

The Next Generation of Sales Analytics

Using Analytics and Data to Optimize Sales Activities and Outcomes

WHITE PAPER





A Note About This Research

January 2017

Ventana Research performed this research to determine attitudes toward and utilization of sales analytics. This document is based on our research and analysis of information provided by organizations that we deemed qualified to participate in this benchmark research.

This research was designed to investigate sales analytics systems, practices, needs and potential benefits. It is not intended for use outside of this context and does not imply that organizations are guaranteed success by relying on these results to improve sales analytics. Moreover, gaining the most benefit from a sales analytics system requires an assessment of your organization's unique needs to identify gaps and priorities for improvement.

The full report with detailed analysis is available for purchase. We can provide detailed insights on this benchmark research and advice on its relevance through the Ventana On-Demand research and advisory service. Assessment Services based on this benchmark research also are available.

We certify that Ventana Research wrote and edited this report independently, that the analysis contained herein is a faithful representation of our evaluation based on our experience with and knowledge of sales and analytics, and that the analysis and conclusions are entirely our own.

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Executive Summary

Effective analytics enables businesses to understand the data they're collecting in greater volumes and more forms than ever before. The situation has special importance for sales organizations. Applied to data created and needed by sales



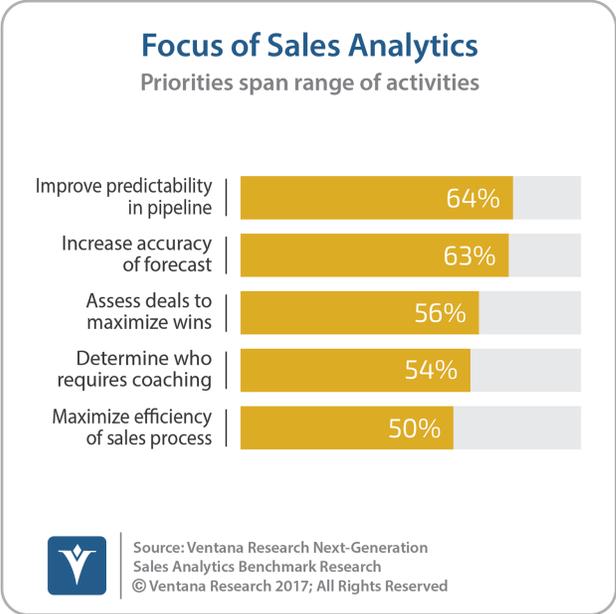
A new generation of digital technologies is adding more power and flexibility to sales analytics.

organizations, analytics can help achieve quotas and forecast more consistently, understand the impact of incentives and maximize the potential of territories, all of which support the effort to optimize sales performance. These benefits establish the foundation for a business case to adopt analytics tools that generate information to guide actions and decision-making.

Today a new generation of digital technologies is adding more power and flexibility to sales analytics. To address the flood of data now available, big data systems for processing and storing data

have evolved quickly to help sales organizations extract practical insights from masses of data. Advances in mobile technology make it possible to access analytics from smartphones and tablets, enabling users on the go to make informed decisions about what to do next. Utilizing cloud computing for sales applications and integration of data also facilitates access to and use of sales analytics. A new generation of collaborative tools enables sales teams to communicate and coordinate sales analytics with sales operations, managers and sales reps to enable them to plan and execute more effectively.

Three in five (58%) organizations participating in this benchmark research view sales analytics as very important to the success of the sales organization. They most often apply analytics to improve predictability in the sales pipeline, increase the accuracy of the sales forecast and assess sales deals to maximize win potential and minimize missed opportunities. Organizations most often measure overall sales performance by assessing customer revenue (57%), revenue attainment (54%) and quota attainment (51%). Fewer measure forecast accuracy (36%) or customer satisfaction (31%) though these are essential to sales performance.





However, with so many technology advances to assess, selecting the right tools for analytics can be difficult. Moreover, people charged with that responsibility often don't understand sales analytics-related best practices and the scope of requirements needed by various types of users. Ventana Research undertook this benchmark research to determine the attitudes, requirements and future plans of



More than half (55%) of participants said they are not satisfied with the current process used to calculate sales analytics.

those who use sales analytics technologies and processes and to identify the best practices of organizations that perform well in it. We set out to examine both the commonalities and the qualities specific to major industry sectors and across sizes of organizations. We considered how organizations manage sales analytics, issues they encounter in the process and how their use of it and related technology are evolving.

It is clear that organizations take sales analytics seriously, but the research also shows that most do not perform it especially well. More than half (55%) of participants said they are not satisfied

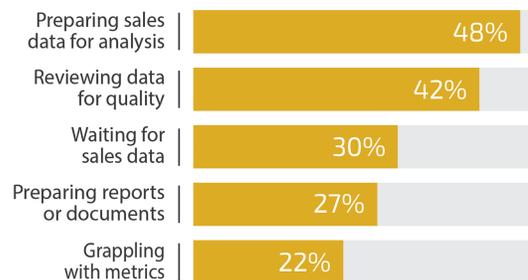
with the current process their sales organization uses to calculate analytics; only 30 percent reported that they are satisfied. Our Performance Index analysis ranks the majority (59%) of organizations at the two lowest levels of our four-tiered performance hierarchy. Among the four business dimensions into which we segment performance, the analysis reveals that organizations most often need to improve in the two more technical dimensions, Information and Technology.

The most common complaints for all organizations are that the process is too slow (53%), that data is not readily available (51%) and that data is not accurate (43%). Regarding the speed of the process, only about one-third (35%) said they can calculate and use sales analytics within one day, while for almost one-quarter (24%) it takes a month or more and 17 percent require one to four weeks.

Managing data is a precursor to the use of analytics, and this research finds that organizations encounter a variety of problems in data preparation. Almost half of organizations spend the largest portion of the time doing sales analytics preparing the data for analysis, and nearly as many spend it in reviewing

Sales Analytics Tasks Consume Time

Managing data gets in way of analysis



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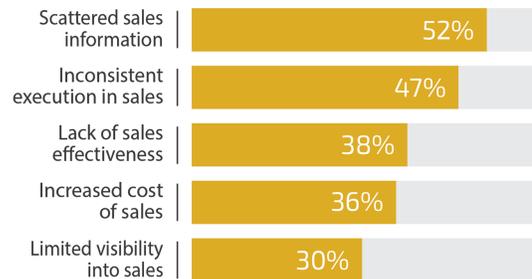
data for quality and consistency issues. Fewer than half that many spend the largest portion of their time in actual analysis – in, for example, trying to determine root causes (21%) or how changes impact current business (20%).

