How Predictive Analytics Is Driving Outstanding Sales and Marketing Performance

Insight and Execution versus Hope and Expectation

"Decisions shape our lives. Mathematics rationalizes the sifting of information and the balancing of alternatives inherent in any decision. Mathematical models underlie computer programs that support decision making, while bringing order and understanding to the overwhelming flow of data computers produce. Mathematics serves to evaluate and improve the quality of information in the face of uncertainty, to present and clarify options, to model available alternatives and their consequences, and even to control the smaller decisions necessary to reach a larger goal."

In the process of generating revenue, we should not underestimate how much of a profound impact maths and analytics can have on performance and how we can and must leverage an analytical approach to creating sales growth.

Selling has traditionally been seen as a "people profession" and traditionally associated with such skills as:

- building relationships, rapport and creating trust,
- identifying opportunities by allowing customers to express their needs,
- negotiating effectively, and
- demonstrating that you and your company offer the best solution for the customer's business.

All of these are human interactions and far removed from mathematical calculations, but as leaders responsible for driving revenue growth in a predictable and sustainable way, we need to realise that things have and are constantly changing.

With the buyer being more and more in control of the buying process and making the decision when and if they want to engage with the sales team – there is a need to combine the "people" element of sales with the maths of predictive analytics – an extremely powerful combination!

What do we mean? We all hear about the statistics of how buyers buy today and how this is ever changing with advances in the use of the internet. Management place more and more pressure on sales, marketing and commercial operations teams to hit higher and higher

How Predictive Analytics Is Driving Outstanding Sales and Marketing Performance

targets. But how well founded are the plans that are presented and how well do they reflect what is possible to achieve?

Only by truly understanding where revenue comes from, how well your target buyers progress through the buying process with you, and where the process needs to be improved – can those predictable and sustainable results be achieved.

Here are two reasons why:

1) Predictive analytics tell you what's likely to happen with your buyers, markets, and business/revenue performance.

Only by having an in depth understanding of pipeline progression/conversion, accurate average order/transaction pricing and progression velocity - can you start to build a pipeline that makes sense.

Once you understand what is necessary at each stage of the pipeline and each point in time – you are then in a position to measure actual performance against a realistic plan.

The insights that this predictive analytics capability provides can be used to:

- build strategies around resource and organization planning,
- create lead generation programmes that are meaningful
- define territory assignments, account assignments, and
- put in place joined up target and quota development.

Executed correctly, this will provide a much clearer picture of revenue potential – much more so than using historical sales reports or the traditional "gut instinct" or "make it be" approach of general and sales management.

2) Predictive analytics allow sales and marketing leaders to more effectively plan and execute.

Predictive insights can be applied by sales and marketing leaders at a campaign, Line of Business, account or individual level. Understanding which step/part of the pipeline is at risk allows specific plans to be formulated and implemented to address those risks. Performance measures can be established focused specifically on the action required to ensure that goals will be achieved.

This approach helps sales, marketing and commercial operations leaders to focus on the right actions and measures that will propel the company to greater levels of sales success.

Revenue Generation, Sales and Marketing today is a brave and ever evolving world. While some of the old ways of sales and marketing might still work in some cases, utilizing a predictive approach is ideally suited for leaders who want to achieve outstanding performance. This means that we must all be willing to learn how to win using methods, tools and approaches that are different from those traditionally used.

Who does it apply to? Predictive Analytics has been successfully utilised by companies across a number of sectors, from Financial Services, to FMCG, to TMT and many others

Get in touch to find out where we can help.

Les Hines is the European Managing Partner for the RPM Group who apply advanced data analytics, marginal gain theory and process improvement to drive exceptional revenue acceleration and growth.