

GRAB THE LOW-HANGING FRUIT: HOW BEST-IN-CLASS COMPANIES LEVERAGE A 360-DEGREE CUSTOMER VIEW

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Report Highlights

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The Best-in-Class are 66% more likely to integrate all customer-facing applications.

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Companies integrating enterprise and desktop apps retain 22% more customers.

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MDM and CDI represent super-smart layers of customer management intelligence.

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71% more reps hit quota when provided with up-sell-friendly interfaces.

Nothing is more frustrating, in the pursuit of new business as well as repeatable customer revenue, than struggling with the inefficiencies of inaccurate customer data. This Research Report will provide both sales and technical leaders with a clear roadmap toward the most effective tools and best practices that will enable their enterprises to more successfully maintain their customer relationships for longer, more profitable opportunity windows.

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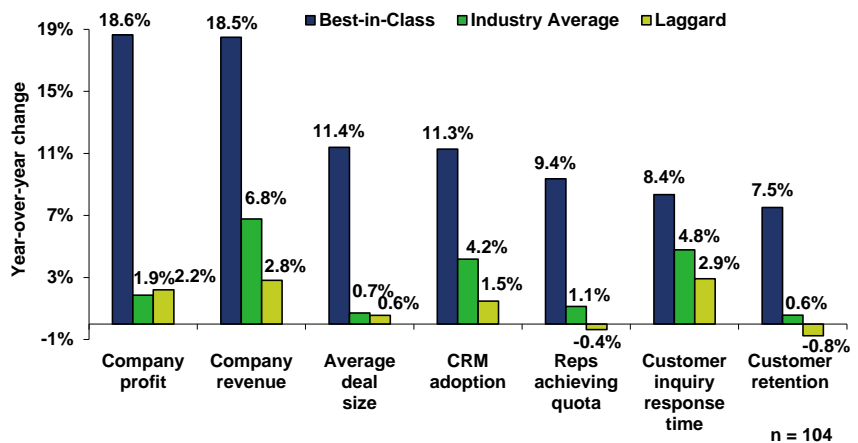
It is far easier to keep a current customer happy, than to expend the effort to replace them with a new account.

If there are a couple of reliable truths in today's enterprise customer management environment, they include these two: (1) It is now a buyer-centric world, in which the potential purchaser of goods or services is usually more in control of the sales cycle than the actual seller; and (2) It is far easier to keep a current customer happy, than to expend the effort to replace them with a new account. Many under-performing companies, however, neglect to adopt the core competencies, nor do they deploy the technologies, that will empower them to satisfy these elemental must-haves in a competitive business environment. As a result, too many of these organizations' customers are subjected to something other than an "A" experience. These customers represent a lost opportunity to become a public advocate of their supplier, and are not up-sold or cross-sold to their fullest potential by the originator of the goods or services they are acquiring.

Laying the Groundwork: Best-in-Class Sales Organizations Defined

In November and December 2012, Aberdeen surveyed 104 end-user organizations to learn about their overall sales

Figure I: Year-over-Year Performance Deltas: Why Best-in-Class Status Matters



Source: Aberdeen Group, March 2014

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effectiveness, and specifically about how they organize customer-centric data, provide access to customer-facing personnel -- sales, marketing and service -- and streamline the holistic management of accounts from both the company's and the customer's perspective. Seeking to identify the characteristics of the strongest performers, Aberdeen used the Best-in-Class process (sidebar) to segment out the most proficient sales organizations. In addition to the key performance indicators (KPI's) used to determine Best-in-Class output, we see in Figure 1 above that a number of additional year-over-year metrics further illustrate how differentiated the corporate and sales results can be, between strong and weak organizations. Now, let's take a look at what the former set of enterprises are doing in order to achieve these successes.

