

## A Tale of Two Enablers: Microsoft Dynamics CRM Customer Adoption of Inside Sales and Sales Intelligence Best Practices

As the pitfalls of trying to hit sales quotas in 2009 yield to a post-recessionary 2010 in which top-line revenue growth is a must for sales organizations, companies using a wide variety of Customer Relationship Management (CRM) tools are eager to replicate the behaviors of the Best-in-Class. Microsoft Dynamics CRM customers are among these end-users, with 67 of 488 and 74 of 528 respondents, respectively, participating in recent Aberdeen research on *Inside Sales Enablement: "Let Them Drink Coffee!"* (December 2009) and *Sales Intelligence: Preparing for Smarter Selling* (February 2010). This Analyst Insight explores some of the capabilities and enablers adopted by top-performing sales teams from both studies. Specifically, this analysis will compare organizations that have deployed Microsoft Dynamics CRM solutions to those using other CRM solutions.

### Analyst Insight

Aberdeen's Insights provide the analyst perspective of the research as drawn from an aggregated view of the research surveys, interviews, and data analysis.

### Deconstructing Best-in-Class Inside Sales Deployments

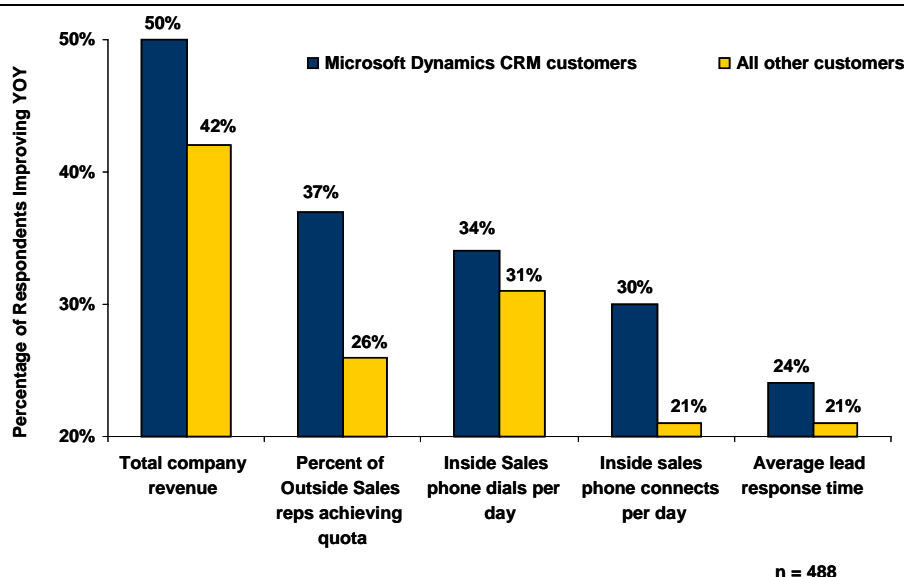
The end-users researched for the inside sales enablement data set (see sidebars for Best-in-Class metrics) provided extensive insight into both their current and year-over-year performance, as well as how they respond to business pressures by deploying various capabilities and enablers.

### Best-in-Class: Inside Sales Enablement

Aberdeen's *Inside Sales Enablement: "Let Them Drink Coffee!"* research determined Best-in-Class companies by selecting the 20% of all respondents that reported the most successful business results, including:

- ✓ 87% of inside sales reps currently achieve annual quota
- ✓ 17% average growth in overall corporate revenue; 80% have shown improvement
- ✓ 7% average increase in lead conversion rate (pass-through to closers); 47% have shown improvement
- ✓ 6% average improvement in win-loss ratio; 50% have shown improvement

