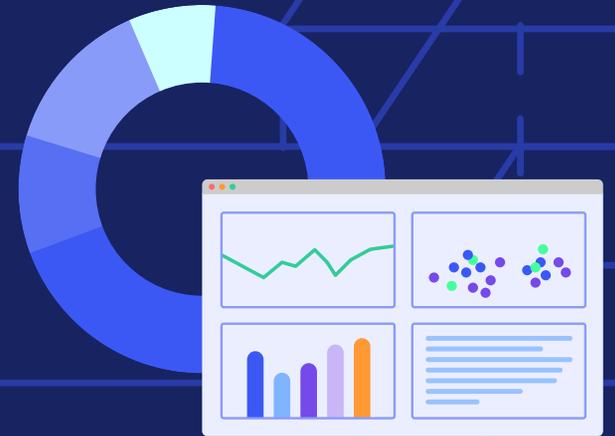


2022

Customer Acquisition and RevOps Team Benchmarks



2022 Customer Acquisition and RevOps Team Benchmarks

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Executive Summary

As the cost to acquire customers continues to increase and conversion rates continue to decrease, it's never been more important to understand how to win, keep and grow customers. This necessity has given rise to an important movement in the last handful of years called Revenue Operations.

Revenue Operations is the convergence of marketing, sales and customer service into a unified strategy and organization. It's been picking up speed among B2B companies, as leaders look to it as a solution to siloed inefficiencies and as a way to boost productivity and growth.

It's also become a necessity to meet customer expectations. According to [Salesforce](#), 78% of customers expect consistent interactions across departments, while 59% of customers say it generally feels like they're communicating with separate departments, not one company. Revenue Operations is the only function that can address this disconnect.

Hand in hand with Revenue Operations, ABX (account-based experiences) has gained favor for similar reasons, due to its emphasis on sales and marketing alignment.

In order to measure how Revenue Operations and ABX have affected sales organizations and company growth over the past year, Revenue.io, Demandbase, and Tenbound in partnership with RevOps Squared present the 2nd edition of the Customer Acquisition & RevOps Benchmark Report.

Top 10 Takeaways

1. RevOps Adoption is Growing

Nearly half (48%) of companies now have a RevOps function, up 15% over last year. An additional 11% plan to adopt it in the next year. Revenue Operations is known to impact revenue growth (13%), revenue productivity (21%) and Sales and Marketing alignment (21%), making it a huge opportunity for a significant number of companies.

2. RevOps Implementation is Happening Early

The most common period in a company's growth to start a RevOps function is between \$5M - \$20M ARR, with the second most common being \$20M - \$50M ARR.

3. Conversational Intelligence Seeing Rapid Adoption

Adoption of Conversational Intelligence technology increased the most of any software category, with 38% of companies reporting using CI versus 25% the prior year. In addition, Conversational Intelligence is a planned investment for a further 17% of companies in 2022.

4. Regular Shared Analysis Is The Norm

54% of companies report having regularly scheduled "metrics analysis and planning" sessions to identify top challenges and areas of improvement opportunity. Only 15% did not have any meetings whatsoever, indicating that alignment among Sales and Marketing teams is on the rise.

Top 10 Takeaways

5. \$500 Monthly Spend Per Rep Common at \$20M ARR

Just 17% of companies with less than \$2.5M in ARR invest more than \$500 per month in Sales Tech for each SDR or AE. But once a company hits \$20M ARR, 39% of companies invest at least \$500 per month.

6. CEOs Are Ushering in RevOps

23% of CEOs are responsible for Sales and Marketing alignment, actually making them more likely than the Head of Revenue Operations (14%), Chief Marketing Officer (15%) or CRO (13%) to have alignment duties. This may speak to the need for a high-powered executive with a mandate to enforce change.

7. Just 10% of CROs Own Sales, Marketing, and Success

46% of companies have a Chief Revenue Officer (CRO), and another 10% of companies expect to add the role in the coming year. However, the title doesn't always correlate to stronger Revenue Operations, due to the wide number of ways the role is interpreted. For example, just 10% of CROs are responsible for Sales, Marketing and Customer Success.

8. Joint Revenue Team Meetings Show Value

Many companies struggle with Sales and Marketing alignment, but research reveals that a simple emphasis on meeting cadences and joint action items could go a long way to improve alignment.

Top 10 Takeaways

9. 30% SDR Contribution Yields Highest Proportional ARR

Sales Development teams that contribute 30% of pipeline also see the greatest contributions to new ARR, after which point there are diminishing returns – suggesting that 30% is the ideal benchmark teams should aim for.

10. Marketing contributes less than 30% at half of companies

Marketing, as measured by inbound lead generation, is responsible for less than 30% of pipeline at 52% of companies and less than 30% of New ARR in 56% of companies.



Findings

Revenue Operations



The Presence of Revenue Operations

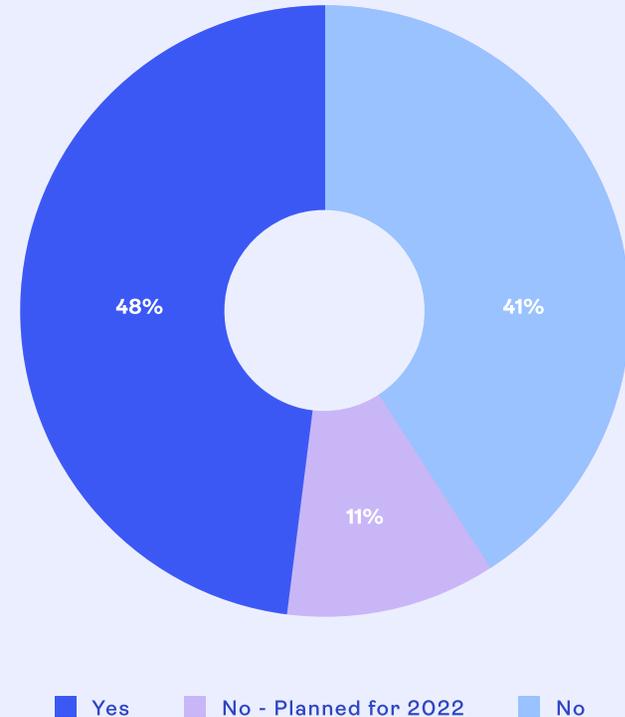
By 2025, 75% of the highest growth companies in the world will deploy a Revenue Operations (RevOps) model, according to [Gartner, Inc.](#)

How Common is Revenue Operations?

48% of companies have a Revenue Operations function, which is a 15% increase year-over-year from 2021

11% of companies are planning to introduce the function in the following year

REVENUE OPERATIONS FUNCTION PRESENCE



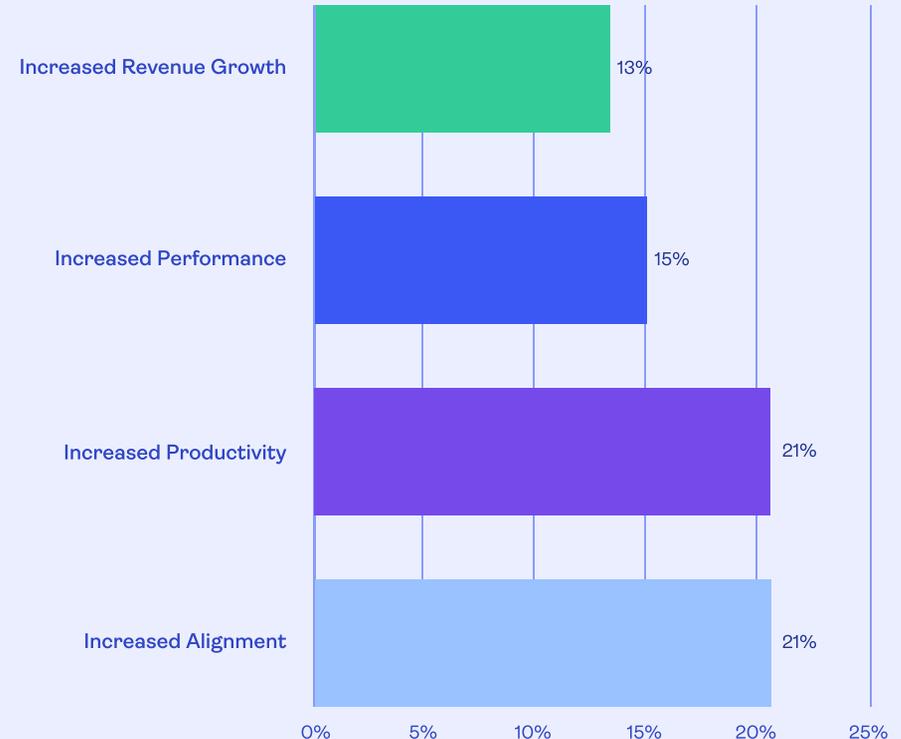
What are its benefits?

