Seismic

E-BOOK

12 Sales Enablement KPIs for Enterprise Sales Leaders

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Introduction

Sales leaders are constantly on the lookout for new ways to improve processes, motivate their teams, unlock efficiencies, and ultimately close more deals.

Remaining vigilant in the quest to provide sellers with everything they need to success is one of the key qualifications for a sales leader. These days, that quest is a lot harder with new technologies and strategies emerging nearly daily.

Making that quest more difficult? There are a million ways to measure an organization's overall achievement of those goals. How can a sales leader be sure their efforts are producing the intended results? They must track a set of **Key Performance Indicators (KPIs)** that reveal the health of their decisions at a macro level. But how do you know which KPIs are actually important? How do you separate the signal from the noise?

Sales enablement's emergence as a top-flight strategy for improving alignment between Sales & Marketing is great news for anyone looking to accurately measure their performance (AKA everyone). Sales enablement provides an opportunity to holistically measure the health of a sales organization.

To help enterprise sales leaders enable their teams to generate more revenue, Seismic has narrowed down the top 12 KPIs that they should use to assess effectiveness and efficiency going forward. Each KPI is listed under the strategic imperative that has the greatest impact on and is further classified as an indicator of the sales team's efficiency or effectiveness. Some KPIs are comparatively straightforward ratios and measurements, while others are more intensive and require a combination of metrics to help ascertain the final value. But they all roll up to one goal: **generating more revenue to drive sales success.**

The 12 key performance indicators

1. Strategic imperative

Shorten the sales cycle

The sales cycle is the number of days it takes for a deal to close, and is typically shown as an average number per rep, sales team, or whole organization for a certain period of time (such as a quarter or half-year). **Shorter sales cycles mean that reps are able to move onto new deals faster, which ultimately increases revenue.**

KPI: Time spent selling

t's simple: if your sellers are spending the majority of their time selling, they are likely to close more sales. But a study has found that **sellers spend only roughly 35.2% of time selling.** If your reps are wasting time on menial, administrative tasks, sales will not be as high as they could be. Every minute spent manually logging call and customer data, searching for and personalizing content, and filling out expense reports is a minute not spent with a prospective buyer. Sales leaders should ensure that reps are spending as much time with customers as possible in order to increase sales and shorten sales cycles.

How to measure time spent selling

Sales leaders should help reps identify the biggest time-wasters in their daily schedules by tracking the time spent in different programs, such as email, CRM, prospecting tools, and HR and content management portals. Sales leaders can also conduct individual rep interviews to identify time-wasters but should also use supplemental programs that automatically track these behaviors and activities to get more objective data. Once this data has been recorded, it should be taken as a percentage of the reps' day to determine how much time is actually spent in client-facing situations. Then, sales leaders can streamline sales activities by integrating siloed programs, eliminating manual processes, and enabling reps with quick access to resources they need.

Measuring time spent selling allows sales leaders to identify roadblocks in a seller's day. Removing those roadblocks gives sellers more hours to do what they do best: **sell.**

KPI: Content accessibility

Today's sales process has completely changed, putting the customer in the driver's seat. With more access to information, including the information typically delivered through a sales interaction, buyers expect a more consultative and engaging sales interaction. However, **SiriusDecisions** reports that 82% of decision-makers believe sellers are unprepared. Sellers need to be able to ensure they are as prepared as possible to meet a buyer's needs.

Therefore, giving sellers speedy access to the right content and resources will help them engage productively with their buyers and customers. A smarter sales enablement platform will include a content management portal that lets sellers access content easily and quickly, but it's even more powerful if that content can be served to reps based on the buyer they're interacting with. Whether that's done through email, CRM, or both, it will ensure reps are easily accessing, digesting, and sharing the right materials at the right time. The content accessibility KPI measures the time sellers spend searching for, accessing, creating and updating content, and is a powerful indicator of the time saved or lost during the sales process.