**Figure I: Microsoft Inside Sales Customers Show Strong YOY Growth**

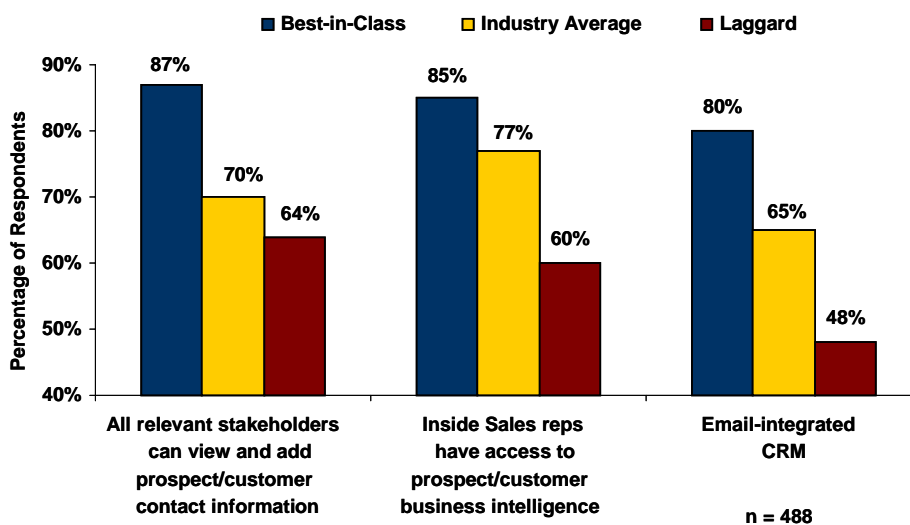


Source: Aberdeen Group, April 2010

As illustrated in Figure 1, Microsoft Dynamics CRM inside sales customers are currently outperforming those that utilize other CRM solutions (by an average of 18%) in terms of the percentage of companies experiencing positive sales metrics trends.

Further analysis of the capabilities and technology enablers favored by Microsoft customers reveals that the three best practices represented in Figure 2 are deployed 9.8% more frequently by these companies, in comparison to all others.

**Figure 2: Best-in-Class Inside Sales Capabilities and Enablers**



Source: Aberdeen Group, April 2010

The following discussion highlights two of these methodologies in the context of the Inside Sales Enablement findings.

### *Access to prospect and customer business intelligence*

Knowledge management best practices allow Best-in-Class sales teams to capture, store, improve and disseminate the right information to the right inside sales staffers, at the right time, for the right purposes. Access to business intelligence by inside reps, regarding their customers and prospects, allows them to dig deeper into their communities' needs beyond one-dimensional contact records; this latter scenario only serves to encourage a "dial for dollars" methodology rather than a more customer-centric or solution-oriented selling approach. With more rich intelligence about the financial news, corporate developments, detailed backgrounds on company executives, and even social media content at their fingertips, inside reps working at Best-in-Class companies are empowered by access to the most relevant information.

### Email-integrated CRM

No technology enabler is more frequently cited by the Inside Sales Best-in-Class than this kind of tool. Extensive Aberdeen research into the value of properly-deployed CRM, most recently [The 2009 Sales Automation Report – Best-in-Class Strategies for Increasing Returns on SFA Investments](#) (August, 2009) has shown that top performers are 30% more likely than Laggards to incorporate intense CRM usage into their daily selling lives. By blending email with this most common of sales-oriented applications, inside sales reps are able to launch messaging directly from their CRM interface, and relevant stakeholders can quickly track the conversational history of each prospect and customer within the selling technology portal. Inside sales reps within Best-in-Class organizations are provided with this level of efficient technology integration 48% more frequently than their counterparts inside Laggard performers.

