

STRATEGIC SALES MANAGEMENT

Sales Intelligence and Analytics

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Learning Objectives:

After going through this module, you should be able to:

- Understand the meaning and role of Sales Intelligence
- Learn role of data for Sales Intelligence
- Define and create Ideal Customer Profile (ICP) using Sales intelligence
- **Learn to apply data-driven approaches to selling: Basic and Advanced**
- Use Social Media for lead generation

Data-driven Approaches to Selling

How much data goes unused for analytics?

73%

Lost revenue
opportunities

Lower efficiency

Lower
productivity

Quality issues

Source: Forrester

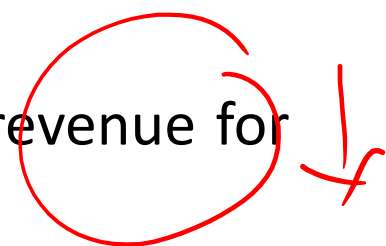
Data-driven Approaches to Selling

*Businesses that rely on data to make decisions are **19 times** more likely to be profitable.*

- McKinsey



Data-driven Approaches to Selling

- Sales analytics and analytics tools will help you boost sales numbers.
- Without sales analytics, you're missing out on key strategic insights and revenue for your business. 
- More and more companies are talking about big data and putting substantial amounts of money and manpower into capturing that data.
- It seems the business industry knows data-driven selling is important—but doesn't necessarily understand why it's important, or what to do with that data once it's collected.

Data-driven Approaches to Selling

Sales analytics

Sales analytics refers to *the technology and processes used to gather sales data and gauge sales performance.*

Sales leaders use these metrics;

- To set goals
- To determine KPIs
- To improve internal processes
- to improve sales and marketing strategies
- To forecast future sales and revenue more accurately

SA

Data-driven Approaches to Selling

Sales analytics – Where it helps?

- **Improve lead generation** → ↑ 30% Conversion Rates
- Lead generation and lead scoring are all about identifying the right customer at the right time. By consulting previous purchases as well as demographic brackets (wealth, age, gender, location), lead analysis can indicate which prospects are most likely to buy—before your sales team ever interacts with them.
- Certain companies that used sales analytics to determine lead qualification reported **increases in lead conversion by over 30 percent.**

Data-driven Approaches to Selling

Sales analytics – Where it helps?

- **Maximize customer lifetime value**
- A lot of sales success hinges on converting leads into customers, but what about down the line? How does your company keep its customers happy? How do you prolong subscriptions or incentivize additional purchases? You do it with sales analytics.
- With an automated CRM, you can alert your sales teams when it's time to contact existing customers. You can also plan for cross-selling and discount opportunities with these alerts.

Data-driven Approaches to Selling

Sales analytics – **Where it helps?**

- **Increase forecasting accuracy**
- You cannot forecast accurately without sales analytics. It's telling that **80 percent of sales organizations** don't have a forecasting accuracy larger than 75 percent. What's even more telling is that *55 percent of sales leaders don't have confidence in their forecasting accuracy.*
- **97 percent of companies** that worked to implement sales forecasting best practices in 2020 achieved their quotas as opposed to 55 percent of companies that implemented zero changes. That's a huge margin.
- Sales analytics is the key to unlocking accurate sales forecasting.

