



6 AREAS OF OPPORTUNITY FOR SALES OPS

EBOOK



As a sales operations manager or team member, data is your key to credibility. Not only does the whole job function around reporting and pivoting on hard numbers, but the use of reliable data gives credence to sales ops' strategic efforts. When the expected outcome meets actuals, confidence in the process is instilled. Conversely, when the data leads organizations astray or in a fruitless direction, sales ops loses reliability.

To understand how to avoid common pitfalls in your organization and bolster credibility, we'll start with how sales ops' relationship with data has changed overtime.

The Shift in Sales Operations: Data Yesterday, Today, Tomorrow

When Xerox first established the sales operations role in the 1970s, the goal was to dedicate a person or team to managing and reporting on the numbers involved with sales planning, compensation, forecasting, and territory design.

Today, the objective is nearly the same, but the numbers involved have exponentially grown with the advent of big data technologies. Before CRMs, ICMs, and BI tools, the challenge was getting the data needed to streamline and grow sales organizations.



The modern sales operations managers' main challenge isn't getting or finding data, but rather making sense of the vast amounts of it.

With great access to information comes great insecurity. When you have a sea of data in front of you, where do you look first? It can be overwhelming. Especially when you consider that some organizations only have a single person dedicated to a job that covers everything from sales reporting to compensation and CRM to territory design and planning. That's a lot of numbers to oversee.

But there is an upside to so much data. With a rapid increase in information, comes increased opportunity to make more meaningful improvements for the sales organization. The trick is learning to identify and prioritize the areas that provide maximum ROI.

The following are six areas where sales operations managers can use proven and repeatable processes to deliver greater business value.

1. ACT AS AN ADVISOR TO SALES AND EXECUTIVE LEADERSHIP

The head of the aforementioned Xerox's sales ops team described the job as "all the nasty number things that you don't want to do, but need to do to make a great sales force." While it might feel like that to sales ops on some days, this position is a deeply strategic one that goes beyond "number things." This is especially true for those that have eliminated much of the tedium by leveraging modern sales analytics dashboards.

Leveraging data, sales ops can uncover greater strategic value for the business. Key data resources for sales operations include:

- CRMs (customer relations platforms like Salesforce)
- ICMs (incentive compensation management software like Xactly)
- Sales and campaign results
- Lead gen numbers
- Internal and external benchmarking reports
- Sales territory data

It's in these key areas that sales ops begins to pull away and carve out its true value. Sales ops managers have an intimate understanding of the business that sales leaders and executives do not. When data is properly wielded, sales ops can elevate the job from tactical necessity to invaluable strategy.

One of the most important ways to do this is by ensuring that sales team activity is aligned with the overall business goals.



Data can be a sales operations alignment tool. Metrics can tell you where to focus your efforts.

If the top measure on a sales rep's comp plan is any sale, you'll drive sales in general. But if the measure is based on sales involving 5-year contracts, an organization is able to support specific initiatives that are aligned with the quarterly and annual goals of the company. The trick is bridging the incented sales behaviors with the business strategy.

In theory, this is simple enough to do, but in practice, it's difficult to deliver. Ask each of your reps, ideally through an anonymous survey, what the company strategy is and their personal goals. You're almost guaranteed to get opposing answers.

To fix this, track and record these responses. The survey responses show where reps are focusing; place it alongside the overall business goals you've heard leadership communicate.

It's this continued practice where sales ops can establish itself as more than the keepers of all those "nasty numbers." Repeatedly building out reports and using them to guide sales leaders is an effective strategy for elevating sales ops from tactical to strategic. Supporting and bolstering longer term outlooks for achieving goals can lead to sales ops:

- Establishing and leading centers of excellences (COEs) for their organization
- Playing an integral role in sales planning meetings as their findings and analysis begin to more regularly inform direction and decision making
- Acting as a "right hand" trusted advisor to sales leaders

With the data highlighting the discrepancy in front of leadership, sales ops can get the buy-in to redirect sales efforts—likely through the use of sales incentives. Realigning sales compensation to motivate the right behaviors can quickly drive business change and give sales ops credibility.

ACTIONABLE ADVICE

- Identify high value reports that can be regularly presented and reviewed
- Create a list of strategic recommendations based on the data
- Report monthly on any opportunities or risks that should be acted upon

2. LOOK BEYOND PIPELINE NUMBERS

Contrary to your sales VP's belief, pipeline numbers aren't the only ones that matter. Sales ops has a great opportunity to bring attention to other metrics that could significantly transform the business for the better. The truth is that pipeline doesn't paint the whole sales performance picture. Worst yet, pipeline is a surface-level metric that can often lead to an unreliable forecast. To get a reliable look into your sales org's future, you need to analyze a few other dimensions:

- YoY data for every sales metric—just like a 10Q financial report shows performance against the same period in the prior fiscal year
- Sales reps' or associates' progress towards OTE
- Turnover rates overall and by teams (watch for unusual spikes)
- Tenure of the sales force and open positions
- Territory sales potential, balance, and coverage

Typically, the analysis used for forecasting, territory planning, building comp plans, or performance assessments begins in the past. Year-over-year data is, of course, useful—but doesn't outline everything you should be considering. A cross-analysis between past, present, and competitive numbers is critical.

