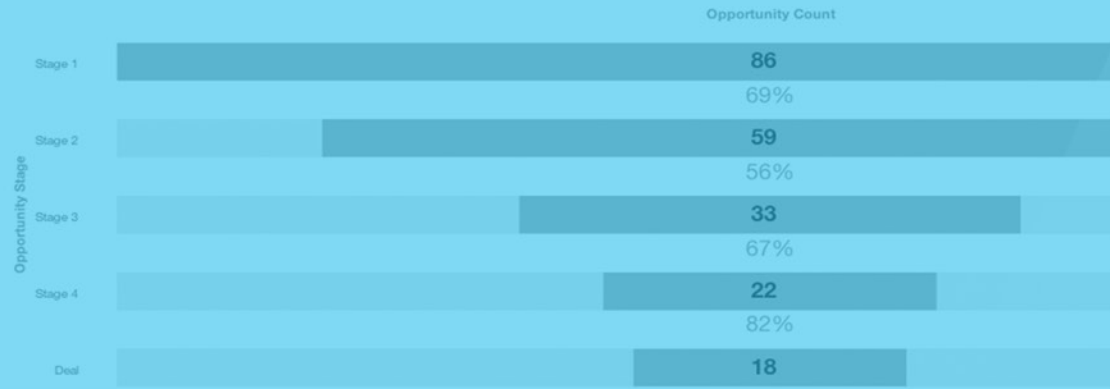### What are our conversion rates for closed opportunities?

21% win rate for opportunities with close dates in the previous 30 days.

Opportunity Count

Opportunity Stage		
Stage 1	**86**	
	69%	
Stage 2	**59**	
	56%	
Stage 3	**33**	
	67%	
Stage 4	**22**	
	82%	
Deal	**18**	

⇅ Filtering

Stage	Count	% Conversion to Next	Conversion % from Top
Stage 1	86	69%	N/A
Stage 2	59	56%	69%
Stage 3	33	67%	38%
Stage 4	22	82%	26%
Deal	18	N/A	21%

Sales Operations Guide to

Turning Strategy Into Revenue

Contents

Introduction

It's easy for sales ops professionals to feel removed from their company's revenue growth. After all, no one in a sales operations role is out closing business or making cold calls. However, the reality is that sales operations teams should feel more tied to the goal than individual reps do.

Reps only have power over their own deals. They can work to expand their pipeline, move opportunities through it more quickly, or win a greater percentage of their deals. Sales operations professionals are in the unique position to make the entire sales team better at their jobs.

Sales Operations is moving beyond its traditional role of simple data analysis and report building, and taking more responsibility for the strategic development of the sales team. It bridges the gap between the executive team, whose focus is on the long term business goals of the company, and the frontline reps, whose main concern is getting through their day-to-day tasks and hitting quota.

The greatest challenge that sales operations teams face is translating the strategic initiatives of the executive team into concrete steps that help individual reps to sell more effectively every day.

This is not an easy task. There is always a divide between what the executive team wants to achieve and what the sales team is actually equipped to do. It's up to the sales operations team to plug the hole by setting realistic expectations with the executive team and creating a process to get to the bookings goal.

This eBook lays out the three pillars of that system:

- **Building a Winning Sales Strategy**
- **Measuring Performance**
- **Implementing the Sales Process**

Sales operations professionals must master each of these three pillars solidify their role within the sales team, take full ownership of the bookings goal, and put the VP, closers, and every other member of the sales team in a position to succeed.

The following three sections will tell you exactly how to do that.

Strategy: Build From the Bookings Goal

Summary

The cornerstone of sound sales strategy is the bookings goal. The sales operations team must work with both the front line sales reps and the executive team to set a challenging but realistic bookings goal, and then construct the process that will enable the sales team to reach that goal.

The bookings goal and the sales process form the spine of every successful sales strategy. The first section of this eBook highlights the core components of the perfect bookings goal, and walks through the key steps of designing a consistent, scalable sales process.

