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2023 State of Revenue Engagement Benchmark Study

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Research overview

Salesloft, in partnership with Benchmarkit, conducted research in the first half of 2023 to benchmark the state of Revenue Engagement and Revenue Performance in the United States and Europe.

A random sampling of 264 participants representing a broad cross-section of company sizes, annual contract values, and go-to-market models participated in this market research.

The findings and benchmarks provide a range of insights including the challenge of pipeline generation, low quota achievement, and an increasing dependence on existing customer expansion revenue to fuel growth in 2023.

The benchmarks captured within the report and insights and analysis provided by Benchmarkit are intended to help your evaluation, deployment, utilization, and success in evolving your revenue engagement process and customer experience.

Definitions for benchmarks represented as the following values in the report:

The 25th, 50th (median), and 75th percentiles mark specific points along a continuum where X% of the values are positioned below the point, and Y% of the values are positioned above it.

25th Percentile (lower quartile) – corresponds to a point where 25% of the values (responses) are situated below and 75% of the values (responses) are situated above.

Median (50th percentile) – represents a point where 50% of the values (responses) are positioned below and 50% of the values (responses) are positioned above.

75th Percentile (upper quartile) – designates a point where 75% of the values (responses) lie below and 25% of the values (responses) lie above.

Top findings

Quota achievement is a challenge and an issue

Sales Development Representative and Account Executive quota achievement levels in the 50 – 55% range present a material risk in the form of attrition and associated lost productivity impacting pipeline development and new revenue in the near and long term.

Pipeline generation is the number one challenge to growth

55% of participants highlighted pipeline generation as the top challenge to revenue growth in 2023. This is consistent with other benchmarking research from 2021 and 2022. Significant progress on reducing the challenges associated with pipeline generation has not been made, highlighting the opportunity for enhancing engagement processes.

Expansion pipeline and revenue generation measurement needs to evolve

Marketing and Sales Development are only measured on existing customer expansion pipeline contribution in 26% and 32% of companies, respectively, which is concerning due to the increased dependency on expansion revenue in 2023. With 40% of total revenue growth being attributed to existing customers, the need to increase focus on expansion pipeline and revenue generation with existing customers is more important in 2023.

Opportunity to enhance ongoing customer engagement for increased retention/renewal

Customer Success (64%) and Account Management (57%) are the top two functions responsible for customer retention and renewal. Marketing is only responsible for customer retention and renewal in 10% of companies. Increasing the responsibility for Marketing's role in customer retention, as well as treating retention as a continuous process versus a one-time event when approaching renewals, can also positively impact outcomes.

Top findings

Customer expansion marketing and sales development is an opportunity for efficient revenue growth

With research data showing that existing customer expansion revenue represents a 2–3x lower cost than new customer revenue, establishing pipeline generation goals for both Sales Development and Marketing is low hanging fruit for increasing revenue growth efficiency.

Revenue engagement automation efficacy is not tapped

With Customer Success being the primary function responsible for existing customer pipeline and renewals, the efficacy afforded by sales engagement technology provides an opportunity for increasing expansion pipeline generation velocity and increased retention and renewals.

Sales coaching using automation is not fully leveraged

With only 50% of Account Executives and 55% of Sales Development Reps achieving quota, it is imperative to quickly identify coaching opportunities and provide proactive data-driven guidance to help reps enhance the quality of engagement and drive conversion throughout the sales process.

Forecasting is an opportunity area for improvement

In recent Benchmarkit research, 91% of companies missed the new revenue forecast by +/- 6% or more, while 69% miss the forecast by +/- 11% or more consistently. With 80% of companies still relying on traditional CRM technology to manage the forecast and 50% still using spreadsheets, there is a significant opportunity to leverage the transaction signals captured in a sales engagement platform to aid in more accurate forecasts.
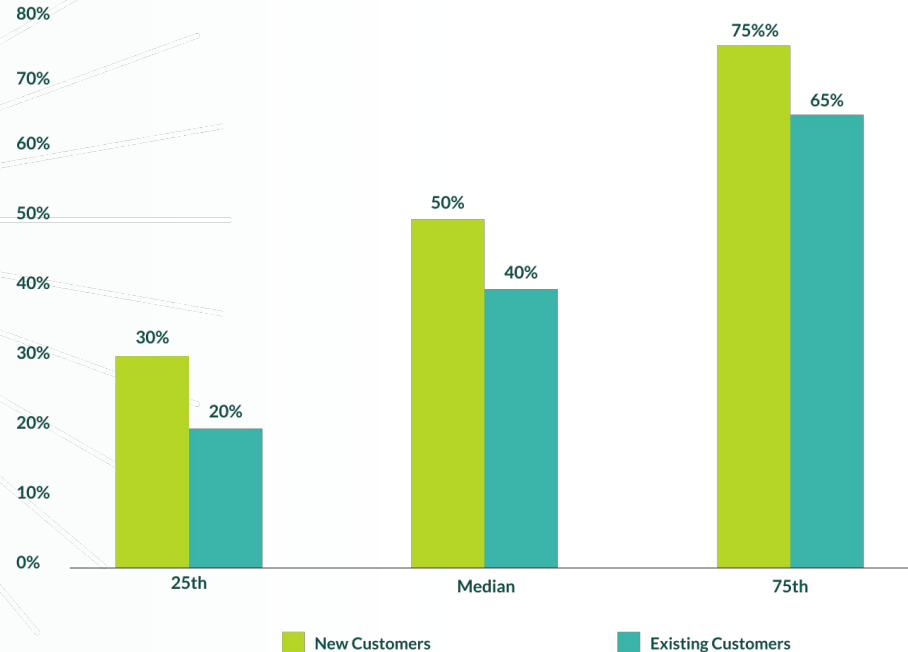
Revenue growth rate

Insights and Opportunities

- Growth rates in 2022 were 7 percentage points lower than median growth rates in 2021 (32%).

- Many B2B technology companies became more cautious with customer acquisition expenses in 2023, effectively trading off higher growth for more profitable, efficient growth.

- The current environment of cautious capital during these uncertain times requires a more automated and efficient process across customer acquisition, retention, and expansion.

Bar chart — Revenue growth rate:
- 25th: 12%
- Median: 25%
- 75th: 50%
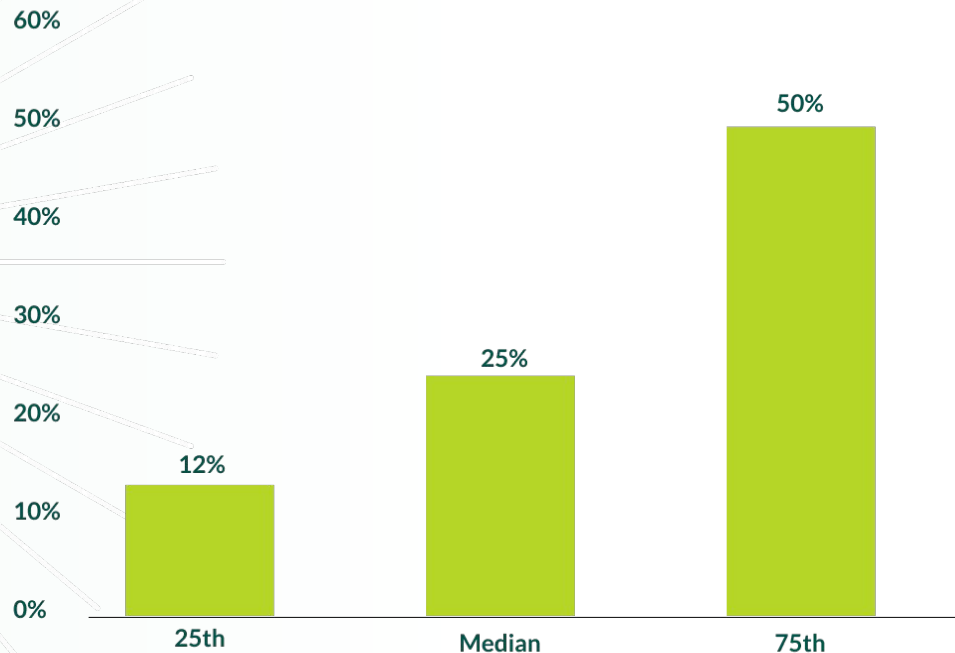
Contribution to growth rates

Insights and Opportunities

- The population in this research represented a higher contribution from existing customer expansion growth than in previous research.

- At median, 50% of growth was due to new customer revenue while 40% (median) was due to existing customer expansion growth.

- Previous research in 2021 and 2022 showed 70% (median) was attributed to new customer growth and 30% (median) was attributed to existing customer expansion.