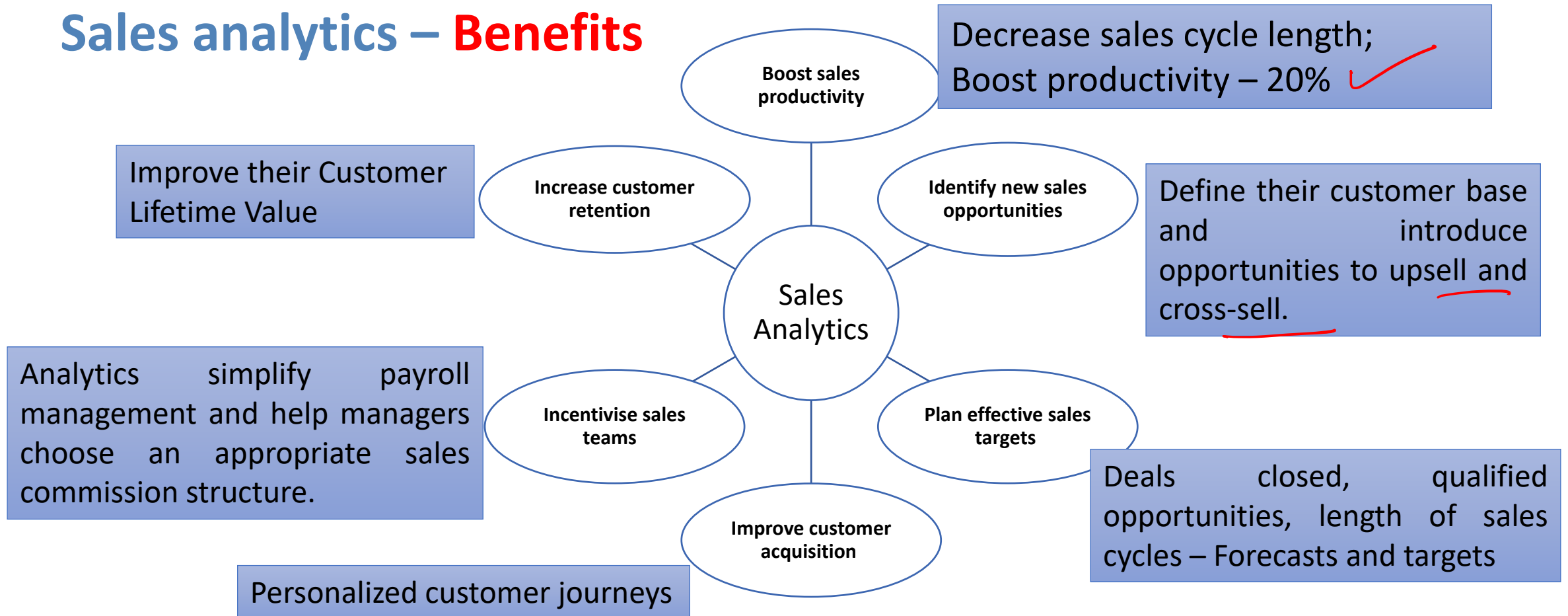
Data-driven Approaches to Selling

Sales analytics – **Where it helps?**

- **Gain insight into customers and personalization**
- Nothing helps you craft a better sales and marketing plan than your customers—if you listen to them.
- With sales analytics, you can track your customers' behavior and use it to predict everything from future budgets, to product success, to pointed sales.
- One can also play around with personalized marketing and adjust based on the results. For example: A/B Testing

Data-driven Approaches to Selling

Sales analytics – Benefits



Data-driven Approaches to Selling

Sales analytics – Data-driven Sales Approach

- As per HBR 2020 report;
 - Buyers answered a mere 1 in 18 sales calls
 - Buyers opened only 1 in 4 sales emails
 - Only 5-15 percent of lead move to the next step in the sales pipeline
- The tried-and-true methods of marketing and sales aren't working as well in the modern buyer market.
 - One-size-fits-all marketing and sales tactics – No No
 - Focus on Why and NOT What – product
 - Smarter, not Harder – Data-driven sales analytics

Data-driven Approaches to Selling

Analytics – Types

- **Descriptive: What happened?** Descriptive analytics entails tracking historical sales data—revenue, number of users, etc.—so you can make comparisons and better understand what's currently happening.
- **Diagnostic: Why did it happen?** Diagnostic analytics is examining and drilling down into the data to determine exactly why something occurred.
- **Predictive: What's going to happen?** Predictive analytics is taking what you've learned about past sales and using it to gauge patterns and trends. This allows you to make educated predictions.
- **Prescriptive: What's the best solution or action?** Prescriptive analytics involves assessing all the data and recommending the best plan of action.

