ebsta | Pavilion

2023 B2B Sales Benchmark Report.

Discover Insights from 3 Million + Deals

FOREWORD.

In 535 BC, Greek philosopher Heraclitus was quoted as saying, “change is the only constant”. Fast forward 2,500 years and it feels no truer words have been spoken.

After Covid-19, business was quickly propelled by low interest rates and a new digital-first buying experience. Through 2021, stocks soared as businesses capitalized and invested heavily in pursuit of growth. That enthusiasm continued into early 2022.

Then cracks started to show. Covid-19 had exposed “just-in-time” supply chains. Everything from food to semiconductors were suddenly in short supply, driving up prices. Then, a war broke out in Europe, triggering an energy crisis. With so much uncertainty, global markets started to reel and inflation reached record-breaking levels.

As a result, interest rates quickly increased 18-fold. Money became expensive. The institutionalized “grow-at-all-costs” playbook had to be torn up and thrown out of the window. By the end of 2022, tens of thousands workers were laid-off.

In 2023, we have to build businesses that can endure. To endure, we must pursue profitability. To be profitable, we must be predictable and efficient. We created our businesses, Ebsta and Pavilion, to help other businesses fulfill their potential through the power of revenue intelligence and community-led learning respectively.

That’s why we’ve teamed up for the B2B Sales Benchmark Report 2023. We’re excited to share secrets from the best-performing sales teams and cutting-edge insights from billions of dollars of pipeline. We trust these insights will give you an advantage through 2023 and beyond.

Get ready to start your journey to predictable and efficient revenue growth.

Guy Rubin
CEO, Ebsta

Sam Jacobs
CEO, Pavilion

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INTRODUCTION.

3.2 Million

Opportunities Analysed

$37 Billion

Pipeline Analysed

364

of the world's best performing companies

By analyzing hundreds of billions of dollars of sales pipeline since 2020, we have been able to better understand the impact of every major shift, from Covid-19 to digital sales, on B2B sales.

The emerging leaders have adapted the fastest. By investing in technology, people (especially RevOps) and processes, they have cultivated a high-performance environment with better win rates and faster sales cycles.

In 2022, the high-performers started to accelerate away from the rest of the market. To power their growth, they recognized sales data as a competitive advantage and identified what factors had the biggest influence on their win rates, sales cycles and deal values. With these insights, they have successfully refined and scaled their sales processes, leading to a higher percentage of their sales professionals making quota consistently. They have built repeatable and scalable revenue engines.

In our third B2B Sales Benchmark Report, we have analyzed 3.2 million opportunities, from 364 companies, representing over $37 billion. Through the report, we explore B2B sales trends in 2022 and the impact of four key factors we have proved have the greatest effect on sales velocity: relationships, engagement, deal qualification and age.

Whilst we use sales velocity as the ultimate measure (accounting for speed, efficiency and value), we also highlight the impact of factors on win rates, sales cycles and deal values. To be more representative, we have analyzed the performance of small, medium and enterprise sales processes.

To bring the insights to life, we have also introduced “spotlights”, where we will share short case studies on how companies have best leveraged each factor and the results they’ve seen from their efforts. For further learning and development, we also link through to relevant Pavilion courses run by world-class practitioners.

We really enjoyed creating this report. With so many insights, we found ourselves asking more and more questions. With every opportunity, we’re learning more and more about what it takes to close deals quickly and efficiently in B2B sales. The pace of change is rapid. 2023 will be no different. If you want to keep up-to-date with the latest trends and insights, be sure to follow us on LinkedIn, subscribe to our newsletters, or listen to our podcasts.

With that all being said, let’s jump in.

