Mastering the Great Sales Operations Balancing Act

Insights and Best Practices from Top Sales Operations Leaders

Introduction

Every employee plays a role in helping their company succeed.

But Sales Operations is often the unsung hero, delivering the essential processes, technology and data that pave the way for closed deals. According to SiriusDecisions, Sales Operations is a “force multiplier for improving sales productivity” and “the critical link between the development and the execution of the sales strategy and go-to-market strategy.”

In their unique position, Sales Operations professionals need an accurate read of the big picture and a confident handle on fine details. Considering their pivotal role in enabling sales teams to stay focused and sell effectively, it’s no wonder the demand for Sales Operations professionals far outweighs the supply.

To understand their challenges and visions, we regularly convene roundtables with Sales Operations leaders. We wrote this pocket guide to share their latest concerns and insights. Throughout this guide, you’ll see a common thread: Sales Operations is continually striving to balance the need to be reactive with the desire to be proactive.

Read on for insights and recommendations, from organizational structure and data management to revenue forecasting and how to become more strategic.

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Determining Sales Ops structure

Sales Operations must fit smoothly and seamlessly into the bigger engine of the overall company. But its position and size can take many shapes—and the group evolves with the company.

Since the Sales Operations function is relatively new, it's understandable that companies explore where to position it. When first launched in an organization, Sales Operations often equates to a single person. As the company grows, the role becomes distributed until the company gets so large that Sales Operations is once again consolidated and centralized.

This evolution mirrors other functions across a growing company. At the start, it's all hands on deck, with every employee touching everything. As the company expands, employee roles are specialized. Once the company reaches enterprise proportions, everyone has a hand in everything again.

Regardless of what that expansion and contraction looks like, Chris Turley, Senior Director Sales Operations at Bill.com advocates for a fluid relationship between Sales and Marketing Operations. "In a siloed model, there's too much bureaucracy. It's much easier to move the needle when Sales Ops is merged with Marketing Ops."

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—Chris Turley, Sr. Director Sales Operations at Bill.com

Planning and optimizing sales territories

A strong territory plan supported by effective territory management is the foundation for a productive sales force.

The right alignment between the Sales team and territories and target accounts helps sales reps clearly understand where to focus their efforts. With so much riding on this activity, it's not surprising to see the challenges and angst surrounding it.

Though Sales Operations spends an inordinate amount of time building a territory model, setting goals, and allocating territories in line with rep experience and capacity, there's no guarantee they will get it right. And poorly perceived assignments often translate into low sales productivity and morale. Yet because it's so time consuming to develop a territory plan, most Sales Operations teams limit reassignments. If it's a must to reassign territories, an effective approach is to define rules and triggers for moving certain accounts into Salesforce®, such as those exceeding certain spend levels or showing a growth pattern.

Another smart practice is establishing a solid foundation:

"The first project I tackled was to align on Ideal Customer Profile (ICP). We tested our Sales Operations team's assumptions and helped focus our sales and marketing teams on high-growth industries, which served to prioritize the right revenue bands."

—Will Foley, Director of Revenue Operations for Splash

When it comes to territories, perception is reality for sales reps. If they perceive their territories are 'bad,' it's very hard to turn that view around."

—Sarah Borrmann, Director of Sales Productivity and Operations at Illusive Network

Managing data

While Sales Operations wears many hats, perhaps no part of the job is more critical than managing data.

According to Adam Hersh, Director Sales Operations at Wallace Eannace, "Salespeople sometimes embellish the outlook of their sales prospects in order to show themselves in a better light. When utilizing a data driven sales program you do not receive an embellished forecast. Data is data. With good, clean data you make good, clean business decisions."

No wonder Sales Operations professionals are hyperfocused on ensuring data integrity. Unfortunately, they are up against many challenges:

1. Data collection can be incredibly difficult —especially the more data and the more data sources.

2. Key stakeholders often disagree about which data should be stored in the customer relationship management (CRM) system.

3. CRM upkeep is historically bad and often incomplete, seen by sales reps as too much of a burden without enough payoff.

Managing data

Another reason it's hard to ensure data quality is disagreement about core definitions.

Lack of agreement invites misinterpretation and discrepancies when trying to read data and metrics. Moreover, when sales reps go rogue and create their own reports, they can draw the wrong conclusions unless they're clear on what the data means. A related issue is the tendency of sales managers and other employees to overanalyze or cherry pick data for reporting or account prioritization—again leading to misreads. In other cases, sales managers re-evaluate the data that Sales Operations presents, looking for a different "answer" in the data or latching onto one favorable metric and spinning it into a feel-good story.

Andy Mowat, Vice President of Growth Marketing & GTM Operations at Culture Amp, incents sales reps to get good with data. "Tying the data, operational reporting and analytics together ensures all three functions work closely together towards a shared goal of amplifying the company. This is the approach we have taken within our Customer Group at Culture Amp. We then partner with product analytics and finance to leverage data across the company."