This growth is not surprising when you consider the following benefits that Revenue Operations offers:

When a Revenue Operations function is introduced, 21% of companies see both increased alignment and productivity (which often increases operating margin as measured by revenue per employee), with another 13% experiencing increased revenue growth. Sales and Marketing alignment also benefits, with 21% of companies seeing an improvement in alignment between teams.

Since 41% of companies don't have a RevOps and aren't planning one for the next year, introducing it early could give organizations a significant edge over their competitors.

REVENUE OPERATIONS BUSINESS IMPACT

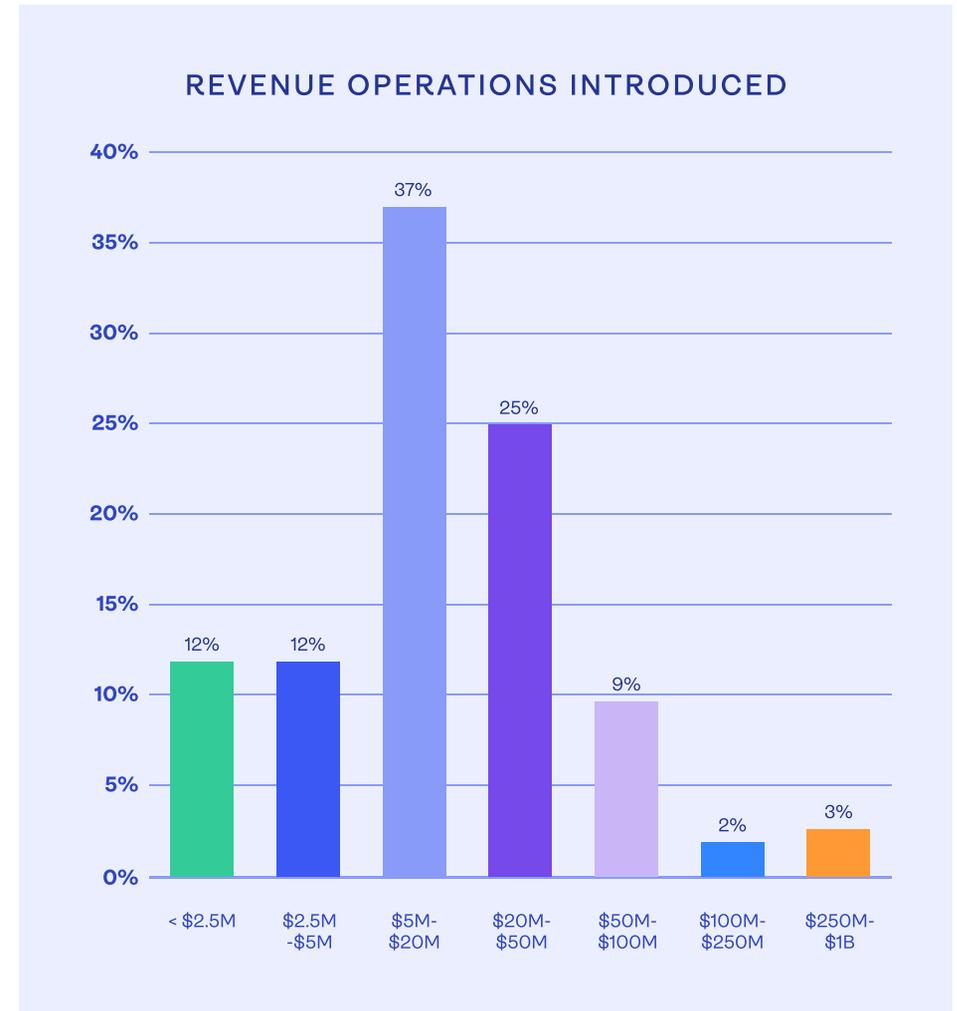


When Is Revenue Operations Most Commonly Introduced?

If a company is wondering when to introduce Revenue Operations, a good benchmark would be \$5M, since that's when the benefit of Revenue Operations becomes most evident.

The \$5M - \$20M ARR range represents the companies that most often introduce a Revenue Operations function - at 37% of the time. The next phase of growth that experiences the greatest introduction of Revenue Operations is the \$20M - \$50M ARR range.

Although it's never too late to introduce Revenue Operations into a company, when you consider the previous finding, establishing a RevOps function early can lead to outsized benefits down the road.



Revenue Technology Investments

What Revenue Technology Are Sales Teams Currently Investing In?

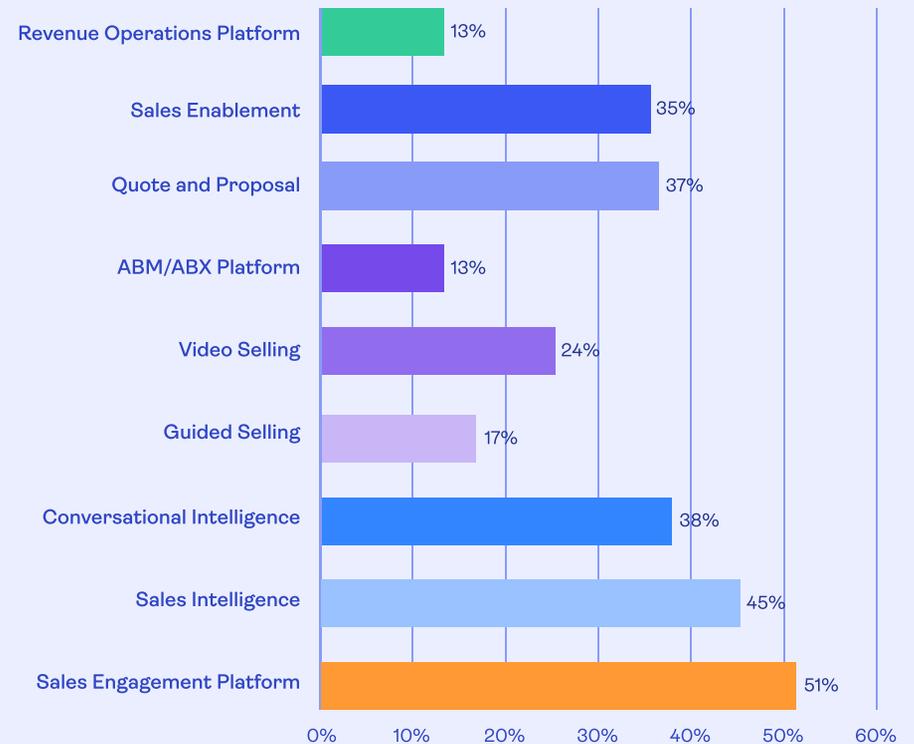
Conversational Intelligence increased the most this year, with 38% of companies reporting using Conversational Intelligence – up from 25% in 2021. Guided Selling Platforms also increased by 7%.

Both Conversational Intelligence and Guided Selling tools have a strong focus on communication and can be used easily in a hybrid work setting, which would suggest that the market is trending towards more human-oriented, flexible selling solutions that can adapt to multiple environments.

According to Gartner, the two main pillars of a RevOps tech stack are Conversational Intelligence and Activity and Contact Capture.

Source: What Makes RevOps Work? report from Gartner

REVENUE TECHNOLOGY PRESENCE (CURRENT)



What Revenue Technology Are Sales Teams Looking To Buy Soon?

