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Gartner for Sales

Revenue Operations Implementation Guide

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Sales operation leaders are adopting revenue operations to align go-to-market functions and create an end-to-end revenue process, resulting in predictable revenue. The transformation to this operating model is not as internally disruptive as many think.



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Overview

Key Findings

- Organizations with siloed go-to-market (GTM) functions limit their revenue growth potential.
- Functional silos create fragmented, disjointed processes throughout the customer life cycle.
- Disconnected systems and data create a need for smarter integration and process automation across systems and functions.
- Organizations today lack the visibility and accuracy to properly assess the overall health of the business and ultimately make the optimizations required to drive predictable, efficient revenue.

Recommendations

As sales operations leaders responsible for driving predictable, efficient revenue you should:

- Build a coalition of GTM stakeholders by aligning them on the vision, strategy and execution of the revenue operations model.
- Enable GTM stakeholders to manage a transparent, interconnected customer life cycle by designing and implementing an end-to-end (E2E) revenue process.
- Design the infrastructure to support a communal dataset by defining the critical data sources and workflows that enable automation and visibility of E2E customer engagement.
- Monitor and optimize performance by leveraging the shared data and insights to drive more effective decision making and revenue predictability.

Strategic Planning Assumptions



By 2026, 65% of B2B sales organizations will transition from intuition-based to data-driven decision making using technology that unites workflow, data and analytics.



By 2026, 60% of B2B organizations will fail to create a functioning end-to-end revenue process and revert back to functional silos because they consolidated commercial execution through organizational design alone.

Introduction

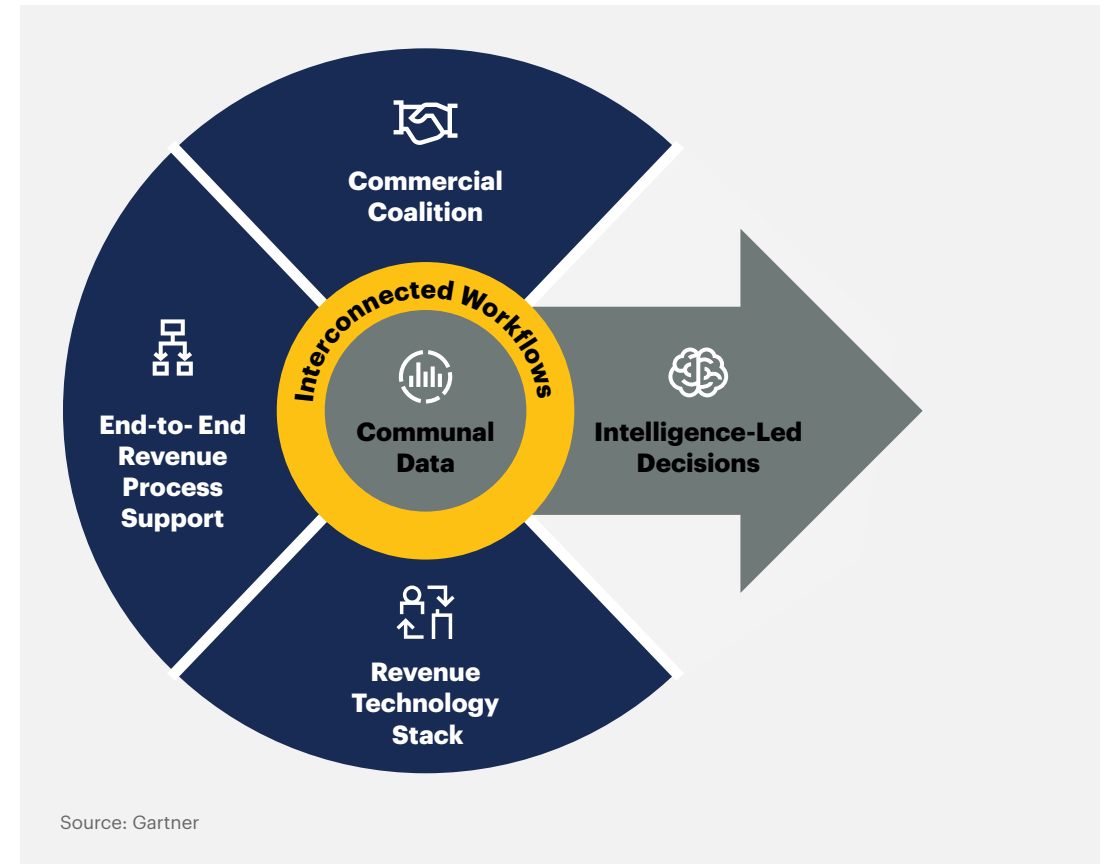
The transformation to revenue operations (RevOps) is gaining momentum and evolving rapidly. More organizations are investing in resources and refining internal processes to support this new operating model. As early adopters prove its effectiveness, RevOps adoption will surge. By 2025, 75% of the highest-growth companies in the world will deploy the model.

