



SPAULDING RIDGE

2023

CRO

SURVEY RESULTS



FULL REPORT

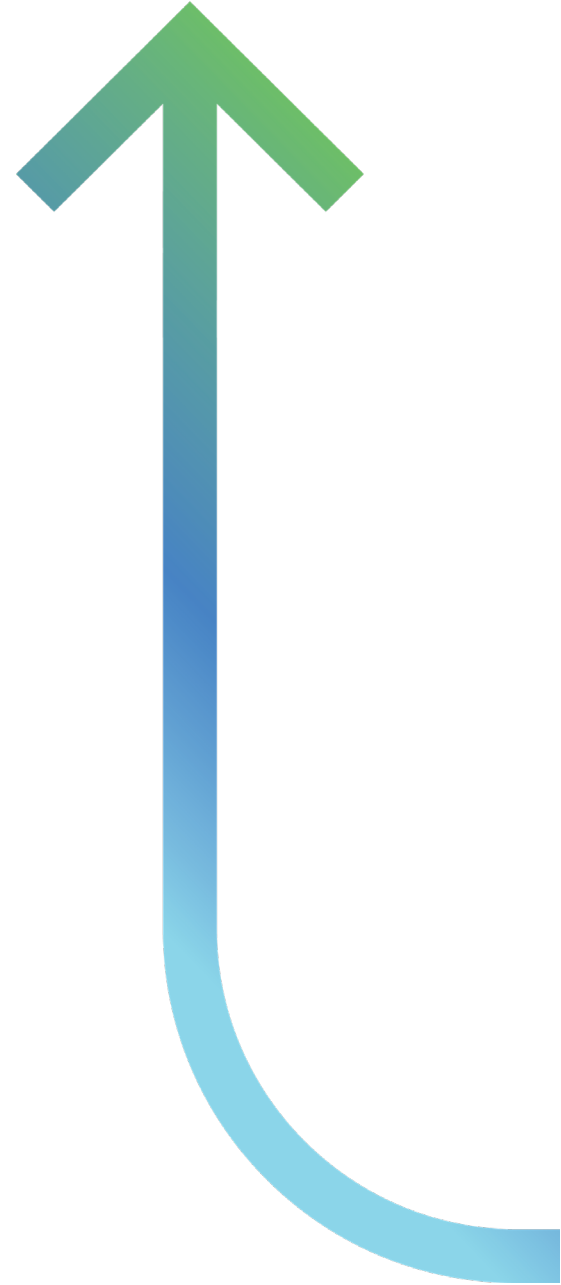
Optimizing Performance
in Times of Uncertainty

The results are in!

2023 CRO Survey by Spaulding Ridge

Revenue leaders are grappling with a new normal for sales, between lingering structural challenges and economic uncertainties. As a result, they are tasked with navigating challenges that range from overly long sales cycles and cautious customers to difficult supply chains and scarce resources, all while sales goals are continuing to climb.

Spaulding Ridge's 2023 CRO Survey shows that all these challenges and more are top of mind for revenue leaders—and illuminates some tactics that they're using. The following is a detailed report and analysis of the survey responses provided by CROs and senior sales leaders.



revenue²³
elevate

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Methodology

To bring you these results, Spaulding Ridge reached out to a number of potential respondents, targeting CROs, Heads of Sales, Sales Vice Presidents, and Sales Senior Vice Presidents, as well as other high-level sales and revenue leaders.

Only respondents who confirmed that they were the most senior leader responsible for revenue at their organization were allowed to continue with rest of the survey. This resulted in 68 qualified sales leader respondents across multiple industries, including manufacturing and high tech, taking the majority of the survey, with nominal attrition towards the end.



2023 CRO SURVEY RESULTS

Key Insights



Due to macroeconomic headwinds, longer term strategy is taking a backseat to a focus on more short-term, tactical goals and needs.

Revenue leaders are looking to maximize the performance of their current processes and sales talent so that they can stabilize their revenue practice for the short term before addressing longer term goals.



Focus on increased sales targets means an increased effort towards efficiency, shortening sales cycles and increasing deal size.

However, there is a technological gap between these optimized results leaders have said they want and taking the steps necessary to empower their sales team to achieve them. Leaders are not always recognizing the opportunity to modernize their sales process through connected data and planning and process automation.



Part of the reason for the disconnect between wanting optimized sales performance and achieving it is that revenue leaders are still adapting to the breadth and accessibility of what AI can do for them (some may already be using it without realizing!).

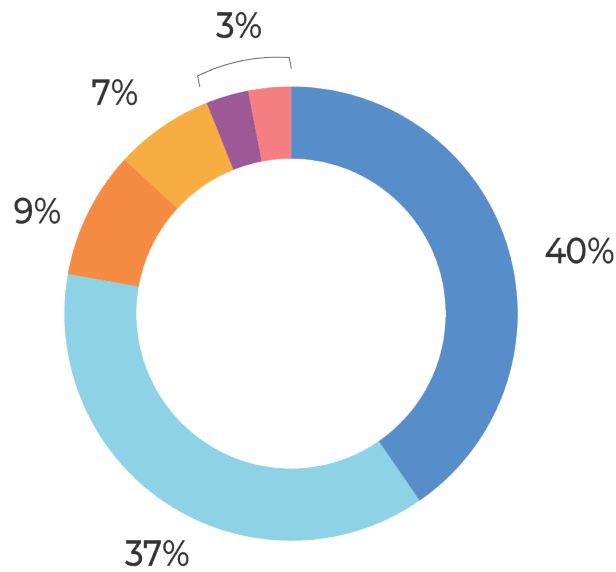
Likewise, they are showing a lack of understanding of their sales tech stack. By understanding the full capabilities of AI, automation, and their existing tech stack, revenue leaders can bridge the gap between results desired and results achieved.



