

Smarter, Not Harder: Sales Intelligence in the High Tech Industry

Early research findings for the upcoming benchmark report, *Sales Intelligence: The Secret to Sales Nirvana* (November 2008), found that 75% of companies in the high tech sector consider the use of third-party content from sales intelligence providers a priority for improving sales effectiveness. Furthermore, 59% of high tech companies indicated that the current economic climate has played a prominent role in the organization's need to improve the effectiveness of sales representatives and enrich the leads in the sales pipeline. As the reality of spending freezes and budget constraints hit home with sales representatives, organizations must ensure that they are diligently preparing their sales force to compete for the limited number of sales opportunities in the market. This Sector Insight examines the pressures and actions causing high tech organizations to focus resources on improving sales effectiveness through sales intelligence initiatives and the sources of information used by sales representatives to improve their competitive knowledge and identify high value prospects.

Sales Intelligence Defined

For the purposes on this research, sales intelligence is defined as the various sources of information used by organizations to improve the effectiveness of their sales force, enrich the leads in the sales pipeline, and educate on competitive products and offerings (Table 1). Organizations that leverage sales intelligence within the sales department are better suited to understand the specific business challenges of prospects, map products and services to those business challenges, and speak intelligently about competitive differentiators during the sales process.

Table 1: Common Sources of Sales Intelligence

Sales Intelligence Sources	% of Respondents Currently Using
Targeted company information - e.g. company details, financial statements, competitor information, corporate hierarchy	79%
Executives / people information - e.g. contact details, job titles, biographies	72%
Analyst reports on industries, trends or technologies	58%
News that is contextually relevant to internal account, contact and opportunity records	57%
Company-specific analyst reports	43%
Consumer generated content - e.g. information that resides in blogs and other social media forums, such as Facebook or LinkedIn	39%

Source: Aberdeen Group, November 2008

Sector Insight

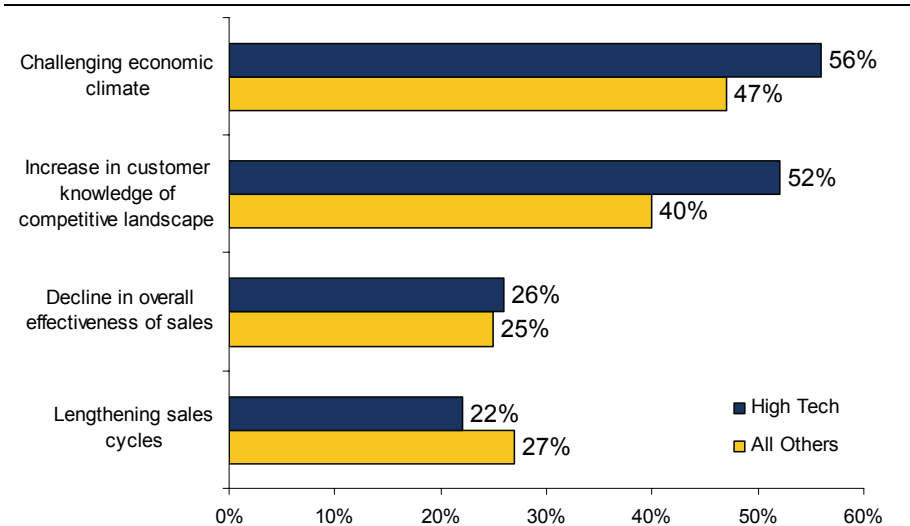
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Companies in the high-tech space have an added challenge of differentiating themselves in an often crowded marketplace. By using various sales intelligence sources, high tech companies are preparing their sales reps for success by contextualizing accounts with relevant information.

Overview: Pressures and Actions

The pressure to sell in a challenging economic climate (56%) and a deeper understanding of competitive products and offerings on the part of the customer (52%) were identified by high-tech companies as the top two factors causing organizations to focus resources on sales intelligence (Figure 1). As a slowing economy leads to budget constraints and scaled back manufacturing operations, high tech companies must aggressively compete for fewer opportunities. The explosion of free online information creates an added challenge. Sales representatives must not only compete with other organizations to close business, they also compete with customer themselves who are increasingly educating themselves on the competitive landscape and investment alternatives. The explosion of consumer-generated content and free internet news sources has created a wealth of company-specific information that prospects can use to inform purchasing decisions. In order for high tech companies to compete with these two lofty challenges, organizations must create an internal strategy to help alleviate business pressures.