Two of the three most common complaints that impact satisfaction with the sales process are that data is not readily available (cited by 51%) and that data is not accurate (43%). And more than half (52%) cited scattered sales information as an impediment to sales. These sorts of issues limit the accuracy and completeness of the conclusions that analytics generate.

Data quality especially troubles very large organizations (those with more than 10,000 employees), which likely have more sales-related data than smaller ones. Three-fourths (74%) of these organizations said that data is not readily available, more than half (58%) said that they spend the largest portion of their analytics-related time preparing the sales data for analysis – and only 3 percent said they are very confident in the quality of information generated by their sales analytics process.

Sales Impediments Motivate Investment

Analytics can address information and processes



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Additionally more than one-third (36%) of participants overall said the technology they use in their sales analytics process is not adequate. Likewise only 28 percent said they are satisfied with their current sales analytics software.

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More than one-third (36%) said the technology they use in their sales analytics process is not adequate.”

Another research finding helps to explain these results: The software most commonly used for sales analytics, by 36 percent of organizations, is a sales force automation (SFA) or customer relationship management (CRM) system, neither of which is designed for the complexities of contemporary sales analytics.

More effective dedicated sales analytics tools or sales applications are used by only 6 percent of all participating organizations; those tools are found most frequently in finance, insurance and real estate (77%) and services (60%) companies. Yet despite the rather low levels of satisfaction with current sales analytics, only 5 percent of participants said they plan to change software vendors; another almost one-quarter (24%) are considering a change. The situation indicates that not enough organizations are taking steps to improve sales analytics.



Turning to those that are considering further investment in sales analytics, we find them driven to do so by a variety of issues. As noted above, scattered sales information was most often named; it is followed by three other problems that impact business performance: inconsistent execution in sales, lack of sales effectiveness and increased costs of sales. Each of these is significant enough that organizations indeed may feel it necessary to acquire more capable tools.

The research indicates that organizations' use of sales analytics capabilities



Participants said that adopting dedicated sales analytics tools has improved outcomes of sales activities.

enables them to achieve useful results. The benefit most often ranked first is to have been able to align the sales force to business strategy and goals (by 38%), followed by better managing and tracking the progress of product and sales initiatives (first or second for 40%). In addition, organizations that have adopted dedicated sales analytics tools or sales applications said that using them has improved the outcomes of their sales activities and processes significantly (20%) or slightly (47%). Substantial percentages of large organizations as measured by number of employees (41%) and companies in finance,

insurance and real estate (58%) reported significant improvement.

Ventana Research regularly explores the impacts of new technologies on business. Analytics is foremost among recently emerging technologies, this research confirms, and several others are playing a role in the use of sales analytics. Half of participants said cloud computing is a critical technology trend for sales analytics; it can make it easy for users in varied locations to access data and analytics and usually can be made available less expensively than systems deployed on-premises. Eighty percent of organizations in this research already use cloud computing or will use it eventually. Although more currently prefer on-premises deployment (41% to 30%), within a year that balance will shift in favor of the cloud (37% vs. 25%). Three-fourths of organizations that have been using cloud computing for sales analytics for more than a year said they are satisfied with it.

Another useful technology for supporting sales analytics is mobile devices such as smartphones and tablets, which 42 percent of research participants said is important for improving operations of sales analytics. Half or more of organizations using mobile technology said that it has improved their access to and utilization of sales analytics, significantly (15%) or slightly (45%), and has improved the timeliness of sales analytics significantly (17%) or slightly (36%). More than half support smartphones and/or tablets to access and review sales analytics; among industries, 69 percent in finance, insurance and real estate companies support mobile devices for this purpose, and they are the most often satisfied with them.



Yet another useful ancillary technology is social and business collaboration. Although nearly half (46%) of all participants said collaboration is a critical technology trend for improving the ability to use sales analytics, only 31 percent currently have technology supporting collaboration available. One in three (32%) research participants said they do not intend to use collaboration with sales analytics, suggesting that many have not yet made the connection between collaboration and analysis. While social collaboration trails longer established forms of collaboration such as instant messaging, discussion forums and application sharing, significant percentages of organizations plan to use or are evaluating more innovative social tools: collaborative coaching, social recognition for contributing to or accomplishing tasks, and earning badges and awards as part of achievements or contests. Thus we expect this trend also to make the transition into sales organizations.



Finally, big data technology can help organizations collect, store and make ready for use the masses of diverse data they receive. Half of research participants said big data is important for sales analytics, one-fourth use it now, and 14 percent said they will begin to use it within a year. To address the unceasing growth of data and its impacts on accounts and territories, big data technology supporting sales analytics provides an answer.

No company can expect to understand or respond effectively to changes in today's fast-moving sales environment without having the capability to analyze quickly and thoroughly the data it captures. To keep up with, surpass and stay ahead of the competition requires investing in tools that manage the process of analytics and the underlying data to help decision-makers take the right steps. The findings of this research show that to reach their sales goals, companies will need to make further investments in analytics to manage sales performance.



Key Insights

This benchmark research yielded the following important general findings and key insights regarding sales analytics. (We discuss performance levels in the Performance Index portion of the full research report; the actual questions asked in our survey are in an appendix to the research report. Specifics of organization sizes are in the appendix "About This Benchmark Research.")

Sales analytics is important to organizational performance.

The majority (58%) of the organizations participating in this research view sales analytics as very important to the success of the sales organization; a significantly higher percentage of very large companies as measured both by number of employees (69%) and by annual revenue (80%) said that. Sales analytics are applied most often to improve predictability in the sales pipeline (64%), increase the



The majority (58%) view sales analytics as very important to the success of the sales organization.

accuracy of the sales forecast (63%) and assess sales deals to ensure maximum win potential and minimize missed opportunities (56%). The research finds that organizations most often measure overall sales performance by assessing customer revenue (57%), revenue attainment (54%) and quota attainment (51%). They also measure factors such as forecast accuracy (36%), customer satisfaction (31%) and territory potential (16%).

