

A black and white photograph of a woman with curly hair, smiling and looking towards the camera. She is wearing a dark blazer over a striped button-down shirt. The background is slightly blurred, showing what appears to be an office or industrial setting. A diagonal grey band runs across the left side of the image, serving as a background for the text.

Xactly®

The Road to RevOps

Charting your path to
predictable, profitable
and resilient revenue.

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What RevOps is Really About

Sales is the hardest easy job in the world. This was true before the pandemic, and more so after the digital seismic shift that's taken place over the last two years.

Many B2B buyers have gone digital-first, opting to spend time on research rather than interacting with a sales rep. Indeed, a recent report by Gartner found that **the typical B2B buyer spends only 17% of their purchase journey meeting with a sales rep.**¹

And for reps who get their foot in the door? They now have to sell to more people. “Ten years ago that number was just over five; today, it’s over 11, occasionally flexing up to nearly 20,” says Gartner.² As a result, deals are now more complex and involve many more business functions.

Things are getting harder for sales ops, too. **A LinkedIn report found that of 27% of sales ops professionals say they spend too much time fighting fires, and only 40% say they feel empowered.**³ Not surprising considering the average sales ops professional is

now responsible for 9 out of 14 key responsibilities, including managing sales tools, overseeing strategic growth plans, and monitoring sales performance.⁴ And despite all this extra work and hardship, about 38% of deals end in “no decision.”⁵

So yes, sales is getting harder. But in many ways, it’s also easier.

RevOps, in particular, has taken out a lot of the pain primarily by aligning go-to-market (GTM) teams around strategic goals and plans. Teams are less siloed, processes are increasingly automated, and operational visibility is improving. Businesses are seeing 5% to 7% gains in year-on-year revenue growth.⁶ But more can be done.

While alignment is table stakes, it’s only the beginning. Because alignment does not necessarily result in smarter decision-making. Imagine being able to forecast sales with near 100% accuracy,⁷ or reducing commission payment errors to less than 0.5%⁸ so as to render shadow accounting redundant, or getting alerted that your best rep is at risk of leaving so that you can take corrective action.



38%

Deals ending
in “no decision.”



5–7%

Average year-on-year
revenue growth from
businesses who've
adopted RevOps.

INTELLIGENT REVENUE IN ACTION

Attrition Forecasting

What corrective measures would you take if you could predict who will leave your team? Xactly® Insights gives sales managers real-time data and AI-powered insights about their sales teams, including an attrition risk analysis based on more than 50 indicators.

! Moderate Attrition Risk

There is a **70% likelihood** that **Steve Wilcox** will leave the company in 2022.

This attrition advisory is based on an analysis of current and past attrition.



Was this helpful?



Yes



No

These capabilities require serious analytical prowess, which is why **intelligence is the key to RevOps**.

We call this insights-first approach to RevOps, **Intelligent Revenue**. A way to unify go-to-market teams with the technology, processes and data to operate more efficiently and grow top-line revenue — without sacrificing bottom-line margins. A way to make accurate and timely decisions underpinned by empirical data and advanced analytics.

The goal of RevOps should be to build a foundation of intelligence for go-to-market teams to make smarter decisions — a revenue operations and intelligence strategy — to systematically optimize every facet of your revenue engine.

How? That's our goal for this guide. In the following chapters, we'll break down the biggest challenges every revenue leader needs to address (and how to address them), find out what it takes to get to full RevOps maturity, and explore the best way to ensure a successful RevOps transformation.



Revenue Operations Defined

Revenue operations combines sales, marketing, customer success, and finance to align go-to-market activities — across people, technology, data, and processes — to accelerate revenue growth by providing visibility across the entire revenue cycle.

The Biggest Challenges Facing Revenue Leaders



(And How to Solve Them)

RevOps is much more than a reorganization exercise.

It is primarily about **automating processes and injecting intelligence into every step of the revenue generation cycle**, and, in so doing, breaking down barriers that are holding back the business. Barriers at the core of every organization — people, process and technology — that impede the planning and execution of the go-to-market (GTM) strategy.