2023 CRO SURVEY RESULTS

Let's Start with the **Basics**

01 What is your primary go-to-market model?

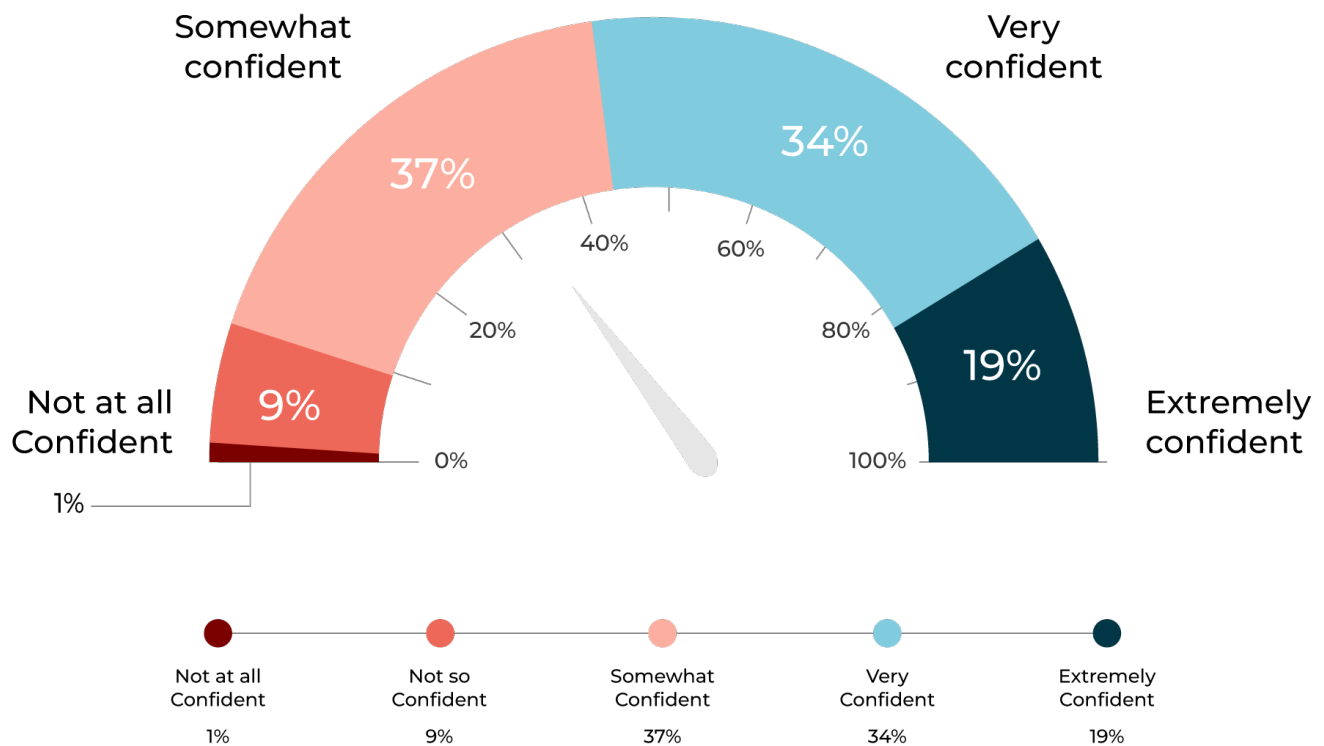


Field Sales	40%
Inside Sales + Field Sales	37%
Reseller/Distributor/Other Partner	9%
Brick and Mortar	7%
Inside Sales	3%
Other	3%

TAKEAWAY

With 77% of go-to-market models involving field sales or a blend of field and inside sales tactics, automating your sales force's more tedious tasks should be top of mind for those looking to maximize sales efficiency.

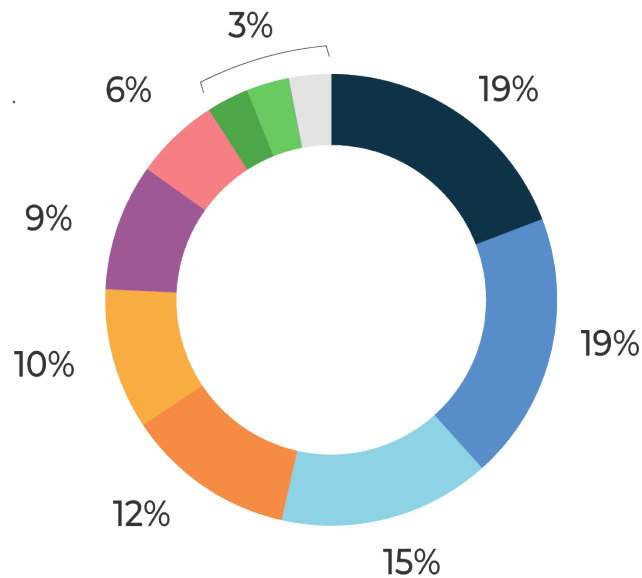
02 What is your confidence level in hitting your 2023 revenue targets?



TAKEAWAY

While it's heartening to see that 53% of revenue leaders feel very or extremely confident in achieving their 2023 revenue targets, that leaves 47% of revenue leaders facing uncertainty in their sales performance. We will explore common points of friction in the sales cycle and ways to alleviate them in upcoming reports.

03 What's the primary reason for concern in hitting your 2023 revenue targets?

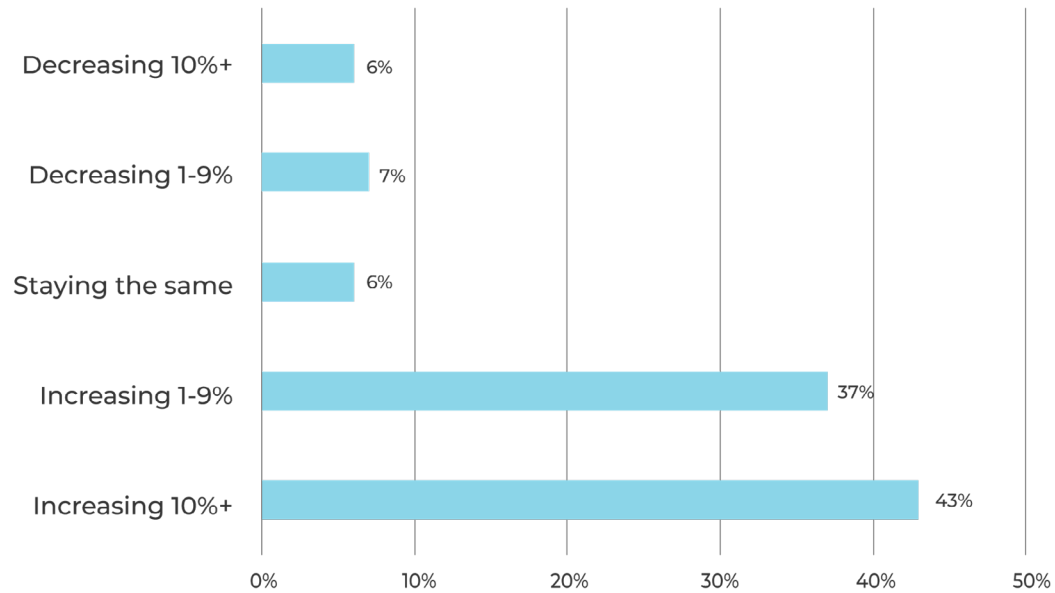


Customer budget	19%
Supply Chain (delivery of product; uncertainty around forecasting)	19%
Customer sentiment	15%
Talent shortage/retention	12%
Competition	10%
Economy	9%
Elongated sales cycle	6%
Lead generation	3%
Lack of demand	3%
Other	3%

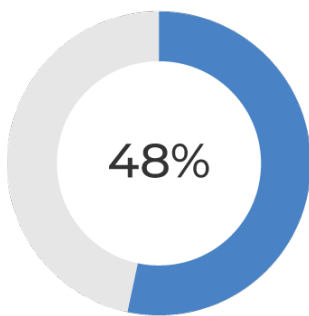
TAKEAWAY

While customer budget is a headwind we all face, there are several ways to better manage your supply chain, pricing, and talent resources. This crosses into finance and operations territory, which highlights the need for connected planning through centralized data. Additionally, tighter customer budgets mean the deals you do make are often smaller, resulting in a need for greater sales productivity.

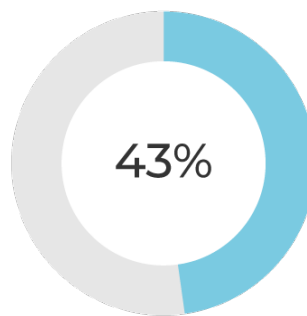
04 Between FY2022 and FY2023, what change did you see in your sales targets?