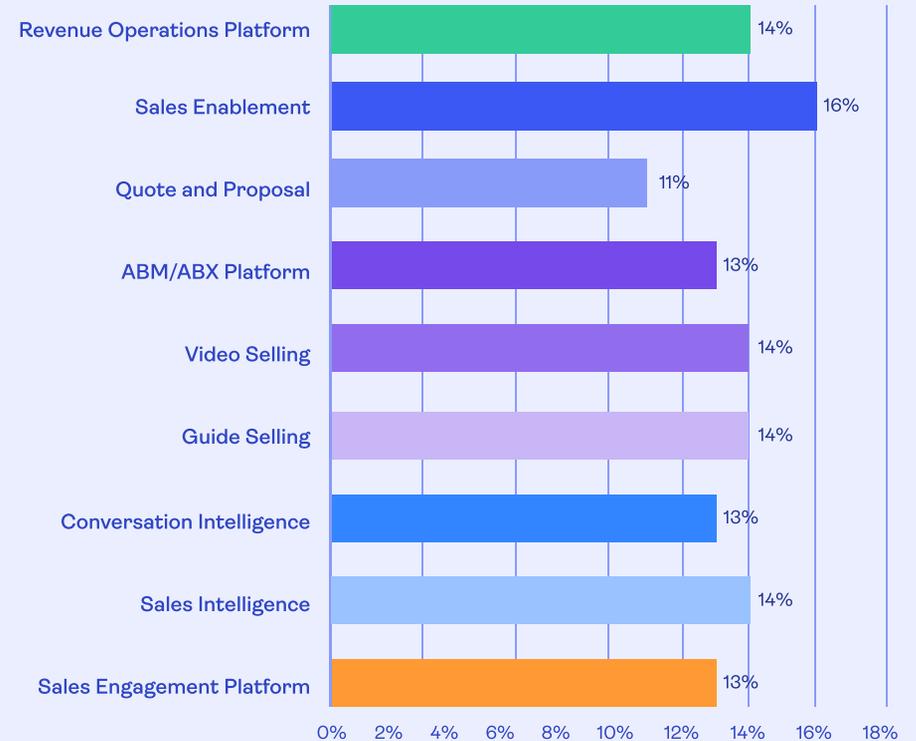
Companies who plan to invest in a Revenue Operations platform doubled year-over-year, highlighting the growing recognition of Revenue Operations as a critical function investment. 14% of companies will be implementing Revenue Operations platforms in 2022, in addition to the 13% that already have a RevOps platform.

With 38% of companies already having adopted Conversational Intelligence, 13% plan to adopt it as a new investment, suggesting that the segment is more mature entering 2022. As Conversational Intelligence evolves, companies are likely to demand more of their solutions, such as AI-driven insights to help their sellers make the most of the technology.

Sales Enablement tech is being evaluated by 16% of companies in 2022, which is the same as it was last year. In light of the Great Resignation that so many companies have weathered, this is somewhat concerning. Almost 50% of companies have no formalized and automated way to ensure new sales resources are enabled to ramp quickly.

Those companies that are prepared to hire, quickly ramp and continuously evolve their sales resource competencies will be positioned to win in 2022 and beyond.

REVENUE TECHNOLOGY PRESENCE (PLANNED - 2022)

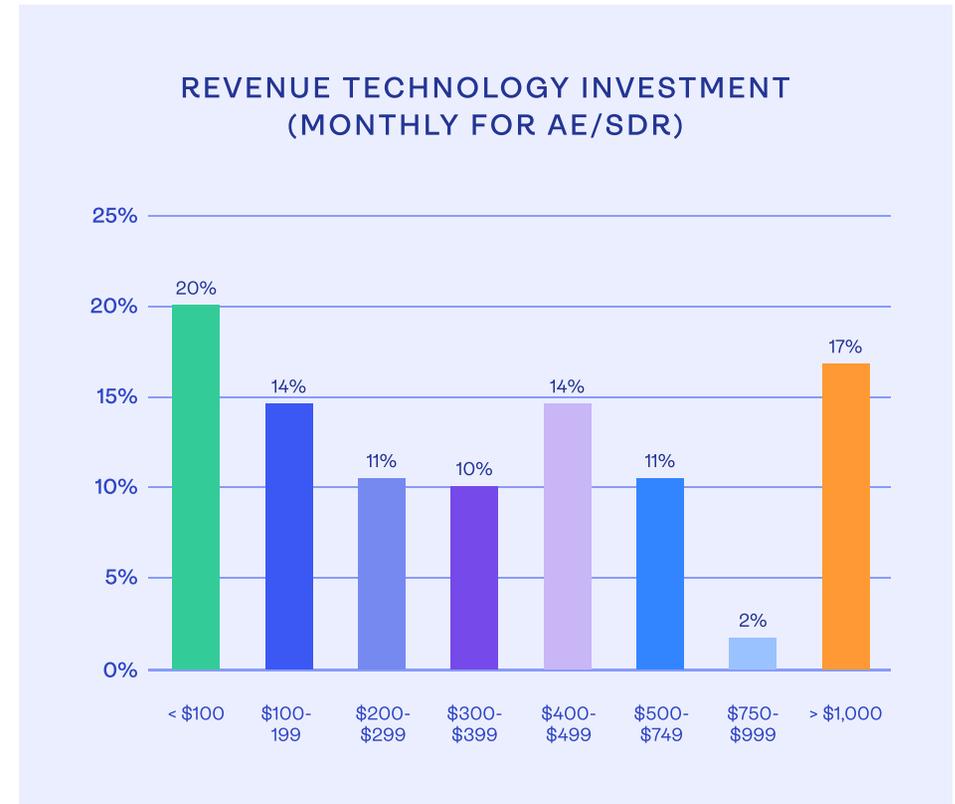


Which Companies Are Investing the Most in Revenue Technology?

Companies overall are investing more in revenue technology year-over-year, with 30% of companies investing more than \$500 per month in revenue technology per AE/SDR. This represents 11% more companies making this level of monthly investment than previously.

In addition, 17% report spending more than \$1,000 per month, which is more than double of the 7% that reported this level of investment in 2021.

These investments in revenue technology appear to be correlated to annual contract value (ACV) and company size, with company size being the number one factor determining sales technology investment.



Findings

How Teams Align



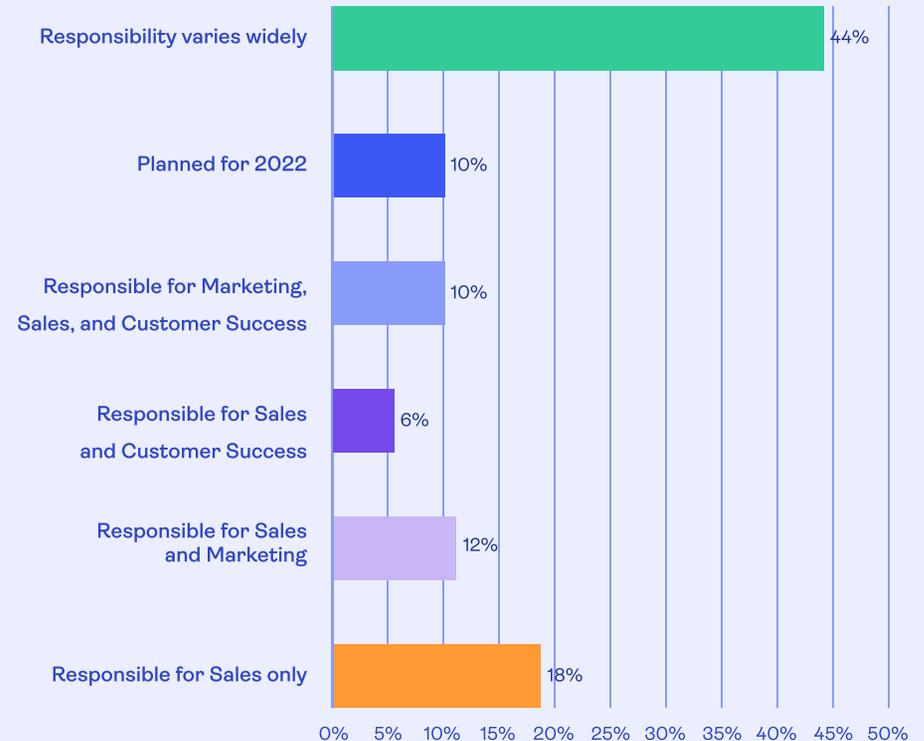
Revenue Team Alignment

Organizations that maintain focus on alignment achieve up to 19% faster revenue growth, according to research by SiriusDecisions (acquired by Forrester).

Some might assume that a Chief Revenue Officer role is someone who champions the RevOps function across the organization, and therefore holds responsibilities across all revenue-generating teams – from Sales to Marketing, to Customer Success and Support. While 46% of companies have a “Chief Revenue Officer” role in place and another 10% of companies plan to add the CRO role in 2022, this means less than one would expect.

Only 10% of companies have a CRO responsible for the go-to-market functions of Marketing, Sales, and Customer Success. The CRO handles both Sales and Customer Success in only 6% of companies, and Sales and Marketing in 12% of companies.

CHIEF REVENUE OFFICER PRESENCE



For some, this may be a point of concern, especially if their CRO has a mandate to manage the Revenue Operations function. If the Chief Revenue Officer has a primary responsibility to align and integrate all revenue team functions, then giving them only partial leadership of the revenue-generating teams risks creating a lack of alignment across the customer experience.

