**Strategic Sales Management**
**Prof. Kalpak Kulkarni**
**Department of Management Studies**
**Indian Institute of Technology, Roorkee**

**Lecture - 30**
**Data-driven Approaches to Selling**

So, after knowing the role and meaning of sales intelligence and then kind of you know defining and creating ideal customer profile using sales intelligence, we have data and we have intelligence, but what if we are not making use of it, right. So, let us look at or learn more about how to apply data-driven approaches to selling.

Here we will look at some basic as well as an advanced tools or kind of you know approaches backed by data given by sales intelligence software.

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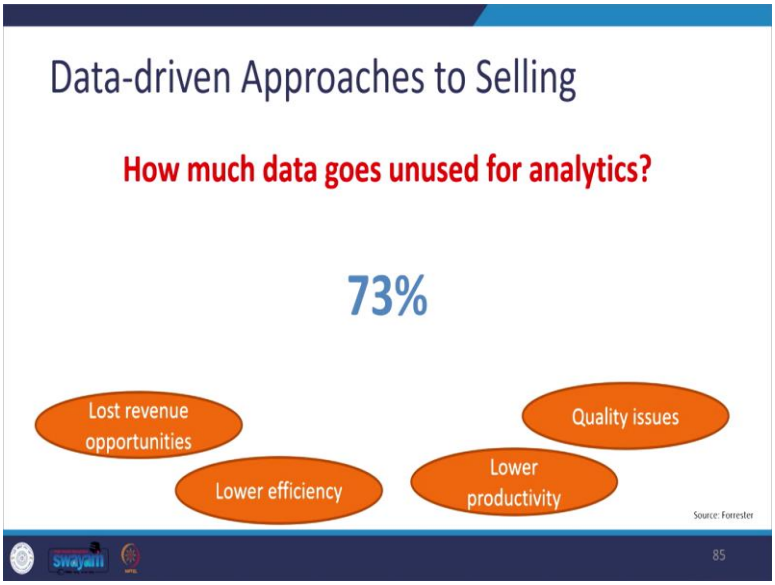


So, you know how much data goes unused for analytics? Any guess? Its whopping 73 percent. So, 73 percent of data that is collected by your sales intelligence tool right across the group, scrolling different website, visiting various websites, visiting various social media handles. You are only using 27 percent of that and 73 percent is going unused. What are the consequences of missing out on these particular valuable data?

First one lost of revenue opportunities right, there is a lower efficiency right; that means, you are not making full use of whatever information that is coming to your end. Lower

productivity of your sales team right, they can have more kind of you know work in the pipeline, they can use if more data can be used in analytics, your sales team can be more productive as well. And then the quality issues in terms of reaching out to your prospects as well, because you are actually missing out a lot of information, right.

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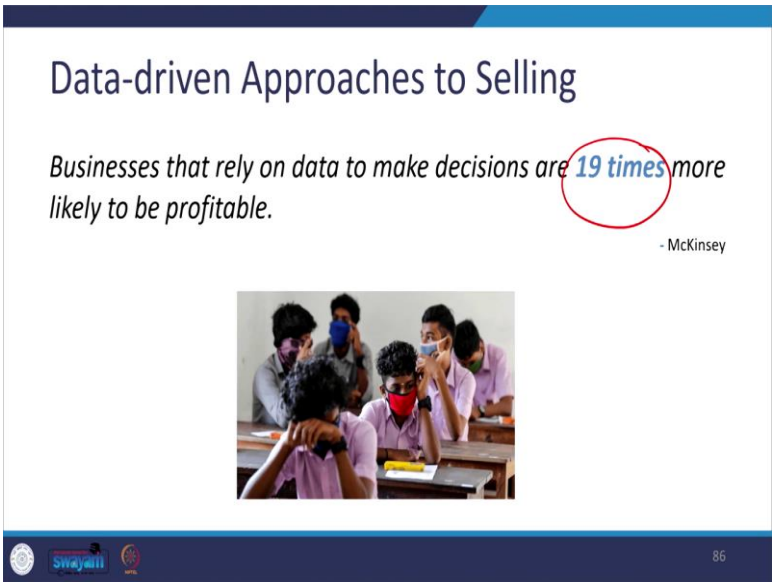


So, business that rely on data to make decisions are 19 times, remember 19 times more likely to be profitable. So, that is the report from Mckinsey, and that is why we are talking about data driven approaches to selling today. Remember this example; for example, what if your teacher ask you to prepare for an exam, but yes there is a kind of a catch, you have not had a single test in past on that subject, you have not worked for any homework for the test and you do not remember any you know going through any books or documents or notes for that particular topic.

The scenario will look like this right, same thing happens to sales analytics as well. When we have data, but you are not using it and then when a particular customer or kind of you know business account spikes for a particular topic or content, your sales team will look like this only. And you know do not know what to do, what to write how to respond.

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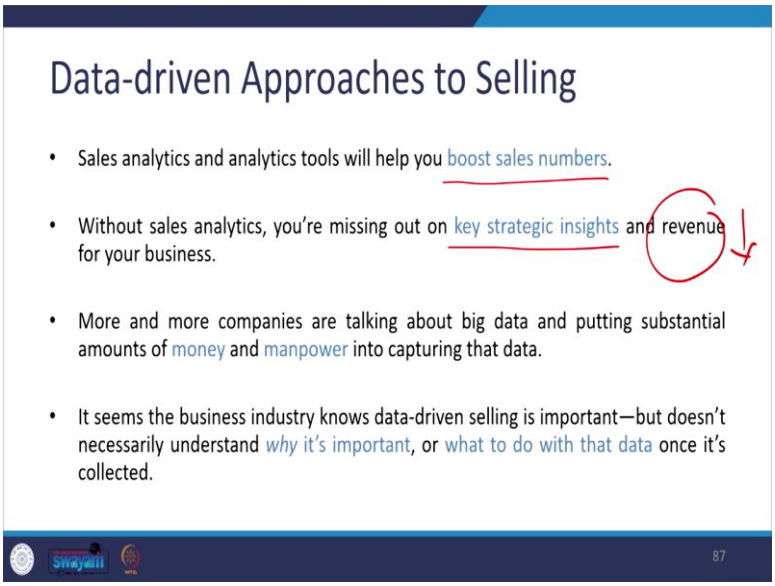


So, sales analytics tools will help you boost sales numbers, right. So, that is why we are today talking about sales analytics, it is nothing but using data driven approaches to your selling. Without sales analytics you are missing out on key strategic insights, you are not making full use of whatever the data that is coming through your software and then you are also ultimately losing out on your revenues as well.

More and more companies are talking about big data and putting substantial amount of money and manpower into capturing the data, but you are not using it, right. So, it seems the business industry knows data driven selling is important, but that does not necessarily understand why it is important or what to do with the data once it is collected. So, let us delve deeper into this.

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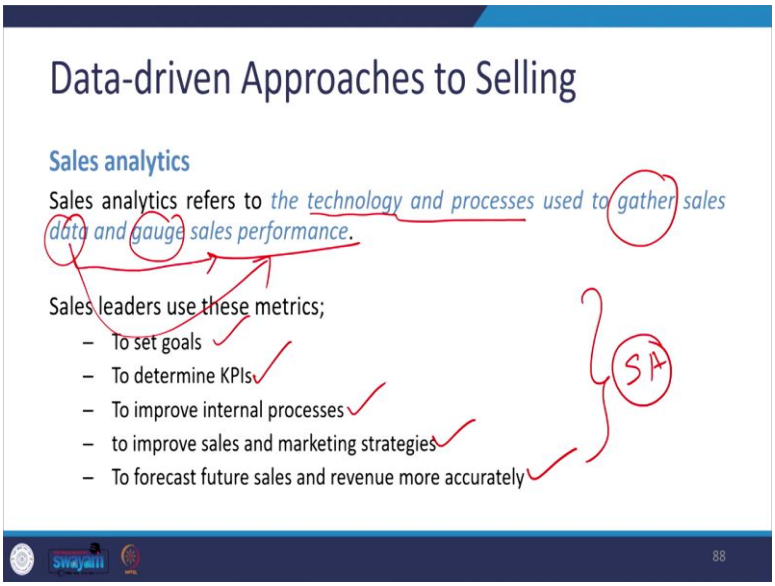


So, sales analytics refers to the technology and processes used to gather sales data and gauge sales performance. So, you collect data and then you try to link it with your performance, that is what sales analytics does. So, sales readers use these metrics particularly in sales analytics to set goals, to determine KPIs, to improve internal processes, to improve sales and marketing strategies and to forecast future sales and revenues more accurately.

For all these purpose we need sales analytics or linking your data to your performance.

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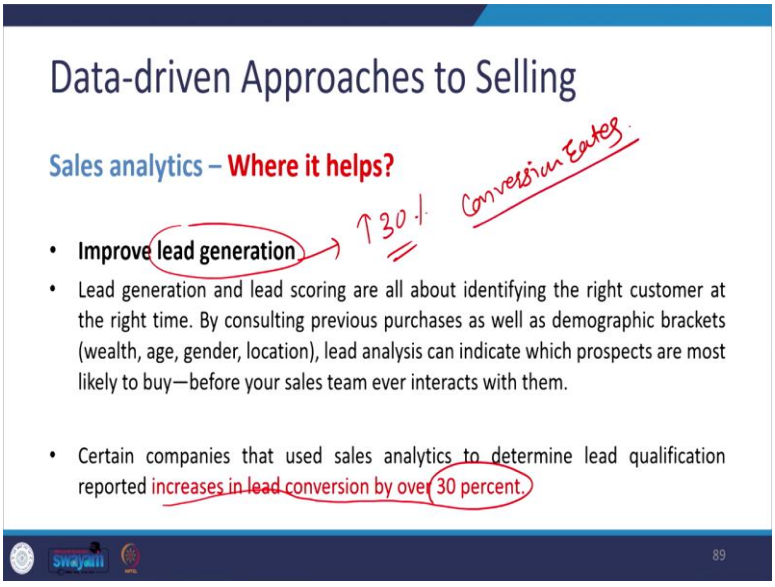

Now, why where it helps? Why we should use or one should go for sales analytics? First and foremost important function or benefit of going for sales analytics is to improve lead generation. So, lead generation and lead scoring are all about identifying the right customer at the right time and by consulting previous purchases as well as demographic brackets right. For example, age, gender. Lead analysis can indicate which prospects are most likely to buy before your sales team ever interacts with them.

So, your sales intelligence software will spike that kind of you know ticket or something with the indicator or trigger that gives an indication that particular customer is more likely to buy as compared to the rests. So, certain companies that use sales analytics to determine lead qualification reported increases in lead conversion by over 30 percent so that is the benefit. So, for lead generation if someone in is using sales analytics, he is more likely to have 30 percent increase in terms of conversion rates.

