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The new sales enablement

From back-office support to growth engine

pwc

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Executive summary

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Digitization is rapidly transforming how sales forces at large business-to-business enterprises interact with their customers. Sales representatives are now highly mobile, equipped with immense amounts of data and insights about their customers, and willing to collaborate with them on a regular basis so that they can tailor products, services, and solutions to those customers' needs.

At far too many companies, however, sales management personnel and frontline salespeople are not getting the support they need. Sales strategy, planning, support, and delivery organizations involved in enabling sales efforts are often highly decentralized; roles and responsibilities are unclear; data, processes, and systems are dispersed; and most resources and spending are primarily focused on keeping up with the transactional needs of the sales function.

If companies are to turn these various support functions, which we collectively call "sales enablement," into full partners in the sales effort — capable of enabling profitable growth — the company leadership must first redefine the primary role of those that support and enable the sales force. Sales enablement is a multifaceted function that should generate the analytics and customer insights needed to develop successful sales strategies and build the capabilities needed to engage fully with customers, as well as provide the necessary transactional and operational support. Next, grounded in a clear understanding of what drives superior customer experience and the optimal go-to-market strategy, companies need to define the end-to-end capabilities, activities, and performance required to deliver that experience and carry out their chosen strategy. That in turn will help them determine how sales enablement should be configured and organized to be both effective and efficient, and where to invest money and people to build the best possible customer experience and to maximize growth.

Putting it all together will have a profound effect on the ability of companies to "move the needle" in an ever more competitive B2B environment. But the transformation involved is a highly complex endeavor, and it is critical to maintain a focus on what really matters: providing the best experience possible for the customer.

The changing sales environment

How large business-to-business enterprises go about selling their products and services has become far more complex than it was just a few years ago. Thanks to the growing use of a wide variety of new technologies, clients now demand greater engagement, flexibility, and control over the buying process, and expect significantly more intimate, sophisticated customer experiences in their interactions with their vendors. The sales process now involves much more collaboration and sharing of information than it did in the past, as companies and customers work together to develop specific products, services, and solutions that fulfill customers' particular needs.

As a result, the tasks of managing customer relationships and sustaining the end-to-end selling-through-delivery processes throughout the customer life cycle have become far more difficult, especially with enterprise-class customers, which may interact with many different parts of the vendor's organization, as well as through partners and resellers. And all this is taking place in an ever more global, competitive business environment.

Getting all of this right, therefore, has never been more important to the success of every large business-to-business company. Few, however, have managed to put it all together. At most companies, sales management and the salespeople on the front lines at the critical interface with customers have at their disposal all kinds of technologies that let them be fully mobile, always on, and equipped with much greater insights into their customers' needs, across every sales channel. Often overlooked, however, is the "sales enablement" function, which works behind the scenes providing the means for the sales force to carry out its function, managing the enormous complexity involved, delivering operational support, and ensuring the success of the overall sales effort.

At its best, sales enablement is the seamless orchestration of a highly complex collection of activities involving a wide variety of organizations — sales, marketing, supply chain and logistics, finance, human resources, information technology, and product development

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across individual business units, regional departments, and corporate functions — myriad processes, and all manner of technologies. Its goal: to drive sales performance by enabling and ensuring the greatest possible level of engagement between the company and its current and potential customers, through the creation of compelling customer experiences and ease of collaboration across the customer engagement life cycle. Its role: to provide the analytics and insights needed to make better decisions and develop successful sales strategies, to build the capabilities needed to engage fully with customers, and to provide transactional and operational support through the entire customer engagement life cycle.

Digitization is transforming all aspects of selling, from strategic planning to management and operations. As a result, the customer-facing front-office sales force now needs an entirely new level of customer insight and engagement through real-time data analysis and improved flexibility, customization, and collaboration. So the pressure is on for sales enablement to build the capabilities needed to fully support the sales force, to provide the customer insight and analytics needed to develop winning sales strategies, and to rethink how they should be organized to best fulfill their mission.

