

The Definitive Guide to PreSales KPIs

How to demonstrate impact, improve team performance, and drive strategic change

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Introduction

In the modern B2B buying experience, PreSales teams are critical. They are the preferred partners for buyers, and they own what is often the largest component of the sales cycle. In businesses that are more enterprise-oriented or more consumption or expansion-driven, their role is even more prominent as the focus shifts from signing an initial deal to growing the relationship after the initial deal is signed.

Yet the science of how to measure and manage PreSales teams is nascent. What gets attention is unfortunately often what is easiest to measure. Because PreSales teams do not “own” the deal and have not traditionally had dedicated solutions to manage their work, this problem has only recently gotten more of the attention that it deserves. Now, as a result of more extensive research, there is growing recognition that PreSales performance is an important driver of overall revenue growth, and there is growing demand for the science of PreSales analytics. We have so often heard more and more from PreSales leaders that they wish they knew more about what others are doing and finding useful.

We’ve written this for PreSales leaders who are interested in how to better demonstrate PreSales value, measure and improve team performance, and have data-driven conversations with company leadership that inform highly strategic changes.

We aim to set down everything we have learned from our close working relationships with PreSales leaders at all levels, broken into three major opportunity areas.

- **People** - setting staffing levels, managing teams, and growing team member capabilities.
- **Process** - optimizing deployment models, assigning team members to opportunities, ensuring strong execution, and driving more predictable outcomes.
- **Product** - influencing roadmap, unblocking new deals, de-risking renewals, and increasing the impact of product innovation.

In order to make this as actionable as possible, our approach centers on opportunities and decisions. For each area, we cover the types of opportunities PreSales leaders often find, the questions they must answer to assess those opportunities, the metrics they can use to answer those questions, and how they can use those metrics to make decisions.

While there is much more knowledge to be developed and much more to be written about this topic, we hope compiling all of this will be a useful start for PreSales leaders.

Elevating Your People

Setting Staffing Levels

What categories of deals (products, size, etc) should different PreSales teams (architect, product specialist, value engineer, etc) be attached to?

Key metrics: win rate with and without PreSales team member involvement, attach rate, and average effort required per deal

PRESALE ROLE
CUSTOMER SEGMENT

VALUE ENGINEER
ENTERPRISE

43%

WIN RATE
WHEN ATTACHED

36%

WIN RATE WHEN
NOT ATTACHED

15%

ATTACH RATE

6

AVERAGE HOURS
PER DEAL

With little data to hand in the past, PreSales leaders have frequently felt compelled to accept external assessments about their organization. These assessments were often based on standard ratios not adapted to the characteristics of their business and accepted wisdom steeped in outdated views of buyers. Now, PreSales leaders are instead driving these decisions from insights into modern buying preferences and unique data about what works in their organization, and they are reaching different conclusions that buck accepted wisdom and enshrine new practices.

As more consumption-driven business models flourish, PreSales leaders are discarding traditional 2:1 or 3:1 ratios between SE and AEs and discovering that 1:1 or sometimes even inverted ratios of SEs to AEs are more effective. In these models, the initial booking is less important than the work that comes afterwards to drive the adoption of additional use cases, thereby increasing consumption, and this work is where SEs shine. Similarly, as organizations focus on the entire customer lifecycle, they are deploying SEs to drive expansion and increase net retention. In these situations also they are finding that they benefit from greater investment in SC product experts. Moreover, PreSales organizations are innovating and evolving to encompass many different roles, deployed in different ways, including not only solution consultants or sales engineers but also value engineers, product specialists, and RFP specialists. Through data and experimentation, they are discovering the right times and ways to deploy a much more diverse cast in order to maximize efficient growth.

Leaders are able to drive these conversations by capturing clearly the impact of each type of PreSales work. They look at PreSales lift relative to PreSales investment. To do this, you need to conduct experiments. By this we mean taking a set of similar deals and approaching part of

the deals in one way and part in another. For example, you might attach a value engineer to a subset of deals or attach SEs to a portion of expansion deals. Then, you can look afterwards at the outcomes of the deals with and without the change. Did win rates in the deals with the value engineer increase? By how much? At the cost of how much time investment? If the win rate multiplied by the deal size is much greater than the cost of the additional time required, you have good evidence of a sound investment and a strong case to roll the change out more broadly.

Running these experiments carries a cost in more ways than one, so it makes sense to do them when you have a strong hypothesis. In a B2B organization with a complex technology product sold to large enterprises, there will typically be little question about whether SE support for new logo deals is valuable, and leaders would gain little by removing SEs from a set of deals just so that they can prove this with data. It makes sense instead to focus on open questions. Where would a new type of role make sense? Should SEs be in expansion deals? What is the minimum deal size for SE involvement? Are product specialists valuable in some cases?

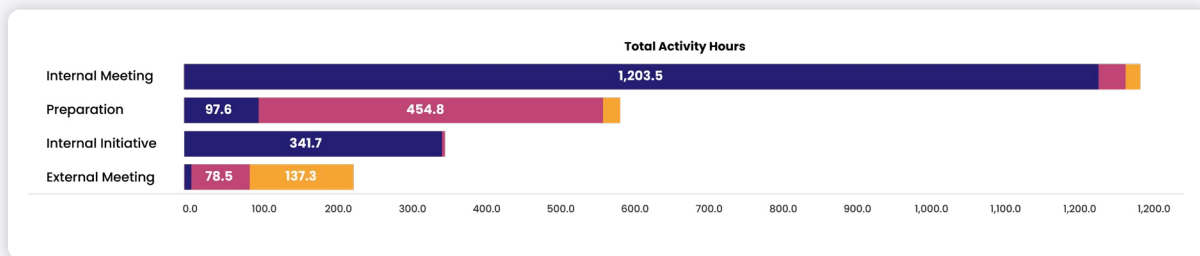
What is the right balance of deal work and non-deal work?

Key metric: distribution of activity hours by focus



Hours of Effort by Activity Type

Key metric: distribution of activity hours by type



In most organizations, it is commonplace for SEs to do important work outside of deals. As valued product experts, they may lead training sessions for the sales team, help product teams with new product roll-outs or UAT, or record website videos for marketing. The extent of these contributions are rarely captured completely or recognized fully,

but they are an important part of the SE capacity equation. An SE who spends 10% of their time on non-deal work can support more deals than one who spends 30% of their time on non-deal work.

To gauge whether you have the right balance, start with a simple SE focus metric. What percentage of SE time is spent on



deals (opportunity-focused), on developing existing customer relationships (account-focused), or on other efforts (other)? Based on this simple breakdown, you can ask several important follow-up questions.

First, is the balance of deal and account focused aligned with the mission and goals of the PreSales team at your organization? The distribution of SE activity across pre- and post-sales is an increasingly interesting question. Existing customers often benefit significantly from SE contact. SEs may have valuable insights on better ways to capitalize on the technology partnership, which could in turn lead to greater adoption and expansion opportunities. In more consumption-driven businesses, this may in fact be the majority of SE work (and may require a different type of capacity modeling more centered on consumption use cases).

All of this has resulted in a number of solutions team models that span both pre- and post-sales. It is, however, often

unproductive when SEs are pulled into customer situations ad hoc, without a clear understanding of goals, how to measure impact, and what kinds of involvement are effective. In these situations, once they are armed with data about how much of a post-sales investment the organization is making, PreSales leaders can tee up the right discussions. Is the distribution of effort consistent with the organization's mission for the team? Are the right incentives, compensation plans, and KPIs in place to drive desired outcomes? How well are we measuring effectiveness? If good systems are in place, what impact has SE investment had on adoption, renewals, and expansion? Did the technology visioning workshop, the in-depth best practices session, or the QBR overview of new opportunities have the greatest impact? What does that suggest about the right balance of post-sales investment looking forward? Is the right engagement model being used, given organizational goals?

What should my PreSales support ratio be (for each of my different PreSales teams and segments)?

Key metrics: SE workload, utilization, technical win rate



Once you have established which deals each role should be attached to, you can establish your support ratio. In order to do this, you need to know how many deals each team member can carry. With that you can determine your AE:SE support ratio. It is the ratio of the number of deals that your PreSales team members can support and the number of deals that an account executive typically carries.

