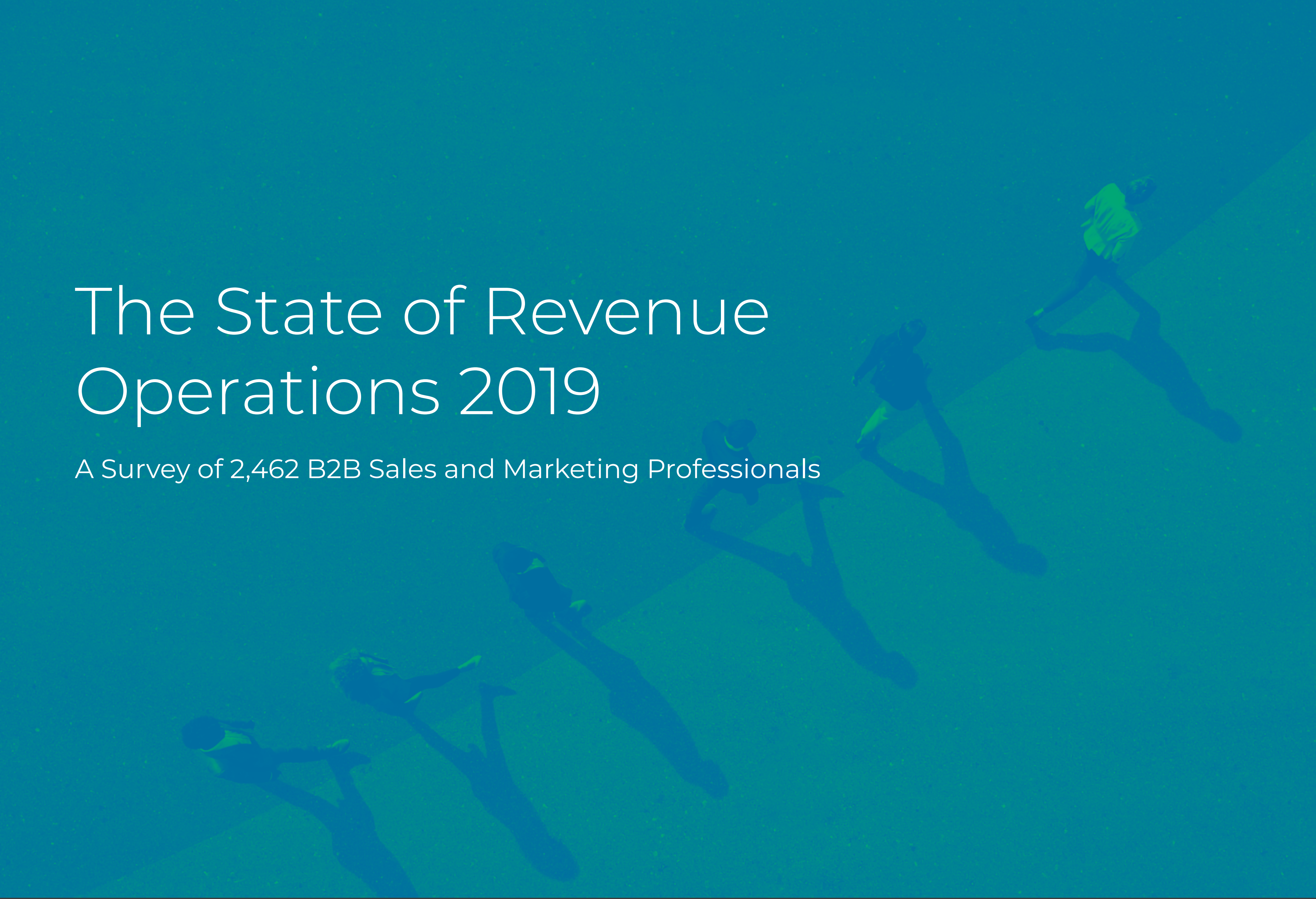


The State of Revenue Operations 2019

A Survey of 2,462 B2B Sales and Marketing Professionals

LeanData

SALES HACKER

Contents

Executive Summary

Revenue Operations (RevOps) has quickly become one of the hottest topics in the business-to-business (B2B) world.

Not just a passing fad or the latest buzzword, RevOps is a fundamentally new operating model for the B2B revenue engine. Top market researchers are calling it a “game changer” — one that will fundamentally change how modern B2B companies align themselves internally to drive growth.

LeanData and Sales Hacker spotted this trend early on, conducting the first “State of Revenue Operations” research study in 2018. To advance the market’s awareness and understanding of this important business trend, we joined forces once again in late 2019 for an extensive follow-up study.

We are pleased to present the findings from our second-annual collaboration in “The State of Revenue Operations 2019” — **the world’s largest study on Revenue Operations polling nearly 2,500 sales and marketing leaders.**

Our research seeks to uncover the current state of RevOps adoption, how it manifests within organizations across all sizes and industries, and what those companies finding success are doing to take full advantage of its potential to accelerate growth.

We hope you find this original research helpful in your own growth journey.

Questions We Asked

1. Is consistent revenue growth a challenge for your company?

2. Do you believe the ability to deliver a seamless, consistent customer experience (pre and post sale) is a key differentiator and revenue driver for B2B companies?

3. Do sales, marketing and customer success equally share revenue responsibility at your company?

4. Are these go-to-market functions optimally aligned at your company for growth?

5. Rate the level of alignment in your company's revenue engine across 6 key areas.

6. Do you have a Revenue Operations function at your company?

7. How are SalesOps, MarketingOps and Customer Success Ops aligned in your organization?

8. If your company hasn't adopted Revenue Operations, do you believe it will in the future?

9. What are the biggest challenges companies face moving to Revenue Operations?

10. Which C-level exec owns Revenue Operations?

Revenue Operations...What Is It?