Achieving this will require a redefinition of sales support's current back-office role as well as a major transformation of that role in order to integrate separate sales strategy and planning, sales support, and operations efforts to achieve a more holistic, end-to-end approach to sales force enablement. If successful, the effort will allow companies to significantly step up sales performance and profitability, boost profitable growth, and capture a markedly stronger return on the major investments they make in their sales force.

The enablement challenge

As profound as the changes in how companies engage with and sell to their customers have been, their sales enablement efforts, unfortunately, have often not kept up. At many companies there is no sales enablement function or comprehensive approach that covers all aspects of enablement. Instead, there is simply a back-office activity intended to manage the plumbing and wiring of the many systems and processes essential for any effective sales force, and provide administrative and operational sales support with a focus on establishing an efficient, scalable transaction engine at the lowest possible cost.

Many companies' back-office efforts remain slow, complicated, and redundant, following inadequate and poorly defined processes. Interactions with customers require numerous handoffs between different back-office functions, which at many companies are highly decentralized and distributed throughout multiple business and geographic units. The result is frequent manual intervention in processes, long turnaround times for quotes, missed delivery dates, and multiple interfaces with customers. The needless proliferation of different technologies, applications, and data makes it virtually impossible to generate an integrated view of the customers.

Moreover, sales enablement at many large companies is spread across numerous internal business units, geographies, and functional organizations, and can involve tens of thousands of people and cost hundreds of millions of dollars annually. Under such conditions, however, all of the money and resources that companies devote to digitizing their sales forces will never enable them to respond rapidly to customers or provide the experiences that generate true customer loyalty. On the other hand, when companies do it right, they can in some cases achieve the same performance at nearly half the cost, while achieving double-digit increases in customer satisfaction and growth.

Four levers of change

To reach the vision of fully effective and efficient support for the sales force, sales enablement must take on a new role, developing the analytics and insights needed to help develop the go-to-market strategy, building the right sales capabilities, and providing operational and transactional support (*see Exhibit 1, next page*). As such, sales enablement must help support a number of critical decisions: determining how best to deploy the sales force and setting the team's incentives, metrics, and reporting mechanisms; defining, gathering, and analyzing the data needed to understand customers; providing compelling, customized customer experiences; integrating customer information throughout the company; and offering the best possible after-sales service and support.

If companies want to transform their sales enablement function to create the capabilities needed to develop and carry out successful sales strategies and boost revenues, they must pull four key levers — each of which will help make sales enablement more agile, more nimble, and more effective in partnering with the sales force. If they can succeed in this goal, they will provide the means for the sales force to improve the customer experience — and thus boost sales — by ensuring that the back-office sales efforts will become a competitive advantage rather than simply a cost center.

Exhibit 1
An end-to-end view of the new role of sales enablement

Insights and analytics	Strategy and planning	Sales capability building	Transactional/ operations
Business intelligence	Market analysis	Sales process management	Proposal management
Customer experience	Go-to-market planning	Customer/partner relationship management	Compensation processing
Data and infrastructure	Strategic initiatives	Pricing	Quoting and configuration
	Compensation and quota planning	Sales process support	Order and cash management
		New business/ product enablement	

Source: Strategy& analysis

A coherent go-to-market strategy

Many companies today lack a truly comprehensive view of their customers, as well as a clear game plan for engaging with them across the entire customer life cycle. And many lack an integrated approach to the channels through which they interact with customers; instead, they take into account the different performance aspects and activities of each channel in a piecemeal fashion, often within the context of its particular internal business unit and functional silo. Under such conditions, it is virtually impossible to develop a coherent strategy for taking products and services to market and engaging with customers.

Defining such a strategy demands that companies truly know their customers and their individual requirements and expectations. Though customer data will be collected across the enterprise, sales enablement needs to play a central role in translating that data into insight on how best to engage and serve customers. Without a clear and coherent go-to-market strategy, however, the sales enablement function will likely be saddled with a high degree of redundancy, complexity, proliferation of processes and tools, and high cost — and thus be unable to contribute the necessary customer and channel insights needed to develop a truly coherent strategy.