- This research highlights the importance of focusing on revenue growth and engagement on both new customer acquisition and existing customer retention and expansion.

|	25th	Median	75th
New Customers	30%	50%	75%%
Existing Customers	20%	40%	65%

■ New Customers   ■ Existing Customers

Top challenges to revenue growth

Insights and Opportunities

- Pipeline development is a greater challenge to growth than current market uncertainty.

- Competitive pressures are viewed as a larger challenge to growth than the majority of internal process efficiency.

- Identifying the core Ideal Customer Profile in concert with how to engage executive buyers is critical to address both economic uncertainty and competitive pressures.

- Economic uncertainty is a current reality; thus, it's imperative to measure and understand leading customer acquisition performance indicators.

| Challenge	%
Win rates	31%
Sales capacity	13%
Sales rep retention	5%
Ramping new reps	24%
Product functionality	19%
Pipeline development	55%
Economic uncertainty	44%
Customer retention/expansion	24%
Competitive pressures	35%
Budget	24%

0% 10% 20% 30% 40% 50% 60%
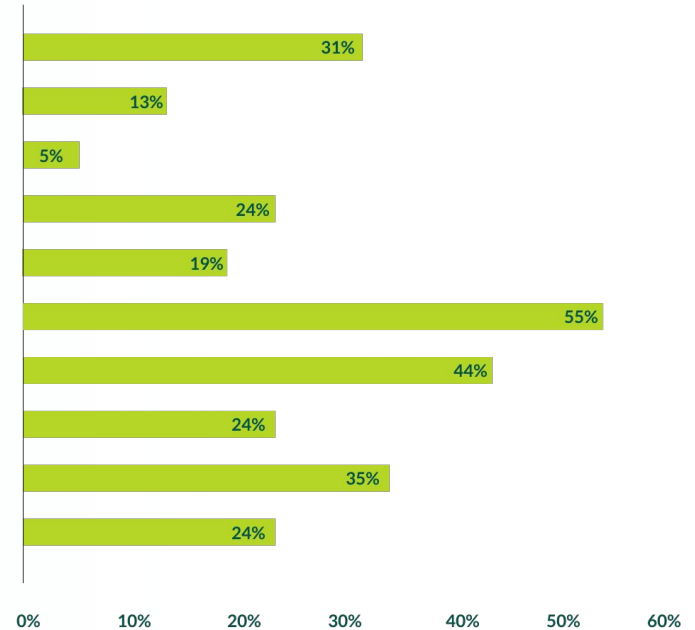
02

Pipeline and revenue measurements by role

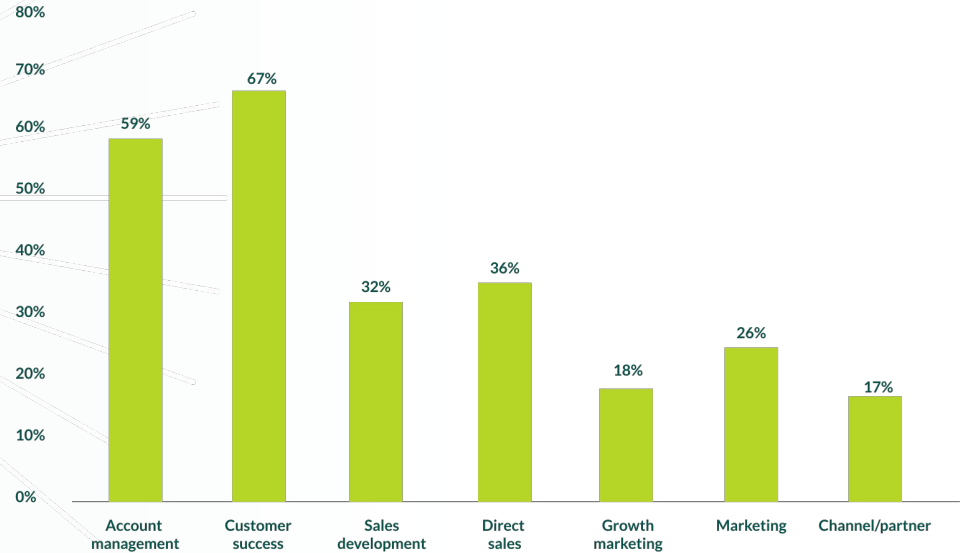# Pipeline generation measured: new customers

Insights and Opportunities

- Sales Development is the #1 function measured on pipeline development.

- It is surprising to see that Marketing is measured on pipeline development less than Direct Sales.

- Marketing should co-own the pipeline generation number to ensure an increased focus on pipeline. Pipeline generation should be an objective shared by Marketing, Sales Development, and Direct Sales.
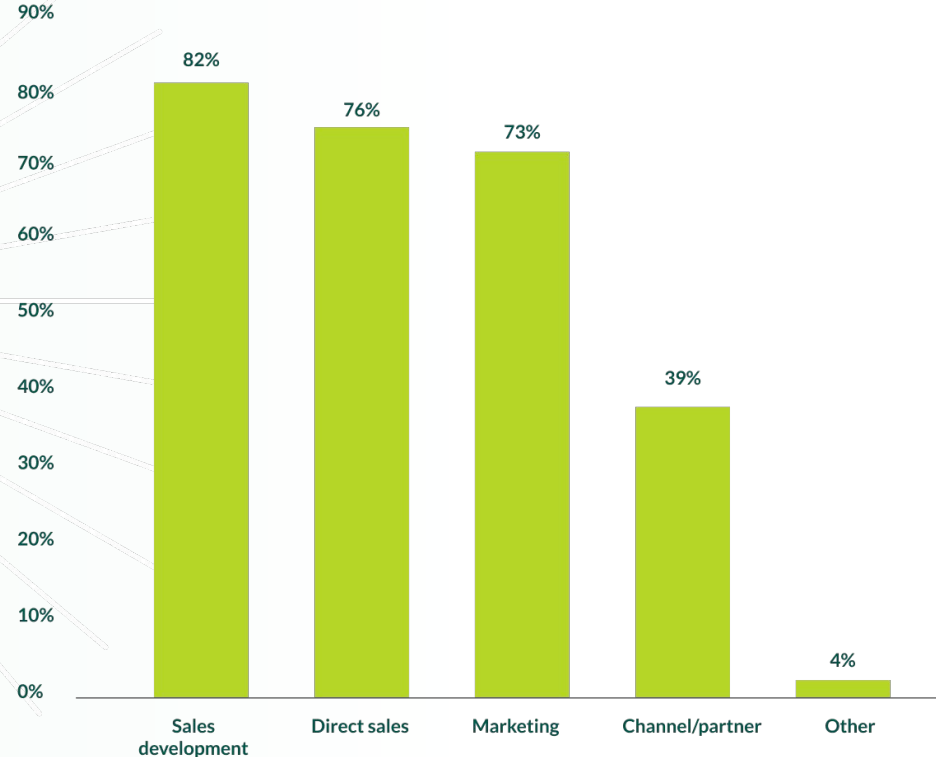
Pipeline generation measured: existing customer expansion
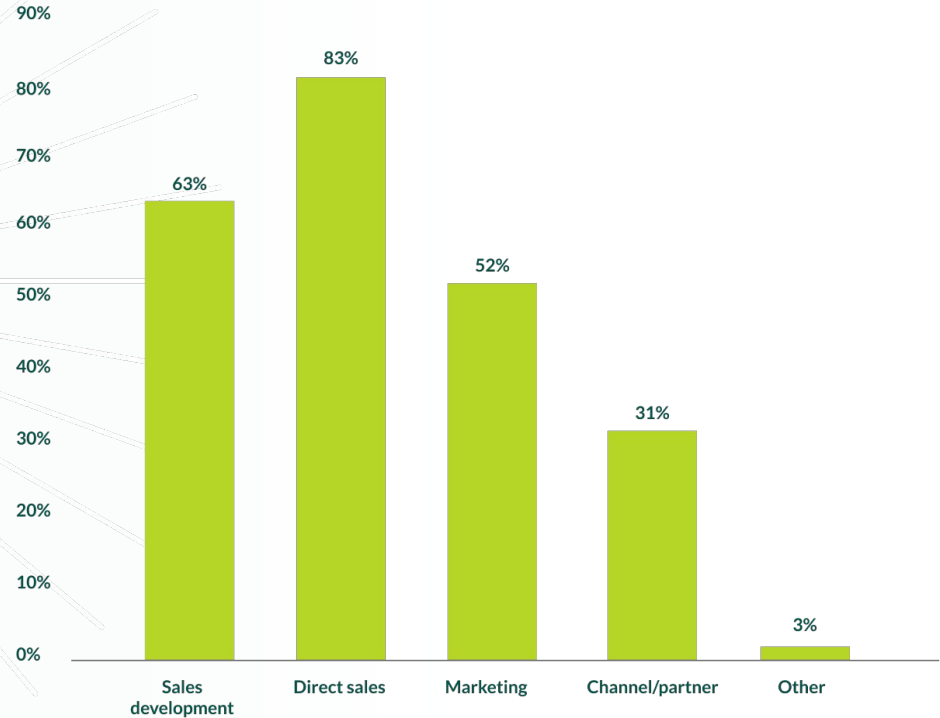
Insights and Opportunities

- Customer Success is the top function measured on customer expansion at 67%.