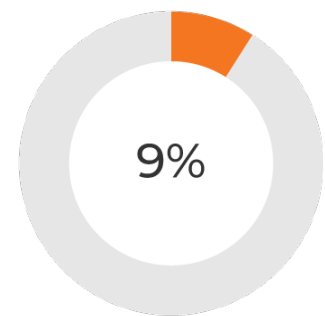
05 In 2023, please select your prediction for sales team size:



Sales team headcount will remain the same

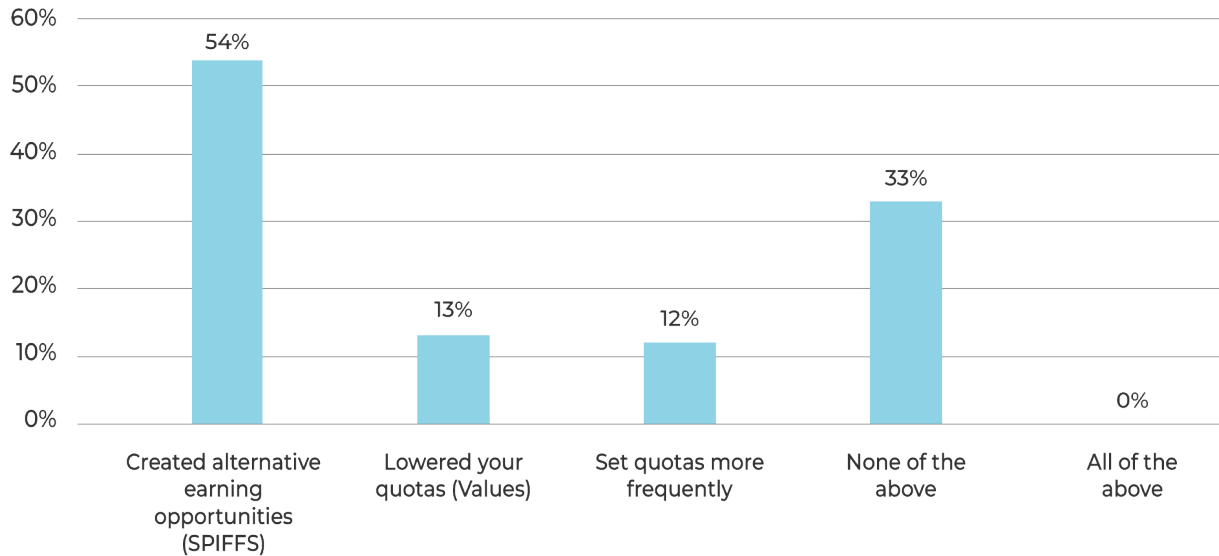


Will be adding new sales team headcount



Will be reducing sales team headcount

06 Which of the following actions have you taken in the past two quarters?



TAKEAWAY

With 80% of organizations increasing their revenue targets but only 43% adding sales headcount, revenue leaders must explore options for doing more with less. Additionally, given sales targets are increasing but most sales teams are staying the same size, hitting sales targets has become a more difficult proposition for sales reps, and alternative earning opportunities have helped keep sellers motivated.

REVENUE ELEVATE 2023 SESSION

“Customers are shifting from buying software to buying outcomes. We want to solve their problems and deliver results. **To do that, we need to equip our sales makers with insights.**”

*Bryan Stevens, US Sales Operations
and Planning at Schneider Electric*

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KEY INSIGHT

Macroeconomic headwinds have resulted in a focus on more short-term, tactical goals and needs. Longer term strategy is currently taking a backseat to these priorities. Revenue leaders are looking to streamline and optimize their current processes and boost the effectiveness of their sales talent so that they can stabilize their revenue practice for the short term before addressing longer term goals.

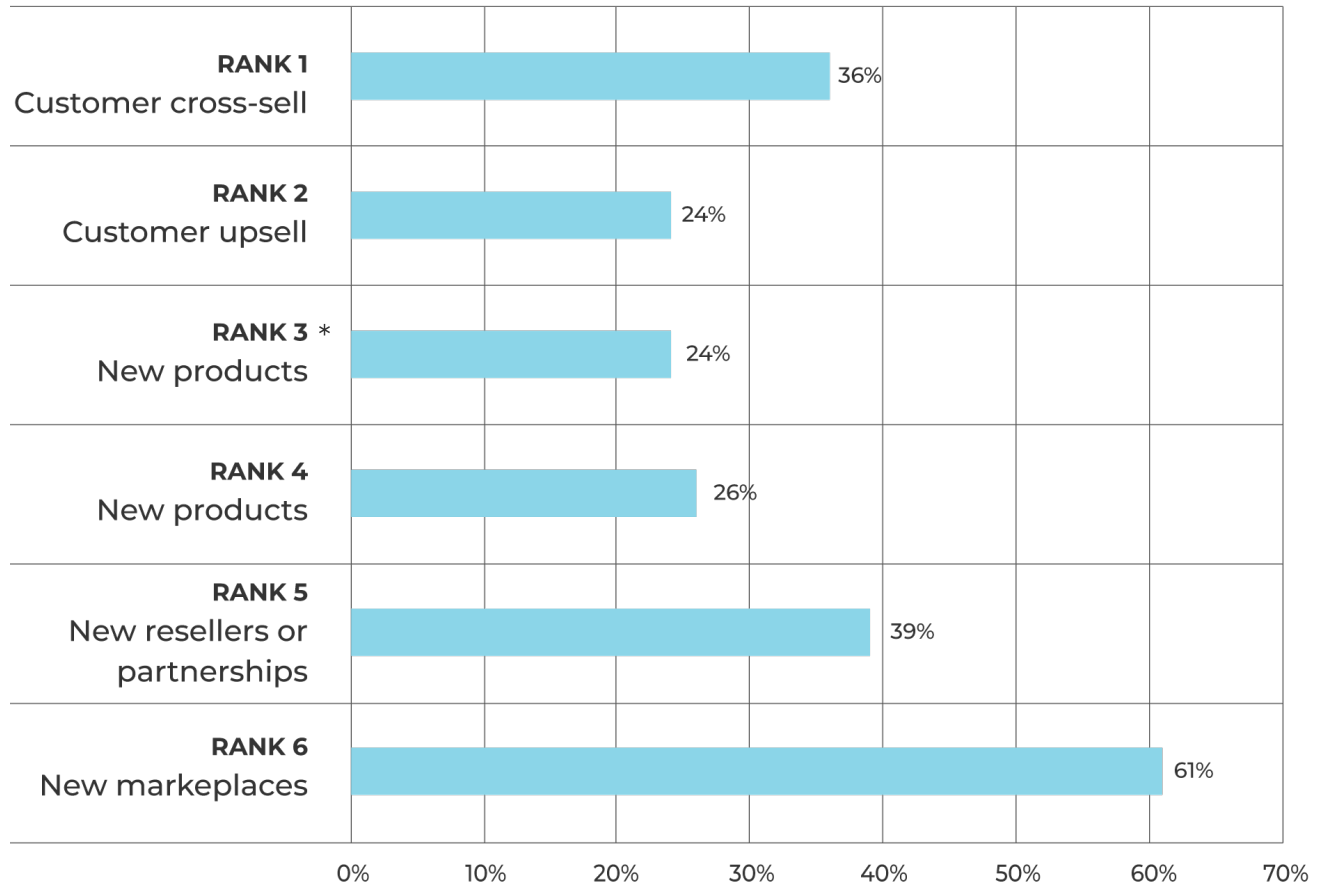




2023 CRO SURVEY RESULTS

Future Growth Expectations

07 Rank the following: Where do you see the most opportunity in the next year or two for additional revenue streams for diversification?
(1 indicates most opportunity)



