2023

RevOps Trends Report

Strategies, Data, and Insights for RevOps and Sales Leaders

Produced by Scratchpad
in partnership with

RevOps Co-op

SCRATCHPAD

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Introduction

The Rise of RevOps

The emergence of Revenue Operations as a distinct function within organizations has drastically increased in the last 10 years. LinkedIn and CNBC have named Head of Revenue Operations as the fastest growing role in the US.

This comes at time when there is uncertainty in the broader macroeconomic environment. KPMG forecasts GDP growth will slow from 2.7% in 2022 to 1.9% in 2023. This shift is forcing companies to focus on driving efficiencies and do more with less across their business. For Revenue Operations and Sales Leaders, this means better sales rep performance achieved through increased productivity, process adherence, and forecasting accuracy.

Insights from 200+ RevOps Leaders

Scratchpad set out to investigate what this shift means for go-to-market teams and partnered with RevOps Co-op to survey 200+ global RevOps and Sales Leaders to learn about their top challenges, threats, and opportunities in the year ahead. This survey was completed between January and February 2023.

In this report, we'll review trends and executive insights from leaders at top companies, and cover specific strategies leaders can use to reach their goals.

Key Takeaways

Sales Rep Performance

For the past few decades, especially in the tech industry, companies operated with a "growth at all costs" mentality. Suddenly, the focus has shifted to profitable growth, which can be unlocked by a renewed emphasis on sales fundamentals, increased rep productivity, and a consistent sales process.

Companies have two options: increase headcount or increase performance per sales rep. Most modern sales teams are opting for the latter by utilizing best in-class tools to help with better coaching, process adherence, improved user experiences for reps, and driving the right behaviors.

Forecasting Accuracy

Accurate forecasting is a major challenge for businesses of all sizes. 80% of companies miss their forecasts by 25% or more, and only 22% of Revenue Operations and Sales Leaders strongly agree that they have the right data to forecast accurately. Consequently, creating processes to access the right data is a top priority this year. Only 14% of companies use a forecasting tool, but this is likely to change in the future.

Process Adherence

87% of teams find it challenging to ensure process adherence. This is because reps often lack an understanding of the extra processes they are asked to follow and therefore don't see the value in them. Additionally workflows are made too complex to drive the right behaviors for reps leading to poor data hygiene and more administrative tasks for reps.

RevOps and Sales Leaders are prioritizing that reps understand and adhere to processes, which help them focus on the right deals and avoid wasting time on prospects with no intention to buy. As an example, Slack Automations are becoming a useful way to nudge sales reps to follow a process without the need for managers to manually remind them.

RevOps Drive Sales Excellence With Scratchpad

Scratchpad enables sales teams to reduce complexity and drive efficient growth through tech stack consolidation, comprehensive automations, and tools to drive top sales rep performance.

The world's largest sales teams including Autodesk, Algolia, Cisco, GoTo, and Twilio/Segment trust Scratchpad to help them grow efficiently through process adherence and a relentless focus on sales fundamentals. Scratchpad is rated 4.8 out of 5 stars on G2 with over 1,200 reviews.

Book a Free RevOps Strategy Session

Top RevOps Challenges (and Tips to Solve Them)

As RevOps leaders look ahead to 2023, they face a myriad of challenges. When asked to rank them, **three stand out:**

1. **Driving data hygiene.** Accurate and up-to-date information is essential to make informed decisions and forecast accurately.

2. **Improving forecast accuracy.** Most teams struggle with this as 80% miss their forecasts by 25% or more. Survey data shows us that the larger the company, the more challenging forecasting becomes.

3. **Rolling out processes for methodologies or driving compliance.** Sales methodologies and process help sales teams qualify deals and generate revenue faster.

