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THE GO TO CUSTOMER COMPANY

UNLOCK YOUR INVISIBLE PIPELINE

Discover an Untapped Pipeline of New
Opportunities Hidden Within Key Accounts

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INTRODUCTION

With each passing day, the pressure to build sales pipelines faster intensifies for commercial executives charged with revenue growth. More prospects are needed to fill the sales driven pipeline. However, hidden from view is a rich, untapped customer driven pipeline of new opportunities that is based on their many problems, challenges, goals and objectives. Companies who tap into this customer driven reservoir of opportunities can increase deal volume, deal size, and close rates given existing business relationships.

It's time to unlock your invisible pipeline.

UNLOCK YOUR INVISIBLE PIPELINE

Discover an Untapped Pipeline of New Opportunities Hidden Within Key Accounts

By Dave Irwin, CEO & Founder, Polaris I/O

We are now three months into the year and like sand through an hourglass, time is passing quickly…and with each passing day the pressure to build sales pipelines faster intensifies – all while doing it with less people and more internal and external disruption. The intensity of pipeline meetings occurring every week will only increase for smaller commercial teams, given recent layoffs, to explain how they are creating new deals in the face of slowed demand. And customer relationship and success managers are expected to double last year's growth rate for existing customers.

PANIC IS SETTING IN

Salesforce itself is a window into this pressure. On February 28th, the Wall Street Journal published an article titled *"New Salesforce Has to Keep Selling, Unprecedented Growth Slowdown Means Cloud-Software Pioneer Can't Just Focus on Cost Cuts."* As Salesforce lays off 8,000 workers, the article laments that "cost reductions can only do so much as revenue growth keeps grinding lower." And in a subsequent Wall Street article from March 7th, Brian Millham, Salesforce's COO and President, said, "the key will be finding ways to do more with less." After spending more than 45% of its revenue on sales and marketing, and shareholder activists demanding greater profits and organic growth, the message is clear – it's time to focus on more profitable growth.

However, it's not just sellers dealing with this pressure. Every business, including your customers, has a multitude of shifting challenges week to week, including their own demand slowdown, layoffs, supply chain impacts, alternative growth strategies that have to be activated, ESG obligations, board pressures, geo-political events, and legislative regulations, all in the face of digital disruption on every front. It's not just vendors who have to overcome these challenges, but the very customers they serve, and that is where a great divide sits between historical drivers of traditional product demand vs. the current reality of customer business problems and the need to address them. For decades, vendors have spent massive amounts of money to drive more product sales despite a widely acknowledged, yet often unaddressed, obstacle that has frustrated existing business customers – a LACK OF RELEVANCY to their current business needs.

We know executives rate most sales conversations as irrelevant. In fact, when asked directly, executive buyers responded that only 11% of the time sales conversations were relevant to their business needs because of a lack of knowledge about their business issues, their role, and proactive approaches on how to solve them.

What makes a salesperson valuable?

"The salesperson clearly shows they understand my business issues and can articulate to me how to solve them."

How often does this happen?
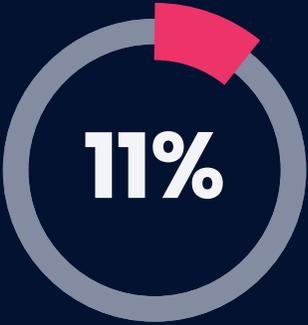
11%

This reality would seem to indicate that, as a result, 90% of the sales opportunities in CRM systems have a lower likelihood of closing. Think of who is really in charge of closing a deal in the first place...the customer who decides to buy or your team who is asking them to do so? Obviously, it's the customer who is in charge of the decision to move a deal forward. So, if lack of relevancy is so pervasive, isn't it likely you need to start questioning what's in your pipeline from the vantage point of the very people who are making the purchasing decision?