However, our Performance Index analysis finds that most organizations do not perform well in using sales analytics. The majority (59%) rank at the two lowest levels of our four-tiered performance hierarchy, and

one-third rank at the lowest Tactical level; fewer than one-fifth (16%) reach the highest Innovative level. Analysis of the four business dimensions into which we segment performance reveals that they perform least well in the two more technical dimensions – Information, in which almost half (46%) are at the Tactical level, and Technology, in which 62 percent rank at the two lowest levels. Only in the People dimension do more than half reach the two highest levels of performance.

By company size, very large ones (with more than 10,000 employees; 72%) are most often at the two lowest levels. Measured by annual revenue, midsize companies (earning between \$100 million and \$1 billion) do least well; our analysis places more than half (57%) of them at the Tactical level. In terms of industries, more than three-fourths (76%) in manufacturing rank at the lowest levels while finance, insurance and real estate companies have the most (20%) at the highest Innovative level. We conclude that improving overall sales performance will require further investment and effort, especially in the Information and Technology categories.



Sales analytics processes lack rigor.

Managing and conducting sales analytics requires a disciplined process. More than half (55%) of participants in the research said they are not satisfied with the current process their sales organization uses to calculate analytics; only 30 percent said they are satisfied. Among industry sectors, manufacturing organizations (78%) are most often not satisfied. By size very large organizations are most often not satisfied, when measured both by employees (74%) and by revenue (70%). The most common complaints for all organizations are that the process is too slow (53%), that data is not readily available (51%) and that data is not accurate (43%). Very large organizations complained most often about data not being readily available (74% by employees and 86% by revenue).



Only about one-third (35%) of organizations said they can calculate and use sales analytics within one day.

Regarding the speed of the process, only about one-third (35%) said they can calculate and use sales analytics within one day while for almost one-quarter (24%) it takes a month or more and 17 percent require one to four weeks. Regarding the tasks within the sales analytics process, almost half (48%) of organizations spend the most time preparing sales data, and nearly as many (42%) spend it in reviewing data for quality and consistency issues. Fewer than half that percentage spend the most time in actual analysis such as trying to determine root causes (21%) or determining how changes impact current business

(20%). Very large organizations by number of employees most often (58%) said that they spend the most time preparing sales data for analysis, while very large organizations by revenue cited reviewing data for quality and consistency (45%) more often than preparing sales data (36%). Asked about the quality of information generated by the sales analytics process, a mere 3 percent of the very large by employees and 9 percent by revenue said they are very confident in it compared to 14 percent overall. Almost three-quarters (72%) of organizations that said they are very confident that they have addressed their quality of information for sales analytics processes also said they are satisfied with their current sales analytics software. Similarly three-quarters (75%) of organizations that are very confident in the quality of information being generated for sales analytics processes are also satisfied with the process they currently use to calculate sales analytics.

The research also finds that many organizations have issues that motivate them to invest further in sales analytics. The most commonly cited issues impeding sales analytics are scattered sales information (cited by 52%), inconsistent sales execution (47%) and lack of sales effectiveness (38%). Only 21 percent said they lack motivation to improve the sales process, and just 14 percent said there is a lack of investment in sales. Addressing these information issues could help improve the efficiency of sales analytics and make available more time to use them to optimize sales results.



Software choices impact satisfaction with sales analytics.

Only slightly more than one-fourth (28%) of organizations said they are satisfied with their current sales analytics software. A slightly higher percentage (30%) are somewhat satisfied, while one in five (20%) are not satisfied. Those in the finance, insurance and real estate industry sector (47%) are most often satisfied with their sales analytics.

The software most commonly used for sales analytics, by slightly more than one-third (36%) of organizations, is a sales force automation (SFA) or customer relationship management (CRM) system; about half as many use analytics and BI tools (17%) or spreadsheets (17%). Very large organizations by revenue least often use sales force automation or CRM (11%) and most often use analytics



Only one-fifth (21%) of those using SFA or CRM for sales analytics said they are satisfied with the software.

and BI tools (56%). The very large by employees also use analytics (35%) more often than SFA (32%) but by a much smaller margin. (The specific products most often used for sales analytics are salesforce.com [by 51%] and Microsoft Excel [41%]; in-house developed solutions [15%] were a distant third. By number of employees salesforce.com is used most often by very large [63%] and midsize [62%] organizations.) Cross-reference analysis finds a lack of enthusiasm for that most common choice: Only one-fifth (21%) of those using SFA or CRM for sales analytics said they are satisfied; more (36%) are somewhat satisfied, and almost one-fifth (18%) are not satisfied.

Dedicated sales analytics tools or sales applications are used by only 6 percent of organizations. Finance, insurance and real estate companies (77%) are furthest along in using a dedicated application, followed by services (60%); these industry sectors typically have more extensive sales organizations than does manufacturing (38%). Among organizations that don't intend to use a dedicated application the largest percentage (35%) said the reason is that the cost of a dedicated tool is too high. Others are put off by the effort, which they said will require additional resources or training (19%) or that it will take too long to deploy (17%); only 30 percent said they won't pursue a dedicated application because they are satisfied with their existing approach to sales analytics (17%) or do not see enough value in dedicated tools (13%). Despite the rather low levels of satisfaction with current sales analytics, only 5 percent said they will change software vendors, although almost one-quarter (24%) are considering a change. Organizations that don't invest in capable software are likely to struggle with satisfaction with and results from their sales analytics.

Spreadsheets undermine confidence in sales analytics.

When we look into data-related processes, our research typically finds spreadsheets in use, and sales analytics is no exception. Nearly three in four organizations use



them heavily – 20 percent universally and more than half (53%) regularly; only 7 percent use them rarely or never. The research also finds drawbacks to using spreadsheets for sales analytics, with three out of four organizations citing some issue. Only one in five said that the spreadsheets they use are both accurate and timely; the largest percentage (43%) said the spreadsheets are accurate but not always timely, and 13 percent said they are timely but not accurate. Services organizations (63%) and small ones (62%) said most often that spreadsheets are sometimes not timely but accurate.