Figure 1: Top Pressures Causing Investments in Sales Intelligence Initiatives



“Sales management, for the most part, is stuck in the 19th century. The problem isn’t just archaic tools or organizational structures; the fact is that a majority of sales managers don’t understand that their job is to enable sales people to do their job better, not control them.”

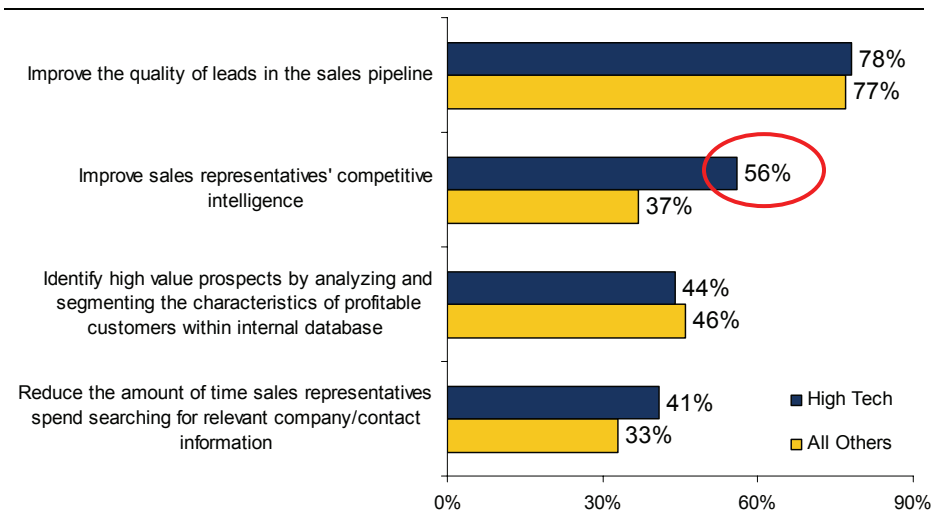
~ Steve Reeves
Co-Founder

FrontOfficeBox.com

Source: Aberdeen Group, November 2008

Companies in the high tech industry focus on strategies that enrich both the sales representative’s knowledge of key account and competitive information, as well as the quality of leads entering the sales pipeline (Figure 2).

Figure 2: Top Strategies to Improve Sales Productivity



Source: Aberdeen Group, November 2008

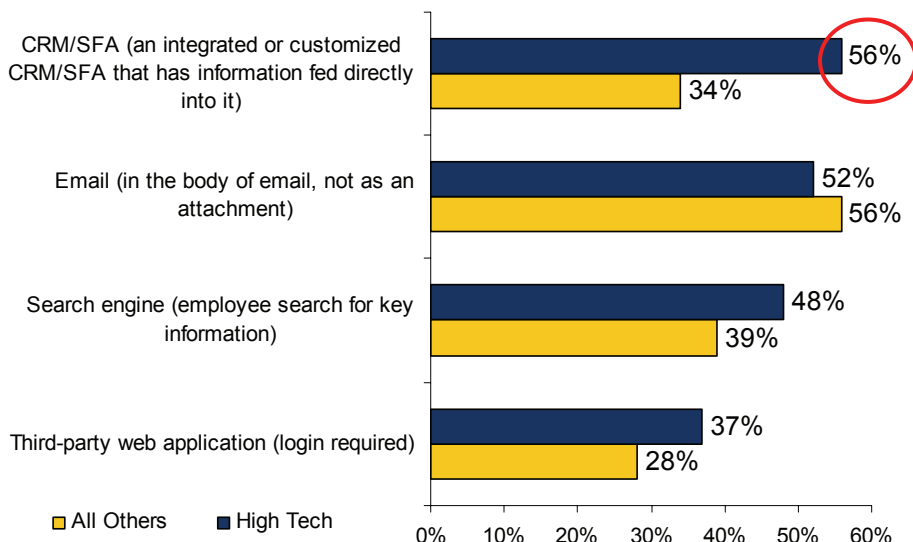
Significantly, sales intelligence tools represent a top two strategy for 56% of high tech companies (versus 37% of all others). Improving the quality of leads in the sales pipeline is a critical step towards improving sales effectiveness. However, lead quality and sales intelligence are a double edged sword. Interviews with high tech companies reveal sales intelligence tools are largely used to help reps qualify opportunities. Sales intelligence information helps reps isolate recent events, organizational changes, and other key information that may indicate the right time to approach the organization with a one-on-one sales interaction.