However, it's also possible that the role of CRO is being used more flexibly within organizations, while the CEO or CMO manages alignment across teams – in which case the CRO's lack of oversight across Sales, Marketing, and Customer Success is less of a concern. Overall, the term would benefit from a more clear-cut definition across the industry.

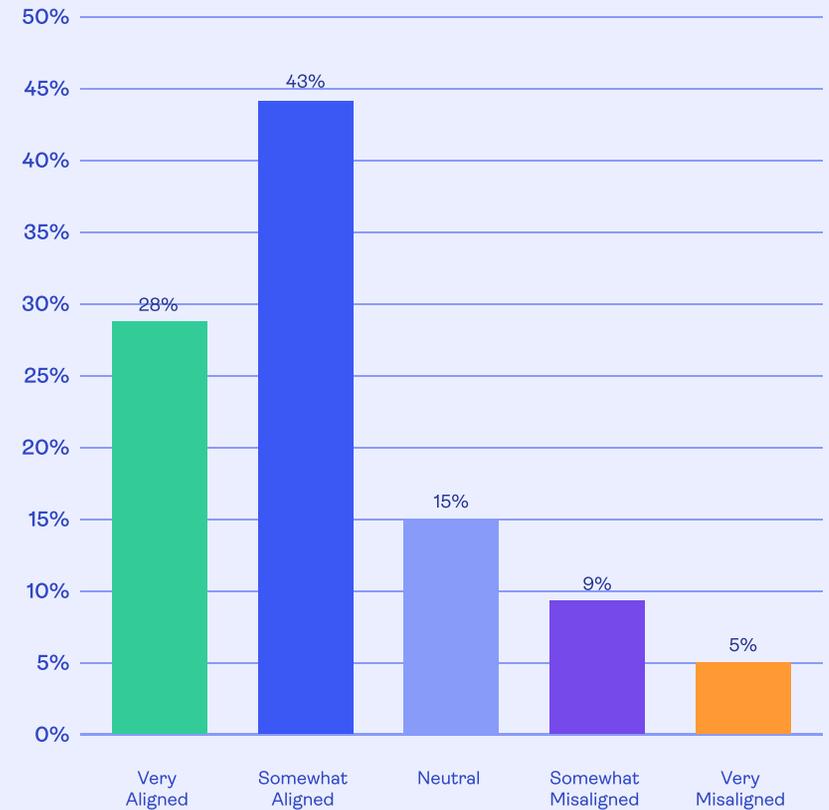
How Aligned Are Sales & Marketing Teams?

Alignment between Sales and Marketing teams has remained fairly stagnant since the last edition of this report in 2021, with only a 2% increase in companies who report that they're "very aligned" and a 1% decrease in companies who report that they're "somewhat aligned."

Meanwhile, 29% percent of companies report a neutral or negative alignment between Sales and Marketing.

This stagnation suggests that despite all the talk about Sales and Marketing alignment (to the point that it's practically become a buzzword), it remains difficult to execute.

SALES AND MARKETING ALIGNMENT



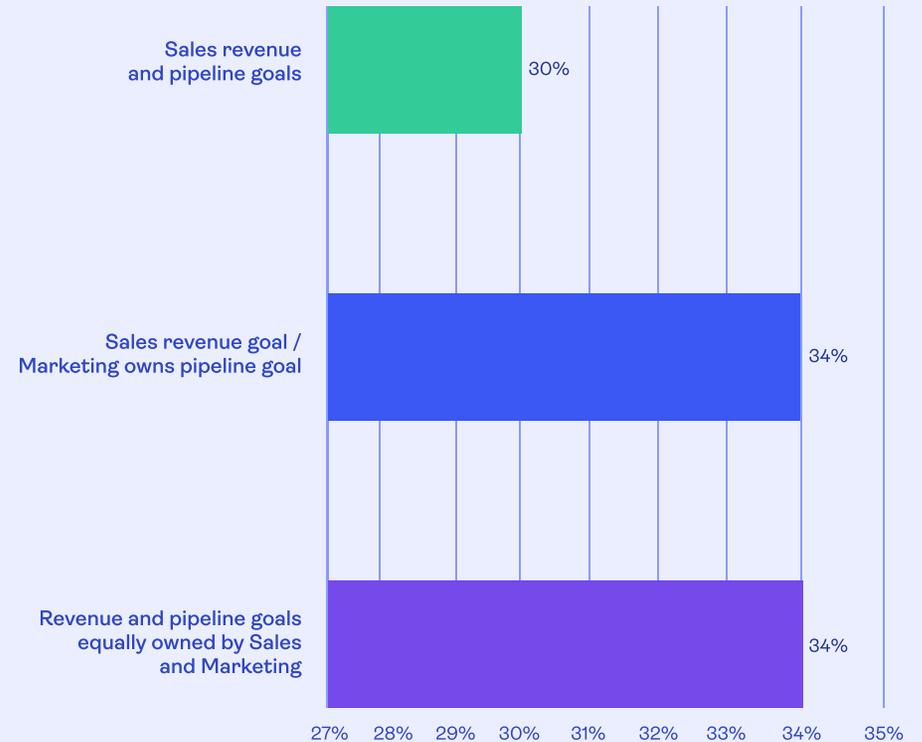
Who Owns Revenue and Pipeline Goals?

Revenue and pipeline goals are shared by Marketing and Sales in only 34% of companies. Another 30% has Sales being the primary owner of both goals.

A primary driver to increase Sales and Marketing alignment is the presence of common and shared goals, coupled with the presence of a single executive responsible for both functions. Yet as we've seen, only 12% of companies have a Chief Revenue Officer who is responsible for both Marketing and Sales.

Until the CEO drives the organizational integration to develop a culture of an integrated Go-To-Market function, alignment and customer experiences cannot be optimized.

REVENUE AND PIPELINE GOAL OWNERSHIP



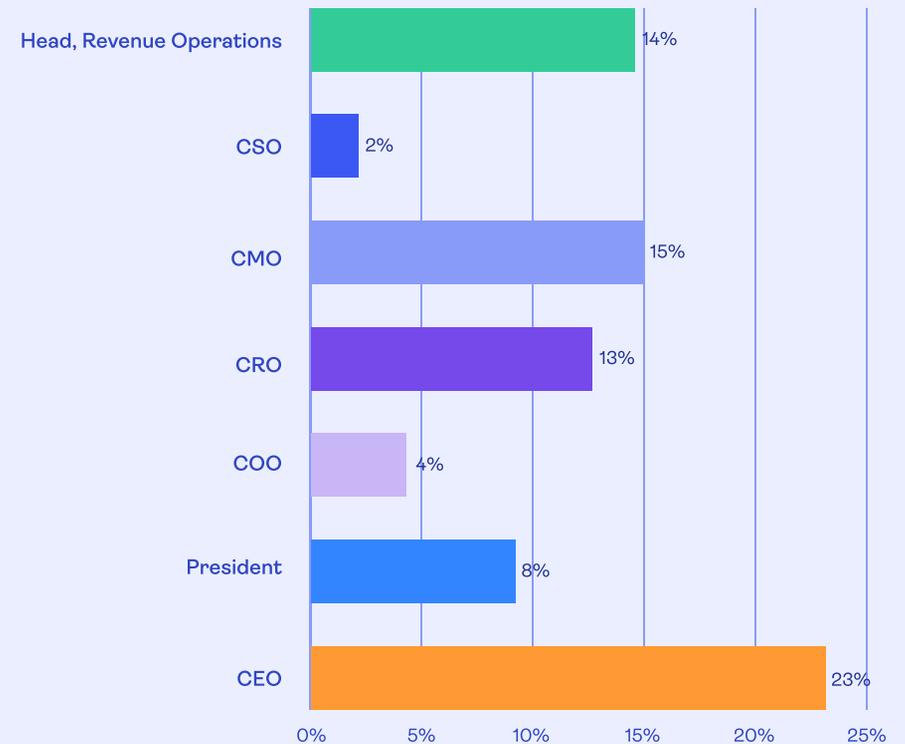
Who is Responsible for Sales and Marketing Alignment?

The role of aligning Sales and Marketing teams most often falls to the CEO, who is responsible for communication between these revenue-generating departments at 23% of companies.

At another 21% of companies, no one in the C-suite is in charge of Sales and Marketing alignment, although it's possible that another leadership role could be taking responsibility. After this group, the next most likely person to steward this relationship is the CMO – interestingly representing a larger cohort than where the CRO is responsible, at 13% of companies.