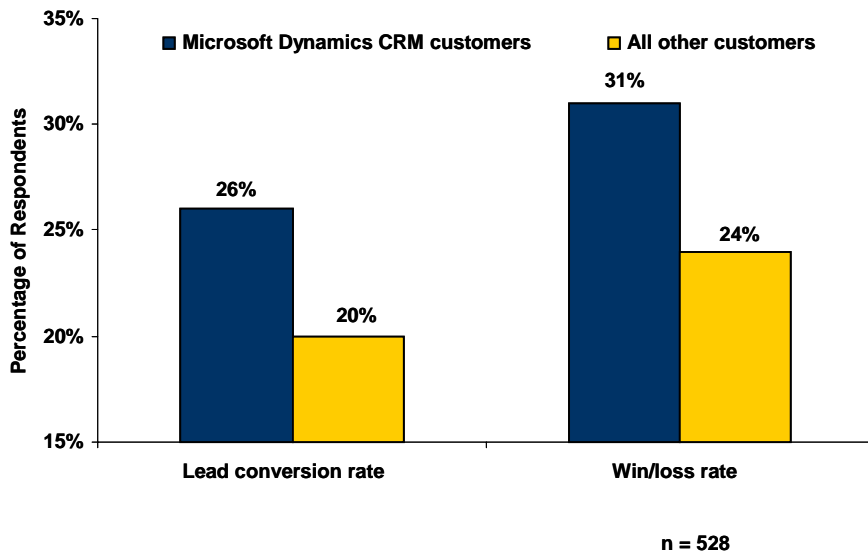
### Sales Intelligence for the Intelligent Selling Team

Microsoft Dynamics CRM users within the Sales Intelligence data set also show performance gains above those of other companies. As Figure 3 details, the lead conversion rate (percentage of raw leads converted to sales-accepted opportunities for the pipeline) and win/loss rate (percentage of these opportunities that result in closed deals) for Microsoft end-users far outpaces other sales teams, particularly when the math of the total sales funnel – lead conversion rate X win/loss rate – is applied: Microsoft Dynamics CRM deployments result in an average 8.1% of leads closing, compared to 4.8% sales productivity for non-users.

#### Fast Facts: Inside Sales Enablement

- ✓ The average survey-responding company employs 46 inside and 106 outside sales reps; has an average deal size of \$267k; and has annual revenue of \$661M
- ✓ Inside sales reps for surveyed organizations average 50 phone calls and 17 connects per day; interact with prospects an average of 3.87 times before passing leads to closers; and have a direct impact on 38% of overall corporate revenue

**Figure 3: Sales Intelligence Incorporated into CRM/SFA**



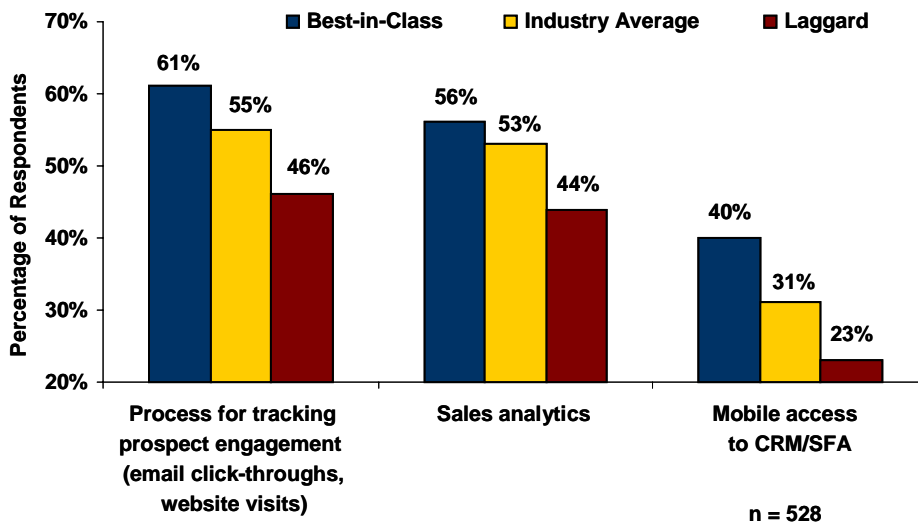
Source: Aberdeen Group, April 2010

In addition, an average of 28% of Microsoft end-users achieved year-over-year improvements in the following sales intelligence metrics, compared to 18% of other companies:

- Average deal size
- Win/loss rate
- Average time sales reps spend searching for relevant contact/company data
- Lead conversion rate
- Sales cycle

Achieving these advantages is accomplished by the adoption of specific capabilities enablers favored by the Best-in-Class (Figure 4), which were 8.8% more frequently adopted by Microsoft Dynamics CRM customers than other organizations.