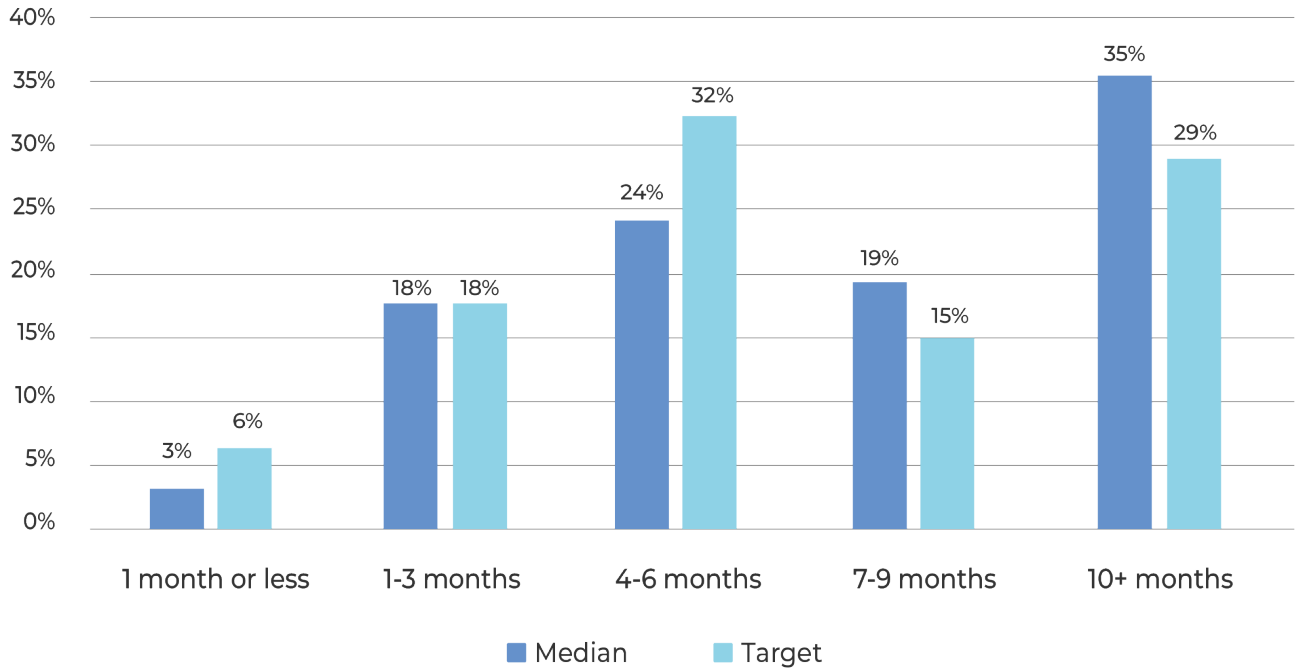
* New Products received the most rankings at both third and fourth place. New Markets received most of its votes for third place but was not the most common answer for any place, indicating a wide variance in how important CROs see this as a priority.

36% of revenue leaders ranked customer cross-selling first

TAKEAWAY

With more than a third of respondents ranking customer cross-selling as the revenue stream with the most opportunity for diversification, it's clear that optimizing relationships with existing customers is a higher priority than delivering net new logos or exploring new markets.

08 What is your median and targeted sales cycle length for your most complex product/service?



TAKEAWAY

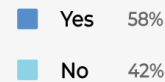
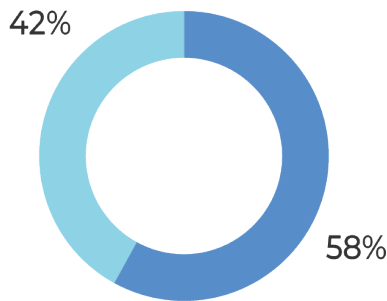
There is a distinct mismatch between desired sales cycles and their actual span. Where is your sales team losing the most time? Could addressing configure/price/quote (CPQ) and contract lifecycle management (CLM) functionality help reduce sales cycles?

ACCELERATOR

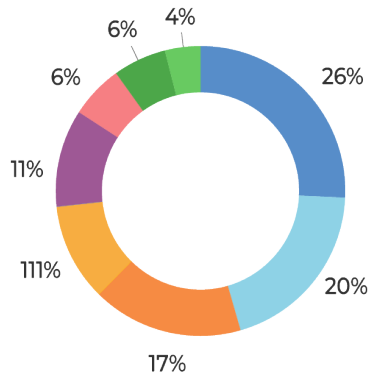
**Salesforce CPQ +
DocuSign CLM**

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09 Has your organization been experiencing longer than usual sales cycles over the past two quarters?



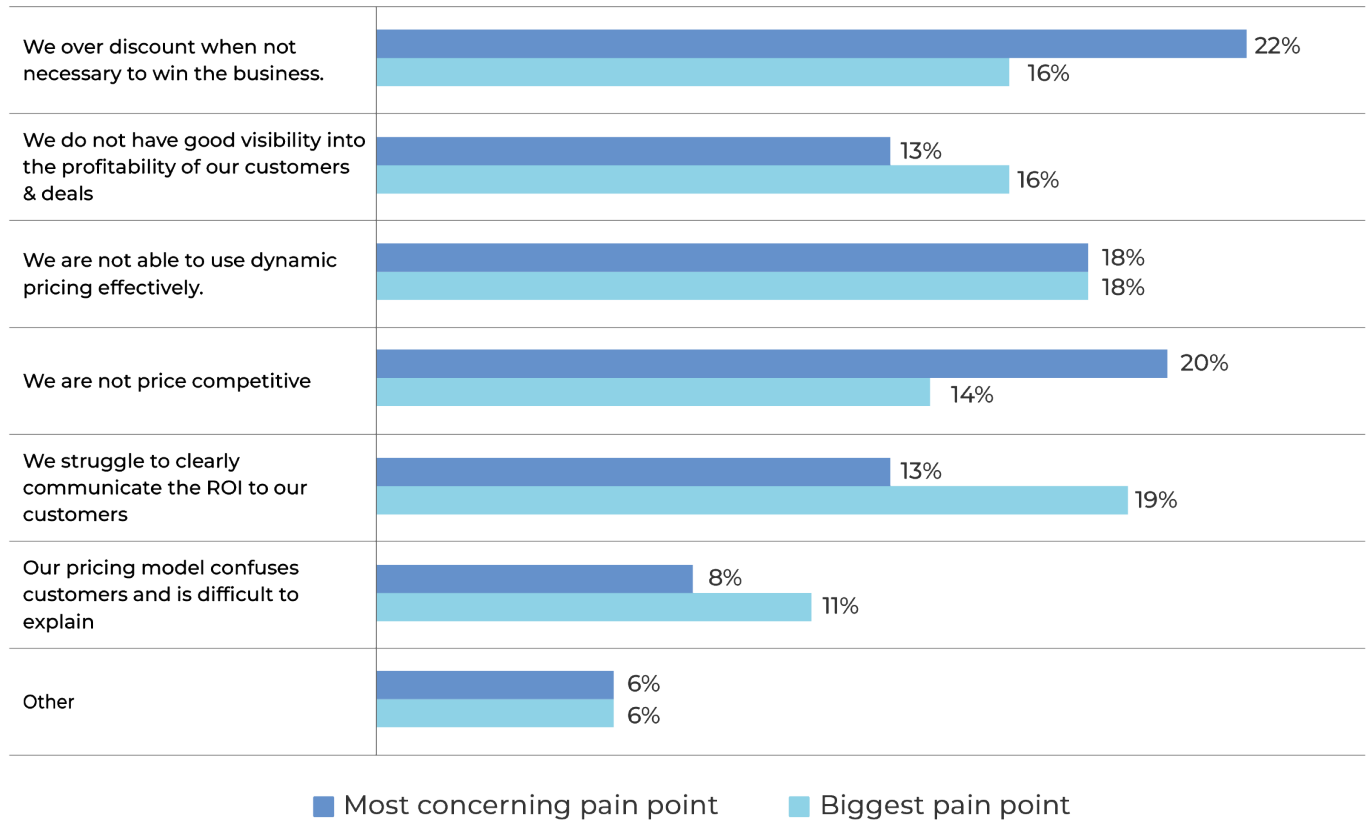
10 What internal operational issues most often prolong your sales cycles?