1. **Driving data hygiene**

2. **Improving forecast accuracy**

3. **Rolling out processes for methodologies or driving compliance**

4. Deploying workflow automations

5. Decreasing departmental silos

6. Consolidating tech stack / decreasing tool costs

7. Change management

8. Improving compensation design

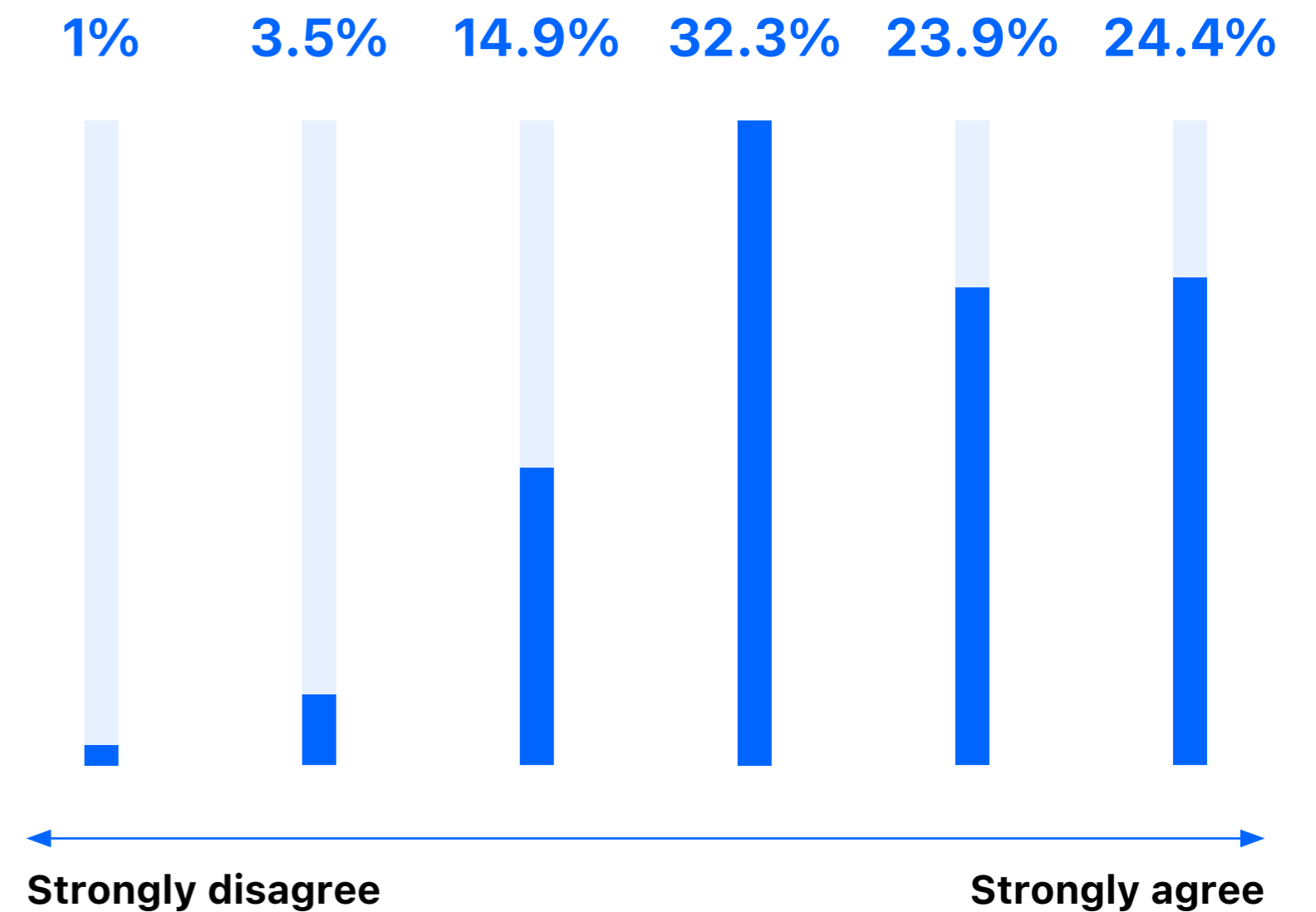9. Entering new markets or industries

1. Driving data hygiene

Bad data hygiene is a common challenge for RevOps leaders, and it is largely due to the "shadow sales stack" — the use of general-purpose tools that are not connected to the CRM. This means data-rich notes, tasks, and other information about deals are stored and collaborated on elsewhere, and often manually transferred back into the CRM with gaps, inconsistencies, and errors.

To address this issue, Sales Managers and RevOps teams often rely on manual reminders with reps to update the CRM. This approach breaks down at scale, as managers spend more time interrogating their reps instead of coaching to peak performance. To solve this, many leaders use Slack Automations to trigger smart alerts to remind reps so deal reviews and 1:1's are spent on strategy and coaching.
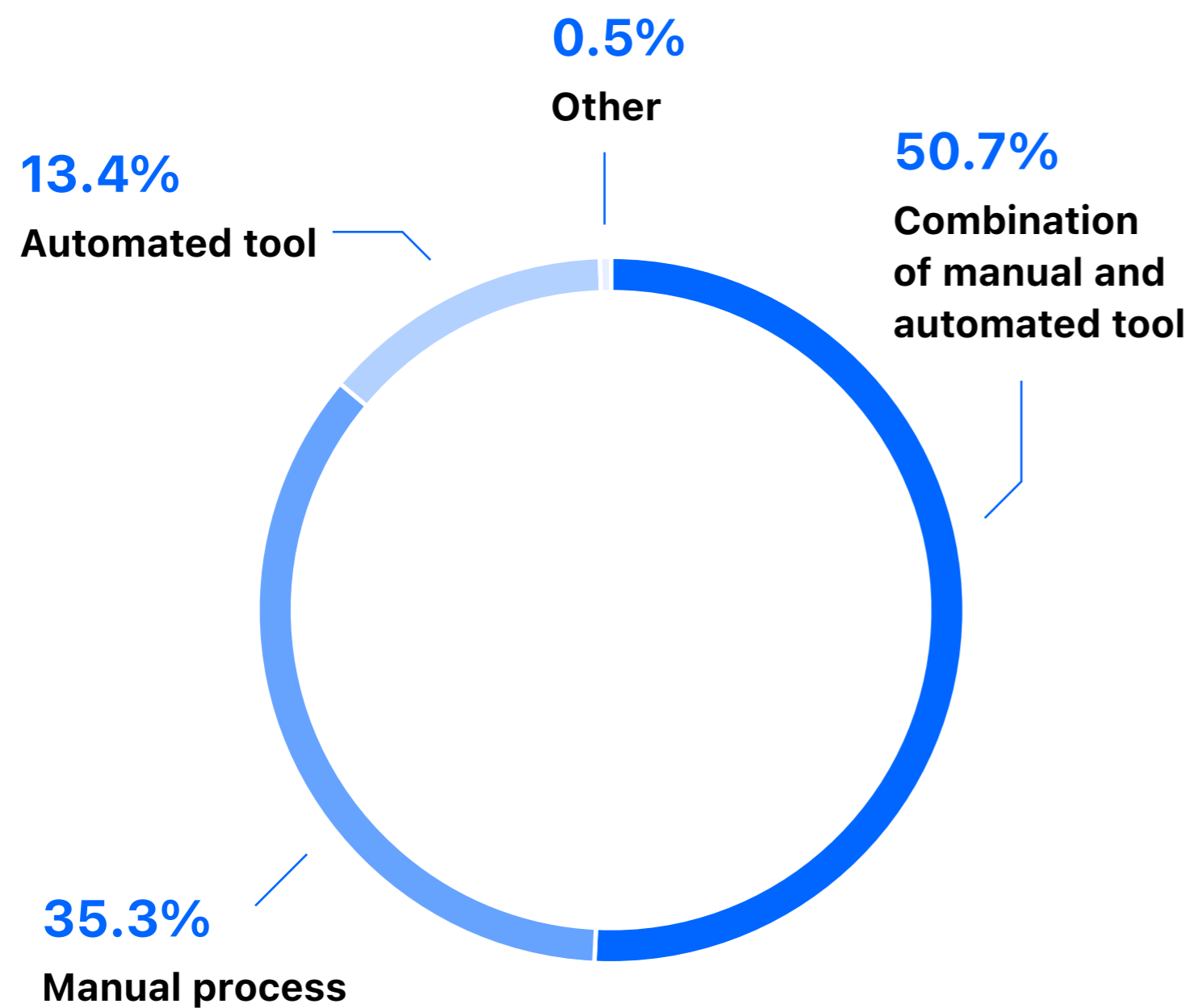
Changing the behavior of reps to fix this issue is difficult. Despite the common belief that it's just stubbornness by reps, the breakdown is that new processes add complexity and are not tailored to the way reps work. Additionally, CRM systems today are over three decades old and misaligned to the modern sales rep workflows.

Changing the behaviors of reps is difficult

| 1% | 3.5% | 14.9% | 32.3% | 23.9% | 24.4% |

Strongly disagree ← → Strongly agree

How do you currently forecast revenue?

0.5%
Other

13.4%
Automated tool

50.7%
Combination of manual and automated tool

35.3%
Manual process

2. Improving forecast accuracy

Without good data, it's easy to understand why forecasts miss the mark. According to the survey, only 22% of RevOps and Sales Leaders strongly agreed they had the right data to forecast accurately. This is attributed to a lack of quality data points, which is compounded by the shadow sales stack. As a result, valuable data-rich sales notes, tasks, pipeline, and other information about deals are stored outside the CRM. This information is transferred back into the CRM incomplete and inconsistent, leading to forecasts that are inaccurate.

35% of leaders report they use manual processes (spreadsheets) for forecasting, 51% say they use a combination of manual and automated tools, and only 14% use automated tools exclusively. Relying on spreadsheets for manual forecasting is inefficient and unreliable. On the other hand, automated tools can produce similarly inaccurate forecasts if the underlying data is missing, incorrect, or outdated.

Modern go-to-market teams can solve this issue by using a complete revenue workspace where salespeople can store their notes, tasks, and pipeline updates in a system connected to the CRM. This way, all the information is in one place, which leaders can trust and use to forecast accurately.

