State of Sales Productivity Report

Over the past 2 years, Docurated has had the pleasure of working in the trenches with sales and marketing teams. While most VPs of sales tout growth and new logos as key business imperatives, the state of sales teams from a holistic investment and management perspective reveals a different story; there is a stark disconnect between what management sees/does and what reps want/need.

For example, marketing mainly controls the budget that is meant to make sales more productive, but most marketers are not tying their work directly towards efficiency or effectiveness and have no way of measuring their impact.

Secondly, productivity is often measured in the absence of quality/effectiveness. Just because a rep is able to crank through more deals doesn't mean that key metrics like close rate or average selling price goes up.

Finally, most sales leaders I talk to tell me that onboarding and analytics are two key areas of focus, but when I talk to individual contributor sales reps I hear them struggle with simple things like finding the approved sales deck and needing to manually upload data and content to a sales administrative tool.

This first of its kind study aims to provide data and fact-based intelligence on the state of sales productivity, to identify challenges, and provide recommendations for maximizing this vital functions' effectiveness. I want the readers of this report to leverage the data to build a business case for increased Sales Productivity investments at their organization.

Best Regards,

ALEX GORBANSKY

Chief Executive Officer, Docurated

Executive Summary

The State of Sales Productivity Report examines the key trends and challenges facing sales and marketing leaders at leading enterprises. Leveraging anonymized data from the Docurated sales productivity solution and a survey of 127 sales and marketing executives, this report examines the state of sales productivity from both the sales rep and sales management perspectives. Its findings paint a disconnect between what management sees and does, and what sales reps want. Management is focused on hiring, onboarding, and analytics, but reps are struggling to find and use the basic systems and processes needed to do their jobs.

> *"Our biggest lever for hitting our new goals is to squeeze more out of our existing resources."*
>
> - **EVP Sales, Leading Global Technology Firm**

Key findings from our study:

1. Sales productivity is a top driver for hitting new revenue targets
2. Organizations are investing more and more in sales productivity
3. Sales productivity is often marketing's responsibility, however marketing does not prioritize sales productivity projects
4. Measuring productivity can be more expensive than realized productivity gains
5. Most organizations define productivity as just efficiency and are missing the gains that effectiveness can bring
6. On average, organizations are investing nearly $20,000 per rep on sales productivity initiatives (including tools, training etc…)
7. Three of the biggest opportunities for improving productivity are:
   a. Reducing rep onboarding time
   b. Less time spent updating CRM and reporting on pipeline
   c. More efficient process for finding and using the right content

8. Reps spend only 32% of their time selling, with the remainder of their time spent on admin tasks like updating CRM and looking for content to include in a sales presentation

9. While high quality content is cited by reps as one of the key drivers to winning deals, the single biggest challenge for teams is the inability to find the right content

10. For most reps, it's faster to recreate content than to find it

Key Findings

## 1. Improving Sales Productivity Seen As Critical to Hitting Revenue Goals

Regardless of company size, growing the business is a priority for sales and marketing VPs. 56% of teams are expected to hit growth goals that are at least 20% higher than last year.

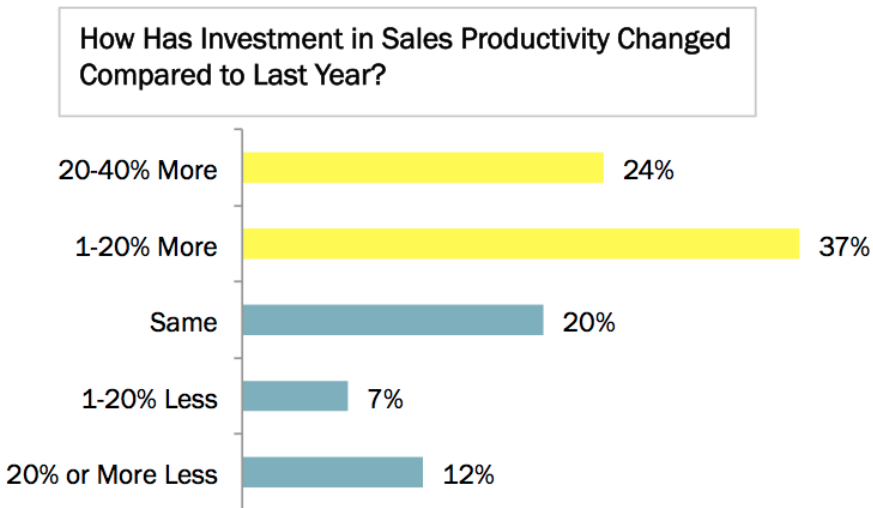**How do your revenue targets this year compare to last year?**