Learning from the Best-in-Class: Getting Customer Data under Control and Fully Leveraged

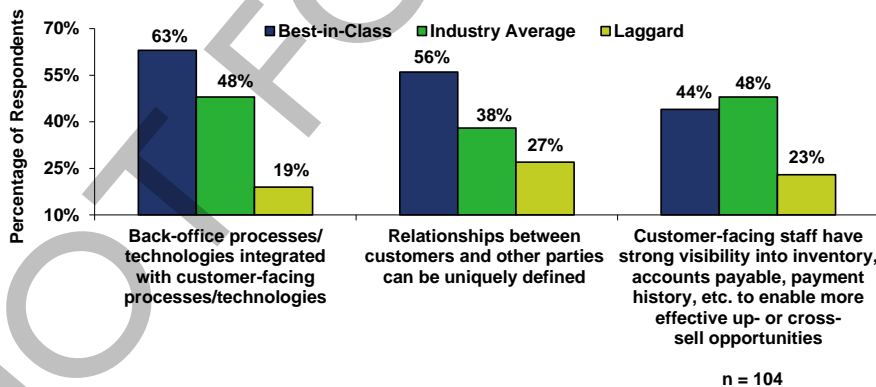
In Figure 2, we begin to uncover best practices that the top sales performers adopt more frequently than less successful firms. For starters, the Best-in-Class are 66% more likely than All Others

The Best-in-Class Defined

The performance metrics used to define the Best-in-Class (top 20%), Industry Average (middle 50%), and Laggard (bottom 30%) among these sales teams are:

- 94% customer retention rate, vs. 81% among Industry Average and 19% for Laggard firms
- 13.2% average year-over-year increase in net client value, vs. 1.0% for the Industry Average and a 1.9% decline among Laggard respondents
- 11.6% average year-over-year increase in overall team attainment of sales quota, vs. a 0.3% increase for the Industry Average and a 0.7% decline among Laggard respondents

Figure 2: Best Practices for High-Performing Customer Relationship Managers



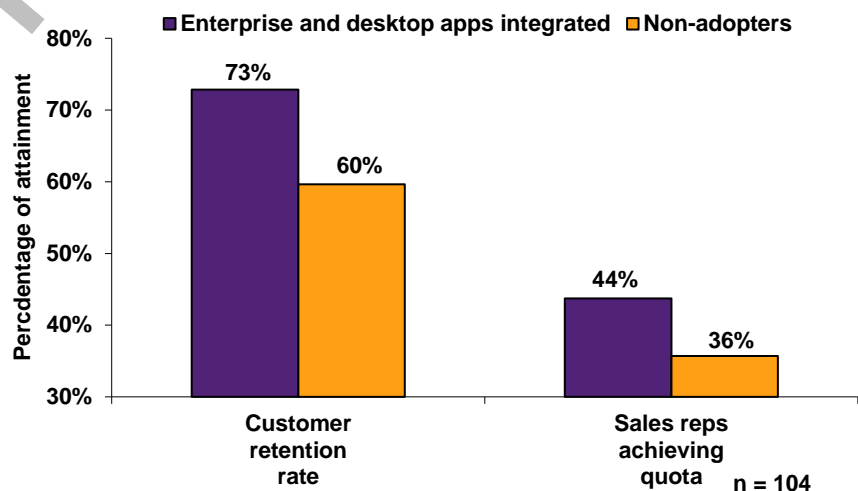
Source: Aberdeen Group, March 2014

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“Customers just don't care in which database or application their information resides.”

(63% vs. 38%) to integrate all their customer-facing applications -- Customer Relationship Management (CRM), marketing automation, contact center, help desk -- with the vital back-office processes and platforms such as order management and Enterprise Resource Planning (ERP). They recognize the simple fact that customers don't care in which database or application their information resides; they just want their problem solved, their product shipped, or their information delivered. In order to optimize the customer experience, the strongest performers are far more likely to ensure that the technology doesn't get in the way of service excellence. In fact, we see in Figure 3 a 22% advantage (73% vs. 60%) in customer retention among companies who report to Aberdeen that they integrate their desktop and enterprise applications, compared with organizations that do not. Adopters of this best practice also enjoy the advantage of seeing more of their front-line sellers meeting or beating the all-important sales quota number. Considering that the average cost of replacing a business-to-

