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### *The Missing Piece in Prospect Qualification*

CSO Insights' most recent research—the 2013 Sales Management Optimization and 2014 Sales Performance Optimization studies—shows that sales rep time continues to be squandered on poorly qualified “opportunities.” This is a condition that has proven persistent, pervasive, and expensive.

How costly is poor prospect/opportunity qualification? Consider the following: over the past three years (2012-2014) surveying more than 3,800 companies worldwide, the win rate of *forecast* opportunities has dropped from 49% to 46% and the percentage of forecast opportunities resulting in *no decision* has climbed from 21% to 23%. These are not early stage pipeline deals but opportunities that appear on the forecast, meaning they have been pursued through the entire length of the sales pipeline to a point where the rep believes the business will be won. And yet, nearly one in four is resulting in zero return.

This is enormously costly in two ways: 1) later stage sales steps tend to be more resource intensive; and 2) other winnable opportunities are ignored and/or delayed while these non-starters are pursued. There is no shame in losing a deal; the shame, it's been said, is in taking a long time to do so.

Another way that poor prospect and/or opportunity qualification is truly expensive is the drain on sales reps' time researching accounts and generating leads; the figure has now held steady over the past few years at 21% of rep time spent on this task. When you consider that this is one full day a week (1 day/week) it becomes apparent how quickly this adds up.

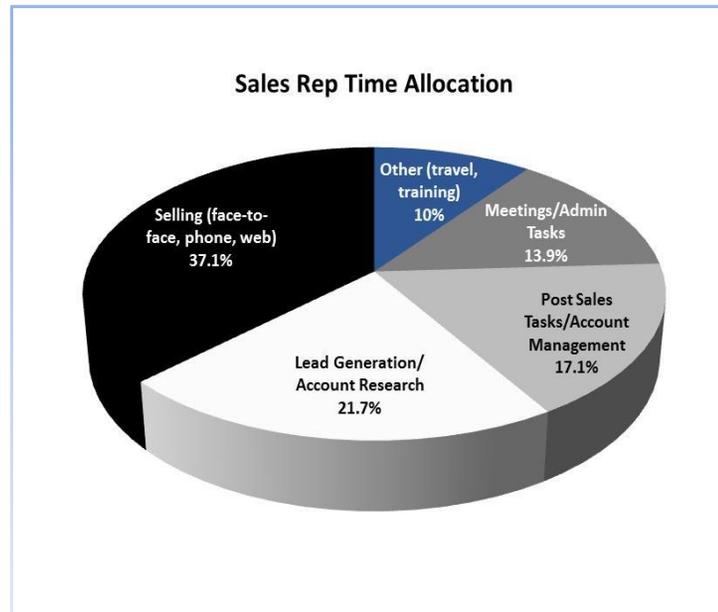


Figure 1: Researching accounts and lead generation consume 1 day/week of rep time and are second only to selling time.

And yet, today's buyers—B2B as well as B2C—are better informed more demanding, and less patient. Having done their own research, these buyers expect reps who call on them to be prepared with information about the buyer's situation, industry best practices, solutions that are tailored to their needs, and the ability to assess their needs in a knowledgeable and timely fashion. Account research and insight into a customer's behavior prior to engaging with prospects is becoming more critical in response to buyers doing so much research before they engage with sales. Capturing and analyzing the customer's behavior and making it available to sales is now becoming a critical success factor.

What's a rep to do?

If reps spend more time researching accounts, they have less time to sell. Your reps may be researching and calling upon the wrong companies to begin with: a) because they have not determined whether the "lead" is of poor quality (i.e., low probability); or b) because your potential solution is a poor fit.

At the same time, the ability to figure out early whether an account really represents an opportunity worth pursuing pays off handsomely, as shown in Figure 2.