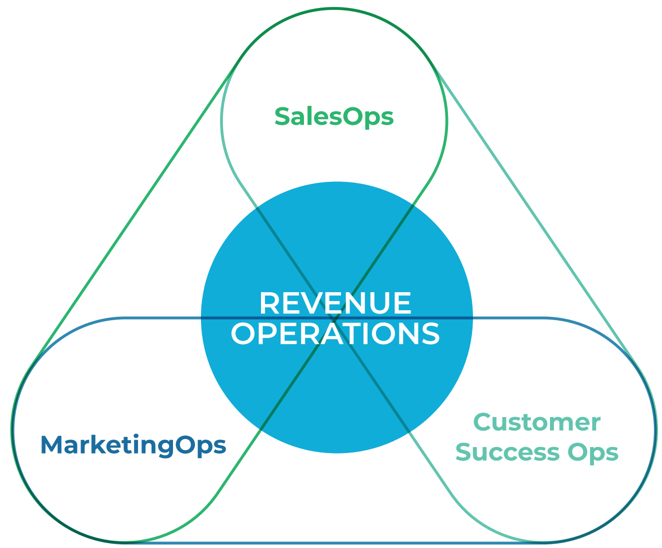
Despite a robust economy, and an unprecedented wealth of technology and data, modern B2B organizations have found themselves challenged like never before to deliver consistent revenue growth.

Seeking to unlock greater growth potential, some forward-looking companies have begun adopting a new go-to-market approach which more effectively unites the commonly siloed functions of sales, marketing and customer success into a cohesive, well-aligned and high-performing revenue engine.

This emerging go-to-market structure — which brings the operations teams supporting sales, marketing and customer success together under one umbrella — is called Revenue Operations.

To understand Revenue Operations, it's important to clearly differentiate it from the overall revenue engine, which SiriusDecisions defines as "the combination of people, processes and systems that drive the conversion of prospects into customers and maximize customer lifetime value."

Revenue Operations, however, integrates and aligns the *operational* functions that power the revenue engine into one strategic team singularly focused on maximizing an organization's growth and performance holistically across the entire revenue chain.



While it's still a relatively new concept, RevOps is gaining traction – and fast!

Leading industry analysts such as SiriusDecisions and TOPO point to the RevOps alignment model as "absolutely critical to success" for nearly all B2B organizations moving forward.

And in the words of one of our survey respondents, "It's hard to understand how any organization can function in today's market conditions without Revenue Operations."

What do industry analysts say about Revenue Operations?

"Revenue Operations is not the same 'sales and marketing alignment' discussion we've been having forever. The difference is doing this at the operational level. Moving to RevOps delivers a truly integrated go-to-market — a critical differentiator and revenue driver in B2B."

Craig Rosenberg
Chief Analyst, TOPO

"Revenue Operations is an essential evolution of operations to deliver increased and tangible benefits to the business."

Anthony McPartlin
Research Director,
Sales Operations Strategies,
Forrester | SiriusDecisions

"Evolving to a Revenue Operations structure is absolutely critical for nearly all B2B organizations."

Kerry Cunningham
Senior Research Director,
Marketing Operations Strategies,
Forrester | SiriusDecisions

"Revenue Operations is a game-changer and will fundamentally change how businesses align themselves internally to drive growth."

Dana Therrien
Practice Leader (former),
Sales Operations Strategies,
Forrester | SiriusDecisions

What do high-growth B2B leaders say about Revenue Operations?

"Revenue Operations is all about cohesively managing the revenue funnel. That's how I visualize it: looking right at the very beginning from inquiries moving through the demand-management cycle, through to the sales-execution cycle, to the renewal cycle and then customer success – this is how revenue is generated."

Daniel Carpenter
SVP Revenue Excellence and Operations at VMware Carbon Black

"Moving to a centralized Revenue Operations model will have you thinking holistically about all the different parts of your business that go into driving topline revenue, removing silos both operationally and strategically, and ensuring your overall funnel and customer lifecycle move together and forward in a cohesive way. A Revenue Operations structure ensures you have a common understanding and agreement across the entire company for your go-to-market strategy, execution and measurement to better drive growth."

Jake Randall
VP Business Operations (former) at Okta

"Revenue Operations is happening, whether people like it or not, and whether they want to get on board or not. There's just too much business value for organizations in streamlining processes across functions not to."

Franco Anzini
VP of Revenue Operations at Malwarebytes

Key Findings

78% Agree: Consistent Revenue Growth is a Challenge in B2B

Regardless of company size or industry, three-quarters of those we polled (78%) said consistent revenue growth is a challenge for their organization. And yet expectations for growth from executives, the board and investors keep rising.

With growing pressure on the B2B revenue engine to perform, what's standing in the way?

In contrast to the B2C selling environment, B2B go-to-market has become incredibly complex, with a large number of tactical elements (e.g., outbound, inbound, direct, social, digital content, ABM) combined with greater complexity in buying behavior (e.g., large buying committees, partners and channel complexity).

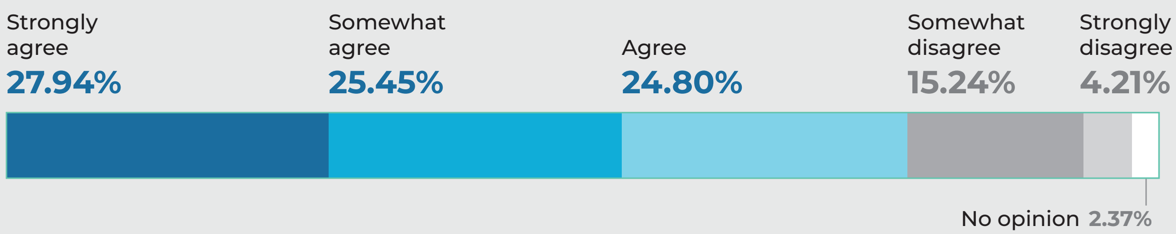
As significantly, the people, processes and technologies underpinning the B2B revenue engine remain largely siloed and disconnected. Many firms today suffer from a fragmented go-to-market approach: multiple disconnected data systems and go-to-market motions combined with siloed teams operating largely without orchestration.

