



Powering Performance



## Report - The Emerging Trend Enabling Companies to Grow

*A Farnsworth & Percival White Paper production*

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# THE EMERGING TREND ENABLING COMPANIES TO GROW.

## Introduction

There is no replacement for results. We live in a world where there are no limits for those who can create results. The standard way of doing things is not the only way, it's just what people have gotten used to. If you come up with a different way to get people the results they're looking for, you can do anything you want.

With results like these:

- 56% of forecasted deals don't close (Ventana Research)
- 40% of S&P 500 companies miss earnings in 2013
- 42% of sellers in 2013 did not make quota (CSO Insights)

And organisations wanting this - over 94% of the 1,200 organisations surveyed by CSO Insights are lifted their revenue numbers in 2014.

Businesses and industries are at a macro and micro economic turning point. A highly leveraged buyer has emerged and they are armed with new tools, technology and motivations to address the economic turning point also impacting them.

**So it's no surprise that for the selling organisation, technology-based strategies have emerged as the dominant competitive advantage.** Improving business productivity, performance and competitiveness by making the invisible visible with prescriptive and predictive analytics is delivering this advantage and valuable results.

*The ultimate goal? Higher customer value and lower costs, achieved in a way that not only delivers near-term benefits but also is sustainable*

Precedent is not a productive guide to present strategy or future potential and if you're not improving, then you're getting worse. In order for organisations to adapt to constant customer, competitor and market changes and improve performance requires increasing the productivity of the revenue engine

For companies that are not as profitable as they could be it might be time to abandon conventional wisdom and do things differently.



As the words ‘but, we’ve always done it this way’ has executives being shown the door, traditional initiatives relied upon such as CRM, SFA, marketing automation and skills training are now being overtaken by **the emerging titan of ‘revenue velocity technology’ or ‘revenue performance intelligence’** as we refer to it as

This is the high performance link between CRM and marketing automation. The alignment of sales and marketing is no longer enough, this technology is forging the assimilation of the entire revenue generation engine and delivering outstanding results.

Successful organisations are now relying on this technology to drive revenue velocity even faster and create stronger relationships with the right customers. So what is it? The technologies falls into a number of categories such as:

- Data Visualization (e.g C9, Tableau)
- Presentation Technology (e.g. WebEx, iMeet)
- Predictive Analytic Tools and Technology (e.g.C9)
- Relationship Currency and Intelligence Tools (e.g. DataHug, LinkedIn & InsideSales)
- Communication (eg DataHug, Intilecta)
- Social (e.g. LinkedIn)

**This trend is now mainstay and far from a passing fad.**

The size of this market in the US alone is now estimated at \$12.8bn, with an average of \$2,280.00 being spent per seller per year. The adoption rate is estimated at 75%, the same as mature market adoption rate of technology such as CRM, data list services and ERP, which means the total addressable market in the US alone to be around \$33bn or \$6,790.00 per seller per year. [Read the report here.](#)

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*Improving business productivity, performance and competitiveness by making the invisible visible with prescriptive and predictive analytics is delivering valuable results.*

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So is this sending the CRM and marketing automation providers into a tail-spin? No, in fact the impact is greater adoption and usage of these tools and organisations are experiencing dramatic increases in utilisation, ROI and data quality. Some of this technology, such as DataHug, removes the requirement for manual data entry.

[Read how much Brainshark saved annually by returning selling time back to its team, plus improved their forecast closure rate by >5% and what that translated to in terms of meaningful additional revenue](#)



## Case in Point

At the Dachis Group's Social Business Summit in 2013, John Hagel Co-Chair of the Centre for the Edge at Deloitte described the vast, and yet relatively untapped, potential to improve business productivity and performance by making the invisible visible with analytics.

This is now the real world for the revenue generation function and sales performance.

CSO reported in their 2014 Sales Performance Optimisation Study that in 2013 only 58.2% of sellers made quota and that only 83% of organisations hit their revenue targets. Just as concerning, over 94% of the 1,200 organisations surveyed are lifting their revenue numbers in 2014.

Everything the revenue function does and undertakes has to be in the context of improved performance and productivity for companies and individuals. It is critical to sales success as highlighted in our white paper 'In Pursuit of Productivity'.

Hagel points out that when the invisible keys to performance become visible, greater productivity is the outcome.

In Hagel's view, those who find novel ways to drive performance, using 'flow metrics' that make the invisible visible, will be the winners in a world of mounting performance pressure.

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It will enable leaders to see the activities that are associated with better outcomes and stronger performance more clearly - at the same time, equips the individual to better understand the gaps in their own performance and how to close it.

