THE POWER OF PRIORITIZATION

HOW AUTOMATING RELATIVE IMPORTANCE OF SALES ACTIVITIES CAN IMPACT SALES SUCCESS
Executive Summary

When salespeople begin their day, their success is largely determined by the prospective customers they choose to contact and the activities they choose to perform, but is it best to let each of them decide how to best utilize their time each day or could they benefit from some guided prioritization? Through this study, we found that companies that deploy a prioritization strategy based on a well-defined sales process and contact strategy save their sales teams valuable time and provide needed focus on optimal activities, thereby greatly improving productivity and sales results. Salespeople using a prioritized list of leads and activities weren’t only able to work more leads, but they were also able to increase their engagement with each lead, almost doubling their total talk time.

In addition to improving productivity, prioritization was shown to have a positive impact on sales effectiveness. Salespeople leveraging prioritized activities were able to close more deals because they were focused on the right leads and because they were able to call more leads quickly, which resulted in higher contact and conversion rates. The average conversion rate for companies who used prioritization was almost double the average conversion rate for companies who did not use prioritization. Companies who used prioritization to a greater extent reaped even more benefit. Gains in productivity and sales performance for companies that used prioritization exclusively across their entire sales organization were triple the average.

Study Methodology

This study includes the analysis of data collected from more than 400 sales organizations who met minimum lead volume requirements during the time period selected for the study. The organizations studied represented more than a dozen industries and all were Velocify customers. Due to the breadth and size of the sample, we believe the findings from this study will be applicable to most high velocity sales organizations.

In this study, approximately one million leads, distributed during a one month period, were followed through sales cycles for a minimum of 90 days in order to track their outcomes.
Background

In today’s high velocity sales environments, salespeople are juggling an increasing number of leads, opportunities, and tasks in order to develop the pipeline and meet quotas. The most effective salespeople are usually those that are adept at determining which prospects to engage, in what way, and in what order; however, this generally requires salespeople to spend much of their day scanning, sorting, and filtering through a database to determine where their time will be best spent. When sales activity prioritization is ultimately left to each salesperson’s discretion, large variances in approaches and results can be expected.

One way sales leaders can assist sales reps in the prioritization process is by providing scoring information about each lead, which can help assess the value of each lead. However, lead scoring is only one aspect of what should be considered when prioritizing leads, and more importantly, prioritizing the ongoing sales activities throughout the sales cycle required to convert those leads to closed deals. Lead scoring alone cannot dictate who should be called next. For example, what is a higher priority, a brand new lead with a score of 50 or a lead with a score of 70 that’s been called twice with no contact success? If reps are left to prioritize their activity based on lead score alone, critical process steps that lead to conversion will often be missed on leads and opportunities in progress.

A truly effective prioritization strategy should be governed by a well-defined sales process and contact strategy. It is extremely difficult to know which leads to work next in the absence of a set process that defines the normal or desired progression of a lead throughout the sales cycle. A contact strategy that maximizes the likelihood of contact and conversion should also be clearly defined so that salespeople know the timing and sequence of each subsequent action for each lead. Once a lead is contacted, there should be a process in place that guides sales reps to take the appropriate actions based on the outcome of each interaction with each lead. This type of comprehensive prioritization strategy takes a lead’s status into account along with many other factors.

The purpose of this study is to explore the true effects of an automated prioritization strategy, like the one described here, to see its impact on sales productivity and performance. Velocify clients have the ability to take advantage of built-in or configurable lead, opportunity, and scheduled task prioritization strategies that are an integral part of Velocify's sales automation solutions. However, not all Velocify clients, or even salespeople within the same company, choose to utilize this feature. By comparing the results of salespeople and companies that use prioritization to those that don’t, we are able to measure the effects of prioritization.
Results

The Impact of Prioritization on Productivity

The easiest way to measure the impact of prioritization on productivity is to look at the volume of prospects managed by salespeople who use prioritization versus those that don’t. The idea is that those who use prioritization don’t have to stop and think about what prospect to call or what activity to engage in next and should therefore be able to handle a higher volume of leads. The data confirms this theory and shows that salespeople who used prioritization, at least part of the time as they worked through their leads, were able to manage 12% more prospects per salesperson during the same time period as those who did not use prioritization.

