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A SMARTSHEET REPORT:

5 Trends That Are Changing Sales Cycles — and How to Win

Today's sales cycles are more complex than ever. They generally take longer than anyone expects, and a typical sale will need buy-off from half a dozen or more stakeholders. A recent Gartner study found that technology buyers spend an average of 16.3 months to complete a new IT purchase.[1]

In addition to complexity, when it comes to high-level enterprise sales, having a great product at a good price point is no longer enough. Customers today are much more sophisticated and have done their homework before ever speaking with an Account Executive (AE). Today's sales processes are no longer just about relationships. They are also about bringing new information to each conversation, challenging the customer's assumptions about the market, demonstrating the unique and differentiating features of the product, and helping the customer work through their specific challenges.

In the hyper-competitive and complex world of sales, it's no longer acceptable to keep forecasts in Microsoft Excel, or for quarterly business reviews to disappear into a remote PowerPoint file on someone's laptop. Sales organizations need real-time access to these and other critical information sources to better serve customers, the company, and their revenue forecasts. They need tools that help them work better and be more effective as a team, with visibility into the status of every stage of a deal.

Here are five trends that are driving new challenges and additional complexities in modern sales cycles — and how technology can help sales professionals respond to these trends to achieve better execution and a better customer experience across the entire sales and service lifecycle.

Trend 1:

Exponential Complexity in the Sales Cycle

The situation: High-level sales cycles are actually very complex projects, and senior account managers have essentially become project managers first. They must understand all of the dynamics involved, direct resources to the right place at the right time, and report progress back to leadership.

For a strategic account executive, a typical week involves work across many processes and functions. Account representatives are responsible for telling their product stories, developing client relationships, identifying pain points, and negotiating deals. They work to understand customer needs and offer the right solutions. They have to understand their customer's organization chart: who's making the decisions, who's

1. Gartner Research, August, 2018. "Why Technology Sales Cycles Are Taking So Long and What You Can Do About It."

in management, who are the users? They need to keep those relationships going by setting appointments and organizing presentations and demonstrations. And they must do all of this while managing their team and coordinating everything to keep the account strategy moving forward.

With so much involved in the sales process, one sales cycle requires a huge coordination effort. Often the account involves seven or eight stakeholders on a buying team, and another four or five on the selling team (who are generally working on multiple deals each month). There may be solution engineers or other technical professionals. There are often third-party providers involved who may help or hinder the process.

Add all of that up and a sales rep could be managing dozens or even hundreds of people and relationships each year. The AE's job is really about managing people, teams, and their associated work, while at the same time bringing real value to every customer interaction.

Over the past 20 years, sales has emerged from a "dial for dollars" mentality, where it was all about volume and following the script, to a new reality in which a sales professional is at once an individual contributor, a project manager, and a program manager.

Selling in the digital age has become more complex than many B2B leaders had anticipated. Buyers are demanding more and different solutions and forms of engagement. They are more fickle and less loyal. And there are more of them. The average number of customers that participate in a B2B buying decision now stands at seven.[2]

Trend 2:

Disparate Processes and Tools Hinder Execution

The situation: Lacking a real project and program management solution, enterprise sales teams are taking a free-range approach to their processes and the tools they use to support them.

The systems designed to support sales processes haven't evolved to keep up over the past several years as the sales and services discipline has completely transformed. Customer relationship management (CRM) software (the main solution companies have spent millions investing in to support sales teams) still supports essentially the same activities as it did 20 years ago: sales reps log activities, track their next activity, and predict sales revenue for each opportunity.

Because of this disconnect, two things have happened. One, AEs don't always engage fully with their CRM, which can lead to incomplete or inaccurate information in the system. And two, they are using their own preferred solutions for a host of other

2. Accenture, 2017. "Make Music, Not Noise: Achieve Connected Growth with Ecosystem Orchestration."

processes. Today, most or all of the information, contacts, and processes used daily by AEs, which seem to grow continually, are being managed in files and documents. An important presentation is on one team member's laptop. An account manager keeps contacts and records in a personal Excel spreadsheet. There's an execution plan sitting in a quarterly business review (QBR) template no one knows about.