The result?

When sales, marketing and customer success aren't integrated and aligned, and they're not "singing from the same hymnal" either strategically, organizationally or operationally, this creates fundamental misalignment across the revenue chain...starting from go-to-market strategy through to measurement.

Combined, these factors have stalled B2B's growth potential.

QUESTION 1:
Consistent revenue growth is a challenge for my organization.



95% Agree: Customer Experience is Key to Unlocking Growth

Seeking a path to growth, B2B companies have begun centering their growth strategy on improving customer experience. Nearly all survey respondents agreed: fixing the broken buyer's journey is critical for revenue growth.

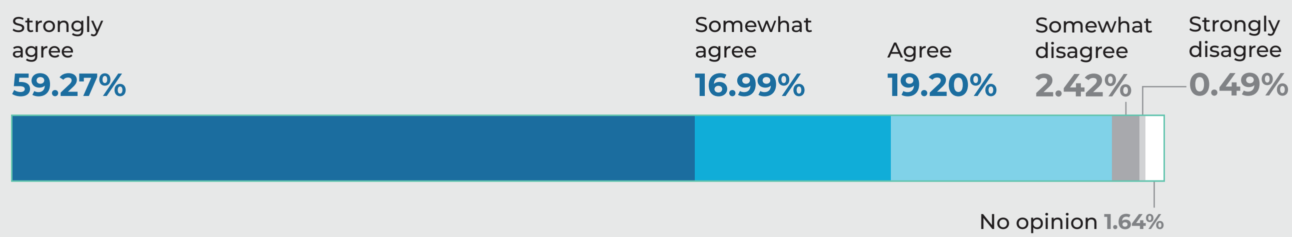
Specifically, a whopping 95% of those we polled said the ability to deliver a consistent and seamless customer experience across the entire customer lifecycle (pre and post sale) is emerging as a key competitive differentiator – and critical revenue driver – for B2B companies.

"Revenue Operations provides the go-to-market alignment required to deliver an end-to-end customer experience. It's literally a game-changer for advancing customer experience in B2B," said Rachael McBrearty, Chief Customer Officer at LeanData.

"Adopting a RevOps structure removes some of the biggest barriers between organizational silos, leading to a more seamless and consistent journey for the buyer."

> "RevOps has made us very aware that the sales process does not stop with the customer's first signed contract. There is a customer lifecycle in place we need to manage, monitor and optimize."
>
> **Franco Anzini**
> VP of Revenue Operations, Malwarebytes

QUESTION 2:
The ability to deliver a consistent and seamless customer experience across the buyer's journey (pre and post sale) is becoming a critical differentiator and revenue driver for B2B companies.



84% Agree: Sales and Marketing Share Revenue Responsibility

Revenue Operations emerged from the fundamental belief that the entire customer-facing organization should share responsibility for driving revenue.

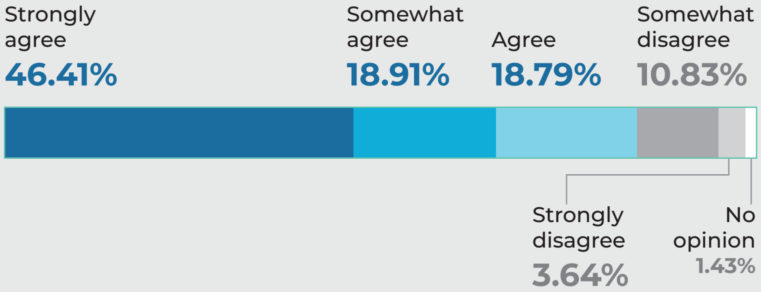
The vast majority of our survey respondents (84%) agreed that sales, marketing and customer success share ownership for revenue growth.

37% Disagree: These Functions Are Aligned to Effectively Deliver

Nearly 40% of those we polled say these functions aren't optimally aligned within their own companies to maximize revenue-growth potential.

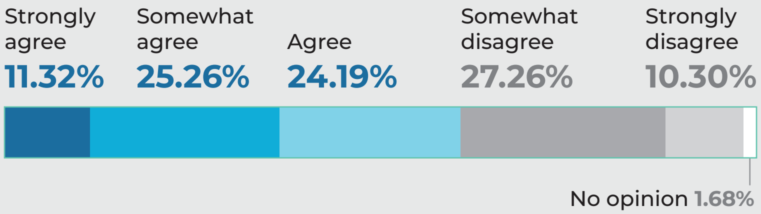
QUESTION 3:

Sales, Marketing, and Customer Success share ownership for revenue growth at my company.



QUESTION 4:

The Sales, Marketing and Customer Success functions at my company are well integrated and aligned to drive maximum revenue and growth.



How have our survey respondents improved alignment with RevOps?

"Our RevOps team connects the dots for teams in ways that many have not seen before. They are always thinking 'how does this conversation, decision, or process impact every team? They hate silos."

"RevOps has become our 'who needs to know?' and 'how do we get it done most efficiently working together?' team."

"Alignment between departments has increased in the recent months since we began taking a RevOps approach. Today we plan from lead to end-of-customer lifecycle and are factoring in those numbers towards our growth. In the past, under a pre-RevOps mindset, this simply did not occur."

"Better communication and data between Support, Sales, and Marketing has made everyone's job easier and helped to improve our ability to help customers."

"Tighter integration of MarketingOps and SalesOps has significantly improved our go-to-market readiness and coordination. It's driving real results."

Data Ranked as the Revenue Engine's Least-Aligned Function

Years of research by SiriusDecision has proved that when B2B organizations are aligned across the revenue engine, they see an uplift in business performance. In fact, early studies show these businesses grow 19% faster and are 15% more profitable.