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> **This isn't solution selling, or packaging products as a solution to a problem you defined. This is about problem solving, and addressing the problem(s) <u>they</u> define.**

A NEW & DIFFERENT SOURCE OF PIPELINE

The silver lining is that customers have many problems and shifting needs they need to address. If you can help them solve these problems, proactively, you can quick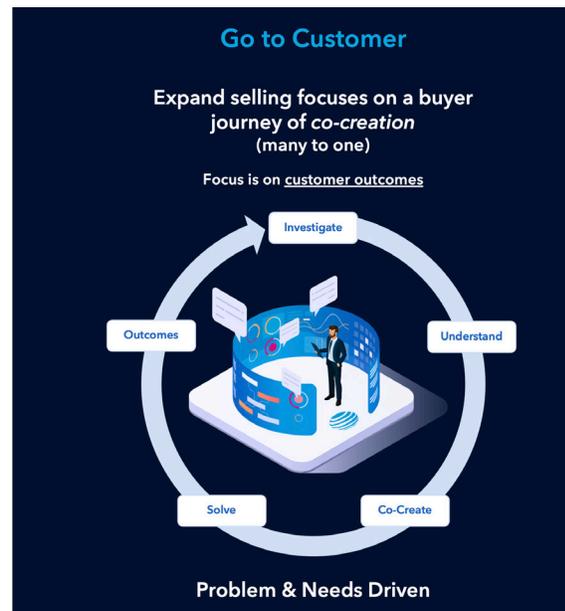ly develop an entirely new stream of high value customer-driven pipeline opportunities. This isn't solution selling, or packaging products as a solution to a problem *you* defined. This is about problem-solving and addressing the problem(s) *they* define. And to be in the problem-solving business, account teams need to understand their customers' businesses, the roles of the stakeholders involved in making decisions, and each of their desired outcomes to be relevant. Account teams need to continuously adapt as a coordinated team to each customer's situation changes in order to identify the opportunities they want your company to help them solve at the time they are focused on solving them.

Go to Market

Current CRM supports a buyer journey of *known demand* (one to many)

Focus is on <u>sales activity</u>

Awareness ❯ Consideration ❯ Interest ❯ Preference ❯ Purchase

Product & Intent Driven

Go to Customer

Expand selling focuses on a buyer journey of *co-creation* (many to one)

Focus is on <u>customer outcomes</u>

Investigate — Understand — Co-Create — Solve — Outcomes

Problem & Needs Driven

Customer problems and needs are an entirely new source of pipeline that is DIFFERENT from current product and intent driven pipelines. Customers are the real driver of any pipeline as they are the ones who write the checks. In today's environment, it's your customer who is the source of pipeline growth. If you want to tap into a new customer pipeline based on their problems and needs, you must embrace a buyer journey focused on co-creation. And the buyer journey starts with discovery and investigation of critical business issues, understanding of requirements, co-creation of solutions based on those requirements to address the customers' issues and achieving desired outcomes. When one considers that 70% of the GDP in the US is driven by 591 companies, it makes a lot of sense to master this buyer journey of co-creation with the largest businesses who have the most problems and the deepest pockets to solve them.

> **A customer driven pipeline of problems, goals, unmet needs, obstacles, and business strategies is mostly hidden from view because account teams lack a modernized approach to research that surfaces these opportunities in an actionable manner. This is the INVISIBLE pipeline.**

THE INVISIBLE PIPELINE

It's time to start developing pipelines from an "outside in" approach, as well as from "inside out." However, a customer driven pipeline of problems, goals, unmet needs, obstacles, and business strategies is mostly hidden from view because account teams lack a modernized approach to research that surfaces these opportunities in an actionable manner. This is the INVISIBLE pipeline. Customer pipeline development is a research and discovery driven approach that *creates* intent to purchase proactively based on customer expressed needs.

Sales Driven Pipeline Development

APPROACH
Look for intent to purchase signals from buyers, create social media & marketing campaigns, set up sales appointments

RESOURCES
Social media campaigns, call mining, paid and organic search, email marketing, sales development reps, trade shows & events, etc.