> 40% Higher	17%
21-40% Higher	39%
0-20% Higher	24%
Same	12%
10-20% Less	8%
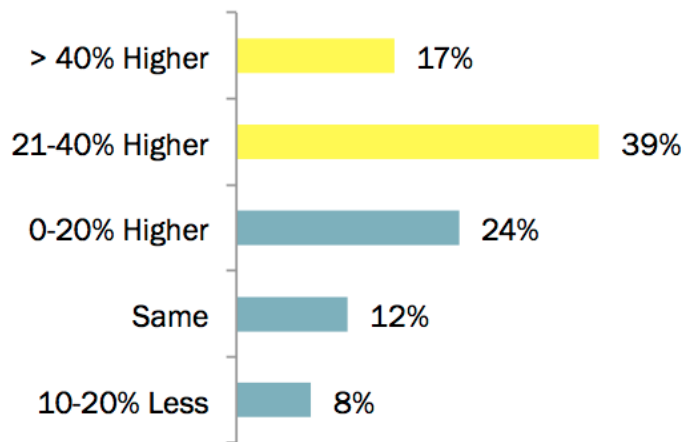
When asked *"how will you hit your goals?"* 79% of respondents see improving productivity of existing resources as the key. In addition to productivity improvements, increasing headcount is seen as another lever, albeit a much more expensive one. Expanding go to market territory is not seen as a major influencer in economically meeting sales goals.

Top 3 drivers of hitting new targets (% Respondents)

Expanding Geographic Territory	12%
New Product Upsells	23%
Improving Productivity of Existing Reps	79%
Increasing Headcount	62%
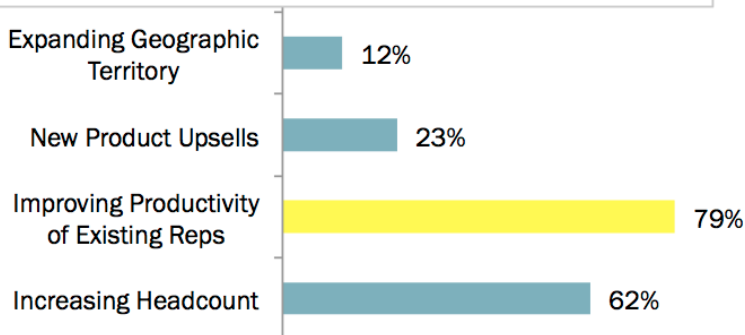
2. Organizations are Increasing Sales Productivity Initiatives

The majority of respondents (61%) in our sample set will spend more on sales productivity initiatives this year compared to last year. Almost one quarter of sales and marketing leaders will increase sales productivity spending by more than 20%. With the typical organization spending $24K per sales person in improving productivity, this amounts to a bottom-line addition of at least $4.8K per rep.

How Has Investment in Sales Productivity Changed Compared to Last Year?

Category	Percentage
20-40% More	24%
1-20% More	37%
Same	20%
1-20% Less	7%
20% or More Less	12%

"… we've seen rivals increase sales productivity by leveraging team competition, recognition programs, and technology that reduces manual work."

- **VP Sales Enablement, Fast Growing Software Firm**

3. Marketing Controls Sales Productivity Budget but Does Not Have a Way to Measure Impact

52% of respondents state that Marketing is responsible for the sales productivity and sales enablement function at their firms. In our survey we defined Sales Productivity as "*the function responsible for sales efficiency and effectiveness, with the goal being to increase the rate at which a salesperson acquires revenue for the organization*".

Who Owns Sales Productivity in Your Organization?