Few organizations today are realizing these benefits, however, according to SiriusDecisons. This has been the driving force behind Revenue Operations and its emergence as the new mandate for B2B companies seeking to outperform their peers.

To gauge the state of revenue-engine alignment, we asked survey respondents to rate the level of alignment their revenue engines across six areas.

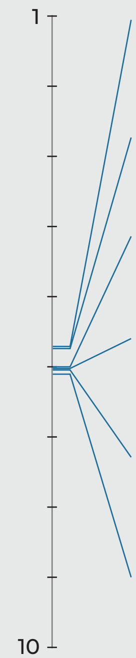
Those we polled indicated significant room for improvement across the board. Yet, data emerged as the least-aligned aspect in the revenue engine – with the lowest average score of 5.7 out of 10.

QUESTION 5:

Rate the level of alignment in your company's revenue engine in the following areas.

1 = BROKEN
Badly misaligned, siloed, and ineffective in driving growth

10 = OPTIMIZED
Fully integrated & aligned to maximize revenue and growth.



Data: 5.71
Do you have high-quality and accessible data across the revenue chain supporting consistent and interdependent planning, execution and measurement?

Go-to-Market Planning: 5.75
Do you have a cross-functional and integrated process for planning, budgeting, resourcing and revenue engine execution?

Infrastructure: 6.00
Are the technologies supporting your revenue engine (martech, sales tech, customer success tech) integrated and sharing data?

Go-to-Market Strategy: 6.06
Is there a consistent agreement and understanding of your company's GTM strategy across Sales, Marketing and Customer Success?

Measurement: 6.07
Does your company have an integrated and aligned view of revenue engine performance with a shared understanding of performance metrics and KPIs?

Lead Management: 6.11
Do you have an end-to-end process for lead management across Marketing, Sales and Customer Success?

Data is the essential foundation for any high-functioning RevOps organization.

"The inability of B2B organizations to centrally manage their data has prevented them from delivering a seamless customer experience across the revenue chain," said Craig Rosenberg, Chief Analyst at TOPO. "But Revenue Operations promises to centralize management of this data across the entire revenue lifecycle – from go-to-market planning and execution to tracking and optimization."

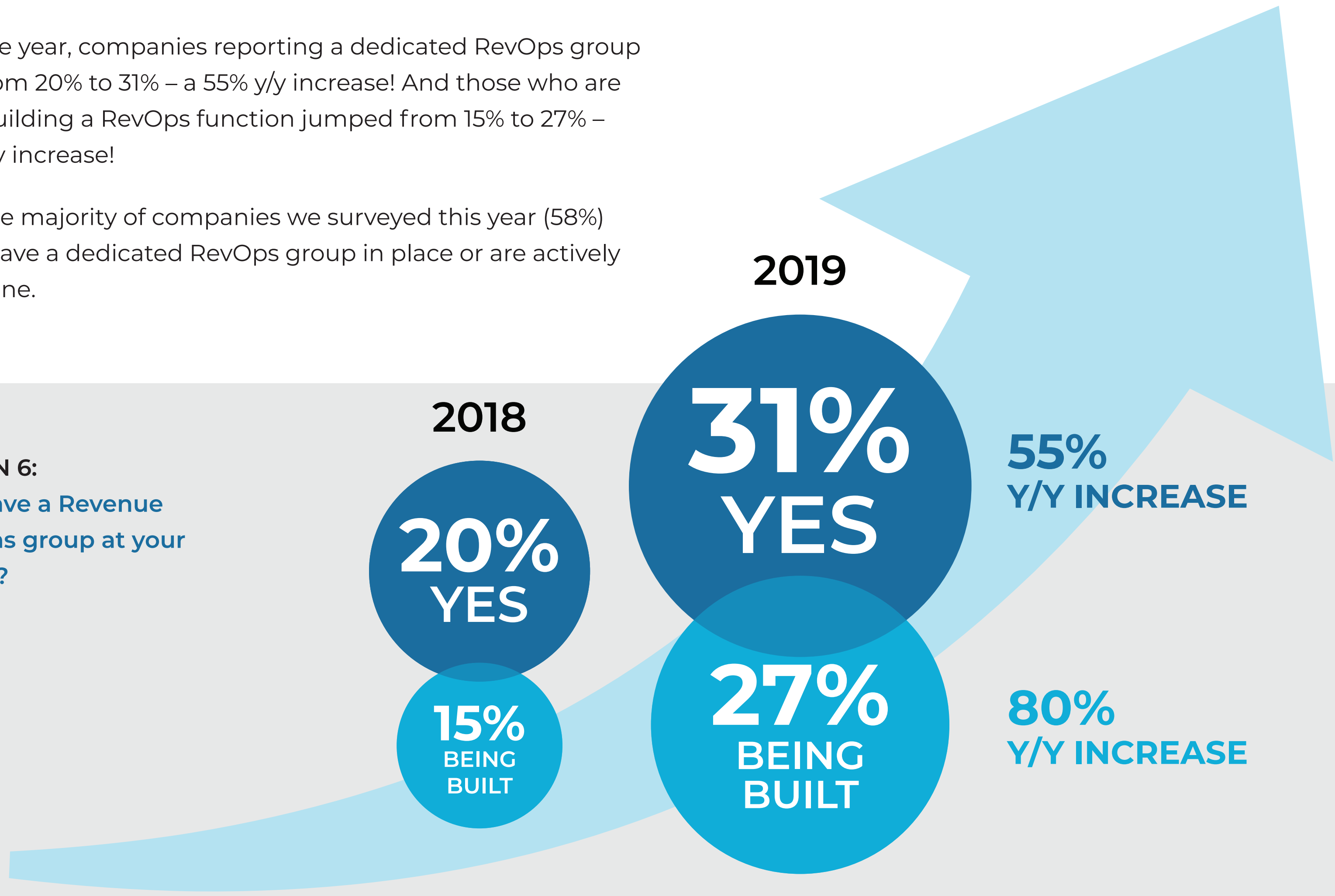
RevOps Adoption: It's on the Rise

RevOps is gaining momentum – and fast! Comparing responses to our 2018 survey findings, we've seen a sharp rise in adoption.