If the intended outcome of RevOps is accelerated growth and better margins, then every facet of the GTM strategy needs to be fully optimized. But if we take a closer look at each element in a suboptimal GTM process, we see why many plans go out the window as quickly as they're created.





An organization cannot produce and operationalize effective GTM plans until its people, processes and technologies are optimized.

To start, the typical GTM plan is created with dozens of assumptions on capacity, sales ramp-up time, seasonality, and more. The plan is informed by empirical data, but there are enough decisions made based on assumptions that risk jeopardizing the whole plan. And once complete, it is usually not revised to adapt to changes.

These flawed assumptions then cascade to implementation, resulting in suboptimal territory and quota allocations. More problems abound. We find that, although the compensation structure is aligned with the revenue goal, it does not meet the other goals of the business such as displacing a competitor or entering a new market segment. Sales reps lack the support and coaching to sell effectively, and are often left trying to calculate potential commissions as a way to prioritize their work — wasting time and getting frustrated in the process.

Suboptimal Process

UNDERSTAND

DESIGN

IMPLEMENT

ANALYZE

ASSESS



The linear traditional GTM process can no longer keep up with today's fast-changing business environment. To succeed, organizations must adopt an agile plan that's continuously revised.

Finally, as the quarter draws to a close, more assumptions are made to create the sales forecast, which leads to reps missing opportunities to take corrective action because they lack visibility and insights. The result? Broken morale, erosion of trust in sales leadership, and even a hit to market valuation.

Simply put, an organization cannot produce and operationalize effective GTM plans until its people, processes and technologies are optimized. Let's take a closer look at each one.



People

Compensation is probably the first thing that comes to mind when we think about sales performance, but the issue is more complicated. It is not uncommon for a business to spend as much as 10%⁹ of its revenue on sales compensation alone. Yet, **57% of sales reps say they expect to miss their yearly quotas, and that only 24% consider themselves high performers.**¹⁰

This gap in productivity stems from another major issue facing revenue leaders — retaining top talent. This issue arises from two related challenges.

01 **Lack of a straight path**

The first is the lack of a straight path to produce the desired results. It's easy for sales reps (and managers) to be caught up in busywork such as attending meetings, generating quotes and manually entering sales info. These non-selling tasks take up as much as 66% of a rep's time in an average week.¹¹

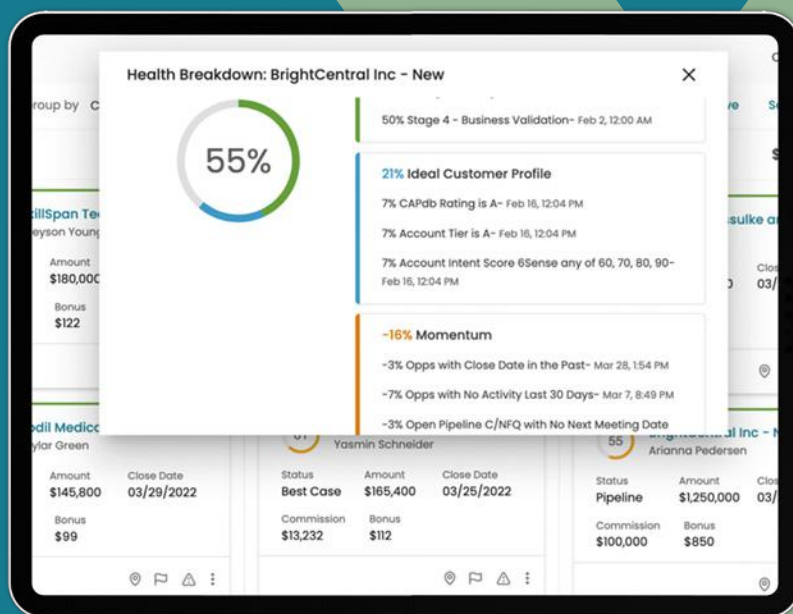
Worse, of the limited time reps do spend selling, they lack the insights to be effective. For example, reps often have no way to accurately gauge the health of an opportunity from their customer relationship management (CRM) platforms, which means they cannot prioritize the right deals such as those that are the most profitable or have the best chances of closing. There's often also opacity surrounding commission earnings, which, again, are not available on CRM systems, leading reps to waste time on back-of-the-napkin calculations to keep track of commissions.