Experienced Sales Operations leaders call upon these best practices to address these problems:

- Standardize on data field definitions across systems throughout the funnel: What is an MQL? What is an SQL? What is an SAL? What is an opportunity? What is pipeline?
- Design and enforce a single CRM-related process for collecting and reviewing data.
- Differentiate between system, "bad data," and process issues—such as data entry in the wrong field—and flag these for improvement.
- Associate data mismanagement by sales reps with their overall compensation.
- Collaborate with Sales leadership to establish a culture of data integrity by highlighting its importance and agreeing to a single set of well-defined measures.
- Educate on how to correctly read Sales Operations dashboards and reports.

> LinkedIn research found that top-performing salespeople (those who reach 125% of their quota or above) are more likely than their counterparts to consult data—for instance, by applying patterns from closed-lost business to improve future win rates.

> *"Tying the data, operational reporting and analytics together ensures all three functions work closely together towards a shared goal of amplifying the company."*
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> —Andy Mowat, Vice President of Growth Marketing & GTM Operations at Culture Amp

Forecasting revenue

While the Sales Operations and Sales teams collaborate on revenue forecasts, the former is ultimately responsible for their accuracy.

To that end, Sales Operations delivers the methods and processes underlying forecasting. "The biggest pain point is when the Sales team wants to change the model, but update it through context. When people then try to create new reports on their own, the metrics never match," says Jacob Lewis, Director of Sales Operations at Instana.

Proven approaches to driving forecast accuracy include:

- Training the sales team on the value of adopting digital tools to enable efficient, accurate pipeline management.
- Showing reps the impact of inaccurate revenue forecasts on the company. Often this understanding alone helps drive adherence with data management and CRM updating.
- Developing a forecast report or a dashboard showing pipeline stages, the last time reps touched a lead or opportunity, the number of opportunities reps haven't updated in X number of days,and how many reps have closed deals this month.
- Setting realistic criteria for what each rep should be achieving and designing reports and dashboards to help surface red flags.
- Creating an "early warning" system for problems that are at risk of becoming red flags. For example, perhaps highlight opportunities in the demo stage 30 days longer than your average so the sales manager knows to dig into that individual forecast.

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—Jacob Lewis, Director of Sales Operations at Instana

Lead and opportunity handling

We've already established that the main role of Sales Operations is paving the way for the Sales team to drive revenue.

So it's a no-brainer that Sales Operations plays a key role in how leads and opportunities are handled. It's also no surprise they run up against quite a few challenges, including sales reps not adopting leads and instead relying on gut instinct, and reps failing to rigorously document their lead and opportunity activities.

In response, effective Sales Operations leaders embrace these practices:

1. Incent sales reps to act on leads more quickly, by showing how faster response converts to more revenue.
2. Using the stopwatch timer in Salesforce to measure response time to leads, and re-routing leads when reps fail to satisfy the response-time SLA.
3. Presenting lead response time to Sales leaders in a dashboard.

Reasons why Sales Operations tend to be reactive

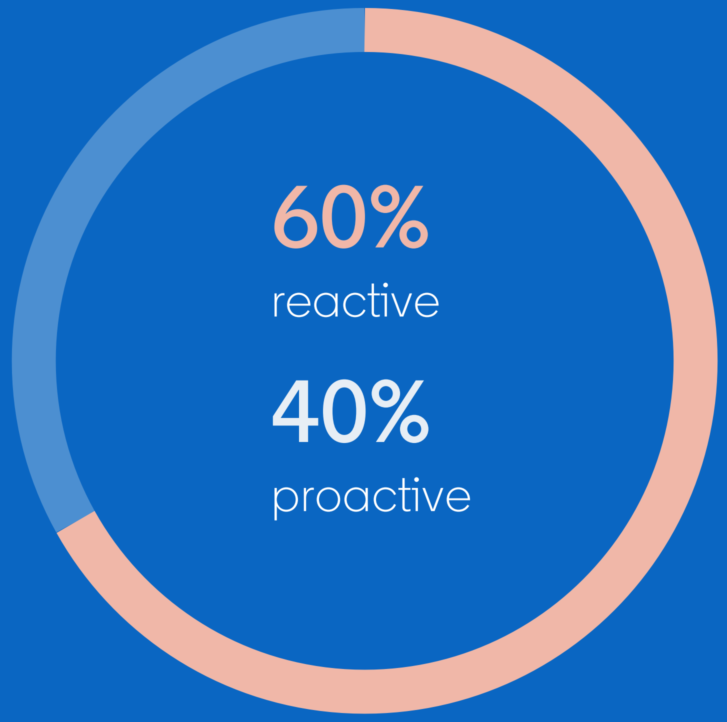
While no two Sales Operations leaders are the same, every one of them struggles to split their time between being reactive and proactive.