- **Setting the Bookings Goal**
- **Designing the Sales Process**

Setting The Bookings Goal

The bookings goal should not be created on an island. Too often, the executive team sets the goal by picking a pie-in-the-sky number, assigns quotas by breaking off a chunk of the total bookings goal for each sales rep, and then relies on individuals to pound the phones and keep the business afloat.

The most actionable bookings goals are actually a compromise between what the executive team wants to achieve and what the sales and marketing teams say they can achieve. Due to inefficient company structure and lack of visibility, these numbers are often misaligned.

The sales ops team has to be the key player in reconciling those two numbers because its members are the only ones who are fully accountable for every stage of the sales process.

They put tools and workflows in place that influence the progression of buyers from lead generation through to the handoff to the customer success team, and act as the liaison between closers and the executive team.

The most important contribution that sales ops makes is to set expectations for both sides of the table. These 4 steps are the keys to arriving at the right goal for your sales team:

1. **Set a best case bookings goal**
2. **Determine how much quota each rep can carry**
3. **Determine how much pipeline each rep needs to attain quota**
4. **Calculate how many more reps are needed to get to the goal**

By starting with a best case goal and then working from the bottom up, you get an objective take on where the sales team stands and where you need to get to from the beginning.

If the predictions of the frontline reps match up with the executives, you are in good shape. If not (as is typically the case), this exercise allows you to reset expectations and to put an incremental plan in place to scale predictably and reach the goal consistently.

Once you have a functional bookings goal, the next step is to ensure consistency by creating a scalable sales process.
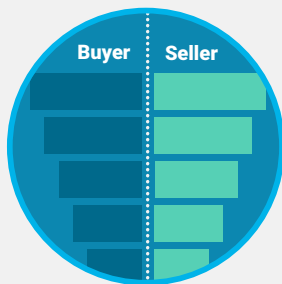
Designing the Sales Process

The one thing that all sales philosophies agree on is that a formalized sales process is a cornerstone of revenue growth. In fact, the Sales Management Association, a leading institution in researching best practice sales management, found that:

Companies that have a structured sales process in place see 18% higher revenue growth over companies without a formal sales process.

CRM systems (like Salesforce.com) are essential for creating a sales structure. Given the amount of data the ops team needs to keep track of to actually make the sales team more effective, you would be better off trying to build a space shuttle from duct tape than trying to construct a sales process without a CRM system.

Your company's sales process is the road that every buyer follows – which means that the sales ops team must take these three steps to make it well marked, closely regulated, and as smooth as possible:

1. Match the Buying Process

The first step in developing the sales process is to create accurate buyer personas and understand what motivates them. Buyers only respond to actions from your sales team when the sales process matches the buying journey they expect to take.

2. Define the Process Stages

The stages of your sales process are the focal point where strategic concepts turn into concrete, revenue-driving sales practices. Each stage has well defined entrance and exit criteria, with clear triggers to indicate movement between stages.

3. Streamline and Automate

Your sales team has to be responsive and knowedgeable when they speak to prospects, but that becomes increasingly difficult as your business scales. Address this problem by proactively identifying obstacles as you design your sales process, and eliminate them before they affect the top line.

Designing the Sales Process

These three steps produce an actionable blueprint that ensures your sales process is ideally suited to your buyers' needs. Combined with a functional bookings goal, this blueprint forms the conceptual structure you need to develop a sound workflow for your sales team.

Click around any of our other free resources below to dig deeper into best practices for mapping out and measuring a waterproof sales process:

Additional Resources:

BLOG **Why Your Sales Process Should be Buyer Focused**

BLOG **Standardizing Sales Processes**

eBOOK **The Right Metrics for Your Sales Team**

eBOOK **Three Secrets of Pipeline Management**

The next two sections will dive into how to create measurable sales stages, streamline the sales proceess, and translate the ideas on the drawing board into tangible sales practices.