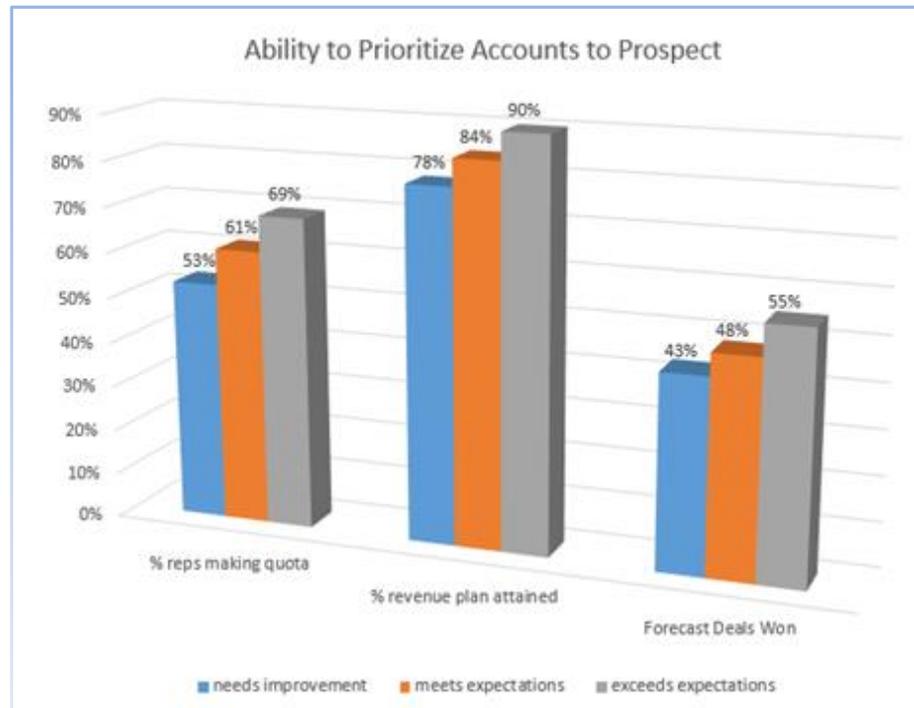


Figure 2: Identifying "opportunities" early that are a good fit is key to increasing sales productivity.

### *Too Much of a Not So Good Thing*

The New York Times' tag line for years has been "All the News That's Fit to Print." This very much describes—though it dramatically understates—the challenge when sales reps begin researching an account. If you Google "industrial manufacturing company Los Angeles," you'll get 202,000,000 results (this is not a typo). While your reps may be researching a more specific term, they may still find themselves inundated with non-useful, "news" items—new hires, earnings reports, press releases—in short, all the news that's fit to push out onto the web.

This flood of news may be relevant, but it's not pertinent and it surely isn't unique. Navigating all these news bits looking for the nuggets that amount to something useful can be one of the main culprits in sucking up selling time (see Figure 3). Sure, you can find amazing information about a company, people in it, connections you may have to them, and certainly a warm introduction is preferable to a cold call. But what all of this searching doesn't tell you are the *attributes* that make this an actual prospect rather than just another suspect.

One of the prime areas for finding these insights is to mine the gold in your own CRM and ERP systems. Sales has been slow to pick up on Big Data and, even as this market segment has gained traction in the popular and business press, many in the space are eschewing the label. Regardless of what you call it, having an analytics engine available to plow through the mountains of data to come up with actionable insights *is* a good thing.