Nonetheless, managing more leads at the same time isn’t always a good thing, especially if the additional prospects being managed are neglected as a result of added workload. To see if this might in fact be happening with leads managed by sales reps using prioritization, we looked at the activities performed by salespeople at the lead level.

When salespeople use prioritization to determine their daily sales activities, we see that they’re not only able to manage more leads, but that the leads they do manage also get more attention, as seen by the number of actions and contact attempts and total talk time per lead.

During the same time period, salespeople using prioritization took 22% more actions per lead. The number of contact attempts per lead, one of the most important action types a salesperson can take, was 33% higher for salespeople who used automated prioritization. Additionally, the fact that talk time per lead improves more than twice as much as contact attempts per lead suggests that salespeople aren’t only increasing their talk time due to the higher number of calls they are making, but that they are increasing their call time even more because they are able to engage more of their leads in longer conversations.
The compound effect of managing a higher number of leads while increasing the level of activity and engagement with each lead results in even greater improvements in productivity per salesperson.

When compared to their counterparts who did not use prioritization, **salespeople using prioritization were able to take 37% more actions, make 49% more contact attempts, and increase their talk time by 88%**. These measured improvements in productivity make it clear that those salespeople who do not use activity prioritization spend a significant amount of their time prioritizing activities. When those activities are performed automatically by a technology solution, according to a set of pre-configured rules, salespeople are then freed up to spend more of their time engaging in the right types of sales activities, such as working more leads, making more calls, and spending more time on the phone with higher value leads.
Results

The Impact of Prioritization on Sales Performance

Improvements in productivity are fantastic, but all good sales leaders know that just because someone is able to manage more leads, take more actions, make more calls, and spend more time on the phone, it doesn’t necessarily mean they’re better or more effective than someone who may not have such high productivity numbers. It is entirely possible that someone who is very productive can just be burning through more leads and actually wasting them. The true measure of whether that added productivity actually brings in more revenue in an effective way is the impact of prioritization on sales performance metrics that more directly result in higher lead conversion rates.

Much of our previous research has shown that initial lead response time is one of the most important factors in ensuring that more leads are converted. To assess whether automated prioritization actually makes a difference in this important performance metric, we decided to look at the increase in the percentage of leads called quickly, within 5 minutes and within 1 hour.

**Salespeople working off of a prioritized list were 19% more likely to call new leads in less than five minutes and 26% more likely to call new leads in less than one hour.** Given the importance of making that first call as quickly as possible, these results show that most companies and salespeople using prioritization understandably value brand new leads highly and probably above most other leads. The increased speed in reaching out to new leads is probably due to both the higher prioritization of those new leads in comparison to other leads and to the added productivity and efficiency gains afforded by the use of prioritization, which allows salespeople to complete more tasks quickly.
Results

The Impact of Prioritization on Contact and Conversion Rates

As would be expected, the faster speed-to-call times result in higher contact and conversion rates for users of prioritization. On average, salespeople who use prioritization had 15% higher contact and conversion rates than those that didn’t use prioritization.

Prioritization enables sales reps to contact more leads quickly and do so more effectively.

Therefore, it is safe to say that the measured increases in productivity didn’t negatively affect the ability to contact and convert more leads. In fact, prioritization enables sales reps to contact more leads quickly and to do so more effectively. The higher conversion rates suggest salespeople were better able to engage with the right leads at the right times in more fruitful activities that maximized the likelihood of revenue generation.
Results

The Impact of Prioritization at the Company Level

The preceding results compare individual salespeople using prioritization to those not using prioritization. Often times, those two distinct groups may exist in the same organization. However, even when companies have the ability to use prioritization technology, some choose not to use it at all. While this only represents about 10% of Velocify clients, it allowed us to compare companies who use prioritization, at some minimum level, to those who don’t use prioritized lists at all. The positive effects of prioritization may be even more convincing at the company level. The average conversion rate for companies who used prioritization (green line in the chart on the next page) was almost double (97% higher) the average conversion rate for companies who did not use prioritization (blue line in the chart on the next page) during the time period studied. Both sets of companies used a variety of Velocify sales automation functionality, but the difference was in their use of prioritization.