Past benchmarks provide one important thing: trends. These could be good or bad trends—both are equally valuable. Obviously, the latter are ones to avoid. The former ones should be replicated, but with the understanding that this metric should be monitored and updated accordingly.

Queue in the importance of present data. Past benchmarks and understandings need to be continually held up to up-to-date reviews. Tools like Xactly Insights for Sales™ make it easy to review the latest metrics across your organization while also providing pay and performance data from best-in-class companies.

It's from these comparative industry numbers that you can come to understand how competitive your reps really are, if you're overpaying or underpaying, and generally where your sales org stands in the grand scheme of things.

ACTIONABLE ADVICE

- Look beyond sales pipeline to accurately assess sales performance status
- Benchmark against past, present, and competitive numbers
- Review rep earnings year-over-year, NOT just quota
- Monitor turnover spikes and adjust earnings to keep top performers

3. MAXIMIZE THE RETURN FROM TERRITORIES WITH DATA

Territory design is a central component of the sales planning process, but unfortunately is still too often done with spreadsheets and maps. In addition to being time-consuming and error prone, misaligned territories can lead to lost revenue.

The opportunity for growth and optimization occurs when sales ops managers switch to a data-driven software that brings intelligence to the territory design and planning process. With a data-driven approach, organizations can optimize territories to ensure they have a fair distribution of sales potential and are appropriately balanced and travel efficient. In doing so, companies can lower the cost of sales and increase sales revenue.



Increase your revenue 15% by using data for territory alignment to create more green field opportunities.

Take a look at the some the research numbers on how advanced territory planning software financially transforms businesses:

1. According to Alexander Group, organizations can achieve a 10-15% cost reduction (or reallocation) with territory optimization and deployment by matching territory size with revenue and profit growth opportunities, reducing the number of territories; and lowering cost channels.
2. According to our AlignStar™ customer data, companies that digitize their territory alignment process identify more “white space” and “green field” opportunities, increasing revenue up to 15%.
3. According to research by Aberdeen Group, average level of annual quota attainment is only 55%. Poor territory design and planning impacts both quota and revenue attainment. Balancing territories is the first step in setting appropriate sales quotas.

It makes sense why organizations should be using sales territory planning tools. Now let's dive into how this really works.

It should be no surprise that beyond automation, it's the data that produces dividends. The data allows you to do a few key things. With access to data from territory planning software, sales ops can:

- Determine sales workload capacities
- Identify when a territory redesign is needed in order to service more customers or adapt to a changing market
- Gain a greater understanding of the entire sales landscape, including relationships, tenure, experience, and workload
- Have more productive conversations concerning the sales health of territories and strategic direction
- Identify top performing salespeople and accounts and align them and resources for maximum impact

All of the above has the added benefit of powering reviews and annual planning in a way that directs the organizations towards improvements that result in ROI. And with data in your back pocket, you can go into sales planning and assessment meetings with confidence.

ACTIONABLE ADVICE

- Implement territory management software
- Develop clearly defined parameters and timing for managing changes to territories
- Center territory rollout meetings around the data, not hearsay
- Establish a more regular cadence for reviewing critical elements of territories, e.g., quotas, workloads, resource allocation

4. GET THE TOOLS TO DEAL WITH DEMAND

Modern sales operations managers have one huge advantage that the Xerox's 1970s sales ops group didn't: tools built specifically for the job. "Job" in the case of sales ops is an understatement. Let's take a moment to consider a sales ops manager job description.

Responsibilities:

- Assess and improve overall sales strategies, goals, territory planning, and compensation plans
- Support executive leadership with reporting and data for strategic decision making
- Support sales enablement activities with training, playbooks, and SKO supplements
- Manage/oversee CRM and sales automation tools
- Implement and optimize sales incentive compensation plans and objectives
- Report on sales performance status with data, analysis, and modeling
- Provide modeling to support quarterly reviews and sales planning

This list could go on depending on the organization. There's a lot to do and often more than any one person can realistically do well. While the responsibilities have increased in volume, so has the need for ways to handle not only the tasks involved, but the numbers too. They need to rely on tools to keep up.

9 Common Tools for Sales Ops

Tools for sales ops can be split into categories based on eight needs, including:

1. **Product pricing.** Getting pricing quotes for potential customers: CPQ (configure, price, quote) can eliminate the back and forth of generating a quote, automating the process through tools like Salesforce.
2. **Forecasting.** Predicting how many deals are going to close is a must for any reputable sales ops leader.
3. **Sales enablement and training.** Getting sales up to speed and continually increasing their knowledge is easier and more effective with tools as your teaching assistant.
4. **Planning & payouts.** Sales planning requires benchmarking tools and robust incentive compensation management systems.

5. **Sales territory design and planning.** An automated and data-driven approach to sales territories streamlines processes and boosts revenue opportunities.
6. **Prospect engagement.** This can mean anything from software that engages prospects through automated emails to aiding product demos.
7. **Lead management.** How are your leads being routed? Are they being routed? Routing software can ensure that sales ops maximizes the leads
8. **Data tools.** Sales ops revolves around data, making management, reporting, and analytics tools like [Xactly Insights™ for Sales](#) a huge boon for the job at hand.
9. **Customer relationship management.** The ‘customer comes first’ adage should drive everything an organization does and that includes the software used as the driving force behind the sales process.

