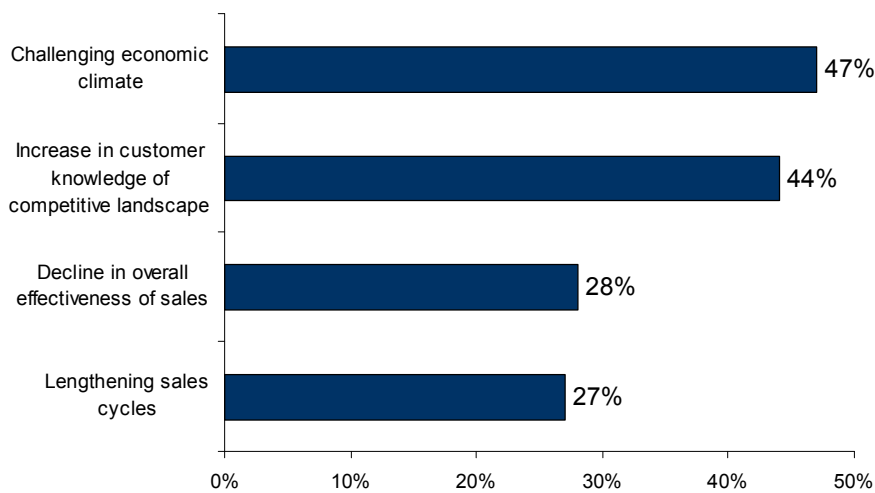
### Top Pressures Leading to the Adoption of Sales Intelligence

The challenging economic climate (47%) and the increase in customer knowledge of the competitive landscape (44%) were identified by survey respondents as the top two pressures causing organizations to focus resources on sales intelligence initiatives and tools (Figure 3). While the economic downturn is out of the control of businesses, how they prepare for sales success and compete with increasing knowledge on the part of the prospects is not. Organizations must understand that prospects are



conducting their own cost-benefit analysis of potential solutions and elongating the sales cycle as a result. By leveraging sales intelligence prior to initial outreach, sales representatives are able to accelerate the sales cycle by being prepared for prospect engagement and addressing cost-benefit concerns from the outset. Ultimately, shortening the sales cycle allows reps to turn their attention to the next potential opportunity.

**Figure 3: Top Pressures for All Respondents**



Source: Aberdeen Group, November 2008

While 27% of all respondents cited lengthening sales cycles as a business challenge, this percentage is higher amongst Best-in-Class companies. Forty-six percent (46%) of Best-in-Class companies indicated the lengthening sales cycles were a top three pressure. This suggests that Best-in-Class companies value educated prospects and use sales intelligence initiatives to prepare their own reps for meaningful conversations from the outset. By touching a prospect with value from the initial outreach, sales representatives are able to strategically map their message to the business challenges of the prospect and shorten sales cycles by reducing the number of introductory conversations geared towards “getting to know” the opportunity.

“Sales management, for the most part, is stuck in the 19<sup>th</sup> century. The problem isn’t just archaic tools or organizational structures; the fact is that a majority of sales managers don’t understand that their job is to enable sales people to do their job better, not control them.”

~ Steve Reeves  
Founder  
FrontOfficeBox.com

### The Maturity Class Framework

Aberdeen used four key performance criteria to distinguish the Best-in-Class from Industry Average and Laggard organizations:

- Year-over-year increase / decrease in the amount of time sales representatives spend searching for relevant company / contact information (on a daily basis)
- Year-over-year performance in lead conversion rates
- Year-over-year performance in sales cycle time
- Year-over-year performance in the percentage of sales representatives achieving quota



Table I displays the mean class performance of companies as they pertain to these four Key Performance Indicators (KPIs). Together, these metrics reveal how Best-in-Class firms utilize strategies, capabilities, and technology enablers as part of a sales intelligence initiative designed to improve sales performance.

**Table I: Top Performers Earn Best-in-Class Status**

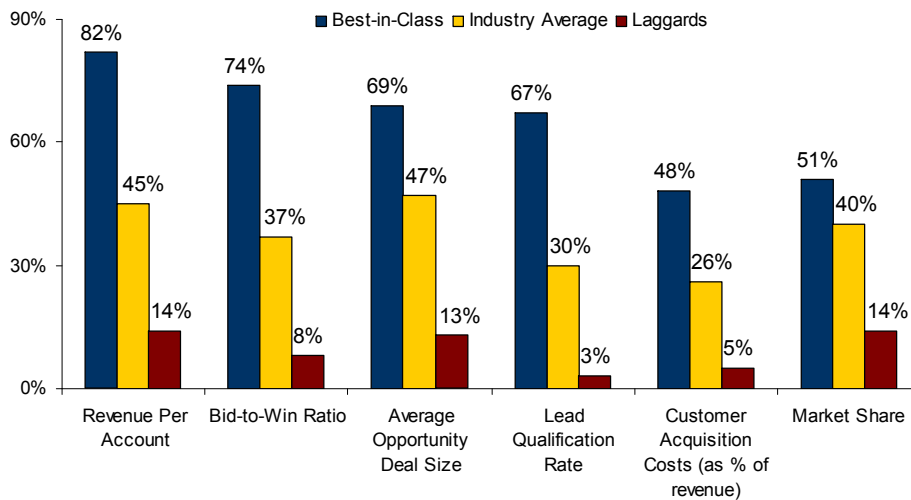
Definition of Maturity Class	Mean Class Performance
<p><b>Best-in-Class:</b> Top 20% of aggregate performance scorers</p>	<ul style="list-style-type: none"> <li>▪ 84% experienced year-over-year improvement in the percentage of time sales representatives spend searching for relevant company / contact information; the average performance improvement was 13%</li> <li>▪ 51% experienced year-over-year improvement in lead conversion rates; the average performance improvement was 13%</li> <li>▪ 71% experienced year-over-year improvement in sales cycle time; the average performance improvement was 9%</li> <li>▪ 54% experienced year-over-year improvement in the percentage of sales representatives achieving quota; the average performance increase was 12%</li> </ul>
<p><b>Industry Average:</b> Middle 50% of aggregate performance scorers</p>	<ul style="list-style-type: none"> <li>▪ 25% improved year-over-year performance in the percentage of time sales representatives spend searching for relevant company / contact information; the average performance improvement was 1%</li> <li>▪ 32% experienced year-over-year improvement in lead conversion rates; the average performance improvement was 2%</li> <li>▪ 24% experienced year-over-year improvement in sales cycle time; on average, however, there was no substantial change in performance</li> <li>▪ 33% experienced year-over-year improvement in the percentage of sales representatives achieving quota; the average performance increase was 2%</li> </ul>
<p><b>Laggard:</b> Bottom 30% of aggregate performance scorers</p>	<ul style="list-style-type: none"> <li>▪ 0% improved year-over-year performance in the percentage of time sales representatives spend searching for relevant company / contact information; the average performance decrease was 5%</li> <li>▪ 1% experienced year-over-year improvement in lead conversion rates; the average performance decrease was 3%</li> <li>▪ 3% experienced year-over-year improvement in sales cycle time; the average performance improvement was 4%</li> <li>▪ 2% experienced year-over-year improvement in the percentage of sales representatives achieving quota; the average performance decrease was 4%</li> </ul>