Within one year, companies reporting a dedicated RevOps group surged from 20% to 31% – a 55% y/y increase! And those who are actively building a RevOps function jumped from 15% to 27% – an 80% y/y increase!

Overall, the majority of companies we surveyed this year (58%) say they have a dedicated RevOps group in place or are actively building one.

QUESTION 6:
Do you have a Revenue Operations group at your company?



Operations Today: Centralized, Partial or "Virtual"

Still in the early stages of its evolution, RevOps currently comes in various flavors depending on where an organization is in their maturity and adoption, and how they're structured.

In the organizations we polled, three predominant models for operational alignment emerged.

A growing number of organizations are moving to a fully integrated and centralized RevOps structure, in which all operations teams report into a dedicated RevOps team and leader. It's still early days for this structure, however, with only 17% of the organizations in our study having moved to this structure so far.

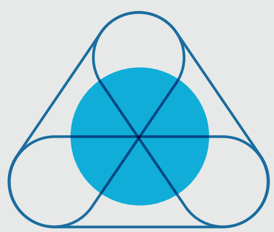
An additional 29% are somewhat centralized, reporting a hybrid RevOps structure in which at least two operations functions report into a Revenue Operations leader, while others remain aligned to their respective departments.

And 37% of organizations surveyed reported no formal RevOps structure, but "virtually aligned" operations functions. In this model, operations still report up to their respective departments, but have agreed in principle to cooperate.

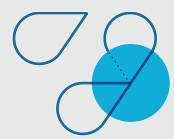
Finally, 12% of our respondents reported their operations functions were siloed with little to no interaction.

QUESTION 7:

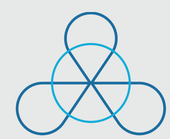
Which most closely resembles how SalesOps, MarketingOps and Customer Success Ops teams are aligned in your organization?



16.87%
Centralized



28.82%
Somewhat centralized



37.09%
No formal Revenue Operations team, but virtually aligned

12.14%
No Revenue Ops function

5.07%
I don't know

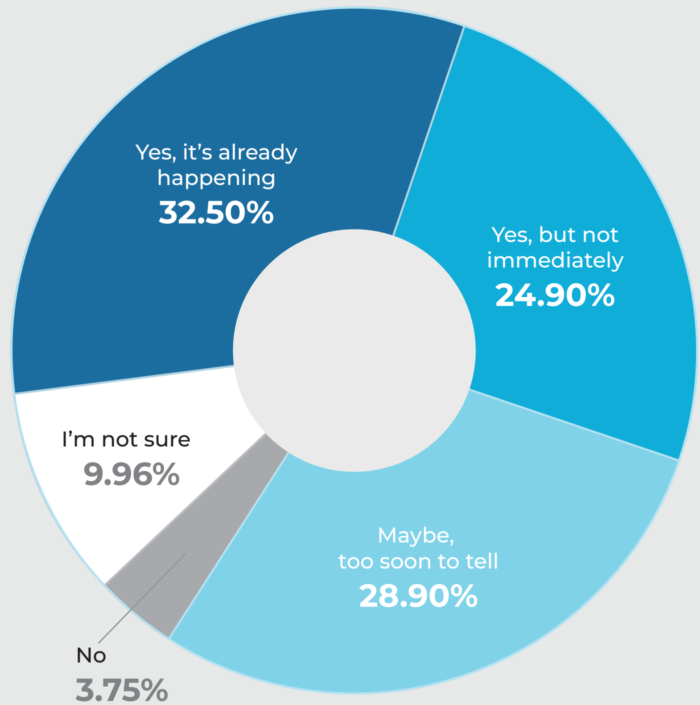
57% Agree: Late Adopters Expect a RevOps Future

Even amongst those we polled who have not already moved to Revenue Operations, the majority (57%) say their companies are either moving to this model or will at some point in the future.

An additional 30% of respondents thought RevOps was a future possibility for their organizations, but it was too early to know. And only 4% said RevOps was not in their future.

QUESTION 8:

If your company hasn't moved to Revenue Operations, do you believe it will in the future?



Common Barriers to RevOps Adoption

Although we're witnessing the rapid growth in RevOps adoption, what's preventing some organizations from evolving to this model?

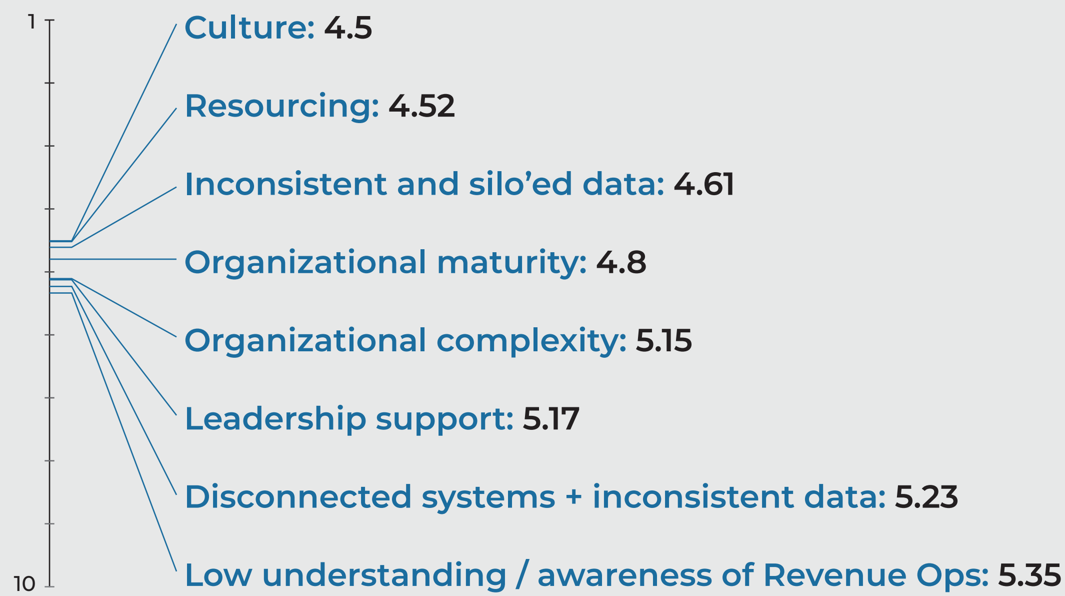
Because there is no "one size fits all" approach to RevOps, organizations will approach this model differently depending on the needs and other variables unique to their businesses. That means every organization will have unique barriers to adoption.