3. Rolling out methodologies and driving process adherence

RevOps leaders are rolling out new processes or enforcing existing ones to focus the sales team and improve efficiency. However, 86% of leaders surveyed agree that driving process adherence is difficult. This is largely because reps view additional processes as extra work and don't see the value. This is an inefficiency that drags down companies of all sizes. Not to mention most new processes for reps means doing more admin work instead of generating pipeline and selling.

Improving the user experience can increase the likelihood of more reps following processes. To address this challenge, RevOps leaders are providing their sales teams with a consolidated workspace that simplifies updating fields directly from their notes or within a pipeline view.

Driving process adherence is difficult

| 0.5% | 4.5% | 8.5% | 35.3% | 27.4% | 23.9% |

Strongly disagree   Strongly agree
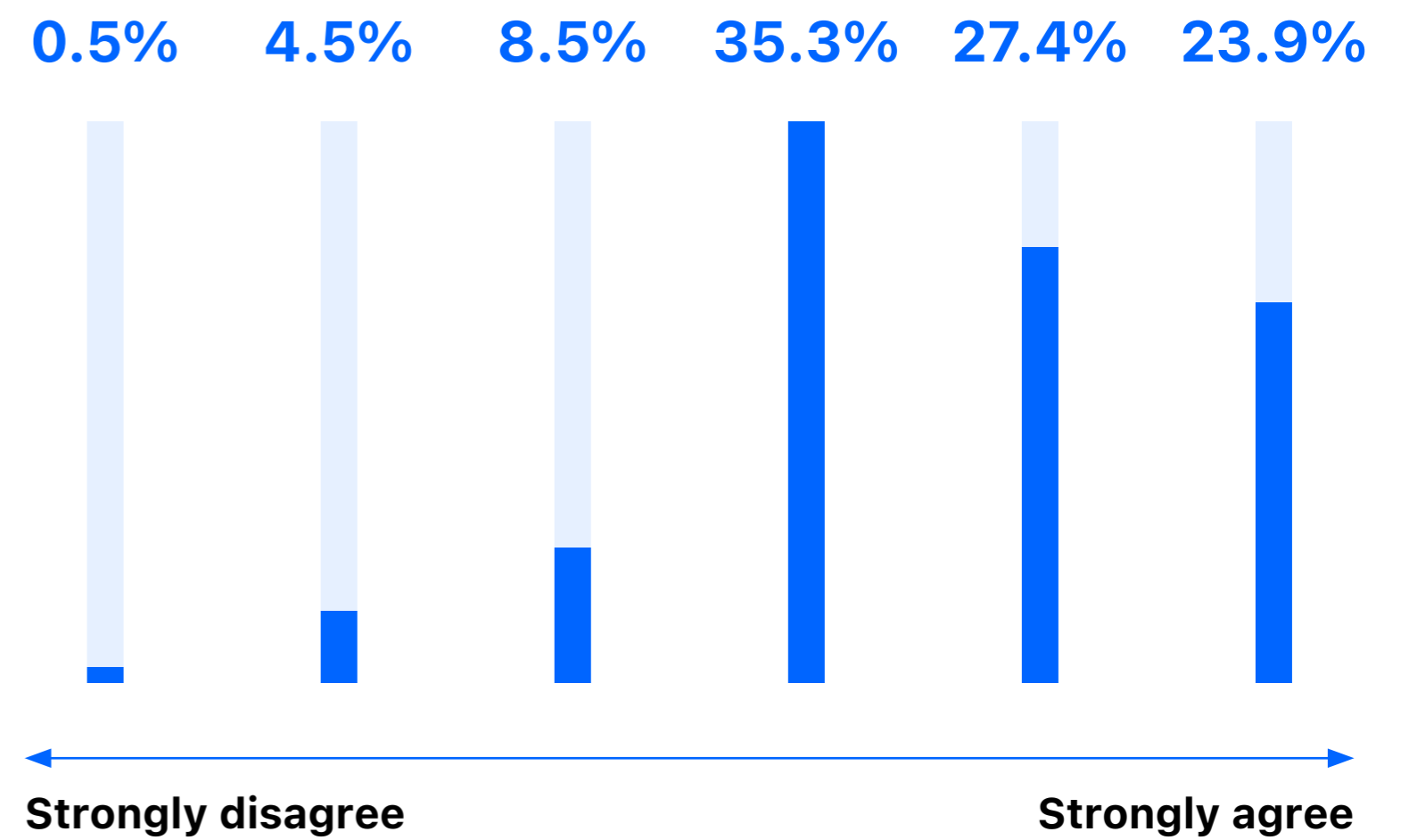
Increased Performance Necessary for Sales Excellence

Due to macroeconomic shifts, RevOps leaders are focused more than ever on driving better sales rep performance and productivity. Salesforce recently revealed that 96% of their revenue comes from the top 50% of AEs. As a result, many organizations are looking to get more performance out of the sales reps they have than scaling their sales teams.
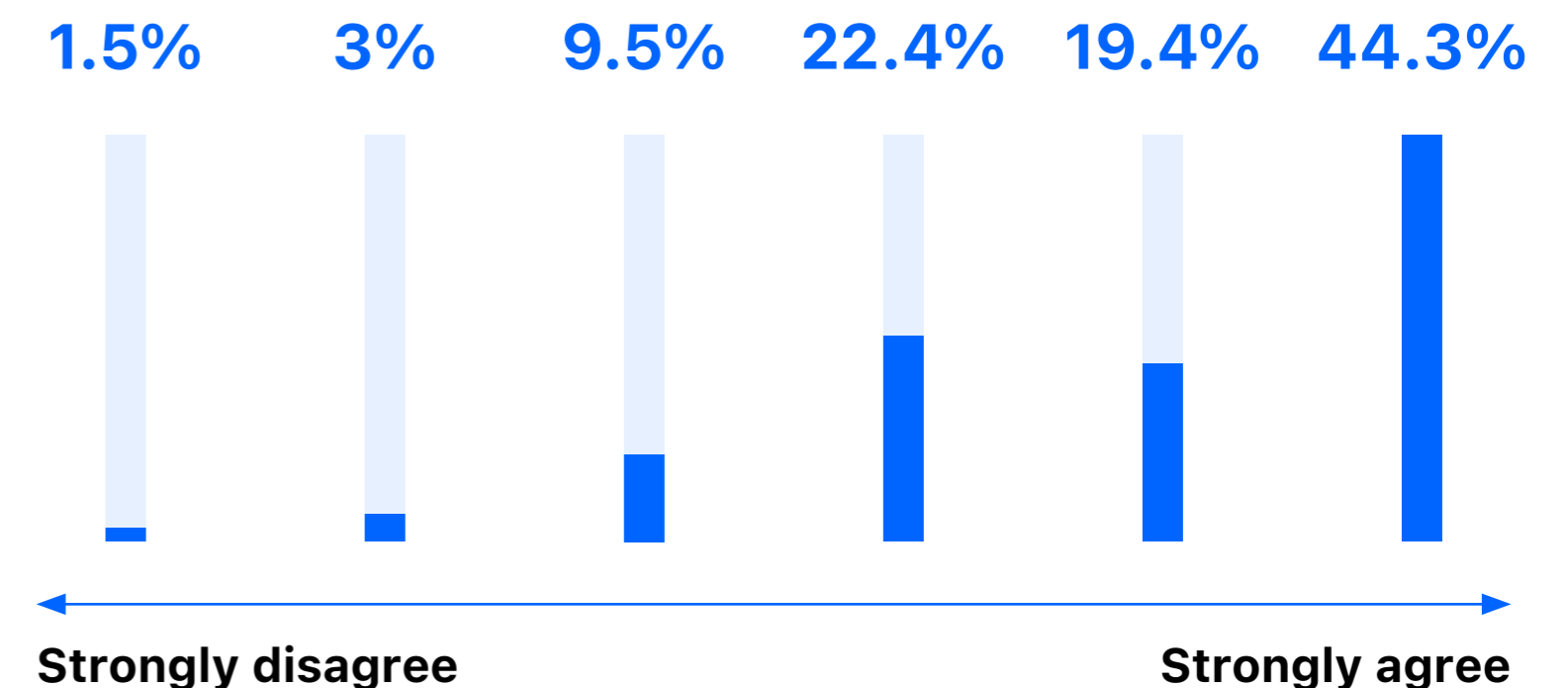
93% of leaders strongly agree that they want to increase their reps' productive selling time and 86% strongly agree that they want to ramp reps faster and get them to quota attainment.

