Smart Selling

Using AI and Data to Meet Modern Sales Challenges

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Challenges in the Modern Sales Environment

The tenures of B2B CROs and sales leaders continue to decline, and the percentage of sales representatives achieving their quotas is also on the downtrend. The reasons are many and varied, but one significant factor is that with the vast amount of information available on the internet, today's purchasers are already 70% through the buying cycle before they even engage with a seller. This trend complicates the process of attracting new customers as buyers now prefer to work with sellers who are seen as trusted partners. As a result, buying cycles are becoming increasingly complex, involving more decision-makers and stakeholders who need to be satisfied. Enterprises also face the challenge of retaining top sales talent with the skills to effectively communicate the benefits of sophisticated products and services.

Many sales metrics are commonly used to measure sales teams, but only a few directly link to whether sales teams will achieve their targets. The first two are the average number of deals a representative can effectively manage at one time—or in sales vernacular, "how many at bats"—and the win rate to assesses the percentage of successfully closed deals. Another is the average size of an opportunity in terms of revenue. And finally, the time it takes to close an opportunity, sometimes referred to as sales velocity, plays a significant role in determining the effectiveness and efficiency of sales teams.

Whereas the fundamental job of sales representatives is to engage with customers and drive sales, several factors can limit their effectiveness. For many enterprises, sales efforts focus on existing customers rather than pursuing new logos or customers. This shifts the emphasis to gathering information about the customer, their habits, their previous purchases and the identification of upsell and cross-sell opportunities. As relevant data for existing customers often resides outside of typical CRM systems, reliance solely on CRM data limits effectiveness. Whether using a CRM by itself or also including add-on tools, managing data from different sources can become challenging and typically requires assistance outside of the sales department.

Sales Engagement
Market Assertion

By 2027, less than one-half of selling enterprises will have deployed a sales and revenue engagement platform that utilizes data and AI to lessen seller admin and manual tasks, reducing opportunities for sellers to achieve targets.

Stephen Hurrell
Director of Research, Office of Revenue

iSG Research™

In addition to these challenges, many processes require sales representatives to function as data entry clerks, entering meeting information, schedules, contacts and events into account and opportunity records. This administrative burden further detracts from productivity and effectiveness, but we do not observe significant efforts to reduce the burden. In fact, we assert that by 2027, less than one-half of selling enterprises will have deployed a sales and revenue engagement platform that

utilizes data and artificial intelligence (AI) to lessen seller admin and manual tasks, reducing opportunities for sellers to achieve targets.

Improving Pipeline Coverage

Although any given individual has only a limited number of opportunities at one time, when aggregating across regions and territories there can be too many to deal with. Being able to prioritize is important for sales support resource allocation and for providing insights for forecasting and coaching purposes. Advanced predictive AI techniques such as machine learning (ML) can model historical closed won and lost deals to see what "good" looks like in terms of probability to close win or lost. Predictive AI can also be deployed to assess whether a deal will close within the current period. This helps reps to know which deals to focus on and gives insight to leadership as to what deals are likely to close win as part of overall sales forecast.

Much of a salesperson's time is taken up with non-selling administrative tasks such as updating activity records, summarizing notes and maintaining calendars. This means that productivity improvements are required if reps are to manage multiple deals. Modern systems utilize AI to help automatically capture meetings, log calls and emails as activity events, and then summarize and extract key information and sentiment from the interactions. These systems can also highlight mentions such as competitors, perceived objections, reactions to price and deliverables. In this way, modern customer relationship management (CRM) systems reduce the amount of non-selling admin tasks, enabling a sales rep to handle more opportunities at any one time. And the more opportunities that a rep can handle effectively, the more deals can be won per rep.

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One of the most effective ways to increase close win rates is to enable effective coaching at the line manager level. Line managers are often in their roles due to a combination of success and experience, which positions them well for mentoring their teams. Coaching supported by data fosters a healthier and more constructive coaching experience. This data-driven approach minimizes reliance on "gut instinct" and can often remove the emotional aspect of these conversations, allowing for a more objective and focused dialogue. Predictive AI plays a significant role in this process by offering unbiased insights into the potential of a prospective opportunity. It not only indicates the degree of progress of a sales opportunity as measured by an enterprise's sales cycle and methodology, but also provides an estimate of when a deal might close. This predictive capability, when combined with automatic data capture, transforms weekly sales coordination. Instead of spending time trying to get on the same page, these calls can focus more on advancing the sale and addressing critical issues.