This proved true in our study, with survey respondents rating a number of perceived challenges fairly evenly.

We've listed them in order of priority, with the culture of an organization topping the list as the #1 challenge.

According to industry analysts and companies that have moved to a RevOps model, one of the most difficult change management challenges involves people. A company's culture can oftentimes be the biggest barrier to change.

QUESTION 9:
What are the biggest challenges companies face moving to Revenue Operations?
(1 = Most pressing, 10 = Least pressing)



Who Owns RevOps at C-Level?

According to those we polled with a centralized RevOps group in place, Revenue Operations predominantly rolls up to three executives:

- Chief Revenue Officer or Head of Revenue Operations (26%)
- CEO or President (20%)
- Chief Operating Officer (17%).

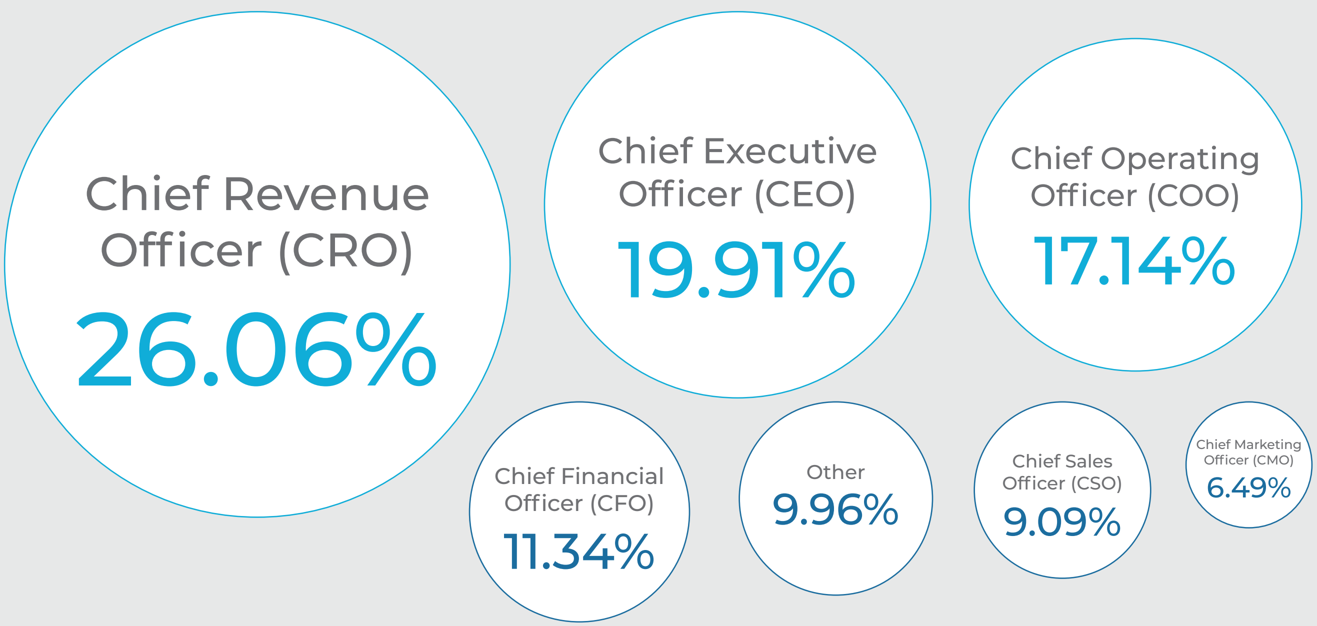
The growth of the CRO role in recent years is evidence of the growing commitment in B2B organizations to forge greater integration and alignment in their revenue engines.

In our study, we also noted the CRO is 4X more likely to own RevOps than a CMO and nearly 2X more than a CSO.

Why might this be?

Given RevOps is a cross-departmental function, with a scope that spans the entire revenue chain, the clear delineation in C-level ownership may speak to the need for leadership with a similarly broad cross-functional scope – and thus an independence from more functionally oriented agendas and bias.

QUESTION 10:
If you have a centralized Revenue Operations team, which C-level executive does it roll up to?



Final Thoughts

The RevOps revolution is here. Our newest study on this fast-emerging growth paradigm offers a glimpse at the extent – and speed – at which this new model is bringing about a fundamental shift in the way the vast majority of B2B organizations are aligning themselves internally to drive growth.

Transformational change is never easy, however. Our study also revealed a significant number of perceived barriers to RevOps adoption, both internally and externally, with those we polled spotlighting the most pressing challenges their organizations face in moving to this new model.

Revenue growth is likely to remain an ongoing challenge for B2B companies, requiring they find new ways to drive greater internal alignment, efficiency and effectiveness. RevOps has quickly materialized as one of the most powerful shifts they can make to drive transformative change in their revenue engines to supercharge growth and performance.

For operations professionals on the front lines of this exciting change, we hope this report helps you on your own personal and professional journeys.

The emergence of RevOps, and the opportunity to help lead this change within your own organizations, opens the door to further expanding the strategic role operations already plays as a mission-critical revenue-generating function.