**Figure 4: Best-in-Class Sales Intelligence Capabilities and Enablers**



Source: Aberdeen Group, April 2010

### Process for tracking customer engagement

Sixty-one percent (61%) of Best-in-Class companies report to Aberdeen that their sales effectiveness strategy includes a process for tracking how their prospect or customer engages with them. While some firms use web analytics to analyze website traffic and email click-through rates, top performers were able to leverage CRM solutions to attain a holistic customer view among all stakeholders, easily track all customer interactions and communications, and ensure a more seamless hand-off between marketing and sales. In the context of sales intelligence, this process, which is deployed 33% more often by these top performers when compared to Laggards, is a crucial tool in understanding how a sales target is reacting to the seller's messaging. This better empowers the sales practitioner to

### Best-in-Class: Sales Intelligence

Aberdeen's sales intelligence research determined Best-in-Class companies by selecting the 20% of all respondents that reported the most successful business results, including:

- ✓ 52% of sales reps currently achieve annual quota
- ✓ 9% average annual decrease in the time spent by sales reps searching for relevant company/contact information; 52% have shown improvement
- ✓ 5% average annual improvement in (reduction of) the sales cycle; 41% have shown improvement

customize their message and timing around the newly understood behaviors of the prospect.

### *Sales analytics*

Enterprise sales organizations are under increasing pressure, often both from internal and external stakeholders, to provide more accurate sales forecasts of top-line revenue in order to better predict, and improve, the long-term health of their company. To maintain a competitive position in the market, companies are turning to sales analytics solutions that provide an enterprise-wide data flow into the forecasting process, thus creating a more refined snapshot of future revenue and empowering more efficient, margin-driven sales activity as well as more pure selling time by the sales team itself. Within the sales intelligence data, the Best-in-Class are 27% more likely than Laggards to deploy sales analytics, which will be further studied in a June, 2010 Aberdeen benchmark, in an update of [Sales Analytics: Hitting the Forecast Bulls-Eye](#) (July 2008).

### **Case in Point: IGH Solutions**

Consider the case of IGH Solutions, a large provider of printed products, technologies and services. According to Rachel Lockett, Director of Information Technology, a years-long problem had evolved due to the company's growth via multiple acquisitions. "It seemed as if every unit had its own CRM solution, including homegrown and Rolodex systems, which created both a great deal of duplication of effort as well as virtually no visibility among sister companies selling into large corporate customers." As a result, IGH suffered from a wide variety of productivity issues, and eventually attempted to deploy a hosted CRM system that was not, according to Lockett, "at all designed to fit into our ERP or other systems, nor capable of supporting our multiple product lines."

With continued customer visibility issues, IGH eventually turned to a Microsoft Dynamics CRM deployment that Lockett hoped would create "a single, robust system that we could configure to adapt to all our business processes and records within a single software platform." Of particular interest were the needs to provide more seamless "touches" of prospects and customers across the organization. Enabling adoption among the sales staff, too, was important, and made more seamless by the fact that the IGH deployment, "looked and felt like Outlook, which was well within the sales staff's comfort zone, but with extra buttons," says Lockett.

The pay-off for IGH, concludes Lockett, is a significant increase in sales productivity along with the reduction of IT time spent trying to integrate various customer-oriented data silos, as well as the ease of use for the sales team. Leads are intelligently captured and "recycled;" prospect and customer information is easily accessible; and sales staff can now instantly collaborate on deals and achieve more effective team selling. Additionally, as one of the sales reps says, "Now I can instantly pull up my pipeline, see it immediately, and don't have to chase people around or fiddle with technology to understand where my progress is, all with one click." Another