Nearly two-thirds (63%) of participants said that spreadsheets make it difficult to manage sales effectively.

This research reinforces our view that a reliance on spreadsheets can have a material impact on the ability to manage sales. Nearly two-thirds (63%) of participants said that spreadsheets make it difficult to manage sales effectively. The largest organizations most often made this assertion (79 percent of the very large as measured by number of employees and 89 percent of those as measured by annual revenue). Industry wise, large percentages in services (82%) and manufacturing (81%) also said this. Overall, more than three-quarters (77%) of organizations that use spreadsheets universally said that using them makes it difficult to manage sales analytics efficiently. Spreadsheets can be a fast and easy tool for individual and ad hoc sales analytics

but can inhibit the ability to manage sales processes and outcomes effectively.

Sales roles have varying needs from analytics.

Sales analytics is important to a variety of roles in the sales organization and thus the software requires a spectrum of capabilities to meet their specific needs. The function in the organization typically responsible for calculating sales analytics is sales operations (40%). Manufacturing relies significantly more (56%) on this role for the calculations than do other industry sectors. The sales operations capabilities most often identified as important are to create and deploy dashboards (76%), apply predictive analytics to determine future performance (64%) and present data visually for analytics (55%). These are followed by reviewing collaboration (52%), applying what-if and planning-based analytics (52%) and using analytics to guide actions (52%), as well as publishing analytics and metrics (48%) and taking action based on the outcome of analytics (also 48%).

For sales management and managers, the top five capabilities essential for managing sales analytics are accessing dashboards (64%), collaborating with the sales team on goals (55%), comparing changes in plan and performance (45%), providing coaching and comparing quotas to the sales pipeline and forecast (each 44%), and collaborating with the sales team on performance issues (42%). Sales analytics most often is deployed to management users at the vice-president level (47%), followed closely by sales managers (43%) and executives (also 43%).



Front-line sales and midlevel sales managers are targeted to receive deployment of sales analytics in the next two years.

For sales representatives and account managers the capabilities most often cited as essential are to be able to review analytics at different levels (71%), collaborate with the sales team on goals (57%) and respond to workflow communications (43%). Accessing dashboards (29%) tied for fifth place.

Members of the sales team generally have simpler needs for capabilities than others. Topping the list are being able to access dashboards (64%), collaborate on goals (56%), review analytics at different levels (51%) and compare performance of sales team (46%). The front-line sales team (29%) and midlevel sales managers (also 29%) are most often targeted to receive deployment of sales analytics over the next two years.

The research finds that IT rarely (4%) has responsibility for calculating sales analytics. In supporting sales analytics, the two most essential IT capabilities are reporting and analytics (55%) and data-related integration and synchronization (45%), which is critical for blending data and utilizing historical information. These are followed by administration of software and configuration to initialize deployment (each 36%). Sales organizations should be sure to assess the needs of the varying roles and ensure that the software they use supports them all.

Collaboration has a critical role in sales analytics.

The research finds that a variety of roles, including account managers and sales teams, view as important collaboration, which enhances communications and taking action. Nearly half (46%) of all participants said collaboration is a critical technology trend for improving the ability to operate sales analytics. But it hasn't been widely adopted yet: Only 19 percent of organizations have been using business and social collaboration with sales analytics for more than a year; fewer than that (13%) began to use it in the last year, and even fewer (10%) will begin to do so within a year. The largest percentage (32%) do not intend to use collaboration with sales analytics, which shows that many have not yet made the connection between collaboration and analysis. Very large organizations are most advanced in that 27 percent by both employees and revenue use business and social collaboration.

The types of collaboration technology capabilities most often used are conventional: instant messaging (by 45%), discussion forums (32%) and application sharing to discuss analytics (31%). Social collaboration in a business context is less widely deployed, but significant percentages of organizations plan to use or are evaluating collaborative coaching (46%), social recognition for contributing to or accomplishing tasks (39%) and earning badges and awards as part of achievements or contests (39%). Using sales analytics to determine who most needs sales coaching is an



important area of focus in more than half (54%) of organizations. A majority (51%) of organizations rank email first among the five most important business and social collaboration capabilities for sales analytics, followed by the company intranet for file sharing (21%); these also are conventional rather than innovative technologies. Perhaps the prevalence of use of these tools accounts for the finding that only one in five organizations said they are satisfied with their business and social collaborative capabilities for sales analytics; fully half said they are somewhat satisfied or neutral. Very large organizations measured by both number of employees and revenue are least often satisfied and most often not.



Using sales analytics to determine who needs sales coaching is important for more than half of organizations.

Most participants in sales management roles said they review and act on sales analytics weekly (37%) or monthly (30%); only 13 percent act on them daily. Very large organizations by number of employees (48%) and by revenue (56%) most often act on a weekly basis. By industry, those in finance, insurance and real estate companies (47%) most often act weekly, compared to manufacturing in which the most (41%) do it monthly. Sales organizations should to support collaboration in order to be able to act on the results of their sales analytics.

Cloud computing fits well with sales analytics deployments.

After analytics itself, cloud computing is cited most often (51%) as a critical technology trend for sales analytics. Two in five organizations now use cloud computing for sales analytics: 23 percent have used it for more than a year, and 17 percent began to do so within the past year. Another two-fifths plan to begin using it in the next 12 months (16%) or plan to sometime (24%); that leaves only one-fifth that have no plan to move to the cloud. Currently most prefer to access sales analytics through on-premises systems (41%), followed by on demand in the cloud (30%). For the future the preference shifts to on demand in the cloud (37%) from on premises (25%), and more than one-fourth (27%) expressed no preference. Manufacturing industries (48%) more often will prefer on demand in the future than other industries, and finance insurance and real estate most often opt for on premises (43%). Services companies (49%) have adopted the cloud for sales analytics more widely than other industries. Among those that use cloud computing for sales analytics, users often look on it positively: Half (49%) said they are satisfied with it, and another 40 percent are somewhat satisfied (40%). Organizations using cloud computing for sales analytics for more than a year most often said they are satisfied (74%) while those that have used it for less than a year are most often somewhat satisfied (69%).



