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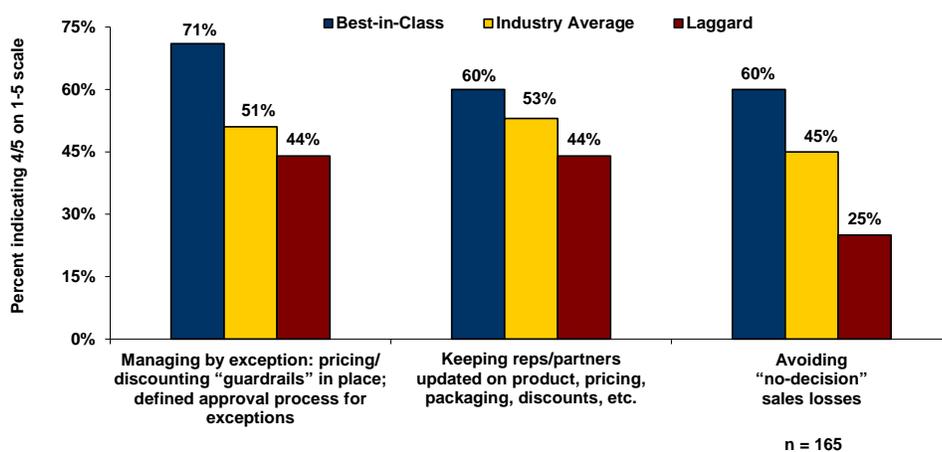
Breaking the Laws of Physics: Shortening the Last Sales Mile through Workflow Automation

Once the Marketing organization or other sources of business-to-business (B2B) revenue opportunity have created an accepted, “sales-qualified lead” for the sales team, how do the closers most effectively seal the deal? Aberdeen surveyed 165 end-user organizations between January and March 2013, to learn about the processes and technologies that the strongest-performing sales organizations deploy to close deals more often, and more quickly. This Research Brief uncovers how the most successful sellers reduce friction in the “last mile” or “bottom of the funnel” within the typical corporate sales cycle: defined here as *Lead-to-Win* best practices.

Best-in-Class Sales Teams: Smarter Selling Tactics

As with all Aberdeen research, this Lead-to-Win data set yields a determination of the Best-in-Class sales organizations — see sidebar — representing the 20% of survey respondents whose business and sales results are far stronger than Industry Average and Laggard enterprises. To understand how these organizations begin to “own their fate” in the imprecise business of winning sales deals, we explore in Figure I, and below, a number of best practices that are adopted more often by Best-in-Class firms than other companies.

Figure I: Best-in-Class Remove Friction from the Sales Funnel



Source: Aberdeen Group, March 2013

Managing by exception: Best-in-Class firms are more cognizant than other sales teams to recognize both that discounting is a reality of B2B sales negotiations, and yet also to automate the triggering of “guardrails” that

Research Brief

Aberdeen’s Research Briefs provide a detailed exploration of key findings from a primary research study, including key performance indicators, Best-in-Class insight, and vendor insight.

The Lead-to-Win Best-in-Class

In January through March 2013, Aberdeen surveyed 165 end-user sales organizations to understand how the top performers among them use bottom-of-funnel tools to support sales effectiveness. The performance metrics used to define the Best-in-Class (top 20%), Industry Average (middle 50%), and Laggard (bottom 30%) among these sales teams are:

- ✓ 91% team attainment of sales quota, compared with 56% and 22% among Industry Average and Laggard firms.
- ✓ 87% of sales reps achieving annual quota, compared with 48% and 20% among Industry Average and Laggard firms.
- ✓ 6.5% year-over-year increase in team attainment of sales quota, vs. 1.2% for Industry Average companies and an 8.8% decline among Laggards.
- ✓ 2.3% year-over-year improvement in (reduction of) average sales cycle; Industry Average and Laggard companies reported a 1.2% improvement and a 3.5% worsening (lengthening), respectively.

prevent deal-makers from selling unprofitably. Through the use of **CPQ (Configure / Price / Quote) solutions** — see sidebar — and guided selling methodologies or software-driven wizards, sales operations leaders can efficiently determine when and how their front-line sellers should provide discounts. The majority of Best-in-Class firms — 57% — currently deploy CPQ technologies, and every single additional top-performing firm — the remaining 43% — indicate a plan to do so within the next 12 months. CPQ and guided selling solutions help sales leaders control the “length of the leash” on a high-scale basis, so that reps and managers do not have to repeatedly plead, beg, and deny around discounts on an ad hoc basis.