- Marketing is only measured on existing customer expansion pipeline contribution in 26% of companies, which is concerning due to the increasing dependency on expansion revenue in 2023.

- Sales Development (32%) has the potential to impact existing customer expansion pipeline and revenue growth, in particular for organizations with multi-product portfolios targeting enterprise customers with multiple business owners and/or segments.

Revenue generation measured: new customers

Insights and Opportunities

- Direct Sales is currently the primary function being measured on revenue generation.

- Marketing can be a material contributor to revenue by assisting Direct Sales in closing new revenue through account-based motions that accelerate pipeline velocity and win-rate conversions. Marketing can also be measured on its contribution to closed/won revenue and impact on full funnel optimization.

- Strategic outbound Sales Development has an opportunity to become a more material contributor by partnering with account executives to multi-thread account engagement and accelerate buyer influence from the executive buying committee.

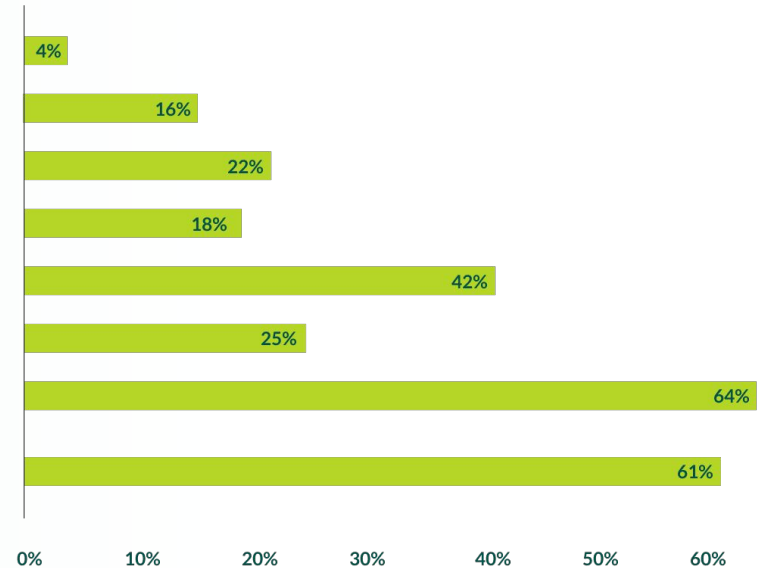|				
Sales development	Direct sales	Marketing	Channel/partner	Other
63%	83%	52%	31%	3%

Revenue generation measured: existing customer expansion

Insights and Opportunities

- Customer Success is the top function being measured on customer expansion.

- Direct Sales is only measured 42% on customer expansion, which highlights the increased priority placed on the Account Management function.

- Marketing may be an untapped resource to materially increase existing customer expansion revenue. Similarly to new customer revenue, Marketing can assist in closing expansion revenue through account-based motions to accelerate expansion pipeline velocity and conversions.
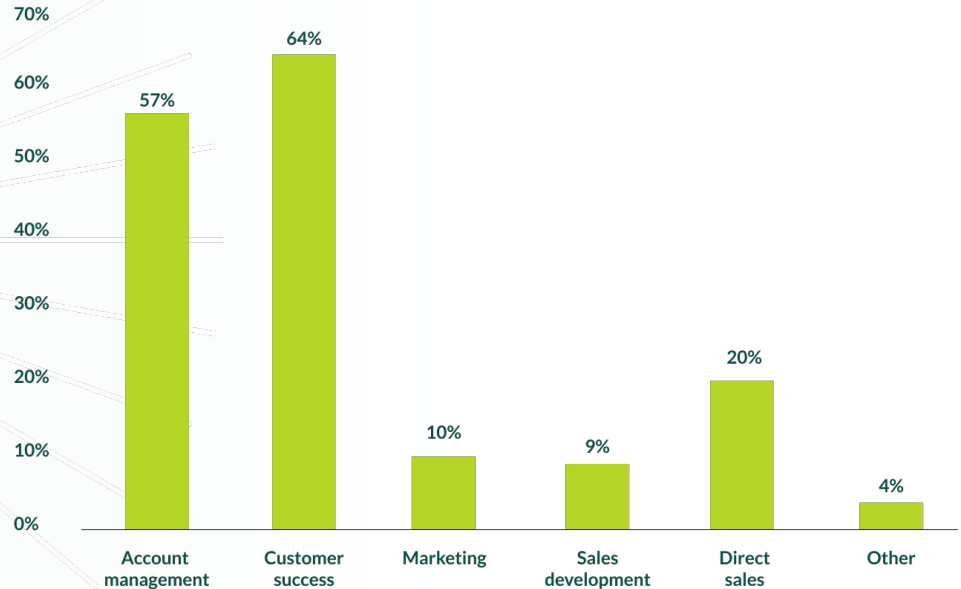

Category	Value
Other	4%
Channel/partner	16%
Marketing	22%
Growth marketing	18%
Direct sales	42%
Sales development	25%
Customer success	64%
Account management	61%

Retention and renewal responsibility

Insights and Opportunities

- Customer Success and Account Management are the top functions responsible for retention and renewals.

- There is an opportunity for Marketing to share in ongoing customer engagement to increase retention and renewals.

- Retention and renewals can be positively impacted when treated as a continuous process versus a one-time event when approaching renewals.

Bar chart:
- Account management: 57%
- Customer success: 64%
- Marketing: 10%
- Sales development: 9%
- Direct sales: 20%
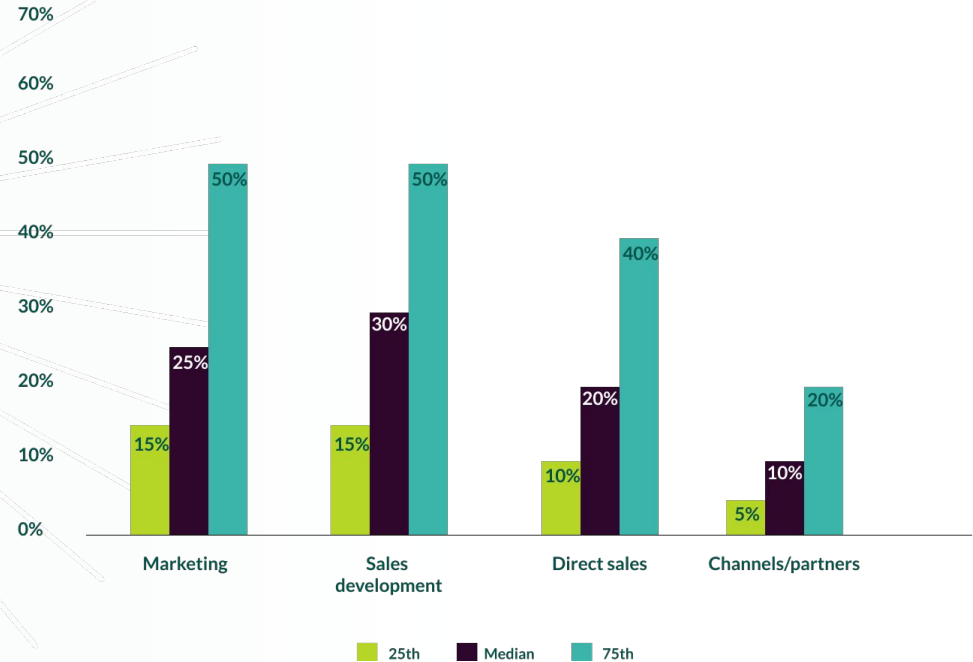- Other: 4%

Y-axis: 0% to 70%

03

Pipeline contribution by source

Pipeline contribution by source

Insights and Opportunities

- Sales Development is the top source of pipeline contribution, highlighting the need to ensure SDR activities are efficient.

- Measuring pipeline coverage ratio for each source of pipeline and revenue contribution can provide good insights as to the efficacy of each pipeline source.

- Measuring the cost to generate one dollar of qualified pipeline provides a next-level of insights into pipeline generation efficiency.

- The negligible difference between Sales Development and Marketing highlights the need for a tightly aligned process to ensure lead routing and handoffs are flawless.