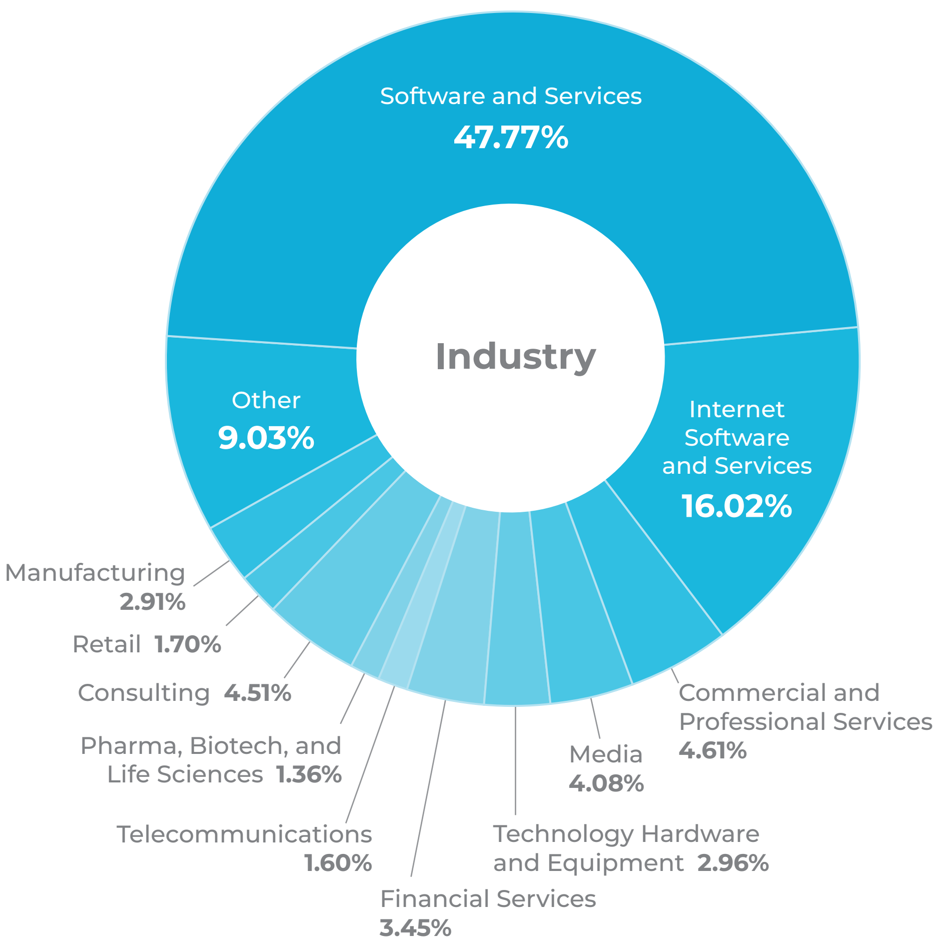
Looking into 2020 and the years to come, we believe there's never been a more exciting time to be an ops professional!