How to measure content accessibility

Track and monitor the time spent by reps accessing, personalizing, and delivering content. Login data from the content management system should be trackable, and should show an increase in access and downloads. Content accessibility should also be visible through email and CRM data if your reps access content there as well. Measuring this KPI should reduce the time spent accessing and personalizing content, and should make the sales force more efficient. Utilizing a sales enablement platform will give you access to a ton of information about content accessibility. A smart solution will give you data on how often content is accessed and used.

"82%

of decision-makers believe sellers are unprepared."

SiriusDecisions

KPI: Training and Coaching

Getting new sellers trained and onboarded to a quota-carrying capacity faster means more opportunities generated, prospects engaged, and deals closed faster. But beyond training, the sales force should also be continuously coached on new products, services, industry data, and content to ensure that they are able to communicate the value proposition and effectively grasp customer pain points. This ensures they are able to speak directly to a buyer's needs, thereby closing deals faster and accelerating sales cycles.

How to measure sales training

Performance reviews, routine product certifications and skill assessments can provide benchmark data that can be compared to sellers' previous training results in order to track changes and gauge improvements. Individual assessments prior to scheduled workshops can also provide benchmark data that could measure the effectiveness of workshops as well as changes in individual sales reps' performance (such as new opportunities following the workshop, conversion rates and sales cycle velocity).

Utilizing a sales readiness tool will allow sellers to train right within a platform – such as a sales enablement tool – where they spend a good portion of their time gives sellers the power to train easily and effectively.

You can also track sales reps' usage of content in sales interactions to determine whether the right content is being used in the right situations. This data can be used in individual coaching sessions to help sellers tailor their activities to better serve buyers and increase win rates.

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KPI: Conversion rates

The lead-to-customer conversion rate is defined as the percentage of leads that become customers. It is important to know how long it takes for a lead to become a customer as this will help you gauge marketing effectiveness and sales cycle acceleration (the speed and quantity of leads moving through the sales cycle). It will also help you focus your efforts: if there are not enough leads entering the pipeline you might need to rethink your lead generation strategies, or if you have a surplus of qualified leads in the pipeline you may need to revisit your lead scoring and prioritization KPI from earlier.

How to measure conversion rates

Take the total number of successfully closed deals over a certain time period (month, quarter, or half-year, for example) and divide by the total number of leads generated over the same time period. Multiply by 100 to get the conversion rate as a percentage.

To dive deep into how effective your organization's conversion rate is, track a buyer through the entire journey. See how quickly they accelerate from one stage to the next. Tracking on this level will allow you to pinpoint areas of improvement on an even more granular level.

$$\text{Conversion Rate (\%)} = \frac{\text{(\# of total closed deals)}}{\text{(\# of total leads generated)}} \times 100$$

2. Strategic imperative

Reduce the customer acquisition cost

The customer acquisition cost (CAC) is the total charges accumulated through the process of closing a deal or gaining a customer and includes research, marketing, and sales costs. As companies scale, CAC tends to rise, meaning that there are diminishing returns to acquisition activities. Enterprise organizations especially will see CAC increase as their growth rates slow, so it's important to address the costs associated with acquiring each customer and trim the fat where necessary.

KPI: New rep onboarding

Onboarding encompasses the activities, assessments and requirements involved in acclimating, training and engaging each new seller. Onboarding requires resources for training and integrating new reps with the goal of elevating them to a quota-carrying capacity. Enterprise sales leaders want to ensure that new reps are able to efficiently communicate the company's value proposition clearly and effectively so as to not incur additional customer acquisition costs.

How to measure onboarding success

Similar to the training and coaching KPI, this KPI should measure the time to complete training, **time** to productivity, or time to first opportunity close, and should measure the **costs** incurred per rep or sales team during this period. Then, sales leaders should measure the final cost of **acquisition** for the rep's first successful deal. These metrics should be compared to benchmarked values to measure how successful the new rep onboarding and training program is.