That strategy must be defined in the context of the overall customer value proposition and business strategy. The drivers of customer experience for a company that differentiates itself through innovation, for instance, will likely look very different from those for a company that differentiates itself through a low-cost or fast-follower strategy. Different business models — sales of physical products as opposed to services or software, for instance — will also involve different experience strategies.

Companies must also determine how they will take their products and services to market across their different channels and interact with customers across those channels. This requires defining the channels, activities, and capabilities needed to market, develop, sell, deliver, and support customers, and to understand how performance can be maximized for each individual channel — again, a critical responsibility of sales enablement.

Go-to-market strategy must be defined in the context of the overall customer value proposition and business strategy.

If sales enablement is to avoid the complexity, high cost, and essentially reactive stance that result from a poorly defined go-to-market approach, it is critical that the function take an active seat at the strategy table. This is not just to provide the customer insights and analytics needed to help shape the right strategy, but to better understand the requirements and trade-offs inevitably involved in any strategic choice.

The strategic shift on the part of many technology companies to a software-as-a-service model, for example, requires that they put in place an entirely new set of sales processes, tools, and people to carry out the new strategy. Sales enablement must play an active role in helping to inform and develop the strategy, so that the requirements and changes necessary to execute it are understood, not just by the front-office sales force but throughout the company.

Sales enablement should also play a central role in helping to define new strategies for selling to major enterprise customers, especially given the sheer complexity of such highly demanding accounts. By their very nature, these customers typically interact with any number of their vendors' organizational units, so it is critical that sales enablement be organized in such a way, and have the processes and tools in place, to be able to keep track of how they interact, and provide a single customer view to the frontline salespeople.

A clearly articulated customer and go-to-market vision and strategy is the foundation for driving customer experience and maximizing sales and channel performance. Sales enablement organizations must be deeply involved in shaping and influencing that strategy, while evolving their sales enablement capabilities in line with it.

Customer- and strategy-centric capabilities

Carrying out a successful go-to-market strategy requires that sales enablement build or acquire a wide variety of capabilities, including analyzing customer data and creating customer insights; planning, execution, and operations; and transforming and continuously improving the sales enablement organization. Companies need to define the full spectrum of these capabilities — the necessary processes, technology, skills, and analytics — and determine where the gaps are.

Companies will find that the capabilities needed will include "lights-on," such as processing an order; "table stakes," meaning activities that are industry-specific but not differentiating by themselves, such as managing standard pricing across a product or service portfolio; and truly differentiating, which can give companies a real competitive edge in the market, such as enterprise account management and solution-based selling. The balance between the latter two capabilities will vary among companies, depending on their go-to-market strategy, product portfolio, and competitive landscape — their "way to play." Companies that distinguish themselves as innovators — dependent on their capacity to develop and introduce to the market compelling new products and services — will likely develop a quite different set of capabilities than companies that operate as fast followers, watching their markets carefully to see what's selling, then developing and selling their own similar products at competitive prices (*see Exhibit 2, next page*).

Moreover, companies need to envision and build their chosen capabilities in light of their full end-to-end value. When developing an effective and efficient capability that controls the entire process from prospects to cash, for example, a company will achieve better results by defining the desired outcome for the capability overall — including the time it takes to go through the entire prospect-to-cash cycle, how many opportunities are actually converted and "fully paid," and the proportion of cases that face problems as they move through the process. Moreover, the capability must be optimized across the board, rather than developing individual processes for prospecting, planning, solution development, order management, delivery, invoicing, and

Exhibit 2
The capabilities a company should develop will depend on its chosen "way to play"

Way to play	Value proposition
Aggregator	Provides the convenience of a one-stop solution
Customizer	Leverages customer intelligence to offer tailored products or services
Fast follower	Leverages foundations laid by first movers to quickly launch competing offerings
Innovator	Introduces new and creative products or services to the market
Integrator	Ties separate products or systems together so that they work together
Premium player	Offers high-end products or services and superior customer service
Solutions builder	Develops tailored solutions for customers