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

*[(Sales for the current period -
Sales for the previous period) /
Sales for the previous period x 100*

Sales growth

- Sales growth shows **how much your revenue increases** (or decreases) over a specific period of time. This metric provides a bird's-eye view of sales and how your team is performing.
- No company wants to stagnate, so it's critical to track whether or not you're experiencing healthy growth.

$$\frac{(100 - 50)}{50} \times 100$$

$$\frac{50}{50} \times 100 = 100\%$$

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

$$\frac{100}{300} \times 100$$
$$\frac{1}{3} \times 100$$
$$33.33\%$$
$$34\%$$

Sales target

- Sales target evaluates current sales and compares them to your bigger, long-term goals.
- To track this metric, you first have to determine your target. Sales targets are often based on past growth rates and revenue needed to stay in business and remain competitive.
- Sales targets should strike a good balance between ambitious and achievable.

(Sales for the current period / Sales target) x 100 = Sales target percentage

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

Sales per rep

- Sales per rep measures the individual performance of your agents.
- Track the sales each agent makes during a designated period, such as weekly, monthly, or quarterly. Again, it's good to look at both the number of deals made as well as the monetary value.
- For example, maybe agent A made 10 sales and agent B made six sales. But agent A's sales totaled Rs. 100,000, while agent B's totaled Rs. 110,000. Agent B likely sold some higher-value items or services.



Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

Sales by region

- Sales by region dives into the ~~volume of sales in key geographical areas~~ for your business.
- This metric tracks sales in a specific region—territory, state, country, or continent—over a specific period of time.
- Examining sales per region can help you determine where your products or services are selling the best, enabling you to **focus your sales and marketing efforts** accordingly.
- It also reminds you to take into account certain factors (such as population density and seasonality) when setting your sales goals.

Data-driven Approaches to Selling

$$\frac{20}{100} \times 100 = 20\%$$

Sales analytics- Sales metrics (Basic)

*(Inventory sold / Inventory received)
x 100 = Sell-through rate*

Sell-through rate

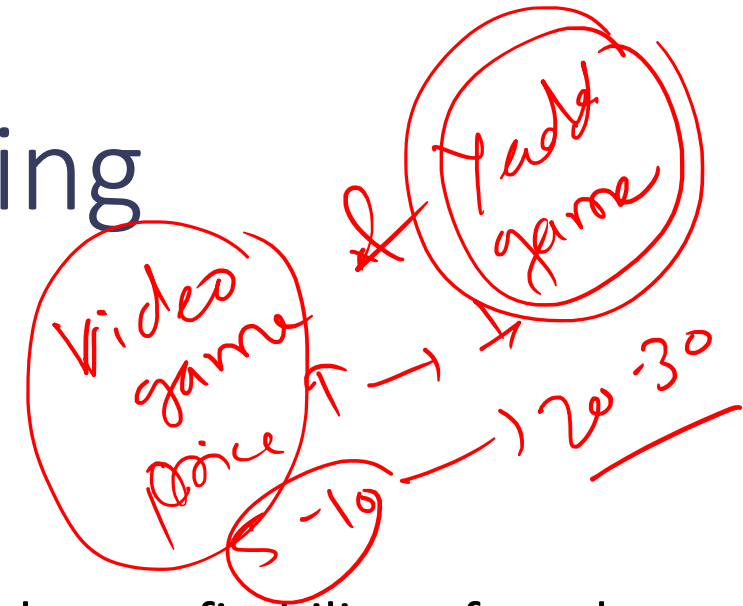
- The sell-through rate assesses how quickly a business can sell its inventory.
- Say a shoe store has 100 pairs of sneakers when it receives inventory at the beginning of the month. By the end of the month, the store sells 20 pairs of sneakers. That means its sell-through rate is 20 percent.
- A low sell-through rate means that your products are sitting on the shelf and not making you a profit.