Bar chart — Pipeline contribution by source

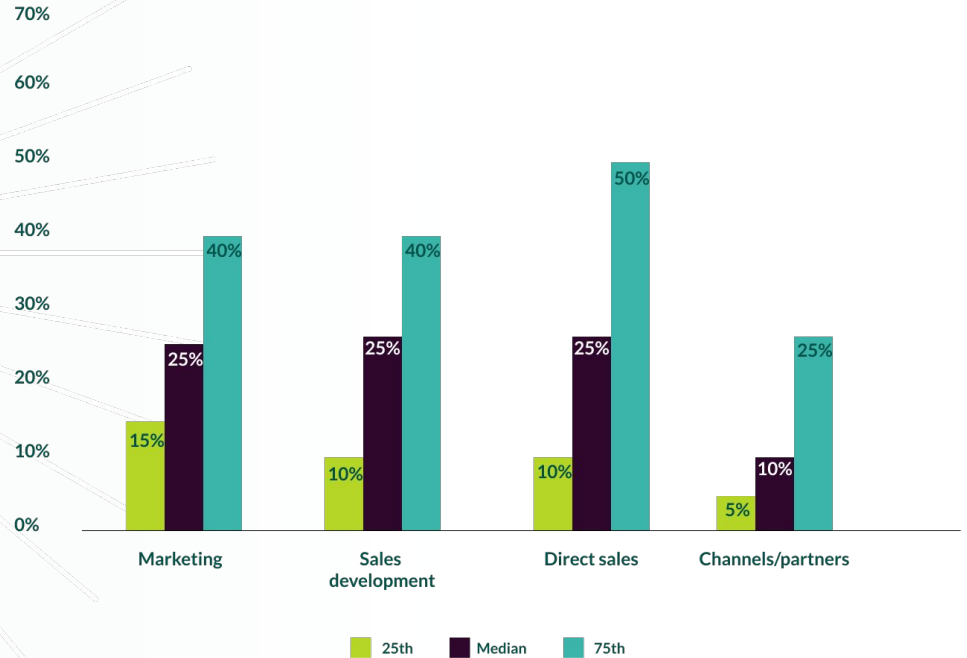|	Marketing	Sales development	Direct sales	Channels/partners
25th	15%	15%	10%	5%
Median	25%	30%	20%	10%
75th	50%	50%	40%	20%

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New revenue contribution by source

New customer revenue by pipeline source

Insights and Opportunities

- The equal distribution at 25% median across pipeline sources of new revenue is surprising.

- Measuring the cost per pipeline source to generate one dollar of new customer revenue will provide greater insights.

- It is imperative that AEs are an equal partner to Sales Development and Marketing in sourcing pipeline.

	Marketing	Sales development	Direct sales	Channels/partners
25th	15%	10%	10%	5%
Median	25%	25%	25%	10%
75th	40%	40%	50%	25%

05

Quota achievement

# Quota achievement: SDRs

Insights and Opportunities

- SDR quota achievement at a median of 55% is concerning and should be a prioritized area of focus to improve outcomes.

- Allocating resources and technology to implement process enhancements and automate tasks to increase SDR efficacy should be a priority.

- Outbound SDR activity should be an area of focus to identify opportunities to increase effectiveness of each activity.

	25th	Median	75th
	30%	55%	75%
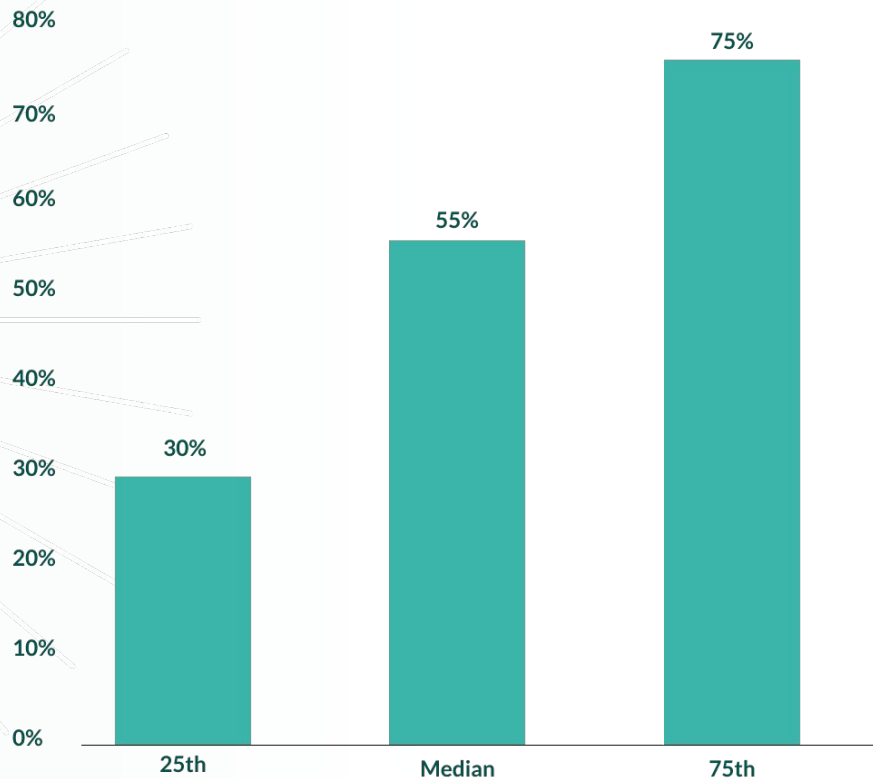
Quota achievement: AEs

Insights and Opportunities

- AE quota achievement at a median of 50% is concerning and should be a prioritized area of focus to improve outcomes.

- Understanding pipeline coverage ratios by each source of pipeline can materially impact AE performance, as can technology that aids them in prioritizing high-impact activities on the deals most likely to advance and close.

- Pipeline generation needs to become a top-measured and incentivized objective for new and expansion revenue across every go-to-market function.
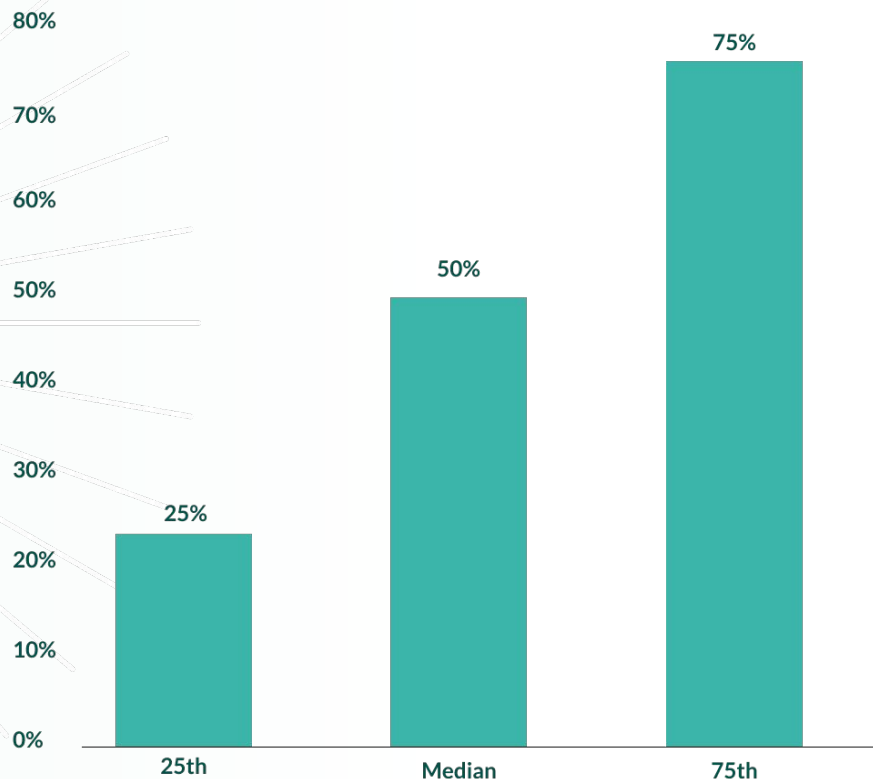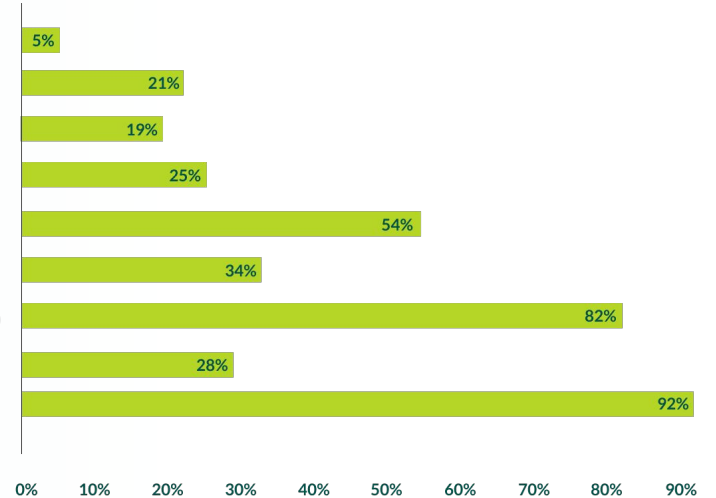
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Revenue engagement technology used

SDR pipeline development tools used

Insights and Opportunities

- Increasing the quality of the contact and account data used by SDRs can materially impact pipeline performance and efficiency.