Source: Aberdeen Group, November 2008

### Demonstrable Improvements in Other Key Sales Metrics

Best-in-Class organizations also demonstrate superior improvement in other key sales metrics (not used to determine the maturity classes), including revenue per account, bid-to-win ratio (ratio of deals won compared to number of deals bid on), average opportunity deal size, and lead qualification rate (Figure 4).

**Figure 4: Sales Intelligence Affects Year-over-Year Performance\***



Source: Aberdeen Group, November 2008

\*Note: percentages represent companies reporting year-over-year performance increases

### The Best-in-Class PACE Model

Leveraging sales intelligence solutions and providers to achieve corporate goals requires a combination of strategic actions, organizational capabilities, and enabling technologies that can be summarized as follows (Table 2):

- Improve the quality of leads in the sales pipeline by formalizing a process for tracking prospect engagement (i.e., email read receipts, website visits, etc.) and identify target prospects through key trigger events
- Reduce the amount of time sales representatives spend search for relevant company contact information by creating centralized repositories for account and marketing information, as well as integrating information from third-party content providers into an existing CRM / SFA solution

**Table 2: The Best-in-Class PACE Framework**

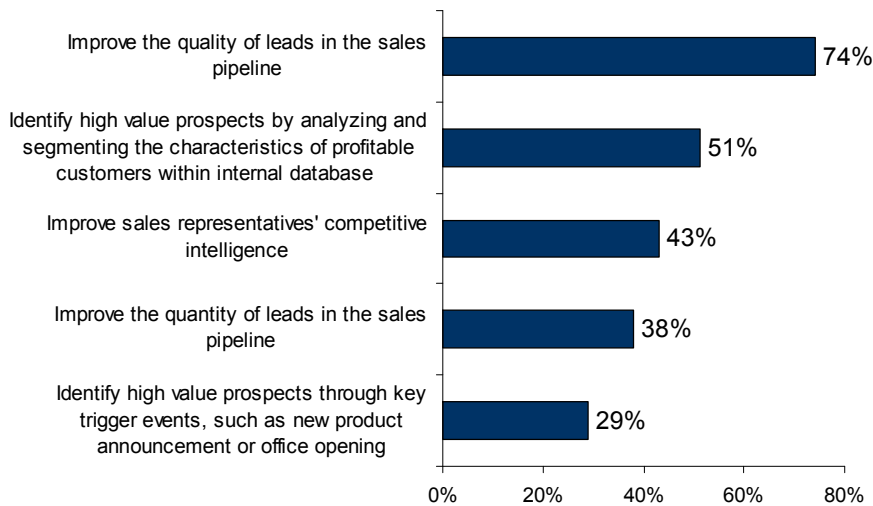
Pressures	Actions	Capabilities	Enablers
<ul style="list-style-type: none"> <li>▪ Challenging economic climate</li> <li>▪ Increase in customer knowledge of competitive landscape (i.e. deeper understanding of competitive products and offerings on the part of the customer)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve the quality of leads in the sales pipeline</li> </ul>	<ul style="list-style-type: none"> <li>▪ Formal and documented sales processes</li> <li>▪ Process for tracking prospect engagement (i.e., email read receipts, website visits, etc.)</li> <li>▪ Centralized repository of account, contact, and opportunity information</li> <li>▪ Central repository of marketing and product information</li> <li>▪ Process for sales representatives to share 'sales tips' or other best practices with colleagues</li> <li>▪ Process for unifying customer information gathered through multiple and disparate 'customer touch points'</li> </ul>	<ul style="list-style-type: none"> <li>▪ Email marketing solution</li> <li>▪ Customer Relationship Management (CRM) company-wide</li> <li>▪ Sales Force Automation (SFA) departmentally specific</li> <li>▪ Campaign management solution</li> <li>▪ Lead management solution</li> <li>▪ Sales analytics solution</li> <li>▪ Triggered alerts (for updated contact / company information)</li> <li>▪ Lead augmentation / enrichment tool (supplements existing leads with additional contact / company information)</li> <li>▪ Knowledge management solution</li> <li>▪ Third-party information aggregator tool (i.e., solution that aggregates and delivers specific contacts and job roles at companies)</li> </ul>

Source: Aberdeen Group, November 2008

### Best-in-Class Strategies

In order to survive in a challenging economic environment and sell into a more educated prospect base, top performing companies are implementing a number of strategic actions. Seventy-four percent (74%) of respondents indicated that improving the quality of leads in the sales pipeline is a top two strategic action to help maximize the resources allocated to sales intelligence initiatives (Figure 5).