Organizations using cloud computing for sales analytics for more than a year most often said they are satisfied.

To make cloud computing work for sales analytics does require integration of data and operational systems, particularly sales force automation and customer relationship management. Seven out of 10 organizations participating in the research said that it is important (30%) or very important (41%) to automate the integration of data from cloud-based SFA and CRM into sales analytics. Companies that have more than 1,000 employees and more than \$1 billion in annual revenue view it as more important (83% or more) than smaller organizations. Among industry sectors manufacturing tallies the highest percentage of overall importance (85%). The use of cloud computing can help with the deployment and

accessibility of the software and also improve an organization's ability to provide timely updates to the sales organization.

Mobile access to analytics is important for sales organizations.

The use of mobile technology including smartphones and tablets in sales is a top trend for sales analytics; more than two in five (42%) research participants cited it as important for improving sales analytics operations. Among organizations using mobile technology, three out of five said that it has improved their access to and utilization of sales analytics significantly (15%) or slightly (45%); only one-fifth said it has had no impact. Similar percentages reported that use of mobile technology has improved the timeliness of sales analytics significantly (17%) or slightly (36%); 24 percent said it has had no impact. But satisfaction with the mobile technology itself for sales analytics is not as strong. Fewer than one-fifth (14%) said they are satisfied with it; more than twice as many (36%) are only somewhat satisfied. Organizations in finance, insurance and real estate (27%) are more often satisfied than those in other industries.

Most organizations accept and support use of mobile devices to access and review sales analytics: Two-fifths (41%) support both smartphones and tablets, and 12 percent support one or the other; 30 percent more said they intend to support them. Among industry sectors, finance, insurance and real estate companies most often support both devices (46%) or one of them (23%). Nearly two-thirds (63%) of all organizations have deployed smartphones and about half (48%) have deployed tablets. Again finance, insurance and real estate companies lead industries in deploying smartphones (79%) and tablets (64%). More organizations (61%) allow sales people to use their own mobile devices than do not (39%). Successful deployments will take advantage of the range of smartphones and tablets in use in sales organizations.

For mobile application design most sales organizations said they prefer native applications (40%) to Web-browser based (22%), although nearly two-fifths said



they have no preference (18%) or don't know (20%). A majority (56%) have no preference among smartphone technology platforms. Manufacturing companies (38%) least often expressed a preference for a smartphone platform and those in services (54%) most often have one. Among the 44 percent that have a preference, three in five (61%) listed Apple iOS as their first choice rather than Google Android (13%) and Microsoft (3%). When it comes to tablet technology platforms, even more organizations do not have a preference than do (71% vs. 29%). Again, among organizations that expressed a preference, most (72%) chose Apple iPad as first preference, compared to a mere 4 percent each for Google Android and Microsoft. Organizations should prepare to support the range of mobile platforms that sales personnel use.

Motivation is growing to invest in sales analytics.

Almost half (47%) of research participants identified challenges in their sales organizations that they said are motivating management to consider further investments in sales analytics; this is especially common in services companies (76%). It is particularly the case in very large organizations, which most often said that impediments are motivating them to invest: 71 percent by employees and 77 percent by revenue. But the research also finds barriers to making



More than 70 percent of very large organizations said that impediments are motivating them to invest in sales analytics.

improvements and investing in new technology for sales analytics, most commonly lack of budget and of resources (both at 37%), the business case not being strong enough (36%) and lack of awareness (30%). Funding for improvement in sales analytics comes from several sources, most often the general IT budget (33%) but also the general business budget (28%), a line of business's technology budget (21%) and a shared service funded by business (18%). The improvement process is complicated by the varying departmental involvements that can influence priorities for and approaches to sales analytics. Finance (38%), Sales (36%) and IT (33%) influence and want to improve sales processes in almost equal numbers. Sales (44%)

typically plays the primary role in sponsoring and funding investment, nearly twice as often as IT (24%) or Finance (23%).

The research finds participants expressing confidence in their organization's ability to select software for sales analytics and improve its use. One-fourth (26%) said they very confident in this, and more (36%) said they are confident; only 10 percent said they are not confident. An essential aspect of the software selection process is to have practical evaluation criteria. For sales analytics the research finds clear prioritization: Strong majorities said it is very important to focus on usability (82%), functionality (71%), manageability (60%) and reliability (57%). The remaining categories are very important to fewer than half of organizations: TCO/ROI (49%), adaptability (43%) and validation of vendor (29%). Manufacturing organizations



expressed the most insistence on usability (87%) among industries. Determining the motivation for investment is important to prioritize funding and categories of evaluation requirements.

Achievable benefits justify investment in sales analytics.

Organizations reasonably expect improved outcomes from investments in sales analytics. The research finds that for two-thirds of participants sales analytics has improved the outcomes of sales activities and processes



The top sales-related benefit from sales analytics is to align the sales force to business strategy and goals (for 38%).

significantly (20%) or slightly (47%). Substantial pluralities of large organizations by number of employees (41%) and by revenue (45%) reported significant improvement, as did companies in finance, insurance and real estate (58%).

Asked about top sales-related benefits from such investments, the largest percentage of organizations cited first being able to align the sales force to business strategy and goals (38%) and better management and tracking of the progress of product and sales initiatives (24%). Smaller percentages placed first having improved visibility into sales performance (7%), gaining improved communications to

sales on the status of activities (6%), growing the business in net new customers (also 6%) and improved execution of sales activities (4%). We also asked organizations to name the top benefits they hope to gain from investing in sales analytics and found considerable overlap with the benefits others have achieved. The dominant first choice again was aligning the sales force to business strategy and goals (for 49%), followed by better managing and tracking of the progress of product and sales initiatives (16%), generating larger deals (9%), growing the business in net new customers (7%) and improving the efficiency of sales processes (4%).



10 Best Practice Recommendations

This benchmark research reveals significant new insights into the evolving nature and use of sales analytics management processes and systems. For organizations considering how to optimize the use of sales information and analytics by employees, managers and executives and its value to the organization, we offer the following recommendations.