- Consider allocating additional revenue operations resources and technology to increase the percentage of time SDRs spend on outbound activity versus data enrichment and list development.

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| Tool	Percentage
Other	5%
Assisted dialing tool (non-cadence based)	21%
Sales enablement/training tool	19%
Video software	25%
Social media	54%
Sales intelligence tool	34%
Sales engagement platform (cadence based)	82%
Email tool (non-cadence based)	28%
CRM	92%

Direct Sales pipeline development tools used

Insights and Opportunities

- Increasing the quality of the contact and account data used by AEs can materially impact pipeline performance and efficiency.

- Sales engagement platforms are under-utilized among AEs who can use the technology for self-sourcing as well as opportunity management.

- Investing in increased usage of account-based programs that use a synchronized cadence with marketing campaigns is a good way to accelerate pipeline growth.

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| Tool	%
Other	2%
Assisted dialing tool (non-cadence based)	7%
Sales enablement/training tool	20%
Video software	25%
Social media	51%
Sales intelligence tool	32%
Sales engagement platform (cadence based)	60%
Email tool (non-cadence based)	43%
CRM	94%
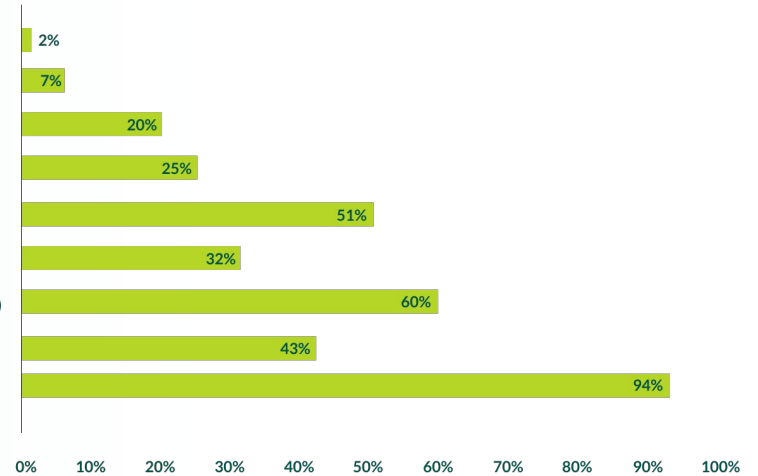
Retention and expansion tools used

Insights and Opportunities

- Treating existing customer expansion pipeline development similar to new customer pipeline will yield increased results.

- Defining and executing existing customer nurture and expansion cadences is a top area of opportunity to increase expansion pipeline and revenue generation.

- Over-indexing on existing customer engagement is a prudent investment, particularly in uncertain economic periods.

| Tool	Percentage
Other	7%
Sales enablement/training tool	7%
Video software	10%
Dialer tool (non-cadence based)	7%
Sales engagement platform(cadence based)	20%
Email tool (non-cadence based)	46%
Customer success/experience software	31%
CRM	93%
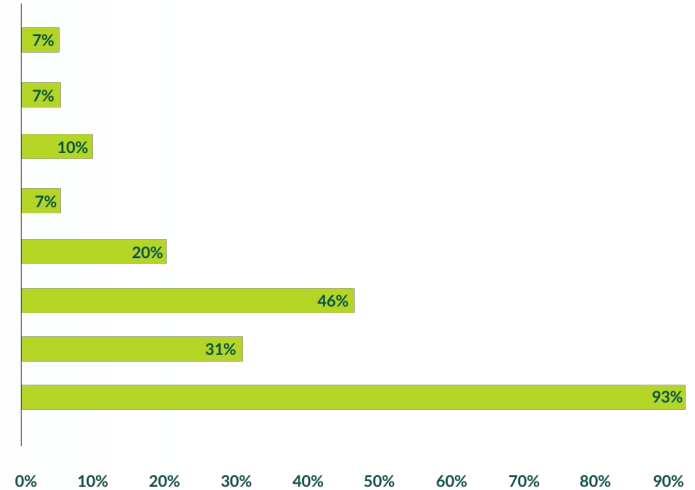
07

Revenue assistance and coaching technology

Opportunity scoring: technology presence

Insights and Opportunities

- With only 36% of companies currently using opportunity scoring automation, AEs may be investing too much time on low probability opportunities.

- Best-in-class companies use opportunity scoring to help identify the missing components in an opportunity to increase the probability of closing.

- Being able to accurately score opportunities upon creation will lead to more accurate forecasts over time.
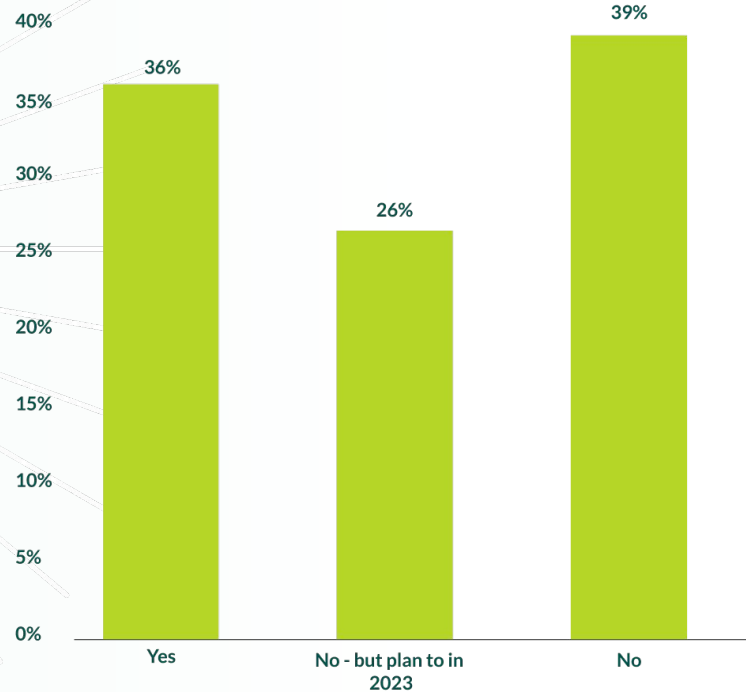
Opportunity scoring: tools used

Insights and Opportunities

- Purpose-built opportunity scoring technology materially enhances the reliability of the opportunity score.

- Opportunity scoring that is based upon a combination of factors including activity, events, ICP fit, and buyer persona engagement are superior to "sales stage" alone scoring models.