Type of capability	Description	Strategy	Example
Lights on	Activities required to "keep the lights on"/operate	Aim for best-in-class cost levels	Invoicing and collections
Table stakes	Activities required by industry dynamics to compete in sector	Aim for best-in-class cost levels	Standard pricing
Differentiating	Company's chosen three to six differentiating capabilities that enable it to build sustainable advantage	Invest to build advantage	Value-based pricing/ deal desk (focused on solutions

Way to play	Value proposition
Value player	Offers lower prices

Source: Strategy& analysis

collections. An end-to-end view of any capability should also involve considering different business models for which the capability is required and determining what has to be tailored for each business model versus what can be standardized. An end-to-end view will also help optimize processes, tools, organizational roles, and responsibilities. Sales enablement must play a central role in defining capabilities that involve its activities, since it will be responsible for successfully delivering on their goals.

As large IT solution companies move to a sales approach that combines hardware with a variety of possible software and services packages, and even the cloud, their relationship with their customers — from initial sales through to software management, service delivery, and support — has become much tighter and more continuous than in the past. So the sales enablement function's ability to provide a truly collaborative environment that allows customers and companies the means to work much more closely will likely become an increasingly differentiating capability.

Many companies have resisted the need to redesign the processes, technology, and organizational roles and responsibilities that can lead to a more collaborative approach to sales enablement, preferring to cling to their legacy sales systems and old ways of working. Learning new skills and closer forms of collaboration can be difficult, and developing this new capability will require a significant change management effort.

Often, what may start as a differentiating capability will eventually become standard table stakes. The digitization of the sales force, for example, offers companies the ability to ease the sales process by increasing self-service and automation, not just for customers but for the sales force and its partners as well. Automation is critical in any number of key processes, including lead management, customer relationship management, configuration and quoting, pricing, order management, and proposal and contract management. Many companies have already adopted automated "no-touch" quoting and self-service "frictionless orders" that provide full visibility into order status.

The benefits of automation include not just an increase in efficiency but also greater agility in responding to different kinds of customer requests. Automation has helped some companies cut the number of process steps by as much as 40 percent, significantly reducing complexity and its attendant costs. As more and more companies move in this direction, however, early adopters of sales enablement automation will lose the advantage it gave them, and the capability will become "must-have" table stakes for every company.

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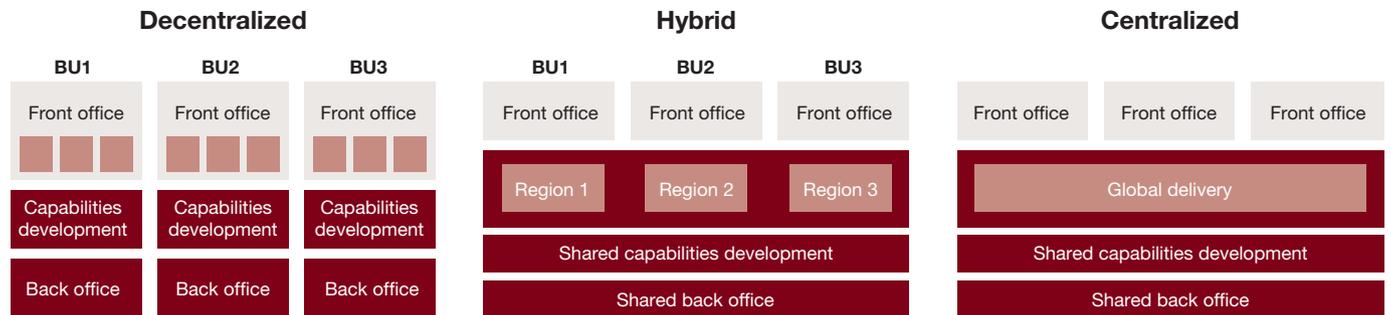
A scalable operating model

The task of the sales enablement function can vary from company to company, and how companies define its role will largely determine how the function is organized. Its role might be sales strategy development and planning, capabilities building and deployment, providing traditional support of operations and transactions, or all of the above. Some companies remain committed to highly decentralized models in which separate business and geographic units maintain all or part of their own enablement functions, while others prefer to combine all of these roles into a formal global customer experience and sales enablement organization.