There are multiple ways to determine how many deals a PreSales team member can carry. One of them is to look at how many deals team members are able to carry while still remaining effective. For instance, you might look at workload by

team member side-by-side with technical win rate. What is the greatest load that's carried by team members who also retain a high technical win rate? You are usually looking not for the highest number but for a number that appears to be repeatable across team members. Qualitative information is also valuable here. If one team member works hours that would be unsustainable for most others, you would not want to base your ratio on the deal volume that person is able to carry.

The amount of deals each SE can carry can also inform headcount planning discussions. Dividing your company's yearly revenue target by average contract

value provides an initial estimate on how many deals PreSales needs to support for the year, and if the total number of opportunities needed to hit your company's revenue targets is higher than what the existing team can effectively support, additional SE headcount may be required.

It is also important to consider that not all deals are created equal. In many cases, workload may vary significantly by technical sales stage, segment, and industry vertical. In these cases, you can

use the same approach but with a different workload metric. To take an example of stage variability, an SE's total deal workload may matter less than the number of deals in the midst of a technical evaluation, such as a POC. It may be more accurate in these cases to measure workload in terms of number of deals in the technical evaluation stage or in terms of number of in-flight POCs. If, on the other hand, effort varies significantly by deal type, it might be more useful to look at the mix of deals.

Managing people and capabilities

Are each of my team members able to win deals?

Key metric: closed / won amount per team member, win rate by team member, technical win rate by team member



As a PreSales leader, you are keen for your team to excel, and your team's success hinges on closing deals. This starts with understanding the overall win rate and the total dollar amount closed / won and closed / lost for each team member. From there, however, there are several opportunities to go in greater depth.

First, it's valuable to look at the technical win rate, the rate at which prospects confirm that your product is the best fit for their needs. All SEs are likely familiar with cases where the technical win alone was not sufficient to close a deal, and it's useful to surface this alongside overall win rate in order to see how heavily other factors are influencing the overall outcome.

Second, it's valuable to understand whether there are structural impediments. A below-average win rate might come about because an SE is focused on a particularly challenging region, product line, or customer segment (and the same thing may be true about an above average win rate). Alternatively, there may be issues in the working partnership between an SE and their AE, and enablement opportunities ahead that can improve team performance on future deals.

Finally, if there are not structural impediments, this becomes a jumping off point for coaching discussions. Are they allocating their time in the right way? Are they employing winning patterns? Are they executing well on those winning patterns?

Are each of my team members able to operate efficiently?

Key metric: efficiency per team member, workload per team member, utilization, hours spent on closed / won and closed / lost deals per team member



Sometimes, team members are able to win deals consistently but struggle with efficiency. This may take the form of below average deal workloads or unsustainable utilization levels.

Before looking at coaching opportunities, it's useful again to consider structural factors. Is the reduced efficiency consistent or inconsistent with others working in the same region, product line, or customer segment, for example?

If other team members are able to be more efficient on comparable deals, there are several ways to drill further into coaching opportunities:

- How many hours are they investing in deals lost and deals won compared with other team members? E.g., is there an opportunity to improve deal targeting?
- What is the distribution of activities compared with other team members with greater efficiency? E.g., could investing more in discovery early reduce total effort on the deal?
- How long on average does it take them to complete key deliverables (e.g., POCs) relative to other team members with greater efficiency? E.g., could they learn from other team members how to complete key tasks more quickly?

Improving the Technical Sales Process

“...in the work of the soft professions, it becomes very difficult to distinguish between output and activity. And as noted, stressing output is the key to improving productivity, while looking to increase activity can result in just the opposite.”

Andy Grove, High Output Management

Improving the Technical Sales Process

PreSales team members are the preferred partners of prospects and customers and are scarce and highly skilled resources. How do you wield their valuable time and energy to get the best outcomes? We will walk through three types of opportunities that organizations often uncover.



Deployment

getting the right person in the right deal at the right time.



Deal execution

employing winning patterns once you are in a deal.



Pipeline and predictability

using PreSales insights to improve deal targeting and reduce forecast risk.

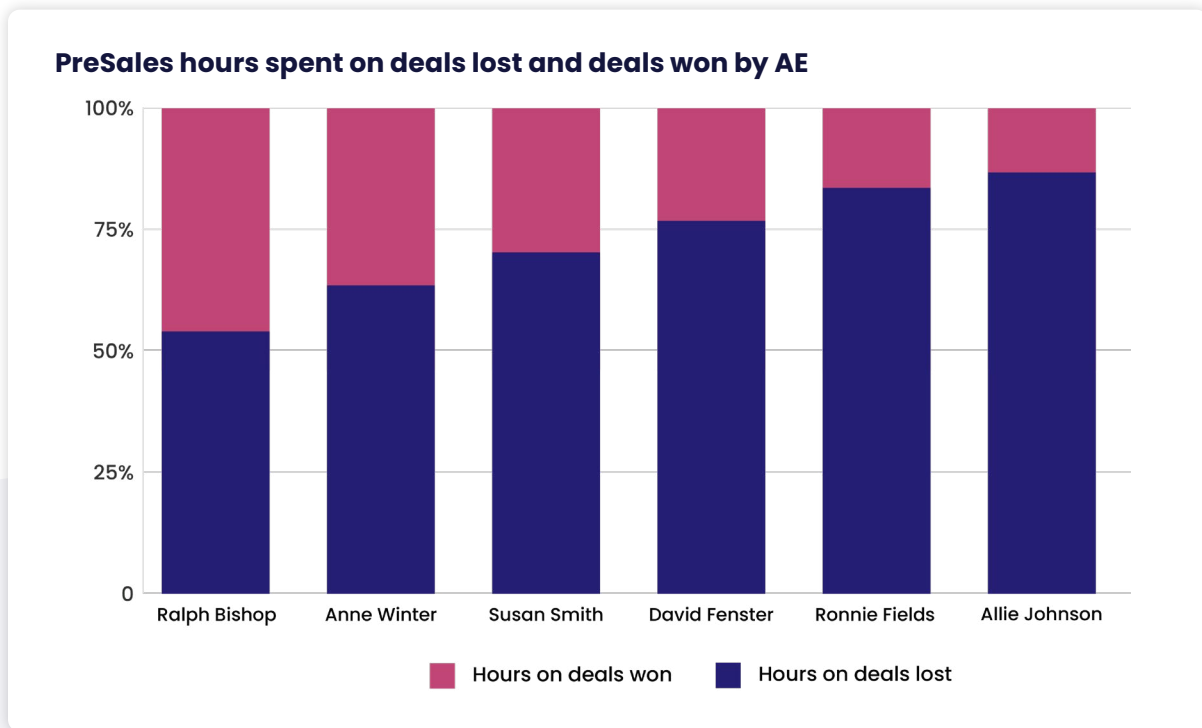
Optimizing PreSales Deployments

Before we look in depth at models for deploying SEs on deals, there is a simple question that often leads to surprisingly profound discussions. How much time should SEs spend on deals? Often SE time is split between supporting deals, supporting existing customers, and supporting internal initiatives, such as recording a

video for marketing. We will call this split between deal support, account support, and internal initiative support SE focus. This question often flies under the radar because it is often invisible. Once teams have data, it opens up a host of interesting conversations.

What is the right PreSales deployment model?

Key metric: hours spent on deals lost vs hours spent on deals won.



Many organizations adopt direct alignment models where a given AE is always paired with a specific SE. While the most straightforward example is an exclusive one-to-one pairing, this may not always be the case—running a 3:1 support ratio with direct alignment would mean that a group of 3 AEs will always be assigned the same SE whenever PreSales resources are needed.