An easy win to help reps be more productive is to give them insight into the things that actually make a difference. A pipeline dashboard can clearly show changes in pipeline performance and enable reps and managers to drill deeper to understand why, so they can collaborate more effectively. A pipeline health dashboard can help reps prioritize at-risk or high-value opportunities. And an incentives dashboard with earnings reflected in real-time can provide much-needed motivation and peace of mind.

INTELLIGENT REVENUE IN ACTION

Opportunity Health Score

Imagine being able to discern where an opportunity truly stands. Based on a series of indicators, Xactly® Forecasting provides a deal health scorecard depicting the most up-to-date status of an opportunity.





02

Lack of effective coaching

The second challenge is a lack of effective coaching. Many sales managers today are saddled with a significant administrative burden that prevents them from spending time in the field with their reps. Instead of learning from a pro and getting immediate feedback, many reps do not have the opportunity to develop the skills to be an effective seller.

What's more, sales managers often do not have access to current pipeline data, preventing them from prioritizing the best deals and helping reps who need support the most. Urgent opportunities are overlooked and sales effectiveness suffers.

Arming managers with a sales coaching-specific solution that offers them complete visibility into a rep's performance such as win rates, bookings and commits is a good move. For example, if a manager spots a sudden drop in a rep's commit-win rates over the last five quarters, she can immediately get the insights to provide the right guidance.

Ultimately, solving the people issue need not be complicated. The team cannot focus and improve on what they can't see. Closing the productivity gap with the right data and insights will go a long way in winning more deals.



“

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Process

In order to respond quickly to changing markets and customer demands, organizations need to operate with agility and speed. The level of agility and speed is determined by the efficiency of the processes the various teams in the organization use to collaborate. This idea is at the heart of the RevOps movement and it can make or break a business.



Automation

Labor-intensive, low-value tasks are the bane of any organization, but even more so for sales teams that are already distracted from selling. Not only do they slow everything down and increase the risk of errors, but the manual effort to import or enter data can also limit the amount of data available for analysis and result in blind spots that negatively impact opportunities.

It's also important to recognize the distinction between general- and GTM-specific automation tools. General automation tools such as automatic meeting schedulers, report mailers and electronic signature collectors can speed up workflows but do little to advance opportunities. On the other hand, GTM-specific automation tools that enable capabilities such as automatic order provisioning and billing will move the needle more on revenue. Therefore, it's crucial that revenue leaders invest in the right type of automation.

Operational agility demands two capabilities: Automation, the ability to eliminate slow, labor-intensive tasks from business processes, and alignment, the ability to streamline and focus the efforts of multiple teams towards a common goal.

Alignment

In many organizations, the GTM plan is created by finance based on sales goals, before being co-opted by sales and marketing. This often creates mismatches in expectations, capacities and capabilities. More importantly, GTM plans are not revised often enough and even a quarterly change could already be too late. To be truly agile, all parts of the GTM process need to be updated regularly, whether it's to add new incentives or reallocate quotas.

This lack of alignment, caused by siloed data, can be solved by minimizing the number of independent applications used by GTM teams. Choosing a robust application suite, like the Xactly® Intelligent Revenue Platform, breaks down the barriers between teams by optimizing and automating business processes, and centralizing data.

From capacity planning to territory planning to pipeline management, the outcomes are transformative when GTM teams work towards a unified goal.



Technology

Like cloud computing, e-commerce, and cyber security tech before it, revenue operations and intelligence (RO&I) tech is a must-have for businesses to be competitive.

Revenue leaders who invest in a revenue performance management platform now will find themselves at an advantage compared to most competitors, who may lack analytical capabilities to optimize their operations. This is because many sales-related systems, like CRM platforms, only provide descriptive intelligence, usually through charts and dashboards, which do not explain why something happened, predict what could happen, or prescribe solutions to potential issues.