Measurement: Pressure Test Your Sales Process

Summary

Even with the perfect blueprint, the sales process can look very different in practice than it did on paper. The trap that most companies fall into is rushing to implement their plans without putting a consistent method for tracking performance in place.

This is the reason that most sales leaders also fail to identify gaps in their sales process, have a hard time forecasting, and struggle to adopt new tools and workflows. The next section takes you through the key points you need to understand to steer clear of this trap.

- **Measuring Sales Performance**
- **Analyzing Stage-to-Stage Conversions**

Measuring Sales Performance

You can't improve your sales process if you don't know how well it's performing. Because the sales operations team has to anticipate and neutralize obstacles in the sales process (and, consequently, the buyer's journey), they need leading indicators in order to do their job effectively.

Accurate Key Performance Indicators (KPIs) that reflect the effectiveness of the sales team's activities act as the leading indicators that the sales ops team needs. At a minimum, the sales operations team should be able to provide data on:

1.   **Stage-to-stage conversion rates**
2.   **Average deal size**
3.   **Sales cycle**
4.   **Opportunity pipeline**

KPIs should act the same way as the gauges in a car – each one provides a single data point that tells you exactly what adjustments you need to make in order to keep the process running smoothly. Taken together, KPIs guide the sales ops team by shining light on the stages of the sales process that are most likely to hinder the progression of sales opportunities.

This is the data that sales ops teams need in order to do their job. Without them, they are left guessing at causes when the sales team falls short. Accurate data allow the sales ops team to proactively identify specific problems and put solutions in place to solve them.

Each metric plays a different role in assessing the health of the sales team, but **stage-to-stage conversion rates are the most powerful** for showing you if the sales process is well matched to your buyers, helping you to identify and refine individual stages of the process, and revealing pitfalls in the process that require your attention.

Because this one metric goes such a long way in diagnosing the effectiveness of the sales process, the next section focuses on the concrete steps involved in calculating meaningful conversion rates, and explains how to use them to help create an effective sales process.

Creating the Sales Process

On paper, conversion rates are very straightforward — they are simply the percentage of sales opportunities that progress from one stage in the sales process to the next. The hard part is to **determine the number of stages** to use and to **set appropriate exit criteria**.

If your sales process doesn't have the right number of stages, you'll have a hard time getting any actionable information out of your conversion rates. The sweet spot for most companies is to create **3-5 sales stages** that both reflect the buyer's journey and are easy for reps to record in their CRM system.

Processes with fewer than 3 stages yield too little data to allow for meaningful analysis, and processes with more than 6 stages become repetitive and difficult to maintain (see figures 1 and 2).
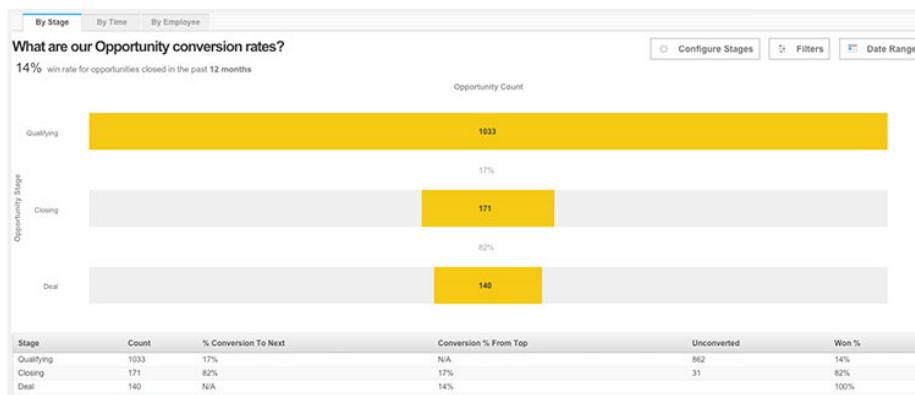