Interest in the term “revenue operations” has grown quickly despite inconsistent definitions of what it means. Some organizations view it narrowly as a title change, others as an organizational structure; vendors define it as a software category. All of these options diminish its impact. In reality, RevOps is a powerful modern operating model. This research defines the model and provides the critical components for its successful implementation.

Description

The RevOps operating model enables organizations to run their business as an interconnected, end-to-end revenue process across GTM functions. The model breaks down organizational silos and allows organizations to operate with greater efficiency and predictability. Data is collected across the entire revenue process and made observable through a trusted, communal source that enables insight-led revenue-impacting decisions (see Figure 1).

Figure 1: The RevOps Model



The six core attributes of RevOps create a framework for understanding the key steps required to create a world-class program (see Figures 2 and 3).

Figure 2: Six Key Attributes of the Revenue Operations Model

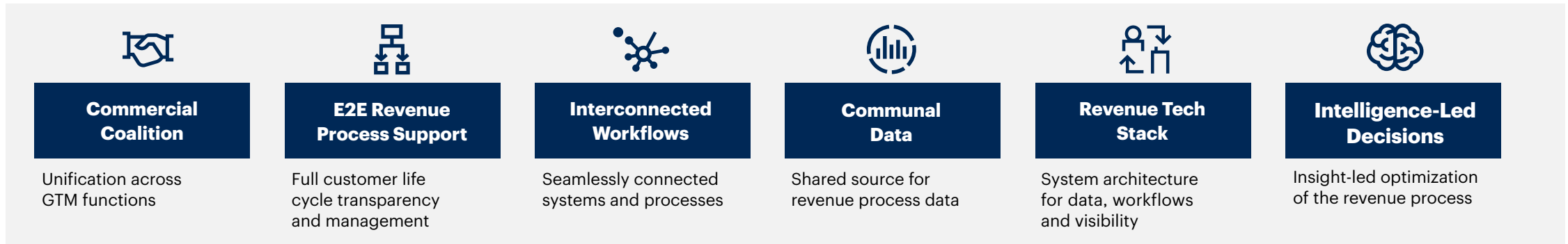
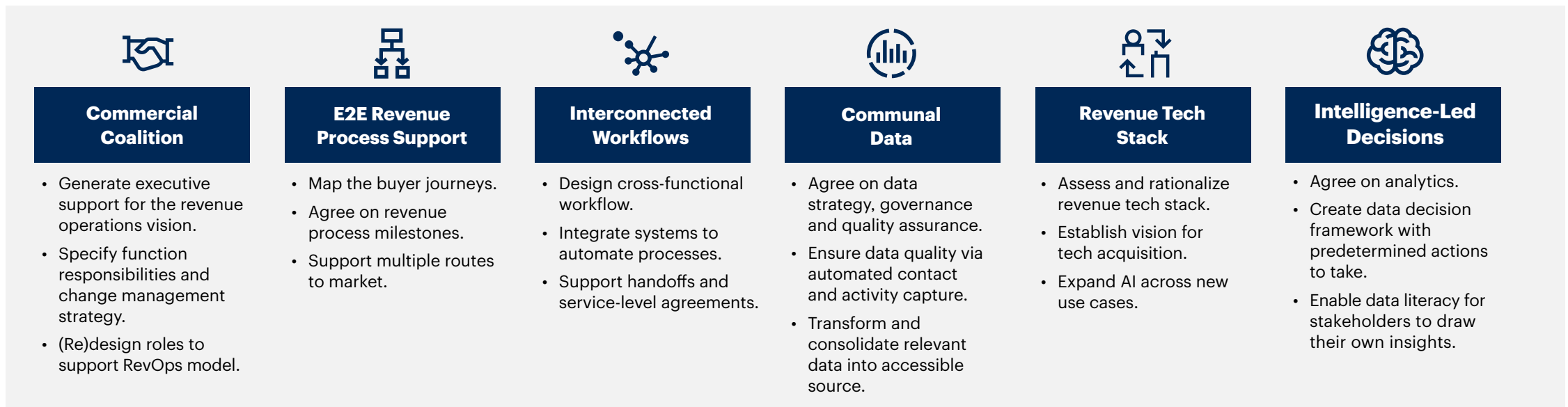