And none of this information is connected. As a result, there is no visibility across roles and processes. Team members schedule redundant meetings with clients. Managers can't easily discern status or identify problems. Executives don't know when their help is needed until it's too late.

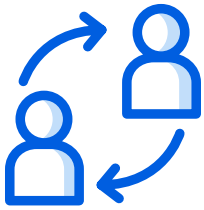
Visibility into the sales pipeline is lacking and execution is suffering. Ultimately, this leads to a bad customer experience. And in a competitive situation, the buyer will choose a better experience over a better product almost every time. A recent Walker study finds that the customer experience is rapidly overtaking price and product as the key to brand differentiation.[3]

Think about that. The relationship and the interactions customers have with the AE and the sales team may actually be more important than the quality of the product they're representing. This means that bad execution directly impacts sales, customer retention, account expansion, and the overall success of the business.

Organizations that overcome this complexity with better alignment, execution, and operational performance see much better results. To turn the situation around, companies need to be thinking about salespeople as knowledge workers and project managers. They should be focusing on execution more than perfect pitches. They should think about how people manage their resources.

And these knowledge workers need support from tools that reflect those objectives. Because of all this, we're seeing the emergence today of a new category of software called collaborative work management (CWM). Smartsheet, for example, takes this category of software and creates a way for teams to quickly apply it to large-deal enterprise sales.

Sellers working in high burden organizations have a 12% lower conversion rate than sellers who don't. 20% of stalled deals are the result of internal complexity.[4]



We've seen companies substantially raise customer satisfaction scores through significant improvements in operational performance (primarily by speeding up and simplifying interactions). These improvements can lower customer churn by 10 to 15%, increase the win rate of offers by 20 to 40%, and lower costs to serve by up to 50%.[5]

Trend 3:

Complexity Beyond the Sale

The situation: The point of sale is really just the beginning of a long-term customer relationship. The entire customer journey is critical to ongoing business success.

3. Walker, "Customers 2020"
4. Gartner Sales Leadership Council, 2016
5. McKinsey, 2018. "To Improve B2B Customer Experience, Get the Digital-Analog Balance Right"

Customer interactions don't stop at the point of sale or even delivery of the product. For large, complex offerings, there are processes around implementation, integration, training, and troubleshooting. All of these introduce additional waves of complexity.

Onboarding is just one example of a critical, customer-facing process that is often poorly executed. For every day a customer's onboarding is delayed, the customer loses a day's worth of value from the product. That's a bad experience. Yet a study commissioned by Smartsheet in 2017 found that 70% of customer onboarding is delivered late, and 75% is over budget — and in 90% of those cases, it's the seller that pays for those delays and overruns, not the customer.

Companies in industries such as software as a service (SaaS) also risk the recurring revenue they receive once the customer has signed. If the team is still implementing, that represents not only an ongoing cost but a loss of revenue. Poor onboarding can be costly for three reasons. Revenue is impacted. The cost of the sale increases for both the customer and the seller. And if delivery is late or processes seem disjointed, it negatively impacts the customer's experience of the entire process.

McKinsey has written extensively about the impact of the customer journey.[6] The firm has found that for every one-point improvement in a 10-point survey scale of customer satisfaction relative to the onboarding journey, 2–3% of additional customer revenue could be achieved.[7] They've also found that higher customer satisfaction leads to higher revenue growth. When the company gets off on the right foot with the customer, that customer is much more likely to stay and expand their business.

At each touchpoint, the interaction had at least a 90% chance of going well. But average customer satisfaction fell almost 40% over the course of the entire journey. The touchpoints weren't broken — but the onboarding process as a whole was.[6]

If the importance of processes such as onboarding are so clear and well-known, why are so many organizations still struggling to execute them effectively?