Similarly, 55% of the Best-in-Class deploy content management solutions, and fully 87% of them use [partner relationship management \(PRM\)](#) tools, both of which enable companies to **update reps or partners on products, prices,** and the myriad other details that the front line needs to have in hand so they offer accurate proposals, quotes, and request-for-proposal (RFP) responses without having to revise them due to out-of-date source data. The alternative to this kind of streamlined communications is unattractive: proposals being sent, and perhaps even signed and executed, by trading partners who then need to revise the contract or work order because “well, we did sell the widgets in red when I originally sent you the contract, but by the time we closed the deal, we only have them in blue.” This is a classic example of wasting the time of sellers — either on-staff or channel partners — with unproductive administrative labor, taking them away from their prime function of nurturing and closing business.

Finally, while 60% of Best-in-Class sales organizations report very or extremely high aptitude at **avoiding “no-decision” sales losses,** the majority of all other companies are far weaker at “knowing when to hold ‘em, and when to fold ‘em.” While the current research has not formally addressed the concept of “time to fail,” common sense and sales management experience dictate that the longer a sales opportunity takes to result in a non-win, the more time is wasted pursuing a resolution, and not in trying to close more fruitful opportunities. Best-in-Class firms reduce their sales cycle on a year-over-year basis for many reasons, and the ability to regularly re-calibrate which deals are worth pursuing helps contribute to these results.

“Where Do I Find...” — Enabling Better Access to Sales Content

The necessarily intimate relationship between B2B marketing and sales teams often requires the services of librarian-type functions: deciding where to store all the marketing-generated content, assets, price lists, product sheets, videos, and other ammunition that the sellers need to effectively make their case to prospects. Additionally, figuring out how to both provide and control access to this content, specific to various in-house and channel partner job roles, can create a Herculean task for whomever is unfortunate enough to be responsible for this crucial aspect of sales enablement. Much as past Aberdeen research on [Marketing Asset Management](#) showcased how Best-in-Class companies most effectively collect and distribute content, the current Lead-to-Win data also

Sector Definition: CPQ (Configure / Price / Quote)

CPQ tools, for the purposes of Aberdeen’s research, are defined as technology-enabled processes by which selling organizations manage their opportunity-to-order (or lead-to-win) methodology with automated tools that impact the speed and accuracy of developing quotes, proposals, contracts, and products.

These solutions help reduce bottlenecks in the overall sales process, enabling the presentation of “the right product, at the right time, at the right cost” for the customer.

CPQ Users’ Performance

Survey respondents indicating current utilization of CPQ (Configure / Price / Quote) solutions out-perform non-users around a number of sales effectiveness metrics:

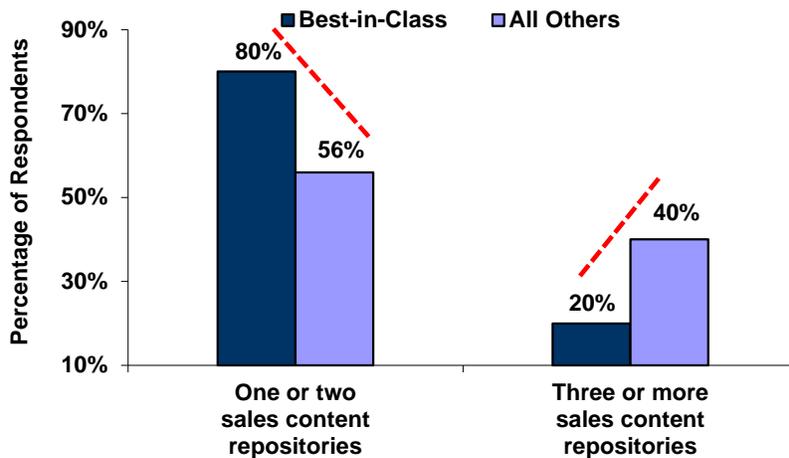
- √ 105% larger average deal size (\$432k vs. \$211k)
- √ 49% higher proposal volume (20.9 vs. 14.0 per rep, per month)
- √ 28% shorter sales cycle (3.4 months vs. 4.7 months)
- √ 26% more reps achieving quota (58% vs. 46%)
- √ 17% higher lead conversion rate (35% vs. 30%)