So, how are leaders driving top performance? Many teams are turning to tools to help reps focus on processes that support better account qualification, unlock more coaching opportunities, and turn sales into a team sport. Here's a full list of ways leaders are driving rep productivity.

I want to increase the productive selling time over non productive administrative tasks

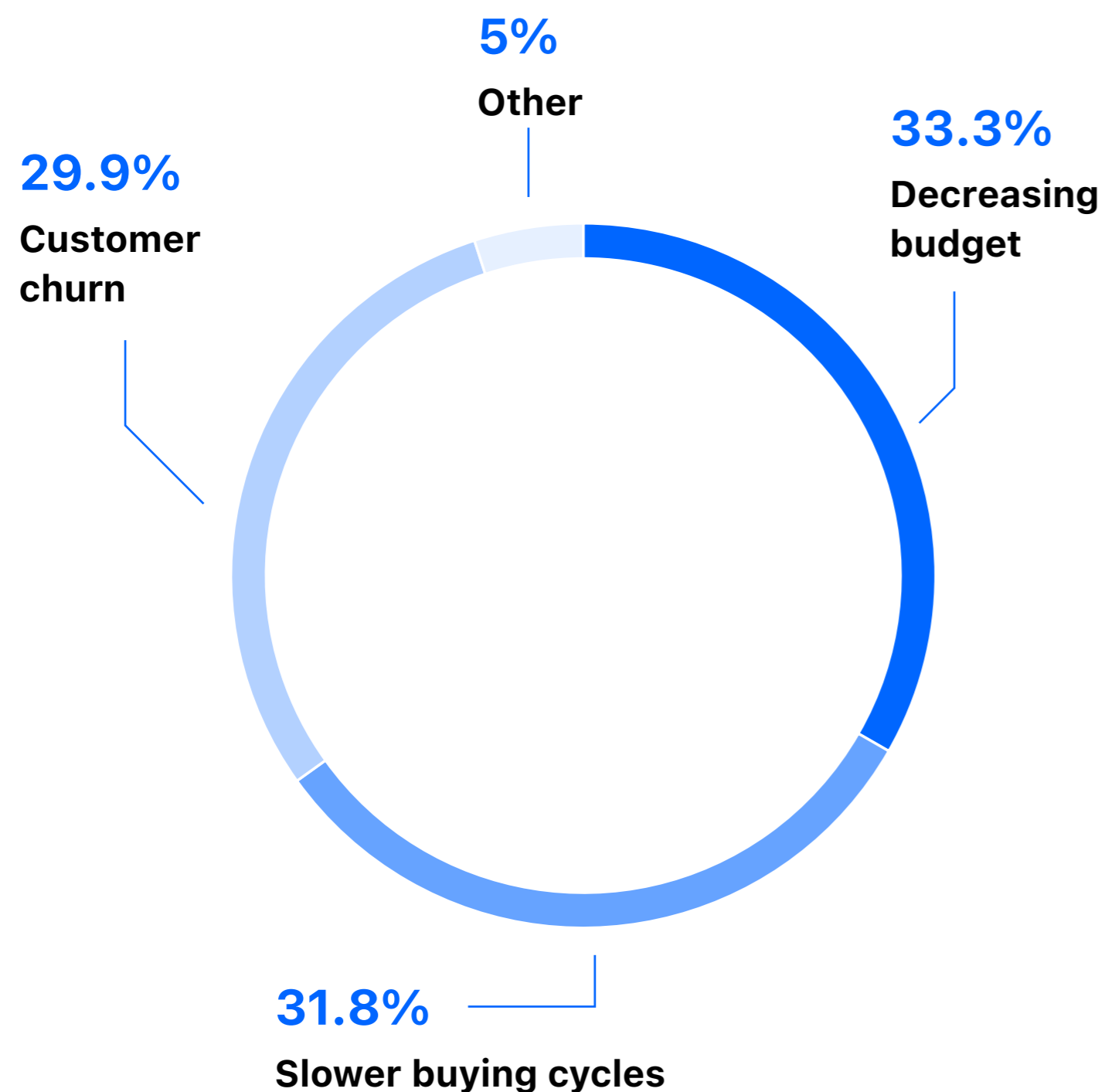| 1% | 1% | 5.5% | 12.9% | 27.9% | 51.7% |