Although there were clearly low and high performing companies, in terms of conversion rates, within both users and non-users of prioritization, it was as though not using prioritization set a cap on how high conversion rates could really get. Only three companies not using prioritization were above the average conversion rate of companies using prioritization, and even those three were barely above the average. That means 83% of companies not using prioritization had below average conversion rates. There are clearly many factors that affect a company’s overall conversion rate. Prioritization obviously isn’t the only factor, but data suggests that using prioritization may actually lift an invisible ceiling that may be stifling many companies’ full potential.
Results

Conversion Improvement at the Company Level

- Companies using prioritization
- Companies not using prioritization
- Average conversion rate

Conversion Rate

All Companies

+97%
Results

Higher Prioritization Usage Drives Greater Conversion Rates

The study also found that the simple use of prioritization was not enough. About 90% of companies did use prioritization during the study period, but the extent to which their individual salespeople used it did vary considerably in some cases, and so did their resulting gained benefits and performance. We were able to quantify prioritization usage for comparison purposes by estimating the relative level of use for each salesperson, based on the percentage of time they used the prioritized list versus other non-prioritized lists that they filtered and sorted on their own. Each company’s level of prioritization usage was then calculated by averaging the usage percentage of all of its salespeople.

This type of data analysis showed that **companies whose salespeople used prioritization more often generally achieved greater results.** Companies whose salespeople used prioritization most of the time (more than 50% of the time) had conversion rates that were 8% higher than the average of all companies, which was already much higher than the average conversion rate for companies not using prioritization. Companies whose salespeople used prioritized lists more than 70% of the time had conversion rates that were 29% greater than average, and companies whose salespeople used prioritized lists almost exclusively (more than 90% of the time) enjoyed conversion rates that were 49% greater than average.

When comparing the conversion rates of companies using prioritization more than 90% of the time to companies not using prioritization at all, the difference is even more remarkable. Heavy users of prioritization (>90% use) averaged conversion rates that were 178% greater than those of companies who did not use prioritization. When this level of improvement in conversion is combined with the added volume of leads that users generally were able to manage due to their use of prioritization (+12%), this results in an **expected tripling of converted leads or tripling of revenue as a result of prioritization.**
Implementing an Effective Prioritization Strategy

Putting Prioritization in Action

Logically, when technology is used to implement the type of prioritization strategy described in this study, with a pre-defined set of rules and sales processes, salespeople should be able to work a higher volume of leads more effectively and efficiently, in a more consistent manner, without having to waste time looking through and manipulating multiple lists or having leads fall through the cracks. With a sales automation system in place that uses this type of prioritization, salespeople can simply follow a prioritized list of leads, opportunities, and sales tasks that facilitates the right actions to take at the right time intervals, throughout the many stages of the sales process.

As a salesperson works through a prioritized list and takes actions, leads should drop off the active list and the next best lead should rise to the top of the list. Also, as new leads come in, or as existing leads become due for follow-up action, the list can automatically reshuffle and higher priority leads can be moved or inserted in their corresponding order, according to the set rules. In general, leads that have been added more recently and have fewer contact attempts should be considered higher priority because they are more time sensitive and usually more valuable. This type of process, if implemented, enforced, and monitored throughout a sales organization, can ensure that leads get worked in both a strategic and consistent way.

Lead Prioritization is More than Lead Scoring

A series of pre-configured rules should determine the best next lead and action needed, in real-time. To put it simply, the prioritization rules selected will ideally determine the prioritized order by considering five basic categories of factors:

- Lead status
- Scheduled actions and appointments
- Ongoing sales interactions
- Time elapsed since last action
- Lead quality (lead score or other specific lead attributes)
Implementing an Effective Prioritization Strategy

**Recommendations**

involve key stakeholders in customizing prioritization rules: Like with any other desired change, sales leaders looking to implement this type of prioritization strategy will have greater success if they involve their sales and marketing staff in the decision process needed to set up all prioritization rules. People will be more accepting of any change if they are part of making it happen and understand the reasoning behind the strategy. To substantiate the last point, we compared the usage of prioritization for Velocify clients who took an active part in setting up custom prioritization rules versus those who had the option of simply using the default prioritization settings. We found that companies that were able to provide input into the prioritization strategy averaged 38% higher prioritization usage than companies that chose to use default settings.