MEASUREMENT
Open & click through rates, page views, search rankings, form fills, leads, meetings

IMPACT
Leads to revenue conversion of 3-5% given it's a numbers game

Customer Driven Pipeline Development

APPROACH
Create intent to purchase by co-creating solutions to problems that key accounts need to address before intent is expressed

RESOURCES
Polaris I/O automates a continuous feed of customer expressed needs to account teams to activate with account stakeholders

MEASUREMENT
Number and size of new opportunities created and being pursued

IMPACT
New opportunity to revenue conversion of 20 -75% given knowledge of, and mapping to, offerings that are contextually relevant to customer needs

> **It's the equivalent of expecting a team to ascend Mt. Everest with no information on shifting weather patterns, knowledge of the mountain, best routes to follow, and risks to consider.**

Imagine commercial teams armed with the research information they need to drive valuable sales conversations from executive buyer perspectives continuously. Yet,the current state for most businesses is highly manual with fewer commercial resources. So, expectations to effectively mine more information than ever, with no research tools, research backgrounds, or depth of knowledge around the business complexity of their customers (including the world's largest enterprises) while closing deals, is fundamentally unrealistic. It's the equivalent of expecting a team to ascend Mt. Everest with no information on shifting weather patterns, knowledge of the mountain, best routes to follow, and risks to consider. Combine information overload and lack of relevancy with the siloed nature of most businesses, where immense fragmentation causes an inability to coordinate action in a cohesive way, and you end up with massive commercial inefficiency.

But what if you could unveil this invisible pipeline systematically and provide new sales ready customer driven opportunities to commercial teams of all sizes and shapes that are contextually relevant to customers? Multiple comparisons of pipelines that originate from customers' needs to pipelines that currently exist in the CRM, reveal there is little overlap. In other words, there are two pipelines, originating from different sources (one from sales, the other from customers) which, when combined, have a powerful impact to achieving exactly what businesses need – bigger pipelines fast.

10%
Overlap

20%
Current Sales
Pipeline

80%
Additive
Customer Pipeline
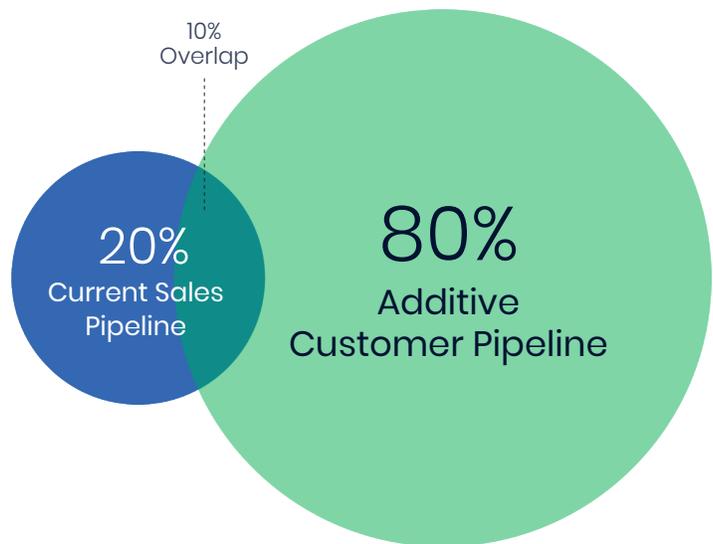
In terms of quantity, an overlap analysis shows there is some overlap between these two pipelines, on average, which will vary account to account, but it clearly demonstrates you can expand pipelines systematically by adding a customer driven source of demand. Based on multiple comparisons we have made across different companies, it's not only a small overlap, but the quantity of opportunities driven from the customer is significantly higher.

The effect of RELEVANCY of deals to customers in the pipeline is significant because: 1) they are more likely to close and 2) you don't waste valuable time discussing ones that won't.

There is another effect as well, which is on RELEVANCY of the pipeline. And this is a critical driver of value because no matter how big a pipeline is, if it's filled with irrelevant opportunities that will never close—it's just a distraction. So much time is spent on reviewing deals that won't close! So, the effect of RELEVANCY of deals to customers in the pipeline is significant because: 1) they are more likely to close and 2) you don't waste valuable time discussing ones that won't.

Customer pipelines also span a wide variety of altitude levels, divisions, departments, global regions, and subsidiaries. Some of these customers are so large they own hundreds of other businesses, all with their own needs and objectives. A wider variety of deals means a greater number of larger deals can be surfaced in comparison to a sales pipeline driven by "intent to purchase." Senior executives facing large scale problems typically look to consulting firms, outside advisors, or new executive hires to address them vs. looking online for potential vendors. In other words, "intent to purchase" deals are typically smaller and more routine than deals that solve a breadth of problems spanning higher level needs that can be co-created with customers. In fact, we've seen that the same product line can be sold at different price points to different altitudes of executive buyers based on their role and at what level the expressed need originates from.