Strongly disagree   Strongly agree
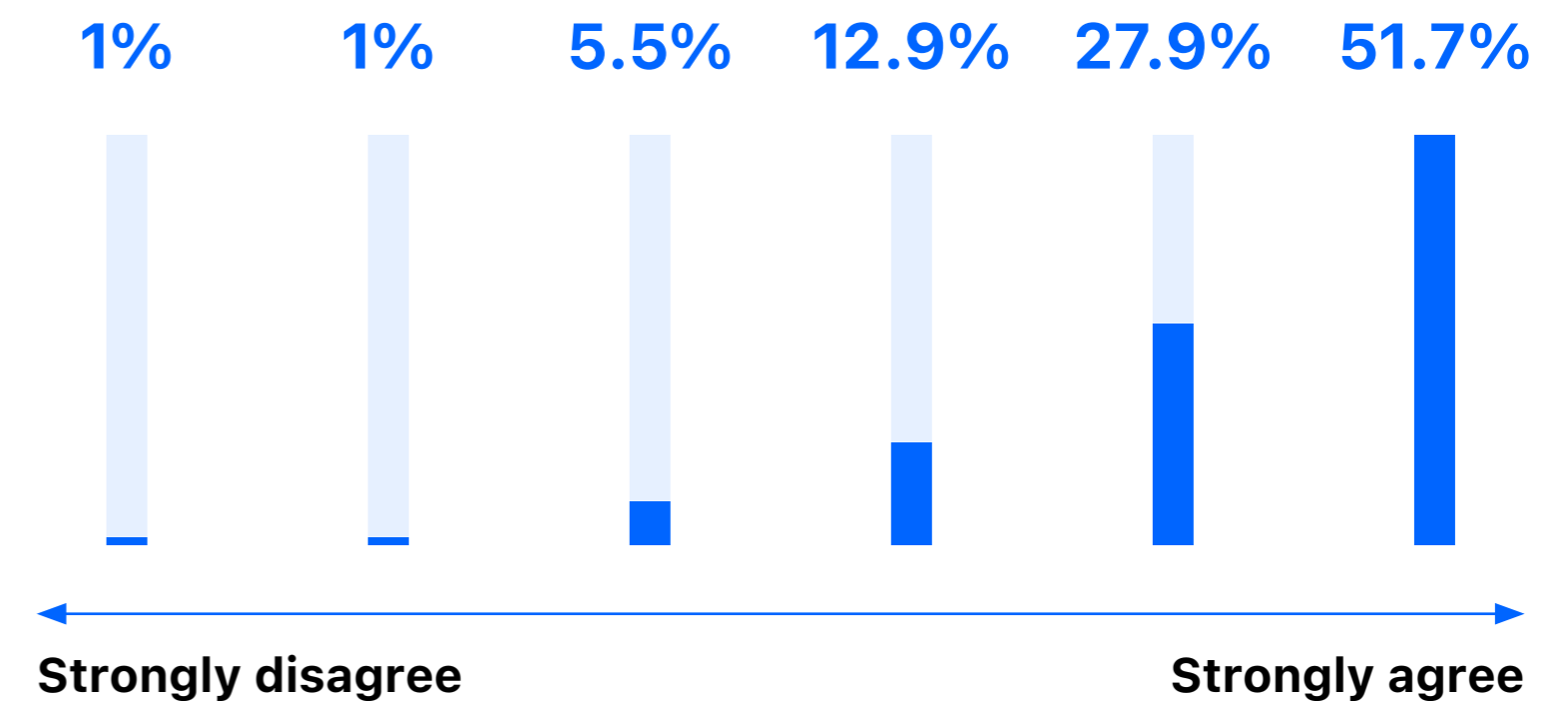
I want to ramp reps and get them to attainment faster

| 1.5% | 3% | 9.5% | 22.4% | 19.4% | 44.3% |

Strongly disagree   Strongly agree

Biggest Threats to Revenue

What's the biggest threat to revenue in 2023?

5%
Other

33.3%
Decreasing budget

29.9%
Customer churn

31.8%
Slower buying cycles

When asked about the biggest threats to revenue in 2023, RevOps and Sales Leaders identified decreasing budgets, slower buying cycles, and customer churn.

David Sacks, Co-Founder of Craft Ventures, explained that this market is one where seat expansion isn't a given anymore, due to layoffs and cost-cutting measures to reduce burn.

Companies can combat these issues by gaining a deeper understanding of their prospects, the pain points their product solves, and how to communicate value in an economic downturn. Just because companies are reducing their budgets and being more selective with their purchases, doesn't mean they are not willing to buy something that delivers value. This is especially true for tools that drive process compliance and top performance necessary to grow revenue.

Largest Opportunities for Revenue

In contrast, 45% of RevOps and Sales Leaders report that expansion revenue is a major focus for them this year. Rather than attempting to break into new accounts with longer buying cycles, many companies are doubling down on retaining existing customers and driving expansion opportunities in those accounts.

To prevent customer churn, leading brands are using tools to enable better note-taking and documentation across an account. Without proper context on the company and key stakeholders because notes aren't easily accessible, a new rep may have to start from scratch with qualifying "discovery" style questions, leading to a negative customer experience. More than 60% of customers walk away from a brand after just one negative experience. This is even more crucial in a year where layoffs are high and new accounts are being handed over frequently.

Other big opportunities leaders see for their team include increasing win rates and creating more pipeline. These points allude to rep productivity, enablement, and driving sales performance as a key theme RevOps teams are focused on solving this year.

What's the biggest opportunity for revenue in 2023?

1.5%
Other

25.9%
Creating more pipeline

45.8%
Expansion revenue

26.9%
Increasing win rates
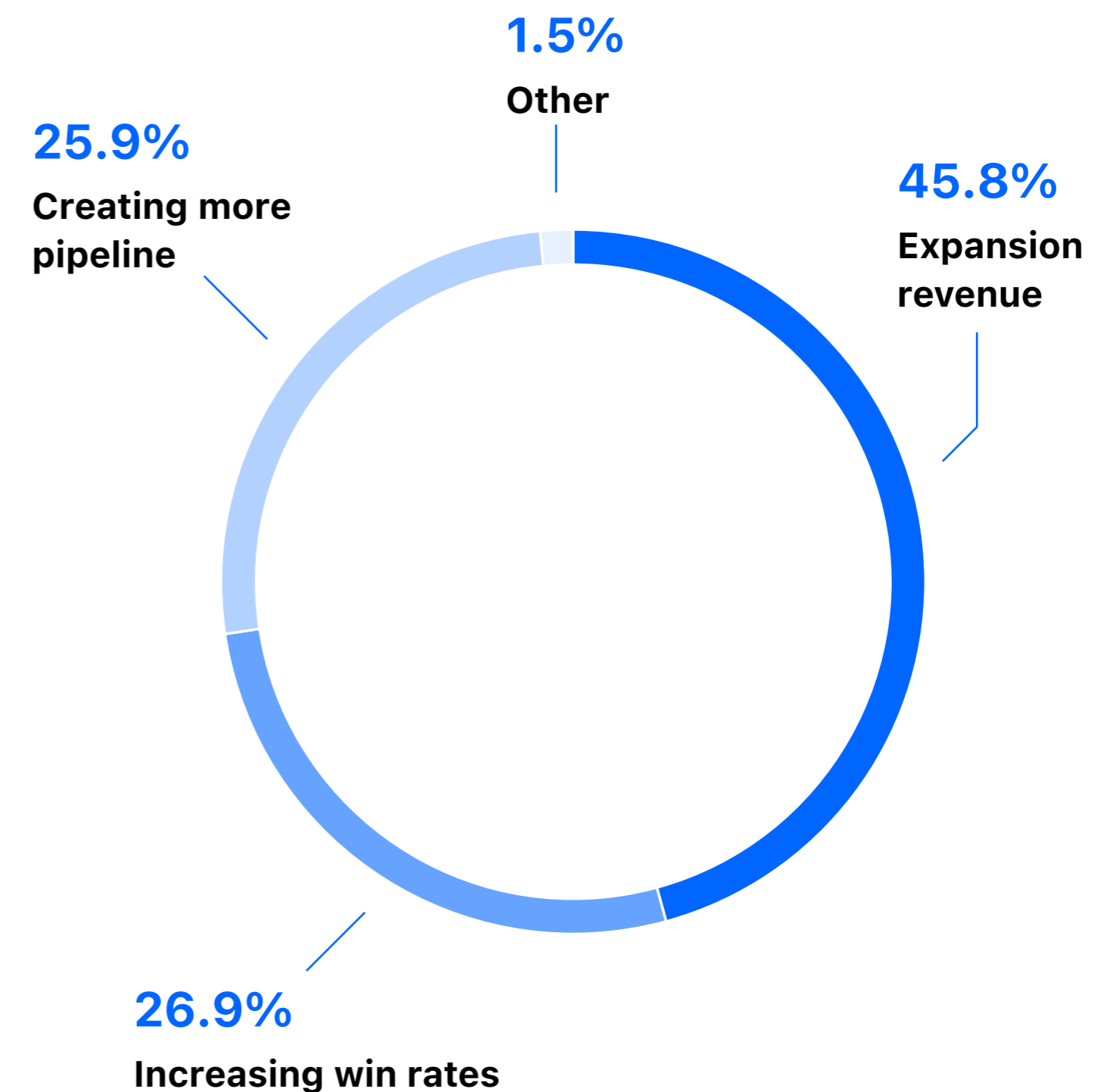
How RevOps Teams are Measured