**Figure 5: Top Strategic Actions for All Respondents**



Source: Aberdeen Group, November 2008

While the vast majority of respondents agree that improving the quality of leads in the sales pipeline is a top two strategic action, several other strategies emerged. Fifty-one percent (51%) of respondents believe that identifying high value prospects by analyzing and segmenting the characteristics of profitable customers within an internal database is also a top strategy for increasing sales productivity. Top performing organizations will examine the industry, company size, value proposition, and geography, for example, of their most profitable customers to create a scoring rubric. This rubric can then be used to score the leads in the sales pipeline and help sales representatives identify prospects that represent the best opportunities.

In addition to segmentation, 43% of respondents believe that improving a sales representative's competitive intelligence would allow them to highlight product and service differentiators during the selling process. By providing sales representatives with qualified leads and enough relevant information to contextualize the contact information, organizations believe they can effectively combat the challenges of a difficult sales climate.

“If you cannot get what you want out of the sales personnel you have right now, it will be the same if you hire new personnel. The idea is to look at how effective the sales cycle, policies, and methodologies in place are right now. If they aren't, maybe looking for other sales people is not the right thing to do.”

~ Anwin Joselyn  
Regional Manager  
Ostfold Software

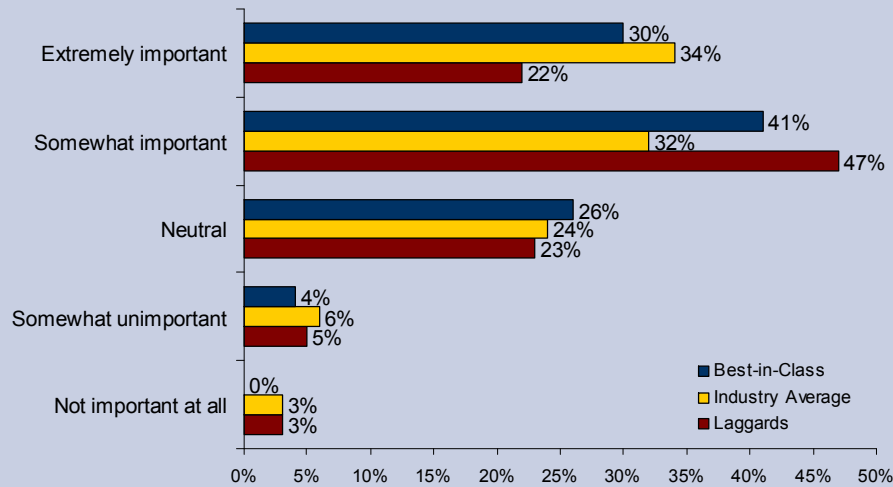
### Aberdeen Insights — Strategy

Improving the quality of leads in the sales pipeline was identified by all respondents as the top strategic action to improve sales effectiveness through sales intelligence initiatives. In order to achieve a higher quality of prospect, Best-in-Class companies augment the account information or leads in the CRM / SFA solution with externally sources information, such as company info, executive bios, credit records, or industry news. This strategy allows sales representatives to not only have greater visibility into these prospects, but it also allows representatives to quickly identify a selling opportunity based on a set of predetermined criteria. Seventy-one percent (71%) of Best-in-Class companies indicated that supplementing leads that exist in the sales pipeline with crucial contextual information is an important component of a sales intelligence strategy.

*continued*

**Aberdeen Insights — Strategy**

**Figure 6: Importance of Lead Augmentation**



Source: Aberdeen Group, November 2008

The purpose of supplementing the leads in the sales pipeline with missing or inaccurate information is two-fold: first, companies can move from a “flat” view of a prospect to a contextualized view with key company, industry, and biography information. Second, companies can remove some of the uncertainty that exists within a sales pipeline by targeting high-value prospects. Seventy-two percent (72%) of Best-in-Class companies, compared to 46% of the Industry Average and 44% of Laggards, also have a process for tracking prospect engagement. By tracking email read receipts or website visits, for example, Best-in-Class companies are able to better qualify leads based on their response and behavioral actions from the messages they receive.

In the next chapter, we will see what the top performers are doing to achieve these gains.

## Chapter Two: Benchmarking Requirements for Success

The research demonstrates that Best-in-Class companies are far more likely to combine organizational processes with technology implementation to ensure the success of their sales intelligence initiatives.

### Case Study — Netuitive

Netuitive, headquartered in Reston, Virginia, provides self-learning performance management software that uses advanced mathematical algorithms to automate the performance monitoring of systems, services, and virtual environments. When Netuitive introduced its Service Analyzer product in 2005, the sales and marketing team faced a fundamental problem: how to sell an entirely new kind of software in a changing market. “For years, IT departments had been managing systems performance in a very reactive way using monitoring tools that were labor-intensive to maintain,” explains Katherine Chalmers, Manager of Marketing Programs at Netuitive. “But a few companies were adopting ITIL, Business Service Management, and other ways of holistically managing IT within the context of the services they provided to end users. We had to find the right people at the right companies.”

“Our vice president of sales was getting requests from the sales team for better leads, both in quantity and quality,” explains Tim Walls, Senior Manager of Sales Operations at Netuitive. “Unfortunately, finding well-targeted prospects was difficult because relevant titles and responsibilities varied significantly from company to company. It was impossible to simply purchase a commercially-available prospecting list for this emerging market.”

Instead, the company supplemented its outbound lead generation programs with a new tool that enabled sales reps to successfully navigate the IT departments at carefully targeted companies. “We found a system that allowed people to share contacts amongst themselves. At the time, it was new, fresh way to go about getting contacts and numbers, one that had far fewer data quality issues than the other traditional list vendors out there,” said Walls.

In order to provide sales representatives with access contact information where they work, Netuitive integrated the contact directory service directly into their CRM. “Reps can do searches from within our SaaS CRM solution and get data on the fly. Ultimately, the power to prospect has been given to the sales team; everyone has access to the data,” adds Walls.