Time to complete training, productivity, or first opportunity close

Costs incurred per rep or sales team

Final cost of acquisition for rep's first successful deal

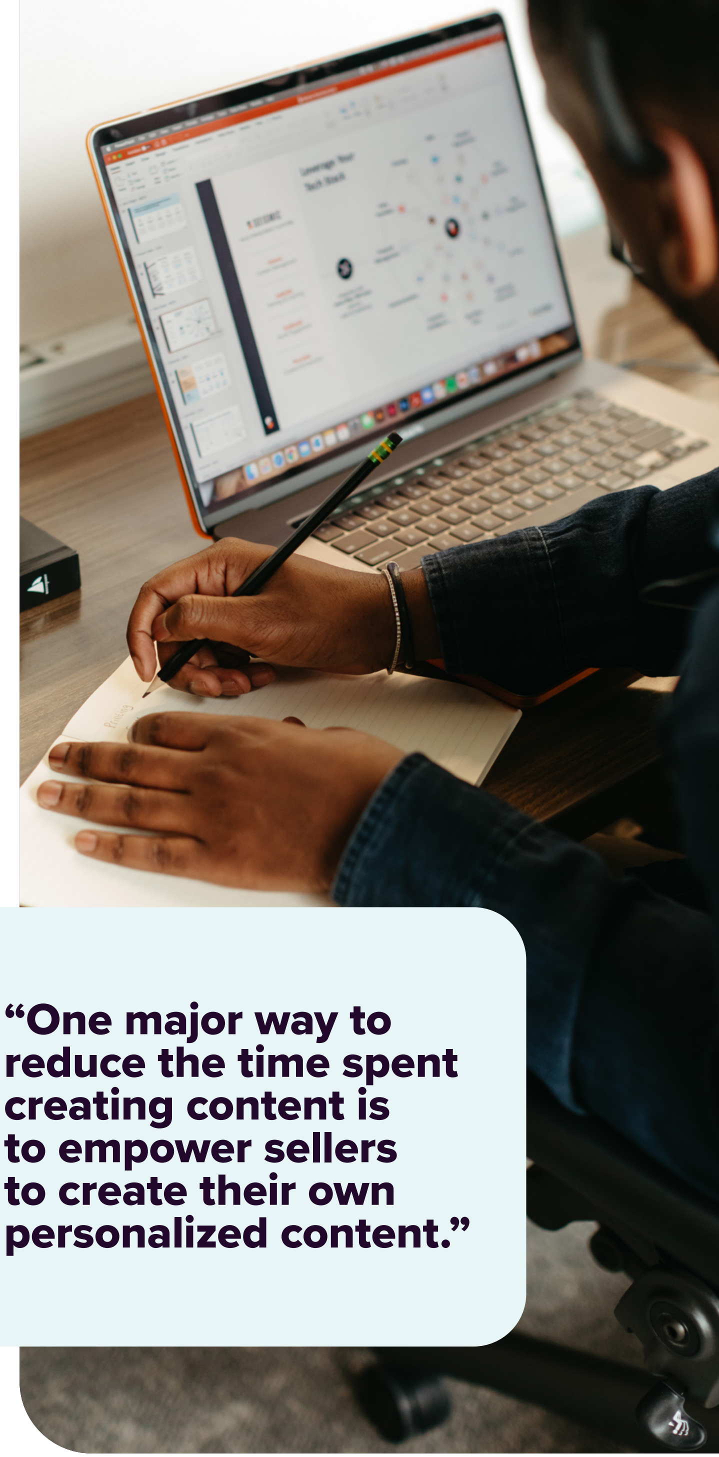
KPI: Time spent creating content

Content is a powerful tool for sales reps through every stage of the buying process. It takes time, effort and money to create content that resonates with every buyer, and requires collaboration between sales and marketing to facilitate efficient but effective content creation. There's no doubt that **personalization leads to shorter sales cycles** and increased win rates, but it is not cost- or time-effective to have each seller personalizing each piece of content shared with buyers. Streamlining content creation and personalization processes will help sales teams save time and money on content creation, which in turn will help reduce the overall CAC.