Rather than simply improving quality by augmenting leads with externally sourced information, such as missing title info or company addresses, for example, high tech companies are focused on enabling their sales representatives by providing competitive information that will allow them to map their products and services to the business challenges of prospects. At very least, high tech companies are hoping that supplying sales representatives with information on their competitors will enable the reps to highlight competitive differentiators during the sales process.

Finding the Right Vehicle to Deliver Sales Intelligence

While high tech companies share common characteristics with all other survey respondents in regards to the types of information that is valuable in the selling process (Table I), High tech companies, similarly to Best-in-Class organizations, are more likely to weave this information into the daily workflow of representatives.

Figure 3: Sales Intelligence Delivery Methods



Source: Aberdeen Group, November 2008

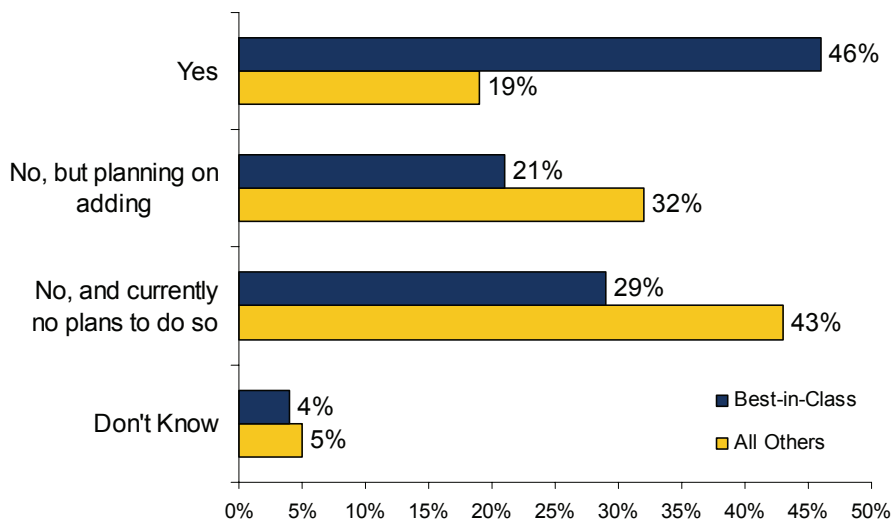
Fifty-six percent (56%) of high tech companies integrate sales intelligence directly into the organization’s existing CRM / SFA solution (Figure 4), a powerful trend in light of that fact that 69% of high tech companies indicated that sales representatives spend at least a few hours on any given day using the company’s CRM / SFA solution. The research reveals that all other companies primarily deliver sales intelligence over email, a method that could quickly lead to information overload on the part of unorganized sales reps. By integrating or customizing key competitive intelligence, or other relevant information sources, into the existing CRM, high tech companies maximize the return on investments in both sales intelligence and CRM.

While 52% of high tech companies still rely on email as a primary tool for knowledge exchange and collaboration, the advent of enterprise social media solutions will eventually lead to more streamlined methods of exchanging key account or competitive information. Currently, 44% of high tech companies, compared to 30% of the Best-in-Class and 21% of all others, use internal social media solutions, such as wikis, for knowledge management or sales collaboration.

The Power of Integrating CRM and Sales Intelligence

Best-in-Class reveal that sales intelligence has the most significant value when it is delivered over the vehicle reps are accustomed to using, such as a CRM.

Figure 4: Do you Integrate Sales Intelligence into a CRM?



Source: Aberdeen Group, November 2008

Case in Point

The idea for FrontOfficeBox.com, a project management solution designed to award end-users better control of business processes, was born in the most unlikely of places. “My son and I were shopping with our wives at the Burlington Coat Factory some years back,” begins Steve Reeves, co-creator of FrontOfficeBox.com, “when he posed a question to me: ‘what happens when the cost of software reaches zero?’” The ensuing conversation between Steve Reeves and his son, Garrith, was a scaled-down SaaS CRM solution they called “Briefcase.” “After I spent some time designing the software and Garrith built it, we created a demo version and gave it to a few friends to use. The feedback was totally positive and many commented on how it changed their work routines,” explain Reeves.

The success of the “Briefcase” launch led Steve Reeves and his son to create another solution, one that provide users the flexibility to determine how much data to put in and allow them to control their own processes during whatever project they undertake. The resulting solution, FrontOfficeBox.com, is a project management solution geared towards consultants and value-add business service providers. “The attractiveness we offer,” explains Reeves, “can be found in the flexibility, ease of use, and intuitive workflow of our system.” Essentially, end-users can plan what they’re going to do, execute, and review the effects to determine next steps. Once Reeves and his son had perfected their solution, the matter of sales intelligence was addressed.

