

Revenue Performance Management

Maximizing Revenue, Talent and Potential in the Revenue Organization

Benchmark Research Program



VENTANA RESEARCH



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Research Overview

Ventana Research was the first market research firm to focus on the emerging area of sales performance management (SPM), which we define as a coordinated set of sales-related activities, processes and systems that enable organization. Over the past decade, SPM has become more science than art. Properly managing a sales organization requires effective planning, which in turn requires key performance and sales indicators built on a foundation of relevant metrics. But this is changing. As more organizations embrace the subscription business model and engage with additional selling channels over and above direct sales, the concept of the primacy of new sales is transforming to a more holistic view of revenue,

The sales department in many organizations is being superseded by the revenue department, a super-set of traditional sales functions to include not only new business sales, but also includes an increased focus on existing customer retention as well as expansion and cross sell into these existing customer accounts. In addition, as organizations embrace additional sales channels, whether through more typical indirect through partners or via new digital selling channels, true revenue management will require an enhanced degree of alignment and co-ordination across different teams within the organizations. This will impact sales, marketing, partners and customer success. This is often referred to as Revenue Management. As a cultural and process change, to achieve these aims, leadership and planning will be key. Any time an organization transitions to a new process, there will be resistance, missteps and potential disruption. One of the keys to this approach is both a change in strategic leadership and in the planning and monitoring via operation teams. It does not really matter as to whether these are separate teams or unified under revenue operations as long as there is a shared common purpose and a standard way to set targets and measure achievement. Supporting this change will be a focus on new people, processes and technology.

This Benchmark Survey seeks to understand the differing approaches organizations are taking and will allow a state of the industry understanding as to how far organizations have progressed and identify what is working and where there are obstacles preventing smooth progress, whether these are organizational, process or technologically based.

Our research finds that organizations that do their homework and make smart investments in resources and applications have a more effective revenue organization. These are also the organizations that understand that misplaced expectations around sales force automation and CRM systems have led to over-dependency on reports and dashboards that summarize past sales performance and on spreadsheets to plan. As part of this transformation, the techniques and approaches successfully executed as part of the sales organization planning, such as setting targets, managing quotas and resources



well and optimizing sales compensation, will need to be adapted to include a broader set of people.

Delivering this is no easy task. Revenue organizations must meet performance demands and ensure consistent results every quarter and month in and month out. However, many revenue leaders struggle to implement processes that support overall strategy and growth, and efforts to optimize both sales talent and selling experience frequently fall short.

The list of priorities that should be driving revenue organizations today includes providing a superior mobile experience to both the front-line revenue support person and their manager. It also includes adoption of more intelligent applications that incorporate AI and machine learning — for example, those that use performance metrics to provide guidance on accounts and territories. Organizations must address their lack of analytics-based benchmarks using external as well as internal data to guide planning. They also must provide effective collaborative tools to connect team members so they can immediately address critical performance issues and resolve questions. And in the evolving social climate of the modern workplace, business, HR and sales leaders must ensure equitable sales compensation plans and deliver on the promise of a more diverse and inclusive workforce.

Today's cutting-edge RPM applications enable revenue planning and performance management based not only on compensation, quotas and territories but also on resources. This broadened approach to planning makes it possible to embrace a more strategic approach to recruiting talent, ensuring effective onboarding and achieving targets. Modern revenue planning tools also help organizations optimize territory design and identify underdeveloped accounts. In addition, monitoring of pipeline performance and projecting future revenues through the forecasting process will enable continuous adjustments and revisions to territories, quotas and incentives to ensure that organizations can respond effectively and in a timely manner to changed circumstances and market shifts.

This benchmark research will examine the extent to which organizations have adopted and benefitted from dedicated modern processes, applications and tools to effectively manage sales performance. It will investigate the use of analytics and BI, capacity and resources planning, channel management, coaching, compensation, commissions, incentives, learning, objectives, planning, pricing, quotas, rewards and territories. It also will examine the adoption and benefits of AI and machine learning, as well as tools for collaboration and requirements for supporting mobile devices.

Research Background

More than two decades ago, many sales and now revenue organizations began a series of technology investments to improve sales efficiency and effectiveness. These investments have yielded many benefits, such as better automation and tracking of sales. However, organizations continue to struggle to align activities with performance expectations.

Recently most CRM suites have focused on sales enablement and on productivity, particularly in operations — from calls and emails to creating, reviewing and updating accounts. Most sales organizations have moved from SFA to cloud-based CRM. The user experience has gotten easier and productivity has improved. But tools with which to manage sales performance have not kept pace with the requirements of today's sales environments. As a result, many CRM and SFA investments have not helped sales organizations move beyond tactical decisions to build an integrated set of plans that link quotas, territories and compensation to goals.