Some of the drivers of being reactive include working for a company that must answer to investors and a board of directors. Working in an open office environment where it's impossible to "put up walls" also paves the way for the sales team to continually start a "fire drill." In between these two reasons are the multiple systems and processes that introduce variability and make it difficult for Sales Operations to find and fix process breakdowns.

Sales organization turnover also plays a role. Even if a Sales Operations leader strikes a perfect balance of 50/50 reactive versus strategy, that ratio goes out the door when a new VP of Sales comes on board and changes processes, tools, or pricing.

> *When a new VP of Sales makes changes, it takes managing up and saying, 'Yes, we can do this but we need to prioritize and do it on our timeline.'"*

—Emily Barsky, Director of Sales Operations at INTURN



It's not uncommon for a leader to see a **70%** reactive/**30%** proactive split, and their team being reactive **60%** of the time and proactive the remaining **40%**.

A strategic view on being reactive

It's not possible to completely eliminate the reactionary element from Sales Operations.

As CSO Insights says:

"Sales operations is a balancing act. We need to account for both structure and flexibility as we help make sense of what appears chaotic, especially as organizations look to scale their growth."

This is echoed in what Sales Operations leaders shared. One view is that being aware of the day-to-day fires and seeing what's bubbling up helps Sales Operations develop a strategic roadmap.

On the flip side, even strategic projects—such as driving more sales of a certain product line—can become firefighting projects. For all these reasons, it's important to maintain some buffer in OKRs (objectives and key results) to account for the reactive work that keeps Sales Operations close enough to the front lines to be valuable to the Sales team.

At the same time, to maintain control even in the midst of firefighting, Sales Operations leaders suggest aligning to OKRs and encouraging their team to push back. "I enforce with Sales that just because they send us a contract does not mean that we need to approve it in the next five minutes," says Borrmann.

I would never want to completely eliminate reactive work. In fact, I want it to be at least 20% of my team's time because it provides a window into what's happening with sales, what's important to them and their customers, and what might be broken process-wise. With that view, my team can step in and make improvements."

—Taft Love, VP Sales at DocSend

Limit firefighting with automation and a strategic approach

It's no surprise that manual labor (think ad hoc reporting and data pulls from multiple systems) ends up creating errors that become must-fix items for Sales Operations.

The higher the number of manual processes, the more mistakes. As if that weren't enough, Sales Operations spends the majority of their firefighting time in meetings to unravel the reason for issues.

Here are solutions that Sales Operations leaders may suggest:

- Coach the team to diagnose root causes and solve problems right the first time.
- Democratize data access and usage by building standard base reports for ad hoc reports.
- Automate processes wherever possible.
- Delegate meetings to Sales Operations managers.

"We subscribe to the 10/100 rule: For every mistake you make, it takes 10X more time to fix it. For example, every time you pay a rep the wrong amount, it takes 10X more time to figure out the correct amount and pay them than paying them right the first time. That's why we need to automate with systems."

—Chris Turley, Senior Director Sales Operations at Bill.com

Evolve Sales Ops to be more strategic

Ideally Sales Operations isn't in place to keep the business running—it should be changing the business.

That's a matter of identifying what drives revenue and harnessing these insights to enable more growth. When running the business dominates the agenda, it's time for the Sales Operations leader to reassess their approach and processes.

With that in mind, call upon these proven practices:

- Ensure the Sales Operations leader rather than the VP of Sales or CEO is driving more of the day-to-day, quarter-to-quarter, and year-to-year tasks.
- Strip away complexities in the reporting process, and around key metrics, training, coaching, and tools/systems.
- Agree on OKRs to establish shared business goals and set appropriate expectations with stakeholders on where Sales Operations will spend its time.
- Require that Sales Operations analysts spend 2-3 hours per week to identify opportunities for growing the business. One Sales Operations team has found that this yields insights of value—such as figuring out how to improve "speed to lead" and conversion rates—**25%** of the time.
- Encourage the Sales Operations team to compete for the chance to see their unique insight highlighted in a weekly newsletter.
- Continually educate the Sales team about ways to effectively use data.
- Calculate what percentage of time reps spend on administration versus selling and closing deals. If it's more than **20%,** reassess the tools and resources supplied to help reps work more efficiently.
- Identify the sales reps cultivating their careers, and focus on enabling them to advance. If you can enable reps currently on the B team to move to the A team, it's a huge win.

"The company's top executives are tasked with growing the business. That's where Sales Operations comes in. Utilizing clean data, we identify real opportunities to grow revenue and profit, pointing management in the right direction—whether penetrating new space or deeper into existing space. We collect the data, do the research, and analyze it for the clearest picture."

—Adam Hersh, Director Sales Operations at Wallace Eanace

Conclusion

Most organizations look at CRM data, such as contract size, to identify potential account growth.

But, current spending may only give a limited view; a company that just closed a big fundraising round, for instance, may have a larger total addressable market than its current contract suggests. Looking at data from a different angle can help to spot momentum signals as they happen.

Source: Alyssa Merwin, Harvard Business Review, 2020

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