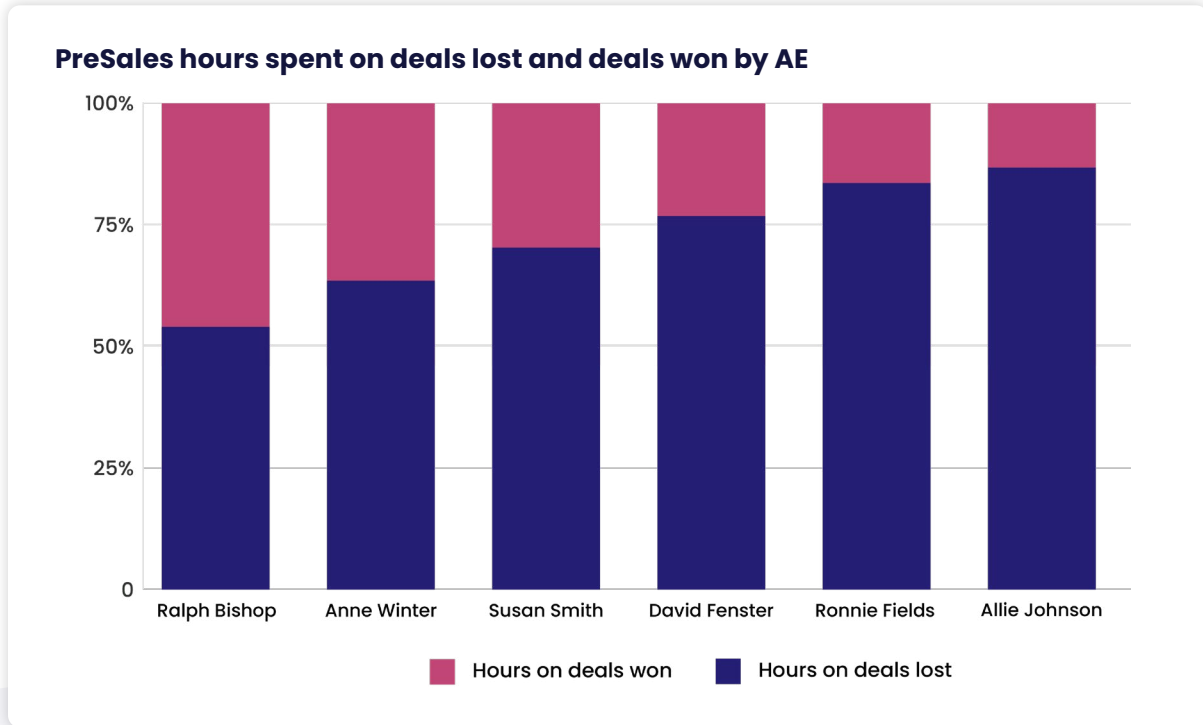
This structure is purported to foster closer working relationships (and therefore greater effectiveness) between individual Sales and PreSales team members, but the number of deals where an AE can make effective use of SE capacity varies over time. During periods where opportunity volume is lower, SEs can diligently find ways to contribute but may not be able to

deploy their time as effectively.

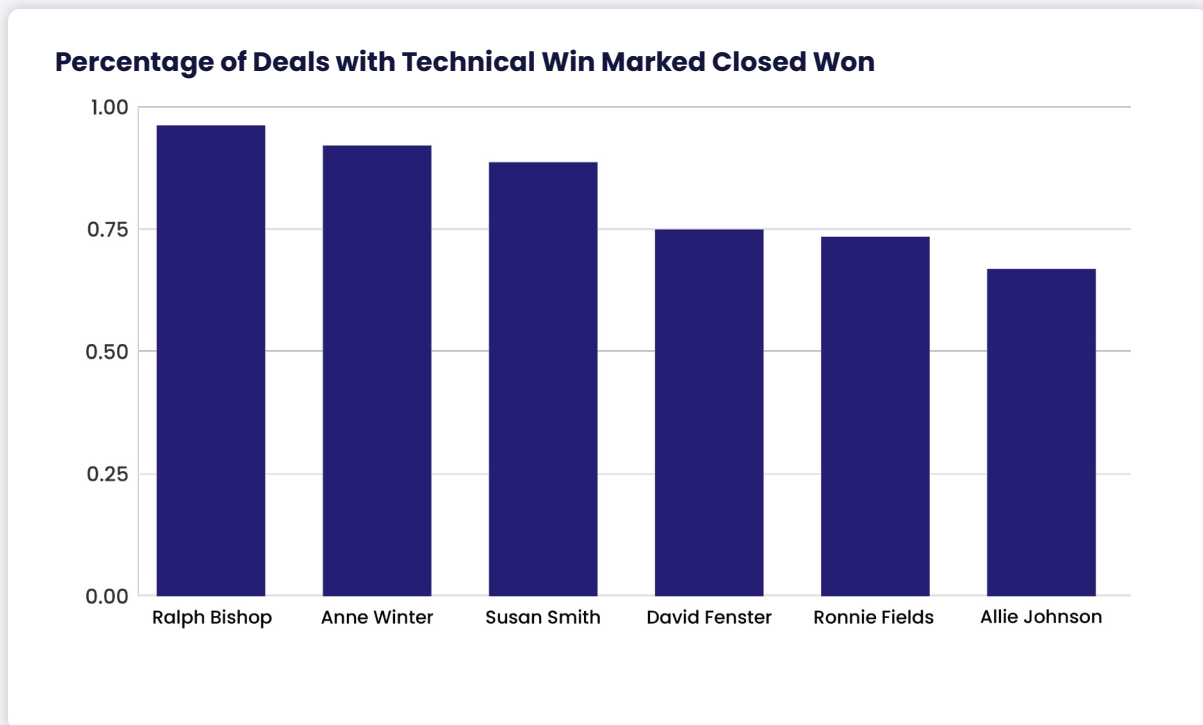
By contrast, aggregate demand for PreSales resources across an entire group of AEs tends to be more consistent. If there are large discrepancies in hours spent on deals won between pairings in a direct alignment model, it may be worth considering moving to a pooled model where teams can more consistently map SEs to deals and deal stages where the return on their efforts can be maximized at all times. While this does not mean that a pooled deployment model is always the answer, it is valuable to look at whether the lift in deal outcomes achieved through direct AE to SE mapping is enough to offset the cost of greater variance in individual deal flow.

Where can we reallocate SE time towards the most promising deals?

Key metric: hours spent on deals lost vs hours spent on deals won



Key metric: Percentage of deals with technical win that were closed / lost



SEs quickly develop some of the keenest intuitions about whether a deal is likely to close. Unfortunately, most SEs have also had the experience of investing time and energy in a deal that they did not believe in. Looking at the ratio of hours spent on deals won and hours spent on deals lost is a simple way to surface these kinds of issues. You and your team likely already have good hypotheses about the kinds of deals where you are and are not likely to succeed. Use those deal attributes to slice the ratio of hours won and lost. When the ratio of hours spent on deals lost spikes, you have probably confirmed one of your hypotheses.

There are several types of opportunities that customers commonly encounter.

Customer segment. There might be a customer vertical that looks superficially promising but lacks product fit. This may happen when there is a need and the customer segment promises large deal sizes, drawing the attention of AEs, but the issues lie below the surface and are only surfaced once SEs engage in deeper technical discovery. Once you establish those patterns with data, you may be able to shape the GTM teams target segments or qualify deals out more efficiently.

Level of qualification. Another key question is how early or late SEs should be involved in a deal. Comparing hours spent against qualification criteria often

surfaces opportunities here, especially when you focus on qualification criteria that are knowable prior to SE involvement. For instance, was there a real budget, an appropriate buyer, and a real pain point? This might lead to better sales team enablement or, in the case of pooled models, qualification checks prior to SE assignment.

Deal size. How much you should invest is proportional to the upside that you might gain. We talk in the People section above about how you can establish the right deal size thresholds for SE involvement when you design your staffing levels. Once you establish those, however, you may or may not see thorough adherence. As market conditions shift and your team grows, the average hours spent per deal might also change. By regularly looking at how much time is spent on deals of different sizes, you can catch these kinds of opportunities. For example, if your deal size threshold for SE involvement is \$20,000, are SE hours being spent on deals below that size? If you predicated SE involvement in SMB deals on an average effort of 10 hours per deal, how often are deals consuming significantly more time than that?