This fragmented organizational approach to Marketing and Sales alignment speaks volumes to why alignment challenges continue.

PRIMARY ROLE - SALES & MARKETING ALIGNMENT



The Marketing & Sales Alignment Process

“Effective B2B demand generation relies on collaboration between marketing and sales.

In this current environment with coronavirus-related business disruption impacting businesses around the globe, this type of alignment is more important than ever.”



Noah Elkin

Vice President and Team Manager
Gartner for Sales

How Often Do Sales and Marketing Meet?

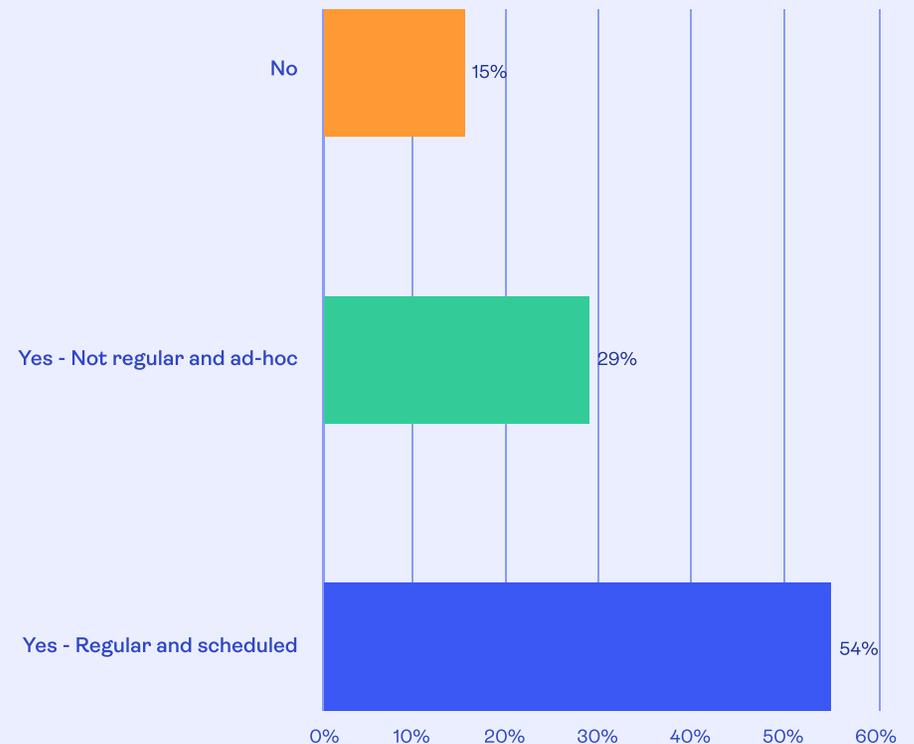
54% of companies have a regularly scheduled meeting between Sales and Marketing leaders to review pipeline and revenue performance against plan, to identify and address challenges. Given that the majority of Sales and Marketing teams operated in highly siloed environments just a few years ago, this 54% represents a significant paradigm shift within the industry.

Another 29% of companies meet on an ad-hoc basis to review performance and develop shared corrective actions. While this is better than not meeting at all, ad-hoc planning sessions can lead to meeting only in “crisis” or “high stakes” environments – which does not foster a long term, collaborative culture.

Yet 15% of companies report not having joint Marketing and Sales meetings, which is highly correlated to the 14% of companies who report somewhat or very misaligned teams.

If your Sales and Marketing teams are not meeting on a regular basis, it would behoove you to get your leadership in a room regularly.

MARKETING AND SALES JOINT METRICS REVIEWS MEETINGS



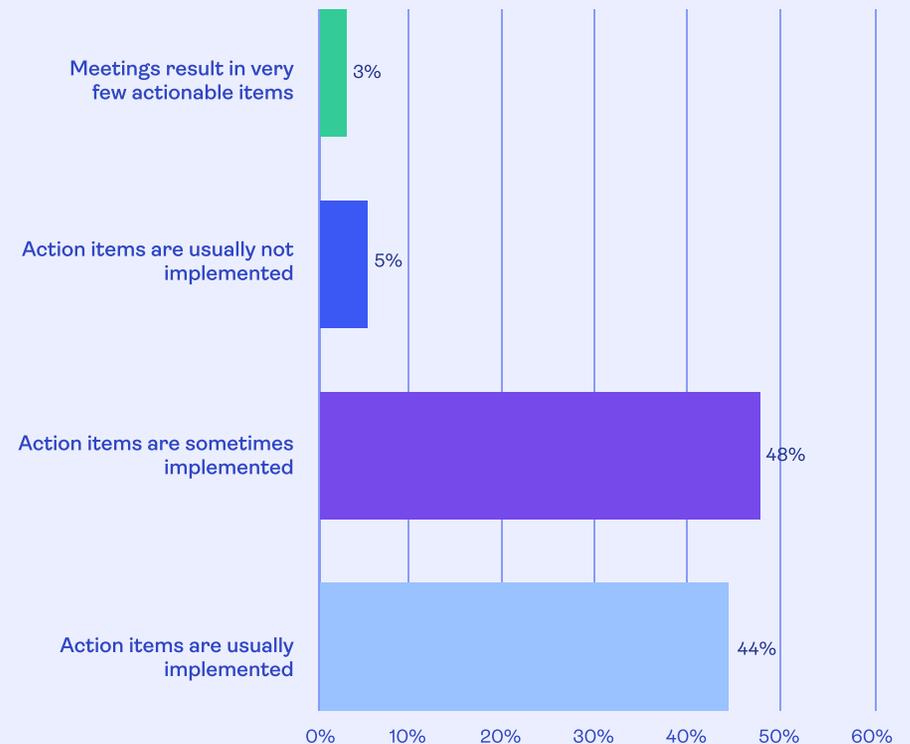
Are Action Items From Alignment Meetings Implemented?

When leaders from both Sales and Marketing set aside time to speak with each other, ideally they'll come up with shared action items and follow through on them. The good news is that, in 44% of companies, this appears to be the case.

But for the rest, it's no surprise that alignment continues to be a challenge for Marketing and Sales teams if action items are not being implemented to course-correct identified issues.

Nominating someone to ensure action items are documented and acted upon is a great best practice to eliminate those 57% percent of companies who report that action items are either never or only sometimes completed.

MARKETING AND SALES METRICS REVIEW MEETING ACTIONS

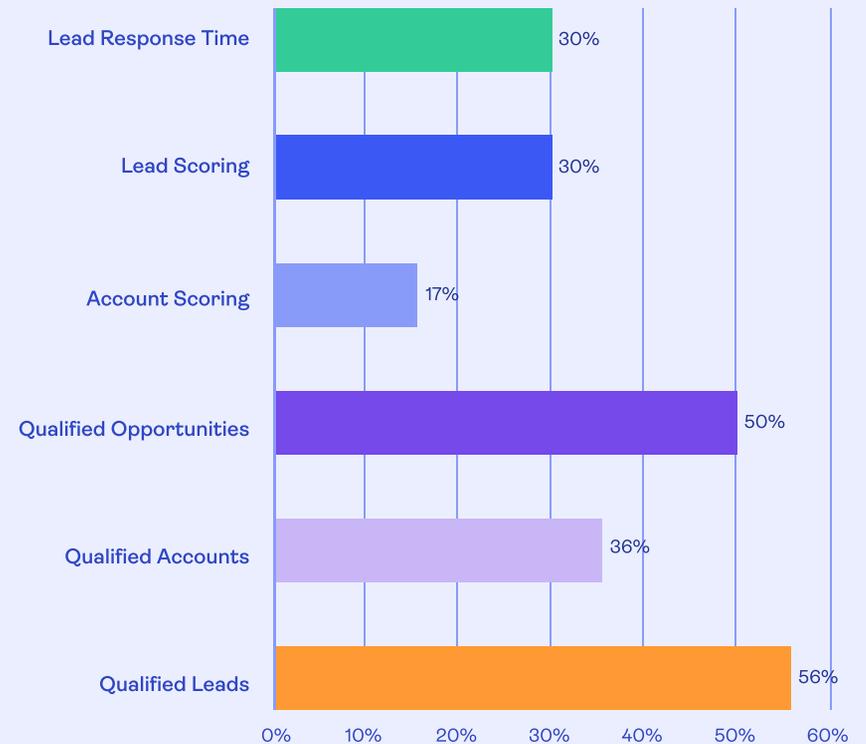


How are Sales and Marketing Teams Using SLAs to Manage Lead Quality?