With each of these areas spelled out, you can make a simple checklist to start filling the gaps or even identify where your current tools may be failing you.

Notably, this list proves how vital sales ops is to a business. Sales ops manages to impact nearly every function of a sales organization. With **the right sales and data tools**, sales ops managers can be the guiding light for an organization, implementing game-changing improvements.

ACTIONABLE ADVICE

- Identify all the major functions that sales ops touches in your organization
- Assess where automation could be pulling more weight and relieve some of the burden
- Fill the gaps or improve the sections where your current tools aren't cutting it

5. USE DATA TO BE A SALES ORG DETECTIVE

Sometimes for sales ops it's not so much what needs to be fixed, but where to start. Clear and achievable objectives will focus your vision and let everything that doesn't matter at the moment fall away.

Let's walk through an example of how you'd use data to answer some pointed questions regarding a missed revenue target:

- First, look at the data for clues. Low close rate? Drops in quota attainment? Too many salespeople exceeding quota?
- Identify one area that that can be improved relatively quickly and simply. In this case let's look at quota attainment.
- Develop hypothesis with sales leaders.
- Adjust the numbers and incentive compensation accordingly.
- Establish KPIs (key performance indicators) ranging from worst, average, and best case outcomes.
- Monitor quota attainment metrics for 30 days and report back to sales leadership with data that either validates or contradicts hypothesis.
- Repeat 3-5 and tweak until desired results.

These steps, of course, are a simplification, but as general guidelines they're solid ground from which to start. Try to keep this process of assessing and fixing a problem area as simple as possible. Too much process clogs the machine; not enough and the machine moves around haphazardly.

Tools can be a remedy, alleviating bottlenecks and streamlining processes that in the 21st century should not be done manually. These advances not only improve the business as a whole, but remove tactical tedium and free up sales ops managers to be effective advisors to the sales org and leadership.

6. SUGGEST THE BEST TEAM STRUCTURE

One of the best practices that sales operations teams can drive is the sales team structure. With data in hand and a strategic outlook, sales ops can play an influential role in determining the best team structure for their organization. Here's a look at three of the sales team structures that have been proven to consistently generate results.

THE ASSEMBLY LINE

In the assembly line structure the goal is to segment and streamline the distribution of labor. Like Henry Ford's assembly line, each team member is given a specific role. With a dedicated person assigned to a role in the sales cycle, these processes can be helmed to maximum effectiveness:

- Lead generation
- Business development
- Territory planning
- Account management

Advantages:

- Provides predictability
- Easily identifies issues in a certain area
- Improves efficiency and competency
- Increases transparency and accountability

Disadvantages:

- Difficult to implement in teams with less than five headcount
- Segmentation can lead to stagnation
- Segmentation can create silos of information
- Not realistic for single sales ops teams

THE ISLAND

The island is more of a traditional team structure—manager and team hierarchy. Each member is expected to wear multiple hats across sales ops, territory planning, and even sales compensation management. Managers are responsible for their direct reports hitting their numbers.

Advantages:

- Effective within simple sales processes
- Requires minimal management
- Encourages competition

Disadvantages:

- Can encourage an overly competitive and aggressive environment
- May produce a wide range of disconnected approaches to same the responsibilities
- As promotions occur, high performing sales reps can be moved away from selling due to manager responsibilities

THE POD

This is similar to the assembly line model—except a pod will dedicate two or three team members to specialized roles along specific points in a buyer’s journey. Instead of reps competing against each other, in this structure pods compete against other pods. Since each touchpoint gets the full support of a pod, this model is highly customer-focused model.

Advantages:

- Bolsters support across the buyer’s journey
- Improves communication
- Encourages collaboration
- Enables agile decision making

Disadvantages:

- Fewer opportunities to highlight individual successes
- Each member must master many functions

FINAL TAKEAWAY: GREAT SALES OPS LEVERAGES EVERY OPPORTUNITY

As the data and responsibilities grow, the delta between a decent and great sales ops team becomes more pronounced. Each change in technology and best practice only makes it more difficult to keep up—making every advantage matter. Zeroing in on all the opportunities available to modern sales ops means leveraging the tactics, strategies, and data management tips above to ensure that:

- Sales ops is perceived as a trusted advisor to the organization and leadership
- Reporting brings attention to the numbers that suggest objectives are clear, limiting confusion and inefficiency
- Productive collaboration between sales, sales ops, sales enablement, marketing, and sales leadership is encouraged through data transparency
- CRMs, CPQ, ICM and others tools are regularly evaluated for effectiveness
- Data is leveraged to course correct ineffective process, optimize what works, and increase pipeline

If there's one theme to pull from these final takeaways, it's trust. It's an unspoken responsibility that sales ops builds confidence in its own job function, the sales process, and the rest of organization. It's from laying down this foundation of trust that sales ops can go from being simply credible to incredible.