Interestingly, RevOps teams are split when it comes to measurement. As they support the go-to-market function, the most common way of measuring success is through revenue: 72% of respondents said that was their primary metric.

Other ways of measuring RevOps teams include projects completed, data quality, and pipeline.
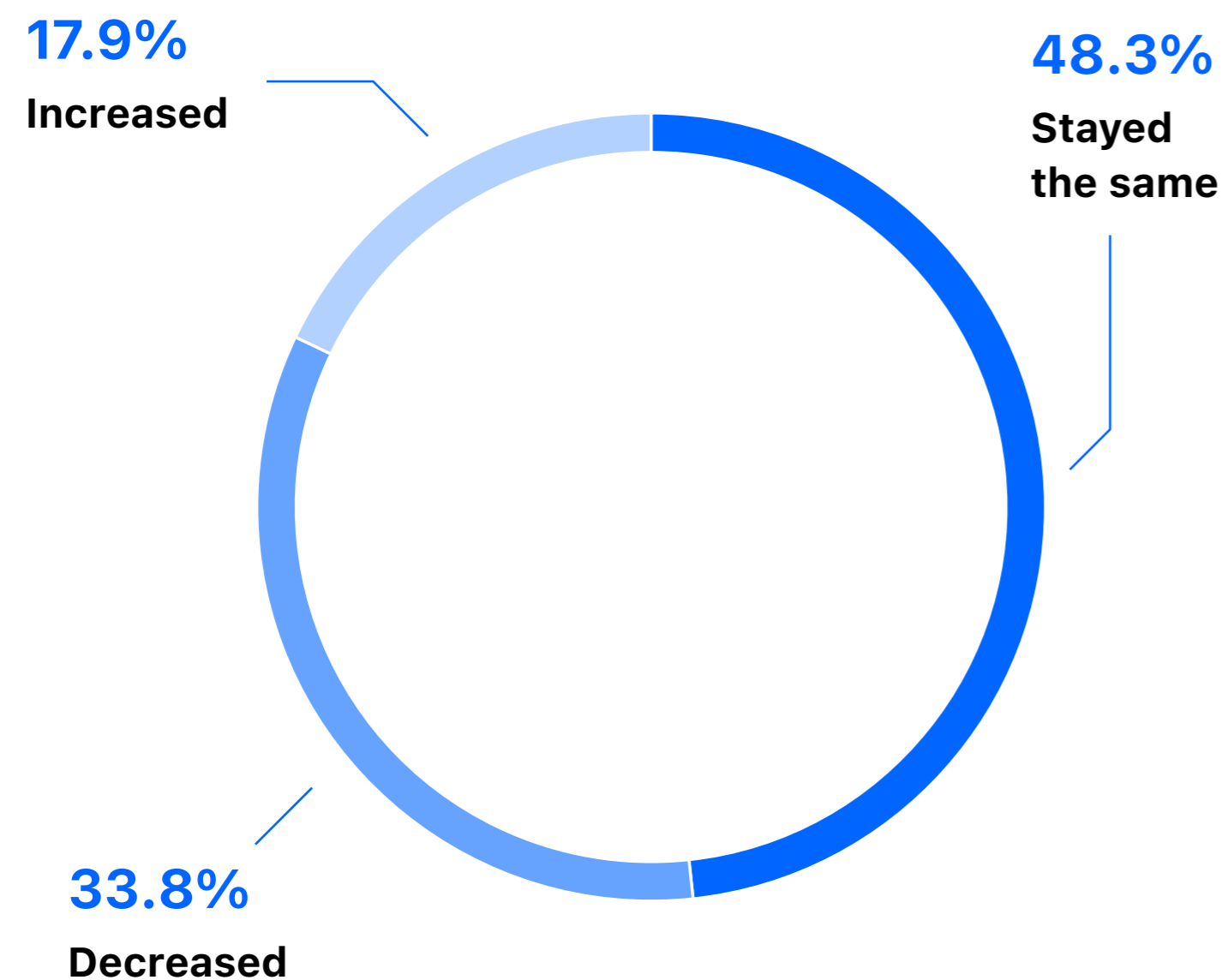
Some leaders reported that RevOps teams aren't measured by any KPI. Instead, the team's success is based on the management team's discretion, which is likely tied to whether revenue targets are being met.

How is revenue operations measured?