A primary issue that causes friction between Marketing and Sales is the quality of leads, but service level agreements, or SLAs, can help both teams guarantee multiple aspects of lead quality. These can range from lead and account scoring models to agreements on the attributes of a qualified opportunity.

Interestingly, we're seeing a decrease in two types of SLAs: The percentage of companies with a lead response time SLA has decreased by 16% from last year, and lead scoring presence has decreased by 21%.

SERVICE LEVEL AGREEMENT PRESENCE



What Should Companies Do If They're Struggling With Alignment?

While many tech companies suggest that their products can improve Sales and Marketing alignment, the data would appear to show a different story. Certain tools can help - particularly those that give Revenue teams the same view of their data, so that they can make decisions with the same information - but before investing in these, leaders would be best served by making sure that their Sales and Marketing teams:

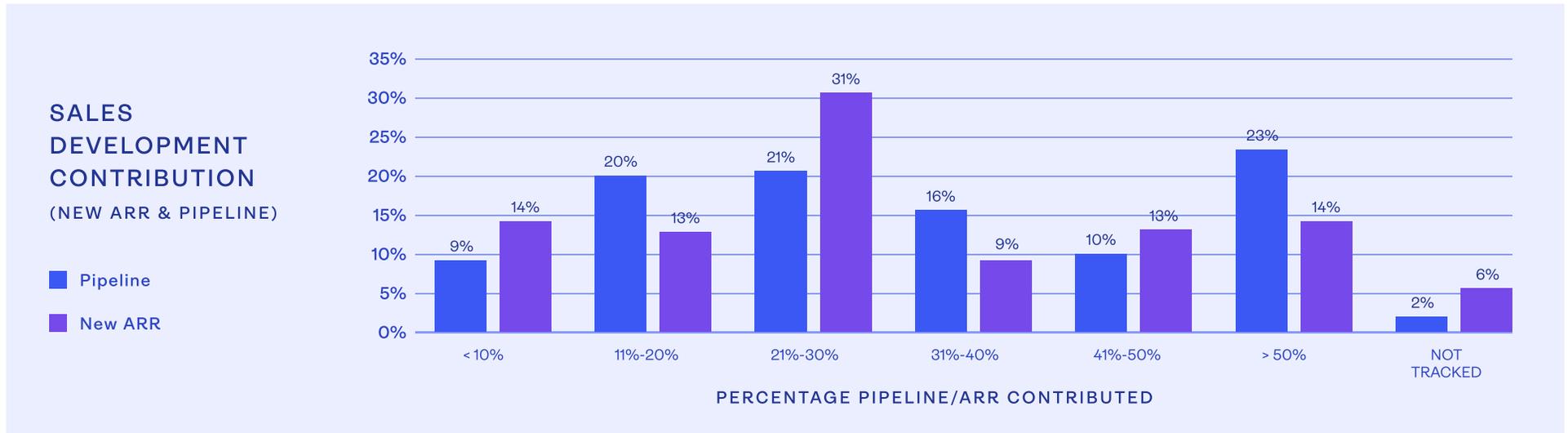
- 1 Have a regular meeting cadence
- 2 Follow through on action items that result from the meetings
- 3 Use SLAs wherever is practical

The good news is that all these tactics are free, and could help companies greatly improve their alignment without the need for an up-front investment.

Findings

Pipeline Benchmarks



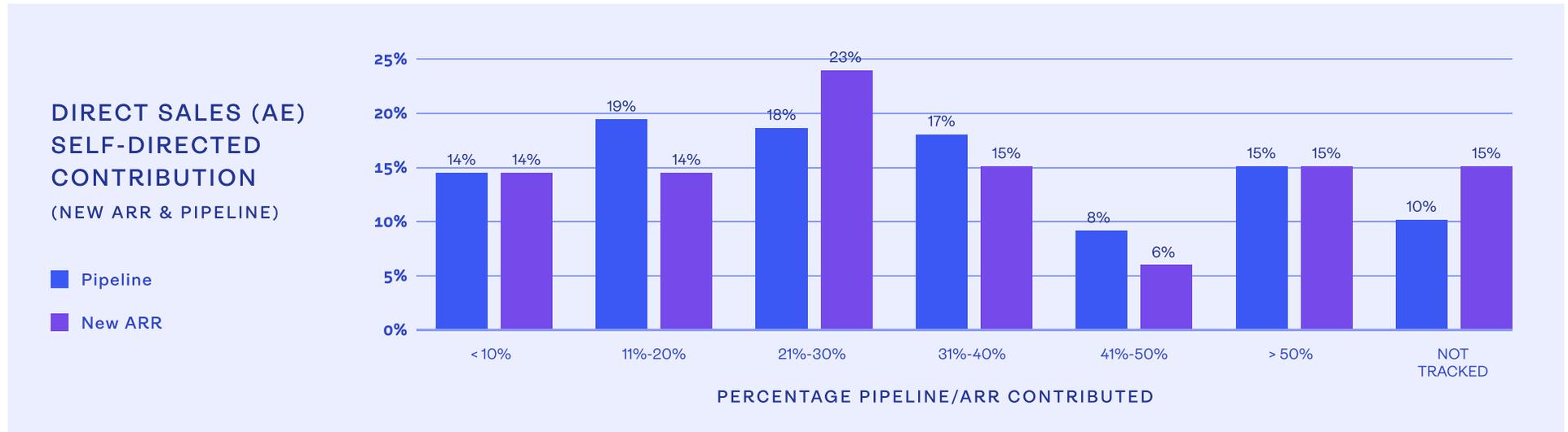


How Much Does Sales Development Contribute to Pipeline and Revenue?

Sales Development has greater than 30% of pipeline contribution in 49% of companies. They also contribute greater than 30% of New ARR in 35% of companies.

Interestingly, when we look at the relationship between pipeline and new ARR, the sweet spot lies between 21% - 30% of pipeline, which correlates to a higher percentage of New ARR delivered. Once companies increase the percentage of pipeline delivered by Sales Development past the 30% mark, the percentage of New ARR decreases.

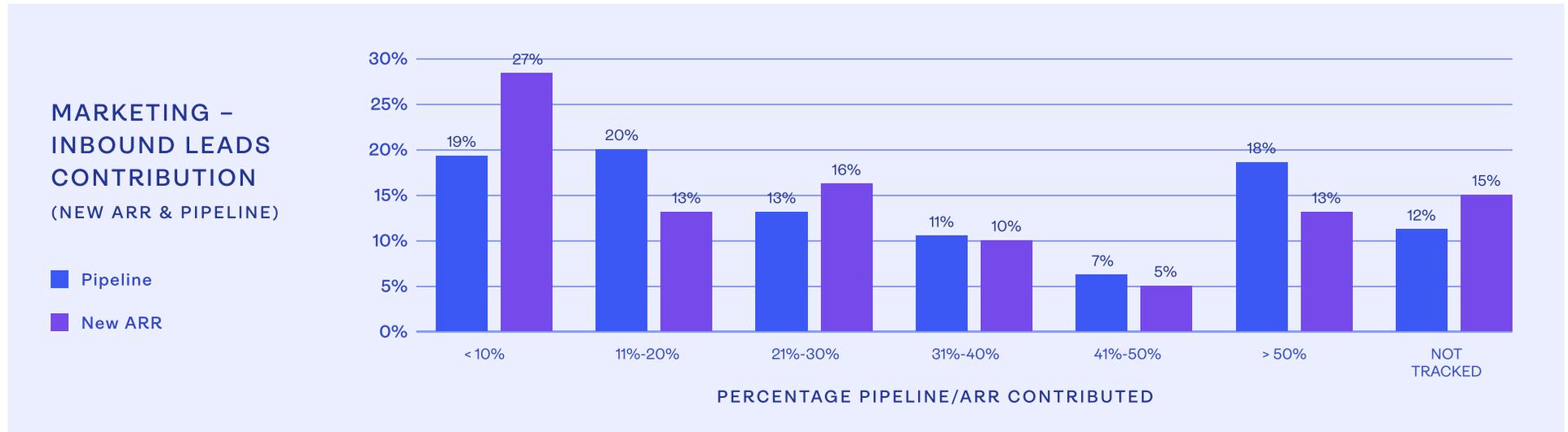
Around 30%, it appears that pipeline quality is sacrificed for quantity. Companies that reward their Sales Development teams for high-quality leads instead of sheer volume will be setting their entire revenue organization up for greater success.



How Much Do AEs Contribute to Pipeline and Revenue?