Figure 3: Required Capabilities for Revenue Operations Transformation



Source: Gartner

Benefits and Uses

The RevOps model delivers the following benefits:

- **Efficiency** — An interconnected, fully observable revenue process supports the entire customer life cycle, allowing organizations to pinpoint and address any roadblocks throughout the process.
- **Predictability** — Key milestones that drive the revenue models are assigned ownership, benchmarked and monitored to ensure consistent performance.
- **Elasticity** — RevOps supports multiple routes to market. These routes can be dynamically scaled up or down as needed in response to shifting priorities.
- **Resiliency** — RevOps allows organizations to proactively identify potential revenue disruptions and make early adjustments to avoid them.

The concepts that comprise RevOps are not new; many organizations have attempted to put these key elements in place. Historically, the complexities of connecting end-to-end data and creating a truly common data source have made this impossible. There are organizations who have admirably formed a coalition with GTM functions, but can't realize the full impact because of disconnected systems and a lack of trusted data.

Three recent technology innovations bring organizations closer to solving these issues and have made RevOps viable:

- Organizations can finally collect the data required for a more complete view of the customer. Digital interactions already provide a rich source of data. As customers continue to move more of their activity to digital, their expanded digital footprint will provide an even more complete view of the customer and their journey. This digital view of the customer is supplemented with the recent arrival of conversation data, which is one of the most significant pieces of engagement data. The ability to integrate conversational analysis into the dataset has been a breakthrough in getting a more comprehensive view of the customer.
- Technology continues to eliminate one of the biggest sources of inconsistent, untrustworthy data — human input. Instead of hoping sales or customer success reps are accurately and comprehensively logging their activities (if at all), purpose-built applications automatically log human activity (such as calls and emails), and capture meetings (including meeting attendees' names from calendars) and log it all into the CRM.
- The disparate systems that make up the revenue process can be connected. The creation of an interconnected revenue process and customer life cycle was traditionally difficult with the proliferation of revenue applications and technology. There are now multiple solutions to these issues. Low-code, no-code workflow automation vendors enable operations employees with limited technical expertise to connect disparate systems. Also, most of the apps' APIs continue to improve their ability to connect apps directly to each other.

Risks

Early adopters of the RevOps model are moving fast and have learned some key lessons from their initial journey. Most of the pitfalls in Table 1 can be avoided by following the six key attributes of the RevOps framework.

Table 1: Key Risks in RevOps Implementation

Risk	Analysis
Naming a CRO but lacking GTM stakeholder alignment	<ul style="list-style-type: none"> Organizations have been naming CROs. “Chief Revenue Officer” titles on LinkedIn have increased more than tenfold since 2015. This critical position should not be a glorified sales leader. They must be able to break down silos and bring a GTM coalition together or the revenue operational model falls apart.
Focusing on consolidating operations	<ul style="list-style-type: none"> Consolidating operations is potentially disruptive operationally and culturally, especially in larger, more complex organizations. In less complex organizations, the transition is much smoother. Focusing on consolidation in these more complex operational environments can often derail the overall revenue operations initiative. The RevOps model can be achieved without consolidating operations.
Pursuing an exhaustive 360 view of the customer	<ul style="list-style-type: none"> Trying to capture every type of data instead of the most important data will prevent the shared dataset from ever materializing. The build-out of the shared data source should start with the most relevant and insightful data and focus on analyzing those most important sources. Over time, organizations can add new engagement sources if they determine they will add valuable insights.
Just rebranding sales operations as RevOps	<ul style="list-style-type: none"> Revenue operations by name only is good for branding but will not bring an organization closer to RevOps. Sales and even marketing operations teams have led RevOps transformation and management. The naming convention is less important than the ownership of execution against the six core capabilities of the RevOps framework.

Source: Gartner

Recommendations

Drive GTM Alignment

In the traditional GTM organizational structure, resources and oversight are managed by functional silos (e.g., marketing, sales and service). These silos often result in misaligned priorities and dysfunctional relationships. The path to RevOps success centers around assembling a coalition of GTM stakeholders. The GTM functions can remain separate but must integrate their operations and keep them aligned to accomplish the specific tasks required to drive revenue.

Leaders of sales and RevOps play a key role in building and maintaining this coalition. Specifically, leaders should:

- Generate and maintain executive support for the RevOps vision.
- Prioritize two or three strategic cross-functional problems to address via the RevOps model (e.g., metrics such as churn rates or new routes to market such as product-led growth).
- Identify structural flaws prohibiting effective status quo collaboration (e.g., misaligned priorities).
- Scope cross-functional responsibilities and change management strategy to address the key priorities.
- (Re)design roles to support the RevOps model. For more information, see our Sales Operations and Revenue Operations Organizational Structure Library.