5%
12%
52%
31%

- Marketing
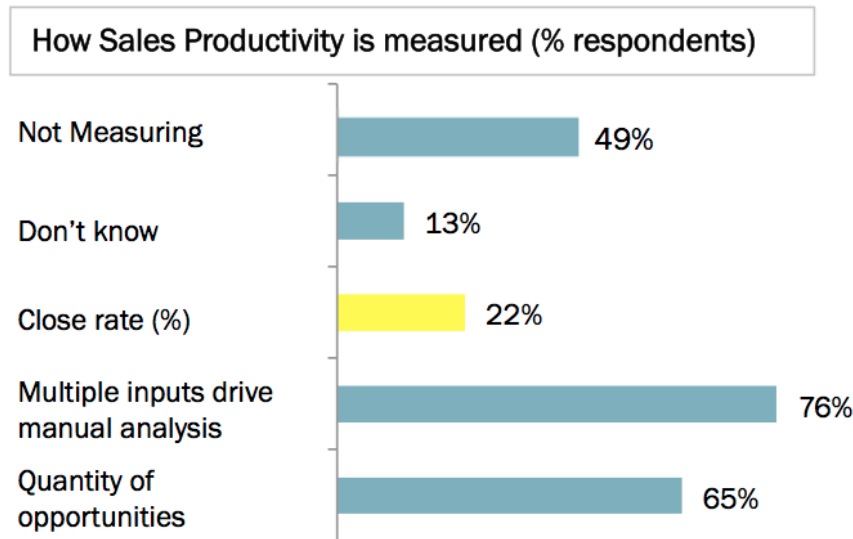- Sales ops/enablement
- No one
- I don't know
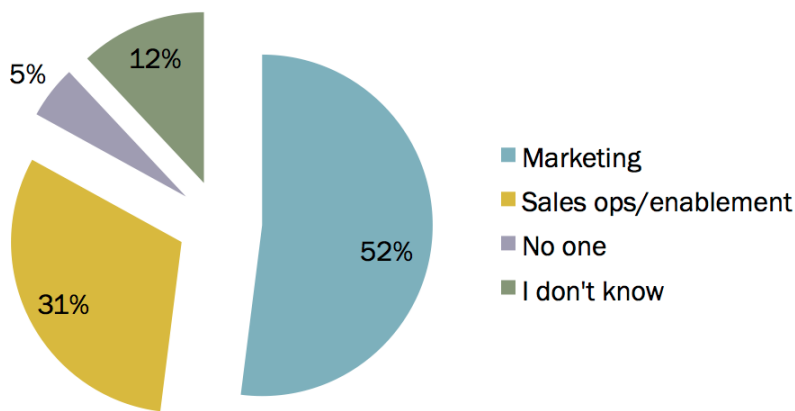
However, Sales Productivity is not resourced as a major priority within Marketing departments and this creates a significant alignment challenge for organizations.

How Marketing Allocates Resources

9%
13%
24%
15%
4%
16%
19%

- Content
- Events
- Online
- Sales Productivity
- Awareness
- Demand
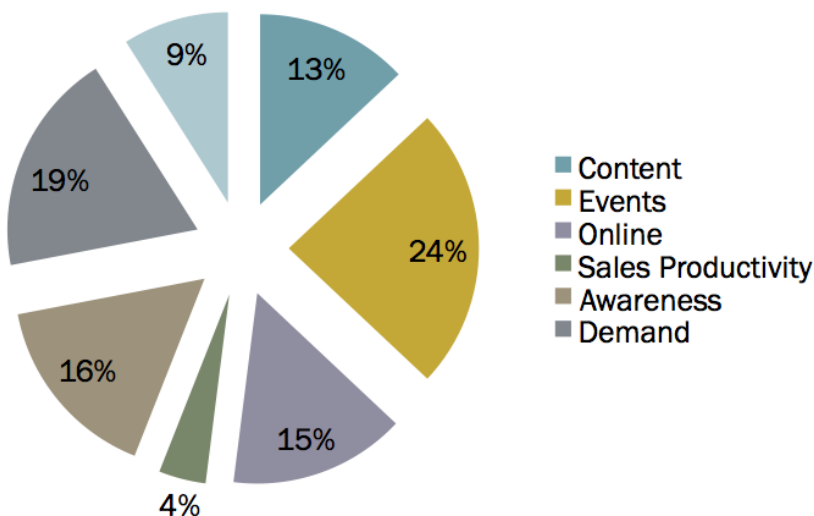
Most companies are not tying their work directly towards productivity or effectiveness and have no way of measuring their impact. Many of the "**Not Measuring**" respondents stated that the systems used to measure sales productivity require so much manual labor from marketing and even sales, that any productivity gains get swallowed up with the extra labor required to do the accounting.

