



Sales Operations: Planning Assumptions 2021

Guiding buyers through the purchase decision-making process requires a deep understanding of buyers and customers

Sales operations must improve its capabilities to collect and analyze data to provide on-demand insights to reps and sales leaders

Delivering on the vision for data-driven selling requires fundamental changes in the traditional mindset of sales operations leaders and practitioners

Increased access to purchasing information such as pricing, performance, and value has tipped the balance of power from company to customer. This trend has affected virtually every industry and affects buyer behavior at every stage of the lifecycle. The job of the B2B sales rep is no longer to convince prospective customers to buy, but rather to help them buy. Doing so requires a deep understanding of buyers and customers, informed by data collection, analysis, and buyer insights delivered in near real time by sales operations. In addition, the days of the unassisted, heroic sales rep who brings in an unexpected deal on the last day of the quarter are rapidly fading in favor of team-based selling approaches that leverage the team's understanding of buyers and customers.

Unfortunately, many sales organizations are acting on limited information as they attempt to improve their buyer-aligned sales processes, sales technology, and sales execution. Delivering on the vision for data-driven selling requires fundamental changes in the traditional mindset of sales operations leaders and practitioners. This starts with improved collaboration with other functional groups (e.g., marketing, product, customer success) and deploying infrastructure that provides value for the sales rep. In this brief, we identify five trends that will affect the priorities of sales operations leaders in 2021.

Embed Resilience and Improve Agility With Dynamic Sales Planning

Recent events such as the COVID-19 pandemic have highlighted the need for sales organizations to build resilience, adaptability, and collaboration into the way they create and maintain annual functional plans. External and internal drivers can influence sales roles, territory coverage, customer engagement, demand contribution mix, sales processes, and technology. Knowing when to change and how to effectively manage change — while minimizing risk and capitalizing on opportunities for competitive advantage — will result in competitive advantage for sales and sales operations leaders.

Dynamic sales planning is a new operations mindset and process that systematizes an organization's ability to respond quickly and with more agility to internal and external changes. Optimizing performance in a rapidly changing environment requires a significant shift away from traditional planning approaches that involve sequential steps and long cycles. Organizations that actively monitor internal and external KPIs, then evaluate and adjust plans as



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needed, will maintain functional alignment, reduce risk, and be more agile in responding to change.

SiriusAction: Define and monitor signals or warnings of significant events that affect the revenue ecosystem. The process should include developing contingency plans that define how the organization will communicate, assess, evaluate, and act on those signals. Realizing the benefits of dynamic sales planning requires executive sponsorship, process design, and development of the necessary analytic skills and competencies to govern the program.

Take a New Approach to Sales Compensation Plan Design

Effective sales compensation plans align to and drive achievement of revenue goals while inspiring and rewarding the sales force. A carefully crafted compensation plan is also critical to attracting and retaining top sales talent. Over time, sales roles can become disconnected from plan incentives, which renders compensation plans ineffective at motivating and rewarding the desired results. For 2021, sales operations leaders should ensure that compensation plans reference three key aspects of commissionable contribution for each sales role:

- **Sales environment.** The sales environment includes attributes such as sales cycle time, number of transactions managed per rep, average selling price, and number of buyer interactions. Compensation plan designers must determine the impact of the sales rep on each factor and at each stage of the sales process.
- **Sales rep influence.** Sales rep influence is affected by brand awareness, demand generation expectations, and team selling. Understanding the degree of rep influence on buyers and customers is critical to designing a plan that balances base and variable pay components.
- **Ability to measure results.** Sales reps must be able to connect their activities and results to their compensation. Sales operations must ensure that compensation and achievement data is readily available on demand to sales reps.

SiriusAction: Define each sales role and its commissionable impact to ensure that the level of at-risk pay incentives is directly proportional to the rep's level of impact on the sale. Conduct a

quarterly assessment of plan performance, comparing planned vs. actual results for cost of compensation, sales revenue, and sales rep achievement.

Separate Strategic and Tactical Reporting Ownership Through a Hub-and-Spoke Model for Analytics

Siloed reporting, analytics, and cadence management within different revenue functions provides an inconsistent and often conflicting view of organizational performance. This limits the ability of executives to make effective strategic, investment, and cost management decisions while hampering attempts to drive cross-functional alignment and accountability. Many organizations struggle to solve for these strategic reporting requirements and meet the tactical reporting needs of functions, regions, or divisions while also developing the underlying infrastructure required to support both. One option for tackling these escalating requirements is to consciously separate strategic and tactical analytics and reporting support using a hub-and-spoke model for analytics.