Increasing Average Deal Sizes

Given that the number of opportunities a sales representative can effectively manage is inherently limited, increasing average deal size is an effective way to increase the probability of hitting targets. This approach is particularly advantageous when selling to existing customers, to which the enterprise is a known quantity and has engendered a degree of valuable trust. Using AI and analytics on historical sales across all customers allows for identification of possible offers for products and services to existing customers. This analysis is based on similarities not just between customers, but also within various units of the same customer. By recognizing these patterns, sales teams can uncover new opportunities for upselling and cross-selling. AI can also aid in the generation of specific content, messaging and value propositions tailored to existing customers' needs. It can also recommend suitable products and services, thus equipping sales representatives with the tools necessary for more focused and beneficial customer engagements. This preparation allows sales reps to present compelling and targeted proposals, leading to larger deal sizes and a higher likelihood of achieving sales targets.

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To gain a better understanding of existing customers and similar entities in the wider customer base, data outside of that typically stored within a CRM system is needed. This includes data from ERP and order management, subscription management and billing information, as well as third-party firmographic and news data. This data collection and curation can be achieved by deploying a data cloud or customer data platform, or by using pre-built data links from a comprehensive ERP, CRM and customer experience (CX) platform provider. The automation of mapping and organizing this source data is key for embedding productive AI use cases within the sales process. AI-driven insights can address sales activities that aid in the overall sales process by enabling teams to make more informed decisions based on a richer dataset.

Another approach to increasing average deal size is to implement more robust guardrails and approval processes for offering configurations and discounts. Many enterprises have established a deal desk function where proposed quotes are reviewed to ensure that discounts from the list price comply with company policies. However, deal desks typically rely on manual reviews and can only examine a subset of deals due to resource restraints. This manual process lacks efficiency and comprehensiveness, potentially leading to inconsistencies. Absent information about price optimization and historical pricing behavior, there is a risk that sellers may prematurely negotiate themselves to secure a deal, often

resulting in unnecessary discounts that erode margins. To address this issue, AI can be employed to provide price discount boundaries based on factors such as the propensity to buy, price elasticity and relative competitive pricing. Enterprises can utilize these AI-driven insights to ensure that pricing decisions are data-informed, minimizing the likelihood of excessive discounting and contributing to an increase in average deal size.

Improving Velocity: Closing Deals Faster

As mentioned previously, one of the constraints to making more sales is the limitation on how many opportunities a salesperson can effectively manage at the same time. AI-assisted preparation can help alleviate this constraint by reducing latency in the buying process, resulting in deals closing sooner. Unlike engaging with a new customer, thorough research on existing customers—including past purchases, similarities to other customers, news of key personnel changes, announced mergers and acquisitions (M&A) activity, product launches and financial results—will better prepare a salesperson for constructive and productive engagements. With more stakeholders involved in the buying process, the use of AI for content specificity in demonstrations, evaluations and configurations aid in the ability to achieve more in each meeting. This reduces the need to wait for additional expertise at each stage.

Predictive AI assists in prioritizing deals, allowing for a more rational approach that reduces focus on deals with a lesser chance of winning. Closed-lost deals typically take longer to conclude than closed-won deals, so by identifying and deprioritizing such low-probability deals, sales teams can allocate their resources more efficiently. More informed coaching, supported by insights from predictive AI, helps salespeople better navigate objections, negate fear, uncertainty and doubt (FUD) from competitors, and understand the customer's buying process to align their strategies accordingly. With more stakeholders involved in buying decisions, utilizing AI and data to identify key influencers within the target organization becomes invaluable. AI can also help pinpoint other individuals within the company who can facilitate introductions and provide insights that reduce the legwork required by managers and individual salespeople, allowing them to focus on building relationships and advancing high-priority deals.