reveals, in Figure 2, how the strongest performers are more able than All Others to keep their sellers actually selling, rather than looking for assets, because of the more limited number of silos in which sales content is stored. These efficiencies don't happen by themselves, but are facilitated by the deployment of marketing- and sales-friendly **content management systems** — see sidebar. Indeed, while 55% of the Best-in-Class indicate very or extremely high increases in use of these tools over the next year, 41% of Industry Average and only 31% of Laggard firms indicate the same commitment.

Sector Definition: Sales Content Management

Sales content management systems represent the best kind of collaboration between the marketing and sales teams in the enterprise. Often referred to as the “sales enablement” process, these technologies — and key protocols that support them — allow corporate marketers to provide approved content options for sellers to use in the field. In the most successful deployments, individual sales reps and account managers have access not only to an easily searchable set of assets, collateral, documents, proposal templates, and RFP response tools, but also the ability to configure their messaging around each specific customer’s needs.

Figure 2: Limiting the “Looking, not Selling” Time

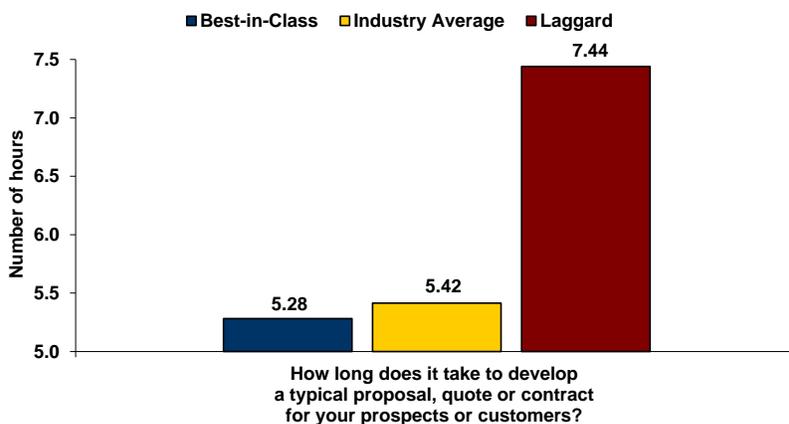


n = 165

Source: Aberdeen Group, March 2013

As a result of this more direct path to the product, prices, and messages they need to use their time more effectively, Best-in-Class firms end up saving time on the

Figure 3: Proposal Development Time Investment, by Best-in-Class



n = 165

Source: Aberdeen Group, March 2013

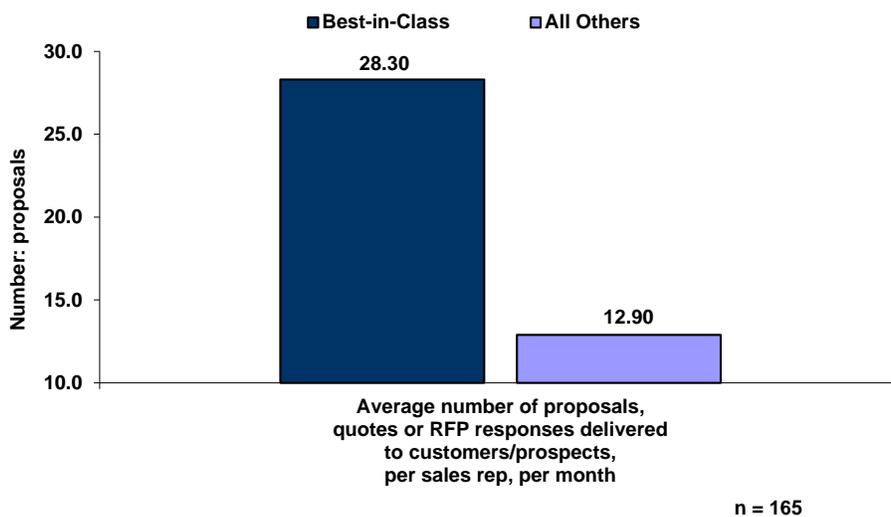
“If you're going to lose, lose early. The sales person needs to do a thorough job of qualifying early and often when working with a new lead, account, or opportunity. Perhaps the biggest contributor to lengthy sales cycles is pursuing opportunities long past the ‘expiration date.’ Sales reps must be coached to ask the difficult questions about budget availability, compelling events, reasons to make or delay a decision, who is involved in the decision and what’s important to the customer.”