Both the ongoing market consolidation of providers and the continued reliance on spreadsheets have been barriers to progress for sales organizations. While innovative technology tools increasingly are in place, sales management and operations continue to require better information for use in planning. Organizations need the right set of analytics to generate metrics and key sales indicators that guide assessment, collaboration, actions and decisions to make it possible to achieve expected sales performance.

We are undertaking this research program to assess the current state of revenue performance management and the extent to which current technology helps organizations meet their goals. We plan to investigate sales organizations' processes and technology, whether they are considering new suppliers and the role finance and operations management plays in sales performance management. This program will educate the market on adoption trends, demand and best practices.

Research Focus

This benchmark research will examine how organizations of all sizes are managing revenue performance. It will identify new trends and market indicators of change and will examine what systems and technology organizations need to effectively develop strategy and achieve goals.

The research program will yield a set of recommendations that highlight the business and technology elements of revenue performance management. These recommendations will address key stakeholders' motivations and will help to create a deeper awareness of the



possibilities for process improvement through more effective use of available technology and applications.

Research Objectives

Ventana Research's Revenue Performance Management benchmark research program will identify trends, market opportunities and organizational requirements associated with the management of revenues processes through systems that automate and improve performance. It is crafted to help suppliers of application services in this market understand how to craft a message for and collaborate with sales management and gain executive buy-in across the organization.

Specifically, this research will:

- investigate demand and adoption for revenue performance management.
- determine the level of pain that drives customer adoption.
- investigate what aspects of revenue performance management are priorities.
- identify existing or planned approaches.
- determine what functionalities are critical to revenue organizations.
- explore revenue organizations' choices in cloud and mobile technology.

It also will yield predictive indicators such as:

- characteristics (company size, geographic regions, vertical markets, etc.), level of interest, planned budgets, and time frame of companies.
- purchase intentions for augmenting or buying new applications.
- factors that influence buying decisions — vendor, application, consultants, personnel.
- the awareness level of the target audience, their motivations, concerns and perceptions of solution provider.

Scope and Methodology

This benchmark research will be led by Stephen Hurrell, VP and research director for the Office of Revenue at Ventana Research. Our objective is to have qualified research input from at least 200 companies with more than 100 employees or annual revenues of more than US\$100 million at the levels of responsibility that are pertinent to this topic across IT and related business domains. The survey will be conducted in English. The sample will be qualified through the Ventana Research community and research panel and the specific groups that best represent the focus on product information across the levels of individuals in an organization. All qualified participants will receive a report of research



findings in return for their participation (US\$12,000 value). Respondents also will have the opportunity to win additional incentives ranging from US\$10 to US\$100 in value.

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.

The leadership team behind this benchmark research includes:

Mark Smith, CEO & Chief Research Officer

Mark is responsible for the overall business and research direction of Ventana Research and drives the global research agenda covering both business and technology areas. He defined the blueprint and methodology for improving business by using benchmark research to provide guidance across people, processes, information and technology. Mark is an expert in enterprise software and business technology innovations including: business analytics, big data, cloud computing, business collaboration, mobile technology and social media. Mark has held CMO, research and product development roles at research and software companies. Mark started Ventana Research more than a decade ago; he has worked in the software industry for 25 years leading innovations in research and technology. Mark was rated the 2011 software industry analyst of the year by The



Institute of Industry Analyst Relations (IIAR). Mark is also ranked as one of the top ten technology influencers in 2012 by Human Resources Executive magazine. Mark can be found on [Twitter](#) at @marksmithvr, on [LinkedIn](#) and can be reached via email at mark.smith@ventanaresearch.com. Read his blog at <http://marksmith.ventanaresearch.com>.

Stephen Hurrell, Vice President and Research Director, Office of Revenue

Stephen leads the expertise in Office of Revenue and guides leaders in the applications and technology for buying and selling products and services to maximize revenue. The topics of coverage include digital commerce, price and revenue management, product information management, sales enablement, sales performance management and subscription management. Stephen's uniquely diverse technology experience spans over 30 years, including leadership roles heading up product strategy across a range of data-driven applications in sales enablement, financial reporting and planning, and billing and monetization platforms. Stephen was General Manager at InsideSales.com where he managed the C9 Analytics business, VP of Product and AI strategy at RecVue and held roles at Oracle, Exigen and Aviso. Stephen earned his BS in Economics from the London School of Economics.

Stephen can be found on [Twitter](#) at @ShurrellVR, on [LinkedIn](#) and can be reached via email at stephen.hurrell@ventanaresearch.com. Read his blog at <https://blog.ventanaresearch.com/author/stephen-hurrell>

Hayden Christie, Research Analyst

Hayden Christie is a Research Analyst at Ventana Research. Focusing on research in the areas of Customer Experience (CX) and Office of Revenue, he joined the analyst team in 2020 and works closely with the revenue, products, and client success teams to supply them with the necessary research that makes Ventana Research one of the leading firms in the industry analyst space. He earned his BS in Business Management from the University of Nevada, Reno and has a passion for technology and how it shapes organizations and their processes.

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