- 1. Measure sales performance by more than revenue.**

More than half of research participants said that they measure overall sales performance by assessing customer revenue, revenue attainment and quota attainment. We suggest broadening the focus by also measuring forecast accuracy (which only 36% do), customer satisfaction (31%) and other prospective metrics. Applying sales analytics to these kinds of factors can yield deeper insights about the company's processes and ability to look ahead; managing them well will enhance revenue and profitability.
- 2. Inject rigor into sales analytics processes.**

More than half (55%) of participants said they are not satisfied with the current process their sales organization uses to calculate analytics. The most common complaint is that the process is too slow (cited by 53%), but large percentages also find issues with data being not readily available and not accurate. Many also lack confidence in the quality of the information they use for sales analytics processes and said their sales information is scattered. Acting on the insights of sales analytics starts with having complete, accurate information. Take steps to ensure that it is collected promptly and made ready for use.
- 3. Adopt effective sales analytics tools.**

More than one-third (36%) of organizations said that their sales analytics technology is not adequate; fewer than one-third (28%) said they are satisfied with their current sales analytics software. The types most commonly used for sales analytics are sales force automation (SFA) and customer relationship management (CRM). Don't settle for tools that are conveniently at hand but not designed for this purpose. We recommend assessing dedicated applications to manage sales analytics, which majorities of companies in finance, insurance and real estate and those that provide services already use.



4. Don't let spreadsheets impede your use of sales analytics.

For sales analytics, 20 percent of organizations use spreadsheets universally, and more than half (53%) use them regularly. Yet the research finds drawbacks in doing so. Two-thirds of participants said that spreadsheets make it difficult to manage sales effectively, and 43 percent said their spreadsheets are not always timely. Spreadsheets can be a fast and easy tool for individual and ad hoc sales analytics, but they are likely to inhibit effective management of sales processes and outcomes. Wean your sales personnel from using them for analytics and substitute more reliable tools.

5. Provide sales analytics for various roles.

The research finds that the sales organization requires a spectrum of software capabilities to meet specific needs. People in sales operations, who are most often responsible for calculating sales analytics, need to create and deploy dashboards and apply predictive analytics to determine future performance. Sales management, managers and members of the sales need most often to access dashboards and collaborate in some fashion. Sales representatives and account managers also need to collaborate, but most often they want to review analytics at different levels. Inventory the needs of all employees involved in sales analytics and performance, and make sure that the software you choose can accommodate them all.

6. Provide collaboration for sales analytics.

Nearly half (46%) of all participants said collaboration is a critical technology trend for improving the ability to use sales analytics. People in various roles collaborate to set goals, assess and address performance issues, and review the results of analytics. Yet not many organizations take advantage of newer social collaboration tools; only in very large ones do as many as one in four use them. Such tools can be valuable in sales coaching and motivating sales staff and in enabling people to take action on the results of sales analytics. Consider how collaboration can help your sales analytics efforts.

7. Deploy sales analytics through cloud computing.

Half of research participants said that cloud computing is a critical technology trend for sales analytics. Two in five organizations now use it, and another two-fifths plan to begin using it. Services companies have adopted the cloud most widely among industries. Three-fourths of all organizations using cloud computing for more than a year said they are satisfied with it for sales analytics. Cloud computing can help speed deployment and accessibility of the software, often at less cost than installing and management



on your own premises. We advise investigating which of the software suppliers you evaluate offer cloud-based systems.

8. Deploy mobile access for sales analytics.

More than two in five (42%) research participants said the use of mobile technology including smartphones and tablets in sales is a top trend. Three out of five said that it has improved their access to and utilization of sales analytics and the timeliness of the analytics. More than 80 percent currently support access to and review of sales analytics and metrics on mobile devices or will do so. Most participants expressed no preference among smartphone or tablet technology platforms, but many sales people use their own devices, so we advise having a flexible policy that takes account of all the major types. Mobile access can speed the use of sales analytics and empower employees who spend much time away from their offices.

9. Overcome barriers and invest in sales analytics.

Almost half (47%) of research participants said there are challenges in their sales organizations that are motivating management to consider further investments in sales analytics. Three-fourths of services companies and 70 percent of very large companies said this. Yet significant percentages named barriers to investing, most often related to understanding of the issues and commitment to solving them: lack of budgets, resources and awareness and a sense that the business case is not strong enough. Moving forward, investments in sales analytics can be supported by Finance and IT, both of which have a stake in the success of Sales. Gather all interested stakeholders and work to arrive at agreement on the need for investment and who will pay for and benefit from it.

10. Identify the benefits you seek from sales analytics.

Two-thirds of participants said that sales analytics has improved the outcomes of sales activities and processes. As for benefits derived from investments in it, the top-ranked are being able to align the sales force to business strategy and goals (for 38%) and better management and tracking of the progress of product and sales initiatives (24%). These are also the top two benefits organizations hope to realize from investment. After assessing your sales processes and current performance, pinpoint the benefits you require to make an investment worthwhile. Then press software vendors to demonstrate how their products will help you achieve them.



About Ventana Research

Ventana Research is the most authoritative and respected benchmark business technology research and advisory services firm. We provide insight and expert guidance on mainstream and disruptive technologies through a unique set of research-based offerings including benchmark research and technology evaluation assessments, education workshops and our research and advisory services, Ventana On-Demand. Our unparalleled understanding of the role of technology in optimizing business processes and performance and our best practices guidance are rooted in our rigorous research-based benchmarking of people, processes, information and technology across business and IT functions in every industry. This benchmark research plus our market coverage and in-depth knowledge of hundreds of technology providers means we can deliver education and expertise to our clients to increase the value they derive from technology investments while reducing time, cost and risk.

Ventana Research provides the most comprehensive analyst and research coverage in the industry; business and IT professionals worldwide are members of our community and benefit from Ventana Research's insights, as do highly regarded media and association partners around the globe. Our views and analyses are distributed daily through blogs and social media channels including [Twitter](#), [Facebook](#) and [LinkedIn](#).

To learn how Ventana Research advances the maturity of organizations' use of information and technology through benchmark research, education and advisory services, visit www.ventanaresearch.com.