~ Steve Silver, Director, Channel Sales & Operations, TAS Group

back-end of the selling process: developing the proposal, quote, or RFP response that eventually is presented to the prospect or customer for acceptance or rejection.

The strongest performers are 29% more efficient than Laggards — see Figure 3 — in terms of the pure number of hours expended developing typical sales documentation; multiplying this delta by the average number of outbound proposals an enterprise provides annually can have staggering results on overall productivity, as demonstrated in Figure 4. While “throwing more pasta against the wall to see what sticks” is not a highly advisable sales activity, logic dictates that a higher number of well-formulated, efficiently produced proposals delivered to customers will directly yield more sales wins over time.

Figure 4: Best-in-Class Ask for Twice as Much Business



Source: Aberdeen Group, March 2013

Making Sure the Right Deal is Sealed

In contrast to the perhaps better-known “buy-side” contract management solutions used by procurement or purchasing staff to ensure the best price and legal compliance, **sell-side sales contract management** — see sidebar — is used by business development teams to automate and enable faster, more accurate production and delivery of approved contracts to a company’s prospects or customers. End-users maintain and grow their customer base by automating the process of timely contract extensions, revisions, and completions; understand the value of keeping their closers and account managers focused on relationship management, communications, and revenue production; and help standardize the interactions and behaviors between sellers and buyers. In Figure 5, we can see why such solutions are relevant, with Best-in-Class firms wasting less time, post-sale, on amendments to their contracts, and under-performing

Definition: Sales Contract Management

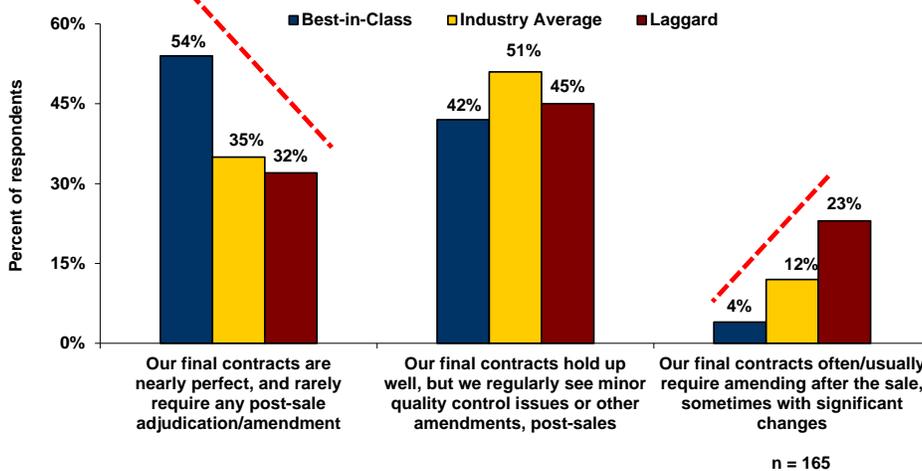
Sales contract management is defined, for the purposes of Aberdeen’s research, as a technology-enabled process by which a selling organization is able to create, store, manage, and revise proposals and contracts. In contrast to “buy-side” contract management solutions used by procurement or purchasing staff to ensure the best price and legal compliance, “sell-side” contract management is used by sales teams to automate and enable faster, more accurate production and delivery of approved contracts to a company’s prospects or customers.

“Each sales cycle is about the immediate or long-term relationship developed necessary for the transaction to close. My personal thoughts on a sales cycle are not about ‘controlling’ the sales cycle, but understanding when your prospect is ready to close. The only control we have in sales, is the direction and tenor of the conversation.”

~ Christopher Neill, President,
Ascend Merchant Services

sales teams expending significantly more, and unnecessary, effort repairing flawed contracts. With sales-centric contract management platforms, companies are better able to ensure the best practices showcased above in Figure 1, as well as to increase the likelihood of “getting it right the first time” with a pre-approved, responsible, logical contract that meets the customer’s needs right from the start of this last selling mile.