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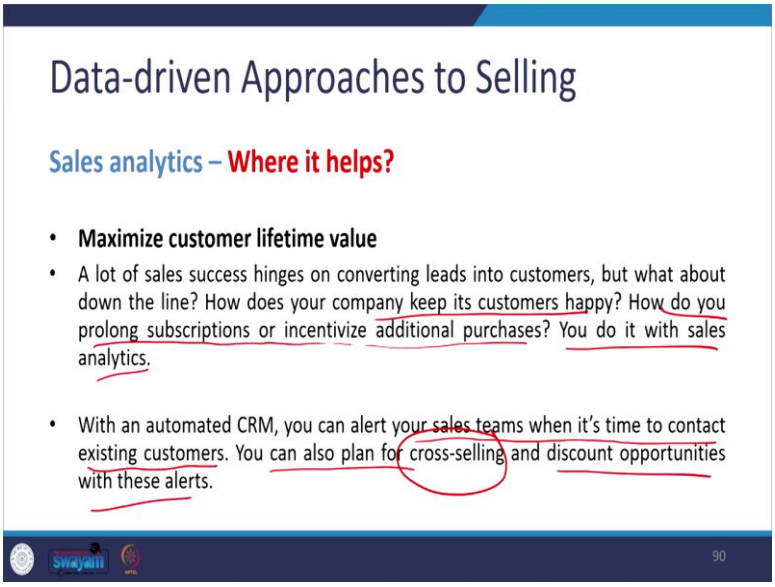


Next benefit is maximizing customer lifetime value. A lot of sales success hinges on converting leads into customers, but what happen down the line? What happens to the customer? So, how does your company keeps it customers happy? How do you prolong subscriptions or incentivize additional purchases from the same customer? You do it with sales analytics, here sales analytics software helps.

With an automated CRM you can alert your sales teams, when it is time to contact the existing customers, you can also plan for cross selling, right you are selling different

range of products complementary to what you have you have already sold and then discount opportunities with these alerts as well.

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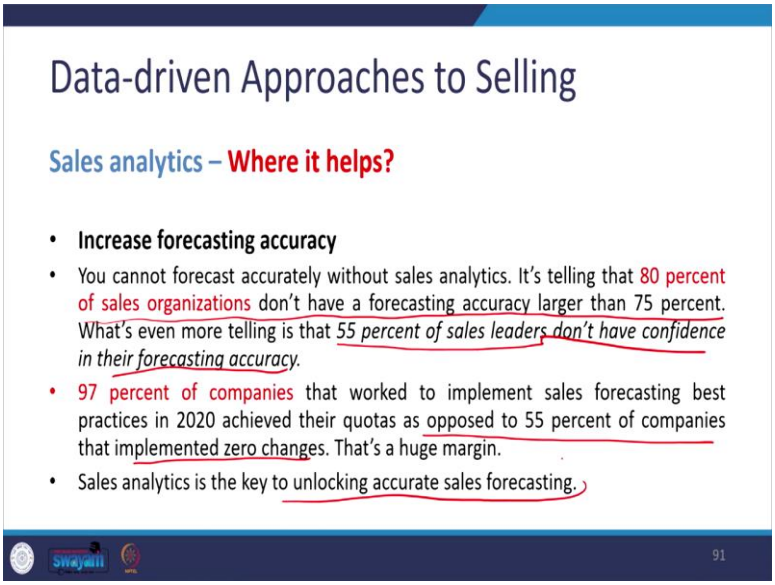


Third benefit or where it helps for sales team? Use of sales analytics helps to increase forecasting accuracy. So, you cannot forecast accurately without analytics, sales analytics. So, it is telling that 80 percent of sales organizations do not have a forecasting accuracy larger than 75 percent, right.

So, what is even more telling is that 55 percent of sales leaders do not have confidence in their forecasting accuracy. So, from where you are going to get that confidence, when you have accurate data, access to datam robust reliable data or real-time data. And from where it is coming from? Your sales centralized tool, but even if the data comes you need to do something on that. That is where we need sales analytics.

So, 97 percent of companies that work in work to implement sales forecasting based practices in 2020 achieved their quotas as opposed to 5 by 55 percent of companies that implemented 0 changes. So, someone who is using kind of you know sales analytics is more likely to be beneficial in the long run as well. Sales analytics is the key to unlocking accurate sales forecasting.

So, that is the crux of the particular slide. Third benefit is to gain insight into customers and personalization, nothing helps you craft better sales and marketing plan than your customer, if you listen to them.

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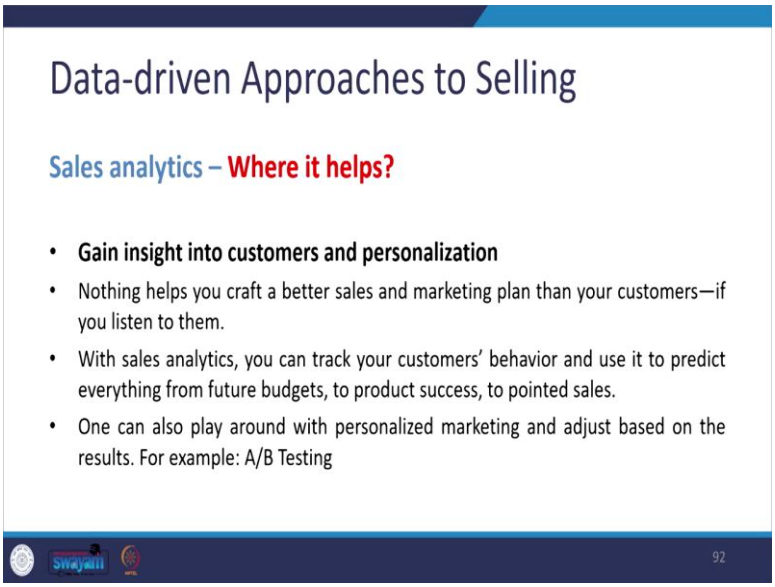


So, with sales analytics, you can track your customers behavior and use it to predict everything from future budgets to product success to pointed sales as well. So, one can also play around with personalized marketing and adjust based on the results. For example, A B testing. So, you do not know which kind of email template will work with particular client.

Your marketing team can create two different versions of the email, let us say A and B and you test them with similar kind of audience and you see who are the people or who are the accounts who are opening it, reading it and even taking action on the particular content that you have shared. And then you can choose the best one which has given the best result, when you are whenever you are planning for the next email campaign.

So, that is how A B testing works, right. So, that is for personalization also to gain insights into more about your customers sales analytics can help us.

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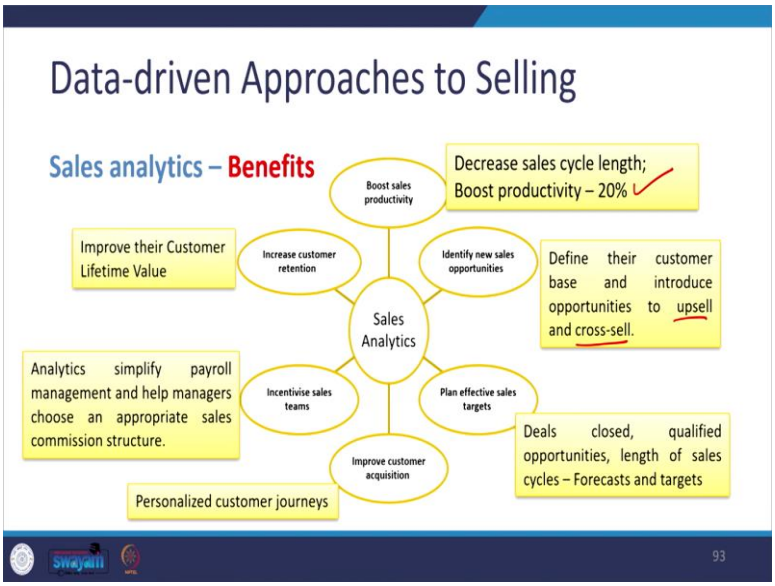


So, just to jot down a different kind of benefits in one slide. Here are the 6 benefits one can derive from sales analytics or use of sales analytics. First is boost sales productivity. So, sales analytics can help you decrease sales cycle length, because you have more information about a particular customers and it will help you to boost your productivity of your sales team by almost 20 percent, which is not; which is not less right.

Coming to the next benefit, identify new sales opportunities not just existing customers right. Define the customers base and introduce opportunities to up-sell and cross-sell. Nobody wants to engage kind of you know into an activities which are more focused on just creating new customers, because as you are aware it is 5 times more costly to acquire a customer as compared to retain a customer.

So, it is better to identify new sales opportunities from your existing customers as well. Plan effective sales target, that is where again sales analytics have benefits. So, deals closed qualified opportunities, length of sales cycles. So, it across all these kind of you know scenarios sales analytics can help us and eventually it will help us to forecast well and achieve the targets or even forecast the targets as well.

Next benefit is improve customer acquisition. So, you can have access to personalized customer journeys or kind of you know the process through which a customer is transformed through the self-funnel and accordingly you can have a personalized messaging or personalized marketing campaigns for that particular customer.

Next benefit is incentivizing sales teams. When it comes to incentivization of particular sales team its required to have data across sales people, across territories, across product categories and all. So, analytics simplify payroll management and health manager choose an appropriate sales commission structure as well.

And finally, increase customer retention where you can improve the customer lifetime value, having a you know kind of you know adding more features to your product or solution. And taking that benefit to retain that customer for a longer period of time. So, sales analytics is nothing but a data driven sales approach.

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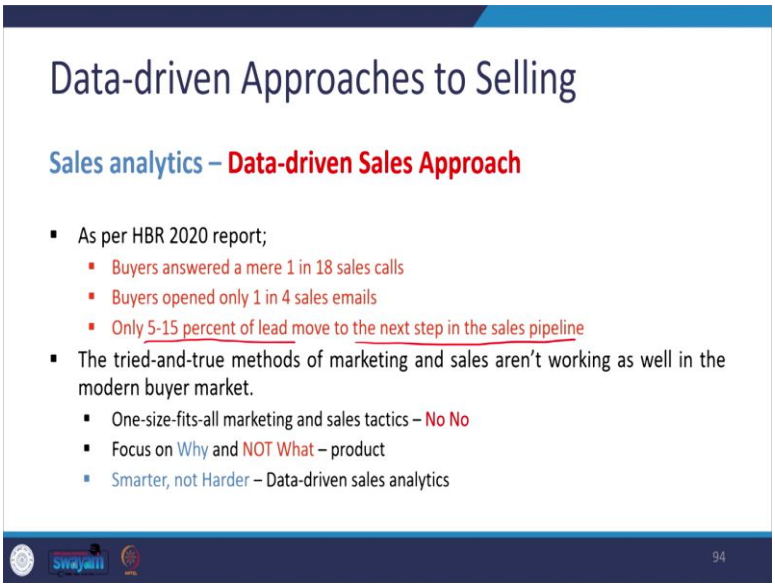


So, as per the Harvard Business Review 2020 article or report, the stats are very kind of you know horrible. So, buyers answered a mere 1 in 18 sales call right, buyers open only 1 in 4 sales email and only 5 to 15 percent of lead moves to the next step in the sales pipeline. So, see the kind of attrition that is happening, the kind of avoidance coming from the customer.

So, it is very important to personalize or target and segment your audience accordingly and then pitch your products and services accordingly. The tried and true methods of marketing and sales are now not working these days. For example, one size fits all marketing and sales tactics is strictly no today.

Focus on why and not what your product can do or your solution can do to the customer. It is important to take an approach of smarter and not harder way to look at data driven sales analytics right. So, these are the some benefits or these are the changes that is happening in the market. So, now, what are the different types of analytics altogether? So, there are basically 4 types of analytics, first one is descriptive what happen?