- Excel and CRM opportunity scoring systems provide little to no insight into why a specific opportunity score is low.
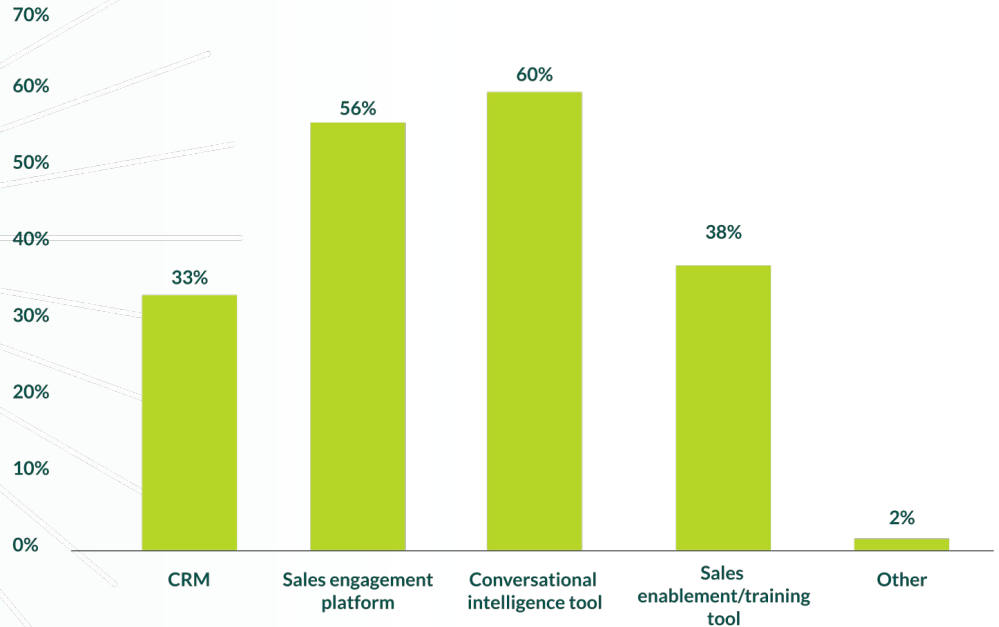
Category	Percentage
Other	7%
Business intelligence platform	5%
Revenue intelligence platform	26%
Forecast management technology	23%
Sales engagement platform	23%
Excel/Google Sheets	28%
CRM	79%
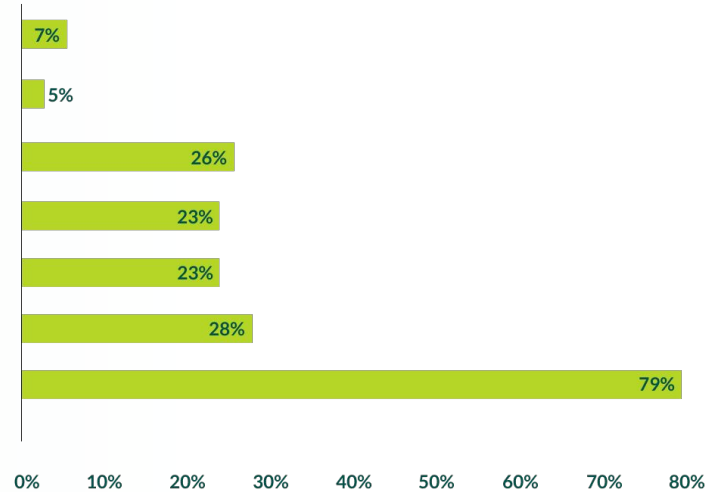
Sales coaching software: technology used

Insights and Opportunities

- The presence of Conversation Intelligence needs to be coupled with disciplined coaching sessions to optimize outcomes as measured by pipeline contribution and quota achievement.

- Sales technology that helps sales managers understand how reps are performing against goals across multiple activities and channels, enabling them to more effectively coach their teams, can deliver outsized returns.

- The higher usage of Sales Engagement and Conversation Intelligence highlights the importance of using real selling data to coach SDRs and AEs on the efficacy of their activities and outcomes.

Bar chart:

| Category	Value
CRM	33%
Sales engagement platform	56%
Conversational intelligence tool	60%
Sales enablement/training tool	38%
Other	2%

08

Revenue forecasting technology presence

Forecasting technology used

Insights and Opportunities

- Previous Benchmarkit research highlights that 91% of B2B companies miss their forecast by +/- 6% or greater.

- Similar research highlighted that 69% of B2B companies miss their new business forecast by +/- 11% or greater.

- Evaluating consolidated revenue platforms that use buyer signals across every engagement channel is low-hanging fruit to increase forecast accuracy.

Bar chart:
- Yes: 57%
- No - but plan to in 2023: 20%
- No: 23%
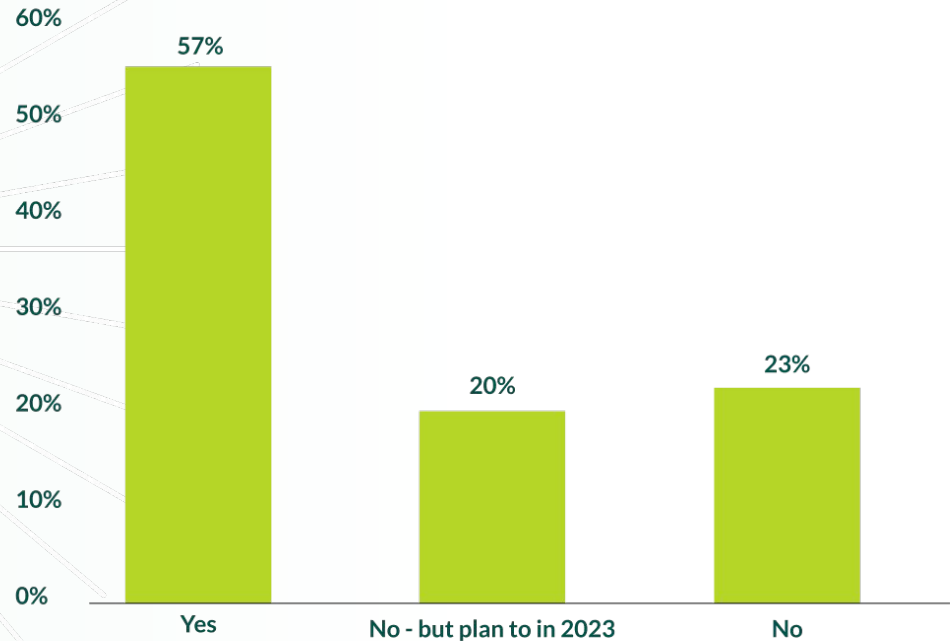
Type of forecast tools used

Insights and Opportunities

- CRM platforms are historically not positioned to provide predictive insights into activities that correlate to better forecasting.

- Reliance on CRM and spreadsheets as the top two tools for forecasting is likely a key contributor to forecast inaccuracies.