*continued*

### Fast Facts

- √ **36% of Best-in-Class companies** currently use lead augmentation solutions, compared to 27% of all others, while an additional 30% of Best-in-Class solutions plan to use such solutions in the future
- √ **40% of Best-in-Class companies**, compared to 26% of all others, use trigger events, such as new product announcements, new office openings, or leadership changes, to alert sales representatives of potential opportunities
- √ **36% of Best-in-Class companies**, compared to 23% of all others, use customer-facing social media solutions, such as blogs or wikis, to provide additional touch points for customer and prospect interaction

### Case Study — Netuitive

As is the case with any technology implementation, Netuitive was careful to solicit the help of senior management to establish goals and expectations prior to deployment. “Our Senior Management team backed us up during the rollout, and explained that this new system would help to satisfy the need for better leads,” said Walls. “We then made it a point to periodically circle back to get end user feedback once we were deployed.”

In order to track the ROI of such a program, Netuitive has two tried and true methods of determining their success. “First, we track the leads we receive from this directory service as they are put into the system. Then, we can filter the leads to see how many have converted into actual sales,” explains Walls. “Second, and quite simply, we ask the sales reps ‘is the data good?’ The reps have given positive reviews, and have experienced success.”

### Competitive Assessment

Aberdeen Group analyzed the aggregated metrics of surveyed companies to determine whether their performance ranked as Best-in-Class, Industry Average, or Laggard. In addition to having common performance levels, each class also shared characteristics in five key categories: (1) **process** (the approaches they take to execute their daily operations); (2) **organization** (corporate focus and collaboration among stakeholders); (3) **knowledge management** (contextualizing data and exposing it to key stakeholders); (4) **technology** (the selection of appropriate tools and effective deployment of those tools); and (5) **performance management** (the ability of the organization to measure their results to improve their business). These characteristics (identified in Table 3) serve as a guideline for best practices, and correlate directly with Best-in-Class performance across the key metrics.

**Table 3: The Competitive Framework**

	Best-in-Class	Average	Laggards
<b>Process</b>	Formal and documented sales processes		
	81%	71%	57%
	Process for tracking prospect engagement (i.e, email read receipts, website visits, etc.)		
	72%	46%	44%
	Process for unifying customer information gathered through multiple and disparate 'customer touch points'		
	59%	35%	31%
Process for sales representatives to share 'sales tips' or other best practices with colleagues			
	57%	45%	40%



	Best-in-Class	Average	Laggards
<b>Organization</b>	Senior management fully supports the use of third-party information providers within sales		
	51%	46%	38%
<b>Knowledge Management</b>	Centralized repository of account, contact, and opportunity information		
	72%	63%	50%
	Central repository of marketing and product information		
<b>Technology</b>	64%	50%	45%
	Sales automation solution / sales intelligence enablers currently in use:		
	<ul style="list-style-type: none"> <li>▪ 55% campaign management solution</li> <li>▪ 56% lead management solution</li> <li>▪ 44% sales analytics solution</li> <li>▪ 40% triggered alerts</li> <li>▪ 36% lead augmentation / enrichment tool</li> <li>▪ 36% knowledge management solution</li> </ul>	<ul style="list-style-type: none"> <li>▪ 34% campaign management solution</li> <li>▪ 41% lead management solution</li> <li>▪ 31% sales analytics solution</li> <li>▪ 28% triggered alerts</li> <li>▪ 25% lead augmentation / enrichment tool</li> <li>▪ 25% knowledge management solution</li> </ul>	<ul style="list-style-type: none"> <li>▪ 36% campaign management solution</li> <li>▪ 29% lead management solution</li> <li>▪ 27% sales analytics solution</li> <li>▪ 22% triggered alerts</li> <li>▪ 30% lead augmentation / enrichment tool</li> <li>▪ 15% knowledge management solution</li> </ul>
<b>Performance Measurement</b>	Defined metrics for measuring the impact that third-party information providers have on sales productivity		
	22%	15%	13%

Source: Aberdeen Group, November 2008

## Capabilities and Enablers

Based on the findings of the Competitive Framework and interviews with end users, Aberdeen’s analysis of the Best-in-Class reveals that these companies predominantly rely on the combined use of process, organization, and technology to achieve superior performance.

### Process

Formal and documented sales processes that mirror the organization’s sales methodology are essential to sales operations. Organizations that do not have formalized sales processes in place risk errors or inconsistencies on the part of sales representatives and ultimately reduce the amount of time reps spend actually selling. Currently, 81% of Best-in-Class companies, compared to 57% of Laggards, have formalized and documented sales processes in place.

Best-in-Class companies are also more adept at tracking prospect engagement throughout the sales cycle. Seventy-two percent (72%) of Best-in-Class companies, compared to 46% of the Industry Average and 44% of Laggards, currently have a process for identifying how engaged a particular prospect is. While things such as 'email read receipts' are a rudimentary method of keeping tabs on prospects, top-performing companies also use enablers like web analytics to track prospect visits to the website. This helps provide context around the products or services that will resonate with individual prospects.

### **Organization**

Support from senior management is essential to moving sales intelligence improvements from plan to action. In general, employees tend to prioritize those initiatives that have the documented and continued support of management. Currently, 51% of Best-in-Class companies, compared to 38% of Laggards, have the support of senior management for sales intelligence initiatives. Furthermore, an additional 37% of Best-in-Class companies plan to have such managerial support in the future.

### **Knowledge Management**

Best-in-Class companies are 1.4-times more likely to centralize key information for sales representatives to reduce the amount of time spent searching for contact, account, or marketing information. Seventy-two percent (72%) of Best-in-Class companies currently have a centralized repository for account, contact, and opportunity information, compared to 50% of Laggards. Technology solutions such as CRM or SFA tools provide the functionality for companies to aggregate and centralize relevant account information for use by sales or the enterprise at large. Furthermore, 64% of Best-in-Class companies, compared to 45% of Laggards, centralize marketing and product information so sales representatives can easily find the information they need to speak intelligently about the right products and services for their prospects.