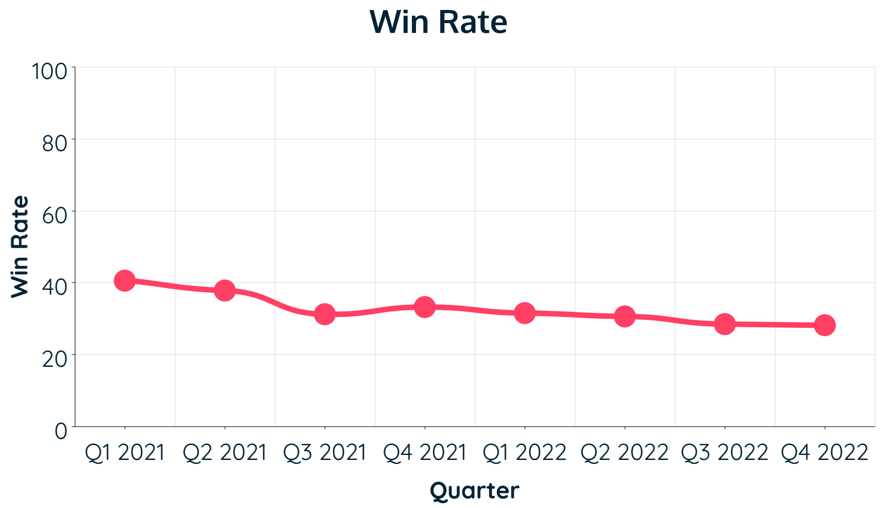
TRENDS.

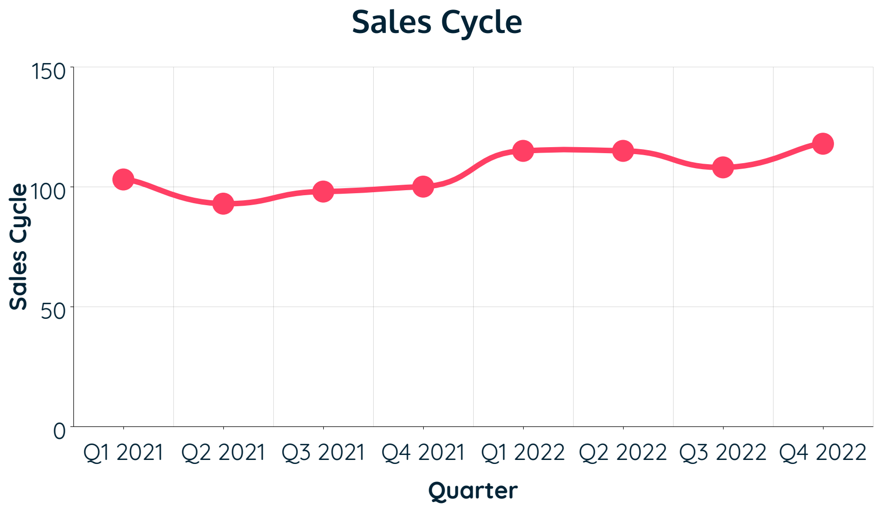
In 2021, we saw a rapid recovery from Covid-19. As we compare 2022, we can clearly see that sales velocity peaked in Q4 2021. This was supported, in large part, by the increase in higher value opportunities being created in Q2 2021 **(+21% QoQ)** and Q3 2021 **(+ 15% QoQ)**.

With pipeline generation being a leading indicator, we can pinpoint a noticeable drop in Q1 2022 **(-47% QoQ)**. From there, it didn't recover for the rest of 2022.

Interestingly, the average number of opportunities an individual salesperson managed each quarter only dropped **3%** to 49 from 2021 to 2022. It was the average deal value that suffered the most **(-32% YoY)**, whilst win rates also decreased **(-15% YoY)** and sales cycles lengthened **(+32% YoY)**.

With market uncertainty building through 2022, the number of stakeholders involved in a closed won mid-market deal increased to 10 **(+25% YoY)**. With more stakeholders to