#### **Fast Facts: Sales Intelligence**

- √ Best-in-Class companies average a 59% overall team attainment of sales quota, compared to 49% for Industry Average and 31% for Laggards
- √ For a company with 50 sales reps, each with a \$1M quota, improving their performance from Laggard to Industry Average would add \$9M to the top line, or \$14M if they attained Best-in-Class status, nearly doubling (90% increase in) revenue
- √ 52% of Best-in-Class companies' sales reps currently achieve their quota, compared to 44% for Industry Average and 26% for Laggards

interesting result is that IGH has tied its manufacturing process to the opportunity tracking functionality in Microsoft Dynamics CRM. When an opportunity has a 70% or greater probability, it automatically fires off a pre-production process that helps ensure that the manufacturing of the requested product is completed right around the time the opportunity closes. That in turn leads to increased productivity and improved customer satisfaction, as the customer doesn't have to wait for their product. From Lockett's perspective, the IGH sales forecast is more accurate, the Sales and Operations Planning (S&OP) process is more aligned with the supply chain, and the overall sales process is much more efficient.

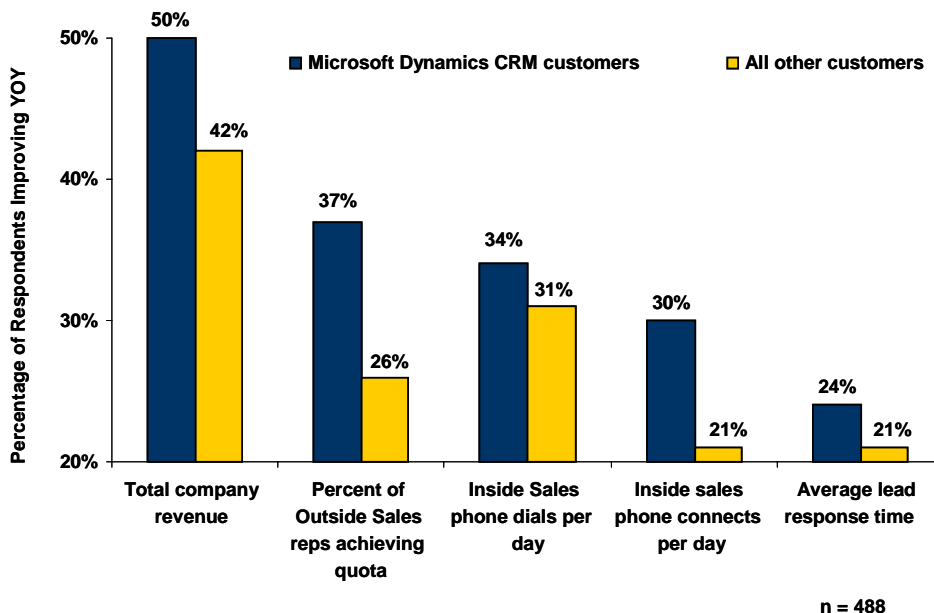
"We needed a single, robust system that we could configure to adapt to all our business processes and records within a single software platform."

~ Rachel Lockett, Director of IT, IGH Solutions

### Key Takeaways

With consistently higher levels of adoption of Best-in-Class capabilities and enablers, Microsoft Dynamics CRM customers are achieving measurable results (Figure 5) from their investments supporting inside sales and sales intelligence methodologies. Still, there are additional capabilities and technology enablers deployed frequently by the Best-in-Class that Microsoft customers do not adopt as often as other companies, such as mobile access to the CRM instance. Increased adoption of these best practices is advised to these end-users seeking to gain optimal productivity from their technology investment, but ultimately as can be seen by the data in this report and the below chart, organizations that use Microsoft Dynamics CRM are seeing measurable business benefits are consistently outperforming organizations that are not.

**Figure 5: Percent of Microsoft Inside Sales Customers Improving Year-over-Year**



Source: Aberdeen Group, April 2010

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Related Research	
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<a href="#"><u>Providing a 360° View of the Customer - Better Service - Higher Sales</u></a> ; March 2010	<a href="#"><u>Sales Intelligence: The Secret to Sales Nirvana</u></a> ; January, 2009
<a href="#"><u>Sales Intelligence: Preparing for Smarter Selling</u></a> February 2010	<a href="#"><u>Sales Effectiveness: Pathways to Productivity</u></a> ; September, 2008
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