Account executive. You may see some account executives systematically make much better or worse use of SE time. By surfacing those patterns, you can coordinate coaching, enablement, and capability-building investments. Those

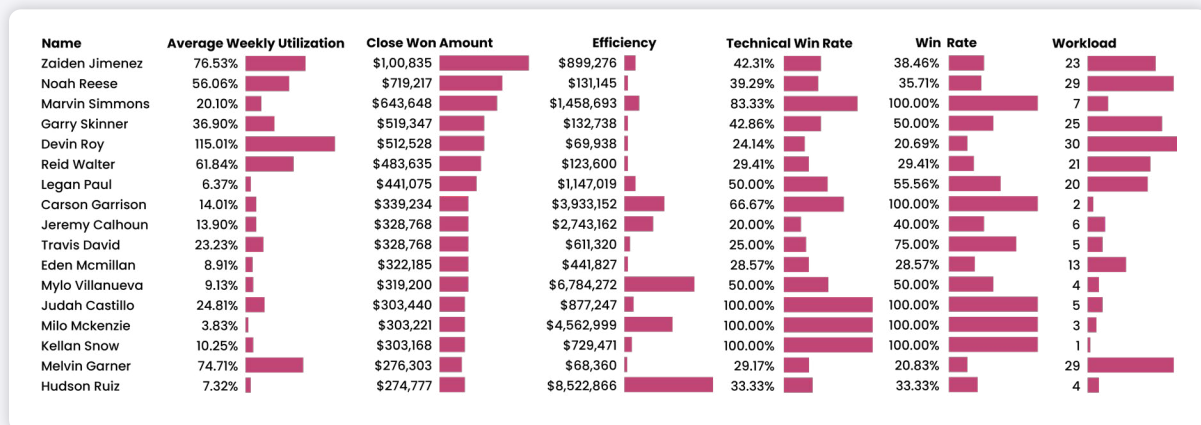
might include training AEs on when SE involvement is effective and how to qualify or strengthening their ability to self-serve.

One organization implementing a system for AEs to request SE involvement in deals found that framing process changes in a

positive light (i.e. an opportunity for their technical counterparts to be properly acknowledged for their work) helped drive greater adoption, and enabled the SE team to support 100 newly onboarded sales reps in the space of a year

Where can we better balance capacity across SEs?

Key metrics: utilization, closed won amount, efficiency, technical win rate, win rate, and workload by team member



Once you have your team as a whole engaged on the right kinds of deals at the right time, you need to balance individual workload. This is a multi-factor problem. You want to capitalize on your strongest and most seasoned SEs, but you do not want to overload them. You want to ensure all team members have an opportunity to achieve their revenue goals, and you want to create opportunities for team member growth. Moreover, all deals and all times in the deal lifecycle are not created equal.

Having five mid-market expansion deals in a 'Finalizing Technical Win' stage is usually very different from having five enterprise new business deals in a 'POV' stage.

Here, we will assume that you have already determined what a fully loaded SE looks like and have used that to design appropriate staffing levels. If not, how to approach that problem is discussed in the People section above. As part of that, you have hopefully also identified the most



important determinants of SE load. In some organizations, this might simply be the number of assigned open opportunities. In organizations with significant variation in effort over the deal lifecycle, that might be the number of deals in a certain set of PreSales stages (e.g., POV). In organizations where SE effort varies significantly by deal type, you might look at open opportunity revenue or even the sum of a custom level-of-effort (LOE) calculation.

Whichever the right measure for your organization is, you now want to use that to regularly scan across team members. Are there any team members who are 'known quantities' and have become overloaded? Are there new team members who are not set up to hit their goals because they are not yet in enough opportunities? As part of this, it's valuable to complement your primary measure of workload with some additional metrics. Looking at load alongside technical win rate helps identify cases where outcomes may be slipping

because a team member is being asked for too much. Looking at load alongside utilization helps identify cases where something outside of the norm is driving up effort required and putting team members in an unsustainable situation. That might be a particularly intense deal or contributions to other internal initiatives.

It may make sense to address some imbalances through one-off interventions. In other cases, they might signal an opportunity to improve processes. Is there less AE and SE manager comfort drawing newer SEs into certain deals? How much of that is a reflection of outcomes? Is it mindsets that need to evolve or are there additional steps to ramp, mentor, and apprentice newer team members that would better position them? Are there assignment models that would optimize the chance to hit quota by using the strengths of seasoned team members, and creating opportunities for new hires?

Ensuring consistent deal execution

Once you have the right person in the right deal at the right time, how do you help them win more often?

SEs learn continually from their own recent experiences in deals. The opportunity then is to help them learn more from each other and also to help them step back and see the broader patterns in their own work that are less obvious day-to-day.

Where can we increase win rate by investing in winning activities and deliverables?

Key metrics: win rate with and without a deliverable or activity, average effort by deliverable or activity, and attach rate per deliverable or activity

Deliverable	Win Rate When Attached	Win Rate When Not Attached	Attached Rate	Average Hours
POC	51%	36%	33%	42
Workshop	50%	40%	9%	25
Test Drive	45%	40%	22%	19
RFP	15%	44%	10%	22
Value Assessment	55%	39%	15%	4

Often, in order to win a deal, SEs must invest substantial time and energy in one or more deliverables. Common examples include POVs or POCs, workshops, test drives, and RFPs. This leads to valid and important questions. When is a more time-intensive POV worth it and when are prospects' needs better satisfied with a lighter weight test drive or workshop? Are RFPs good investments? The answers to these questions depend on the characteristics of the buyer, the product, and the business model.

You can approach this empirically by experimenting. For example, if you are considering whether to do a POV or a test drive for a certain type of deal, you could explore that by answering these questions. What is the win rate when I do a POV for this kind of deal? What is the win rate when I do a test drive instead? Does the POV result in a higher win rate? If so, is the increase in the win rate, multiplied by the average deal size, enough to justify the additional hours that I have to spend in order to complete a POV?

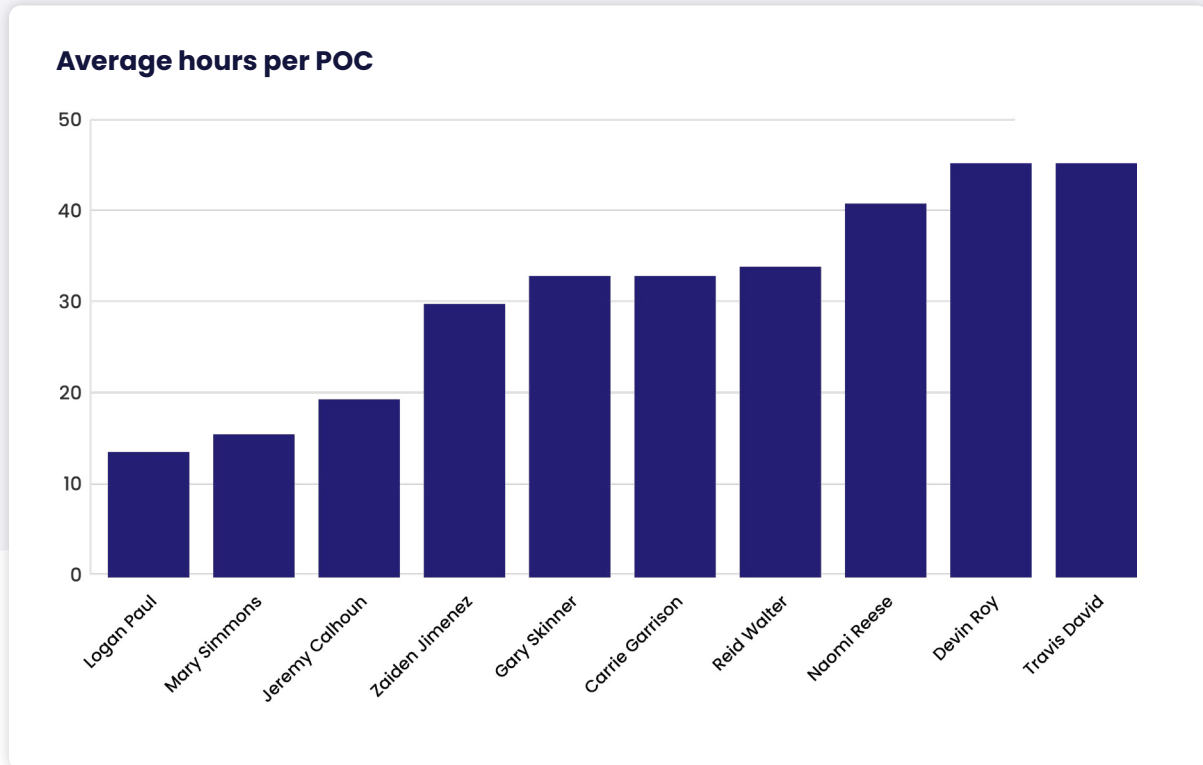
The important thing in this case is that you set up a valid comparison. To pick an obvious example, it would not make sense to compare win rate on commercial deals (where you do not do POVs) to win rate on enterprise deals (where you do POVs). Those deals are, of course, different in other ways, and you would not learn much from that comparison about whether POVs are the right choice for enterprise deals. If you are designing this as an experiment, you would need to take a group of deals where you would normally run a POV, separate some of them out, and do a test drive with those deals instead. You will also need to do that with enough deals that you are reasonably confident that the results you see are not up to chance. Since that involves some effort and some risk, it makes sense to do this when you have a good hypothesis that there's a better way.