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

Sales per product

- Sales per product, also called product performance, shows the profitability of each product you sell.
- For this metric, you track total revenue for individual products over a specified period of time.
- it can help you see how high-cost, low-volume products compare to low-cost, high-volume products.
- You can also examine how seasonality and marketing initiatives impact the sales and revenue of certain products.



Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

→ SQL = 10
→ ADS = 500
→ WR = 50%
→ SC = 30 day

(Sales-qualified leads in pipeline x
Average deal size x Overall win rate) /
Current length of sales cycle
= Pipeline velocity

Pipeline velocity

- Pipeline velocity measures how quickly leads and prospects move through your sales pipeline.
- This will show you how much revenue is flowing through your pipeline at any given moment.
- Pipeline velocity is a key metric because you can use it for forecasting and business planning.

day.

$$\frac{5 \times 500}{30} = \frac{2500}{30} \leftarrow \frac{10 \times 500 \times 0.5}{30}$$

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)



A handwritten formula in red ink inside a red-outlined box. The formula is $\frac{P}{Q} \times 100$, where 'P' is above a horizontal line and 'Q' is below it, followed by 'x 100'.

$$\frac{(\text{Number of deals closed})}{(\text{Number of quotes sent})} \times 100 = \text{Quote-to-close rate}$$

Quote to close ✓

- Quote to close determines the percentage of prospects who turn into paying customers.
- it illustrates how well your team can move prospects through the sales funnel and turn them into customers.
- If the number is steadily decreasing or relatively low, then you might need to make adjustments to your pricing or your ideal customer profile (ICP).
- It may also signal more training opportunities for your team.

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Basic)

*Total sales revenue / Number of sales
= Average purchase value*

Average purchase value

- Average purchase value, or average sale value, examines the average value of each transaction.
- Average purchase value is helpful when making sales forecasts and projections, as you can quickly estimate how many customers and/or ~~purchases you'd need to reach~~ a revenue goal. You can then use it to plan upsell or marketing strategies.
- If you ~~were looking to~~ boost the average purchase value, you could prioritize marketing, selling higher-ticket items, or pushing upsell opportunities.

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Product Sales Analytics

- Product Sales Analytics can be highly effective for businesses with multiple or seasonal product offerings.
- It considers the performance of every product or service that the company offers.
- It helps the sales team identify the products to focus on based on the revenue and sales targets.
- The analytics can be tracked for a certain timeframe and demographic.

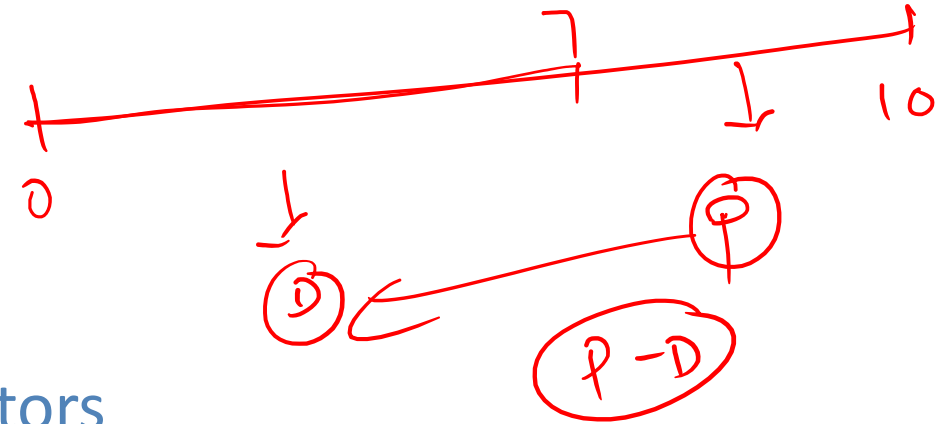
Data-driven Approaches to Selling

Sales analytics- Sales metrics

Product Sales Analytics

The metrics to track are:

- 1 Net Promoter Score (NPS) for the product/service:
$$\text{NPS score} = \% \text{promoters} - \% \text{detractors}$$
 - where promoters rate your product 8-10 and detractors rate it 0-7 out of 10)
- 2 The number of active users over a daily and monthly timeframe.
- 3 Monthly recurring revenue (MRR = Average revenue per account x Total number of accounts)



$$\text{MRR} = \text{ARPS} \times n$$

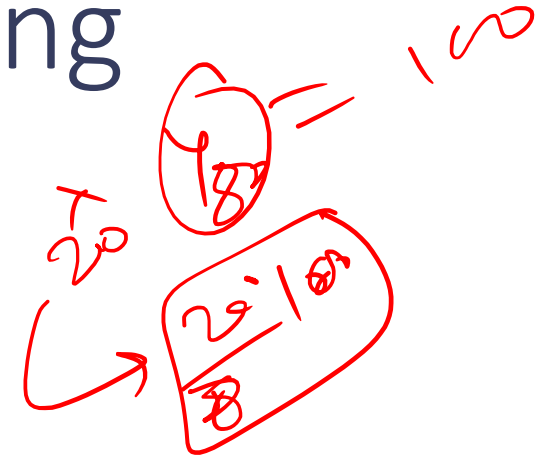
Data-driven Approaches to Selling

Sales analytics- Sales metrics

Product Sales Analytics

The metrics to track are:

- % Sales volume ((Units of individual product sold x 100) ÷ Total units of all products sold)
- Repeat buys per product (Repeat Purchase Rate = (Repeat customers x 100) ÷ Total customers)
- Minimum, maximum, and average selling price per product



Data-driven Approaches to Selling

Sales analytics- Sales metrics

Sales Effectiveness Analytics

- Almost every business would want to track its sales effectiveness. The extent and type of analytics used to monitor teams vary across different industries and businesses.
- Tracking productivity and sales effectiveness on a daily, monthly, and quarterly basis help in identifying your team's scope of improvement.
- The metrics to track differ as per the targets that the business has set and its sales workflow. B2Cs usually have a higher sales velocity and shorter sales cycles than B2Bs.

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Sales Effectiveness Analytics ✓

Sales effectiveness metrics for B2B businesses

- Target achievement analytics- Your targets can be conversions or revenue dependent.
 - For **revenue** dependent targets,
 - % Achievement = $(\text{Revenue generated} \times 100) \div \text{Target revenue}$.
 - For **conversion** dependent targets,
 - % Achievement = $(\text{Number of deals closed} \times 100) \div \text{Target conversions.}$
- Number of meetings generated
- Ratio of leads to qualified meetings
- Ratio of qualified meetings to conversions
- Attrition rate - Usually calculated for team managers
 - **Attrition Rate** = $(\text{No. Of employees who left the team} \times 100) \div \text{Average no. of team members}$
- Customer feedback

$\frac{3}{10} \times 100 = 30\%$

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Sales Effectiveness Analytics

Sales effectiveness metrics for B2C businesses

- Daily talk time ✓
- Weekly and monthly sales conversions
 - **Conversion Rate** = $(\text{Conversions} \times 100) \div \text{Total opportunities}$
- Turnaround time
- Lead to opportunity ratio
- Total revenue generated
 - **Total Revenue** = Number of products sold X Cost per unit)
- Customer feedback
- Length of the sales cycle

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Sales Pipeline Analytics

- The journey from a qualified prospect to a customer is mapped in the sales pipeline. But each stage in the sales pipeline can turn into a drop-off point if it isn't properly tracked and analyzed.
- Sales pipeline analytics help you determine what slows down the conversions and what you can do to speed it up.