As a rule, a company should aim to establish an all-inclusive view of its sales enablement resources, processes, and technologies, and then centralize the management responsibilities and decision rights for most of the sales enablement function. Centralizing management and decision rights will make it easier to look at the full range of capabilities needed, see the connections and commonalities among capabilities, optimize the entire function, and prioritize investments where the biggest impact can be achieved. If a company disperses these responsibilities and decision rights, it will be difficult to set up the processes and tools that are needed to work across business unit lines. At a time when customers are coming to expect a consistent experience with their vendors throughout the organization, often in real-time interactions, a decentralized system will get in the way of a company maintaining a tight connection with customers. Centralization of these roles can better ensure that different parts of the business remain in tune with one another in their approach to customers, especially those valuable enterprise customers that are commonly in touch with more than one unit at a time.

In deciding on the right organizational model, and aligning it with a go-to-market approach, companies must look closely at the similarities and differences among various parts of their business, and the connection between sales enablement and all the functions that touch the customer or the sales force, to ensure that accountability is properly assigned to all players. *Exhibit 3, next page,* illustrates three models for organizing sales

Exhibit 3
Sales enablement operating models vary in their degree of centralization and front-office focus

Decentralized			Hybrid			Centralized		
BU1	**BU2**	**BU3**	**BU1**	**BU2**	**BU3**			
Front office	Front office	Front office	Front office	Front office	Front office	Front office	Front office	Front office
			Region 1	Region 2	Region 3	Global delivery		
Capabilities development	Capabilities development	Capabilities development	Shared capabilities development			Shared capabilities development		
Back office	Back office	Back office	Shared back office			Shared back office		

Description

– Decision making fully dispersed and embedded within individual business units

– Each business unit owns and delivers on sales enablement

– Decision making and resource deployment partially centralized

– Business units own customer-facing decision rights while other decisions are consolidated at the center

– Fully consolidated decision making as well as resource deployment

– Business units set policies and expectations

Pros

– High degree of tailoring to customer needs and experience

– Minimizes execution time on new products, solutions to market

– Enables process scaling across products and business units

– Single accountability for regional sales enablement

– Enterprise-to-enterprise ownership and alignment across processes

– Complete consolidation of back office

Cons

– Challenge in cross-regional standardization

– Limits ability to scale by global processes

– Fragmented decision rights

– Regular interlocks needed between business units and sales enablement to ensure alignment

– Potential gaps in tailoring "last mile" to business needs

– Lower flexibility in local business unit or region support requests

Source: Strategy& analysis

enablement, which vary in their degree of centralization, emphasis on the front office versus the back office, and investment versus efficiency. Each has its pros and cons, generally related to the relative degree of integration across a company's sales landscape.

Centralizing management responsibilities and decision-making rights, however, does not mean that all sales enablement resources should be consolidated in one location. At companies with numerous business units and geographic markets, most of the sales enablement activities should involve a central element that takes charge of strategy and operational excellence through a center of expertise and a hub for implementing shared services for specific knowledge- and transaction-based activities. The business units and regional markets, however, should have their own decentralized sales enablement resources to meet their specific needs. Centers of expertise should be used to build capabilities such as strategy and planning, analytics, and sales force compensation. Centers of scale should be used for most transactional and high-volume activities, set up as regional hubs to allow a follow-the-sun approach, passing the workflow so that the company can take advantage of lower costs in some countries.

No matter which model a company chooses, it must settle on a leadership structure and matrix that clearly lays out the lines of responsibility and accountability, as well as the talent, incentives, and behavior needed to promote a truly customer-focused approach to sales. It also must establish the appropriate governance mechanisms to resolve conflict.

A focused investment approach

All too many companies today receive a poor return on their investment in sales enablement; indeed, some spend twice as much as the best performers simply to meet their transactional needs. Though customer experience and go-to-market performance considerations should drive the effort to transform the sales enablement function, companies need not invest huge sums of money to develop the sales enablement capabilities they need.