Figure 5: Better Performance Associated with Fewer Post-Sale Amendments



Source: Aberdeen Group, March 2013

From the Last Mile to the Final Act

No sales deal is sealed until the contract is signed, and this is where **electronic and digital signature** solutions (sidebar) are deployed by savvy sales organizations. It is not difficult to look at any sales representative who stands by a fax machine, waiting for their deal’s signed contract to arrive, and wonder why such manual activity is still considered acceptable in any contemporary business selling environment. Sales teams adopting electronic signature technologies recognize this relatively straightforward premise, and as a result yield better business results as a consequence of their investment. Electronic signature-enabled sales teams are, by definition, automating a process, eliminating “choke points” in the selling or closing cycle, and minimizing their non-selling time. Not only do eSignature-enabled companies perform better — Figure 6 — but the Best-in-Class send a larger percentage of their contracts out for such ratification than All Others (48.5% vs. 46.4%). Additionally, eSignature users report the following data, in comparison to non-users:

- 57% larger average deal size (\$409k vs. \$261k)
- 5% higher proposal volume (17.5 vs. 16.7 per rep, per month)
- Annual 4.9% customer retention improvement, vs. -1.2% among non-users

Sales Contract Management Users’ Performance

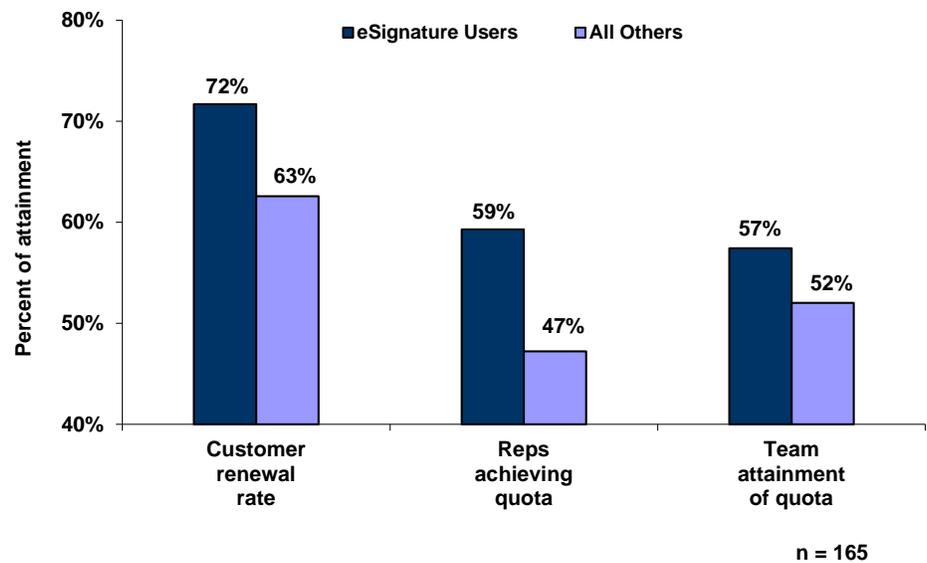
Survey respondents indicating current utilization of sales contract management solutions out-perform non-users around a number of sales effectiveness metrics:

- ✓ 39% higher team attainment of sales quota (64% vs. 46%)
- ✓ 35% more reps achieving sales quota (62% vs. 46%)
- ✓ 24% shorter sales cycle (3.5 months vs. 4.6 months)
- ✓ 20% higher lead conversion rate (36% vs. 30%)
- ✓ 12% higher proposal volume (18.6 vs. 16.6 per rep, per month)

Electronic Signature Technology Defined

An important distinction should be made between the terms “electronic” and “digital” when referring to paperless signatures. While both solutions refer to the online capture of your virtual signature, electronic signatures are part of a secure and validated process that must include an appropriate audit trail; digital signatures are server certificates on the system processing the transaction. Both imply authenticity of the agreement through an audit-trail validation of a secure transaction.