How to measure content creation time

Track the time (likely in hours or days) it takes to create a new piece of content or update existing content—including time spent by sales reps. Each content type (such as presentations, case studies, and one-pagers) will have its own benchmark number in days and dollars (including potential external expenses such as third-party analysts, agencies or freelancers).

You should also measure the time spent by sellers and members of the marketing team on these activities. **Time spent on non-selling activities by sellers are particularly damaging to efficiency**, as spending more time selling rather than creating content has a direct impact on revenue per seller. One major way to reduce the time spent creating content is to empower sellers to create their own personalized content. Giving sellers a solution that allows them to quickly create a piece of content that retains branding and compliance standards is one of the most powerful things a sales leader can do.



"One major way to reduce the time spent creating content is to empower sellers to create their own personalized content."

KPI: Content usage

Content usage measures how much a piece of content is retrieved and shared with buyers, and how and when it was used during key points during the buying process in successful sales deals. If sellers are not using the content available to them, then the manpower, time and money spent on content's development is wasted.

How to measure content usage

Sales leaders should track what content is accessed by the sellers, how frequently it is downloaded and shared with buyers, and where in the sales cycle it is being used. This benchmark data will help determine where in the buying process content should be served to reps. For example, if a rep is accessing and sharing a specific one-pager during the buyer's vendor selection stage, sales leaders can map that one-pager to a seller's CRM or email for deals in that specific stage. Doing so will increase sellers' content usage, reduce wasted content creation costs, and increase win rates, thereby reducing CAC.

KPI: Improving lead quality

Go-to-market programs should not simply generate a large quantity of leads, they should also generate high quality leads that have a budget and are ready to buy. **Improving lead quality helps Sales sell more effectively to the right buyers, and allows sellers to prioritize the leads that are more likely to turn into customers.**

Understanding your target buyers and what their goals and needs are helps both Sales and Marketing allocate the appropriate time, effort and dollars towards creating effective content and facilitating the right buyer interactions that that will result in won deals. Once leads are in the sales pipeline, a lead score will help to identify and focus on quality leads that have a high propensity to buy.

How to measure lead quality

Sales leaders should work with Marketing to **create and fine-tune a lead score methodology** that comprises an ideal buyer profile. Sales leaders should track and monitor the lead sources that convert into customers, and adjust the lead score methodology as more leads become customers (or fall out of the buying process). Improving lead quality through lead scoring will also help sales teams that are employing an account-based sales model.

Sales should have as much, if not more say, in the lead scoring formula as Marketing. More than anyone, sellers know what makes a buyer more attractive and likely to buy. Sales leadership should ensure they are involved in the discussion on lead scoring.

3. Strategic imperative

Increase customer lifetime value

Customer lifetime value (LTV) is a projected dollar value that an organization will derive from future transactions with a customer during their entire relationship. Organizations typically calculate this as a periodic value such as **12 or 24 months**. This KPI encourages firms to shift their focus from quarterly profits to the long-term health of their customer relationships, and how to optimize your acquisition spending for maximum value rather than minimum cost.

KPI: Reducing customer churn rates

Churn rate is the percentage of customers who stop doing business with an organization over a specific time period, and provides important insights into how your business is performing. Churn can be an indication of customer dissatisfaction, product quality, unfavorable prices, better competitor offers, poor marketing, or simply the natural customer life cycle. **Measuring and tracking churn rate helps sales leaders strategize renewal programs, modify sales behaviors to be more customer-centric, and maximize renewal revenue.**

How to measure customer churn

Similar to the training and coaching KPI, this KPI should measure the time to complete training, time to productivity, or time to first opportunity close, and should measure the costs incurred per rep or sales team during this period. Then, sales leaders should measure the final cost of acquisition for the rep's first successful deal. These metrics should be compared to benchmarked values to measure how successful the new rep onboarding and training program is.