When direct sales (AEs) are responsible for delivering 21-30% of their own pipeline (18% of the time), those same resources deliver 21-30% of New ARR. Similar to the trends we’re seeing in Sales Development, 30% is the marker for diminishing returns.

After that point, as the percentage of pipeline driven by AEs goes up, their contribution to New ARR goes down.

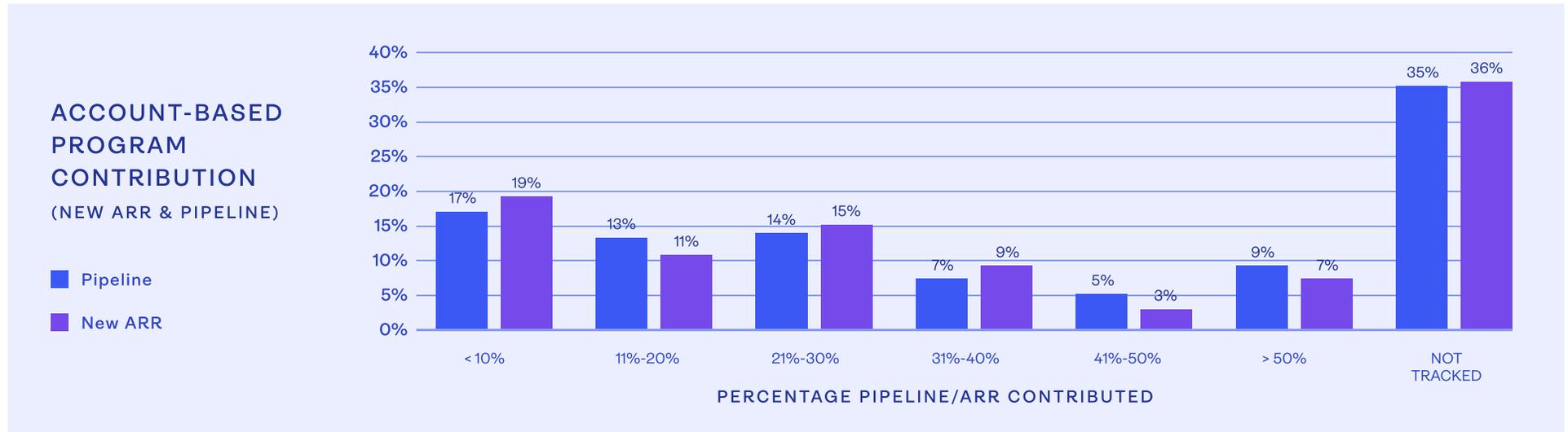


How Much Does Marketing Contribute to Pipeline and Revenue?

Most commonly, Marketing (as measured by inbound lead generation) is responsible for less than 30% of pipeline and New ARR. Yet in 36% of companies, marketers are outperforming their peers by bringing in greater than 30% of pipeline, and another 28% of marketing teams are providing more than 30% of New ARR.

In general, any marketing team that's performing above the 30% mark for pipeline or revenue should be proud of themselves.

For those that find themselves below the 30% mark, they can take comfort in the fact that they're in good company. If they want to improve their performance, measuring CAC Ratio for both Marketing and Sales Development is a best practice to optimize return on each investment dollar.



How Much Do ABX Programs Contribute to Pipeline and Revenue?

Account-based programs are not being tracked to measure output in 35% - 36% of companies.

This may suggest that over a 1/3 of companies don't have an account-based experience (ABX) strategy in place, although some portion of them simply may not have measuring and reporting for their existing ABX programs.

Account-based programs must be co-owned by Sales and Marketing in a highly collaborative environment, so if a robust ABX program is in place, it's an indicator that the company has a cohesive revenue strategy and they're likely to see a higher win rate and higher ACV as a result.

About the Research



About the Research

Methodology

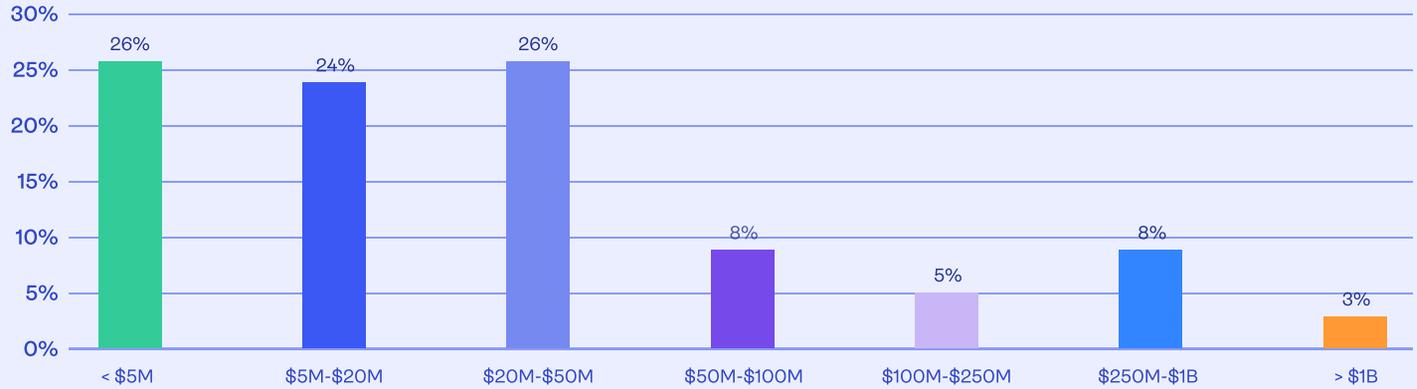
Revenue.io, Tenbound, Demandbase and RevOps Squared conducted research throughout November and December, 2021 to benchmark Customer Acquisition and Revenue team alignment.

Over 250 companies participated across a wide spectrum of company size, annual contract value, industry segments and geographic location. Participant profiles included C-level executives, Senior Vice Presidents, Vice Presidents and Director-level roles.

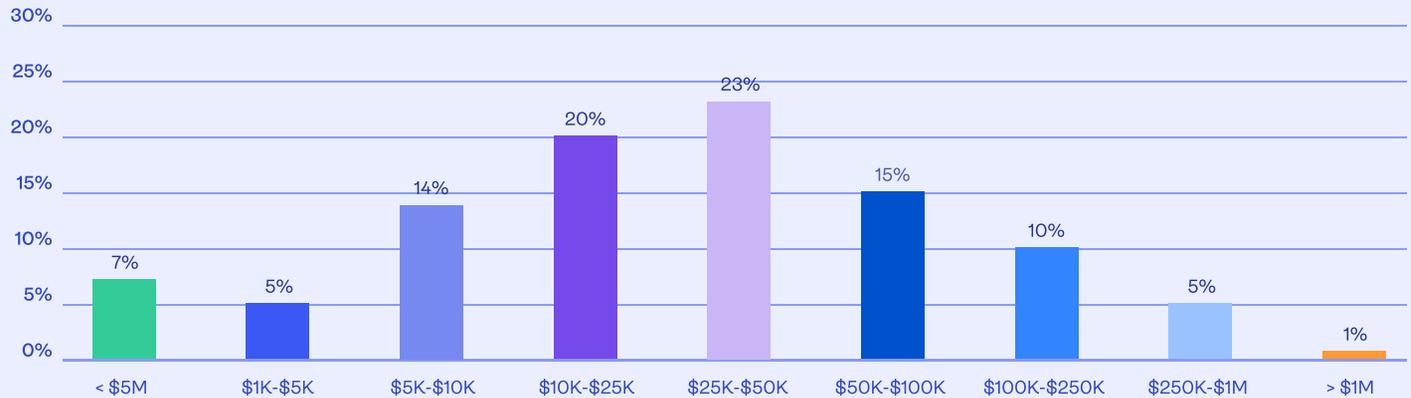
One unique aspect of our research methodology and publishing process is that we analyze all benchmarks by company segmentation attributes including company size, average contract value, industry segment and primary funding source.

This approach provides more granular and relevant insights into how your company's customer acquisition processes, funnel contribution, and organizational structure measures up.