The **metrics** to track are:

- Conversion rate by sales funnel stage ✓
- Pipeline to conversions ratio ✓

$$\frac{10}{50} = 20\%$$

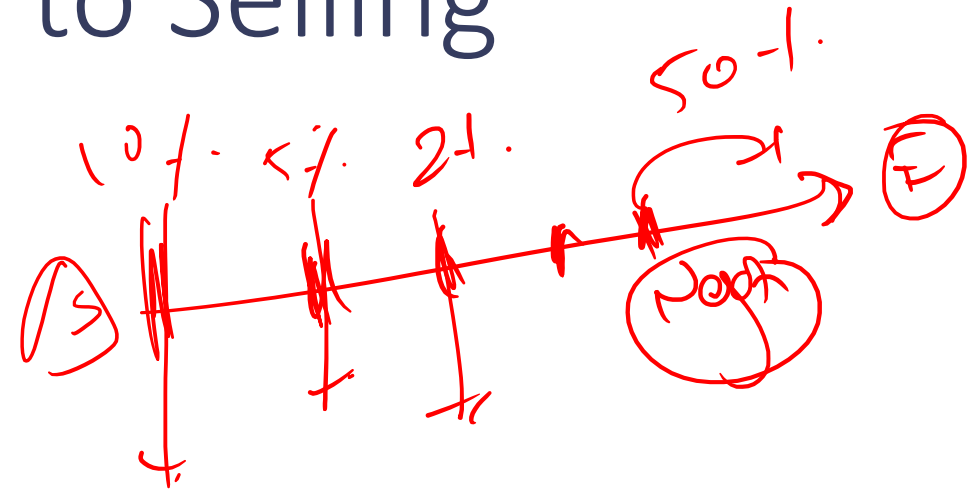
Data-driven Approaches to Selling

Sales analytics- Sales metrics

Sales Pipeline Analytics

The **metrics** to track are:

- Weighted value of pipeline
 - Weighted value = Probability of Closing x Deal Value,
-where the probability depends on the stage of the pipeline, such as 50% for the negotiation stage)
- Sales Pipeline Velocity
- Sales Pipeline velocity = (Number of deals in pipeline x Average deal size) ÷ Average sales cycle length
- Pipeline Coverage = Number of opportunities in pipeline for given period ÷ quota period
- Deal Drop-off by Stage
- Sales Rep Pipeline Performance



$$\frac{20 \times 1000}{30} = 666.67$$

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Predictive Analytics for Sales Strategy

- Every business aims to grow faster, witness higher conversions, and create an unmatched revenue stream. Hours of planning, strategizing, and forecasting go into realizing these goals, but there's **no guarantee** they'll be met.
- Creating a sales strategy using analytics can't assure the desired results, but the chances that you will meet them shoot up.
- **Forecasting** growth while keeping all the variables in mind is **highly complicated**.
- **Sales data from the past** acts as a **benchmark** and every year the stakes are increased to ensure business growth.

Data-driven Approaches to Selling

Sales analytics- Sales metrics

Predictive Analytics for Sales Strategy

- Year-over-year (YoY) growth ($[(\text{Current Year's Revenue} - \text{Previous Year's Revenue}) \times 100] \div \text{Previous Year's Revenue}$)
- Lead Scoring, which helps you prioritize warm leads for faster conversions
- Sales Cycle length (Sum of the Number of days it took to close each deal $\div$ Total Number of deals)
- Win rate (Deals closed $\div$ Total Number of deals)
- Sales Linearity assesses if the progression of leads in the pipeline is as predicted
- Marketing Qualified Leads (MQL) to Sales Qualified Leads (SQL) conversion rate

$\frac{1}{2}$ $\frac{\text{MQL}}{\text{SQL}}$

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Advanced)

Churn Analytics

- Churned accounts can be discouraging for your sales teams. Also, it brings a steep drop in your annual revenue.
- Churn analytics help you identify touchpoints with a higher drop-off rate and the accounts with a high churn probability. A lot of the churn metrics are qualitative or based on customer behavior. With this information, your salespeople can intervene to prevent churn.
- The churn analytics can be divided into two categories, predictive and post-mortem.