You can also approach this without having to design experiments if you look at the variation that is already present in your organization. For example, if one group of SEs regularly performs prospect research prior to their initial discovery call, does that help them win more consistently?

A business spend management organization tracking specific steps in its technical sales process found that SEs adhering to the company's sales best practices were considerably more effective. Deals where the opportunity team had performed thorough discovery, run a technical assessment of the customer, and conducted a dry run before presenting to the buyer were more than twice as likely to close than when the team did not follow those steps.

How can we complete winning activities and deliverables more efficiently?

Key metric: average hours by team member by deliverable or activity

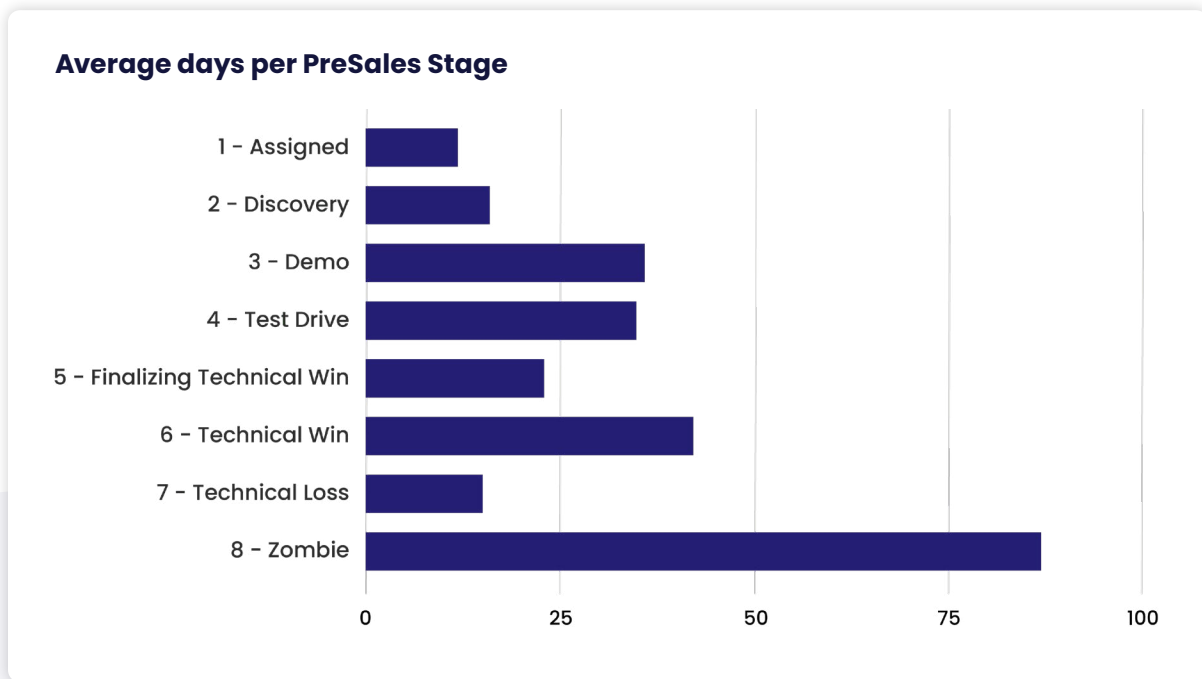


Once you know what winning investments to make, how do you make them as efficiently as possible? This is an area where you can learn a great deal by looking at variation within your team. The more complex and time-intensive the activity, the more variation there often is in how quickly team members are able to complete it. By studying that variation, you can identify the team members who achieve good results while also operating efficiently. You can then encourage those team members to document their methods and train others.

As one example, a company providing sales software found there was a great deal of variation in the time required for POC preparation. They identified who was doing it more efficiently and how and trained their whole team on this approach. As a result, they reduced POC preparation times by 20%.

Where can we improve deal velocity?

Key metric: velocity by PreSales Stage



Some PreSales leaders would say deal acceleration is the number one goal of PreSales, and yet deal velocity is notoriously challenging to measure. While many organizations are well positioned to understand overall deal velocity by looking at the difference between creation date and close date, this, by itself, tells you little about where improvement opportunities are. This is especially true for larger deals and longer sales cycles.

What is more helpful is capturing the stages of the PreSales process and recording velocity within each of these stages. First, this allows you to look specifically at the parts of the deal lifecycle that PreSales owns. Second, this helps you understand how much each part of your standard PreSales process contributes to

overall deal cycle time. Additionally, it helps to uncover trends over time, and where risk lies within current deal cycles. From there, you can drill into the stages that take the longest on average, stages that have the most variability in completion time by team member, or stages where the completion time is the most surprising.

For example, 'test drive' might be the longest stage in the PreSales process, with significant variability in average completion time across team members. That suggests best practices that could be more widely shared. Alternatively, you might be surprised by the time required to move from technical win to close. That might suggest an opportunity to do more to advance the political or commercial win in the deal alongside the technical win.

Improving pipeline health and revenue predictability

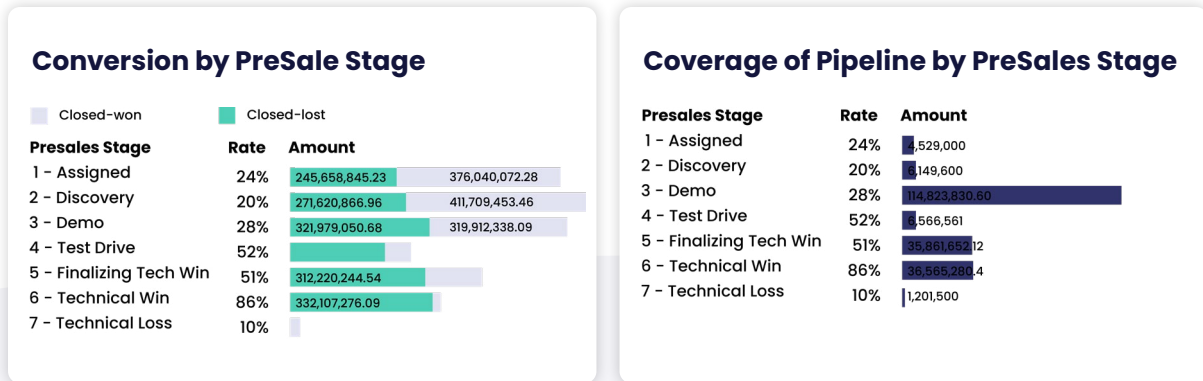
Because PreSales team members are closest to the product and own such an extended and critical part of the sales process, they have especially keen insights into deal outlook. When PreSales leaders and CROs incorporate those insights into the sales forecast, they can significantly improve revenue targeting and predictability. However, in order to be effective, PreSales team members often need to translate intuition into analysis. The sales team generally owns the forecast, and PreSales team members must work collaboratively hand-in-hand with their sales colleagues in order to achieve their shared goals. It can be uncomfortable and

unpopular for SEs to contravene overly optimistic assessments of their sales colleagues. And yet this is exactly when their insights are most valuable.