How Sales Productivity is measured (% respondents)

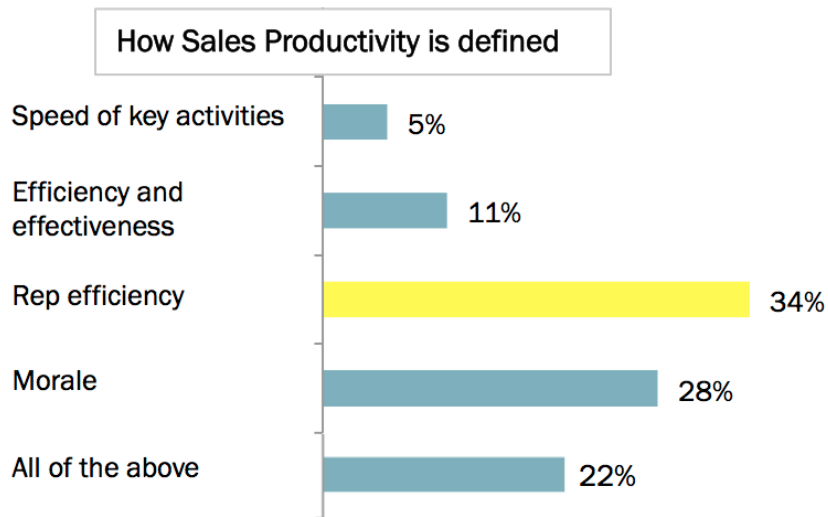|	
Not Measuring	49%
Don't know	13%
Close rate (%)	22%
Multiple inputs drive manual analysis	76%
Quantity of opportunities	65%

Productivity being measured in the absence of quality and effectiveness is not enough. There is an opportunity cost to Sales, and just because a rep can crank through more deals doesn't mean that outputs like close rate (%) and average price ($) improve. Just analyzing the quantity of work is detrimental to the long-term success of a company. A quantity only measurement does not consider how effectively each lead is being managed. Higher performing teams look to improve both the quantity of deals and the key metrics of a deal. In our analysis, only 22% of respondents use close rate (%) as a measure of productivity.

4. Most organizations define productivity as just efficiency and are missing the gains effectiveness can bring

When asked, "*how does your organization define sales productivity?*" 34% of respondents cited rep efficiency. Leading sales enablement analysts would say that defining sales productivity as only efficiency is too narrow. Focusing on efficiency only would make an organization miss out on the huge gains that are possible from improvements in effectiveness.

How Sales Productivity is defined

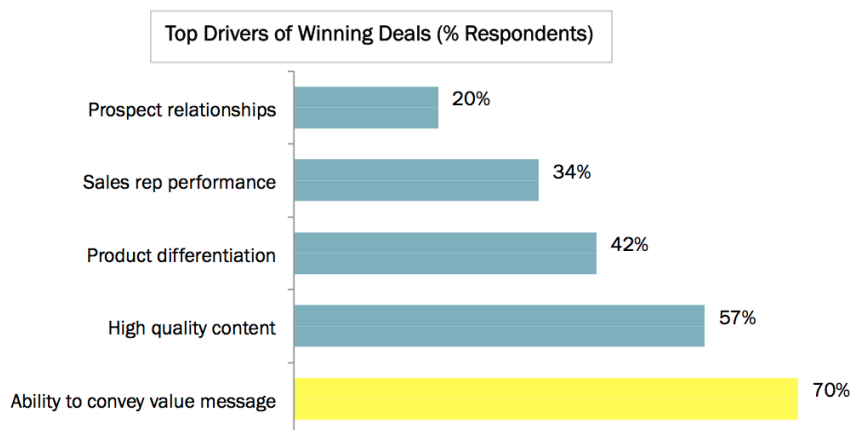|	
Speed of key activities	5%
Efficiency and effectiveness	11%
Rep efficiency	34%
Morale	28%
All of the above	22%

5. High Quality Content and Value Messaging Seen as Top Drivers of Winning Deals

Respondents in the sample set are unanimous that their sales reps' ability to convey their product/service's value message is the leading factor in winning deals.