Figure 1: If you try to compress the entire sales process into too few stages, you miss important information about what's really slowing down opportunities. In this example, the "Qualifying" stage is probably too broad. Opportunities with a single, high-level interaction with the sales team are lumped in with opportunities that belong further down the funnel.
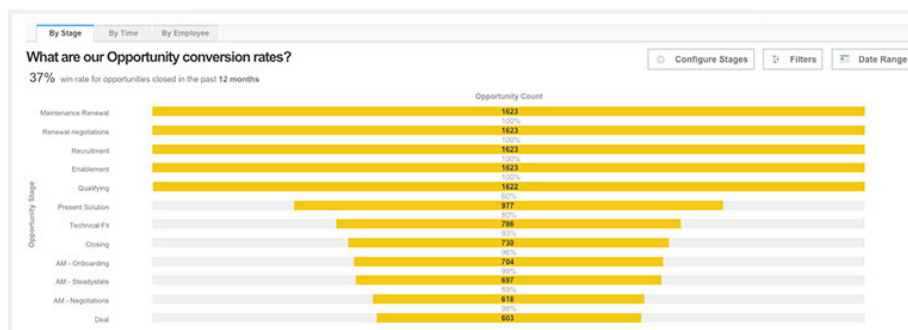

Figure 2: Sales processes with too many stages are difficult to follow and obscure meaningful analysis by including repetitive data. This example shows a case in which the stages before "Qualifying" don't match the process that the sales team actually follows, which means that those stages should be separated from the process altogether.

Creating the Sales Process

The importance of analyzing conversion rates immediately becomes clear when you visualize your data. Healthy sales processes take on a funnel shape – a large number of leads enter the top, but only a fraction of them become customers. More cylindrical funnels are a sign that your sales stages are not well calibrated to track the momentum of the actual process that your reps are using.

When your stages match the process that your team is following, a cylindrical funnel is even more concerning. It's a sign that the sales team is only qualifying and working a handful of winnable opportunities without creating a sustainable pipeline.

If you don't already know the shape of your company's sales funnel, take a few minutes to **download InsightSquared's free sales funnel app**. It saves you the time it would take to calculate conversion rates for every stage of your sales process, and provides a full visualization of the entire sales process.

Creating the Sales Process

The stages of your sales process encapsulate every interaction a prospect has with your sales team, beginning with the prospect's first contact with a rep all the way through to your company receiving a signed contract.

Sales stages determine the quality of data you can obtain about your sales team's performance. Put more bluntly, your sales operations team needs to have well defined sales stages in order to do its job effectively. Here is an example of a five-stage process for a B2B company that captures detailed information about the entire sale process:

1. Qualification - The qualification stage is for opportunities that have only engaged with the sales team at a very high level. Your sales rep is still determining if the prospect would be able to make good use of your company's product.

2. Discovery - Once the rep determines that a company is a good fit for your product, it enters the discovery stage. The work at this stage should involve meeting with the prospective buyers at the target company to understand their business pain and the use case for your company's product.

3. Evaluation - Opportunities move into the evaluation stage once a decision maker actively engages with your sales team and acknowledges the need to address a business pain that your company can resolve.

4. Buying Process - The penultimate stage of the sales process is reserved for opportunities where the sales rep has identified and engaged every decision maker, and the decision makers have acknowledged an interest in buying your company's product.

5. Deal - Opportunities in the final stage of the sales process should exclusively be closed won, and the sales rep should have a signed contract in hand before calling it a won deal.

By bucketing opportunities into these stages, it's easy for sales ops teams to identify specific problems with the sales process, provide accurate forecasts, and help managers to coach to strengths and weaknesses.

Creating the Sales Process

The entrance and exit criteria that delineate each stage should come in the form of a timely action that pushes the buyer further down the funnel and is easy for sales reps to record.

One thing to note about the stages listed on the previous page is that they are strictly for opportunities — it's important to begin the entire sales process with an entrance criteria that officially marks when someone begins the sales process (e.g. document when a lead is converted to an opportunity).

An example of a good exit criteria for a software company would be to only move opportunities from the discovery stage to the evaluation stage when a decision maker at the company begins a free trial of the product. The trial serves as a trigger that is easily defined, easy to track, and most importantly, manifests legitimate interest in your product.