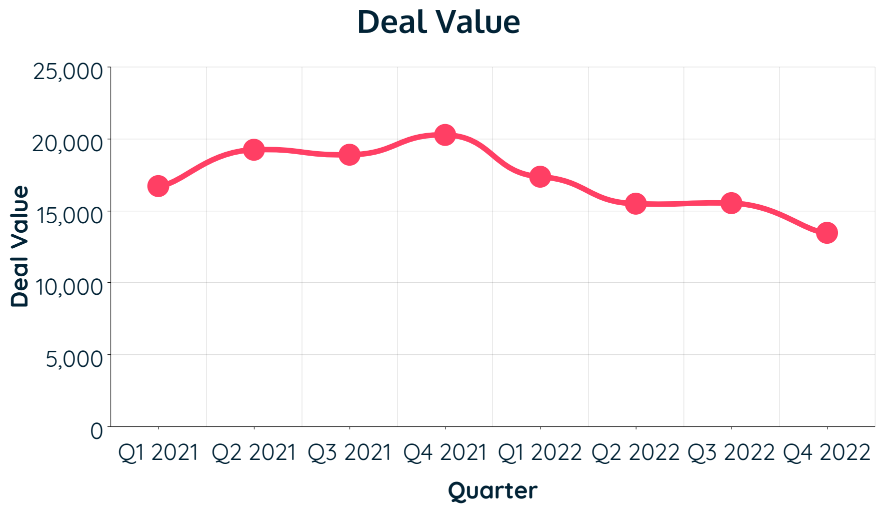


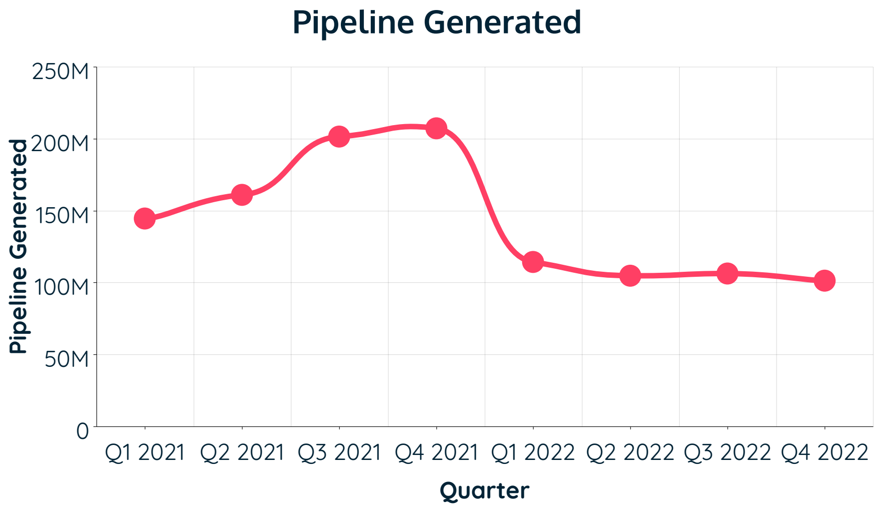


manage, it came as little surprise that too few relationships **(71%)** and too little engagement **(41%)** were the two top leading risk indicators in 2022. As a result, the number of deals that slipped increased to **37%** in 2022 **(+21% YoY)**. Ever the silent killer, deal slippage contributed heavily to the continued decline in the number of salespeople making quota. By Q4 2022, just **29%** of salespeople made quota **(-14% YoY)**. Surprisingly, **18%** of salespeople didn't have a quota set-up.

A growing trend in 2022 was the adoption of sales methodologies, increasing from **11%** to **21%**. MEDDPICC, or a variation of, was the most popular at **61%**. Most interestingly, **43%** of high performers had a structured sales methodology.

Looking at the high performers, they were **53%** more likely to have enough relationships involved in a sales process, **323%** more likely to have enough engagement with stakeholders, **100%** more likely to use a sales methodology, **407%** more likely to update an opportunity weekly, and **31%** less likely to see opportunities slip.





RELATIONSHIPS.