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Advanced)

Churn Analytics

Metrics that predict churn:

- *Low user activity*
- *Slow response rate*
- *No opportunities to upsell*
- *Delayed payments*

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Advanced)

Churn Analytics

Metrics that analyze churn:

- Lifetime Value (LTV) of a customer
 - $LTV = \text{Lifetime Value} = \text{Average Value of Sale} \times \text{Number of Transactions} \times \text{Retention Time Period}$
- **Churn rate** = $(\text{Lost Customers} \div \text{Total Customers at the Start of Time Period}) \times 100$
- Customer and revenue churn (% Change in number of customers and annual revenue because of the churn)
- Customer feedback

$$\frac{15}{100} \times 100$$

$$\frac{15}{100} \times 100$$

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Advanced)

Marketing analytics

- Marketing Qualified Leads (MQLs) have high intent and can be easily converted into a customer by the sales team. Employing the right marketing analytics ensure that leads keep flowing into the sales funnel.
- Usually, many campaigns and marketing activities run in parallel. Figuring out which strategy generates the highest ROI and brings in the greatest number of leads is extremely important.
- So, analyzing your lead sources and the effectiveness of each campaign helps the marketing team restructure their budgets to improve the volume of quality leads.

Data-driven Approaches to Selling

Sales analytics- Sales metrics (Advanced)

Marketing analytics

- Customer Acquisition Cost (CAC)
 - Customer Acquisition Cost = Cost of sales and marketing ÷ number of new customers acquired
- Lead to acquisition ratio = $\frac{\text{Lifetime Value (LTV)}}{\text{Customer Acquisition Cost (CAC)}}$
- Traffic by source
- Number of Market Qualified Leads
- ROI from each Lead Source
- Lead to Demo Conversions
- Average Search Engine Results Page (SERP) Position

20-1- Good
10-1- Line

Data-driven Approaches to Selling

Aligning sales analytics with business objectives

Identify new sales opportunities -> Market research analytics

✓	Targetable customer base	✓
✓	Region-wise performance	✓
✓	Competitor performance and market share	✓
✓	Demand for the product	✓
✓	Sales performance in the previous quarter	✓

Source: Leadsquared.com

Data-driven Approaches to Selling

Aligning sales analytics with business objectives

Boost sales productivity -> Sales effectiveness analytics

The metrics that B2Bs track:	The metrics that B2Cs track:	
✓ Target achievement analytics	✓ Daily talk time ✓	✓ Conversion rate by sales funnel stage ✓
✓ Number of meetings generated	✓ Weekly and monthly sales conversions	✓ Pipeline to conversions ratio ✓
✓ Ratio of leads to qualified meetings ✓	✓ Turnaround time ✓	✓ Weighted value of pipeline ✓
✓ Ratio of qualified meetings to conversions	✓ Lead to opportunity ratio ✓	✓ Sales Pipeline Velocity
✓ Attrition rate ✓	✓ Total revenue generated ✓	✓ Pipeline Coverage
✓ Customer feedback ✓	✓ Customer feedback ✓	✓ Deal Drop-off by Stage
✓ Sales and CRM hygiene	✓ Length of sales cycle ✓	✓ Sales Rep Pipeline Performance