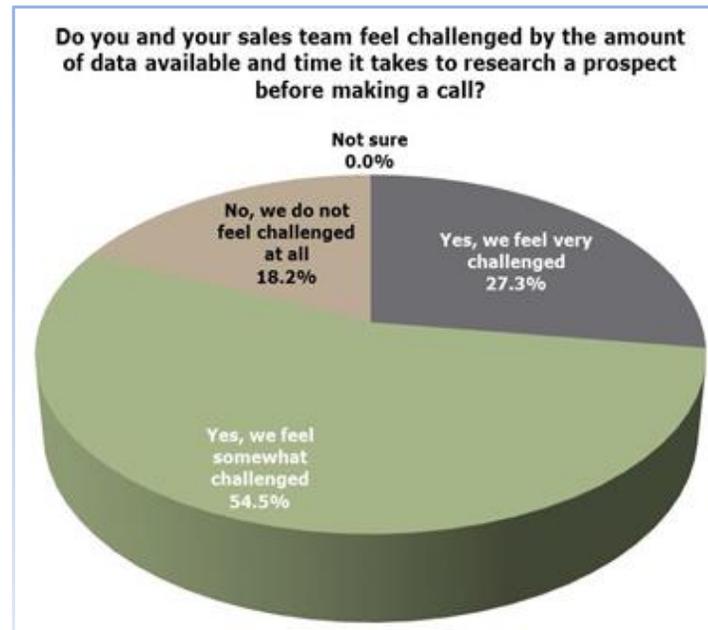


Figure 3: Reps need help sorting through the flood of data and information available today.

An area that is rich in capability and useful in identifying the attributes of great prospects is the concept of predictive analytics. Predictive analytics can help identify “white space” opportunities in the installed base, or the key attributes (e.g., industries, functions, maintenance histories) that are associated with the smoothest (i.e., shortest) sales cycles. Identifying product/service mixes that have proven especially successful within a market segment by customer and/or against a particular set of competitors is another example. Similar to consumer experiences such as Amazon or Netflix, predictive analytics applied to complex B2B environments can suggest product configurations, flag end-of-life replacements, and monitor contract refresh or expiration dates with appropriate recommendations to each customer.

This isn't new. Reps have been sharing information about their best prospecting and qualifying techniques for years. What *is* new are both the speed at which unique customer attributes can be identified (more on this later) and the somewhat obtuse nature that may be associated with prospects identified this way.

For example, a semiconductor company competed largely on the basis of being “fast and cheap.” Hardly a formula for long-term profitable growth, but it did earn them a significant following. They could sell millions (literally) of their chips into cell phone manufacturers, but their value-add was extraordinarily limited. As a result, they were constantly being ground down on their pricing, and margins were near zero.

However, in the automotive sector, their chips were highly prized due to their low electrical consumption and very low heat generating characteristics. In this arena, margins were substantial as was demand. This may seem an obvious correlation but, be assured, there are many less obvious but equally rewarding insights to be gleaned from operational, financial, sales, and marketing data (i.e., internal sources), as well as payoff to be found from external sources. The insights derived can be both strategic market opportunities as well as account specific opportunities.

### ***The Only Constant Is Change***

Great! So now your reps are receiving meaningful insights and focusing on higher probability opportunities. Don't think that it's “One and done.” Customer and prospect data is in constant flux and

change is everywhere. In our 2013 Sales Management Optimization study, we asked managers to quantify the rate of change impacting their sales teams, as shown in Figure 4. On average, more than half of the respondents reported the rate of change in six key areas as increasing significantly (10%) or noticeably (40%).

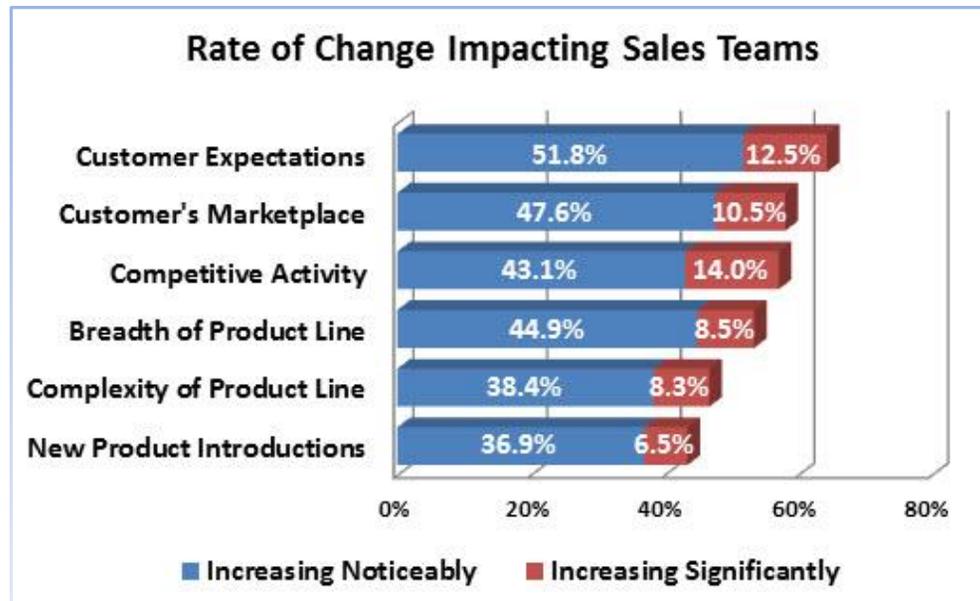


Figure 4: Staying current in constantly and rapidly changing environments requires new tools and capabilities.