Revenue (ARR)
72.6%

Projects completed
45.3%

Data quality
43.8%

Pipeline
41.8%

Other
12.4%
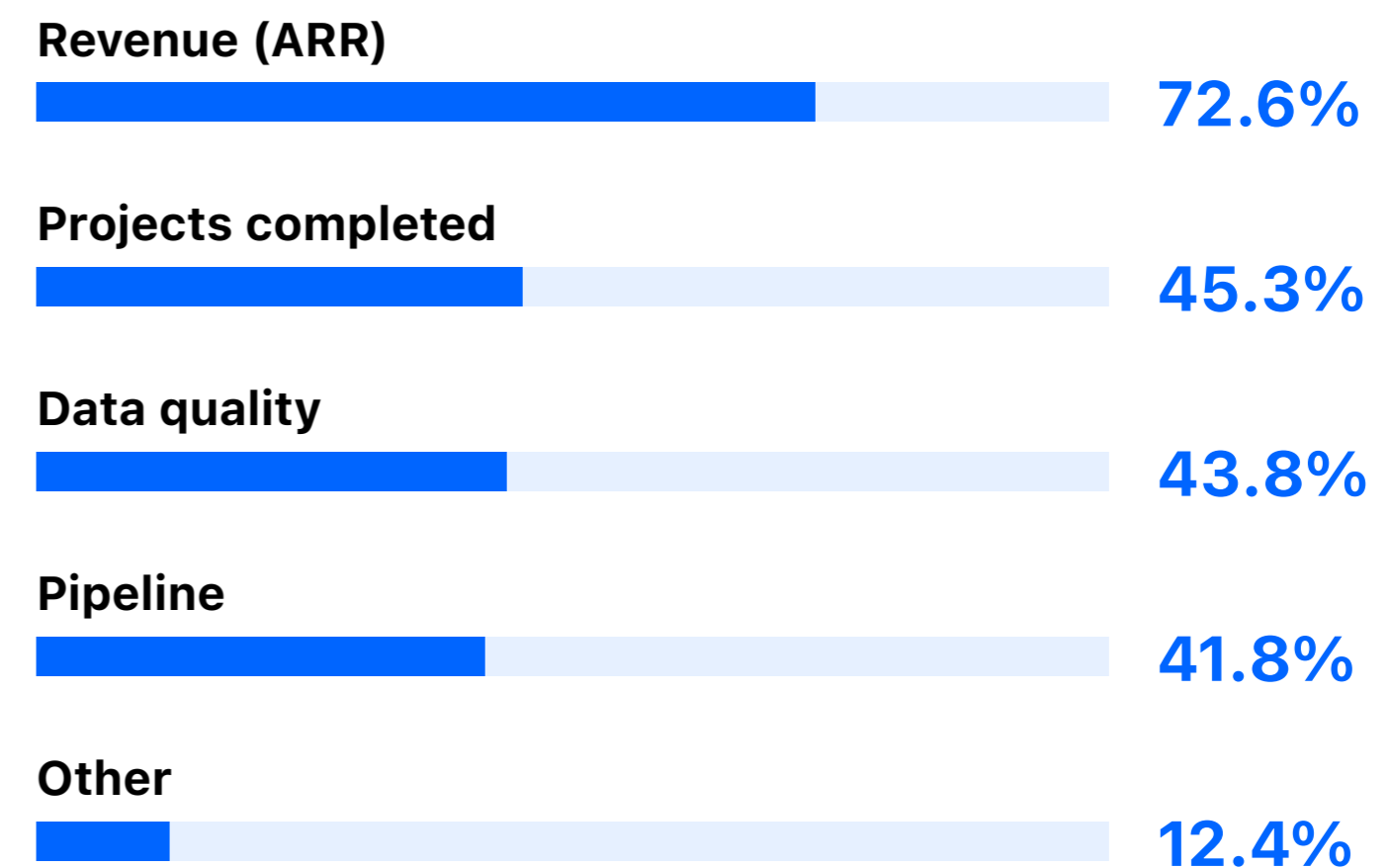
Tech Stacks Remain Constant

How has your sales technology budget changed in 2023?

17.9%
Increased

48.3%
Stayed the same

33.8%
Decreased

Surprisingly, while 30% of RevOps and Sales leaders note customer churn as a threat to revenue in 2023, 48% of them don't actually plan to change their sales technology budget for the year ahead. In fact, 18% plan to increase their investment in technology, while 34% expect to decrease budgets.

In line with this, Gartner predicts Sales Enablement budgets will increase by 50% by 2027. This is due to RevOps and Enablement Leaders aiming to maximize sellers' performance and productivity.

The number of tools in a company's tech stack depends on its size. For SMB companies (less than 250 employees), 59% have 0 to 9 tools. As companies grow larger, they are more likely to have more tools. For example, 48% of companies with 251-750 employees have 10-19 tools.

Aligning Marketing, Sales, and Customer Success

RevOps teams are the glue that holds the go-to-market team together, connecting sales, marketing, and customer success. However, only 32% of RevOps and Sales Leaders feel their teams are adequately aligned acknowledging that there's still plenty more work to do.

This misalignment often leads to tension between marketing, sales, and customer success - with the customer bearing the brunt of the unpleasant experience.
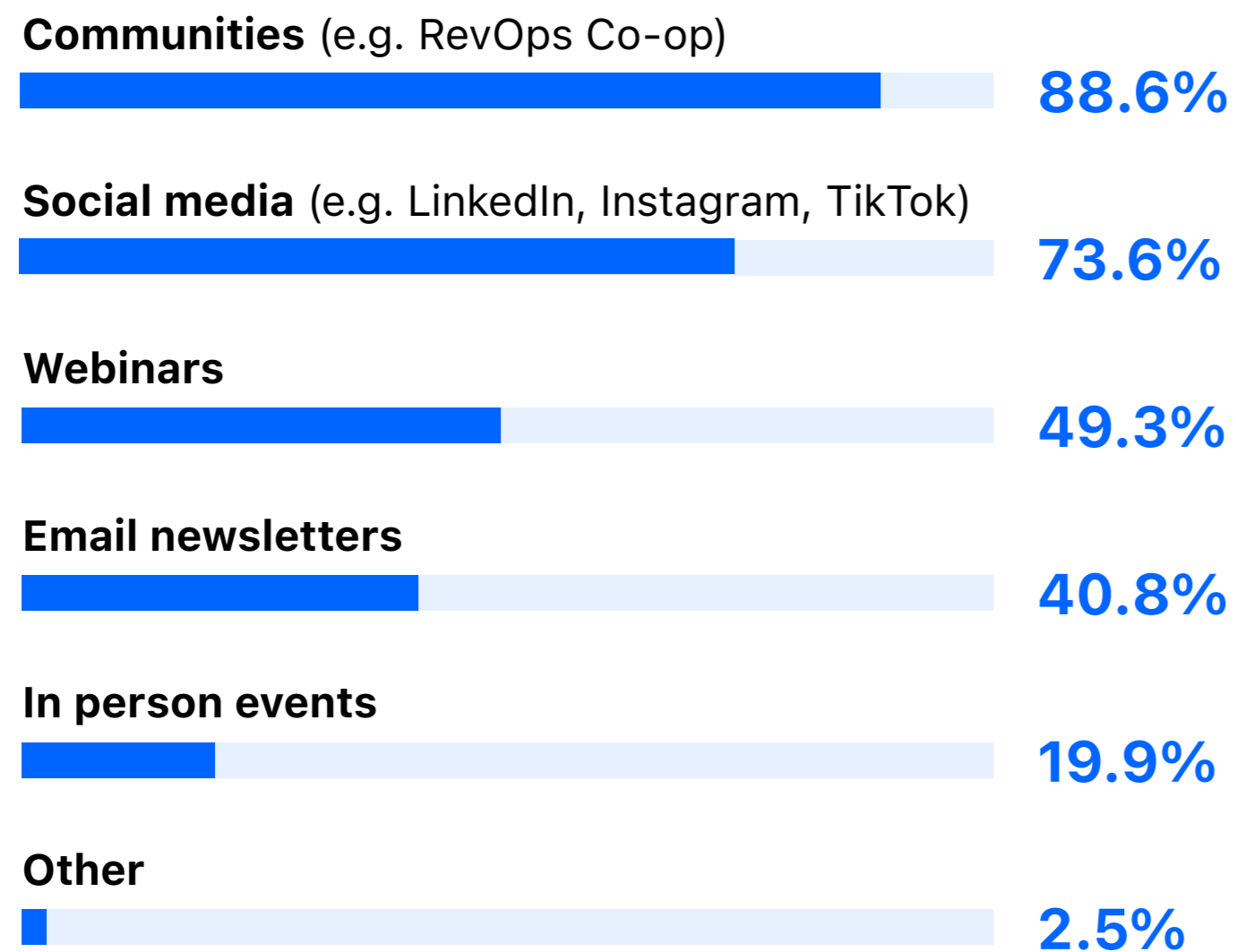
For effective acquisition and expansion of customers, marketing, sales, and customer success must work together to execute a playbook. This playbook should drive awareness, convert it into paying customers, and lead to account expansion in a timely manner. To ensure success, a clear strategy and collaboration between the three teams is essential.