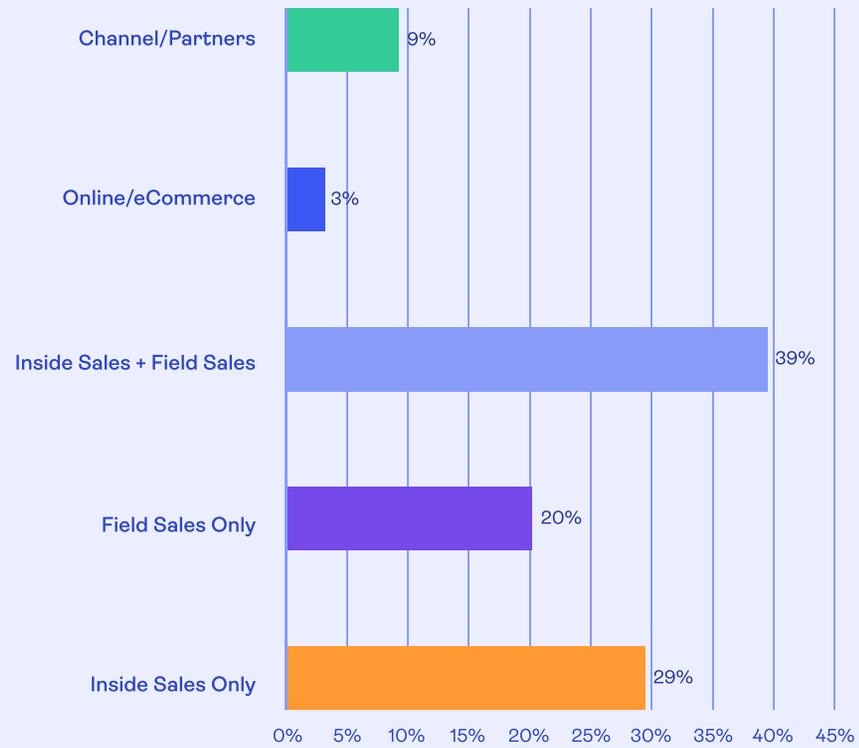
PARTICIPANT PROFILE
(BY COMPANY SIZE)



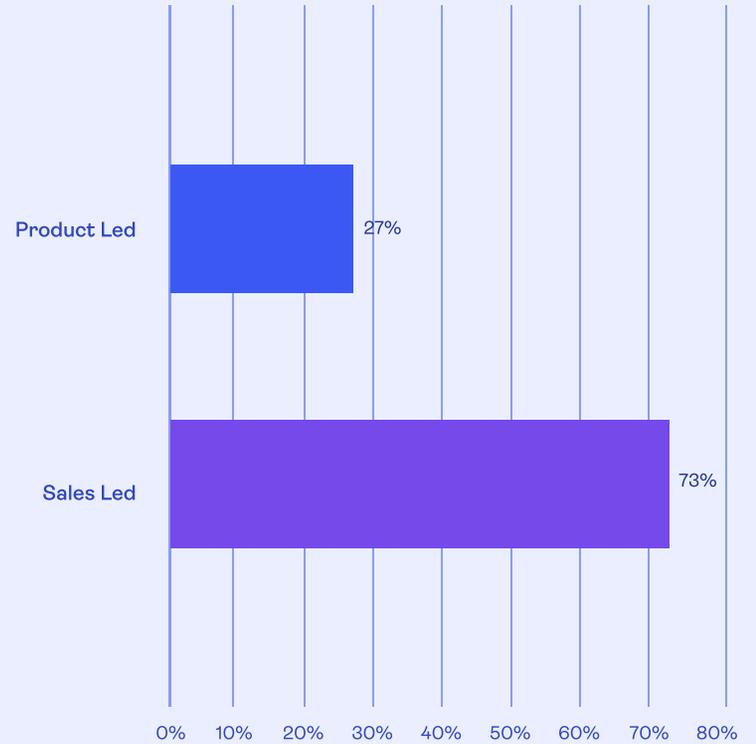
PARTICIPANT PROFILE
(BY ACV)



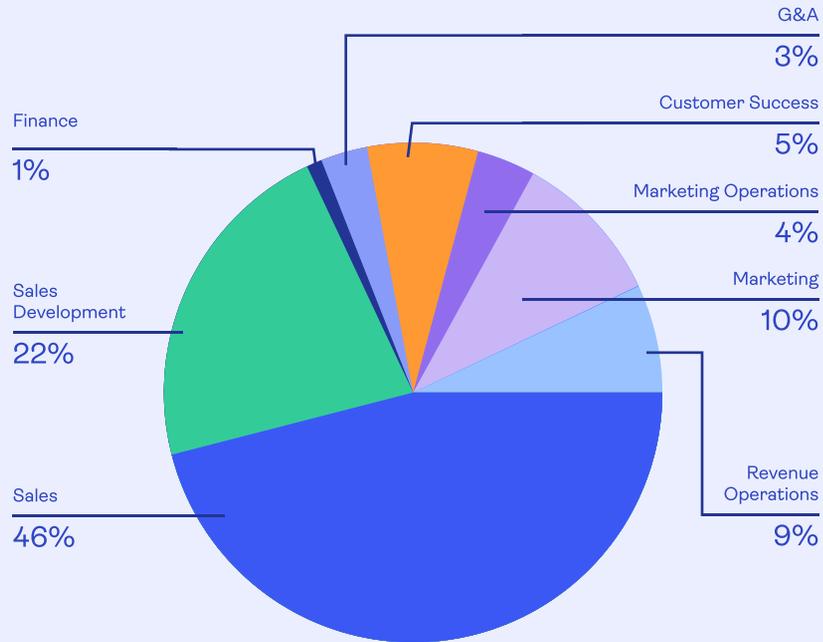
PARTICIPANT PROFILE (BY DISTRIBUTION MODEL)



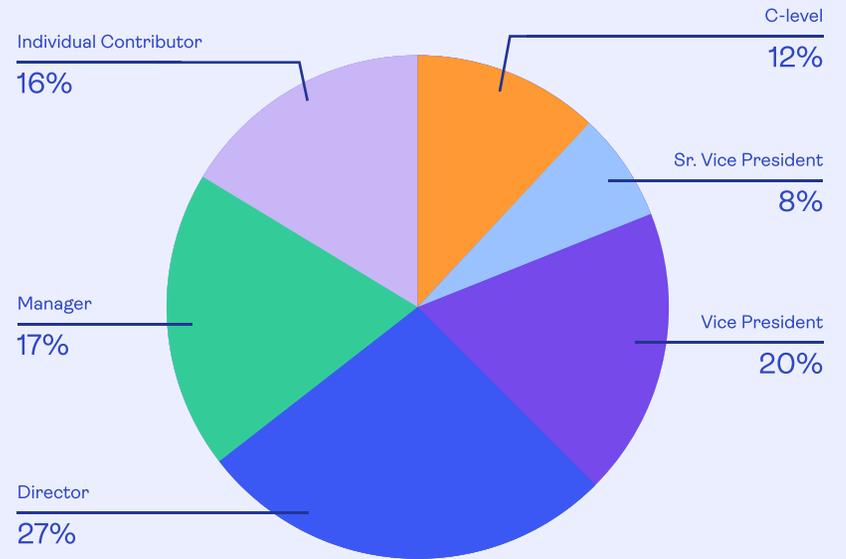
PARTICIPANT PROFILE (BY GTM MOTION)



PARTICIPANT PROFILE (BY DEPARTMENT)



PARTICIPANT PROFILE (BY TITLE LEVEL)



Revenue

Revenue.io powers high-performing teams with real-time guidance. By surfacing and recommending what works best, Revenue.io enables hundreds of customers like HPE, Nutanix, and AWS to deliver predictable results and optimize their entire revenue operation.

Founded in 2013, Revenue.io is headquartered in Los Angeles and backed by venture funding from Goldman Sachs, Bryant Stibel, and Palisades Capital.

Have questions about Revenue.io?

→ Get in touch with us [here](#)

→ Or visit revenue.io/role-sales-operations

RevOps^{sq}

RevOps Squared enables B2B SaaS executives to understand how their performance metrics measure up against similar, like company benchmarks. The RevOps Squared benchmarking index includes industry-standard metrics across key categories including Customer Acquisition, Customer Retention, Customer Expansion, and Capital Efficiency.

RevOps Squared provides branded benchmarking research programs enabling B2B marketers to engage executive buyers in a continuously evolving, interactive content marketing asset. Using the RevOps Squared Benchmarking platform, partners capture, calculate and present interactive benchmarks establishing thought leadership in their target markets while generating qualified, engaged prospects.

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tenbound

Tenbound helps B2B SaaS companies build their Sales and Talent Pipelines through research, advisory, and events. Tenbound has become the hub of the Sales Development industry, with a thriving online research center, market map, tool directory, training and advisory programs, and The Tenbound Sales Development Conferences held yearly virtually and around the world.

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Thank You

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Check out more free resources at revenue.io/sales-strategy