When teams incorporate the most important insights about the state of the technical win into the sales forecast, emotion is taken out of the equation. PreSales team members are not contravening valued colleagues; they are simply explaining the situation on the ground. This leads to better, more objective risk assessments. Some of the insights we have seen be especially helpful are below.

Does the overall level, mix, and stage of PreSales activity support the forecast?

Key metric: coverage (conversion by PreSales stage multiplied by deal amount)



One of the most valuable tools here is the consistent tracking of PreSales stages. Once teams have some amount of history, PreSales teams can glean several valuable insights. Two of these are the typical conversion rate between PreSales stages and the average duration of a PreSales stage. These can be used in combination as a forecast check.

Take the historical win rate for opportunities passing through each PreSales stage and multiply it by the amount of revenue in that stage. This gives you a sense of the total revenue that you have in hand. Then, compare the average stage duration

with the amount of time remaining before the end of your quarter. How much of the revenue that you have in hand is likely to close in time? How does this line up with the forecast?

In some cases, there is a strong relationship between a key deliverable and booked revenue. For instance, one security technology company has established a close relationship between the number of POCs and deal volume. By looking at the number of POCs that are sufficiently far along, the PreSales team provides an important check on pipeline health.

On which deals, in particular, is there a mismatch in forecast category and PreSales insight?

Key metric: current quarter deals grouped by forecast category versus PreSales risk factors

Forecast Category	Opportunity Name	Overall PreSale Score	PreSales Stage	Days in Stage	Deal Breaker Product Gaps	Technical Differentiation
Commit	Bold Care	46	2 - Discovery	33	0	
	Trinet Consolidated	60	4 - Test Drive	12	0	High
	Sunrise Inc	81	5 - Finalizing Technical Win	8	0	High
	Rapid Technology	53	4 - Test Drive	56	0	High
Best case	Skyward Enterprises	44	2 - Discovery	22	0	
	Fleet & Wallard	61	3 - Dem0	15	0	High
	King & Co	47	4 - Test Drive	44	1	Low
	Century Distribution	36	3 - Demo	22	1	Low

In addition to using PreSales signals in aggregate, teams can use them to determine which specific deals to target. Many PreSales professionals have had the unfortunate experience of investing many hours in a deal that they did not believe in. This impacts efficiency as well as morale since those hours can usually be redeployed to more promising deals.

When PreSales signals are part of the sales forecast dashboard, they are much more difficult to ignore. We have already discussed some of the items that are often useful above. Looking at PreSales stage and comparing how much time is left in a deal cycle to the end of the quarter is one consistently useful lens. Looking at progress on key deliverables, like POCs, is another.

In addition to these, explicitly capturing SE judgment shines a light on the likely outlook for the technical win. This can be done by asking SEs to weigh in on factors like the level of technical differentiation or capture PreSales concerns explicitly (like a mismatch between prospect use cases and product capabilities). As we will discuss more below, deal-breaking product challenges can also be tied to a deal as Opportunity Gaps, helping teams represent situations where a range of different product challenges exist.

As teams become increasingly sophisticated about looking at these factors in combination, they can incorporate them into an overall score, providing a simpler synthesis of the competing pros and cons of each deal.

Evolving Your Product

PreSales teams uniquely understand both product and prospects in a way that no other team does. Few things are more valuable to a modern technology company than this, and we believe the PreSales teams should be at the center of company conversations about strategy and product direction. Yet, in many organizations, this is not yet the case.

It is understandable in many ways. Both product and PreSales organizations have evolved tremendously in recent years. The increasing prominence of PreSales and

the shift in product from feature factories to empowered product teams engaged in continuous discovery were both prerequisites for effective collaboration. Now, that collaboration requires a new set of patterns that extend that progress and span both functions.

Here, we will focus on how both teams can develop a shared vocabulary and common view of the world through analytics.

Influencing roadmap discussions

Most organizations would love to see a product leader confidently describe how each part of the roadmap ties to business goals. Yet, few B2B product leaders will say they are satisfied with their ability to tie product efforts to financial impact. At the

same time, PreSales teams often crave a voice in strategic decisions and would love to see roadblocks to technical wins cleared more swiftly. This is a natural place to invest in closer collaboration.



During the sales process, PreSales teams will learn which product issues are barriers to the technical win. We will call these issues Opportunity Gaps. The same kind of issue will often show up repeatedly across multiple deals. We will call these canonical archetypes Product Gaps. We recommend that SE teams maintain the canonical list of Product Gaps, and then tie them to specific Opportunities using Opportunity Gaps. What this allows PreSales teams to do is then calculate the total impact of each Product Gap by, for example, adding up the total amount of blocked revenue associated with that Product Gap. We will also discuss several more sophisticated methods for calculating impact below.

At least three things are valuable when teams collect this kind of information.

First, it's valuable to capture the severity of an Opportunity Gap in the context of a particular deal. During a deal cycle, prospects will often share a lot of feedback, but some things are nice-to-have while others will stop a deal in its tracks. By capturing their perspective on this when logging Opportunity Gaps, PreSales teams enrich the data significantly. We recommend bucketing Opportunity Gaps into at least three categories: nice-to-have, deal challenges, and deal breakers.

Second, it's helpful when PreSales teams focus on specific use cases (i.e. product capabilities) rather than overall solutions,

which are more generalized. Product teams know there are many different ways to solve a given problem, and what seems like the best solution at the outset can usually be improved upon significantly. In some cases, it may make sense to tackle several use cases at once with a horizontal solution; in other cases, it may be better to focus on one or two use cases with a purpose-built solution. By focusing on which use cases are blocked by product limitations, PreSales teams help product teams engage in this kind of productive problem-solving.

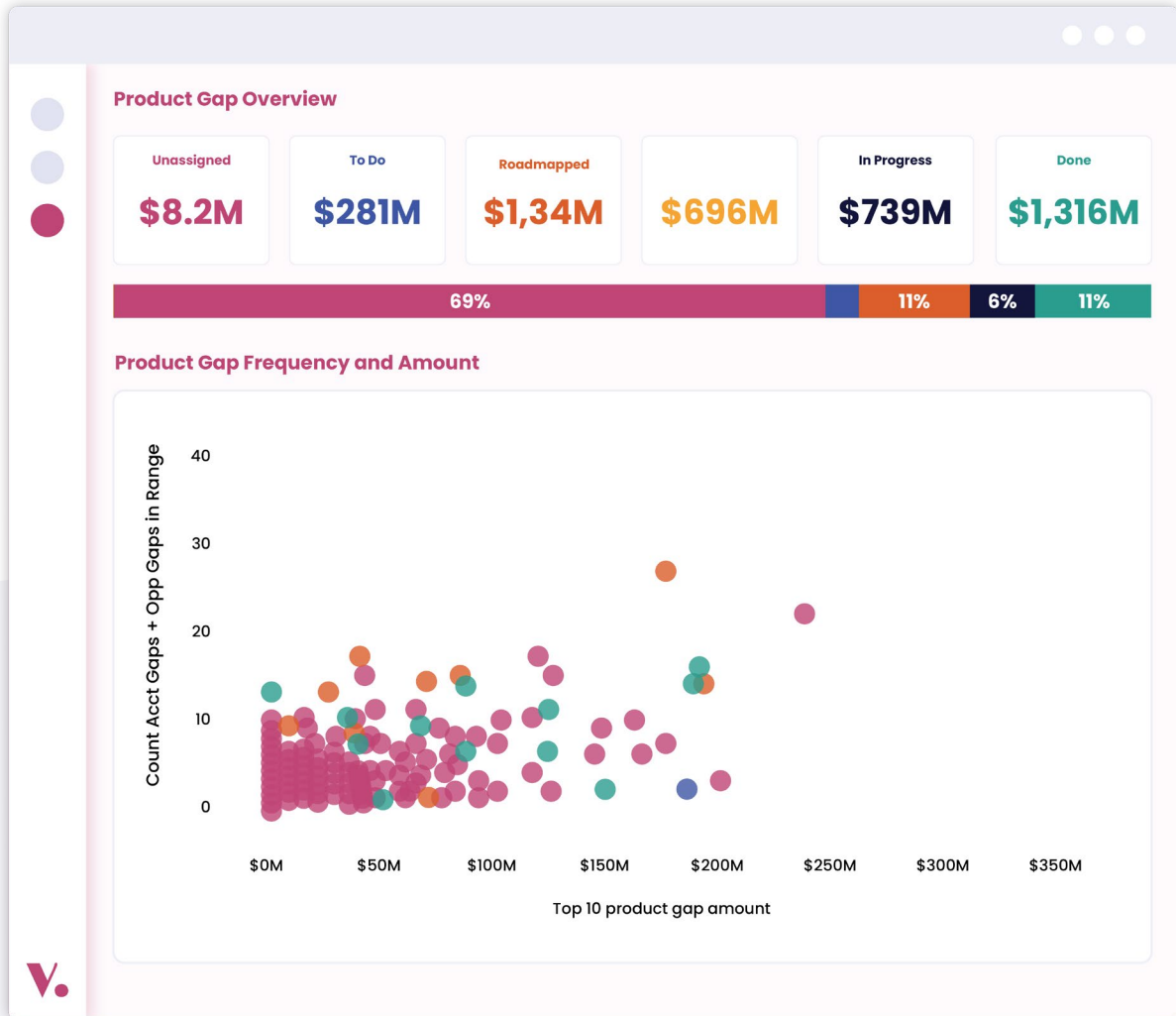
Third, it's important to keep up with when Product Gaps are resolved. This should be the responsibility of the product team although PreSales teams should be in alignment with product team determinations. Capturing this information is made much easier when status from PLM systems automatically flows back to Product Gaps.