> *"Relationships still matter, but now it's all about content and value, and getting it to the client as quickly as possible."*
>
> - **SVP Sales Strategy, Global Media Publisher**

With buyers conducting so much of their own research before engaging with a sales rep, it is critical that reps deliver value to their prospects with every single touch point.

Top Drivers of Winning Deals (% Respondents)

Driver	%
Prospect relationships	20%
Sales rep performance	34%
Product differentiation	42%
High quality content	57%
Ability to convey value message	70%

6. Reps Spend only 1/3 of Their Time Selling and Pitching Customers

Sales and marketing leaders report that only ⅓ of their sales reps' time is spent in front of customers. Worryingly, reps are spending almost the same amount of time searching for content and creating new slides for upcoming meetings. According to the Information Technology Services Marketing Association companies spend 16% of their overall budget on marketing content. With this investment in mind, sales leaders must ask themselves: "*if marketing is creating so much content, why are reps trying to re-create the wheel?*"

% Time Spent

- Selling/Customer
- CRM/admin/reporting
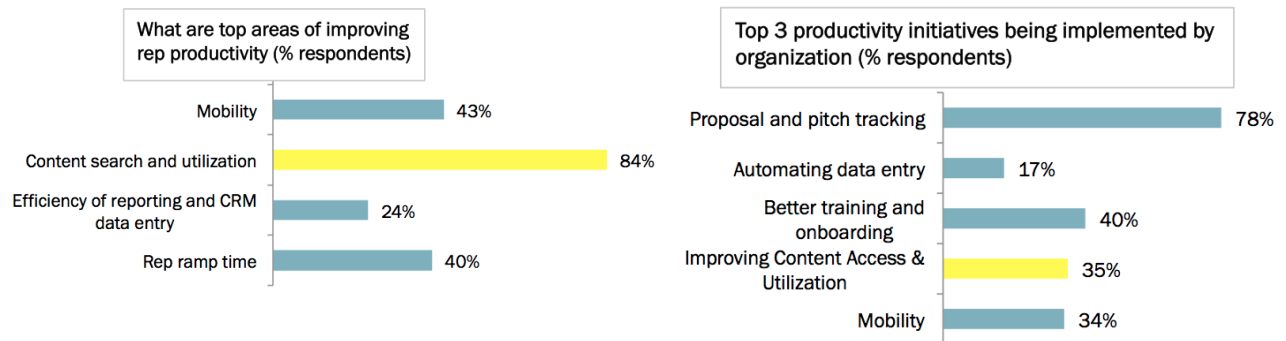- Searching for/creating content
- Other
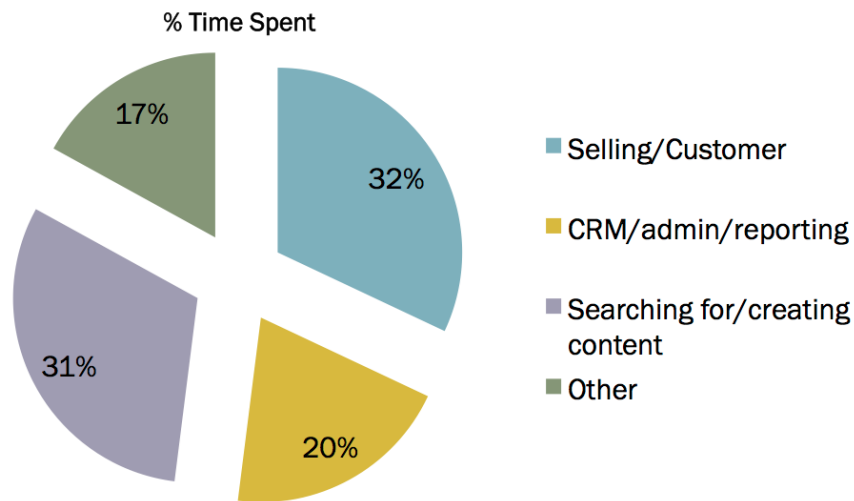
Interestingly, this observation aligns with data released by IDC and McKinsey which states that sales reps waste 10 to 20 hours per week on unproductive tasks (re-creating existing slides, curating materials for presentations, searching through documents) related to information retrieval. In a 1,000-person company this leads to $50M in lost revenue opportunities and a waste of more than $5 million in annual salary costs.