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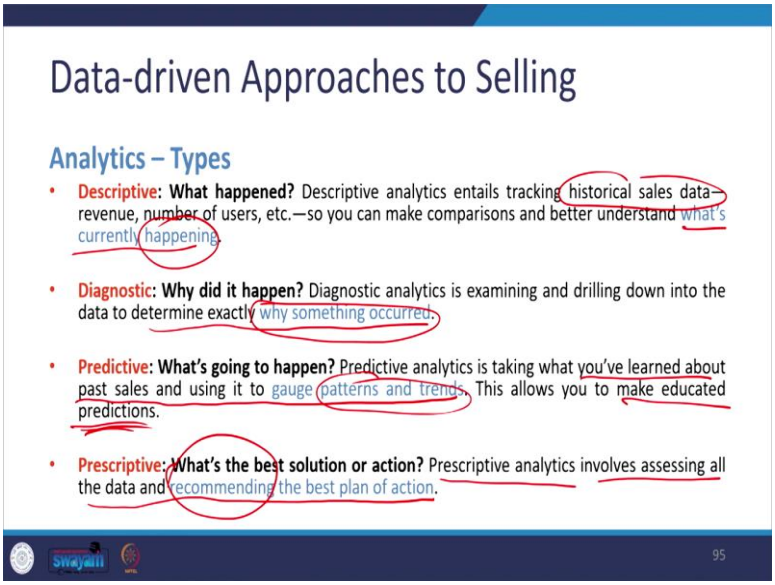


So, it answers the question what happened. So, descriptive analytics entails tracking historical sales data, revenue, number of users etcetera. So, you can make comparisons and better understand what is currently happening. So, that is an objective of descriptive analytics. Diagnostic analytics why did it happen?

So, you are talking about reasons. So, diagnostic analytics is examining and drilling down into the data to determine exactly why something occurred. Predictive analytics is about what is going to happen. So, predictive analytics is taking what you have learned about past sales and using it to gorge patterns and trends so that you can predict for the future.

Prescriptive analytics the fourth type of analytics is about what is the best solution or action. So, prescriptive analytics involves assessing all the data and recommending the best plan of action. So, if you look at these definitions, descriptive is about what is happening, diagnostic about why something occurred, predictive is about making patterns and trends and then you know kind of make educated predictions right.

And then prescriptive is all about recommending, recommending the best plan of action considering the last kind of you know data that you have.

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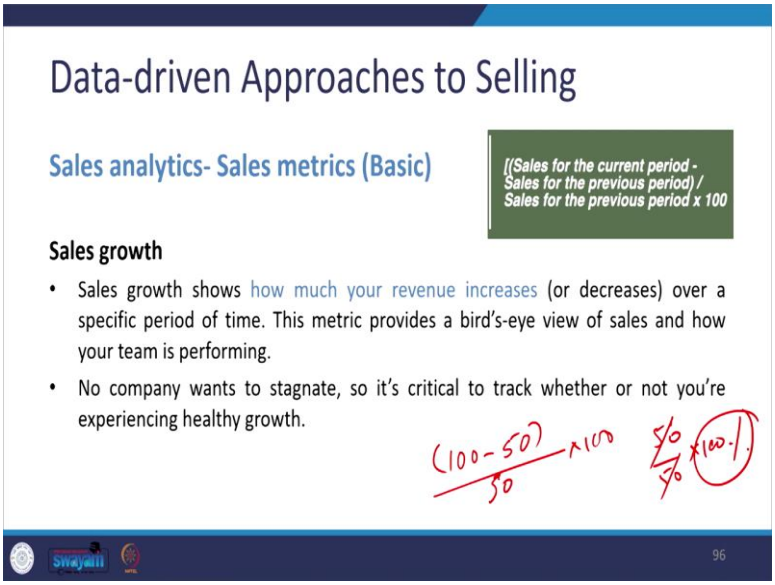


Let us look at different kind of sales analytics, where we are using different kind of approaches as we are talking about to the selling, that what are the different sales metrics are available with the sales team or a salesperson. There are some basic kind of you know metrics that are used by sales person or sales teams and there are some advanced.

Let us look; let us look at each of them individually or one by one. Sales growth is the first simplest kind of sales metric. So, sales growth shows how much your revenue increases or even decreases over a specific period of time, this metric provide a bird's eye view of sales and how you your team is performing. So, no company wants to stagnate right, everybody wants to grow. So, it is critical to track whether or not you are experiencing healthy growth or you are becoming more and more stagnant over a period of time.

So, simple formula here is the sales for the current period. So, let us say you have; let us say you have sold 100 units in this month minus sales from the previous period, let us say for last month from you sold only 50 units divide that with the sales for the previous period, let us say for 50 again and into 100. So, that comes to 50, 100 minus 50 50 upon 50 into 100 that is 100 percent. So, that is what your sales are growing. Numbers can be changed, but that is how it is calculated.

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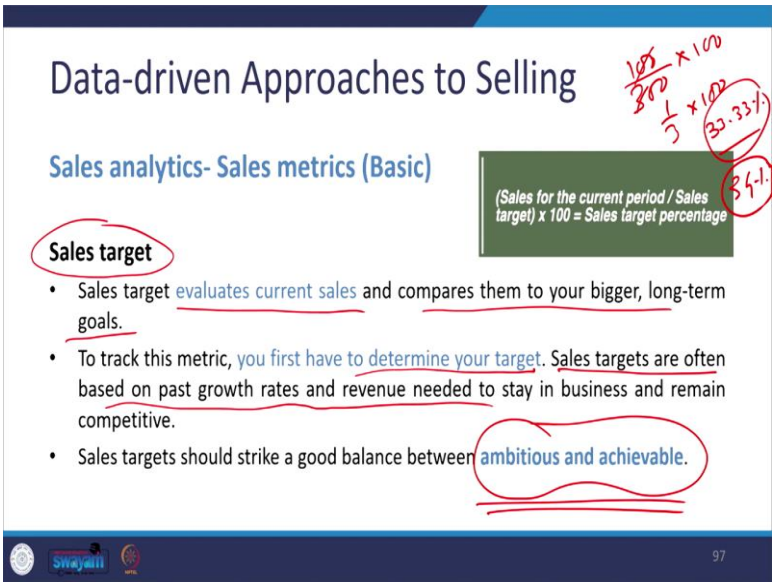


Next simple or basics metric used by sales people is sales target right. So, sales target evaluates current sales and compares them to your bigger long term goals, you know how much you are in the kind of you know season, right. So, to track this metric you first have to determine your target. So, sales targets are often based on past growth rates and revenues needed to stay abreast.

And sales target should strike good balance between ambitious and achievable kind of you know objectives. So, sales target should not be something which is not achievable right. So, we already talk about smart objectives like specific measurable accessible and all. So, this is something like same here the sales target should be ambitious, but at the same time it should be achievable.

So, how to calculate sales target kind of an metric? So, sales for the current period let us say 100 again, divided by the sales target we plan to sell around let us say 300 right and then you multiply it to your 100. So, 1 by 3 into 100 approximately 33 point let us say 33 percent. So, that is what your sales target is. That means, you achieved as of now you have achieved 33 or let us for say 34 percent of your sales target and yet there is more to achieve right, almost 66 percent is yet to be achieved down the line.

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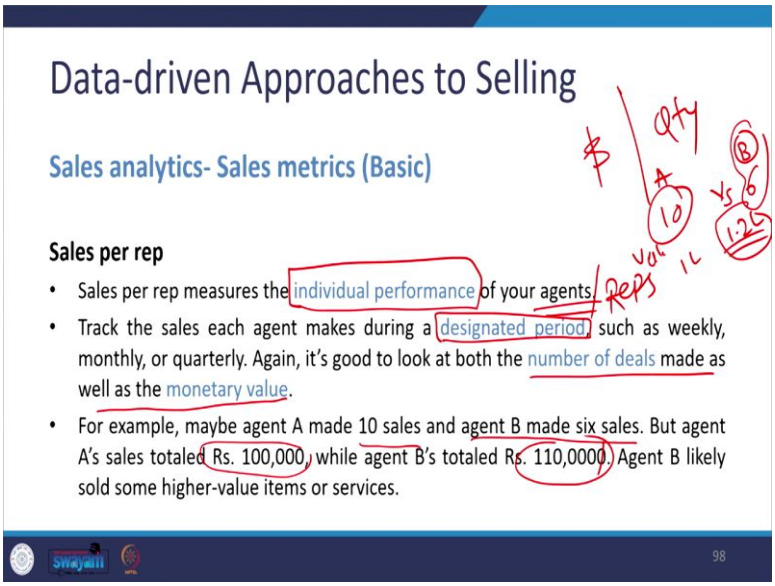


Next key metric is sales per representative or per sales person. So, sales per rep measures the individual performance of your agents or your reps for that sake exact. So, representatives strike the sales each agent makes during a designated period. So, you need to frozen down one period, let us say quarter or year or let us say semester, such as weekly monthly quarterly again it is good to look at both the number of deals made as well as the monetary value.

So, you can either look at value or amount that is quantity of the sales a particular sales person or agents have achieved. So, for example, maybe A agent A or sales person A made 10 sales and agent B made only 6 sales right, but agent A sales total 100,000 rupees whereas, agent Bs total 110000 rupees sorry. So, agent B is likely to have sold some more higher value items or services.

So, if you just look at numbers, like 10 sales versus 6 you might say it kind of you know A has done better because he has closed more, but if you look at a value right let us say it is 1 lakh its 1.2 lakh. So, you can be saying that you know we even if agent B has made only 6 convergence, he might have sold some higher a kind of you know higher value items to the customers and that is why he has able to achieve that kind of you know higher sales value.

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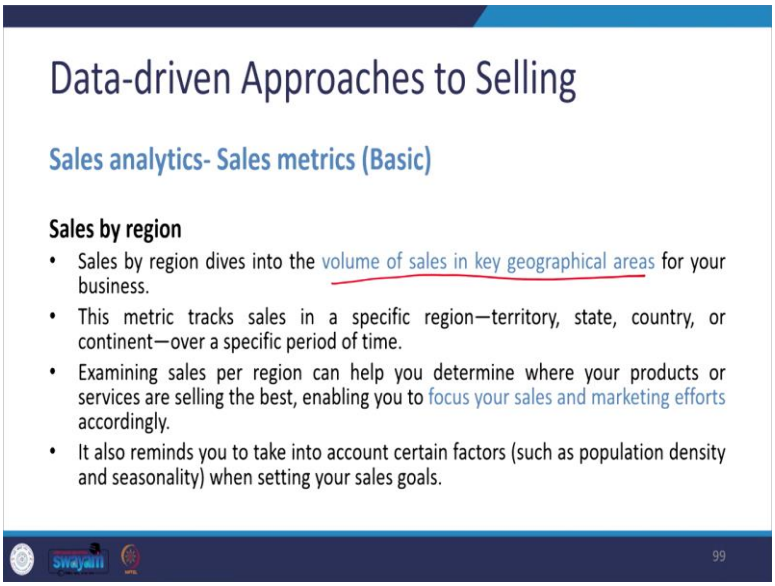


Next key metric is sales by region: sales by region dives into volume of sales in key geographical areas for your business or company. This metric tracks sales in a specific region, let us say for say territory, state, country or even continent over a specific period of time. So, examining sales per region can help you determine where your products are services are selling the best, enabling you to focus more on those areas and more efforts selling and marketing efforts across those accounts.

It also reminds you to take into account certain factors, such as population density and seasonality when setting your sales goals as well.