- Evaluating forecasting technology that applies machine learning and AI to event signals is an area of opportunity to increase forecast accuracy.
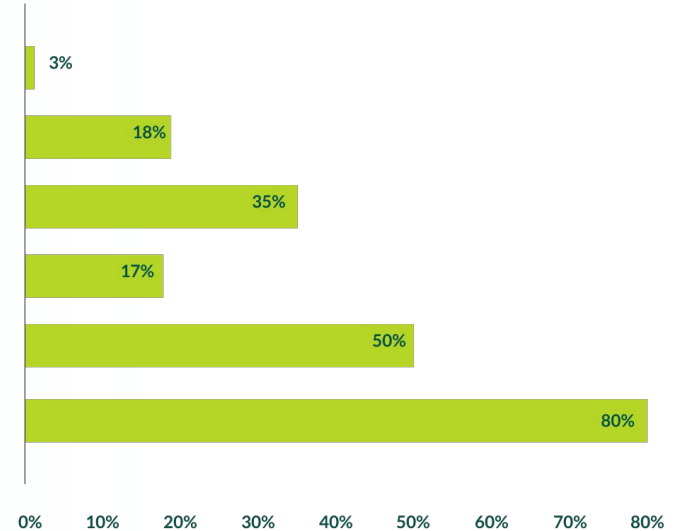
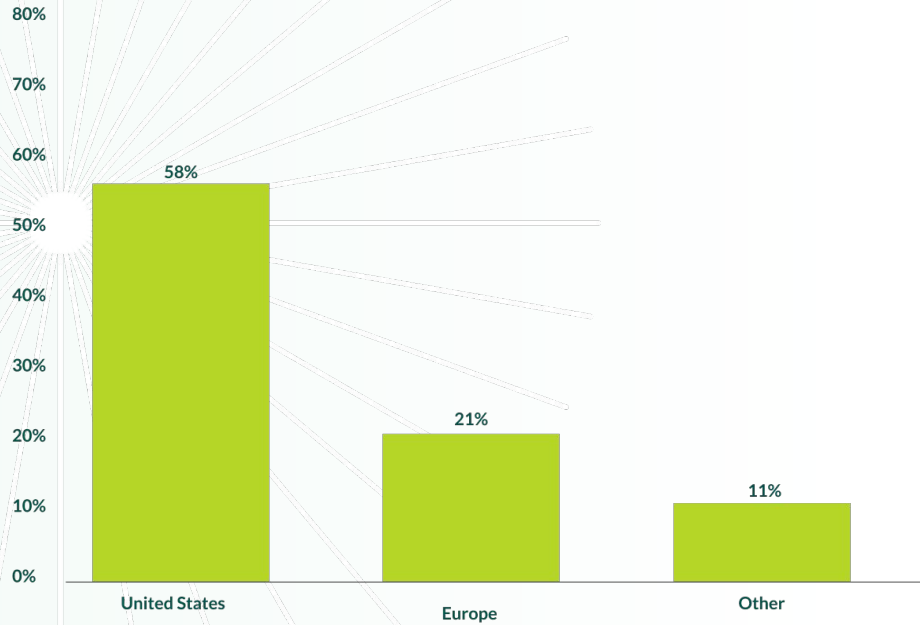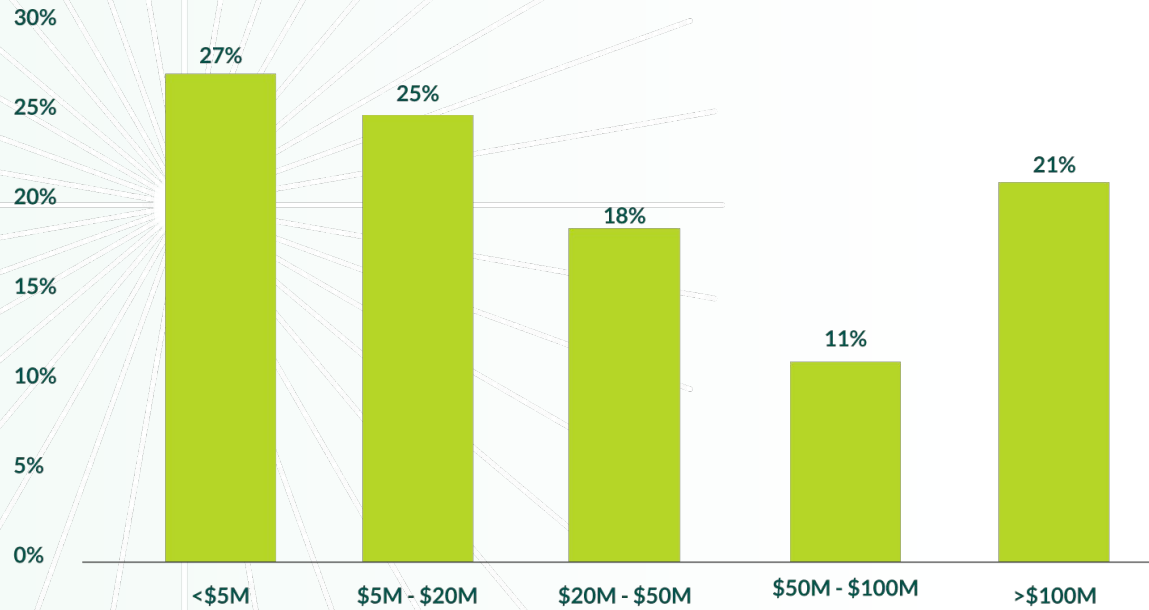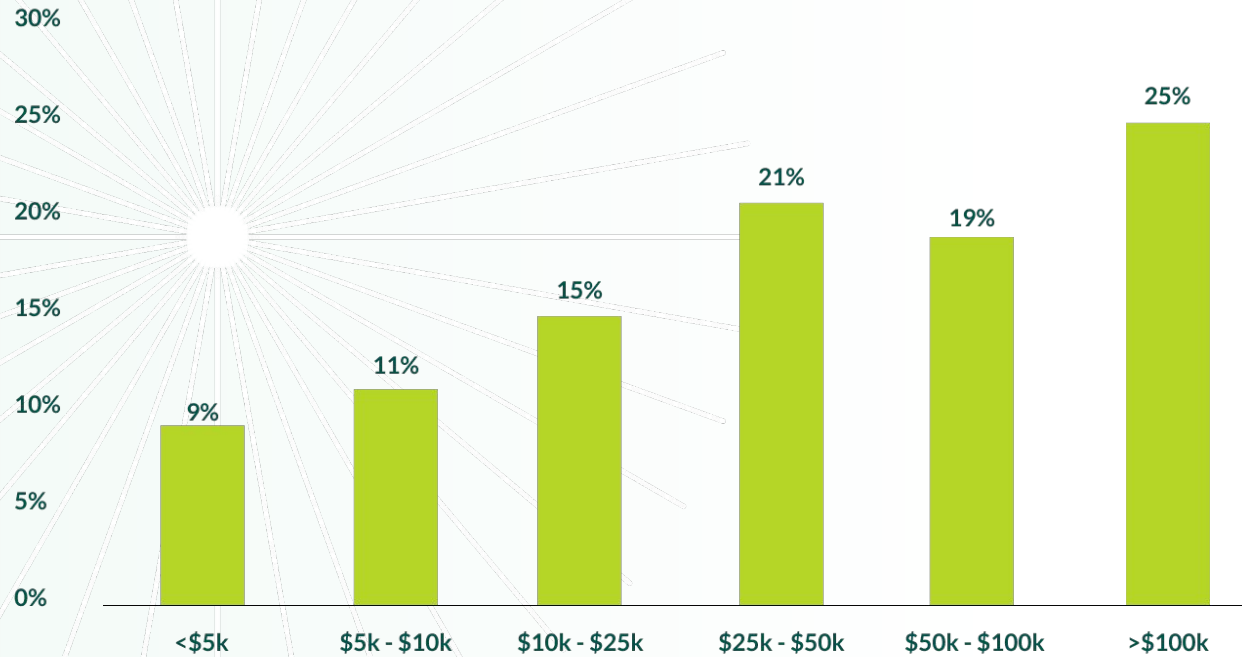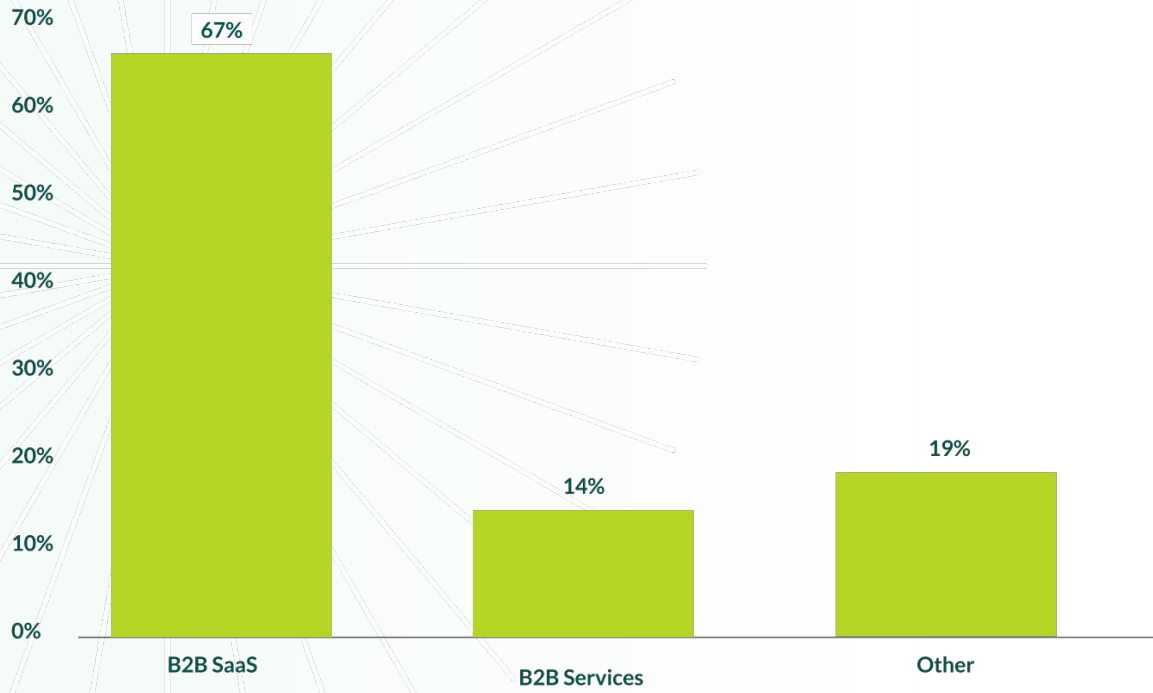| Tool	Percentage
Other	3%
Business intelligence tool	18%
Revenue intelligence/forecasting platform	35%
Sales engagement platform	17%
Excel/Google Sheets	50%
CRM	80%

Participant profile

Participant: company headquarters

Participant: company size

Company Size	Percentage
<$5M	27%
$5M - $20M	25%
$20M - $50M	18%
$50M - $100M	11%
>$100M	21%