The problem, again, lies in an outdated model for communication, collaboration, and visibility in a world of ever-increasing complexity. When there is a problem in any of those areas, the organization's ability to execute against its commitments becomes more challenging, or even impossible.

When the sales team hands off a big account to the onboarding team, there are terms, service-level agreements (SLAs), contracts, training plans, proposals, and of course, all of those stakeholders. Ideally, this information would get passed to the onboarding team when a deal closes.

But what we see today is that these processes suffer from the same siloed, ad hoc solutions that contribute to so much complexity leading up to the sale. Organizations typically have no unifying channel for that disparate information to flow through. Insights gained about stakeholders and other important details are lost in translation.

6. McKinsey & Company, 2016. "From Touchpoints to Journeys: Seeing the World as Customers Do."
7. McKinsey Digital, 2016. "The Four Pillars of Distinctive Customer Journeys."

What's more, all of these documents and information resources continually evolve, which can lead to versioning issues. Now you, your team, and the customer are literally acting from different sets of information and talking past each other, because none of these workflows and systems are connected.

Often the reason that team members or customers are late or uninformed is that there is no clear process, and they lack visibility into milestones or points of reference. They can't see when it's time to get started or what's been done already. They don't have a plan that's easy to follow. And they're not aware of the current status of the plan, its progress, and what's coming up next.

What this process requires is true collaboration, transparency, and the ability to scale, so everyone can see everything they need, with full visibility for all stakeholders across processes, milestones, and responsibilities.

Trend 4:

Sales Requirements Are Outgrowing CRM

The situation: CRM software is effective at what it does, but was not meant to fully support today's dynamic sales and service environments.

CRM systems themselves are typically very robust and work as designed, but there is a gap in the sales process that CRM doesn't address: all of that complexity we've been talking about.

The problem is that they were never intended or designed to manage the way modern sales cycles work, from contact, to sales, to onboarding, to ongoing services and account management. CRM is not built from the perspective of the sales organization. It's built from a leadership perspective, so leadership can track what's happening.

Yet the truly valuable information that executives need lives in the day-to-day interactions that happen along the way — meetings, text messages, emails, phone calls — unstructured data that is not captured in any meaningful way. CRM does not support the kind of unstructured information that can create the informed, coordinated team necessary to raise the bar and improve overall results.

CRM supports tracking and forecasting, but it doesn't help with execution. And since that customer journey is the primary concern of the sales force, the value it brings to the AE is falling short.

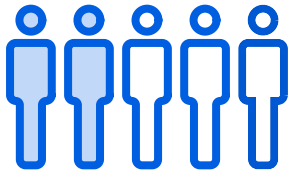
Because of all this, many senior AEs are not optimally engaged with their CRM system. Inside sales people doing transactional deals and making cold calls may be engaged with their CRM, but the professionals managing those complicated, high-value sales are not. Rather, they spend most of their time using tools like Excel, PowerPoint, Evernote, DocuSign, email, and text messages. Even physical whiteboards at the office remain a staple.

Although CRM systems store vital information and can play an important role in the quote-to-cash process, they are rarely used by B2B sales and service personnel to facilitate the essential daily activities that most influence the customer experience: account management, collaborative customer engagements, implementation and installation work, and customer onboarding.

CRM is an important tool, but the promise of establishing a single platform for all customer interactions has never been fulfilled. Ultimately, unrealistic expectations for the functionality in CRM have resulted in disappointing project outcomes and missed opportunities for driving greater revenue and loyalty.

What's needed is a new approach. Sales organizations need a tool to manage execution, and they need that tool to provide visibility across the entire sales lifecycle, including not just the AE, but managers, executives, and customers.

Nearly two-fifths (38%) of respondents stated that their problems were the result of people issues such as slow user adoption, inadequate attention paid to change management and training, and difficulties in aligning the organizational culture with new ways of working.[8]



Trend 5:

Collaboration and Visibility Are Increasingly Imperative

The situation: A more collaborative, transparent sales process leads to a better customer experience overall — but companies need new tools to break down their information silos.