In the following example, the same vendor's account teams sold the same product line to three different companies for wildly varying amounts given WHO they engaged with and what they bundled into the solution to address the very problem being solved. This is significant because one large deal can be many times bigger than smaller deals.

	Call Center Manager	Enterprise Architects	CIO
WHAT THEY BOUGHT	Automating Functionality	Roadmap of next generation network	Business benefits of the whole vision
WHAT THEY SPENT	$50,000	$250,000	$2,000,000
SALES APPROACH	"Product" Sale	"Solution" Sale	"What's Possible" Sale
	1x	5x	40x

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QUALITY IS AS IMPORTANT AS QUANTITY

In addition to quantity, there are six dimensions of customer driven pipeline *quality* for enterprise accounts that affect who, how, where, when and why they are pursued over time to achieve desired results.

Varying Opportunity Size and Altitude Levels: Not all opportunities are created equal. As previously described in our example of different opportunity sizes based on the executive level involved, where an opportunity originates in the organization affects its potential size. Aligning the right capabilities, business value, and price given the opportunity size creates different ways to achieve higher win rates and increase revenue. A wider variety of higher altitude strategic opportunities will become more visible through a customer driven pipeline, in addition to more discrete opportunities at lower levels.

Owned Subsidiary Opportunities: The Global 2000 each own an average of 140 companies, with some owning a substantially higher number. These subsidiaries can be very large entities with their own challenges, objectives, needs, and goals which, in turn, can create additional opportunities as part of the parent organization. Since the Global 2000 acquires many companies, it is an ongoing source of many additional global pipeline opportunities.

Longitudinal Opportunity Views:
No deal is sold in a day. As customer conditions change, the ability to monitor and adapt to the situation can be tracked over time within the existing business relationship.

Historical Opportunity Knowledge:
Retaining historical knowledge of an opportunity in and of itself adds value in the form of stored contextual history which, if managed in a central place, allows for new people to pick up where others left off. Companies often invest hundreds of thousands of dollars in individual opportunity pursuits that can become a lost opportunity cost unless tribal knowledge associated with that situation can be sustained, regardless of turnover.

Repeat Opportunity Buyer Networks: Understanding known agreement networks who have made decisions, what role each stakeholder plays in the process, what they are each looking for and how

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they arrive at a decision is incredibly valuable to use repeatedly over time for additional cross sells and up sells. A customer driven pipeline creates the opportunity to use the knowledge captured on past opportunities with new opportunities that this group of decision makers are involved with.

Global Opportunity Views: Often multi-national organizations make buying decision spanning countries. It is also possible that the same opportunity exists in different geographic regions. Customer driven needs can be viewed globally and navigated in ways that create bigger deal sizes and more deals spanning across regions.

IN CONCLUSION

Once you become a trusted partner that helps solve problems or supports a critical objective, success increases because it's easier for customers to come back to you as a reliable partner time and again. This dynamic creates a MOAT effect. More opportunities fill the pipeline and close because commercial teams are addressing immediate customer needs in a contextually relevant manner compared to other alternatives. This is often the reason why some accounts grow much bigger than others. Ongoing success requires trust and sincerity when partnering to solve problems with clients – and the payoff is substantial once it's established.

> **Now is the time to unlock your invisible pipeline to achieve this year's growth objectives. The clock is ticking.**

Businesses today can tap into this new customer driven pipeline immediately and quickly add many new actionable opportunities directly into their commercial teams' hands so they can do what they do best – engage in RELEVANT sales conversations as frequently as possible. The role of commercial resources tasked with revenue growth is not internal research, it's external value creation as ambassadors of your firm's ability to provide economic outcomes to customers. By empowering commercial teams with a new customer pipeline, you'll be converting hours of wasted internal time to productive customer facing time. And the collective team will be armed with the business knowledge they need, the specific topics to discuss, and the relevant roles to discuss business issues with. Now is the time to unlock your invisible pipeline to achieve this year's growth objectives.

The clock is ticking.

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