7. There is a Disconnect Between What Reps Need and What is Actually Being Done

Content search and utilization are seen as the top areas for driving rep productivity by over 80% of respondents, but only 35% of sales leaders are tackling the content problem. Mobility and onboarding are also highlighted as areas to drive rep productivity. However, when it comes to implementation, proposal and pitch tracking tools are leading the way in terms of investment.

What are top areas of improving rep productivity (% respondents)

Mobility	43%
Content search and utilization	84%
Efficiency of reporting and CRM data entry	24%
Rep ramp time	40%

Top 3 productivity initiatives being implemented by organization (% respondents)

|	
Proposal and pitch tracking	78%
Automating data entry	17%
Better training and onboarding	40%
Improving Content Access & Utilization	35%
Mobility	34%

If content utilization is essential for reps to sell the most value, wouldn't it make sense to allocate more sales productivity budget to this lever?

8. Finding Content is Extremely Challenging

Storage is cheap. It is information retrieval that is expensive. The typical sales rep can easily produce thousands of emails, spreadsheets, proposals, reports, and notes annually without breaking a sweat. Saving this content has never been easier either. We are living in a heterogeneous world when it comes to storage. Content storage options such as cheap external hard drives, on-premise systems like SharePoint, and cloud services like Box and Dropbox, have made content storage even simpler than content creation. The result can be scary, however, as it isn't difficult for organizations to have content scattered across 5-6 different repositories.

On a scale of 1 to 5, with 1 being dead simple and 5 being almost impossible, how easy is it for you to find the content that you need?

Rating	Percentage
5	22%
4	36%
3	24%
2	13%
1	5%
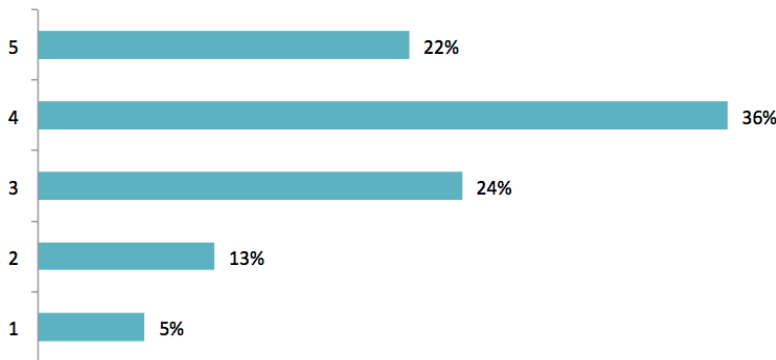
In mature, and even nascent companies, it is common to accumulate Terabytes of work that is stored on aging and difficult to access infrastructure. This should be a concern as it is common for sales people to feel that marketing generated content isn't easily accessible or simple to use in a timely fashion. When reps don't know any better, or when they can't immediately find what they are looking for, they often reuse (dated) materials they are familiar with instead of seeking out the freshest content from marketing.

"Our file server is a complete black hole. We have years of stuff and it is impossible to find anything. I should be spending this time prospecting new opportunities."

- **Director Business Development, Leading Advertising Agency**

The great challenge is locating what you need, because finding and retrieving content is far more difficult than creating and storing it. Survey respondents tell us that *on average, reps spend 8 hours per week searching for content!* For most reps, it takes more time to find a piece of content than to just recreate it from scratch or recreating content from scratch is faster than finding it today.

About Docurated

Docurated is a Productivity Solution that enables Sales Organizations in companies such as Rocket Fuel, DigitasLBi and Havas surface and leverage the best Marketing content for higher quality pitches and faster go-to-market. Beyond Sales, Docurated supports other critical functions, such as IT, Finance and Legal, across leading organizations such as Netflix and Goldwater, Dube, drastically reducing time spent retrieving critical information from legacy content repositories. Docurated enables IT to maintain its existing infrastructure while transforming a hierarchical and disparate content system into a powerful and simple knowledge store, where content can be instantly surfaced without having to remember where it lives.

For more information on how Docurated helps enterprise sales teams accelerate pipeline with the best content, visit www.docurated.com