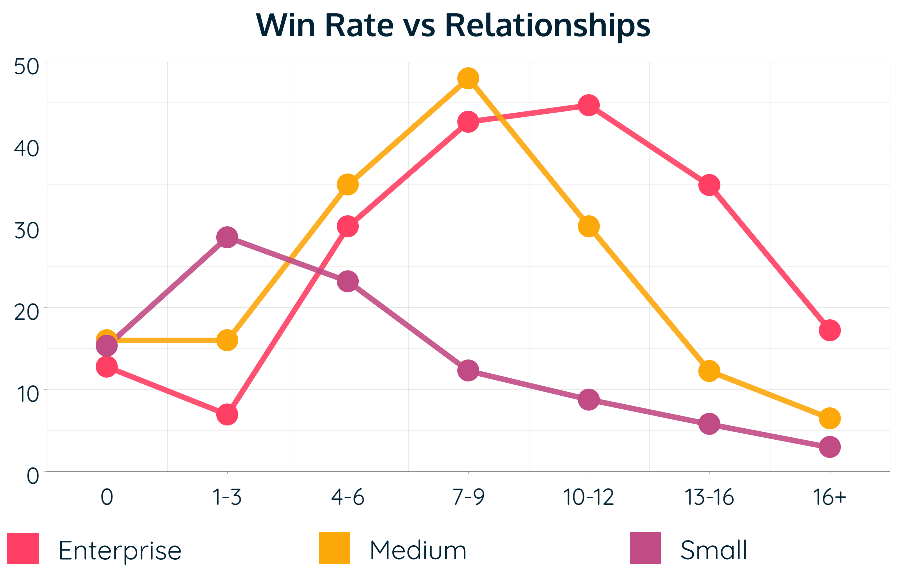
As the old adage goes, "people buy from people". Building, nurturing and maintaining relationships has been a core part of the sales process for decades. Yet its impact is rarely quantified.

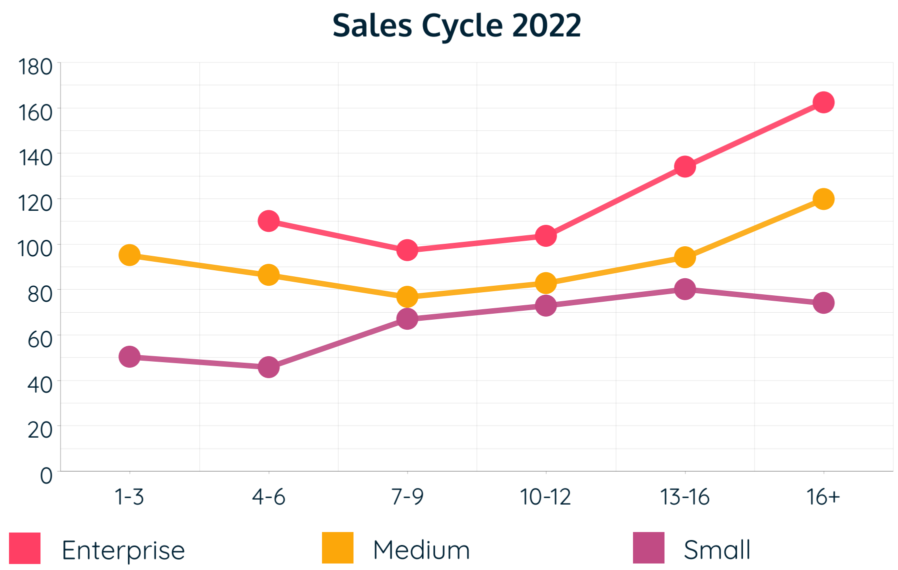
In 2022, it almost became a case of "more people buy from more people" as the number of internal stakeholders and external stakeholders involved in a sales process increased to four **(+33% YoY)** and 10 **(+25% YoY)** respectively.

So, how many members of the buying committee is optimal to improve win rates and shorten sales cycles?

For enterprise deals, this peaks at 10-12 relationships, with win rates averaging **42%**. Similarly, sales cycles were the shortest with between 7-9 relationships.

For medium-sized deals, win rates averaged **48%** when engaging 7-9 relationships, a **39%** improvement on engaging with 4-6 relationships. With 7-9 relationships, medium-sized deals also closed **10%** quicker than when 4-6 relationships were involved.





Smaller deals performed best with 1-3 relationships, with an average **29%** win rate. However, to close deals **8%** quicker, they were best in having 3-6 relationships.

It's important to stress that more relationships are not always better. As the reports highlight, small, medium and enterprise opportunities all suffered from having too many relationships. The average win rate decreased by **87%** once you were at 16+ relationships. Similarly, more relationships also means more meetings and more time, impacting the sales cycle.

Having the right number of relationships will help you close more deals faster. However, understanding who the relationships need to be with and when has a significant impact. With one B2B SaaS company, Ebsta was able to further improve sales velocity by 171% by identifying that their salespeople should target and engage a Senior Vice President, during the Post-Evaluation Stage.