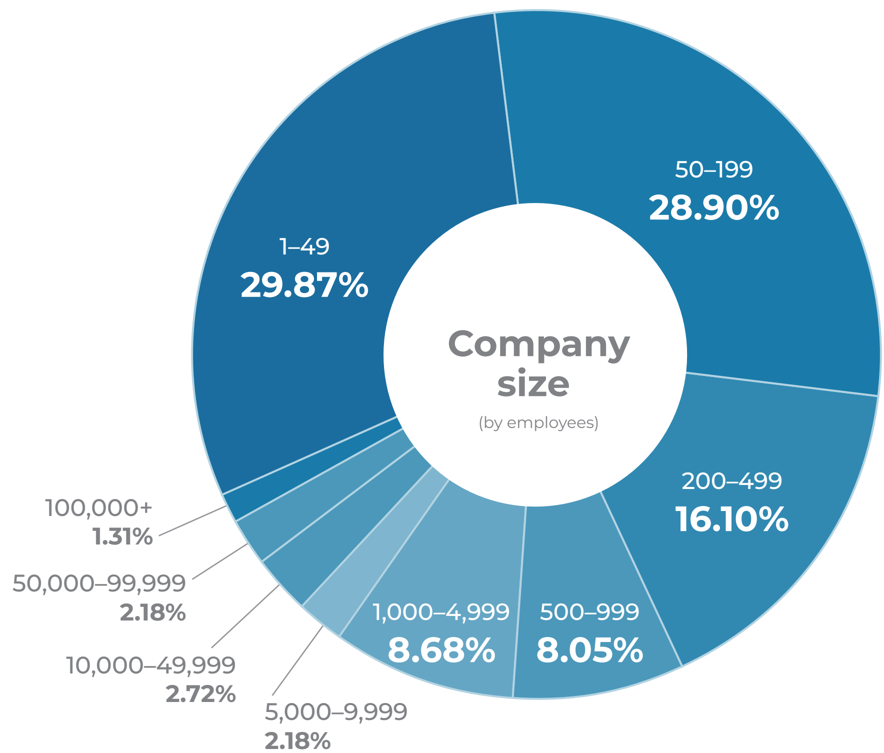
LeanData

SALES HACKER

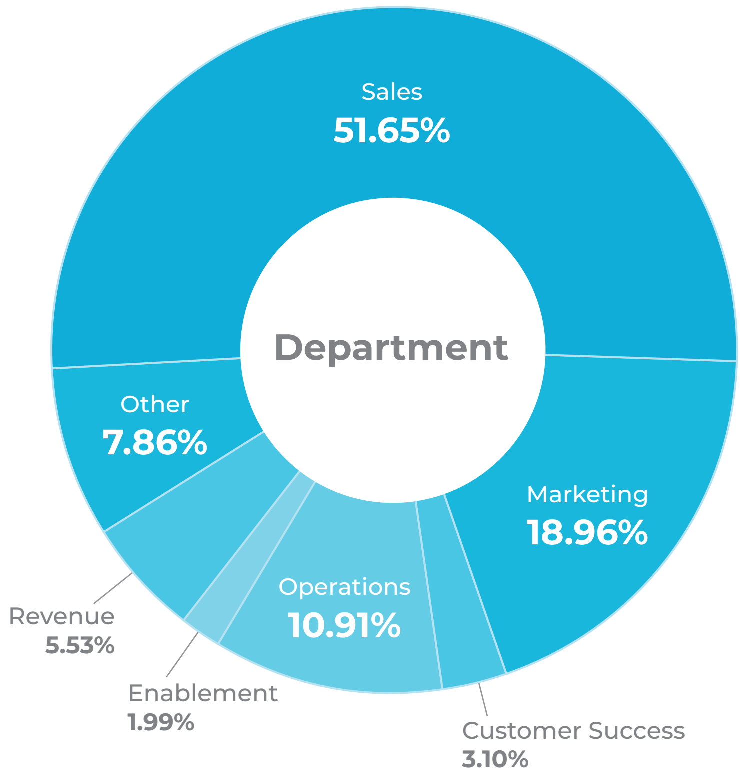
About the Study

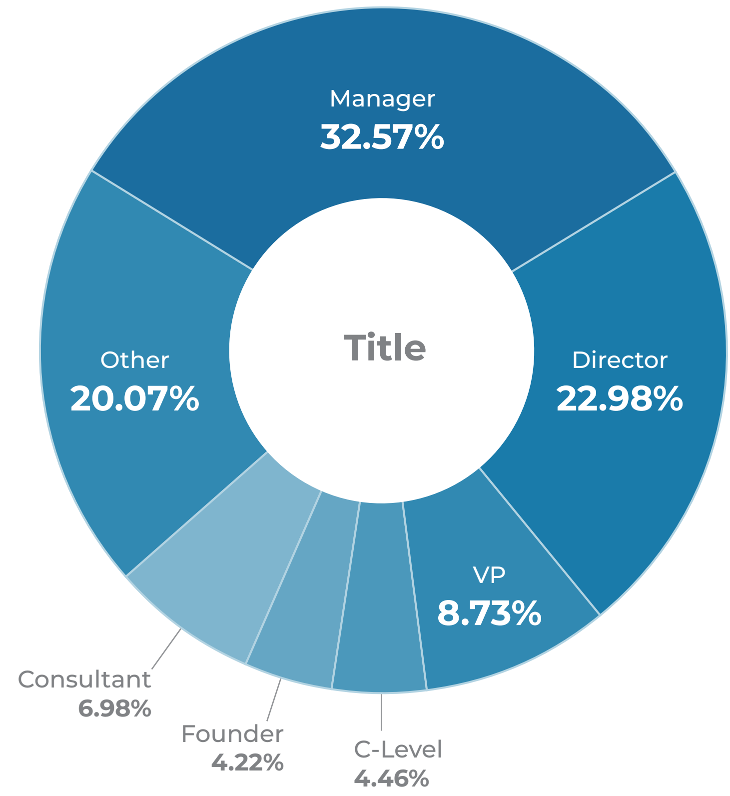
LeanData and Sales Hacker conducted an online survey targeting B2B sales and marketing professionals based primarily in North America. The survey was conducted in Q4 2019. A total of 2,462 individuals completed the survey. A more detailed profile of our respondents is below.





About the Study





Additional Resources

VIDEO

"The Journey to Revenue Operations: Charting a Course to 2020 and Beyond"
– Opening Keynote at OpsStars 2019 by research directors at Forrester | SiriusDecisions

WEBINARS

"Revenue Operations: Now is the Time"
– LeanData Webinar featuring Sales Ops Strategies practice lead at Forrester | SiriusDecisions

"Revenue Operations Is Coming. Are You Ready?"
– LeanData Webinar featuring Chief Analyst at TOPO

PODCASTS

Q&A with Hilary Headlee
– Zoom's Head of Sales Ops & Enablement talks about alignment outside a strict RevOps structure

Q&A with Dan Carpenter
– SVP Revenue Excellence & Operations at VMware Carbon Black on the necessity of RevOps in a fast-moving market

Q&A with Franco Anzini
– Malwarebytes' VP of Revenue Operations says RevOps is coming, like it or not

Q&A with Jake Randall
– Okta's VP Business Operations explains how he was always doing RevOps, before it was even called that

Q&A with A.J. Gandhi
– RingCentral's VP of Sales and Service Ops describes an organic RevOps journey

Q&A with Sara McNamara
– Cloudera's Marketing Ops Manager on how to cope with a RevOps journey in the midst of a major merger

Q&A with Evan Liang
– CEO of LeanData on the opportunities around RevOps

Q&A with Craig Rosenberg
– Chief Analyst at TOPO says RevOps is a B2B must-have

Q&A with Kerry Cunningham
– Senior Research Director of Marketing Ops Strategies at SiriusDecisions | Forrester explains what it takes to do RevOps right

About LeanData

LeanData provides the market's leading Revenue Operations platform for high-growth B2B organizations to accelerate revenue and improve performance.

Standing at the center of CRM, LeanData connects the right data to the right people at the right time across the go-to-market process.

By aligning marketing and sales with LeanData's Lead-to-Account Matching, Routing and Attribution solutions, sales reps receive the leads, contacts, accounts and opportunities they need to work on, so they can close more deals and drive more revenue, faster.

Visit **leandatainc.com** to learn more.

About Sales Hacker

Sales Hacker is the leading community for modern B2B sales professionals.

We're focused on shaping the future of sales with educational, actionable, and unbiased content and events.

We work with 90+ partners including Salesforce, HubSpot, and Gong to create highly tactical content for our community of over 100,000 sales and marketing professionals.

Visit **saleshacker.com** to learn more.