### **Technology**

An email marketing solution (74%) was identified by Best-in-Class companies as a top technology enabler used to improve sales intelligence. Measures such as open rates and click-through rates allow organizations to identify the prospects that opened the message and, in some cases, how long they spent reviewing the material. This information provides context about individual leads and helps sales identify the prospects with the highest purchase potential. CRM solutions, currently in use by 64% of all respondents, have the power to provide more than contact management for sales representatives. By integrating marketing statistics, such as open rates and click-through rates, into the CRM, and third-party information sources, such as industry or account news, sales representatives have total visibility into the companies they are targeting. Therefore, they are better equipped messages that will resonate with prospects.

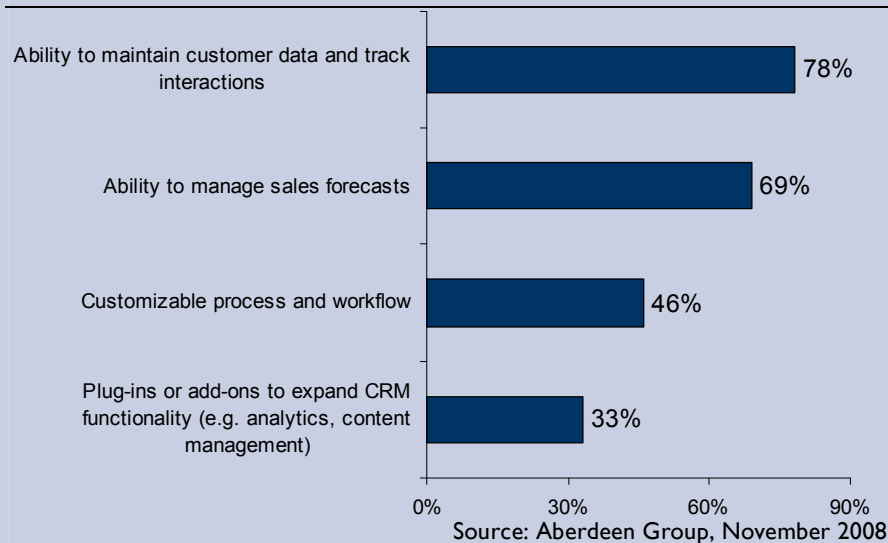
### Performance Management

Best-in-Class companies are 1.7 time more likely than the Industry Average and Laggards to have defined metrics, such as lead conversion rates, to measure the affect of sales intelligence on sales productivity. However, the adoption rate among Best-in-Class companies is still relatively low. Currently, 22% of Best-in-Class companies measure metrics like these, compared to 15% of the Industry Average and 13% of Laggards. Understanding what's working and what isn't is an important step to avoid wasting resources and time on sales intelligence endeavors that yield negligible returns for the organization.

#### Aberdeen Insights — Technology

Seventy-two percent (72%) of Best-in-Class companies currently have a centralized repository of account, contact, and opportunity information. A CRM solution is a tool that enables companies to centralize key sales information and improve internal visibility into sales processes. Currently, 65% of survey respondents have a CRM solution in place; an additional 22% of respondents plan to implement a CRM in the future. Of the companies currently using a CRM solution, 53% indicated they prefer a Software-as-a-Service (SaaS) delivery method, compared to the 47% that prefer on-premise.

**Figure 7: Top Benefits of a CRM Solution for All Respondents**



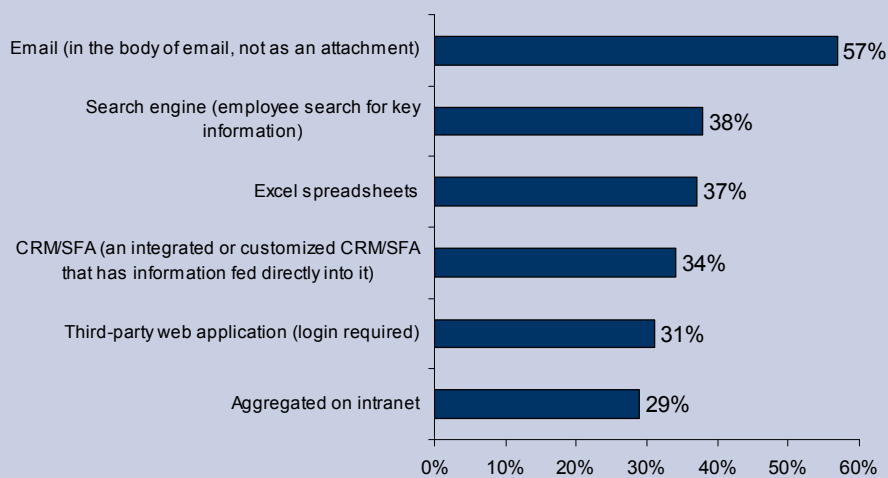
*continued*

### Aberdeen Insights — Technology

According to all respondents, the ability to maintain customer data and track interactions (78%), the ability to manage sales forecasts (69%), and customizable processes and workflow (46%) are the top three benefits of a CRM solution (Figure 7). A third of respondents (33%) also cited the ability to expand the CRM's core functionality as a top feature as well. This ability to expand the core functionality of a CRM solution makes the tool a suitable vehicle for organization's examining ways to deliver sales intelligence into the daily workflow of their sales reps.

Figure 8 shows common methods all respondents use to deliver sales intelligence to the sales force. Considering that email is still the most popular collaboration tool in use, it comes as no surprise that 57% of respondents share sales intelligence in this manner.

**Figure 8: Common Delivery Methods of Sales Intelligence**



Source: Aberdeen Group, November 2008

Top performing companies, however, deliver sales intelligence to representatives where they spend the majority of their time working: the CRM solution. Seventy-one percent (71%) of Best-in-Class companies indicated that their sales reps spend at least three to five hours a day in a CRM solution; therefore, to reduce the amount of time reps spend searching for news that is contextually relevant to their accounts or opportunities, Best-in-Class companies integrate sales intelligence into the CRM directly (Figure 9).