As managing customer-facing processes becomes increasingly complex, account teams and related operational personnel must not just fix their execution, but optimize it. The greatest threat to this execution is the amount of collaboration required to align and orchestrate the many participants and stakeholders. This puts a heavy burden on AEs and other relationship owners.

Today the sales and services discipline needs a new category of tools that reflects the real-world reality of managing enterprise sales processes both as individual, complex projects, and as large, ongoing programs. So what are the features necessary to really support sales and execution?

8. Forrester Research, Inc., 2016. "CRM Success Requires Focus On People, Not Only Technology."

The most important feature is that the tool facilitates real-time visibility and frictionless collaboration. Strong lines of communication and the ability to share information easily between sales, services, partners, the customer, and other stakeholders are a huge driver of better execution. The solution should also facilitate external collaboration, that is, the ability to work with external vendors to plan, manage, and track the work.

As part of this, to be most effective, the tool should also provide visibility up and down the organization chart, driving accountability through dashboards and automated actions to keep projects moving, with simple triggers notifying team members when steps are completed or are at risk of coming in late or incomplete.

Facilitating real-time reporting allows managers and executives to not only keep their finger on the pulse of a project, giving them transparency into the status of tasks and milestones, but also to identify issues much more quickly, and to anticipate and participate in important milestones. The organization can report on progress and outcomes to customers so they feel comfortable with the process.

An important point here is that the platform to support sales must be designed for the entire team first, with functionality that then rolls up to management and executives — not the other way around. Making the tools truly useful to the people doing the work helps ensure adoption and buy in. Greater participation means better, more complete information every step of the way. Now when reports do go up the chain, the picture becomes much clearer.

Smartsheet: Optimize Sales Effectiveness and Execution

Smartsheet is working to bring modern project management and real-time visibility to the complex world of enterprise sales, customer onboarding, and services to improve execution across the sales and service lifecycle to help companies enhance customer experience. Bringing the right blend of capabilities and solutions, Smartsheet is bridging the gap between CRM and the practical, unstructured information challenges of these highly complex projects.

Whereas CRM acts as your customer record, Smartsheet adds a system of engagement where AEs can actually do their work. They can plan out account strategy, white spaces, and close plans. They can run the accounts like a project, with the ability to easily collaborate with everyone involved.

The flexible, extensible Smartsheet platform also connects to Salesforce, so the organization can extend CRM data into a comprehensive look at the overall project as well as the broader program. And once a customer is live, all of this information can roll into related sheets in Smartsheet for ongoing management and retention efforts.

Real-time Visibility and Reporting

Managers and executives get visibility into what teams are working on — and the next steps they're planning to take — on an ongoing basis. With real-time Smartsheet dashboards, executives can see issues before they become bigger problems and take action.

Work the Way You Want to Work

Free, frictionless sharing means that Smartsheet can be shared with the customer, allowing them to participate fully in the process. The Smartsheet premium add-on Dynamic View enables the business to share only part of a project with customers or collaborators, so they see what they need to, and no more. (We know that when we use Smartsheet in this way and the customer engages on the Smartsheet platform, our close rate doubles.)

A Comprehensive Solution to Tame Sales Complexity

Smartsheet Accelerators, a library of premium, pre-built solutions, help sales teams jump-start new processes for sales forecasting, sales rep onboarding, and customer engagement. These packaged solutions — based on customer insights and best practices — provide near-instant business value, real-time program visibility, and high user engagement.

Conclusion

Today's sales environment is more like an ecosystem than a linear process. Customer buying teams are larger and more sophisticated, and sales teams must focus on communicating the right capabilities and information to help solve the customer's challenges. In this world, small disconnects can be deadly to the sale, and having the right data at your fingertips is key. Smartsheet is delivering a system of engagement designed to empower sales teams to tame this complexity and stay ahead of every task and interaction across the entire sales and services lifecycle.

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