“I think there is a major problem with sales intelligence,” begins Reeves. “Sales management, for the most part, is stuck in the 19th century. The problem isn’t just archaic tools or organizational structures; the fact is that a majority of sales managers don’t understand that their job is to enable sales

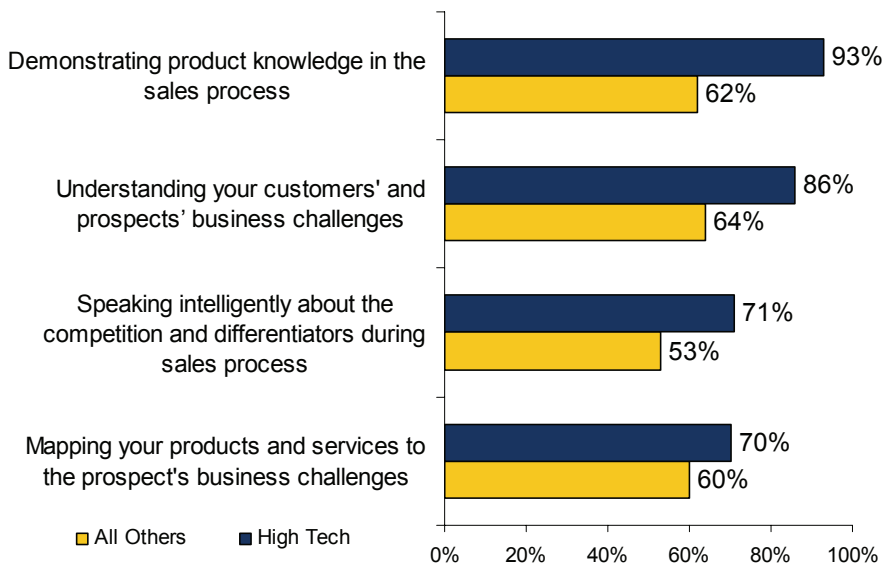
people to do their job better, not control them.” Reeves continues to suggest that failed CRM implementations are often the result of poor management, not poor functionality. “Managers overseeing CRMs spend too much time trying to control sales reps, not enable them. The result is a measurement of success based on pure volume of calls. The better managers offer some systems to help the representatives do what they do best: sell. They are managing systems, not controlling them,” concludes Reeves.

In order to avoid creating yet another trap for sales managers, Reeves plans to integrate sales intelligence into the solution to provide a richer experience. By partnering with a sales intelligence provider, Reeves believes that FrontOfficeBox.com can create the perfect storm of data, content, and process to ultimately provide a richer and more flexible solution. By integrating select RSS feeds into the solution’s dashboard, Reeves is hoping that his solution does what he set out to do, namely provide an outlet for sales managers to enable sales success and not simply control it.

The Benefits of Sales Intelligence

According to respondents in the high tech industry, the use of sales intelligence has positively affected the ability of sales representatives to demonstrate knowledge of both their own offerings and competitive products during the sales process (Figure 5).

Figure 5: Is Your Company Effective at the Essentials?