Once this foundation of data is in place, PreSales teams and product teams can answer a series of compelling questions together.

Below we will look at both pre- and post-sales opportunities since a growing number of PreSales teams are also involved in existing customer relationships.

What unaddressed Product Gaps need greater attention?

Key metric: Opportunity & Account Gap Revenue by Product Gap Type, Product Gap Type, and Recency



Key metric: Product Gaps versus Opportunity win rate

Product Gap	Total amount	Win Rate
Automated workflow approval rules	\$43,770,383	23%
Nested and / or filters for analytics	\$36,683,636	34%
User bulk updates	\$35,529,442	57%
Marketo integration	\$33,726,256	46%
Slack integration for approvals	\$31,818,417	57%
Custom permission sets	\$25,616,139	8%
Alerts for specific objects	\$24,804,317	19%
Custom object support	\$23,513,578	30%
Google Drive integration	\$23,490,688	47%
Custom layout sections	\$21,995,687	15%
User-specific sharing	\$21,223,551	47%

Roadmap choices are usually one of the most hotly debated items in any company, with good reason. Once teams lay the data foundation described in the last section above, these discussions can be much more productive. Product teams are no longer concerned that feedback is anecdotal and not centered on larger patterns, and they are able to tie choices to revenue. PreSales leaders can elevate their voice and make a systematic case for the issues that are most holding back their teams.

Tactically, there are several different ways to do this analysis, and each is revealing in a different way.

1. Total affected revenue or total affected prospects. The first and simplest, we already mentioned above. Teams can roll up the total revenue or the total number of prospects associated with each Product Gap and then sort the Product Gaps in order of greatest impact. Looking at the number of affected prospects instead of revenue may be useful where revenue does not provide a good signal. For instance, a new product might be sold at a special early adopter price initially that does not reflect its full revenue potential.
2. Total breaker or challenge revenue or breaker or challenge prospects. The

second level of analysis is to remove nice-to-haves and look specifically at cases where the Opportunity Gap was a significant source of friction in deals. This eliminates Product Gaps that are frequently raised but have a clear and successful workaround or PreSales playbook associated with them, and it focuses on more urgent issues.

3. Recent trends. Markets often shift, so next we suggest that teams look at how the top Product Gaps from the last quarter or last six months are different from the top all-time Product Gaps. If there are significant differences, teams should discuss whether they reflect a temporary state of affairs or a new market reality, and they should prioritize accordingly.

4. Behavioral data. Most product teams are highly aware that what people say and what they do are often quite different. Once teams have more historical data, therefore, it's insightful to look at how Product Gaps actually impact win rates. In particular, you can ask, what is the win rate when this Product Gap is tied to an opportunity? Cases where the win rate is average or better are less concerning than cases where the win rate is significantly below average. Teams often end up with a large number of Opportunity Gaps in the deal challenge category, where they are not clearly blockers but are clearly a source of some amount of friction. Looking at the buying decision behavior is a useful way to sort out which of these are more important than others.

5. Dependencies. It would be easier to make decisions if each deal had one and only one Opportunity Gap associated with it. In reality, of course, most deals will have several. This means that resolving one Product Gap will not typically unblock all of the deal breaker or deal challenge revenue associated with it. In addition, it may be necessary to resolve other Product Gaps that commonly appear alongside it. Teams may account for this in multiple ways. One is to weight the revenue associated with an Opportunity Gap based on the number of other Opportunity Gaps that appear on the same deal. A lone Opportunity Gap gets all of the revenue while one Opportunity Gap out of five only gets a portion of it.

6. Competitive trends. Lastly, there may be competitive trends in the marketplace that deserve special

attention. An emerging competitor may, for instance, not yet be in a large number of opportunities but may be highly successful when they do appear, with significant expansion potential. In this case, teams may wish to look at the Opportunity Gaps that arise when this competitor is present and give these special attention.

Often, it makes sense for an organization to start simple and move towards greater sophistication over time. One of the main hallmarks of successful organizations is that there is a shared conversation across PreSales and product about which methodology is the right one.

One organization applied this powerfully to their cloud transition. The organization is a provider of data infrastructure technology and was building out a new platform. They needed to move revenue over to their new platform as swiftly as possible, and that required thoughtful prioritization. They used a system of Product Gaps to drive this. For each customer, they captured which Product Gaps held them back from transitioning successfully, and they prioritized Product Gaps based on how much revenue they were holding back. As part of this, they took into account dependencies between Product Gaps.

Many leaders recognize that these kinds of platform transitions are often rife with potential for friction between sales and product since they are complex and typically take longer than expected. Close collaboration on Product Gaps helped this organization navigate those perils and sustain alignment between PreSales and product throughout the extended transition.

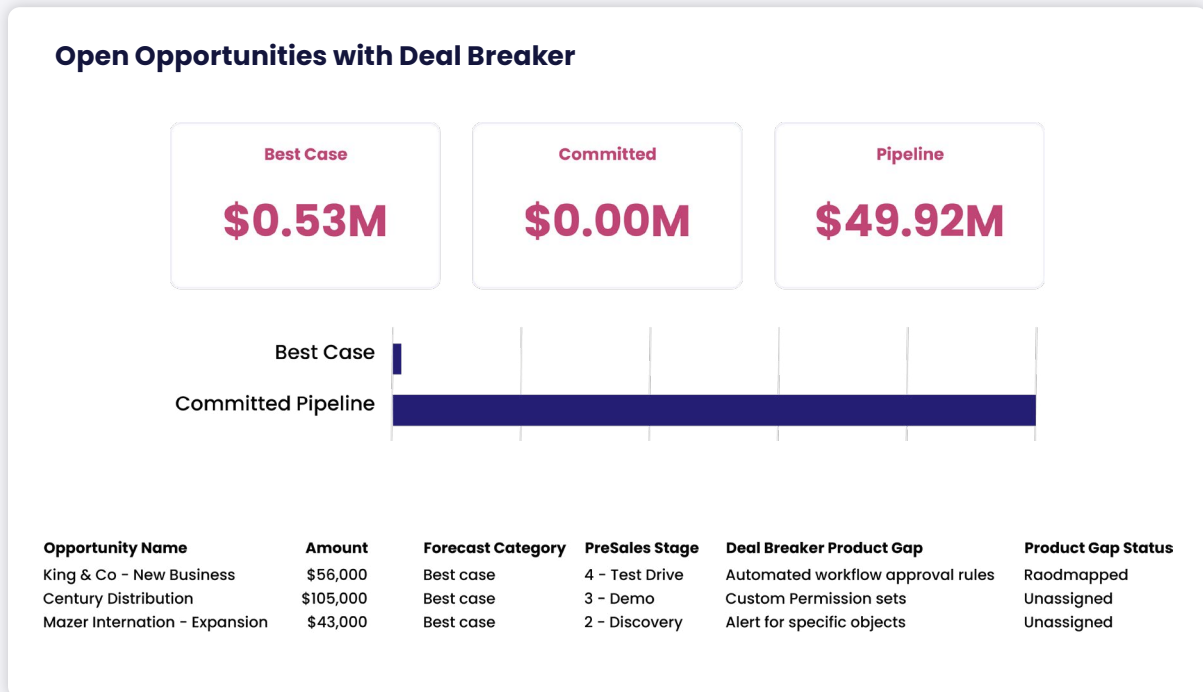
Unblocking stalled deals

In addition to collaborating on strategic decisions, product and PreSales teams can partner more effectively on day-to-day operations. If PreSales teams consistently log deal breaker Opportunity Gaps as they arise, these can be triggers for collaboration. Teams should have mechanisms for PreSales to reach out to Product in order to gain additional insights