Figure 3: Advantages of Integrating Key Enterprise and Desktop Applications



Source: Aberdeen Group, March 2014

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Business (B2B) sales rep is \$29,060, and it takes over seven months to recruit and onboard them (see [Beyond the Quota: Best-in-Class Deployments of Sales Performance Management](#), January 2014), the value of every single individual contributor's ability to meet their goal is crucial. Sales operations leaders should therefore be constantly searching for every technology option that will maximize this key performance indicator (KPI).

The second item from Figure 2 reveals how Best-in-Class companies are far more in touch with the complexities of 21st-century customer data management, compared with Industry Average and Laggard firms. They understand that it is overly simplistic to assume that each customer account represents a single company, buyer, or record. Rather, today's complex business relationships often create multiple layers, and a great deal of potential confusion, around the simple question of, "who is my customer?" The globalization of contemporary commercial relationships by itself creates a whole host of linguistic, currency, and tax complications for every business interaction that crosses even one international border. Add to the mix the highly decentralized nature of many enterprises that sell through external channel partners, the parent-child relationships between holding companies and their subsidiaries, and it is suddenly more difficult to answer such a basic query.

The technology solution supporting the ability to "uniquely define the relationships between customers and other parties" can often be found in a Master Data Management (MDM) or Customer Data Integration (CDI) platform. These are a sort of super-smart layer of intelligence that finds, connects, rationalizes, and presents the elusive "single version of the truth" and 360° customer view that better enable marketers, sellers, and servicers to expend their energy doing what they do best – and minimal time chasing down an accurate customer

Aberdeen's PACE Methodology

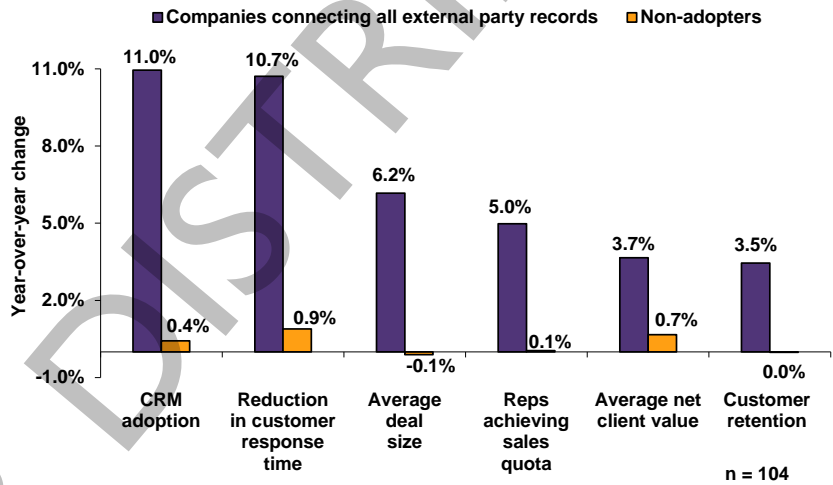
Aberdeen applies a methodology to benchmark research that evaluates business Pressures, Actions, Capabilities, and Enablers (PACE) that indicate corporate behavior in specific business processes:

- **Pressures** – the external forces that impact an organization's market position, competitiveness, or business operations.
- **Actions** – the strategic approaches that an organization takes in response to industry pressures.
- **Capabilities** – the business process competencies (process, organization, performance, and knowledge management) required to execute corporate strategy.
- **Enablers** – the key functionality of technology solutions required to support the organization's enabling business practices.