If you have a small list of accounts, you want no less than 20 relationships. If you have more accounts, probably 5 to 10 people in the company.

"It's having a footprint in the different buying centers of the company. You need the right people in different positions across a larger company. Sometimes it depends on the department and the number of Executives.

Ian Koniak

Founder and CEO - Ian Koniak Sales Coaching

Enrol in Pavilion's Enterprise GTM School

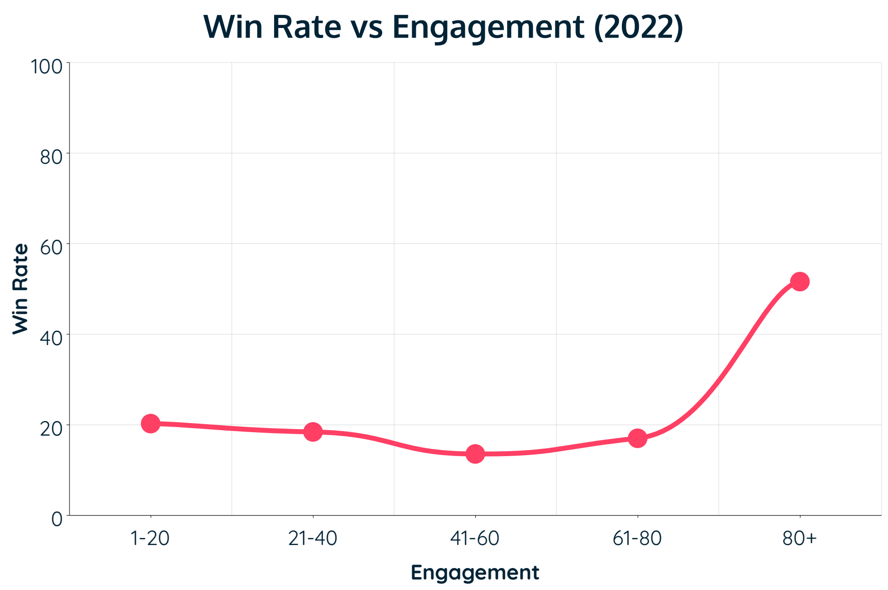
ENGAGEMENT.

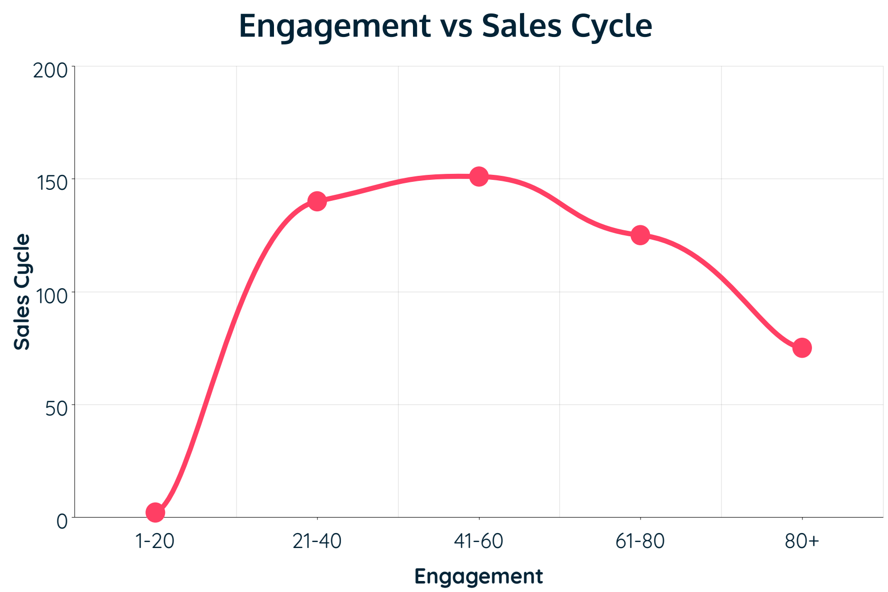
In 2023, you should be building relationships with as many as 10 different stakeholders. But what is a relationship and how do you quantify its impact?