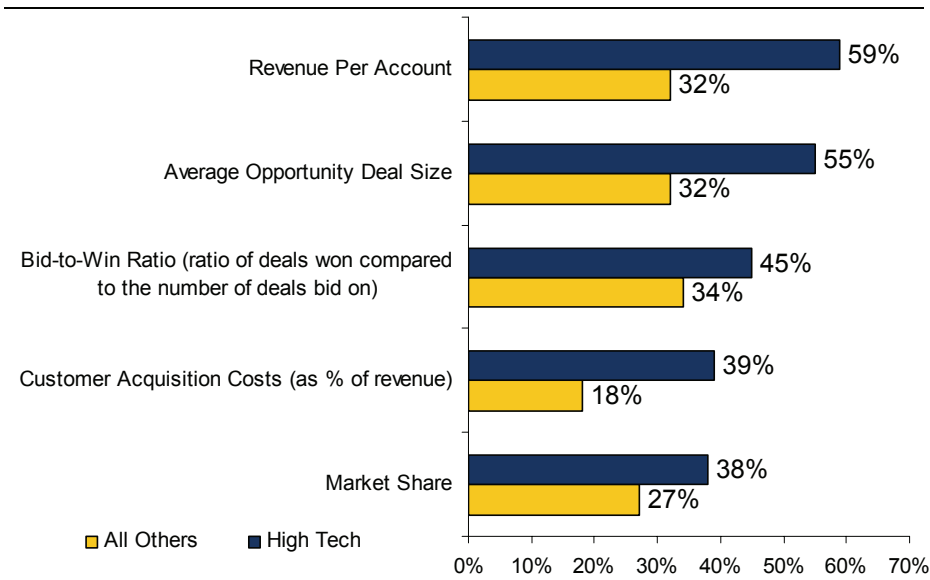


Source: Aberdeen Group, November 2008

Ninety-three percent (93%) of high tech companies indicated that their sales representatives are effective at demonstrating product knowledge in the sales process, compared to 62% of all others. Additionally, 71% of high tech companies consider themselves effective at speaking intelligently about the

competition and differentiators during the sales process, compared to just over half (53%) of all others. In a selling environment where prospects are evaluating all potential suitors before deciding on a provider that is most cost-effective and aligned with their business needs, high tech companies are closing more deals by using their knowledge of prospects in various stages of the sales cycle. This knowledge is derived from sales intelligence tools and used by reps during the entire selling process. Figure 6 suggests that these unique tactics help high tech companies excel in key sales metrics.

Figure 6: Year-Over-Year Improvement in Key Sales Metrics



Source: Aberdeen Group, November 2008

“First, we track the leads we receive from this directory service as they are put into the system. Then, we can filter the leads to see how many have converted into actual sales. Second, and quite simply, we ask the sales reps ‘is the data good?’ The reps have given positive reviews, and have experienced success.”

~ Tim Walls
Senior Manager of Sales
Operations
Netuitive

Vendor Landscape

The following list of sales intelligence providers is a small subset of vendors that deliver key account and contact information to several verticals, including the high tech industry:

- Demandbase.** Founded in 2006 and funded by Adobe, Demandbase strives to help companies identify, reach and convert new customers. Demandbase Central is an organized database of business contacts that allows users to target specific contacts, while Demandbase Stream is a free desktop widget that identifies prospects on a company’s website and scrolls the information across the bottom of the screen. With roughly half of Demandbase’s users being in sales (the other half are marketers), the company hopes to provide products that seamlessly integrate into the daily workflow of its users, such as its offering on the salesforce.com’s AppExchange.
- Hoovers.** Hoovers, operating under the Dun & Bradstreet umbrella, provides a 360-degree view of the market to users by focusing on company, industry, and people information. Access Hoovers, the company’s offering on salesforce.com’s AppExchange,

has consistently ranked as a top ten application, allowing Hoovers to attain its goal of integrating data into the primary workflow of users. With an increased focus on mobility, Hoovers is hoping to become an essential tool for sales professionals however and wherever they work.

- **InsideView.** Founded in 2005, InsideView's goal is to "tame information overload" on the part of its clients. InsideView's on-demand business search and intelligence application, named SalesView, addresses the challenges related to the vast amounts of information available to end-users. By aggregating various types of information, such as new product announcements, leadership changes, and acquisitions, InsideView creates targeted selling plans for companies. Furthermore, organizations have the ability to discover new opportunities through customized "trigger events," such as a new office opening or any other noteworthy event for sales representatives.
- **Jigsaw.** Jigsaw, a prospecting tool that connects users directly to decision-makers, strives to win back the time sales representatives spend calling and crawling in search of the right contact at a company. Through its integration with salesforce.com, Oracle, NetSuite, SugarCRM, Act and more, Jigsaw's company and contact data is used by sales representatives, recruiters, marketers, researchers, job seekers, and small business owners. Adding to the uniqueness of Jigsaw's offering is the "pay or play" pricing model. Users can either contribute to a point-based system through contributions to the contact database, or they can subscribe to Jigsaw's services for a monthly fee. Jigsaw's database of more than 10 million business contact records and 1.8 million company records contains complete information, similar to what can be found on a business card. Finally, Jigsaw's lead augmentation services allow companies to supplement the leads currently residing in a CRM solution with any missing information, such as phone numbers or street addresses.
- **SalesFuel.** SalesFuel finds high quality prospects by using certain "sales triggers," such as company acquisitions, mergers, or new product announcements. By alerting sales representatives to new selling opportunities, SalesFuel strives to make information actionable. With 120 "sales triggers" in its core offering, as well as integration with salesforce.com and Microsoft Outlook, SalesFuel offers actionable insights to the sales reps at the beginning stages of the sales funnel.
- **ZoomInfo.** Founded in 2000, ZoomInfo has created a database containing 44 million people strong. Rather than relying on a self-policing method of keeping data accurate, ZoomInfo uses algorithms (or, "spiders") to crawl the web and assemble dynamic profiles based on information that exists in multiple public sites. To ensure the personal privacy of contacts, ZoomInfo only compiles business information and excludes personal email addresses and / or telephone

numbers. ZoomInfo's "PowerSell" product allows sales representatives to access contact and company information within salesforce.com.