"A customer service rep managing a customer complaint can turn a negative situation into both a problem resolution as well as an up-sell scenario, if they have insight into how their customer's colleagues or business partners are resolving a particular issue."

record. In Figure 4, the performance between adopters and others around this core competency is compared. On a year-over-year basis, the significant deltas between performance changes represent a convincing argument for the adoption of customer management technologies that will reduce friction in the sales cycle, as well as optimize the opportunities for customer retention and the expansion of their spend.

Figure 4: Connecting the Dots...and the Data



Source: Aberdeen Group, March 2014

Living the Land-and-Expand Good Life

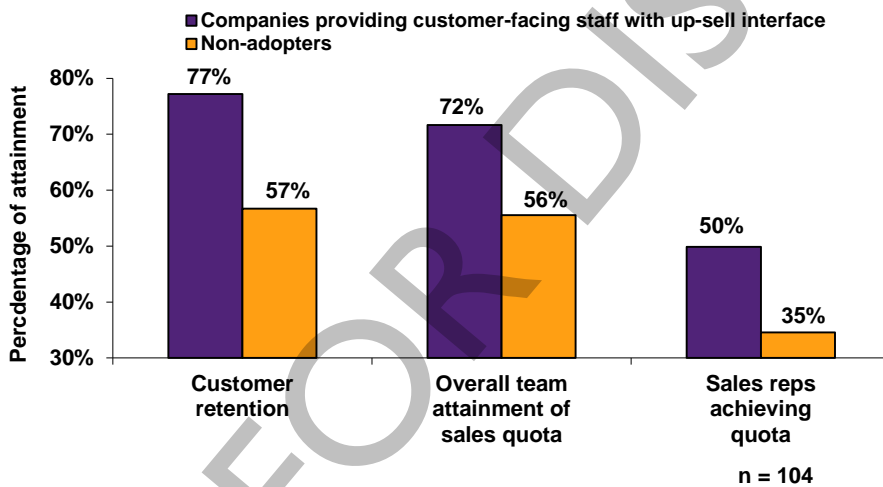
Finally, 44% of the Best-in-Class indicate that "Customer-facing staff have strong visibility into inventory, accounts payable, payment history, etc. to enable more effective up- or cross-sell opportunities," compared with 23% of Laggards. The most successful enterprises wisely understand that the cross-pollination of customer data, among the various functions that interact with external buyers, represents the optimal way for companies to maximize the amount of revenue that can be obtained from each customer account. For example, a customer service rep managing a customer complaint can turn a negative

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situation into both a problem resolution as well as an up-sell scenario, if they have insight into how their customer's colleagues or business partners are resolving a particular issue. A sample conversation could be "we can make sure your delivery arrives on time, but did you know that your Cleveland office uses our tracking application to custom-schedule the arrival time of each order?" Without a holistic insight into the customer's entire relationship, this service-and-sell interaction is not enabled. Companies that provide such an interface, though, perform measurably better around all the metrics represented in Figure 5, when compared with non-adopters.

"If we subscribe to the theory that "the customer is always right," then it is essential for modern enterprises to market, sell, and provide service to their buyers with a forward-leaning attitude that maximizes the experience of their customers throughout the entire lifecycle of their business relationship.

Figure 5: Benefits of Leveraging Opportunities to Provide Up-Sell and Cross-Sell Activities



Source: Aberdeen Group, March 2014

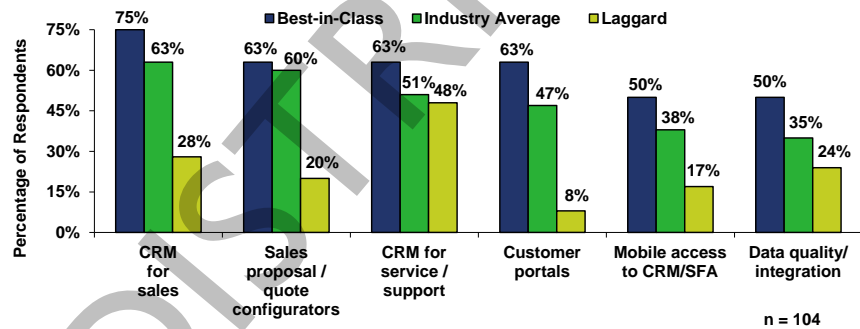
Conclusion and Recommendations: Start With the Right Tools