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Selling is a team game, and as such, competition for resources—whether technical, managerial, legal or financial—can create delays in the sales process. This not only poses a competitive disadvantage but also elongates the overall timeline. AI can address these challenges in several key ways. For example, AI can aid in creating tailored content and discovery questions, reducing the need to immediately involve technical resources while enabling sales teams to move forward without

waiting for expert input. AI applied to contract management can help standardize clauses and identify terms that are more likely to pass customer legal review. Involving legal teams in only a minority of exceptional cases streamlines the review process. Even though sales is not the main actor in many of these activities, the salesperson is often responsible for coordinating and chasing these functions. Intelligent approval routing, AI-assisted standardization of contracts and reducing the reliance on scarce technical resource all contribute to an accelerated sales process.

Prerequisites and Caveats

Many organizations are tempted to use their own data science teams to develop models for supporting sales teams. While there is nothing inherently wrong with this approach, insights not linked to actionable steps are only somewhat useful. Integrating AI insights within an application that understands the user's intentions allows these insights to be linked to specific actions that the sales team can take within the context of their workflow.

AI as an integrated part of business applications is not new. Predictive AI has been utilized in various sales applications for nearly a decade, and lessons from the initial wave of AI should inform the development and implementation of the next generation of tools. Sales, as a role, is not by nature an early adopter of technology, unlike fields such as finance or customer support. Therefore, it is important that that any AI project includes educational components that clearly demonstrate the value to the sales teams. Incorporating AI seamlessly into existing process flows is vital to encourage adoption and make the use of AI second nature. By ensuring that AI tools are user-friendly and integrated into the daily routine of sales teams, enterprises can drive more effective use of AI and enhance sales performance.

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Expectations need to be set as to the impact AI can have on sales processes. Features such as summarizing meetings and assisting with email writing, while helpful, are not "game changers" and if everyone is using them, little competitive advantage will be gained. These features will not address the major issues discussed above, such as effectively managing multiple opportunities or increasing average deal size. The maximum impact of AI comes from its adoption across teams involved in the sales process, including legal, finance, the deal desk, sales operations and sales leadership. Collaborative AI assistance can streamline workflows, reduce delays and ensure that all teams are aligned and working towards common goals. Integrating data sourced from additional systems outside of a CRM—data from ERP, accounting, billing and subscription management, marketing, legal and

support—can enhance AI insights and help align other teams by linking workflows and sharing targets and performance measurements. Finally, it cannot be stressed enough that AI will not resolve issues related to uncompetitive products or sales opportunities that lack product-market fit. However, AI can help quickly identify when an opportunity is not viable and provide insight as to which opportunities should be prioritized.

At its core, business is about matching buyers' needs with sellers' products and services. Any technological development that improves the efficiency and effectiveness of these interactions should be evaluated by all businesses, regardless of industry. Digitizing the buying process is a key area of development, with a focus on creating digital buying rooms and AI agents that can survey the market and qualify potential suppliers. The configuration process in configure, price, quote (CPQ) will be radically overhauled to facilitate a virtual discovery process run by the buyer, rather than the seller. This shift allows buyers to explore and configure systems that meet their specific needs independently, increasing engagement and satisfaction. The better use of data will enable continuous personalization of the buying process. This personalized approach tailors seller responses to the unique preferences and requirements of each buyer. By embracing these technological advancements, enterprises can significantly improve their ability to meet buyer needs and drive growth.

Key Takeaways

- Sales teams, from individual sales representatives to leaders, are continuously under pressure to achieve targets and attain quotas.
- In many industries, the majority of revenue comes from existing customers rather than new ones.
- When considering how AI can help sales teams, it is important to evaluate the focus of the AI provider. Consider whether products or systems are geared towards acquiring new customers or uses data that already exists to enhance the ability to effectively sell to existing customers.
- The right data is crucial for successfully selling to existing customers and improving overall sales performance.
- Do not underestimate the importance of encouraging AI adoption by embedding AI into application use cases that demonstrate clear value to individual sales reps, not just management or operations.
- Look to providers who can understand this need and can deliver products or systems that are seamlessly integrated into the daily workflows of sales teams.
- By taking these steps, enterprises can harness the full potential of AI to support their sales efforts, improve efficiently and ultimately drive revenue growth.

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