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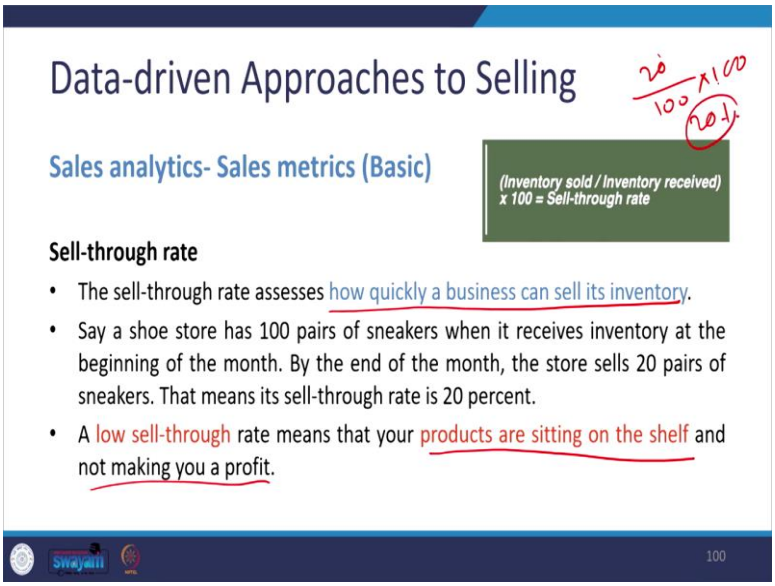


Next key metric in sales analytics is sales through rate, sale through rate. So, the sale through rate assesses how quickly a business can sell it in its inventory. So, say a shoe store has 100 pairs of sneakers, when it receives inventory at the beginning of the month, by the end of the month the store sells 20 pairs of sneakers only; that means, it sells see the particular stores sell through rate is 20 percent.

So, it is very simple metric. A low sell through rate means that your products are sitting on the shelf and not making your profit, even the metric is so simple, see the kind of insight that you are getting. You can easily say what kind of product or product categories are moving fast across your shelves; that means, they are having a high sell through rate.

And then you can focus why there are some category of products which are not moving as per the desired speed, right. So, they are sitting on the shelf and not able to make convert into a profit. So, simple formula is inventory sold upon inventory received. So, for example, in this 6 sneakers pairs, there were 100 pairs received out of that only 20 have been sold. So, you take the percentage it becomes 20 percent. So, simple metric.

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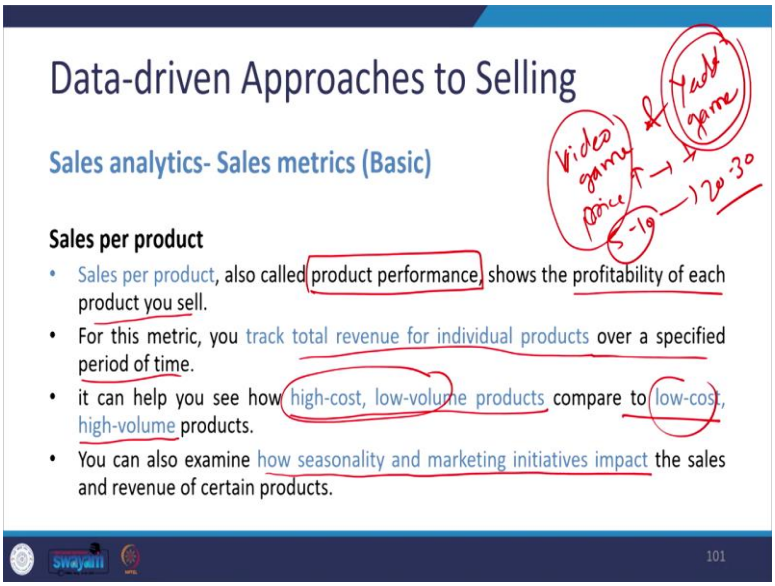


Next, basic sales metric used in sales analytics is sales per product. Now, you identified sales per representative also. Now, you can do the same thing for sales per product. So, sales per product also called product performance in other terms, shows the profitability of each product you are selling. For this metric you track total revenue for individual products over a specific period of time.

So, it can help you see how high cost low volume products compared to low cost high volume products. So, for example, a store has let us say video games right and it also stores along with video games, let us say it has let us say yard games or something like that. Now, video games cost a lot. So, they are so their prices are high, yard games are low price, right.

But in terms of moving across like you know how much you are selling you might be selling 5 to 10 video games in a month, but at the same time when season comes, like you know in vacation and all you might be selling more of yard games, let us say you know 20 to 30 or something like that. So, this gives you an exact idea about the high cost low volume, here we are talking about video game compared to low cost and high volume that is the yard game.

So, that is how a sales per product can give you more insight, this particular key metric can gives you more insight into how your products are performing. You can also use this particular metric to see how seasonality and marketing initiatives impact. So, whenever

you have let us say sale discount offers or promotions, in which across which categories this high cost low volume versus low cost high volume products, which one is which one is kind of you know required that kind of promotion from your sales team.

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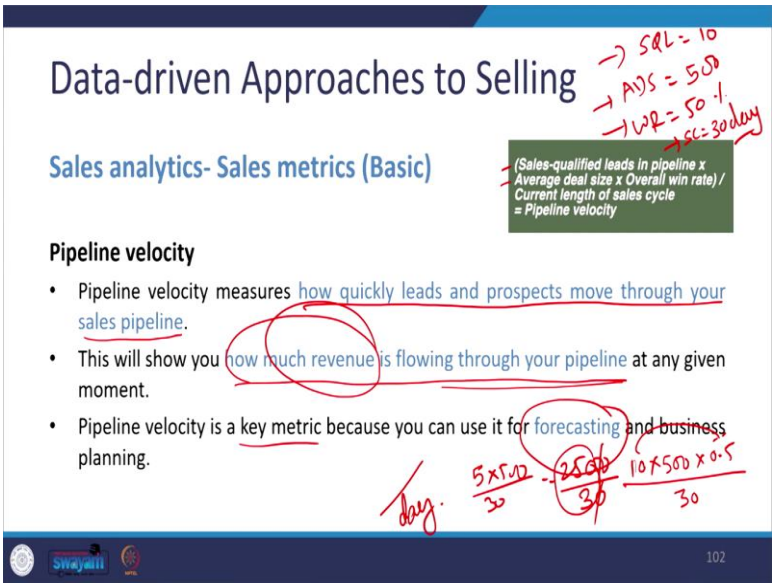


Coming to the next important metric is sales metrics is pipeline velocity. So, pipeline velocity measures how quickly leads and prospects move through your sales pipeline, right. So, this will show you how much revenue is flowing through your pipeline at any given moment. So, pipeline velocity is a key metric because you can use it for forecasting and business planning as well.

So, for example, you have let us say sales qualified leads are let us say 10 and average deal size you required another kind of you know input for this, average deal size ADS let us say is your kind of you know let us say 500 rupees or something per deal that is an average size of deal and then overall win rate, that is 10 customers walking in you are converting 50 percent of them.

Let us say your win rate right is 50 percent and then your current length of cycle. So, you are able to sell these kind of you know products in across let us say 1 month or 30 days. So, your sales cycle is 30 days and you can feed these inputs into this particular formula right. So, sales qualify leads in pipeline are 10 into average deal size is your 500 rupees right into your overall win rate is 50 percent that is 0.5.

And then you divide this with your current length of sale cycle, let us say 30 days. So, it is 5 into 500 divided by 30. So, you have you are selling goods worth 2500 in 30 days and then you just calculate whatever number of dollars or rupees sale you are doing per day. So, it is a per day you can say this is much of revenue is flowing through your pipeline in a particular day.

So, that is the simple kind of a metric that businesses uses. Coming to the next is metric is quote to close.

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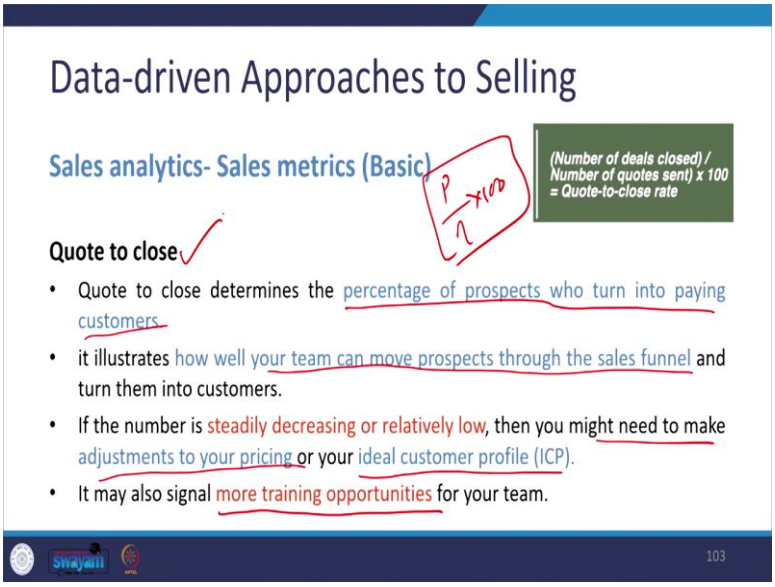


So, quote to close determines percentage of prospects who turn into paying customers right. So, its number of prospects you have n and you converted p so that is the ratio of that is the ratio what we are looking essentially here at quote to close. So, it illustrates how well your team can move prospects through the sales funnel, right.

So, it gives an indication that whether you are able to convert most of that. So, if you are hitting a striking a ratio of 100 percent; that means, whatever quotes you are giving to your customers you are able to convert all of them into a customers. So, if the number is steadily decreasing or relatively low, that is the rate signal then you might need to make adjustment to your pricing or even to your ICP that is ideal customer profile.

It may also signal more training opportunities as well, right. So, maybe your ideal customer is right customer profile is correct, you are having an best pricing in the

market, but your sales team is not able to push those products or convert those kind of you know quotations into final customers, quotes into a customers. That means, your sales people or sales team need more training opportunities. So, that kind of insights you can derive from this kind of particular metric called as quote to close.

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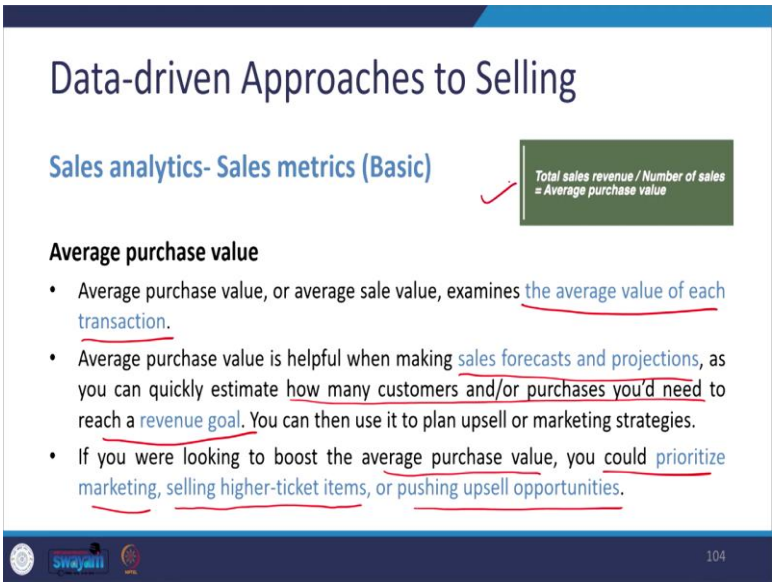


Next metric used by used in sales analytics is average purchase value. So, average purchase value or average sales value we can say examines the average value of each transaction, its average deal size in a Layman's language. So, average purchase value is helpful when making a sales forecast and projections, as you can quickly estimate how many customers or purchases you would need to reach a particular goal.