TAKEAWAY

The top three concerns (buyer approval process, price negotiation, and product availability) reflect macroeconomic trends such as supply chain delays and hesitant buyers, as do the 58 percent of respondents experiencing longer sales cycles. It's also likely that CROs and CFOs are taking more active roles in purchasing decisions due to a greater focus on the bottom line. This involvement means a longer approval process.

11 What are your biggest/most concerning pricing pain points? (Select up to three)



22% of revenue leaders are worried about over-discounting

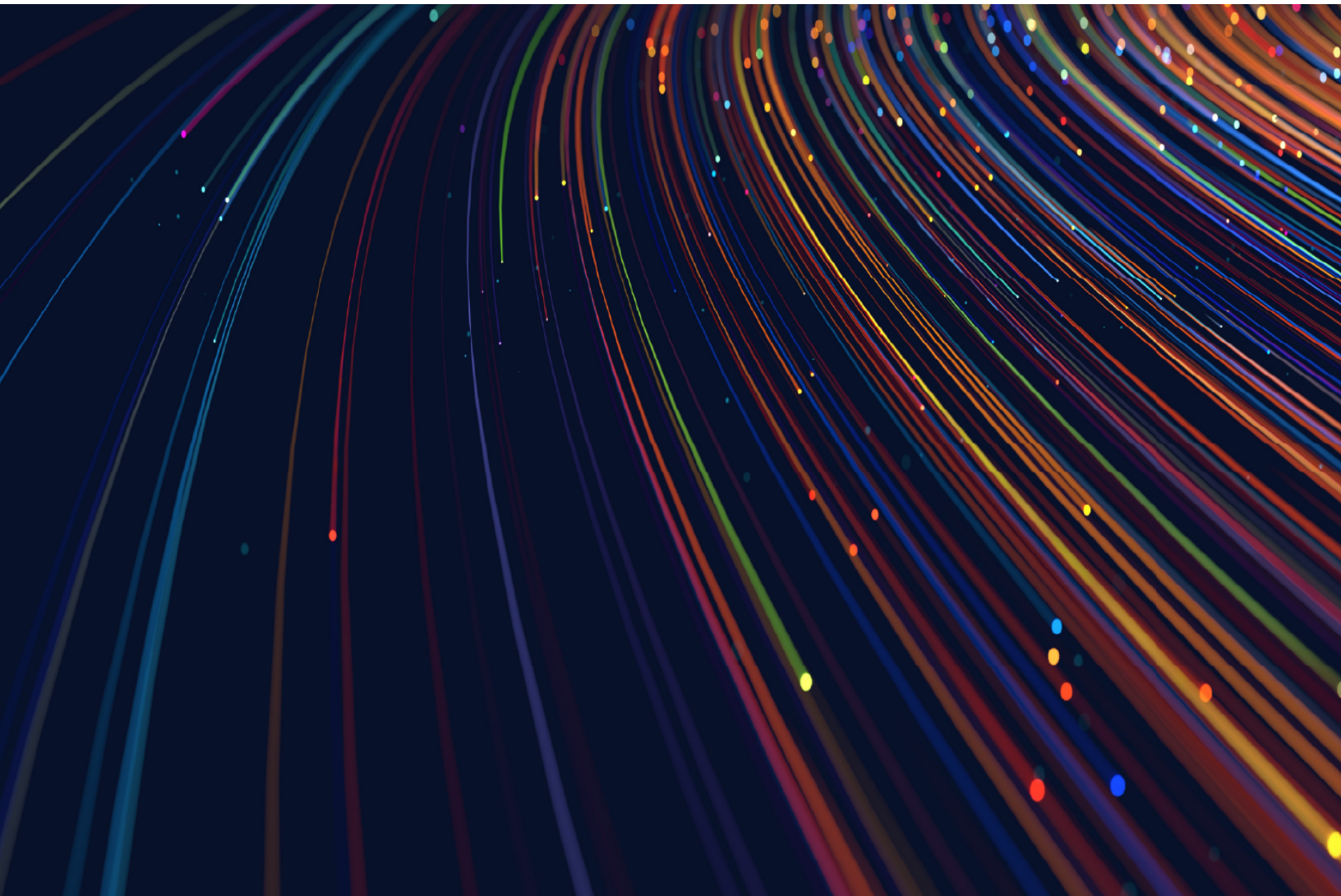
TAKEAWAY

Three of the four biggest pain points (over discounting, poor customer and deal data visibility, and trouble with dynamic pricing) point to disconnected, manual systems. Siloed data and a reliance on manual processes leads to inaccurate analysis, human error, a lack of oversight and accountability, and slower, less competitive pricing processes. Connecting and streamlining your operational data and automating pricing processes will lead to a more structured discounting process, real-time pricing options, and better transparency. Poor conveyance of ROI may be due to a lack of insight into customer ROI after the fact. Gathering and connecting this data to your sales process can help your sales team better present the proven benefits of your product or service.

KEY INSIGHT

Unsurprisingly, increased sales targets means an increased focus on efficiency, shortening sales cycles and increasing deal size. But many leaders are overlooking, or not receiving buy-in for, the potential sales acceleration and talent support offered by automating basic manual processes.

Disjointed data, slow manual processing, and poor visibility into real-time pricing issues exacerbate already prolonged sales cycles and resource strain. The opportunity here is for leaders to modernize their sales process through connected data and planning and process automation. By taking some of the pressure off their short-term goals this way, leaders can turn their focus towards longer term growth strategy.

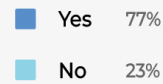
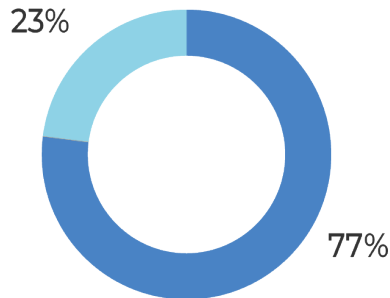




2023 CRO SURVEY RESULTS

Technology and **Talent**

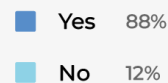
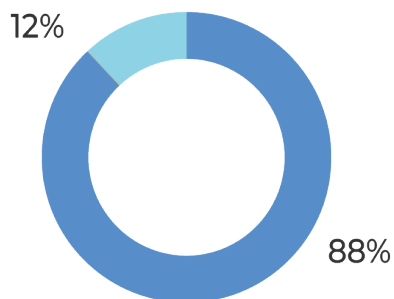
12 Do you have a structured roadmap for technology improvement and/or acquisition?