Without current, ongoing, and in-depth data mining tools, the chances of your sales reps calling on the right person, at the right time, with the right solution are not good. After all their research, they may have the “news” but what you want them to have are favorable “odds.” This means improving their chances of success by providing a framework for planning their territories and predictive analytics. Using these and other resources to leverage your CRM and ERP systems can help fill in the framework with value-added insights identifying the right products to sell to the right customers. Further, it’s necessary that this be done rapidly and constantly to keep pace with changing market, political, economic and other conditions.

### *Conclusion*

Only one in five days are spent researching accounts, yet nearly three in ten forecast deals go to competitors and over two in ten fall into the abyss of no decisions. You know this isn't a sustainable model, and need to find a way to better qualify prospects and move opportunities through the sales pipeline.

Leveraging analytics and the wealth of data in both external and your internal systems will get you on track if you're able to do these six things:

1. Analyze structured and unstructured data
2. Integrate other sources into your CRM system where sales lives
3. Incorporate predefined predictive analyses with alerts for reps and their managers
4. Easily conduct Ad Hoc queries
5. Identify purchase patterns of similar accounts with similar characteristics
6. Graphically display the most important metrics on rep and manager dashboards

With these capabilities in place, you'll have the foundation to serve up relevant, pertinent, and actionable information to your reps, increasing the number of higher priority opportunities on which they focus, decreasing the time they spend researching accounts and increasing both their selling time and their close rates.

Advisory Services clients who want to explore these concepts in more detail should feel free to contact their [CSO Insights Analyst](#) to set up a briefing. Questions or comments regarding this analysis should be directed to:

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### *About CSO Insights*

[CSO Insights](#) is a sales and marketing effectiveness research firm that specializes in measuring how companies leverage people, process, technology, and knowledge to improve the way they market and sell to customers. For twenty years, CSO Insights' surveys of over 15,000 sales effectiveness initiatives have been the standard for tracking the evolution of the role of sales, revealing the challenges that are impacting sales performance, and showing how companies are addressing these issues.

### *About Our Sponsor: Oracle*

Oracle is pleased to sponsor this white paper from CSO Insights. Today's modern selling organizations need practices and solutions that employ real-time and predictive analytics to mine Big Data and that help salespeople sell smarter by providing easy access to information that leads to insights.

In order to be highly effective, a modern, analytics-driven sales solution needs four key capabilities:

- As its foundation, the solution must have an integrated, modern customer data infrastructure so that analyses are fueled by clean, accurate and complete customer data from myriad sources, including online and social channels.
- Results must be delivered in real time and in context and be based on a salesperson's role so that insights are relevant and meaningful for sales executives, sales managers and sales reps.
- It must not only provide historical trending but predictive analytics that help sales managers and reps focus on the best accounts and opportunities, identify the right products to sell to those customers and improve forecast accuracy.
- Finally, it needs to provide rich analytics on smartphones and tablets, including the ability to drill into reports and individual transactions, to support the needs of today's always on, always connected sales teams.

Oracle Sales Cloud is the only solution that meets all of these requirements and does so while providing a modern user experience that helps busy sales professionals meet individual and organizational goals.

Oracle Sales Cloud has built in tools for integrating, managing and cleansing all relevant customer data including online and social behavior. These capabilities help sales teams have a 360o customer view, gain insights into buyers' interests and intentions, and be better prepared to offer customers value. Oracle Sales Cloud also includes key performance indicators in role-based dashboards that provide visibility into customers, the sales pipeline and opportunities - all in one complete solution.

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