For us, relationships are nurtured through consistent, high-quality activity. For Ebsta, “Engagement” (i.e. the effectiveness of sales activity) is measured through the Relationship Score. This uses AI to analyze all sales activity (email, calendar and call activity) to quantify the strength of a relationship between individual salespeople and contacts, opportunities and accounts, resulting in a single real-time Score between 0-100.

Through our analysis, we found that opportunities with great engagement (81-100) led to **633%** improved sales velocity over good engagement (61-80), with a **340%** better win rate and **40%** faster sales cycle.

Interestingly, just **21%** of opportunities ever achieved great engagement. With **34%** of opportunities having a good





relationship, however, a marginal improvement would have potentially helped close $944,299,999 in 2022.

Moreover, it's important to maintain great engagement. For deals that slipped back from a great relationship, the win rate dropped **47%** and the sales cycle lengthened by **81%**.

It also helped to build a great relationship early in lost opportunities, as lost opportunities with great relationships were closed **211%** quicker. Sometimes you need to fail faster to free up capacity to focus on opportunities with higher potential. As such, understanding engagement serves as a leading indicator for all pipeline reviews.

One B2B SaaS company focused on building great engagement, with key personas, at specific stages. By benchmarking historical performance and setting targets, the company was able to improve their sales velocity by 162% and saw 31% more salespeople achieve quota.

The high-performing salespeople were **323%** more likely to have enough engagement with stakeholders, with **79%** of their opportunities falling into the strong engagement bracket.

> Sending a one-off email or calling a lead once isn't engagement. Modern engagement is a systematic process for communicating with prospects in a manner that will break through the noise. Otherwise, simple sales activities will never catch attention.
>
> **Stephen Farnsworth**
>
> Segment Leader - RevOps Solutions @ Workato

Enrol in Pavilion's Book More Meetings Using the Principles of Sales Engagement

DEAL QUALIFICATION.

The key to predictable and efficient revenue growth starts with a repeatable and scalable process. In 2022, the number of businesses adopting a sales methodology doubled.

MEDDPICC was the most popular. However, despite **61%** of companies introducing a methodology opting for MEDDPICC, just **15%** of opportunities were fully qualified. Furthermore, just **5%** of companies used a more advanced approach, scoring the confidence of each qualifying criteria.

	Top Performer	Mid Performer	Low Performer
Metrics	54% Usage	21% Usage	9% Usage
Economic Buyer	85% Usage	29% Usage	8% Usage
Decision Criteria	76% Usage	24% Usage	12.5% Usage
Decision Process	56% Usage	31% Usage	22% Usage
Paper Process	57% Usage	22% Usage	36% Usage
Identify Pain	78% Usage	64% Usage	66% Usage
Champion	56% Usage	30% Usage	15% Usage