In such a model, executive and cross-functional requirements for consistent commercial insights are centralized with a team of specialized analytics resources (the hub) who direct the analytics strategy while developing the data and analytics infrastructure and processes across the revenue engine. The ownership for more tactical reporting requirements at the functional, regional, or divisional level remains with the spokes (which may also be functional, regional, or divisional). This enables a scalable approach servicing different stakeholder needs while overall analytics capabilities continue to grow and mature. It also provides more career path options for analytics resources.

SiriusAction: Develop a clear understanding of the different expectations and requirements of reporting and analytics users at all levels in the company, considering current and likely future needs. Define clear goals for the development of analytics capabilities and the associated infrastructure. Build a business case for an analytics center of excellence to gain alignment and sponsorship from executives. Describe how the organizational approach will maintain connectivity and relevance between corporate and other levels of the organization. Align and excite stakeholders and secure investment by developing a charter that documents the goals and deliverables for executives, functional leaders, and team members.



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Capture Sales Activity to Gain Competitive Insights

Buyers value interactions with sales reps as an important source of information when making purchasing decisions. According to the results of the SiriusDecisions 2019 B2B Buying Study, more than 80% of buyers rate their interactions with sales reps as either somewhat or very positive during every stage of the purchase decision. However, buyers now expect sellers to provide more insightful, contextual information that's tailored to their role and knowledge requirements during the purchase process. Dynamic guided selling is the automated collection of seller activities and buyer interactions, both human and non-human, and the application of analytics using AI capabilities to deliver insights that inform reps how to position the sale, identify differentiators, and confirm the most valued features of their products.

The success of a dynamic guided selling initiative depends on obtaining enough high-quality data about buyer interactions for effective analysis. Although much of what a buyer does online (e.g., non-human interactions) can be captured, catalogued, and analyzed, motivating sales reps to manually enter similar data into sales force automation systems is difficult. Recently, a new wave of innovative sales engagement technologies has emerged that includes the automatic capture of sales interactions (e.g., calls, meetings, emails).

SiriusAction: Automate the capture of all buyer interactions, both human and non-human, and turn those interactions into insights that enable better sales and marketing decision-making. Start with an assessment of the organization's current sales technology stack for the ability to capture data about each sales activity (e.g., emails, phone calls, virtual meetings, in-person meetings). Then develop a roadmap to either leverage existing capabilities or acquire new technology that can turn the data into actionable insights for sales reps.

Implement Revenue Operations to Breach Functional Silos

As buyer preferences and customer expectations evolve, so must the various operations functions in the B2B revenue engine. While the goal of improving alignment between sales, marketing, and customer success functions is not new, there is now an imperative for a new set of cross-functional operating principles for seamlessly aligned revenue operations teams (e.g., sales operations, marketing operations, customer operations).

Revenue operations brings together the processes, metrics, technology, and data that support an efficient and smooth-running revenue engine. Three organizational structures are prominent in current efforts to activate the emerging revenue operations function:

- **Virtually aligned.** This structure is the most common. Team members report to and reside within traditional operations teams in marketing, sales, or customer success. Extensive collaboration, driven by a formal steering committee, is a hallmark of this approach.



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- **Limited centralization.** Resources and responsibility for developing standards and governance are placed in a cross-functional center of excellence. Some activities and tasks may be removed from functionally aligned operations teams. Typical scenarios include an analytics governance team or technology steering committee that supports all operations teams.
- **Centralized function.** Typically reporting to a chief revenue officer or COO, this revenue operations structure may maintain teams focused on sales or marketing support, but all employees reside within and report to one functional department.

SiriusAction: Look beyond just the sales function and improve collaboration with other operations functions (e.g., marketing operations, customer operations) without waiting for orders from the top or an organizational change. Create a revenue operations charter to codify the goals for the function and ensure support among all stakeholders and interlocking functions. A revenue operations charter is critical for aligned planning, processes, technology, data, and measurement across the revenue engine.

The Sirius Decision

Over the past decade, B2B sales operations has evolved from a largely tactical function — focused on measurement, reporting, data management, processes, and systems management — to a more complex and integrated function that informs and enables sales strategy and technology capabilities, drives change across the sales organization, aligns with other components of the revenue engine (e.g., marketing, marketing operations, customer success), and supports growth objectives. Given the constant, rapid changes pervasive in the B2B environment, sales operations leaders must constantly assess and expand their capabilities to deliver on the promise of data-driven selling.