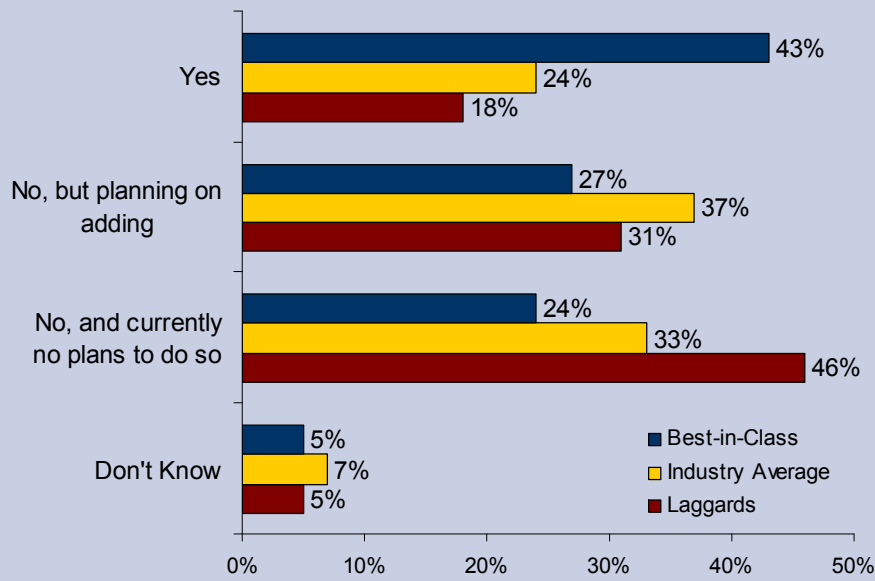
*continued*

**Aberdeen Insights — Technology**

Currently, 43% of Best-in-Class companies integrate sales intelligence directly into a CRM solution, with an additional 27% of Best-in-Class companies planning to do so in the future. The eventual adoption rate of 70% among Best-in-Class companies outpaces the 61% adoption rate amongst the Industry Average and 49% adoption rate of Laggards.

The 46% of Laggards that currently do not integrate sales intelligence into a CRM and have no plans to do so should consider this strategy to improve sales performance.

**Figure 9: CRM Integration of Sales Intelligence**



Source: Aberdeen Group, November 2008

**Sales Intelligence Improves Sales Effectiveness**

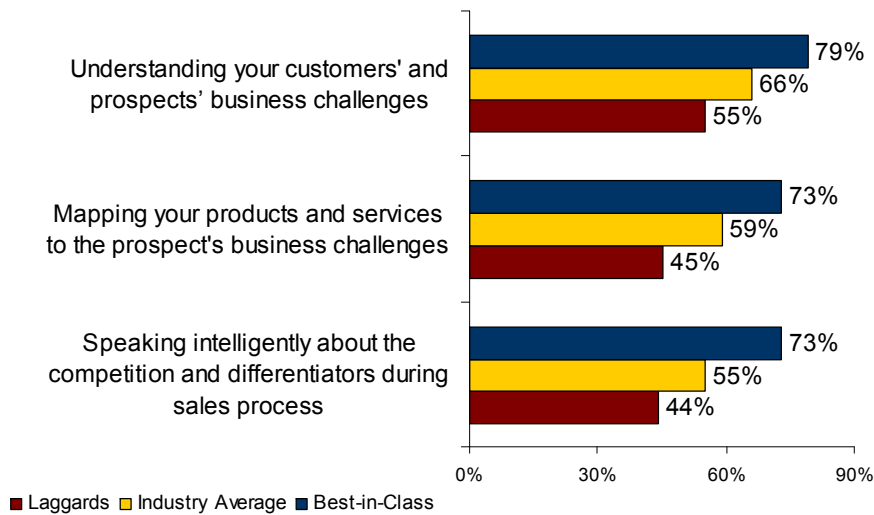
Best-in-Class companies have shown a higher propensity to combine organizational capabilities designed to improve sales performance with sales intelligence technology enablers. The result of this optimal blend is an increase in the overall effectiveness of the sales force. Figure 10 represents the percentage of companies that consider their sales force either “good” or “extremely good” at key sales strategies. Seventy-nine percent (79%) of Best-in-Class companies believe that their sales force does a good job of understanding the customers’ and prospects unique business challenges, compared to 66% of the Industry Average and 55% of Laggards.

“Managers overseeing CRMs spend too much time trying to control sales reps, not enable them. The result is a measurement of success based on pure volume of calls. The better managers offer some systems to help the representatives do what they do best: sell. They are managing systems, not controlling them.”

~ Steve Reeves  
Founder

FrontOfficeBox.com

**Figure 10: How Effective is Your Sales Force?**



Source: Aberdeen Group, November 2008

Furthermore, 73% of Best-in-Class companies effectively map their own products or services to these business challenges during the sales cycle. The implementation of a sales intelligence initiative has had a positive effect on Best-in-Class companies' ability to prepare their reps for success, a point that is highlighted by their efficiency in key selling tasks.