Source: Leadsquared.com

Data-driven Approaches to Selling

Aligning sales analytics with business objectives

Higher customer retention -> Churn analytics

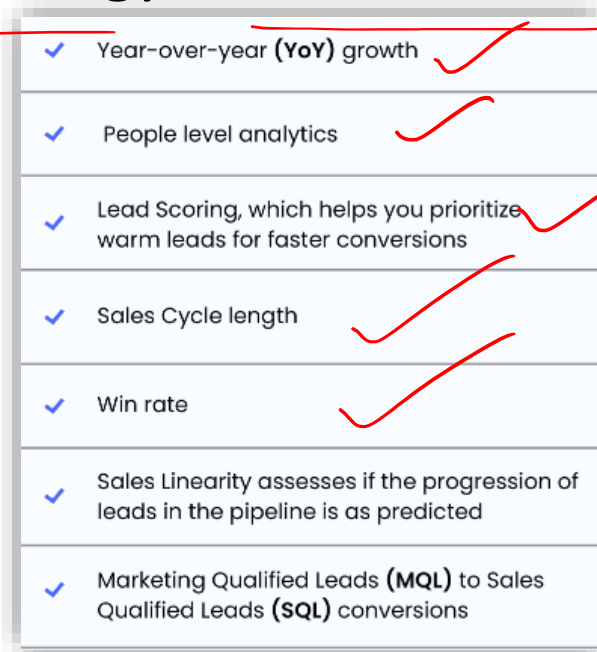
Metrics that predict churn	Metrics to analyse the churn
✓ Low user activity ✓	✓ Lifetime Value (LTV) of a customer ✓
✓ Slow response rate ✓	✓ Churn rate ✓
✓ No opportunities to upsell ✓	✓ Customer and revenue churn ✓
✓ Delayed payments ✓	✓ Customer feedback ✓

Source: Leadsquared.com

Data-driven Approaches to Selling

Aligning sales analytics with business objectives

Improve sales strategy -> Predictive analytics for sales strategy



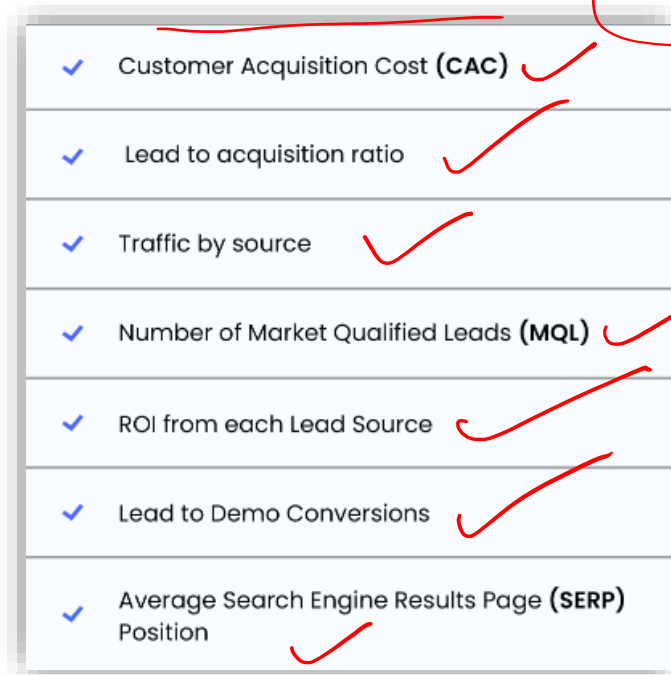
✓ Year-over-year (YoY) growth
✓ People level analytics
✓ Lead Scoring, which helps you prioritize warm leads for faster conversions
✓ Sales Cycle length
✓ Win rate
✓ Sales Linearity assesses if the progression of leads in the pipeline is as predicted
✓ Marketing Qualified Leads (MQL) to Sales Qualified Leads (SQL) conversions

Source: Leadsquared.com

Data-driven Approaches to Selling

Aligning sales analytics with business objectives

Improve Lead Generation/Lead Quality -> Marketing analytics strategy



✓ Customer Acquisition Cost (CAC)
✓ Lead to acquisition ratio
✓ Traffic by source
✓ Number of Market Qualified Leads (MQL)
✓ ROI from each Lead Source
✓ Lead to Demo Conversions
✓ Average Search Engine Results Page (SERP) Position

Source: Leadsquared.com

Data-driven Approaches to Selling

How to select right sales analytics tool?

- ✓ Visualization Capabilities
- ✓ Scalability
- ✓ Platform Security
- ✓ Uptime of the system
- ✓ Short term and long-term data insights