While many revenue teams have started investing in analytics, those who do are still in the minority. A recent report by Salesforce found that only 34% of sales leaders have AI-augmented forecasting capabilities, 34% receive alerts to key actions required on an opportunity, and 52% have insights on team performance patterns.¹²

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Implementing advanced analytics capabilities across the business — in territory planning, capacity planning, commission forecasting, and more — is the primary technology challenge facing revenue leaders.

The secondary challenge is to establish a **single source of truth for revenue**, which would provide a 360-degree view of the *seller*. A CRM platform, on the other hand, is primarily a database for *customer engagement* and offers a 360-degree view of the buyer. Both platforms are complementary and often used in tandem to get a complete picture of a deal.

Without a single source of truth for revenue, it is easy for businesses to overlook factors crucial to revenue generation, even if they may seem inconsequential. For instance, without data on rep time-to-ramp, a business may overestimate the ability of new reps to meet their quotas, and, in turn, miss its revenue targets.

When data is spread over multiple tools and systems, including CRM platforms and spreadsheets, it may be fragmented across teams — sales and finance may end up looking at different parts of the same opportunity.

That said, forward-thinking revenue leaders prioritize the consolidation of data on one platform and seamlessly integrate their primary revenue platform with other sales tools where consolidation is not possible. They also publish data bi-directionally so that insights generated by the revenue platform can be shared and consumed by the wider GTM team.

With greater analytical capabilities and accurate data, the business will start to make better decisions and minimize mistakes. In the long run, this not only serves to drive revenue but also to create a more positive sales culture within the business.

INTELLIGENT REVENUE IN ACTION

Ramp Predictor

What does the path to productivity look like for each rep? Xactly® Sales Planning uses AI, which looks at your company's historical data, to understand your reps' productivity ramp. This insight can be leveraged for capacity and quota planning.