The key is to channel the funds saved by operating lights-on and table stakes capabilities more efficiently into building and maintaining strategic, differentiating capabilities. In fact, most companies could achieve much more at their current level of spending by refocusing their investments on the capabilities that matter. Why spend money on transactional processes and services being carried out manually and in high-cost locations if they can be delivered in an automated fashion or via a shared-services hub in a low-cost location? The money saved can then be devoted to improving the company's customer relationship management capability.

Furthermore, it is critical that companies gain an end-to-end view of their sales enablement function, and the capabilities needed for it to succeed. Without that view, companies will tend to concentrate on short-term fixes for their enablement shortcomings — enlisting more and more people to carry out important but cumbersome processes, for example. Instead, they should invest in fixing the root causes of those problems, perhaps by automating the cumbersome processes.

Doing so will require that companies establish a baseline that captures all of the current sales enablement activities throughout the organization — typically through surveys of people engaged in these efforts — and how much in the way of resources, both money and people, those activities consume. Many companies will find that their sales enablement activities use up considerably more resources than they think — or need. Reallocating some of these resources can mean considerable savings, which can then be reinvested in more differentiating capabilities.

Many companies will find that their sales enablement activities use up considerably more resources than they think — or need.

Finally, companies need to centralize sales enablement investment decisions as much as possible. All too often, decisions about investments in people and tools remain at the individual function, business, or geographic unit level, even if cross-unit teams have been put in place to try to centralize the process. That costs money, as duplicate processes and technologies proliferate. Centralizing the decisions about investing in sales enablement capabilities will help build the table stakes and differentiating capabilities the entire company needs, while optimizing the whole rather than individual pieces of the sales enablement effort.

Changing the policies regarding who has the authority to make decisions can be a particularly difficult cultural problem, however. Determinations about investments and organizational change must be grounded in strategy, and the leadership of the company must be aligned on the case for change, and own the case. Otherwise, powerful managers, who often prefer to own their own resources, may resist and even try to derail transformative change.

Changes in cost structure alignment and investment strategies should come after the company has clearly defined its sales enablement strategy, required capabilities, and operating model, along with the gaps to be filled. Functions such as back-office sales transaction management and other customer-neutral activities should be managed for efficiency and lowest cost, while significant investments should be directed toward developing differentiating capabilities and efforts to reduce complexity, not to support the status quo.

Build a bold vision and never lose sight of the customer

For many companies, building an effective sales enablement strategy and capability will likely require a major transformation, one that must take place while the sales force maintains its ongoing efforts to make sales. To succeed, companies need to develop both a long-term vision and a road map that allows them to transform while also delivering near-term wins and delivering the day-to-day business. No transformation can begin, however, until the company has clarified its vision for the sales experience it hopes to offer customers, a strategy for taking that vision to market, and an understanding of the capabilities needed to fulfill that strategy.

In doing so, companies must understand what resources are currently being used by the sales enablement function, and determine which of them can be reallocated to more strategic capabilities. Once that's clear, they must define the end-to-end sales enablement capabilities needed and design the right organizational and operating model, and the processes, tools, and talent required.

The ongoing impact of digitization on how companies engage with their customers means that building an effective and efficient sales enablement organization is, in effect, a moving target. So it is critical to remember that any transformation effort needs to be flexible and adaptable enough to take into account the inevitability of constant change.

As with any major transformation, there will likely be considerable resistance within the organization to redefining roles, changing decision rights, and reprioritizing and reallocating investments. Senior management can overcome this resistance by articulating a clear and compelling case for change, by building ownership for the transformation across the enterprise, and by actively leading the process of making change happen.

Finally, be aware that when companies get deeply involved in solving internal issues through major transformations, it is easy to lose sight of the ultimate goal: the customer. This is especially tricky in areas such as sales enablement, where creating the best sales experience for the customer is critical to its role and very existence. Only by always keeping customers in mind can companies truly achieve sustainable sales growth.

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