Leadership will have visible data, analytics and pattern to identify the authentic leading indicators associated to performance and productivity. They will have authentic leading indicators of operating performance enabling better decisions, reduced risk and greater efficiencies and effectiveness - the result; greater productivity, stronger margins and growth with certainty.

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*If you gave them the tools and technology to recover just 60 minutes per day, or 12.5%, and have it applied to selling activities, you could feasibly increase revenue by \$125k per seller pa.*

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See John's presentation here - <https://vimeo.com/65646957>



## The meaningful upside and impact

In Aberdeen Groups research report 'Sales Analytics: Data-driven Forecasting for Better Quota Attainment' identified the Leaders (top 30%) and the Followers (bottom 70%) had very different results in the past 12 months:

- Change in organic revenue – Leaders improved 23%, Followers only 3.6%
- Change in average sales cycle – Leaders improved 8.3%, Followers worsened by 6.4%
- Change in a seller achieving quota - Leaders improved 9.3%, Followers worsened by 8.1%

Sales capacity is critical. This is the number of people selling and the available time to sell. If you want to increase capacity, you either increase the number of sellers or increase the selling time. Adding headcount increases the cost of sale, whereas increasing selling time reduces it significantly.

The productivity challenge? There are only 24 hours in the day, and less selling hours. To ask sellers to do more, without adjusting the process and providing the right technological tools to do so will have a negative impact on your capacity.

Let's estimate there are on average around 200 selling days a year (taking out leave, sick days etc), or 1,600 hours based on an 8hr day and each has a \$1m quota.

If you gave them the tools and technology to recover just 60 minutes per day, or 12.5%, and have it applied to selling activities, you could feasibly increase revenue by \$125k per seller pa.

**In order to apply effectiveness measures, you need to understand the 'sales motions' and what is productive and what is not.**

Improving the revenue functions productivity only comes through knowing what you know works. The only way you can shift from what 'you think' works to what 'you know' works is through capturing and measuring what people are actually doing. Then and only then will the data become prescriptive.

[Read how Yahoo increased selling time by 13% through saving two hours of productivity a week per rep and four hours a week for managers.](#)



McKenzie, in their Chief Marketing and Sales Officer Forum 'Big data, Analytics and the Future of Sales and Marketing' (McKinsey & Co, 2013) highlighted:

- To be useful to sales, the data needs to be simplified
- Simplify the leads (right prospects, right margin, right pace)
- Use the data to run tests against hunches
- Simplify tools with dashboards that mask complexity

They go on to report outcomes such as adding 20% share of wallet through the provision of simple, relevant and authentic data.

In conclusion, the key to driving productivity in your organisation comes through finding the points of leverage—where investments will yield the best return.

The right 360 degree view combining internal performance and customer behaviour and insights will not only increase the available selling time but also ensure that time is focused on working with the right customers using relevant processes, skills, tools enabled with easy-to-use technology.

Organisations have all the information they need to improve revenue productivity and drive stronger margins. What most of them lack is insight into that information.

## There is no replacement for results

*We live in a world where there are no limits for those who can create results.* The faster you can use what you've learned to execute results, the sooner your history — no matter how impressive or unimpressive — won't matter.

Your ability to deliver valuable results to people better than anybody else will determine your success. Meet people's needs, add value to their lives through as many avenues as possible, it doesn't matter what marketplace you are in - you will get paid, and paid well, for results.

Results are the only way to sustain long-term success and people see through other avenues such as positioning and manipulation very quickly, and in this connected world it will stay with you for a long time.

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**Organizations using  
predictive metrics will  
increase profitability by  
20% -Gartner**

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If you come up with a different way to get people the results they're looking for, you can do anything you want. This '**revenue velocity technology**' or '**revenue performance intelligence**' is certainly delivering on that.



## About TRED

TRED is a specialist revenue performance improvement company that focusses on the productivity, efficiency and effectiveness of revenue management's key assets - sales, business development and customers.

We increase your revenue asset's productivity and margins whilst enabling leaders to make better decisions through the provision of faster, more accurate and authentic performance data.



TRED delivers:

-  Stronger margins through increasing your revenue generation productivity and business efficiency on a targeted basis.
-  Data-driven tactics and strategy giving managers the analytics and tools to better enable decisions on where to invest efforts to achieve greater productivity delivering consistent and sustainable revenue and margin growth.
-  A more cost-effective way of reporting, measuring and analysing the efficiency of revenue generation activities, customer perception and business performance.
-  Greater customer advocacy and stronger, premium revenue streams.

TRED unique solution combines internal performance data with powerful customer perception, buying behaviour and trust analytics. Our solutions are founded on specialist technology, empirical research and a deep understanding of business revenue generation complexities, and customer requirements.