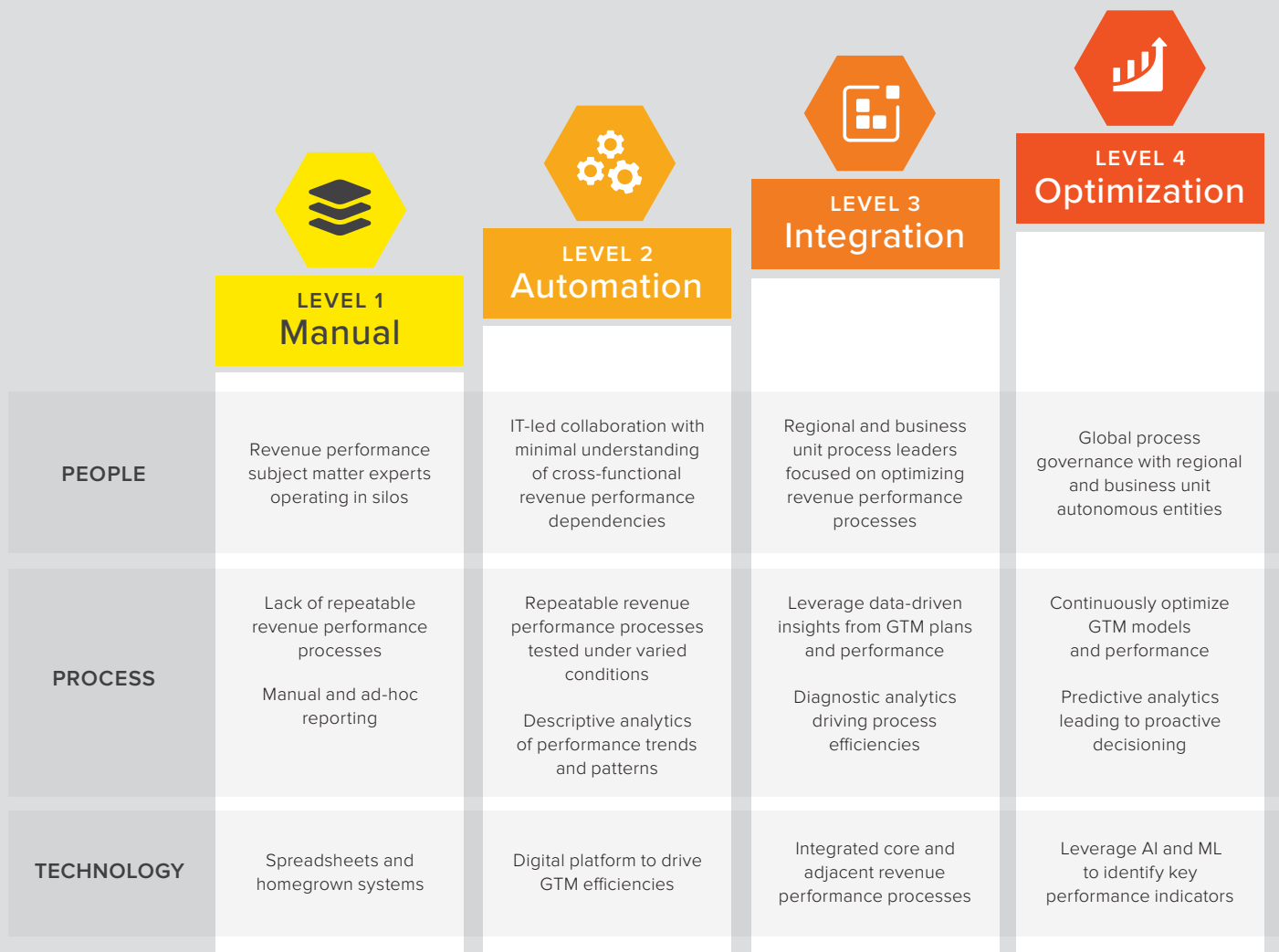


What Does It Take to Achieve Intelligent Revenue?



With so many moving parts and complexities, how should we measure success? Our RevOps maturity model provides a straightforward roadmap with four levels.

The model is measured by the sophistication of an organization's people, process and technology. Each level is marked by the advancement of a key capability — automation, integration and optimization — and ordered based on the effort required to achieve them.



LEVEL 1

Manual

The first level describes an organization with almost no visibility and analytical capability. GTM teams are siloed with little alignment. Processes are not formalized and any success is mostly dependent on star performers. Manual tools such as spreadsheets and homegrown systems are widespread.

LEVEL 2

Automation

Things are starting to change. Many processes are still siloed but the organization has begun investing in automation, starting with a core process. Some digital tools have been implemented, likely a CRM, in an IT-led digital transformation. Dashboards are established, which provide improved visibility to stakeholders and extended teams. Teams can see progress to goals but have little insight to make decisions, forcing them to rely on assumptions.

LEVEL 3

Integration

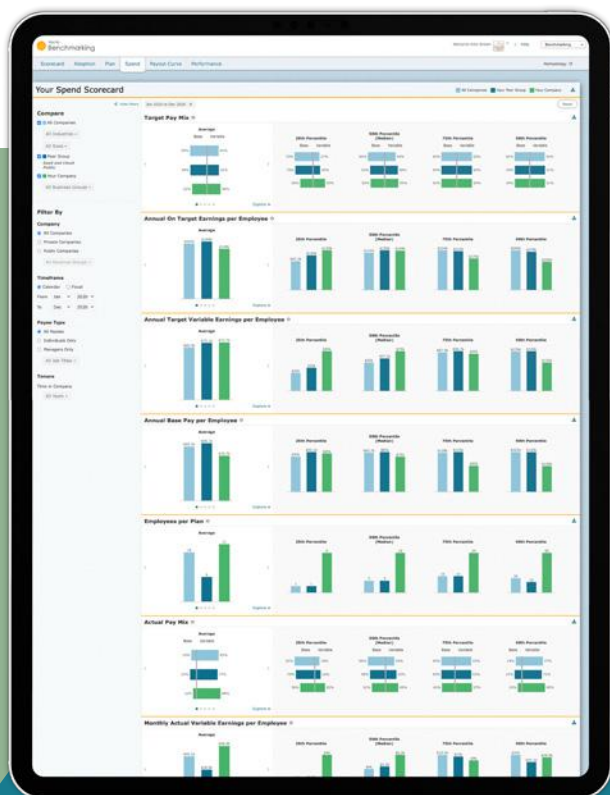
The organization now has multiple sources of revenue data integrated (e.g., compensation planning and CRM), though there are still silos. Teams are able to pinpoint the causes of failures reliably but are still not able to predict them. Cross-functional teams work together regularly and are somewhat aligned on strategic plans for revenue growth.