Required Actions

While high tech companies are outperforming all other industries when it comes to demonstrating product knowledge during the sales cycle and increasing year-over-year performance in key sales metrics, the following recommendations will allow high tech companies to sustain superior performance:

- **Segment contacts based on characteristics of high value customers.** Currently, 56% of high tech companies, compared to 34% of all others, analyze high value customers and segment leads using information on companies that fit a certain predetermined criteria, such as a geographical location, business model, revenue size, or other characteristics shared with the 'ideal' prospect. All companies, regardless of industry, should conduct a win / loss analysis on both successes and failures. By identifying the traits of a high-value prospect, companies can devote additional resources and time to those opportunities that have a great propensity to close.
- **Create a process for tracking prospect engagement.** Forty-six percent (46%) of high tech companies, compared to 47% of all others, currently have a process for tracking prospect engagement, such as email read receipts or website visits. In a competitive selling environment, companies must ensure that time and energy are allocated to prospects that are responsive to sales outreach. Rather than relying on a traditional "gut feeling" concerning a prospect's interest, companies must collect the data at their disposal to remove a portion of the uncertainty that exists within a sales cycle. High tech companies should define a process for identifying which prospects are responding to messaging and which prospects are at risk of defecting. Such information can help sales representatives restore the lines of communication or suggest a new method of engaging the prospect. While rudimentary methods such as email read receipts are a start, companies using advanced web analytics tools or customer-facing wikis are better suited to understand not just the engagement, but the interests of prospects as well.
- **Unify information gathered through multiple and disparate 'customer touch points.'** Fifty-four percent (54%) of high tech companies currently have a process for unifying the customer information gathered through multiple and disparate 'touch points,' compared to 34% of all others. An additional 27% of high tech companies plan to implement this capability in the future. In order to isolate the high value prospects that exist within a CRM solution, companies must have a robust view of customers and prospects and most importantly, the characteristics of the most profitable profiles.
- **Integrate sales intelligence into existing CRM / SFA solution.** Of the high tech companies that currently do not integrate the information provided by third-party content providers

"Reps can do searches from within our SaaS CRM solution and get data on the fly. Ultimately, the power to prospect has been given to the sales team; everyone has access to the data."

~ Tim Walls
Senior Manager of Sales
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into a CRM / SFA system, 23% indicated that they have no plans to do so in the future. The value of CRM is largely dependent on employee adoption. By integrating sales intelligence (through lead augmentation or sales intelligence modules) organizations can contextualize the leads in a CRM solution and maintain higher usage rates from sales reps. Currently, 32% of high tech companies indicated that their sales representatives spend “very little time, if at all” using a CRM / SFA on a daily basis. Integrating key account or company information may achieve similar results to more aggressive employee-adoption plans, such as those who link CRM / SFA usage to compensation plans or performance reviews.

Conclusion

The current state of the economy is causing high tech companies to focus on sales optimization and efficiency; sales intelligence initiatives and tools have emerged as the primary means to enable sales resources to sell more effectively. The advent of social media and the explosion of consumer-generated content has made it easier than ever before for customer to evaluate potential solution providers. In order to meet the demands of this knowledgeable prospect base, sales representatives must be equally armed with information about their prospects and competitors and move beyond mere names and numbers. High tech companies are 1.5-times more likely than their peers to use sales intelligence tools. Sales Intelligence tools help sales reps contextualize the leads in the CRM system and prepare them to intelligently and succinctly explain to prospects why their product or services can help alleviate specific business challenges. For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

<p>Cross-Channel Campaign Management: Next Generation Multichannel Marketing; October 2008 Channel Management in the High-Tech Sector; October 2008 Lead Nurturing: The Secret to Successful Lead Generation; October 2008</p>	<p>Sales Effectiveness: Pathways to Productivity; September 2008 Sales 2.0: Social Media for Knowledge Management and Sales Collaboration; September 2008 Customer Experience Management: Is Your Entire Company Really Focused on the Customer?; August 2008</p>
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Author: Alex Jefferies, Senior Research Associate, Customer Management Technologies (alex.jefferies@aberdeen.com)

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