Figure 6: Better Sales Performance Supported by eSignature Utilization



Source: Aberdeen Group, March 2013

Fast Facts: Electronic Signature

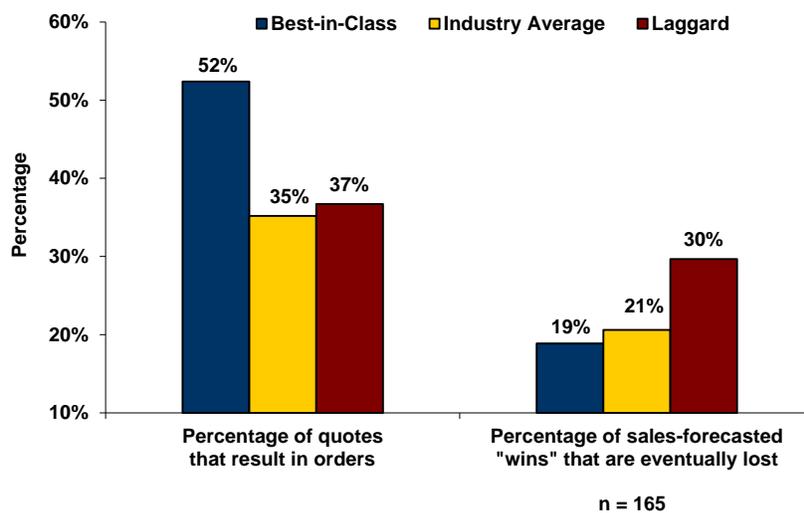
Survey respondents were asked, "What is the ONE type of business use case most frequently used with electronic / digital signatures?" The results:

- ✓ 42% – Sales contract, quote, or proposal: acceptance of sale
- ✓ 19% – Internal documentation / approval / receipt
- ✓ 18% – Statement of work
- ✓ 13% – Sales contract, quote or proposal: just the confirmation of receipt
- ✓ 9% – Change order

Conclusion: Throwing Better Pasta Against the Wall

The old saying about throwing enough spaghetti against the wall, to see how much sticks, has an unfortunate relevance to the sales effectiveness function in today's enterprise: too many sales leaders put their faith in having their reps put ever more deals into the pipeline, without regard for the quality of said opportunities.

Figure 7: Maximizing the Value of the Last Sales Mile



Source: Aberdeen Group, March 2013

"The little automation we have implemented has greatly improved our sales productivity and help to put customers' needs on the radar. More use of automation processes is recommended and we are surely considering the latest in the market."

~ Robert Munjanganja,
Executive Director (Business Development and Stakeholder Engagement), Macbeth Trading

As a result, the lower portion of the sales funnel can grow too narrow, with a tightly constricted bottom that allows insufficient revenue to be recognized, and sales quotas missed. When we address the quality of how sales opportunities are managed, in contrast to the sheer quantity, however, Best-in-Class sales organizations have demonstrated a better ability to reduce the friction of the last sales mile by creating more accurate, realistic, and customer-friendly documentation that helps them improve their overall batting average — a more sticky wall — as well as a faster time-to-close. Companies seeking to emulate the sales results of the Best-in-Class are encouraged to explore CPQ, sales content and contract management, and electronic and digital signature solutions that support a more effective management of this crucial final phase of the enterprise sales process.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

<p><i>Motivate, Incent, Compensate, Enable: Sales Performance Management Best Practices</i>; January 2013</p> <p><i>Collaborate, Listen, Contribute: How Best-in-Class Sales Teams Leverage Social Selling</i>; November 2012</p> <p><i>Train, Coach, Reinforce: Best Practices in Maximizing Sales Productivity</i>; October 2012</p> <p><i>Better Sales Forecasting Through Process and Technology: No Crystal Ball Required</i>; July 2012</p> <p><i>Sales Intelligence: What B2B Sellers Need To Know Before the Call</i>; June 2012</p>	<p><i>Lead-To-Win 2012: Managing People, Process and Technology to Optimize the Last Mile of the Sales Cycle</i>; March 2012</p> <p><i>Partner Relationship Management: Channeling Better Sales Results</i>; March 2012</p> <p><i>Sales Mobility: How Best-in-Class Remote Sellers Are Replacing “See” with “Do”</i>; April 2012</p> <p><i>Sales and Marketing Alignment: The New Power Couple</i>; December 2011</p> <p><i>Leveraging the 360 Degree Customer View to Maximize Up-Sell and Cross-Sell Potential</i>; September 2011</p>
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