LEVEL 4

Optimization

Data and analytics inform every facet of operations, from hiring to forecasting. Teams are able to reliably predict issues and proactively address them using AI-prescribed solutions. Cross-functional teams are completely unified on goals and are aligned on a strategic plan for revenue growth. The key challenges surrounding people, processes and technology have been overcome.

A level 4, fully optimized organization is predictable, profitable and resilient. It can focus on efforts that unlock new market growth, make data-driven decisions throughout the GTM process, and implement disruption-proof plans that are continually evolving.



INTELLIGENT REVENUE IN ACTION

Pay and Performance Benchmarking

How does your comp plan measure up against peers in your industry? Xactly® Incent and Xactly® Benchmarking work together to give leaders on-demand visibility into commission results with the ability to optimize plans using insights derived from more than 17 years of aggregated pay and performance data.

Ensuring a Successful RevOps Transformation



Any transformation effort, especially one that spans the revenue organization, is bound to be fraught with complexities and risk.

And if there's anything we've learned from the digitalization that has swept the business landscape over the last decade, it is that implementation is equally, if not more, important than strategy.

So, how do you maximize your chances of success of a RevOps transformation?

Having helped transform hundreds of businesses through Xactly® Transform, our business transformation consulting service, we've distilled the complicated process of adopting a new methodology to three key steps:



01

Maturity assessment

Start by understanding your organization's strategic goals and RevOps maturity. Assess the maturity of your business as a whole before drilling down into specific areas such as plan administration, commission expense accounting, and pipeline management. It is likely you'll find some functions to be more mature than others.



Solution and implementation roadmap

Next, craft a roadmap for your organization to meet its revenue goals. It's better to roll out solutions sequentially using an iterative process rather than a high-risk, all-or-nothing approach. Aim to deliver demonstrable value immediately, if not within a few months, to encourage more investment and support in your transformation effort.



Continuous value assessment

Finally and most importantly, prioritize time-to-value and perform regular value assessments before and after the implementation of every solution. Understand which KPIs you should be tracking, how you're going to track them, and how it's going to translate into a financial impact calculation. Position your organization to start quantifying the actual realized value as soon as you start using the solution.

Having a proven methodology — and partner — to see an initiative through from strategy to execution is vital. Set a goal but focus on designing the right environment to deliver your desired outcomes.

To build a predictable, profitable and resilient revenue pipeline, you'll need to do more than just introduce new processes and re-align teams. You first need to solve some of the most fundamental challenges holding back sales and finance teams today, namely the lack of productivity (people), agility (process) and intelligence (technology) in the GTM process.

Underlying all of these challenges is a lack of data and analytical capability, which often results in lost opportunities, ineffective GTM plans, and interdepartmental discord. That is why RevOps is ultimately about creating *intelligent revenue*.

Don't Let Anything Get in the Way of Revenue Growth

Request a personalized demo of our Intelligent Revenue Platform by visiting our website at **xactlycorp.com** or giving us a call at **1-866-469-2285**.





Appendix

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About Xactly

Xactly has helped thousands of companies and millions of sellers around the world beat their revenue targets. Using Xactly's solutions, leaders look past the current quarter to create revenue streams for long-term growth. The Xactly® Intelligent Revenue Platform marries artificial intelligence and 17 years of proprietary data in easy-to-use applications. Sentiment, process and trend analysis come together to form accurate machine forecasts. Quick identification and implementation of revenue plans, quotas and territory improvements are easy. And, rapid calculation of even the most complex compensation plans keeps sales reps motivated and on track.

This makes the Xactly® Intelligent Revenue Platform the only solution that aligns seller behavior with boardroom strategy to create a resilient, predictable, and profitable business. To learn more about Xactly and the latest issues and trends in intelligent revenue, follow us on Twitter, Facebook, and visit **www.xactlycorp.com**.

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