So, if you want to reach out to x number of deals in future and you know the average purchase value, you can very well calculate number of customers you require to achieve that particular target. So, if you are looking to boost the average purchase value, you could prioritize marketing, you can you know selling you can sell more higher-ticket items or higher highly price items or you can push for upsell opportunities with your existing clients as well.

So, total sales revenue here is the formula, total sales revenue divided by number of sales is nothing but your average purchase value or average sale value.

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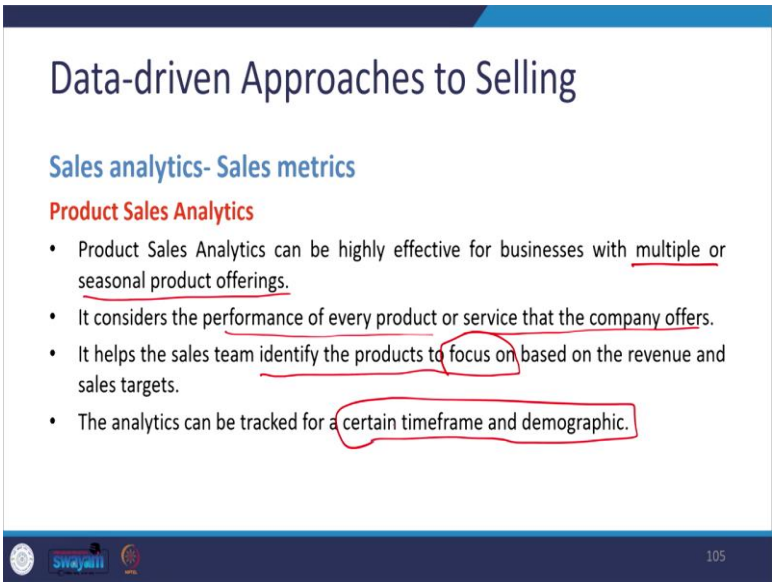


Next, kind of sales metrics now let us look at product sales analytics. How what are the different ways or different metrics available to study product sales? So, product sales analytics can be highly effective for businesses with multiple or seasonal product offerings. So, who are going to use it?

So, it consider the performance of every product or service that the company offers, it helps the sales team identify the products to focus on right and also which products to kind of you know get away with. The analytics can be tracked for certain time frame and demographics as well. So, what we are going to use here, what are the different metrics available under this umbrella term that is product sales analytics.

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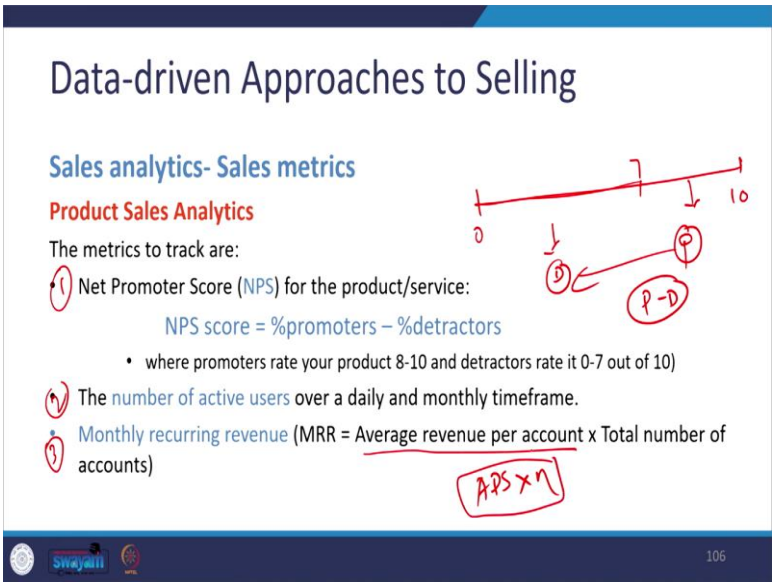


So, the matrix here we can track are, first one is a net promoter score which is acronymed as NPS for the product or service. It is nothing but the percentage of promoters divided by sorry minus percentage of detractors. So, where promoters rate your product 8 of 10 and detractors are the people who are rating your product let us say 0 to 7. So, you make a scale from let us say 1 to 10 right, sorry 0 to 10 someone who is giving rating to your product up to 7 we call them as detractors.

And someone who has given 8, 9 or 10 these are the people whom we can call as promoters. You take the difference P minus D gives you a net promoter scale, how many people are there in the market who are kind of you know willing to recommend your product to the other customers. So, the number of active users or a daily and monthly time frame can be another metric right.

So, this is the first one is NPS, second one is your number of active users and then third metric can be monthly recurring revenue which is nothing but average revenue per account, like you know average revenue you are generating from that particular single account into total number of accounts.

So, its again like an average deal size, into number of accounts right. So, that is nothing but your monthly recurring revenue.

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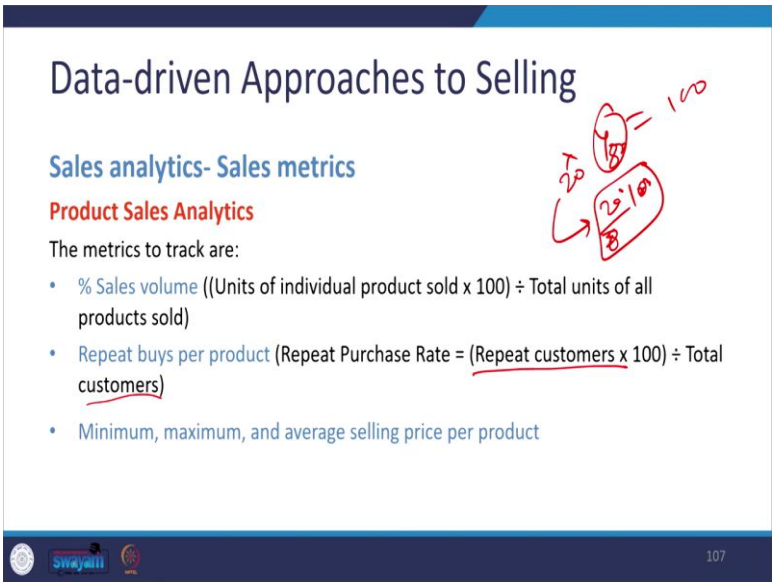


Another metric under this term, this product sales analytics is percentage sales volume which is units of individual product sold into 100 divided by total units of all product sold. So, if you are selling let us say you want to know what kind of products are moving you have x and y. So, maybe together you have sold 100 items.

So, x 20 and y items you have sold around 80. So, it is nothing but like a 20 percent is what x you have sold right. So, 20 percent is nothing but your sales volume. So, product x makes up around 20 percent of sales volume, where 80 percent revenue is coming from product y. Repeat buys per product is another metric which is nothing but repeat customers into 100 divided by total number of customers, it is a very simple kind of an metric.

And then minimum maximum an average selling price per product, because you in between you will be giving some discounts or you might be increasing prices as well. So, you will be required to track minimum, maximum and average selling price per product so as to give a full picture of how different products perform as compared to each other.

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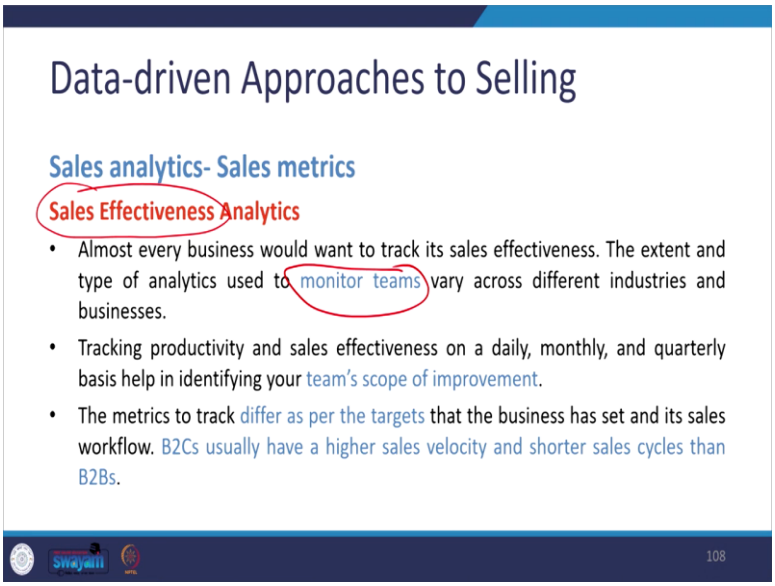


Coming to the next kind of you know techniques or metrics that are used is sales effectiveness analytics. Here almost every business would want to track its sales effectiveness, the extent and types of analytics used to monitor teams. So, this you are using specially for your calculating your sales effectiveness.

So, tracking productivity and sales effectiveness on a daily monthly or even quarterly basis helps in identifying your teams scope of, scope of improvement. So, the matrix to track here differ as per the targets that the business has set for the sales to workflow. So, for example, B2C to B2B right. So, there will be difference the way you are using this particular metric under this criteria or this analytics approach.

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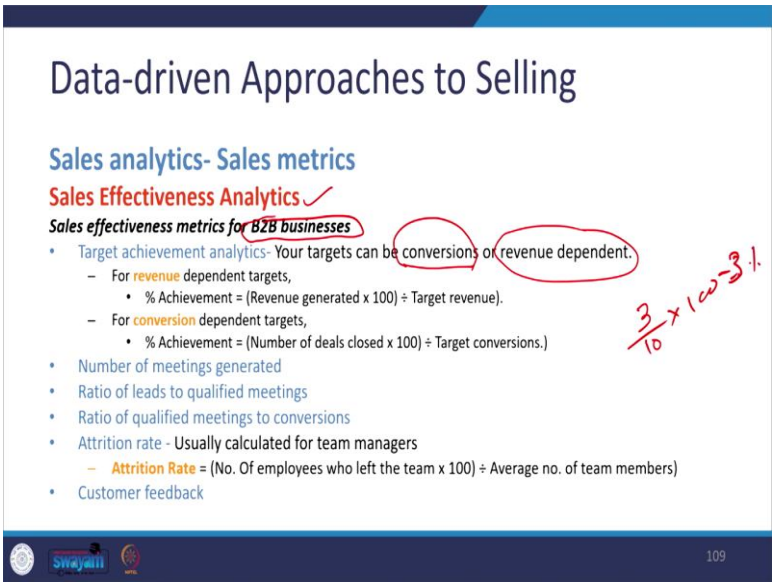


So, for example, B2B businesses; if you are in a B2B businesses and you are using sales effectiveness analytics, what are the different metrics we have? First one is target achievement analytics right. So, your targets can be convergence again right you can ask your sales people to go for convergence or you can also ask them to go for revenue dependent.

The objectives can be different so for revenue dependent targets, percentage achievement is equal to revenue generated into 100 divided by total revenue. Whereas, for convergence its number of deals close into 100 divided by target convergence. So, that is the one metric to look at, another metric is number of meetings generators that can be a key kind of you know metric to evaluate the sales effectiveness of your team.

Another metric is ratio of leads to qualified meetings right and then ratio of qualified meetings to convergence as well. Attrition rate is again another important metric under this umbrella, using calculated which is usually calculated for team managers. So, attrition rate is number of employees who left the team, let us say three people left out of you know let us say 10.

So, you easily say that there is a 3 percent attrition. And then finally, customer feedback is one of the best way to evaluate your sales force.