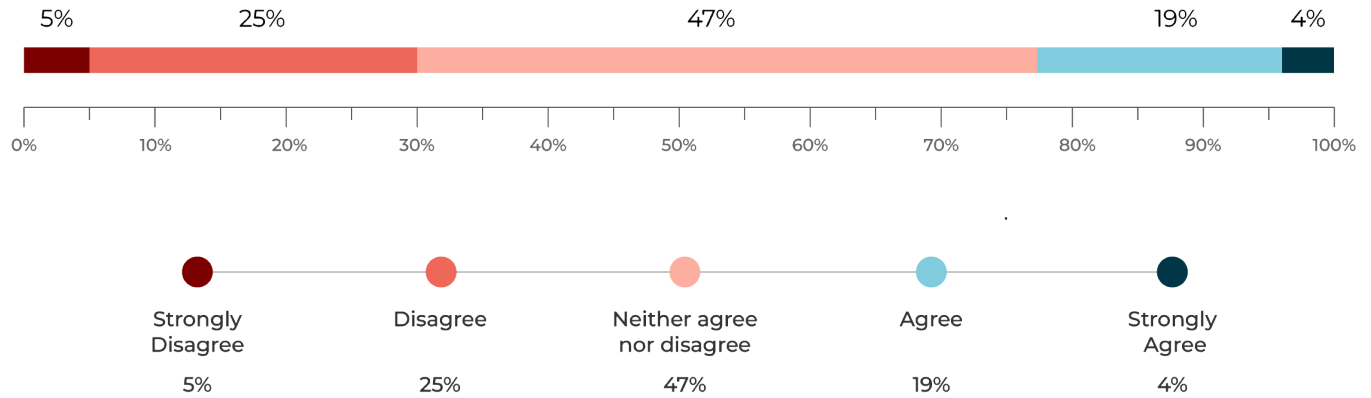
TAKEAWAY

With 77% of revenue leaders planning technology improvements and organizations tightening their belts on resources, sales teams should consider how to allocate their own resources to important priorities and streamline day-to-day fixes.

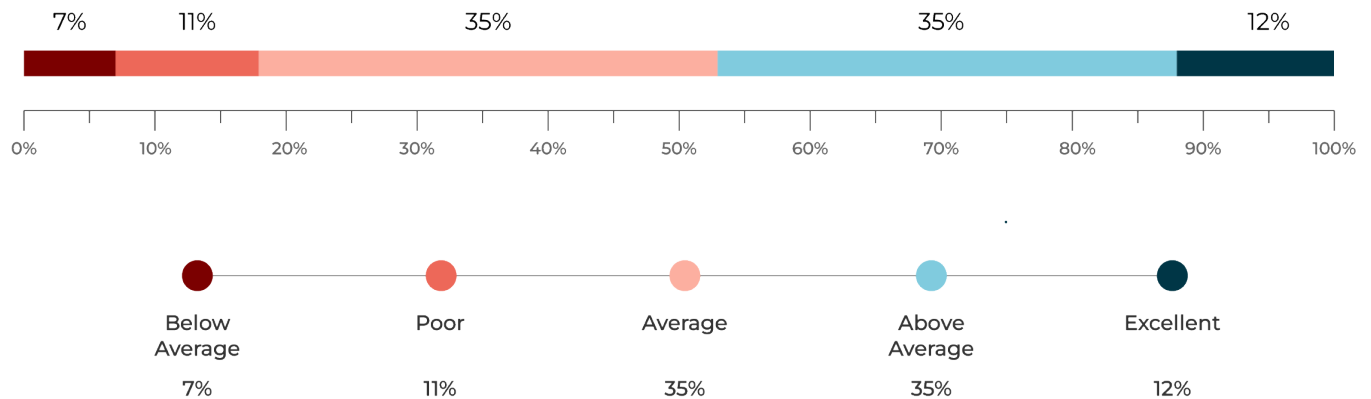
13 Does your team have the right technology to be successful?



14 Rate your agreement to this statement: My sellers suffer from tech tool overload



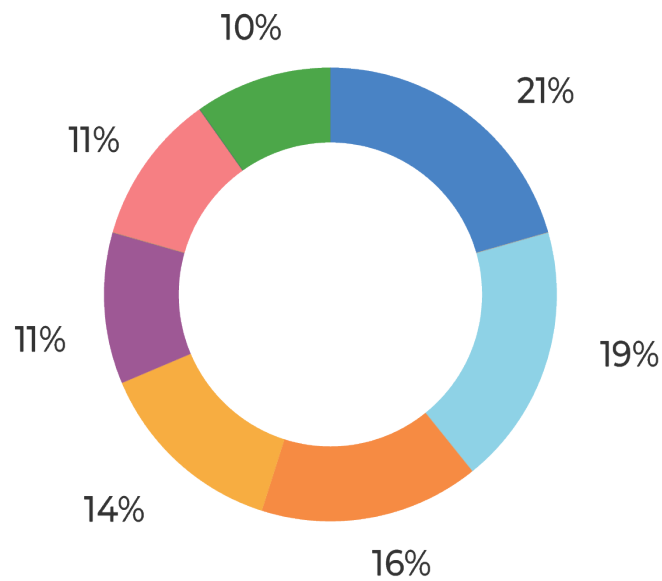
15 Rate how well your current customer relationship management (CRM) tool enables your sales team to do business.



TAKEAWAY

If your team has the technology it needs but your revenue is behind the mark, you may be facing an adoption or utilization issue. Disparate or disconnected data sources and systems may also be the cause of friction and lack of actionable insights.