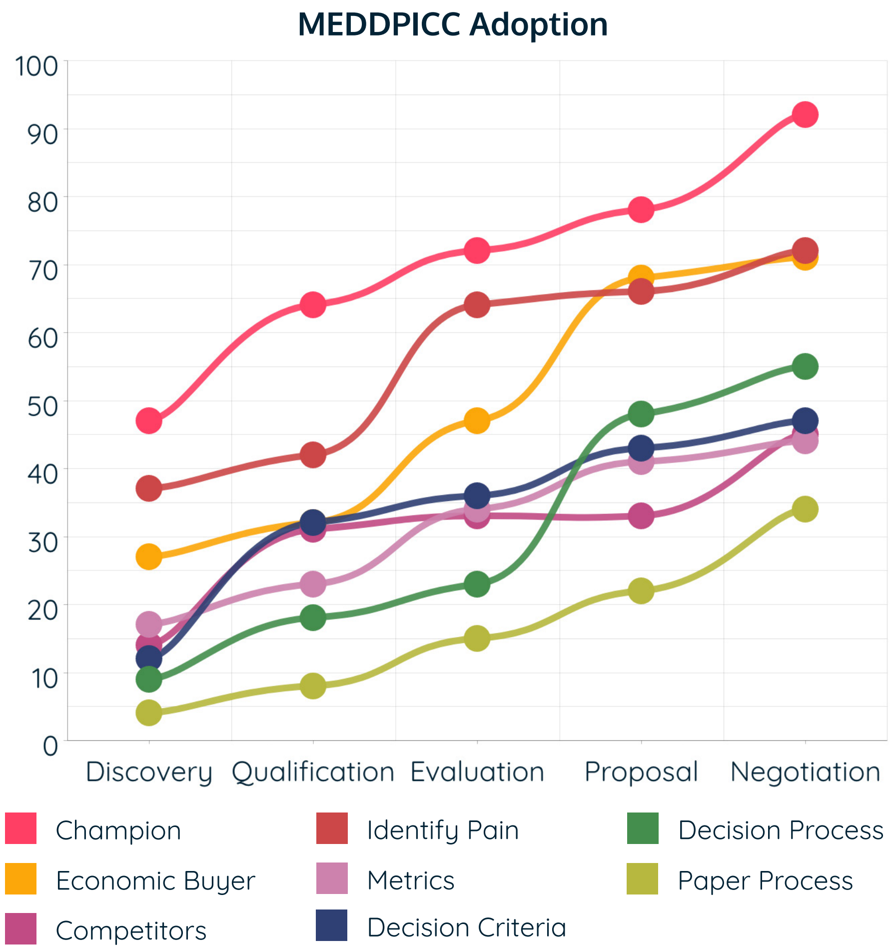
When we analyzed the impact of MEDDPICC, the results were outstanding. When fully utilized, win rates increased by **311%** and high performers were **437%** more likely to complete the qualification criteria.

Recording Metrics, Decision Criteria and Paper Process were the least populated but had the biggest impact. When the three were completed, they improved win rates by **206%**.

When MEDDPICC was completed, as many as **27%** of opportunities had all qualification criteria completed in the final two stages. For salespeople who had as few as two

One logistics company improved their win rates by 23% after implementing a sales methodology. By introducing MEDDPICC and scoring individual qualification criteria, we successfully benchmarked how well qualified each opportunity should be at each stage, and they integrated it into their weekly pipeline reviews.

qualification criteria completed by the end of stage two, they were **71%** more likely to close an opportunity.



When MEDDICC is integrated as part of a value-based engagement process, you will achieve increased sales performance, more consistent results and more predictable outcomes.

"It's part of every prep call, every forecast call, every customer meeting and every debrief. It needs to become part of the common language both internally and that is used to cultivate lasting value-based relationships.

"It should be built into your CRM as well as post-sale for a customer health retention renewal, and expansion. Recognize that MEDDICC can be used as part of an AE competency framework.

Dick Dunkel

Global Head of Field Enablement @ Celonis

Enrol in the MEDDIC/MEDDPICC Fundamentals Course

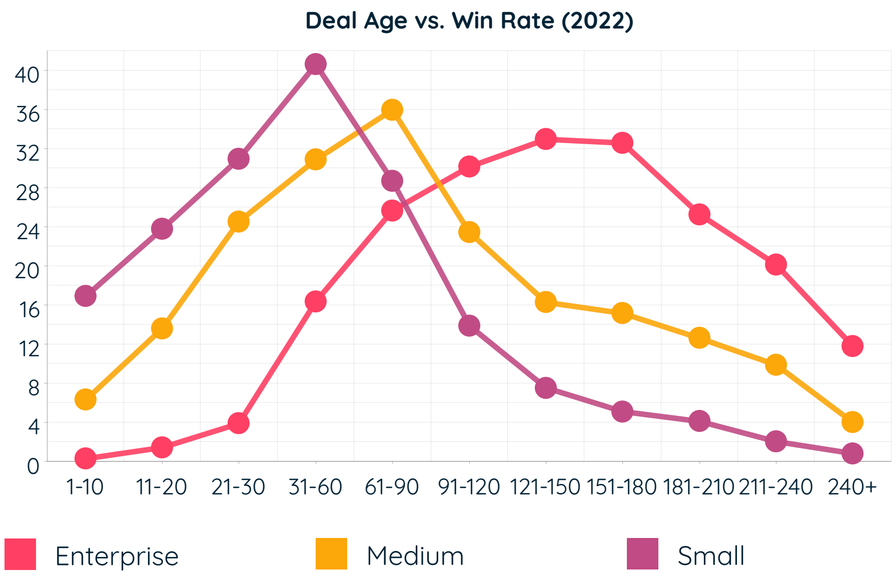
TIME.