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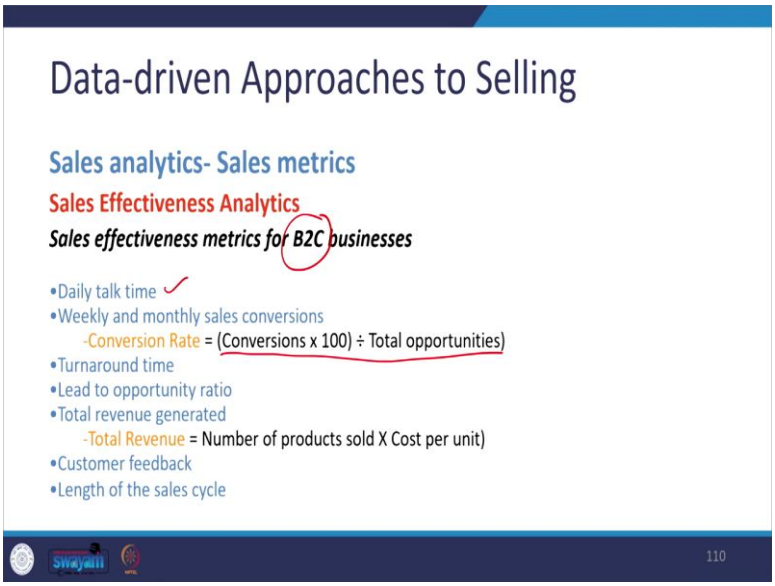


Coming to the sales effectiveness matrix for B2C businesses, you can look at daily talk time how much time your sales representative or kind of you know expert is speaking with your clients or customers. Weekly and monthly sales conversions right. So, convergence into 100 divided by total opportunities, then turn around time with respect to a particular customer, how much time it is taking right from cold calling to conversion.

So, that is we can called as a turnaround time, lead to opportunity ratio right and then total revenue generated is again another metric, where you are focusing more on number of products sold into cost per unit. And then you can also use customer feedbacks and even assess the length of cycle sales cycles. So, as to achieve whether the particular B2C business or the people, who are working in this B2B who are handling that those B2C customers are working effectively or not. Next set of analytics metrics deals with sales pipeline analytics.

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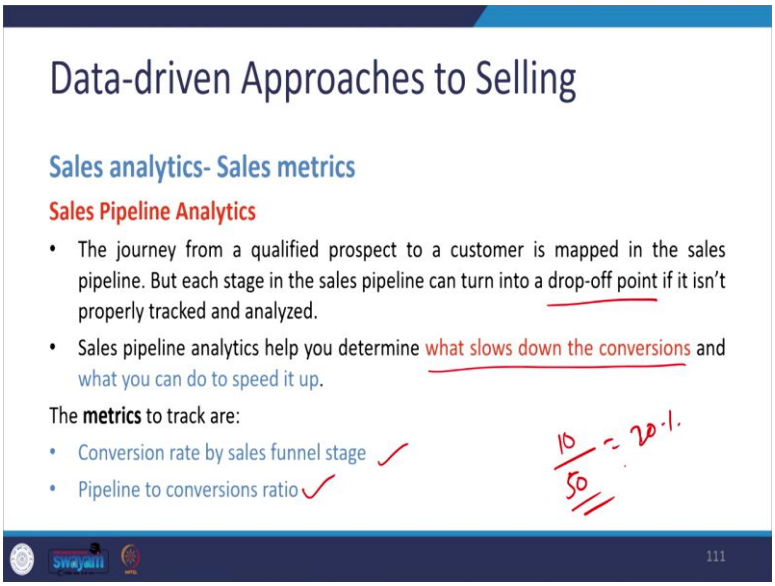


So, the journey from a qualified prospect to a customer is mapped in the sales pipeline, but each stage in the sales pipeline can turn into drop-off point right. So, maybe some customers will leave of the pipeline in between and they may not reach to the end point that is being an actual customer right. So, sales pipeline analytics help you determine what slows down the convergence, right, what slows down the conversions.

And what you can do to speed it up. So, you it will reflect an idea or insight such that you know from where or what are the points in the sales plan sales pipeline from where there is a leakage is happening. And then you can just you know work out around those points. So, the key matrix to track here are conversion rate by sales funnel stage, like for each stage of sales funnel what how many percentage are people are going forward from stage 1 to 2, 2 to 3 and then you can also have pipeline to conversion ratio as well that is another kind of you know metric.

So, for example, you have 50 people in the pipeline and you have only converted 1 or maybe 10. So, you can say that there is a kind of you know 20 percent is nothing but your pipeline to conversion ratio.

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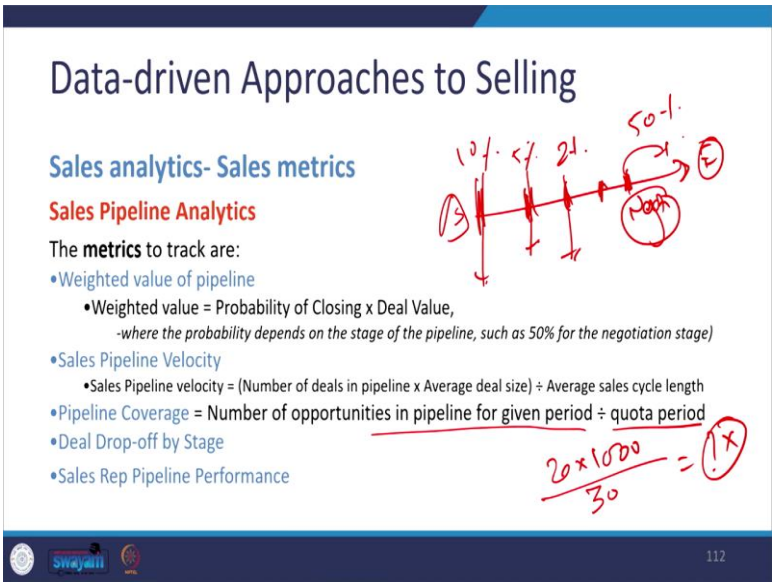


Again there are other metrics in this domain as well. So, like weighted value of pipeline. So, weighted value is equal to probability of closing into deal value. So, where the probability depends on the stage of the pipeline such as 50 percent for the negotiation stage; that means, if someone has reached so far like start and end and here it is a negotiation.

That means, he is at the final stage of you know finalizing the offer and receiving the product. That means, he is more likely to convert those there is a 50 percent chance. So, you can just map across stages, there might be what kind of you know drop off can happen across particular sales funnel. Sales pipeline velocity again is an important, which is nothing but number of deals in pipeline. Let us say you have 20 deals in your pipeline and average deal size based on your historical data is let us say 1000 rupees or something like that.

And then you divide this using your average sale cycle length, let us say 30 or 30 days or 10 days, whatever the time period you are looking at. And then you calculate this and you will get that particular x amount as your sales pipeline velocity. So, pipeline coverage is again another metric, which talks about number of opportunities in pipeline for a given period divided by quota period. And then there are other two kind of metrics like deal drop off by stage, right.

So, 10 percent got dropped from here 5 percent, drop off from the next stage 2 percent, dropped off from the third stage. So, similarly you can have that deal drop off by stage. And then sales rep pipeline performance as well. So, across each kind of you know stage how your sales person is performing, how many kind of you know leads he is converting into the next stage. Predictive analytics for sale strategy is another way where sales analytics can be used.

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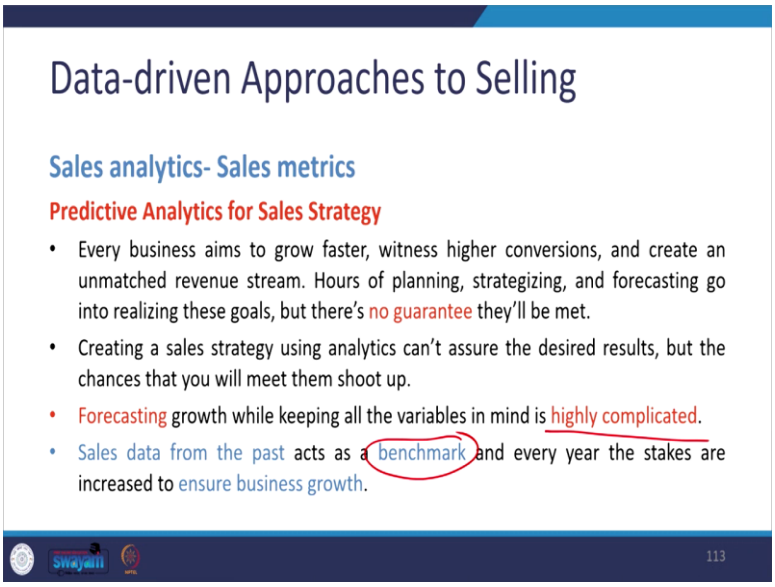


So, every business aims to grow faster, witness higher convergence and create an unmatched revenue system. Hours of planning strategizing and forecasting go into realizing these goals, but there is no guarantee that they will be met right. So, creating a sales strategy using analytics cannot assure desired results, but the chances that you will meet them shoot up and that is why we need predictive analytics.

It will help you to focused more accurately. There will be always some error, there is not 100 percent conversion or no guarantee that every time whatever you are forecasting will be able to achieve. So, forecasting growth while keeping all the variables in mind is highly complicated.

So, we need to appreciate that thing and then sales data from the past act as a benchmark. So, it only acts as a benchmark, it will not kind of you know give surety that you will convert all kind of forecast into actual goals. But yes every year that ensures as your business is growing in the bench, the particular data from past will act as a benchmark

and if you are using a right predictive analytics tools you will be kind of improvising on your forecasting strategy.

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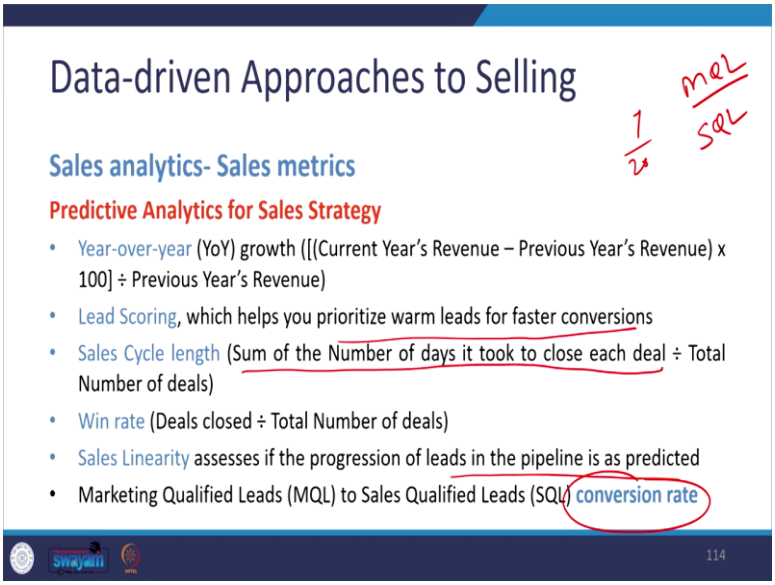


So, what are the different metrics you can look under predictive analytics sales strategy? First and most simple is year on year growth, we usually heard this term across newspapers and news right. So, it is current years revenue minus previous years revenue into 100 divided by previous years revenue. Like our company is growing or our accounts are growing 20 percent year on own, right. So, every year you are adding 20 percent more accounts into your business.