16 What is your biggest customer acquisition struggle?

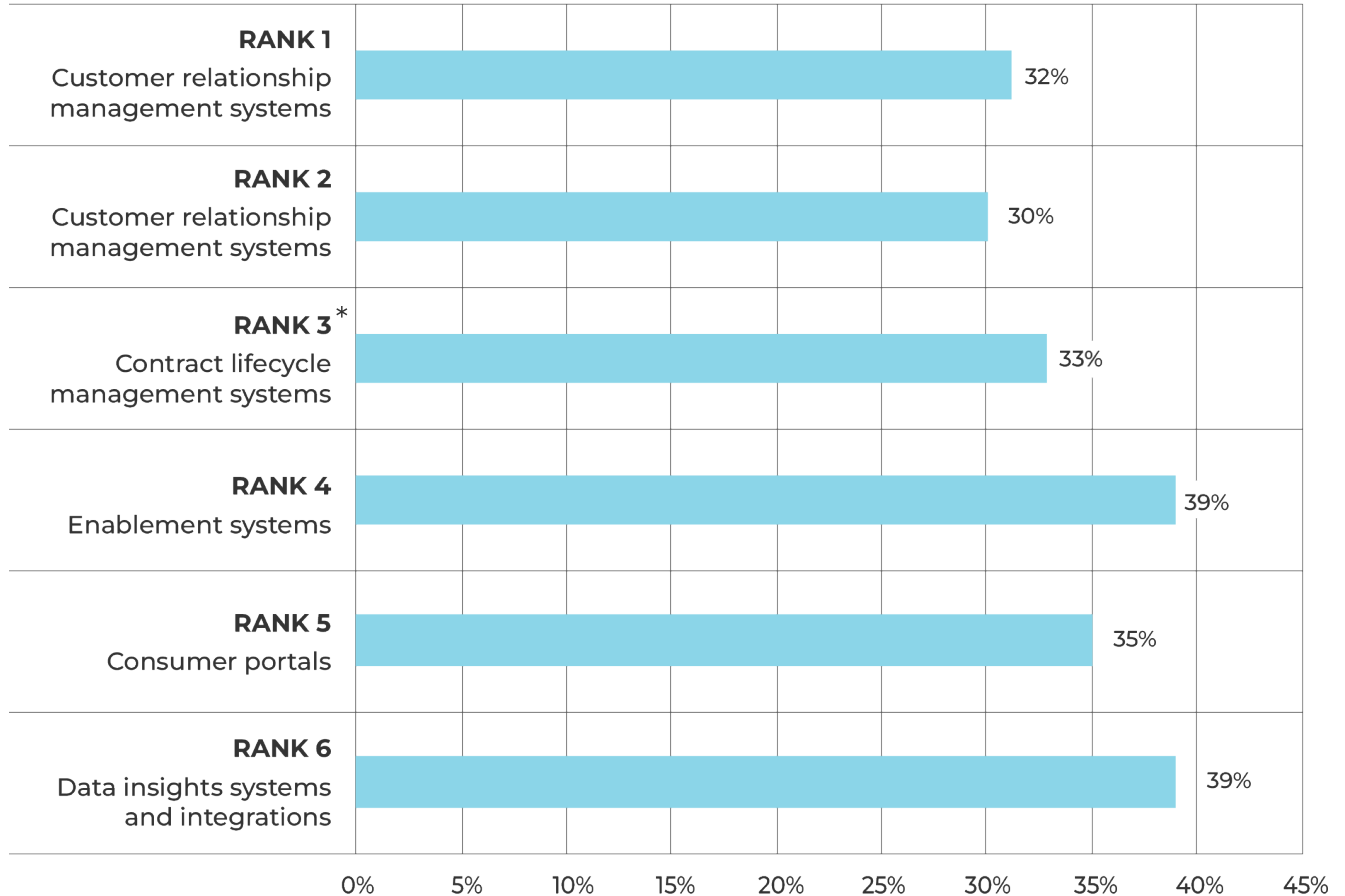


Increasing net new logos	21%
Tracking opportunities and pipeline	19%
Demand Generation	16%
Understanding propensity to buy from customers	14%
Upselling & cross-selling to existing customers	11%
Relationship management	11%
Other	10%

TAKEAWAY

Success doesn't occur in a silo. The pain points demonstrated here highlight a need for a single source of truth in a connected platform that gives sales leaders deep insights in real time to drive better decisions.

17 Over the course of the next 18-24 months, rank your area of focus to future technology investments. (1 is top priority)



* Contract Lifecycle Management systems received the most rankings at both second and third place. Sales Performance Management systems were ranked evenly across first, second, and third, indicating that they are a key priority for revenue leaders.

TAKEAWAY

With CRMs and CLMs ranking in the top spots, it's safe to say that CROs are looking to streamline and automate their sales and contracting processes, as well as provide deeper insight into the customer lifecycle. It seems counterintuitive then, that data insights and integrations were ranked last, given the depth of analysis and strategy that can be provided with better data systems.

18 Which of the following are offline manual processes at your organization? (Select all that apply)



TAKEAWAY

With a range of 15 to 25 percent of respondents listing these five easily automated processes as manual within their revenue practice, it is clear that a sizable cohort of respondents are losing valuable sales and planning time to manual processes.

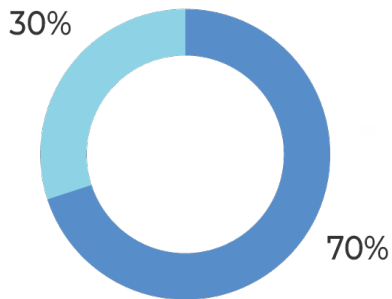
REVENUE ELEVATE 2023 SESSION

“We’re seeing a lot of sales executives running into issues where the contracting process is **slowing down their sales process.**”

*Mike Mothersbaugh, Vice President
at DocuSign*

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19 Are you using AI in any of your sales tools?



No	70%
Yes	30%

TAKEAWAY

With 70 percent of leaders saying they don't use AI, but 15 to 25 percent of respondents listing at least one of five potentially automated processes as manual in question 11, it is worth exploring whether you truly understand the potential for AI in your sales process and if you may, in fact, be deploying it without realizing.

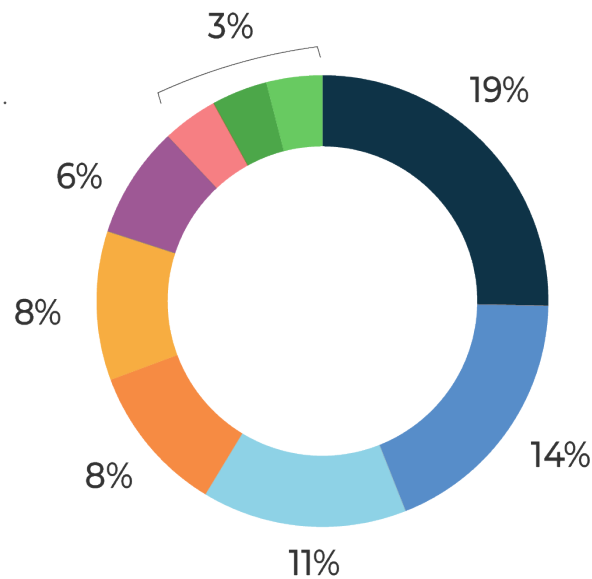
REVENUE ELEVATE 2023 SESSION

"There's value in being able to ask that generative AI, what's our obligations to a particular customer? We had one customer who would have otherwise had to sift through 800,000 contracts, **but instead were able to get the insights in 30 to 45 minutes.**"

*Mike Mothersbaugh, Vice President
at DocuSign*

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20 How are you deploying AI in your sales processes? (Select all that apply)

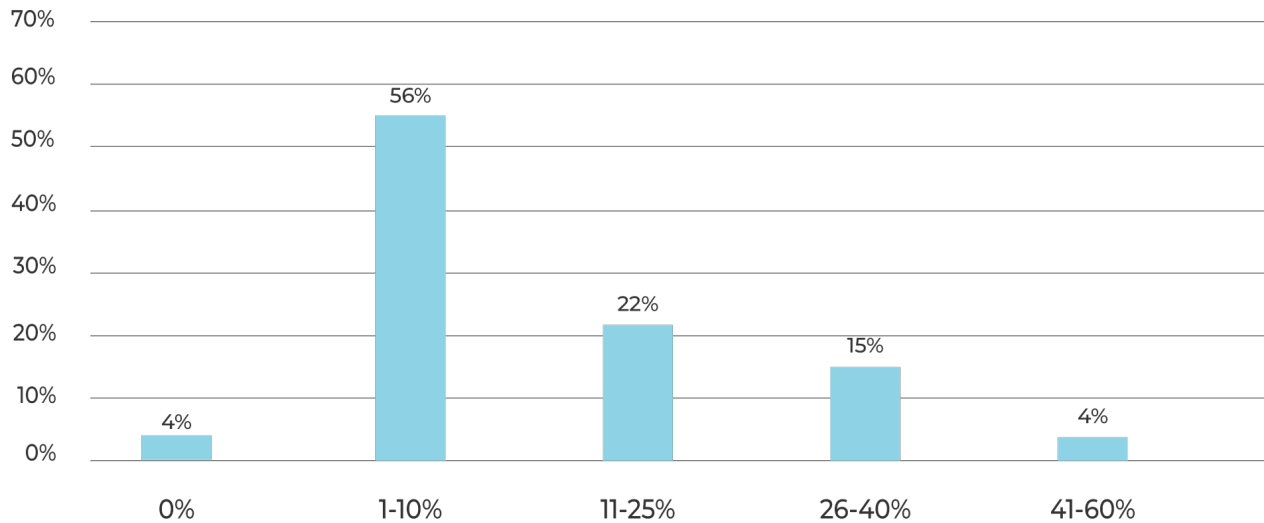


AI-based demand generation	19%
AI-based lead scoring	14%
AI-powered price optimization	11%
AI-based sales content personalization	8%
AI-based marketing account intelligence apps	8%
AI for improving territory optimizations	6%
AI for improving Customer Lifetime Value (CLV)	3%
AI for managing performance	3%
Other	3%

