The big data analytics market will soon surpass $200 billion - IDC predicted that worldwide revenues for big data and business analytics would grow from $130.1 billion in 2016 to more than $203 billion in 2020, at a compound annual growth rate (CAGR) of 11.7%.

There is general agreement across business leaders that sales and marketing teams need to evolve. Businesses are investing billions in sales and marketing technology and training as a response to the levels of automation and systems that are making deeper and deeper impact on the sales and marketing functions. But what are the key factors that really influence Revenue Performance?

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Businesses that engage and get this right, see an average of 24% organic revenue growth, using the same size teams and with improved margins. It has also been shown that high performing sales teams are 4x more likely to use predictive analytics in their day-to-day operation. They also start to see these benefits sooner, often in a few months from the start of the change journey. Because all of those involved start to see the benefits, client and employee satisfaction also improves.

The challenge is that typical investments in technology and training are not yielding the expected results. According to the 2020 Revenue Performance Index, end to end pipeline yield is actually getting worse!

We speak with many CxOs, sales leaders and marketing leaders who are frustrated with the lack of ROI on their investments and are surprised when these new solutions fail to deliver the anticipated (and promised) revenue performance improvements.

The reality of this is that driving revenue growth now requires a fundamentally new approach and way of working, coupled with exceptional execution across all the functional areas engaged in the end-to-end revenue process (including external partners). Whilst many business leaders recognise this new reality in theory, they lack the clarity, energy, focus or skills to drive the necessary change. The availability of revenue planning analytics means that business leaders are in a much better position than ever to drive and scale the required changes across organisations.

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Key factors that revenue planning analytics need to focus on

Path to Order – do you have a full understanding of the Buyer's Journey that your prospects will follow? Do you know how and when they want to engage with you? Do you know how long their journey will take? Do you have your Selling Journey fully aligned with their needs? Do you know who else they may be considering and how they will determine that you have the best product/service/solution for them? Do you know and are you able to measure how effective you are in meeting these challenges?

Conversion Rates – do you fully understand and are you able to accurately define the step by step conversion rates that you need and are able to achieve in moving prospects and clients through the Buyer's Journey? Are you able to capture this for different lines of business or products/solutions or do you use generalisations? Are you able to determine at any point in time whether your pipeline is able to deliver the revenue results that you need?

Conversion Velocity – do you know the speed at which clients or prospects travel through their Buyer's Journey with you? Do you have these mapped and defined? Do you proactively measure opportunities against these metrics and take steps to remedy any that do not progress at the required rate? Do you identify when opportunities progress faster than the norm and understand what can be learned and applied to all opportunities?

Average order value / average customer spend – do you know what your real average order value is or your average annual customer spend? Do you plan on that basis or do you rely on "hero deals" to close any gaps in revenue? Do you have a realistic view of the number of deals that you need to close at the average order value in order to meet revenue targets? Do you measure this across the business or do you have this accurately broken down by line of business or products/solutions?

Predicting the future vs. measuring the past – what do your revenue planning and results reviews look like? Do you review end of month/quarter/year performance against targets and try to work out retrospectively what went right/wrong? Do you have pro-active reviews where you look at each stage of the pipeline and determine predictively whether you are in good shape to meet your targets and if not, what will be done ahead of time to impact for the better? Do you have the correct information readily available to you or is there a mad rush to pull information from different systems and the create PowerPoint and Excel material?

Key considerations

Single cross-system view or piecemeal reporting – what do I need? What do I have? What are the gaps and what is needed to rectify at the earliest possible point in the pipeline? Is there a single point of consolidation across all systems or is this a separate task carried out for reporting purposes?

Loosely connected silos or single end to end process – are your marketing, sales, sales operations and revenue assurance teams individually managed, measured and rewarded or are they considered to be parts of a single revenue generating function? Do you have clarity on their effective engagement and success – aligned with the Buyer's Journey? Are you sure that the output of each team effectively supports the others and the overall business needs? Are you able to measure the Return on Investment of specific initiatives?

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Key considerations - continued

Common goals and rewards or single department recognition – are all the functions in your revenue generation process individually measured and rewarded or are they all aligned to a single set of revenue generation metrics? Are your compensation programmes driving joined up focus or "selfish" focus to maximise reward in individual teams?

Improving outcomes across the entire organisation - are you providing the best possible input into the wider organisation to allow them to best optimise their performance? Are you enabling best management of supply chain? Are you helping drive maximum stock turns and cash flow?

About RevenueTEK

Since 2005 RevenueTEK has been helping organizations around the world find and aggregate those small percentage revenue performance gains into double and triple-digit year-on-year sales productivity and revenue system yield Improvements.

To learn more about how Telemetry RT3 can do the same for your organization, visit our website at www.revenuetek.com or email us at info@revenuetek.com.

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