**Make prioritization the norm:** Within the Velocify system, salespeople can choose their default system view when they first log in. The prioritized list view is one of the options available to them. As might be expected, those with prioritized queues as their default view were almost three times more likely to work primarily from a prioritized list than those who did not have prioritized view as their default, and their contact and conversion rates were correspondingly higher than those of most other users of prioritization. Furthermore, sales managers can monitor the use of prioritization by tracking the statuses and time elapsed between actions for leads assigned to each salesperson to make sure leads are worked according to the set prioritization rules.

**Keep it simple at first:** Not all prioritization strategies are the same or necessarily as effective as others. While sales automation solutions, like those offered by Velocify, may allow for the setup of a very large set of complex prioritization rules, we advise to keep things simple, at least initially. Focus on what matters most first, such as lead status, scheduled actions and appointments, and time elapsed since last action, and slowly introduce additional parameters and rules for more advanced prioritization. The setup of unnecessary, excessive, or bad prioritization rules can potentially create bottlenecks in the sales process and can actually cause more harm than good.

**Monitor and continuously fine-tune:** It is important to regularly monitor the effectiveness of prioritization rules to ensure they are having their intended impact, especially when changes are made or modifications are introduced. As with most other aspects of intelligent sales automation, prioritization is most effective when it is continuously evaluated and fine-tuned based on measured results.
Summary and Conclusions

The use of comprehensive prioritization strategies that simultaneously consider multiple factors (such as lead status, scheduled actions, appointments, ongoing sales interactions, time elapsed since last action, and lead scores) to dictate the next best activities to engage in with the most promising leads has been shown to generate significant increases in productivity and performance. The following are some of the most important takeaways from this study:

- **A truly effective prioritization strategy should be governed by a well-defined sales process and contact strategy, not just a lead score**

- **Salespeople who used activity prioritization were able to obtain the following improvements over those not using prioritization:**
  - touched 12% more leads
  - took a total of 37% more actions, made 49% more contact attempts, and increased their talk time by 88%
  - had 15% higher contact and conversion rates

- **On average, companies using prioritization achieved almost double the conversion rates of companies not using prioritization at all:**
  - Companies’ conversion rates were more likely to be higher the more their salespeople used prioritization
  - Companies with heavy use of prioritization averaged conversion rates that were 178% greater than those of companies who did not use prioritization

- **Combining the average increase in conversion rate (178%) expected from heavy users of prioritization with the average increase in volume (12%) that can be managed through prioritization results in triple the number of converted leads or triple the revenues**

- **Using prioritization may actually remove an invisible ceiling that may be stifling many companies’ full conversion rate potential**
  - 83% of companies not using prioritization had below average conversion rates
Summary and Conclusions

- **Challenges to implementing an effective prioritization strategy include:**
  - Lack of knowledge about the prioritization process
  - A shortage of tools that facilitate and automate the implementation of a comprehensive strategy
  - Resistance to change from sales leadership and/or sales staff

- **Strategies to effectively implement an effective prioritization strategy include:**
  - Educating sales personnel about the benefits of prioritization
  - Involving multiple stakeholders to contribute to the prioritization rules and guidelines
  - Enforcing use of prioritization lists through system settings, monitoring of sales activities and lead statuses, and redistribution of leads
  - Starting out with a simple set of rules and continuously evaluating and modifying the rules based on measured results
The easiest and most optimal way to implement a disciplined prioritization strategy is to have a robust and flexible set of prioritization options at your fingertips and fully integrated with your sales automation and/or CRM system(s). Velocify’s dynamic prioritization management capabilities are second to none.

DO YOU HAVE THE TOOLS NECESSARY TO MOST EFFECTIVELY AND EASILY DEFINE, IMPLEMENT, ENFORCE, MONITOR, AND ASSESS YOUR PRIORITIZATION STRATEGY?

Call: 888-843-1777
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