(e.g., whether something has a workaround or is part of a roadmap effort) or draw product team members into prospect discussions. Reporting on these deal breaker opportunities also helps leaders across both PreSales and product ask the right questions and identify areas where team members could be doing more to support each other.

What deals could we go unblock right now?

Key metric: Opportunities with close dates in this (or next) quarter and breaker Opportunity Gaps



The simplest device is a report listing all opportunities with an upcoming close date that have deal breaker Opportunity Gaps associated with them. Both product and PreSales leaders should have access to this, and it should be one of the things they consistently look at, together and separately. It is an opportunity for them to ask a series of coaching questions to the SE on the deal as well as the product manager who owns the associated Product Gap.

- Does the ask make sense in light of the prospect's goals? Is there an opportunity to reframe the issue for the prospect?
- If we agree that the ask makes sense, do either product or field experts know of a workaround that could be captured and conveyed?

- If there is not a viable workaround, is this something already on the roadmap?
 - Should the prospect be made aware of that if so?
 - If not, is this a sufficiently strategic deal and is this sufficiently aligned with our product direction that we should consider a product commitment?

As alternative narratives and workarounds are developed through this kind of collaboration, these can be documented and embedded in the knowledge repositories of the PreSales organizations.

De-risking renewals

Product Gaps may also emerge as deal breakers for customer renewals. In order to sustain strategic customer relationships and maintain high net retention, close collaboration on these issues is also valuable.

What renewals could we go de-risk right now?

Key metric: Renewals in this (or next) quarter with breaker Account Gaps

<u>Account Name</u>	<u>Total ARR</u>	<u>Renewal Date</u>	<u>Account Breaker Product Gap</u>	<u>Product Gap Status</u>
Rogers Inc.	\$275,000	1/10/2024	Automated workflow approval rules	Roadmapped
Titan Enterprises	\$135,000	1/31/2024	Custom object support	In progress
Element Industrie:	\$32,550	1/31/2024	Slack integration for approvals	Unassigned

As with at-risk deals, it is useful to have a report of any upcoming renewals that might be at risk because of deal breaker Product Gaps. This permits early cross-functional collaboration to strengthen the relationship and navigate any barriers.

- How great is the risk in the context of overall account health?
- Have similar customers been successful even with these limitations? Does the at-risk customer understand how?
- Do either product or field experts know of a workaround that could be captured and conveyed?
- Has there been a pattern of close partnership that has created a foundation of trust? If not, what are the opportunities to invest in that now?
- Is this something already on the roadmap?

- If so, have plans been discussed with the customer?
- If not, is this a sufficiently strategic account and is this sufficiently aligned with our product direction that we should consider a product commitment?

Early action on these kinds of risks is especially important with existing customers. B2B customer sentiment is heavily influenced by feelings about the state of the relationship. Many potentially renewal-breaking issues may be headed off by showing that the organization is listening, willing to transparently discuss thinking and plans, and focused on the customer's success. However, these investments are less effective when they happen once a year, shortly before the customer's renewal date.

Increasing the impact of product innovation

The value of velocity is widely recognized today. As a result, at many technology organizations there is a continuous stream of product innovation. This is exciting for field teams at these organizations—and also a lot to keep up with. In many cases, you could poll the customers of a modern technology company about their unmet needs and find among them things that are already supported. By the same token, you can often find, among deals recently lost, prospects who walked away because of product issues that are now resolved.

There is low-hanging fruit here, if you can keep track of it. Fortunately, if you set up the system of Product Gaps that we have described above, the ability to report on these kinds of opportunities is a byproduct. The key is ensuring that product delivery status is linked to the Product Gaps logged and maintained by the PreSales team and ensuring the delivery date is captured. If you have both of these things, you can then report on any opportunities or accounts affected by recent product deliveries.

What deals could we revive?

Key metric: Lost Opportunities associated with Opportunity Gaps that we closed in the last X months

Opportunity Name	Opportunity Amount	Opportunity Stage	Product Gap Name	Product Gap Type	Product Gap Status	Completed Date
Major Industries - New Business	\$160,000	10 - Nurture	Layout templates	Breaker	Done	9/6/2023
Massive Inc. - EMEA Expansion	\$104,000	10 - Nurture	Export chart as pdf	Challenge	Done	8/16/2023
Green Technologies - New Business	\$87,000	10 - Nurture	Scheduled reports	Nice-to-have	Done	8/22/2023

In this report, you are looking for any recently closed opportunities where the associated Product Gap was recently resolved. It is useful to group opportunities by account owner or create dashboards that are easy for account owners to filter down to their own deals. It may also be valuable to filter for opportunities that were not irretrievably lost. For example, if you know a prospect who selects a certain competitor usually takes a long time to

reconsider, you might not include these deals in your report and might instead focus on deals where customers chose to delay or wait for an alternative.

Once you have the right reports and dashboards set up, they provide account owners with useful ammunition to rekindle deal discussions and also help them showcase rapid innovation and responsiveness.

What customer relationships could we strengthen?

Key metric: Accounts associated with breaker or challenge Account Gaps that we closed in the last X months

<u>Account Name</u>	<u>Account ARR</u>	<u>Account Type</u>	<u>Product Gap Name</u>	<u>Product Gap Type</u>	<u>Product Gap Status</u>	<u>Completed Date</u>
Hedge Financial	\$305,000	Live	Layout templates	Breaker	Done	9/6/2023
Large LLC	\$400,000	Implementing	Export chart as pdf	Challenge	Done	8/16/2023
Neutron Inc.	\$142,000	Live	Scheduled reports	Nice-to-have	Done	8/22/2023

Similarly, you can create reports that highlight existing customers who benefit from recent product deliveries. Here you are looking for all customers associated with recently closed Product Gaps. If you arrange this report so that account managers can easily filter for the accounts that they

own, they will have a steady stream of relevant product innovations to bring to the customers who will benefit from them the most. From the product team's perspective, this will enhance the adoption of new features and magnify the impact of each product delivery.

Changing the Conversation with PreSales Data

It's never been more important for organizations to invest in and elevate their PreSales teams. With each of the sections above, we hope we have illustrated how much impact a fully enabled PreSales team can have. Not only is the PreSales organization more effective, the entire sales organization runs faster deal cycles and drives revenue more predictably. Not only is the sales organization more effective, the product organization is better able to focus on the most important opportunities and is able to drive greater impact with each release.

By sharing these approaches, we hope we will position more PreSales leaders to drive the right investments in people, improve velocity and sales efficiency with process excellence, and influence their company's product direction. Sitting at the intersection of technology and sales, buyer needs and product solutions, PreSales leaders have never been more instrumental for B2B technology organizations.

About Vivun

Vivun is the leading provider of PreSales software. Its AI-powered platform supports a family of products that enable B2B businesses to accelerate sales and drive revenue more efficiently. With PreSales at the forefront of the modern go-to-market, organizations can manage their solutions teams globally, align sales and engineering to deliver products with incredible fit, and scale their demo abilities without more headcount. Customers include Snowflake, Zoom, Okta, Elastic, ADP, and Harness.

To learn more visit www.vivun.com.