Support and Track the E2E Customer Life Cycle

Over the years, organizations have made great strides in cross-functional tracking. Often this involves improving internal functional handoffs (“handshakes”) and/or operating a marketing-sales tracking model (MQL-to-SQL-to-SAL). However, not many organizations have been able to design and support a full E2E revenue process until now.

In RevOps, organizations construct a revenue process to support agreed-upon revenue-generating milestones across the multiple routes to market a business supports. For example, organizations will design different milestones and processes for their different segments (e.g., e-commerce, channel). The technology innovations mentioned throughout this research enable organizations to support and track E2E. However, this is not merely about systems compatibility. The revenue processes encompass people, processes and systems that are deliberately intertwined to enable collaboration and transparency.

Sales operations leaders play a significant role in this endeavor. As a starting point, these leaders must:

- Map buyer journeys and customer life cycles, focusing on customer awareness and empathy.
- Identify the various routes to market that will support these different customers and their journeys.
- Secure GTM stakeholder alignment on key revenue-generating milestones and metrics.

Define Common Interconnected Workflows That Facilitate the E2E Revenue Process

Once the full customer life cycle — including metrics, milestones and interaction points — is understood, sales operations leaders must identify the internal workflows required to support it. Then they can decide how to enable these workflows, which may include technology or stakeholder alignment.

Sales operations leaders must focus on buyers' needs while designing common workflows. Each workflow must have an intended buyer outcome. For each outcome, members of the commercial coalition must identify the commercial roles, processes and systems that enable the buyer to advance their decision-making process.

As workflows are identified, dependencies among them will emerge. For example, organizations have access to data on buyer preferences, such as intent data, that can tell an organization when their prospects are searching for information relevant to their solution. This type of insight should trigger workflows to provide that data to marketing to help them tailor campaigns and to sales to help them personalize messaging. Sales operations leaders must identify and prioritize opportunities for automation and data integration to reflect the interdependence of these commercial workflows.

The sales operations leader plays a critical role in this process, in defining and managing a roadmap for required system, data and process enhancements, and in working with commercial stakeholders to agree on and then execute these workflows.

By taking these steps, sales operations leaders can establish interconnectivity among internal workflows:

- Facilitate the design of cross-functional workflows with members of the commercial coalition.
- Lead the integration of systems to automate processes across the revenue stack.
- Ensure workflow data is available for analytics in a common analytics and business intelligence (ABI) platform.

Leverage Shared Data and Insights to Drive Decision Making and Revenue Predictability

The creation of a trackable, interconnected E2E revenue process creates the complete visibility required for insight-led decision making. This is the ultimate objective of RevOps: a trusted E2E process that allows organizations to truly understand the health of the business and make informed optimization decisions to drive positive revenue outcomes. However, this can only be achieved by leveraging shared data and agreeing to common analytics.

Only 51% of organizations have a formal data governance program in place, and the need for it increases dramatically with the shift to RevOps. Sales operations leaders must establish data and analytics governance to deliver on the promise of revenue-influencing decisions by:

- Defining shared metrics and milestones that support the revenue process
- Establishing a standard for acceptable data quality and the process for quantifying it
- Identifying and prioritizing the recurring commercial use cases where analytics will drive decision making
- Gaining agreement on what analytics will be commonly used to support each use case

In addition to improving the quality of analytics that support the E2E revenue process, savvy sales operations leaders also recognize they must improve the data literacy of those who consume analytics. Otherwise, organizations attempting to democratize commercial data expose themselves to a significant risk of that data being misinterpreted and misused. To enable commercial stakeholders to draw their own insights from common analytics, sales operations leaders should establish a formal program for data literacy (see our Boost Data Literacy to Improve Value of Sales Analytics).

To realize the benefits of the RevOps operating model and improve decision making and revenue predictability, sales operations leaders must lead commercial coalition members to:

- Agree the analytics used to address specific business questions and use cases.
- Create a data decision framework with predetermined actions to take based on analytics.
- Initiate a data literacy program to enable stakeholders to draw their own insights from data.

Actionable, objective insight


Explore these additional complimentary resources and tools for sales leaders:



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The Modern Sales Tech Stack

Discover the components of the new sales tech stack — built to automate the revenue process end to end.

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Framework
Taming the Sales Tech Mayhem

Audit your current sales tech stack and accelerate your journey toward the ultimate revenue-driving sales tech stack.


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