If we subscribe to the theory that "the customer is always right," then it is essential for modern enterprises to market, sell, and provide service to their buyers with a forward-leaning attitude that maximizes the experience of their customers throughout the

“Top performers are more than twice as likely as Laggards to invest in a data quality solution.”

entire lifecycle of their business relationship. Given the complexity of so many customer interactions, and the competition for their business that is rarely anything but fierce, it is essential for modern enterprises to arm themselves with both the core competencies as well as the technologies that will give them every possible edge in acquiring and keeping their valuable customers.

Figure 6: Technology Enablers that Make a Difference



Source: Aberdeen Group, March 2014

In addition to the advance MDM and CDI tools mentioned above, the most commonly deployed technology enablers among Best-in-Class companies are summarized in Figure 6. In each of these solution areas, the most successful firms are deploying these solutions more frequently than under-performing organizations. In addition to the widely used – and mobilized – CRM platforms for sales and service, the up-and-coming technologies supporting [proposal workflow](#) and [customer portals](#) are increasingly popular among all companies, with the Best-in-Class leading the way. These top performers are also more than twice as likely as Laggards (50% vs. 24%) to invest in a data quality or integration solution. We know from Aberdeen's [Eliminating the Noise: Best Practices for the Five W's of Sales Intelligence](#) (August, 2013) that Louis Pasteur's famous quote – "chance favors the prepared mind" – applies quite well to

enterprise-grade customer management excellence. These top performers certainly recognize that everyone who touches the customer has a better chance of creating a win-win for all parties when the data about that customer is clean, whole, and instantly available at their fingertips.

For more information on this or other research topics, please visit www.aberdeen.com.

Related Research

[*Solving the Sales Ops Rubik's Cube: SunGard Fits All the Puzzle Pieces Together*](#); February 2014

[*No More Spaghetti against the Wall: How Best-in-Class Sellers Use Social Relationships to Build a Better Pipeline*](#); February 2014

[*Mobile Sales Enablement: Fulfilling the Promise of Untethered Selling*](#); February 2014

[*Sales Intelligence: Best-in-Class Practices for Drinking from the Fire Hose*](#); January 2014

[*Enterprise Social Collaboration: Best Practices for the Connected Sales Team*](#); January 2014

[*Beyond the Quota: Best-in-Class Deployments of Sales Performance Management*](#); January 2014

[*Enterprise Social Collaboration: High-Power Teamwork for Better Sales Results*](#); November 2013

[*Sales Enablement: Fulfilling the Last Frontier of Marketing-Sales Alignment*](#); September 2013

[*Eliminating the Noise: Best Practices for the Five W's of Sales Intelligence*](#); August, 2013

[*Configure-Price-Quote: Best-in-Class Deployments that Speed the Sale*](#); July 2013

[*Making the Most of Your CRM: How Best-in-Class Sales Teams Maximize Revenue and Customer Experience*](#); June 2013

[*Learn, Collaborate, Connect, Close: Best-in-Class Mobile Sales Enablement*](#); June 2013

[*Sales Content Management: How the Best-in-Class Deploy Portals...and More Room to Seal the Deal*](#); May 2013

[*CRM 2013: Generating Business Value throughout the Enterprise*](#); April 2013

[*Breaking the Laws of Physics: Shortening the Last Sales Mile Through Workflow Automation*](#); April 2013

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About Aberdeen Group

Aberdeen Group conducts research focused on helping business leaders across sixteen different B2B technology disciplines improve their performance.

Our process is simple – we conduct thousands of surveys every year to identify top performing organizations and uncover what makes them different. We share these insights back with the market in the form of in-depth research reports and content assets to help our readers build business plans capable of driving better results with the right set of tools to help them get there.

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