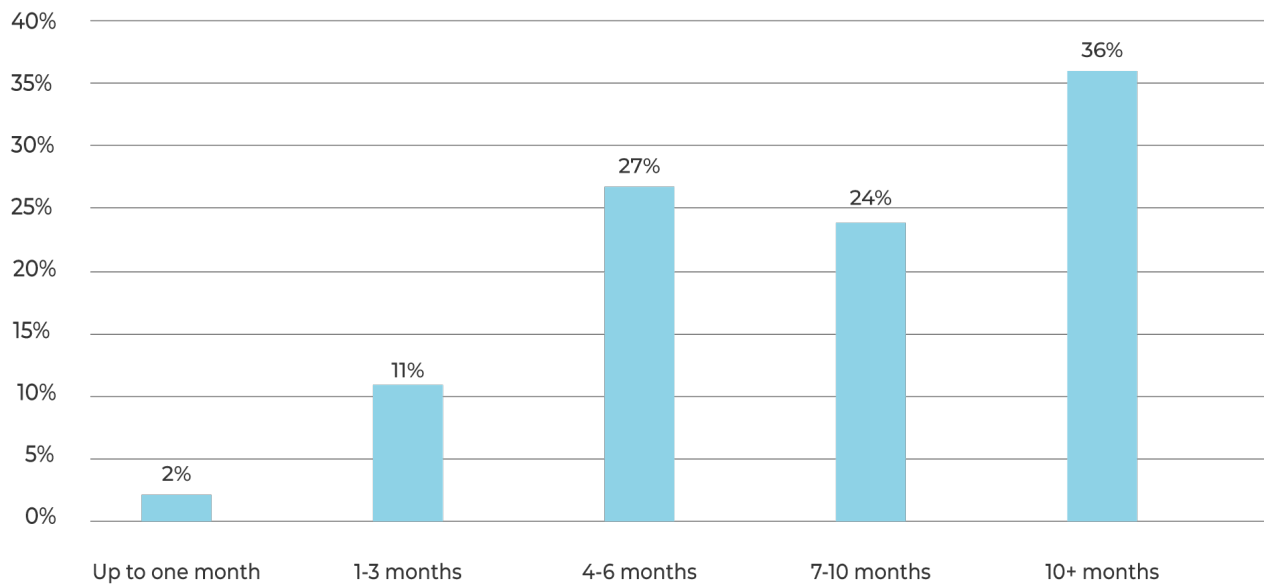
TAKEAWAY

AI is becoming increasingly useful to businesses, with almost a third of revenue leaders using it in some capacity to streamline sales cycles, reduce human error, or make better projections. You can certainly count on a portion of your competitors utilizing AI to increase the efficacy of their sales cycle. How do you plan to stay competitive?

21 What is your current annual sales representative attrition rate for your most complex sales motion?



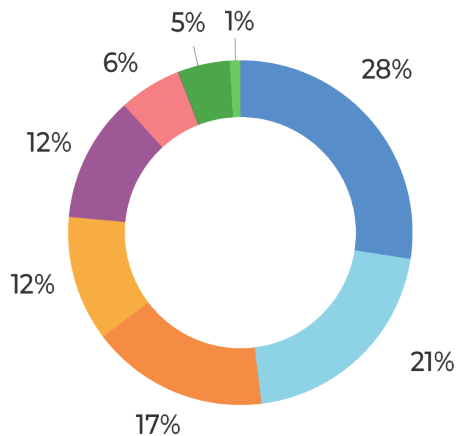
22 What is the average time it takes for a sales representative at your organization to be fully ramped?



TAKEAWAY

Good sales talent is hard to find, difficult to train, and important to keep around. Organizations that can manage and incentivize their sellers more effectively will have the advantage at every turn.

23 What do you consider to be most important when onboarding new talent? (Select your top three)



Having a clear 30, 60, 90 day onboarding plan	28%
Comprehensive understanding of the product/service ROI and value	21%
Peer to peer training/shadow program	17%
Comprehensive training on sales enablement tools and systems	12%
Providing role-specific training	12%
Practicing objection handling	6%
Providing strong domain expertise training	5%
Access to external training programs	1%

TAKEAWAY

The need for efficient, independent sales talent means sales leaders require a robust, guided training experience from onboarding to ramp up to continuing professional development. Leaders are seeing an investment in training as mutually beneficial: A well-trained and supported sales rep is happier and more successful, leading to increased revenue for the company and higher retention rates. This ongoing training experience requires strategic communication and connection. Tools such as Anaplan offer solutions that extend from labor planning to onboarding and training, allowing leaders to have an easily accessible view of where their talent pool is on certifications and training progressions. In a time when remote and hybrid work environments are common—especially for nationally-distributed sales teams—having this visibility is especially critical.

KEY INSIGHT

Leaders know the outcomes they need include shortened sales cycles, improved retention and performance, and visibility into cross-selling opportunities and lead qualification. However, they're missing the link between these outcomes and the tech they need to make them happen. Revenue leaders are still adapting to the breadth and accessibility of what AI can do for them (some may already be using it!).

By understanding the full capabilities of AI, automation, and their existing tech stack, revenue leaders can bridge the gap between results desired and results achieved.



Conclusion

CROs and other executive revenue leaders are facing a challenging situation where increased demands for the short-term survival of their organizations are taking focus away from their main priority of strategic growth. To address both these short-term demands and obstacles and free up leadership time and focus for strategic planning, most are looking to find ways to optimize the sales talent and processes they currently have in place.

Our survey results point to a general opportunity for sales acceleration through automation and connected data across various revenue practices. Establishing a single source of truth (SSOT) should be a priority for those aiming to optimize current sales processes and make the most out of strategic planning. Understanding current tech stack capabilities, redundancies, and gaps will be integral to achieving the sales efficiency needed to drive revenue in the current economic environment and lay a foundation for future growth.

We hope you've found this report enlightening! Revenue is an ever-shifting landscape, and we'll continue to keep our fingers on the pulse to offer revenue and sales leaders the insights they need to drive success. Stay tuned to the CRO Insights webpage for deeper exploration of these insights by revenue thought leaders.

If you enjoyed the CRO Survey Report, be sure to check out the upcoming CFO Survey Report! Like with this report, respondents get early access to the data—so please reach out to us if your finance leaders would be interested in contributing.

Thank you for learning with Spaulding Ridge. If you have any questions or need support acting on these insights, please contact me at skatz@spauldingridge.com.



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Leadership

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