Without clearly defined criteria in place, the stages of the sales process get blurred and, ultimately, become meaningless. The entrance and exit criteria provide borders that enable you to show the progress and momentum of an opportunity.

When sales operations teams struggle to settle on the number of stages and exit criteria for the sales process, it's usually for three reasons:

1. **The stages they use don't accurately reflect the buying process**
2. **The activities they track don't correspond with action from buyers**
3. **Sales reps don't provide accurate data**

You can (and should) solve the first two problems by using your buyer's journey to ensure that you only track sales activities that have a direct impact on a prospect's decision making process. The third problem is one that every sales operations team faces, and it can only be solved by fostering internal relationships with the producers on the sales team.

Creating the Sales Process

For a deeper dive into the role metrics play in the sales process, the right balance to strike between too much process and too little, and tips on the key data your sales team needs to maximize its efficiency, **click on the links below.**

Additional Resources:

BLOG **How Much Sales Process is Too Much?**

BLOG **Why Do Sales Reps Hate Using CRM?**

eBOOK **Creating a Metrics-Based Sales Coaching Model**

eBOOK **The Definitive Guide to Pipeline Management**

Sales reps will ignore anything that doesn't directly help them win deals, especially something as mundane as entering data in a CRM or spreadsheet. It's up to the sales ops team to connect the dots between adherence to the process and more closed won deals.

That is where communication and sales enablement, the last two steps in translating strategy to revenue, come into play.

Implementation: Propel the Sales Team

Summary

You have your blueprint in hand and a data-driven method for tracking performance in place – you're finally ready to make the leap to turn strategic plans into new business.

There are two core pieces that go into this final leap: data-driven communication and sales enablement. The final section of this eBook explains how these two components add muscle to the sales process and make it powerful, actionable, and most importantly, sustainable.

- **Communication**
- **Enablement**

Communication

Clear lines of communication are the wires that convert strategy into actionable sales processes, and those lines begin and end with hard data. The challenge facing sales operations teams is to make sure the data matches up on both sides of the line. The solution is to be religious about maintaining a single database as the point of truth for the entire company.

Lack of visibility damages the company in two ways. The first is that it makes it impossible to assess the sales team's performance objectively, and therefore hampers efforts to make individual reps more productive. The second is that unreliable data force managers to track performance on their own, and ultimately make subjective judgment calls about what works and what doesn't.

Both of these problems drive a wedge between the leadership and the front line that is responsible for adopting new workflows and executing. The result is that all the efforts of the sales operations team — calculating a functional bookings goal, mapping the sales process to buying behavior, creating a method for tracking performance — are wasted because disconnects arise that separate the realities on the ground from the executive suite.

When there is a **single, reliable source of data** that is used as the basis for all operational and strategic decisions, **it's easy to chart a course of action and make adjustments** based on the results. Conflicting data sources lead to disagreement, both vertically and within each level of the company, about which initiatives are most effective, and what steps need to be taken next.

Executives are more willing to approve expenses and concede to organizational changes when they have trustworthy data to base their decisions on. Sales reps and managers are more diligent about recording activities and reporting results when the data is directly tied to their compensation and the enablement tools they receive.

Communication

The key takeaway here is to always tie data maintenance to results. This is the only way to ensure that your database stays reliable, and to positively reinforce adherence to the sales process.

However, even with clear, objective data in hand, you still have to create accountability in order to put solutions into action. The most effective structure for creating that accountability is old-fashioned, face to face meetings dedicated to putting resources in place that will iron out kinks in the sales process.

A weekly "closed loop" meeting that pulls sales managers, the sales VP, members of the sales operations team, and the marketing VP into the same room is the most effective structure for identifying and communicating needs across the organization.

The sales ops team should be the organizers of these meetings. They need to be ready with reports about the health of the sales team, have an agenda on hand to discuss the most problematic obstacles the sales team faces, and most importantly, be ready to mediate discussions between members of other departments.