How aligned are the efforts, strategies, and goals of the marketing, sales, and customer success teams at your organization?

| 2% | 7% | 20.4% | 38.3% | 27.4% | 5% |

Not aligned → Fully aligned
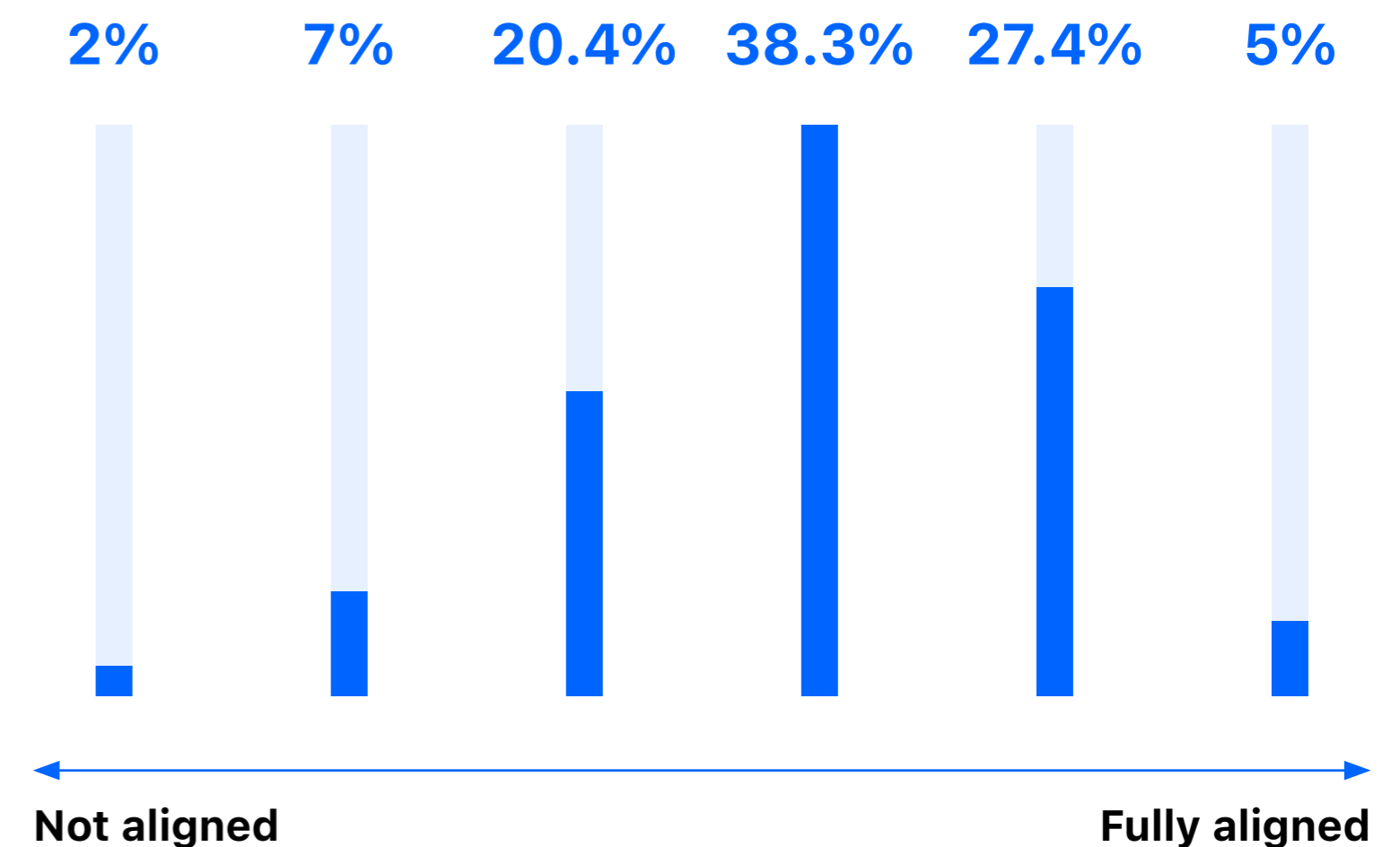
Where RevOps Leaders Go to Learn

How do you stay up to date with industry best practices in revenue operations

Communities (e.g. RevOps Co-op)
88.6%

Social media (e.g. LinkedIn, Instagram, TikTok)
73.6%

Webinars
49.3%

Email newsletters
40.8%

In person events
19.9%

Other
2.5%

Since the COVID-19 pandemic shut down the world, there has been a shift towards online methods for driving awareness and pipeline. Although in-person events are making a comeback, RevOps and Sales Leaders are still relying on online means to stay up-to-date with best practices.

According to the survey on how RevOps stays informed of industry best practices, 89% of respondents said they engage with communities, 74% learn through social media, 49% from webinars, 40% from email newsletters, and 20% attend in-person events.

Nowadays, most leaders are learning about new tools and staying informed through small, niche communities and social media, rather than large, in-person events. They're relying on trusted peers for advice on how to solve their problems.

Closing

The 2023 State of RevOps Trends Report highlights three key areas of focus for modern top performing sales teams: rep productivity, process adherence, and forecasting accuracy.

Companies are shifting towards profitable growth by focusing on increasing performance per sales rep through best-in-class tools that facilitate better coaching, process adherence, and driving the right sales rep behaviors.

Accurate forecasting remains a major challenge for businesses, with only 22% of Revenue Operations and Sales Leaders strongly agreeing they have the right data to forecast accurately. To improve forecasting confidence, teams are creating processes and moving to automated solutions to collect and access the right data necessary to make CRM the real source of truth.

Lastly, ensuring process adherence is crucial. 87% of teams find it challenging to do so, but to better help reps understand and adhere to processes, RevOps and Sales Leaders are exploring solutions to help reps work faster and make following processes more natural to the way sales reps sell.

About Scratchpad and RevOps Co-op

RevOps Drive Sales Excellence With Scratchpad.

SCRATCHPAD

Scratchpad enables sales teams to reduce complexity and drive efficient growth through tech stack consolidation, comprehensive automations, and tools to drive rep productivity. Within days, you'll get access to the data you need to forecast accurately, coach more efficiently, and drive rep performance. The world's largest sales teams including Autodesk, Algolia, Cisco, GoTo, and Twilio/Segment trust Scratchpad to help them grow efficiently through process adherence and relentless focus on sales fundamentals. Scratchpad is rated 4.8 out of 5 stars on G2 with over 1,200 reviews.

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RevOps Co-op is a community for professionals working in revenue operations to network, share experiences, and learn from one another.

RevOps Co-op

It was founded in 2020 by Matt Volm and currently has a strong community of over 7,000 active members.