Lead scoring is again another metric that you can use in predictive analytics, which helps you prioritize warm leads for faster convergence. Sales cycle length which is nothing but sum of the number of days it took to close each deal, let us say you are taking 7 days to close 1 deal divided by total number of deals right. So, that gives you kind of you know sales cycle length.

Then win rate win rate is another kind of a metric, where deal closed divided by total number of deals. And sales linearity which assess if the progression of leads in the pipeline is as predicted. And then finally, you can have conversion rate calculation where you are taking MQL divided by SQL right. So, that kind of a conversion what you are doing is nothing but your conversion rate.

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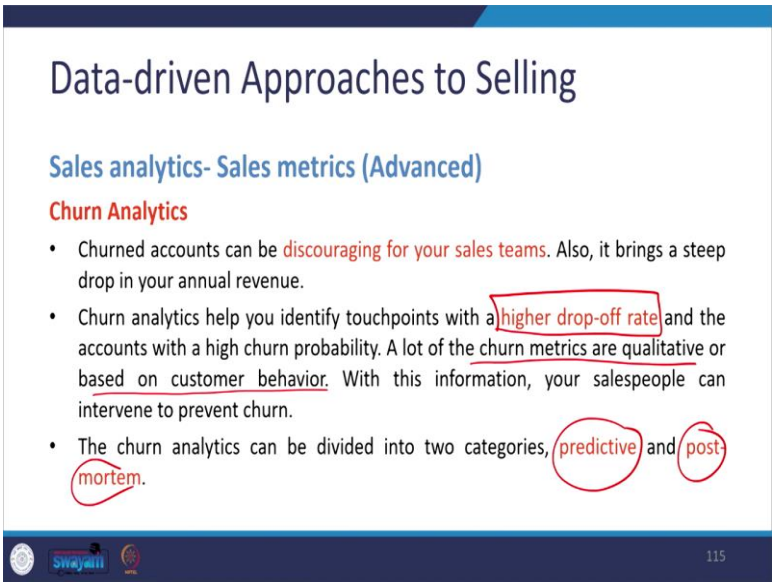


Coming to the churn analytics part. Now, here we are entering into an some advanced data driven approaches to sales analytics. So, churn accounts can be discouraging for any sales team across the world, also it brings steep drop in your annual revenue as well. So, churn analytics help you identify touch points with a higher drop of rate that is why that is what the main objective of churn analytics and the accounts with the high churn probability.

A lot of the churn metrics are qualitative or based on customer behavior, with this information your sales people can intervene to prevent that particular churn, because you as the person knows from which are the stages from where I am there is a more possibility that I will be losing out on my lead. So, identifying those stages or those points is important and that is where churn analytics helps us.

The churn analytics can be divided into 2 categories, there can be predictive churn analytics or there can be postmortem that is you know after churn happen you tend to analyze why did that happen, why this work to turn out.

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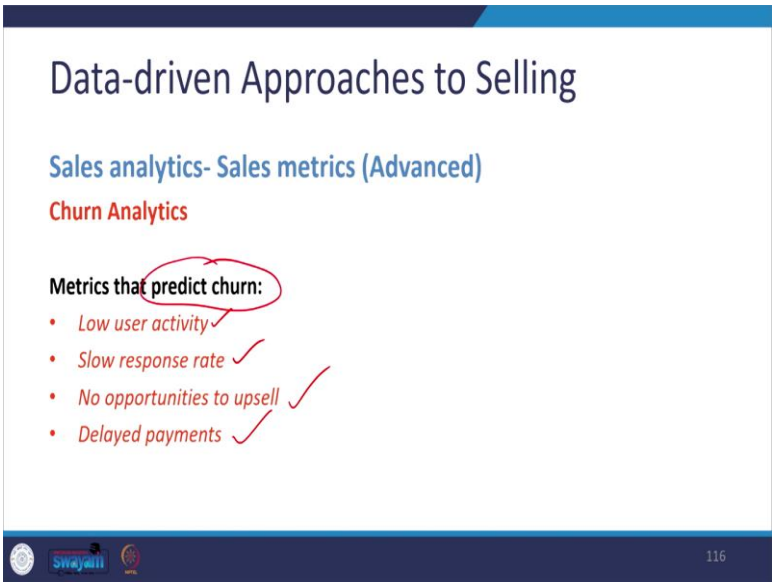


So, churn analytics the metrics that predict churn you can use, you can look at indicators like low user activity, slow response rate, no opportunities to upsell delayed payments. So, these are all the indicators that you can predict that particular kind of you know customer may leave your kind of you know business ecosystem and maybe looking for other competitors.

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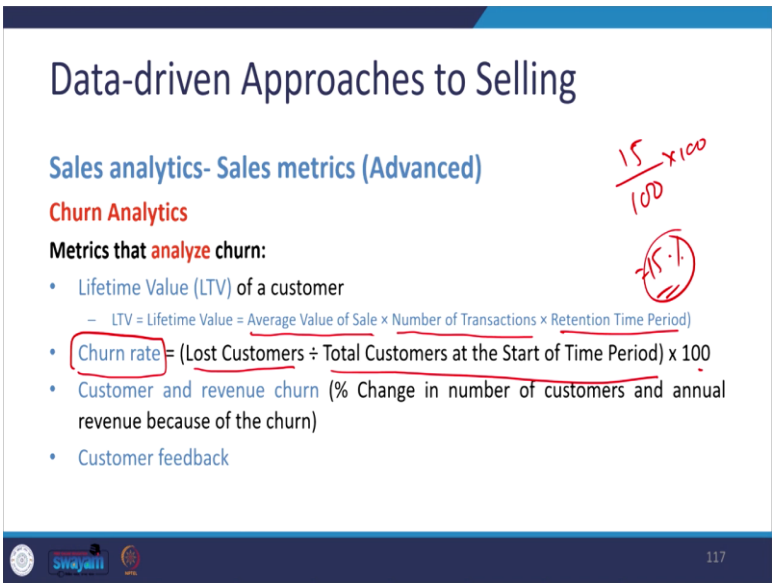


Metrics that analyze churn like a postmortem, you can use LTV values that is customer lifetime value to look at who are the customers, who can why and why they kind of you

know drop off from the stages. So, lifetime value is equal to average value of sales into number of transactions into retention time period. So, that is gives you a particular picture of customer lifetime value.

Churn rate again is an important kind of you know variable that to look for which is nothing but lost customers divided by total customers at the start of time period into 100. Let us say at the start of year you had 100 customers and you lose out of, lose 15 from them, right. So, it becomes 15 percent is what you know your churn rate is.

So, customer and revenue churn is again a percentage change in number of our customers and annual revenue because of the churn. And then you can also look at customer feedback to analyze why a particular customer or business firm stopped having business with you or stopped using your products or solutions. And finally, marketing analytics. Here there are different metrics, you can use in marketing analytics so MQLs.

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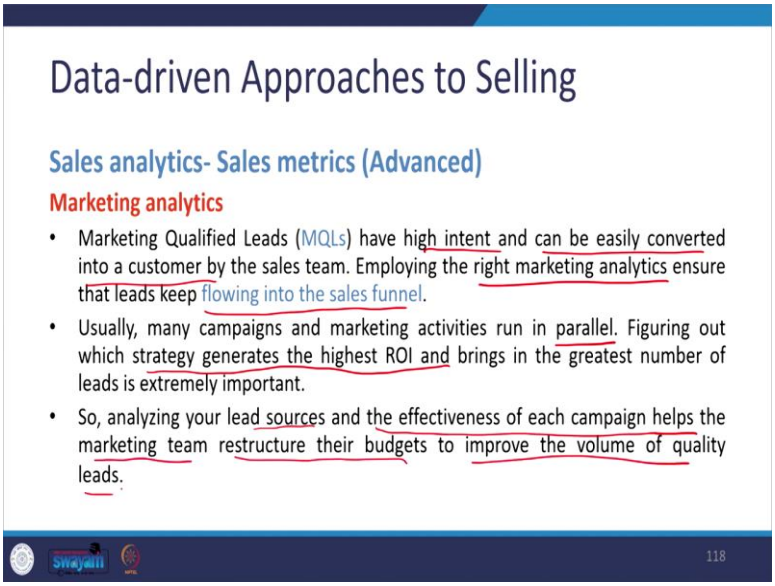


Which are known as marketing quality qualified leads have high intent and can be easily converted into customer by the sales team. Employing the right marketing analytics ensure that leads keep flowing into the sales funnel right. So, it is a job of marketing team to create leads and pass on to the sales, right. So, usually many campaigns and marketing activities run in parallel, figuring out which strategy generate the highest ROI is important.

And that is why we are using marketing analytics at this stage. So, analyzing your lead sources and the effectiveness of each campaign helps the marketing team to restructure their budgets and to improve the volume of quality leads.

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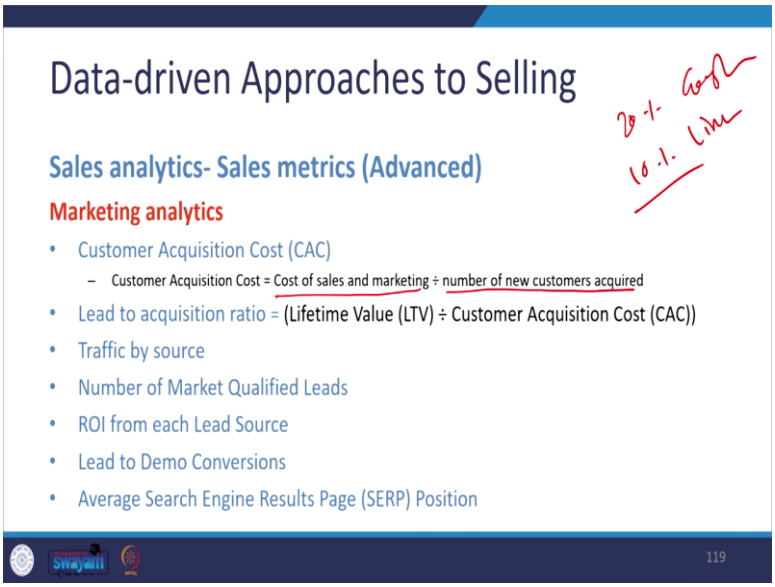


So, what are the different metrics that we are using under the marketing analytics is, first one is customer acquisition cost, which is nothing but cost of sales and marketing divided by number of new customers acquired. Second metric is lead to acquisition ratio, like lifetime value divided by customer acquisition cost gives you a lead acquisition return.

Then traffic by source from where what are the different sources from where it is coming, whether you are getting 20 percent of traffic from let us say Google then 10 percent from your LinkedIn and so and so on. So, you can identify traffic by source, then you can have number of market qualified leads generated that is again one metric you can track.

Return on investment from each lead source leads to demo convergence right and then average search engine result page position. Like you know in last month how many times your web page or your kind of you know company was put on a Google search engine result page, whenever the particular customers search for the particular query. So, just to sum up how these kind of different analytics merge into the business so as to achieve so that you can achieve business objectives.