The frequency of these meetings is important — when there are longer intervals between each meeting, it's more likely that data entry errors will go uncaught, cracks will form in between stages in the process, and problems with the sales process as a whole will go unaddressed.

Reliable sales data shed light on the immediate needs of the sales team, and closed loop meetings act as a forum to coordinate the response to them. These are the two components of a communications strategy that will enable you to implement and maintain an effective sales process.

With a well designed, measurable sales process in place and clear lines of communication set up, the last step to execute on a sales strategy is to put tools and workflows in place that will ensure long term success for your sales team.

Enablement

The point at which strategy turns into concrete projects that directly impact the top line is broadly known as sales enablement. There are a lot of different tools and services that fall under this umbrella – click-to-dial software, analytics, lead scoring, leaderboards, marketing content – everything in sales except the selling.

It's instructive to look at several different definitions of sales enablement in order to carve out the role that sales operations teams play in it. The official definition from Forrester Research is:

> **A strategic, ongoing process that equips all client-facing employees with the ability to consistently and systematically have a valuable conversation with the right set of customer stakeholders at each stage of the customer's problem-solving life cycle to optimize the return of investment of the selling system."**

Steve McKenzie, VP of Sales at InsightSquared, adheres to a more direct definition of sales enablement. In his words:

> **Sales enablement is the process by which we turn our reps into the best versions of themselves."**

The definition from Forrester is right in line with the strategic goals of the sales operations team – understanding the buyer's journey, and putting tools and processes in place that empower the sales team to maximize the likelihood that prospects will continue down the path to becoming customers.

The second definition gets to the heart of the salesperson's definition of sales enablement – "it consists of anything that will make me better at hitting my number." Conceptually, the two definitions are the same. The role the sales operations team plays is to ensure that the strategic and operational definitions align in practice as well.

Enablement

That's why it's important to build up to the point of being ready for sales enablement — if you don't have a strategic plan in place with a functional bookings goal and a systematic process tailored to meet it, your sales enablement initiatives will be misaligned and doomed to failure.

When you have done the legwork involved in creating a viable sales process, it's much easier to break sales enablement into incremental, actionable steps. In fact, the internal sales enablement process looks a lot like the sales process itself:

1.   **Use sales data to identify needs**
2.   **Evaluate potential solutions (tools, workflow changes, etc.)**
3.   **Justify the cost and prove ROI**
4.   **Implement the solution**

If you have a well-defined, clearly documented sales process, you can easily identify the sales team's needs (both present and future), speed up the evaluation of new tools, argue your case for the team that has to approve the cost, and keep an eye on how well the solution is benefitting the sales team as a whole.

In short, by building the sales team's needs into the wider company goals and creating a framework to keep track of them, you facilitate the jump between strategy and revenue generation.

Conclusion

Many sales teams act like a body with a dysfunctional nervous system – the head and the hands can operate on their own, but no signals pass between the two. The best sales operations professionals glue the entire organization together by tying the needs of frontline sales reps to the interests of the executive team, and guide the actions of both by supplying them with the tools and the data they need, exactly when they need them.

Average sales operations teams can perform effective post mortems on past sales performance and tell their leadership what went wrong. Good sales operations teams can perform analysis on the current trajectory of their sales team and warn them about what could go wrong.

The best sales operations teams combine historical data, current trends, and insights from the rest of the sales team to not only predict what will happen, but create a strategy to ensure that the bookings goal is always in reach.

Which brings us back around to our original point: **the sales operations team holds more responsibility for hitting the bookings goal than anyone else in the company**.

Sales teams that succeed today do so because they have support from operations teams that enable them to create sound strategies, arm their reps with the tools and training they need to win deals, and conduct the flow of useful information up and down the entire chain of command.

The best part is that **there's no reason that average sales operations teams can't become great**. In fact, you now know exactly what it takes to get there. If your company is falling behind its goals, step up, draw up a plan, put it into action, and get your team back on track.