Appendix: About This Benchmark Research

Methodology

Ventana Research conducted this benchmark research on the Web. We solicited survey participation via email, our website and social media invitations. Email invitations were also sent by our media partners and by vendor sponsors.

We presented this explanation of the topic to participants prior to their entry into the survey:

Sales organizations need to be able to measure an array of sales-related activities to be able to improve their performance toward achieving customer and revenue objectives. But in trying to do so, most must grapple with a range of issues that extend from preparing data and analytics to determining what issues or opportunities are most important to address in what order. This benchmark research is designed to explore sales analytics and identify best practices and insights into how to manage and operate sales analytics to maximize their value.

The following promotion incented participants to complete the survey:

What's In It For You? Upon completion of the research, all qualified participants will receive a report on the findings of this benchmark research to support their organization's efforts, along with a \$5 Amazon.com gift certificate. In addition, all qualified participants will be entered into a drawing to win one of 25 benchmark research reports and a 30-minute consultation, a package valued at US\$1,495 or €1,232. Thank you for your participation!

Qualification

We designed the research to assess the use of and plans for spreadsheets across organizations and industries. Qualification to participate was presented to participants as follows:

The survey for this benchmark research is designed for executives, management and managers across business and IT who are involved in sales management and operations and those who are responsible for analytics related to sales or the purchasing of technology for this area. Solution providers, software vendors, consultants, media and systems integrators may participate in the survey, but they are not eligible for incentives and their input will be used only if they meet the qualifications. Incentives are provided to qualified participants in the research and also are conditional on provision of accurate contact information including company name and company email address that can be used for fulfillment of incentives.

Further qualification evaluation of respondents was conducted as part of the research methodology and quality assurance processes. It entailed screening out



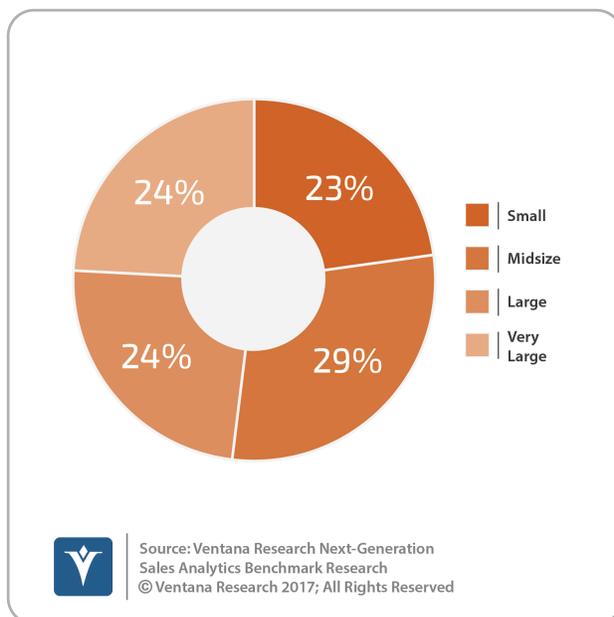
responses from companies that are too small, questionnaires that were not materially complete, or those where the submission is from an inappropriate submitter or appears to be spurious.

Demographics

We designed the survey used for this research to be answered by executives and managers across a broad range of roles and titles working in organizations. We deemed 140 of those who clicked through to this survey to be qualified to have their answers analyzed in this research. In this report, the term “participants” refers to that group, and the charts in this section characterize various aspects of their demographics and qualifications.

Company Size by Workforce

We require participants to indicate the size of their entire company. Our research repeatedly shows that size of organization, measured in this instance by employ-

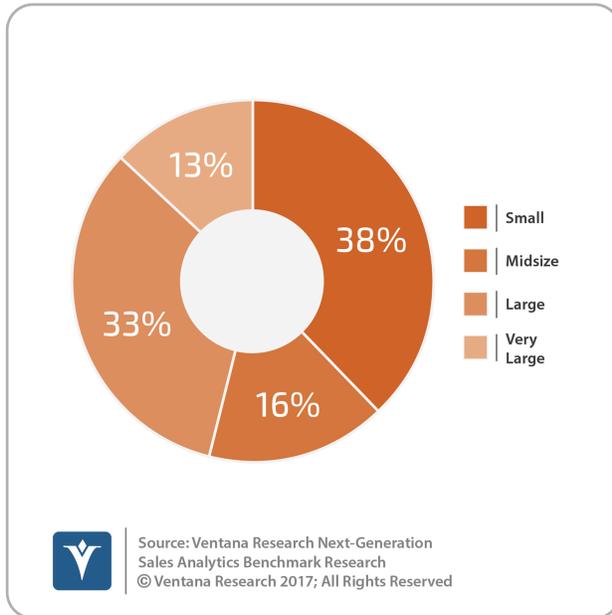


ees, is a useful means of segmenting companies because it correlates with the complexity of processes, communications and organizational structure as well as the complexity of the IT infrastructure. In this research, participants represented a broad range of organization sizes in nearly equal numbers: 24 percent work in very large companies (having 10,000 or more employees), another 24 percent work in large companies (with 1,000 to 9,999 employees), 29 percent work in midsize companies (with 100 to 999 employees), and 23 percent work in small companies (with fewer than 100 employees). This distribution is consistent with prior benchmark research and our research objec-

tives and provides a suitably large sample from each size category.

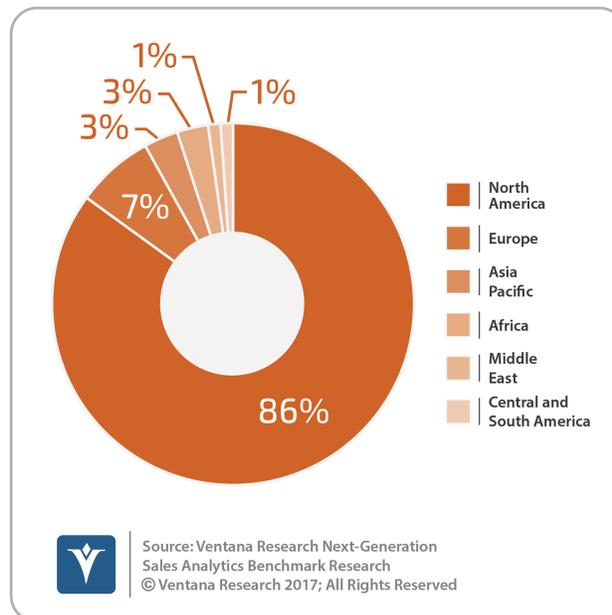


Company Size by Annual Revenue



When we measured size by annual revenue, the distribution of categories shifted downward; fewer companies fell into the very large and midsize categories and nearly twice as many are small. By this measure, 11 percent fewer are very large companies (having revenue of more than US\$10 billion), but 9 percent more are large companies (having revenue from US\$500 million to US\$10 billion). Likewise, 13 percent fewer are midsize companies (having revenue from US\$100 to US\$500 million), but 15 percent more are small companies (with revenue of less than US\$100 million). This sort of redistribution is typical in our research projects when we measure by revenue instead of head count.