## Chapter Three: Required Actions

Whether a company is trying to improve sales performance from Laggard to Industry Average, or Industry Average to Best-in-Class, the following actions will help spur the necessary performance improvements:

### Laggard Steps to Success

- **Incorporate sales intelligence into the selling plan.** While 68% of Laggards consider the use of sales intelligence a priority when it comes to improving the effectiveness of the sales force, this percentage trails the 81% of Best-in-Class and 80% of Industry Average companies that place a similar importance on sales intelligence. Furthermore, only 19% of Laggards indicate that the current economic climate has had no affect on their need for better sales intelligence. In order to compete in a challenging economic and sales environment, Laggards must place a higher priority on the need for relevant company and contact information.
- **Formalize and document sales processes.** The use of sales intelligence is ultimately intended to allow sales representatives to engage in more meaningful conversations with prospects from the outset. However, an organization's failure to formalize and document sales processes may slow the selling process down. Currently, 57% of Laggards, compared to 81% of Best-in-Class companies, have formalized and documented sales processes in place. The 30% of Laggards that plan to implement this key capability should accelerate the adoption process to ensure that the time saved through the use of sales intelligence is not lost to internal confusion or inefficiencies.
- **Unify customer information.** Currently, 31% of Laggards, compared to 59% of the Best-in-Class and 35% of the Industry Average, have a process for unifying customer information gathered through multiple and disparate customer 'touch points.' In the ongoing battle for better sales intelligence, companies that are able to identify and segment the traits of high-value customers will ultimately be able to target prospects that fit a similar mold. By unifying customer information scattered throughout different channels and 'touch points,' companies can create a selling strategy that targets the leads most likely to close. In fact, 51% of all survey respondents indicate that identifying high value prospects by analyzing and segmenting the characteristics of profitable customers within internal database is a top two strategy to alleviate sales pressures.
- **Provide information to sales reps in the vehicles they leverage most.** A key aspect in the effective use of sales intelligence is how the information is delivered. Sales intelligence

### Fast Facts

- ✓ **Best-in-Class companies** are three-times more likely than Laggards to convert more than 50% of the leads in a sales pipeline
- ✓ **Best-in-Class companies** are 200% more likely than Laggards to retain more than 75% of current customers
- ✓ **33% of Best-in-Class companies** indicate that the typical sales cycle takes less than a month, compared to 17% of Laggards
- ✓ **Best-in-Class companies** are twice as likely as Laggards to move a lead between pipeline stages in five days or less
- ✓ **61% of Laggards** don't know or don't measure bid-to-win ratio, compared to 11% of all others



tools and other third-party content providers not only provide contextual information and contacts to sales reps, they also reduce the amount of time reps spend searching for prospect information online. As another way of allowing sales reps to access key information within their daily work flow, 43% of Best-in-Class companies make external content, such as contextually relevant news or targeted company information, available with a CRM / SFA solution. Only 18% of Laggards have a similar capability. While an additional 31% of Laggards indicate that they plan to make such information available to sales reps with an existing CRM / SFA, 46% of Laggards have no plans to do so. Rather than relying on email (59%) and Excel spreadsheets (42%) to deliver sales intelligence, Laggards must “cut out the middle man,” so to speak, by integrating sales intelligence into the solutions sales reps use on a daily basis.

## Industry Average Steps to Success

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- **Measure sales performance regularly, not eventually.** Twenty-three percent (23%) of Industry Average companies measure sales productivity on an ad-hoc basis, compared to 8% of Best-in-Class companies that also measure performance as needed. In order to fully understand where the inefficiencies in the sales process exist, as well as truly determine the effect sales intelligence has on key metrics, Industry Average companies must measure sales performance on a consistent, not arbitrary, basis. Only 7% of Industry Average companies, compared to 24% of the Best-in-Class, measure sales productivity in real-time. In fact, 8% of Industry Average companies indicate that they do not measure sales performance at all. Companies must develop and track performance metrics to better understand where to dedicate sales resources.
- **Develop a process for knowledge exchange among sales representatives.** Often overlooked by companies partnering with third-party sales intelligence providers is the amount of knowledge that resides under their own roof. An organization’s most successful and seasoned reps are often a good source of information for the company at large, as they have proven time and again their ability to map products and services to the business challenges of prospects. Currently, 45% of Industry Average companies, compared to 57% of the Best-in-Class, have a process in place for sales reps to share “best practices” and other sales tips with colleagues. While this type of sales intelligence may not be company-specific, it can help newer representatives understand the challenges they may encounter as they sell to a particular industry or company size.
- **Formalize a process for tracking prospect engagement.** Companies often turn to sales intelligence providers and tools to remove some of the uncertainty that exists in the sales cycle. Best-in-Class companies are formalizing a process for tracking prospect engagement, thereby qualifying opportunities and identifying

prospects that need “rescuing.” Currently, 72% of Best-in-Class companies, compared to 46% of the Industry Average, have a process in place to gauge the interest of prospects and redistribute resources appropriately. To ensure that sales representatives are not wasting valuable selling time on prospects that are uninterested in purchasing, Industry Average companies must devise a process that allows qualified prospects to receive the majority of sales attention.

## Best-in-Class Steps to Success

- **Continuously devote the necessary resources to sales intelligence initiatives.** Currently, only 14% of Best-in-Class companies have dedicated resources devoted to the use of third-party information providers. This number trails the 20% of Industry Average and 18% of Laggards with similar resource allocation. Sales intelligence initiatives are not a “one and done” endeavor; they are intended to be designed for repeatable success. To ensure that sales representatives continue to benefit from the collective knowledge of one another and third-party information providers, Best-in-Class companies must continue to devote resources to sales intelligence initiatives.
- **Define metrics to determine the affect of sales intelligence initiatives.** While the 22% of Best-in-Class companies that currently have defined metrics in place to determine the ROI of sales intelligence initiatives outpaces the 15% of Industry Average and 13% of Laggards with similar capabilities, a large portion of Best-in-Class companies are still without such metrics. The 58% of Best-in-Class companies that plan to adopt such metrics must accelerate the adoption to ensure that resources are not mistakenly dedicated to those sales intelligence initiatives that do not yield the highest returns.

### Aberdeen Insights — Summary

As organizations strive to distinguish themselves in a crowded marketplace, sales representatives are typically the ambassadors of that message. Best-in-Class companies incorporate sales intelligence initiatives and solutions into the sales process as a way of preparing reps for success before the first call is placed. By contextualizing a lead with relevant company, executive, or industry information, top performing companies are better suited to distinguish themselves from the competition and better articulate how their products and services can help combat the business challenges the prospect faces.