$$\text{Churn rate} = \frac{\text{(Lost customers)}}{\text{(Total \# of customers)}} \times 100$$

KPI: Net promoter score

The **Net Promoter Score (NPS)** is an index that measures the willingness of customers to recommend you to other potential customers. This index helps sales leaders gauge customers' overall satisfaction with and loyalty to your company, and can segment your customer base by levels of happiness with your organization. This can help sales leaders target customer nurturing efforts to concentrate on certain customer relationships to maximize lifetime value.

How to measure net promoter score

NPS is based on a direct question: ***"How likely are you to recommend our company/product/service to a friend or colleague?"*** The answer is a number on a 0 to 10 scale with the respondents segmented into 3 categories: Promoters, detractors, and passives.

The NPS is calculated by subtracting the percentage of customers who are Detractors from the percentage of customers who are Promoters.

When uncovering cross-sell and upsell opportunities, sales leaders should focus on promoters.

Promoters are loyal customers who responded with a score of 9 or 10 and are considered loyal enthusiasts.

Detractors are those who respond with a score of 0 to 6, and should be thought of as unhappy customers.

Passives are unenthusiastic customers with scores of 7 and 8 and aren't directly considered when calculating the NPS.

NPS =

% of detractors - % of promoters

KPI: Increase cross-sell / upsell rates

Cross-selling and upselling are focused sales techniques that help to get more value from existing customers and increase revenue. Cross-selling and upselling increase repeat business, expose the customer to more of the company's product portfolio, create a deep product awareness, and enhance the customer experience through a more tailored, customized buying experience.

How to measure cross-sells and upsells

Enterprise sales leaders should measure the success rate of the sales team's cross-selling and upsell initiatives.

These percentages will uncover areas of improvement for cross-sell and upsell opportunities. **Coupling this data with the net promoter score** allows sales leaders to objectively focus and align sales, customer success and account management efforts towards the deals that show high growth propensities.

Cross-sell success rate

$$\frac{\text{(\# of successful cross-sales)}}{\text{(\# of cross-selling opportunities)}} \times 100$$

Upsell success rate

$$\frac{\text{(\# of successful upsells)}}{\text{(\# of upselling opportunities)}} \times 100$$

KPI: Understanding voice of the customer

Voice of the Customer (VoC) is a term that describes your customer's feedback about their experiences with – and expectations for – your products or services. This data can help companies improve customer service initiatives, enhance product offerings, and even update or refocus the business strategy based on customer needs. It's clear that the customer is driving the buying process, so understanding buyers' needs and goals is more important than ever, especially when it comes to increasing customer LTV.

How to measure voice of the customer

VoC data comes from a mix of multiple touch points with the customer, including surveys, inter-views, focus groups and feedback forms. For this KPI to be effective, it is important to gather and use information from all of these customer touchpoints in a timely manner so you're able to improve practices that affect customer satisfaction and engagement. For sales leaders specifically, **VoC can affect external-facing sales content and verbal messaging**, so it's important that changes are made and distributed efficiently through the right training and content support systems.

Conclusion

There's no question that a modern, successful sales organization needs a strategic sales enablement function to succeed.

And sales effectiveness and efficiency are imperative to the ultimate sales goal of increasing revenue: an efficient sales team performs without wasting time and effort, while an effective sales team operates with a higher success rate than their peers at other companies. Both sales efficiency and effectiveness can be achieved through the right sales enablement strategy and metrics, and these 12 sales enablement KPIs will help establish repeatable processes. That ultimately help reach the strategic imperatives of shortening sales cycles, reducing the cost of customer acquisition, and increasing customer lifetime value. Enterprise sales leaders should adopt these 12 KPIs as their bread-and-butter metrics to better enable their teams to sell more, sell better, and generate more revenue.

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