Participant: average ACV

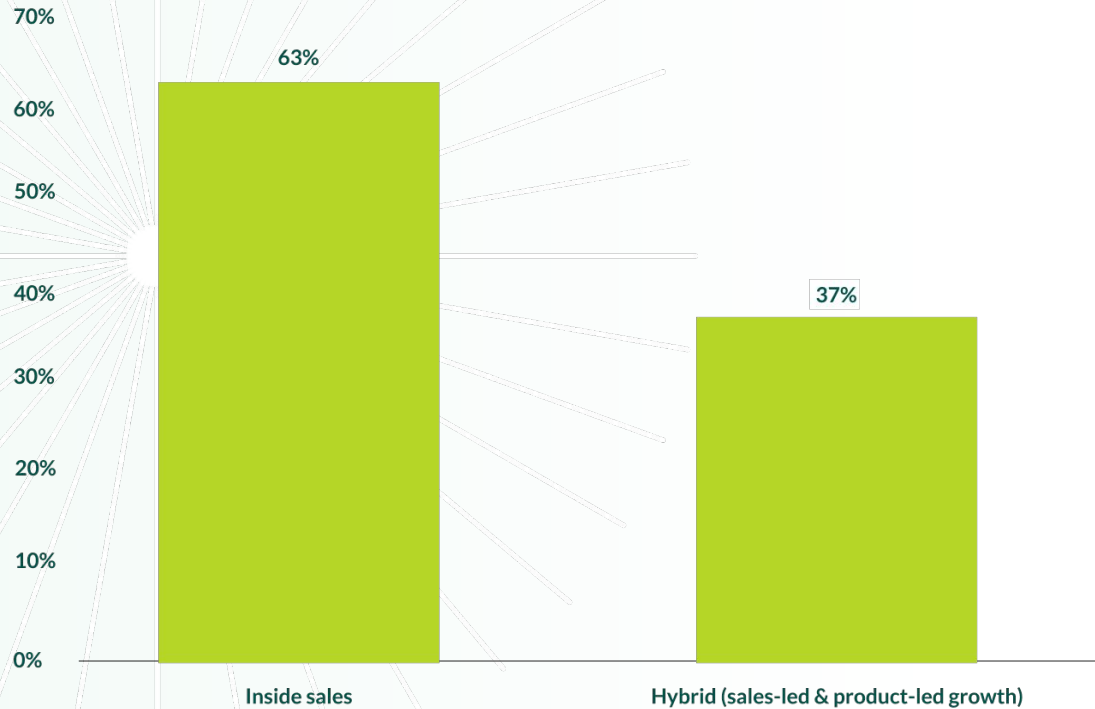|	<$5k	$5k - $10k	$10k - $25k	$25k - $50k	$50k - $100k	>$100k
%	9%	11%	15%	21%	19%	25%

Participant: industry segment

Participant: company distribution model
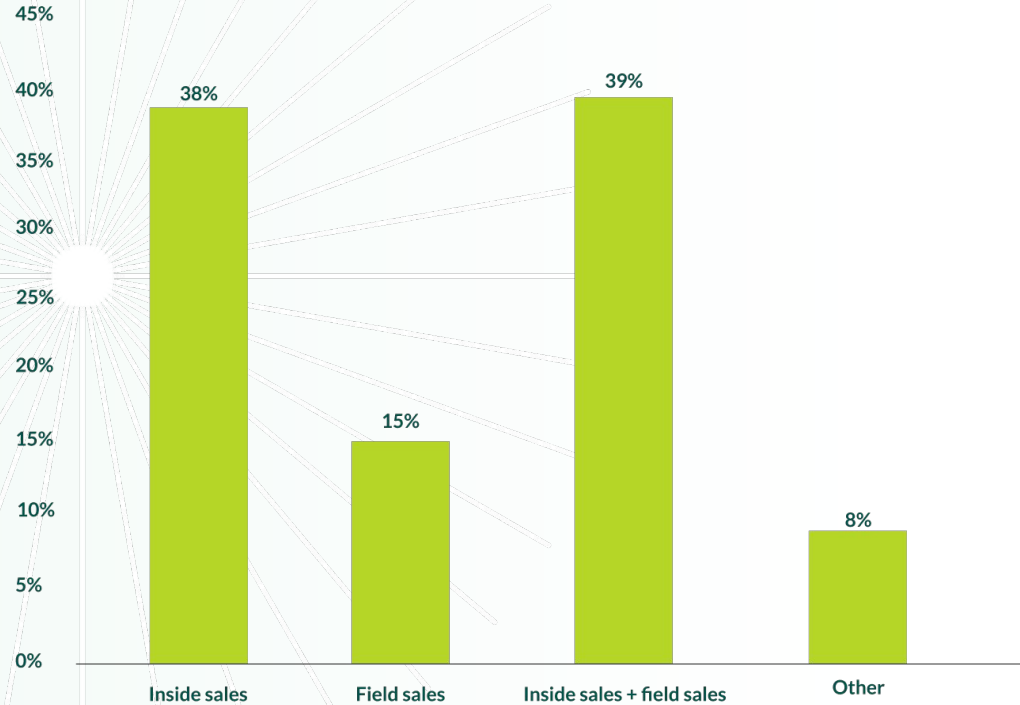
Participant: company GTM motion

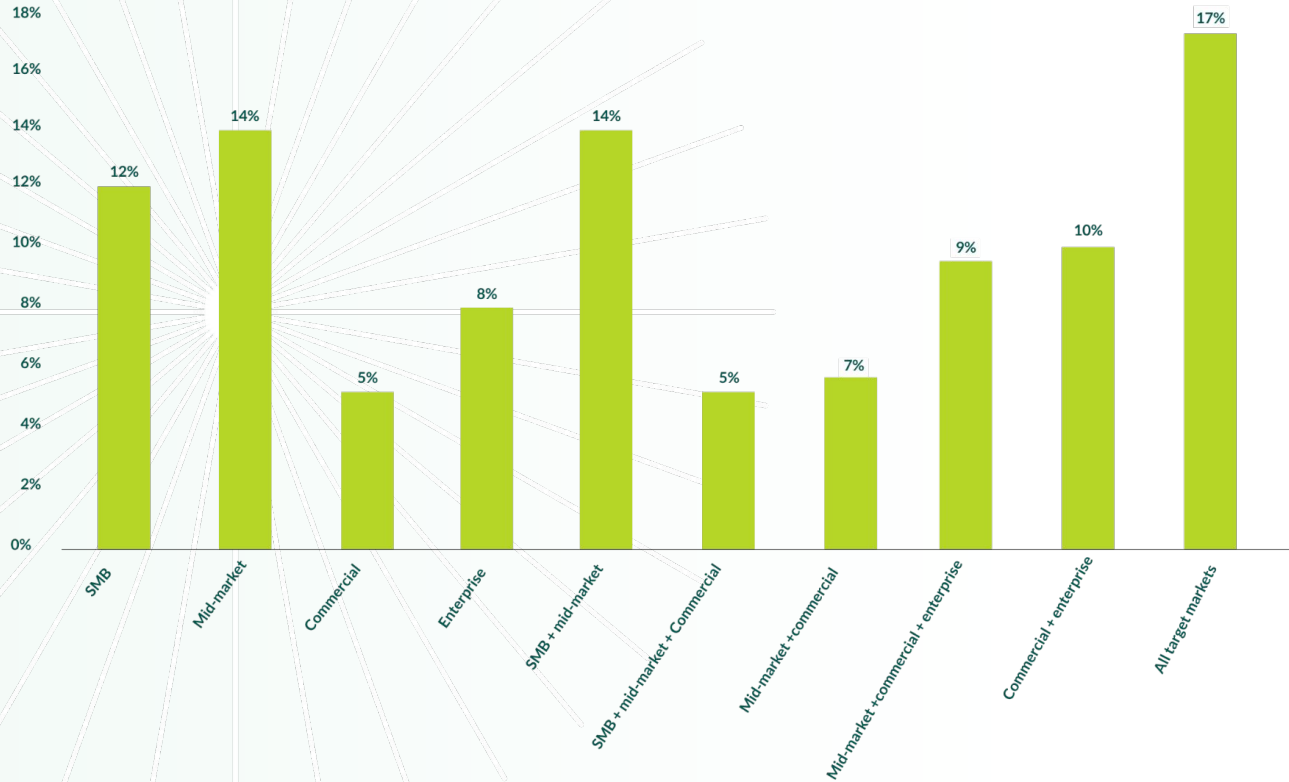|	Inside sales	Hybrid (sales-led & product-led growth)
	63%	37%

Participant: company target market

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Salesloft is the only AI-powered revenue workflow platform that brings certainty to every revenue action and customer interaction. Close more deals, forecast more accurately, and coach to success throughout your revenue organization. Thousands of the world's top sales teams, like those at Google, 3M, IBM, Shopify, Square, and Cisco, drive more revenue with Salesloft.

For more information visit salesloft.com.

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Benchmarkit uses metrics and benchmarks to align B2B SaaS executives across the entire customer journey including customer acquisition, retention, and expansion, leading to better metrics-informed and benchmark-validated decisions.

Benchmarkit's vision is to enable every B2B SaaS company to increase revenue growth efficiency and enterprise value by having free access to the most timely and contextual benchmarks available in the industry.

For more information visit benchmarkit.ai.