*Send to a Friend* 

## Appendix A: Research Methodology

Between October and November 2008, Aberdeen examined the use, the experiences, and the intentions of more than 300 enterprises to better understand the organizational capabilities and technology enablers that affect sales performance.

Aberdeen supplemented this online survey effort with interviews with select survey respondents, gathering additional information on sales intelligence strategies, experiences, and results.

Responding enterprises included the following:

- *Job title / function:* The research sample included respondents with the following job titles: Director (19%), CEO / President / Chairman (17%), Manager (17%), EVP / SVP / Vice President (16%), and other (31%)
- *Industry:* The research sample included respondents from the following industries: IT consulting services (16%), software / hardware supplier (13%), financial services (7%), high technology / software (7%), and other (57%).
- *Geography:* The majority of respondents (71%) were from North America. Remaining respondents were from Europe (19%), the Asia-Pacific region (6%) and rest of world (4%).
- *Company size:* Twenty percent (20%) of respondents were from companies with annual revenue less than \$1M; 28% were from companies with annual revenues between \$1M and \$10M. Fourteen percent (14%) of responses were from companies with between \$10M and \$50M in annual revenue. Twenty-two percent (22%) were from midsize enterprises (annual revenues between \$50 million and \$1 billion); and 16% of respondents were from large businesses (annual revenues of \$1 billion or more).
- *Headcount:* Fifty-six percent (56%) of respondents were from small enterprises (headcount between 1 and 99 employees); 20% were from midsize enterprises (headcount between 100 and 999 employees); and 24% of respondents were from large businesses (headcount greater than 1,000 employees).

Solution providers recognized as sponsors were solicited after the fact and had no substantive influence on the direction of this report. Their sponsorship has made it possible for Aberdeen Group to make these findings available to readers at no charge.

### Study Focus

Survey respondents completed an online survey that included questions designed to determine the following:

- √ The current or planned initiatives around sales intelligence
- √ The role the economy plays in the need for sales intelligence
- √ The top strategic actions organizations enact to maximize resources allocated for sales intelligence
- √ The various sources of information organizations equip their sales force with
- √ CRM initiatives and integration capabilities
- √ The benefits, if any, that have been derived from an organizational focus on sales intelligence initiatives and supporting capabilities

**Table 4: The PACE Framework Key**

Overview
<p>Aberdeen applies a methodology to benchmark research that evaluates the business pressures, actions, capabilities, and enablers (PACE) that indicate corporate behavior in specific business processes. These terms are defined as follows:</p> <p><b>Pressures</b> — external forces that impact an organization’s market position, competitiveness, or business operations (e.g., economic, political and regulatory, technology, changing customer preferences, competitive)</p> <p><b>Actions</b> — the strategic approaches that an organization takes in response to industry pressures (e.g., align the corporate business model to leverage industry opportunities, such as product / service strategy, target markets, financial strategy, go-to-market, and sales strategy)</p> <p><b>Capabilities</b> — the business process competencies required to execute corporate strategy (e.g., skilled people, brand, market positioning, viable products / services, ecosystem partners, financing)</p> <p><b>Enablers</b> — the key functionality of technology solutions required to support the organization’s enabling business practices (e.g., development platform, applications, network connectivity, user interface, training and support, partner interfaces, data cleansing, and management)</p>

Source: Aberdeen Group, January 2009

**Table 5: The Competitive Framework Key**

Overview	
<p>The Aberdeen Competitive Framework defines enterprises as falling into one of the following three levels of practices and performance:</p> <p><b>Best-in-Class (20%)</b> — Practices that are the best currently being employed and are significantly superior to the Industry Average, and result in the top industry performance.</p> <p><b>Industry Average (50%)</b> — Practices that represent the average or norm, and result in average industry performance.</p> <p><b>Laggards (30%)</b> — Practices that are significantly behind the average of the industry, and result in below average performance.</p>	<p>In the following categories:</p> <p><b>Process</b> — What is the scope of process standardization? What is the efficiency and effectiveness of this process?</p> <p><b>Organization</b> — How is your company currently organized to manage and optimize this particular process?</p> <p><b>Knowledge</b> — What visibility do you have into key data and intelligence required to manage this process?</p> <p><b>Technology</b> — What level of automation have you used to support this process? How is this automation integrated and aligned?</p> <p><b>Performance</b> — What do you measure? How frequently? What’s your actual performance?</p>

Source: Aberdeen Group, January 2009

**Table 6: The Relationship Between PACE and the Competitive Framework**

PACE and the Competitive Framework – How They Interact
<p>Aberdeen research indicates that companies that identify the most influential pressures and take the most transformational and effective actions are most likely to achieve superior performance. The level of competitive performance that a company achieves is strongly determined by the PACE choices that they make and how well they execute those decisions.</p>

Source: Aberdeen Group, January 2009

## Appendix B: Related Aberdeen Research

Related Aberdeen research that forms a companion or reference to this report includes:

- [Lead Nurturing: The Secret to Successful Lead Generation](#) November 2008
- [Trigger Marketing: Timing is Everything](#) November 2008
- [Sales 2.0: Social Media for Knowledge Management and Sales Collaboration](#) September 2008
- [Sales Effectiveness: Pathways to Productivity](#) September 2008
- [Email Marketing Trends in Retail SMB Organizations](#) September 2008
- [Customer Analytics: Segmentation Beyond Demographics](#) August 2008
- [Channel Sales: Renaissance in Partner Management](#) August 2008
- [Deep Dive on Advanced Email Personalization Trends](#) August 2008
- [Tiering and Scoring Leads: Key Insights from a Lead Scoring Study](#) August 2008
- [Users of Sales and Marketing Solutions Display a Significant Lack of KPI Awareness](#) August 2008
- [Best-in-Class Enterprises Promote and Achieve Successful CRM Adoption](#) August 2008

Information on these and any other Aberdeen publications can be found at [www.aberdeen.com](http://www.aberdeen.com).

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