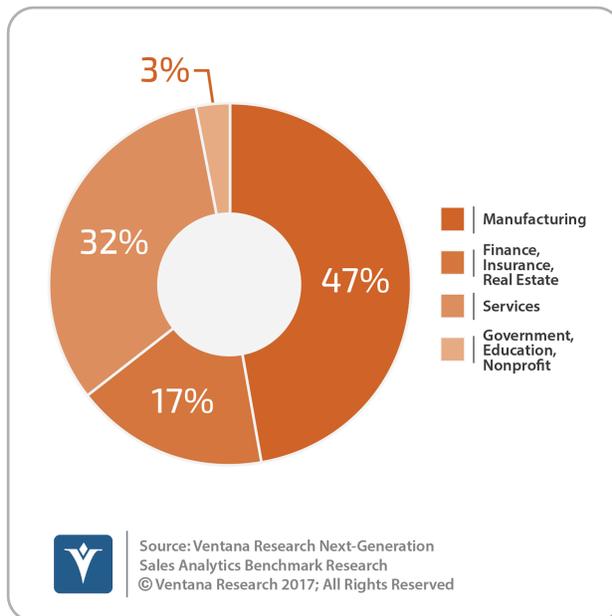
Geographic Distribution



A large majority (86%) of the participants were from companies located or headquartered in North America. Those based in Europe accounted for 7 percent and those in Asia Pacific and Africa for 3 percent each. Those based in the Middle East and Central and South America added another 2 percent. This result was in keeping with our expectations at the start of this investigation, since organizations participating in our research most often are headquartered in North America. However, many of these are global organizations operating worldwide.

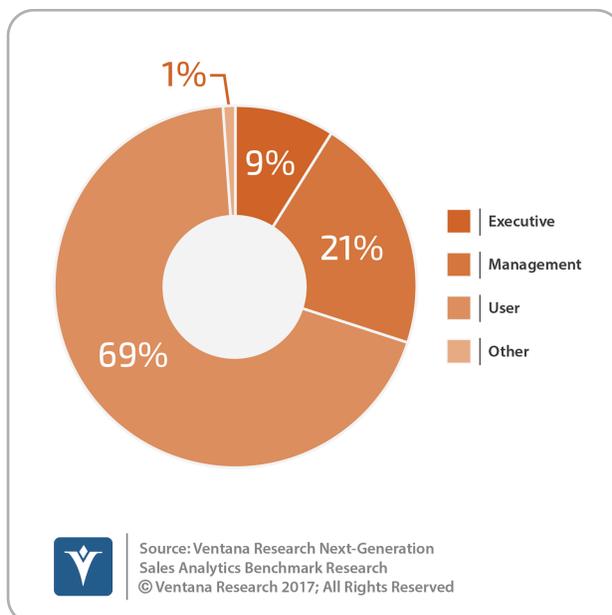


Industry



The companies of the participants in this benchmark research represented a broad range of industries, which we have categorized into four general categories as shown below. Manufacturing companies accounted for nearly half (47%) of the participants. Those that provide services accounted for about one-third (32%), and those in finance, insurance and real estate accounted for 17 percent. Government, education and nonprofits – a sector for which sales analytics has less importance – accounted for the remaining 3 percent.

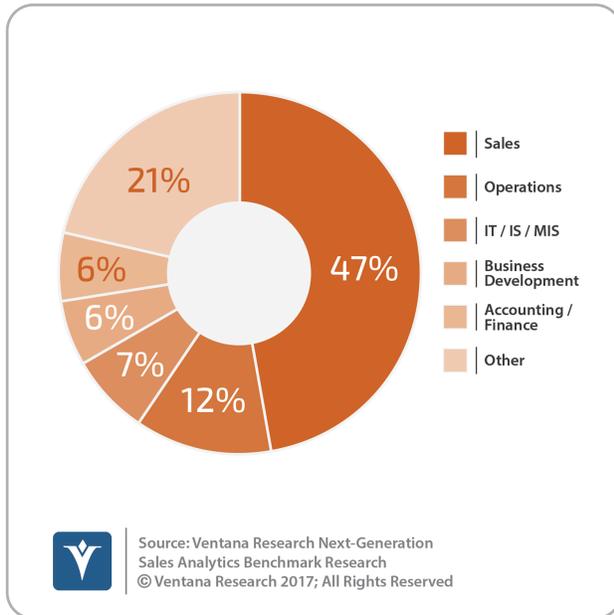
Job Title



We asked participants to choose from among 12 titles the one that best describes theirs. We sorted these responses into four categories: executives, management, users and others. More than two-thirds identified themselves as having titles that we categorize as users, a grouping that includes director (26%), senior manager or manager (31%), analyst (4%) and staff (8%). Slightly fewer than one in 10 are executives, but 21 percent are management, by which we mean vice presidents. Others, in this case consultants, accounted for the balance. We concluded after analysis that this response set provided a meaningfully broad distribution of job titles.



Role by Functional Area



We asked participants to identify their functional area of responsibility as well. This enabled us to identify differences between participants who have differing roles in the organization. Appropriately, nearly half of the participants identified themselves as being in the sales function. One in eight work in operational positions, 7 percent are in IT, and 6 percent each are in business development or finance and accounting. Another nine titles, none with more than 4 percent of the total, comprised the Other category.