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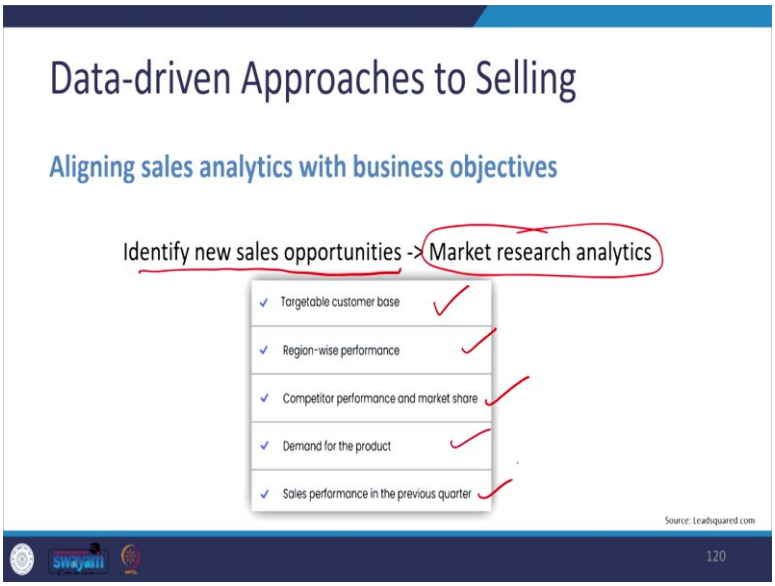


So, if your business objective is to identify new sales opportunities, you can straight away implement market research analytics and you can look for these kind of metrics. Like you can calculate targetable customer base, region wise performance, competitive performance and market share demand for the product and even sales performance in the previous quarter.

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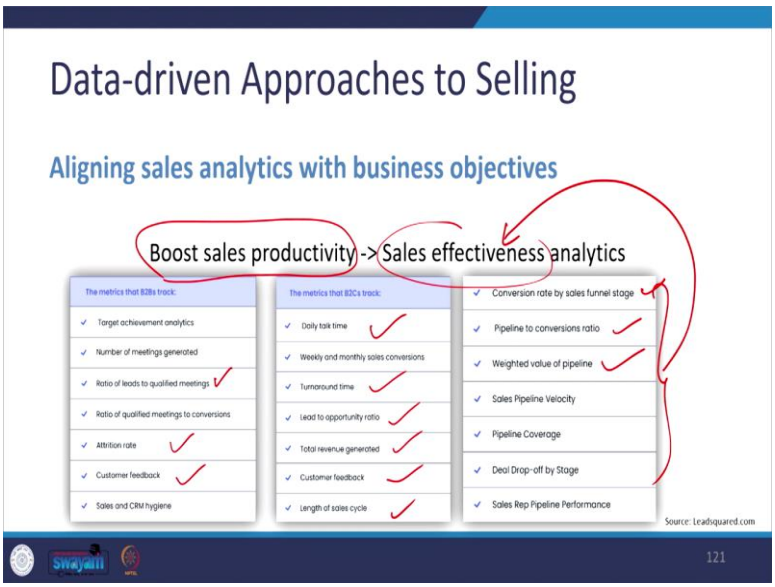


If the business objective is to boost your sales productivity, you can go for sales effectiveness analytics. Here you have different metrics to look at, as whether you are in

a B2B or B2C context. In B2B you can have different kind of you know metrics that are listed here like attrition rate, customer feedback, ratio of leads to qualified meetings and all. When you are in B2C you can track metrics like daily talk time, turnaround time, lead opportunity ratio, total driven you generated customer feedback and even length of a sales cycle.

And along with this, you can also have look at conversion rates, pipeline to conversion ratio, weighted value of pipeline, this will give more information about your sales effectiveness, whether your sales team are doing or handling your kind of sales funnel accurately correctly or not.

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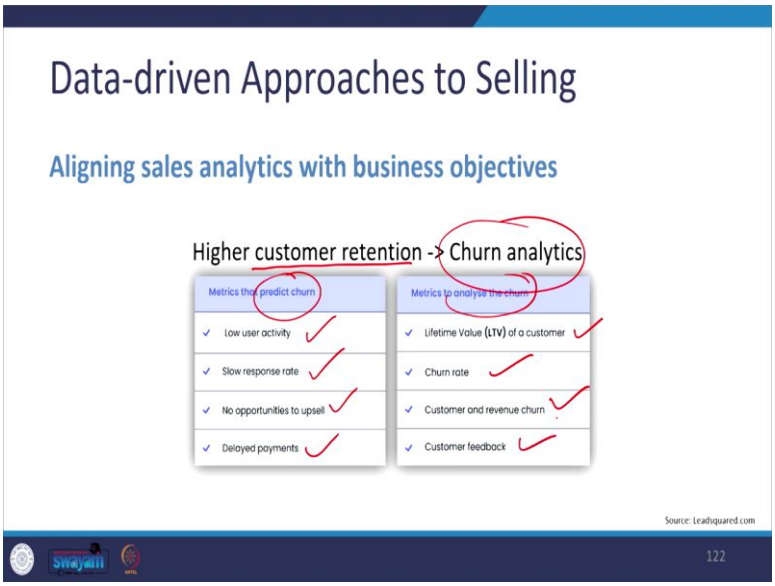


If the business objective is to have higher customer retention, you should focus on using churn analytics and the metrics that are there for you just to for as two terms like to predict the churn and then if the churn has already happened you want to analyze that. So, you can either predict the churn or you can analyze the churn that has already happened. So, to predict the churn you can use low indicators like low user activity, slow response rate, no opportunity to up sell delayed payments.

Whereas, if you want to analyze the churn, you can look at LTV of a customer, this is the lifetime customer value and then churn rate customer and revenue churn and then customer feedback inputs as well.

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Next, if the business objective is to improve your sales strategy overall, you can go for predictive analytics because it will help you to go for proper business planning and forecasting. So, here you can look at different indicators or metrics like year on over growth, then people level analytics, lead scoring, sale cycle length, win rate and so on.

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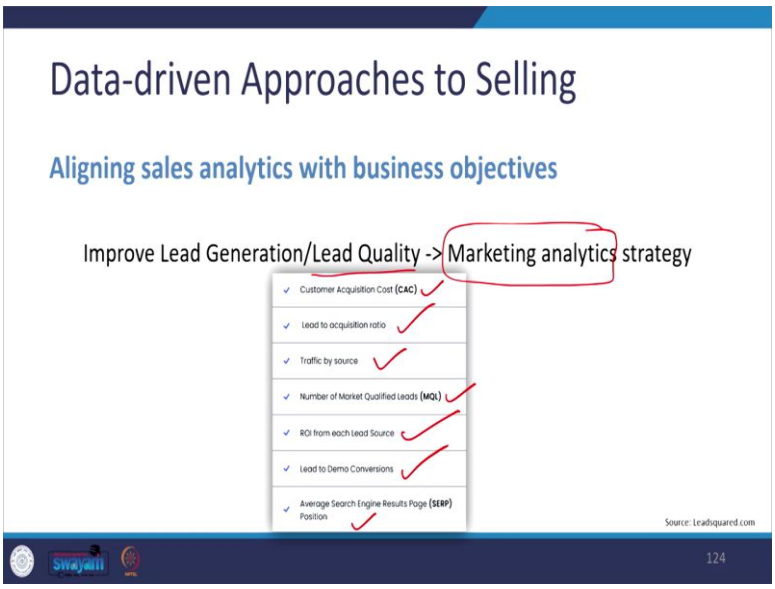


Coming to the next business objective, if a company wants to improve lead generation or lead quality again they can use marketing analytics strategy here and the metrics key metrics here to track for our customer acquisition cost. Lead to acquisition ratio, traffic

by source number of marketing qualified leads generated, return on investment from each lead source, lead to demo conversions and even average search engine result page position that has been achieved over a particular time period.

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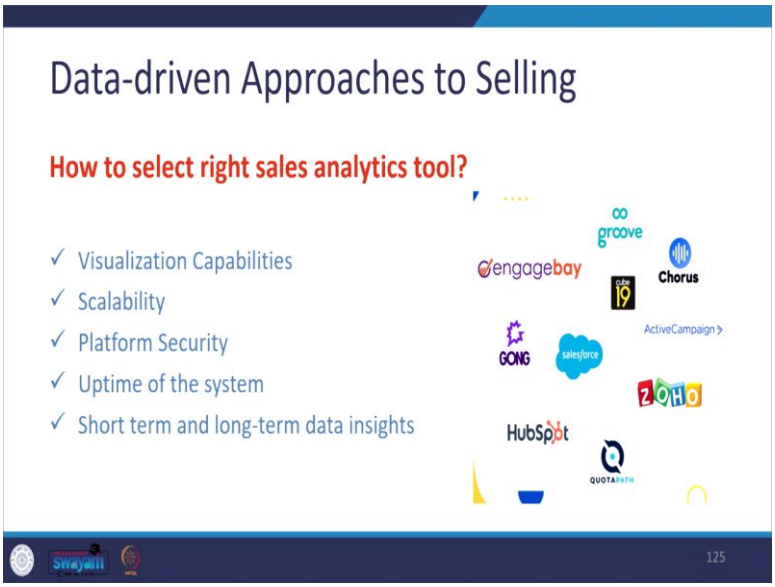


Now, once we are having a view of all these sales analytics there are multiple tools in the market. So, how to select right sales analytics tool for your business? Every business has their own needs their own solutions and their own problems as well. So, with respect to that you can how to evaluate a particular kind of you know sales analytics tool and compare across tools as well.

So, sales analytics tool must give a visualization capability. So, that is the first criteria. It should be scalable across your organization and data sets or databases, platform security is important in today's world. Like we have GDPR and all those things that are coming to protect consumer privacy. So, platform security is another feature that should be there in your in your sales analytics tool.

Uptime of the system, like after buying the system how much time it takes to work right. So, that is the one thing and then short-term and long-term data insights, because even if initially a business is that kind of you know starting phase after down the time then there might be kind of you know thousands of leads in the pipeline.

So, it should have that kind of the particular software should provide not just short term, but even long term data insights for your business as well. And these are the some tools in the that are available in the market that provide sales analytics to the businesses. So, we have like sales force, ZOHO, HubSpot to name few.

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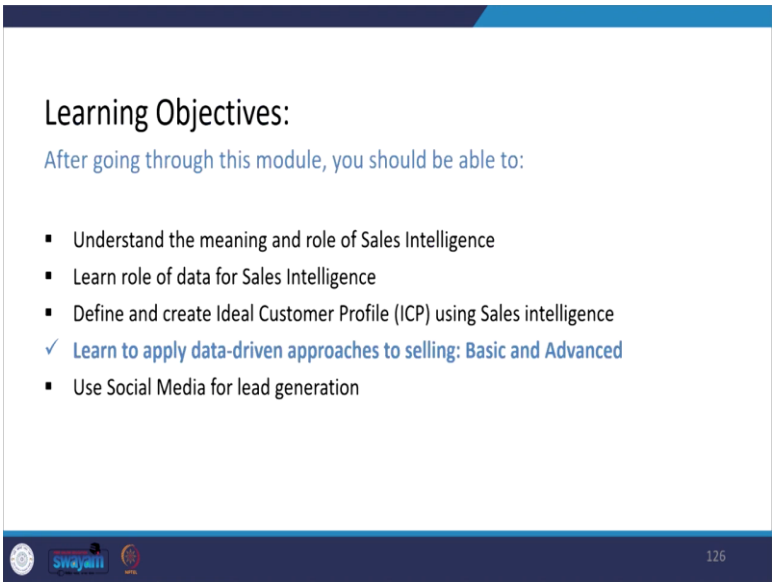


So, that brings to the conclusion of the fourth objective that is to learn and apply data-driven approaches to selling. And we also looked at some basic and advanced kind of metrics across different set of analytics that can be used by a particular business.