Deal slippage, now at a high of **37%**, is one of (if not) the most common reason salespeople don't make their quarterly target. The pipeline coverage was there, the opportunities looked healthy, they just couldn't be closed in time.

On the face of it, it's just an opportunity that will close later than expected. You'll get it eventually. However, through our analysis, we've seen it has a really big impact. In short, time kills deals.

Whilst you may expect all opportunities to have a **20-25%** chance of closing, we found that opportunities that extend beyond the optimum sales cycle could reduce the likelihood of closing by as much as **60%** within an additional month and up to **90%** within 2 months. Opportunities that have slipped from one quarter to the next have to be reviewed.

In fact, win rates were **165%** higher when opportunities reached a "golden period", the optimum time for an opportunity to close. This was 31-60 days for small deals, 61-



A professional services business improved their sales velocity by 49% by benchmarking the "golden period" by individual stage. By understanding whether opportunities were on a promising trajectory or not earlier, they were able to quickly qualify out high-risk opportunities and spend more time on high potential opportunities.

90 days for medium deals and 150-180 days for larger deals. By our analysis, if any opportunities were open longer than twice the length of an average sales cycle, they had just a **3%** chance of closing.

As we dived into the data further, we found expected closed dates were rarely accurate, with **68%** of opportunities having a close date set earlier than the “golden period”, **89%** of closed dates being the last day of a calendar month, and **17%** of opportunities having their close date changed more than three times by more than a week.

You need predictability in order to scale. This helps you create a forecast that is attainable and the business can plan future decisions around it. Deals slipping means you have a lack of predictability and therefore cannot make future-looking business decisions with accuracy.

“It delays proof of PMF, proof of successful ramp of sellers, messaging and more. I need to prove that what we have is sellable and that I’ve developed a process to make it happen. When deals slip I cannot do that. This puts me at risk and often the entire company.

“Identifying the right prospects at the right time, gathering admission of pain points, educating on the value of solving the issues, and unearthing urgency are the best ways to prevent deal slippage.

Scott Leese

CEO & Founder of Scott Leese Consulting

Enrol in the Building a Sales Org from Scratch Course

CONCLUSION.

In 2023, we'll all be expected to achieve more with less. For this to happen, we have to start with a better understanding of what is driving our success. As we've discovered through our analysis, relationships, engagement, sales qualification and time are four primary factors that have the biggest impact on improving win rates and reducing sales cycles.

As the high-performers have demonstrated, the next step is to integrate these insights into processes. For example, by stage, have you got the right people involved, do you have the right level of engagement, have you completed enough of the qualification criteria, is it moving along quickly enough? These can become playbooks and tools to review pipeline more effectively and guide salespeople through a process. When executed, they lead to marginal gains that compound. Over time, sales velocity will improve. As sales velocity improves, more salespeople begin making quota.

Market constraints will force salespeople to be more data-driven to improve their productivity and effectiveness. Those that leverage insights will understand where to focus their efforts to achieve better results. Those that don't, and continue to rely on "gut feel", will fall further behind. And in 2023, there will be less margin for error.

ABOUT.

ebsta

Ebsta helps businesses better understand how to close more deals faster.

With Ebsta's Revenue Intelligence Platform, revenue teams have the real-time actionable insights they need to spot risk in their pipeline faster, improve sales performance, and forecast more accurately.

Hundreds of high-performing teams, from companies like Copado and Pendo, trust Ebsta to drive predictability, efficiency and growth through their revenue process.

Visit us at ebsta.com or follow us @ebsta on LinkedIn.

Pavilion

Pavilion is powered by an international community of sales, marketing, RevOps, and success leaders from the world's fastest growing companies. Together, we teach new skills, forge meaningful connections, and help our companies grow.

Unlock your professional potential and level up with community-powered learning for CEOs, GTM leaders, and teams.

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Learn how to implement these insights into your business from the brightest minds.

Join the Revenue Insights community where every week we share how top-performing revenue leaders build predictable, efficient go-to-market functions.

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