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Data-Driven Revenue Operations Demystified

Empower Sales & Customer Success Teams to Win Customers and Drive Growth

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Foreword

'Do companies that invest in Revenue Operations early drive higher growth?' 'How does Revenue Operations influence growth at PLG vs. Sales Led vs. Mktg Led companies?' 'Which activities do Revenue Operation teams prioritize at high growth companies? ''At what stage of growth do companies first invest in sales vs customer success?' 'Are Revenue Operations teams influencers or decision makers in technology investments?'

These, and many other questions, are top of mind for revenue leaders as they look to drive SaaS growth against the backdrop of an uncertain economic climate. The traditional revenue operations and CRM tools are insufficient as revenue leaders explore new paths to growth.

Revenue operations teams are uniquely positioned at the intersection of people, process and technology. We wanted to learn how these teams are shifting gears to use data to accelerate growth for their sales and customer success teams as companies brace for a slowdown.

The goal of this survey is to better understand the maturity and influence of revenue operations to accelerate growth.

A total of 69 SaaS companies across a wide spectrum of company size and annual recurring revenue participated in the survey. Of these, 13 responses were from companies that have a Product-Led Growth (PLG) model.

The survey revealed interesting insights into how Revenue Operations is positioned to drive growth at SaaS companies.

- Early investment in RevOps teams correlates with higher growth
- More mature, centralized RevOps teams correlate with higher growth
- Managing data quality remains one of the top issues at SaaS companies

I hope you will use this data to benchmark your own organization against these metrics. And, I hope that this paper will spark new ideas on how you can accelerate growth for your company.

As we invest in building the industry's first no-code data platform for revops teams, we are keen to learn about your challenges. I would love to hear from you and learn from your experiences.

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Key Findings

01   84%   SaaS companies below 50M in ARR have greater than 20 Sales Reps

02   93%   Saas companies below 50M ARR have less than 20 CSMs

03   2X   number of companies that have 0-5 CSMs than 0-5 sales reps

04   100%   of companies that have a centralized RevOps team also have 30% or more ARR growth rate

05   3.7x   number of companies manually syncing and managing data quality, than those that have automated these processes

06   4 of 5   roles where companies under 50M in ARR offer greater decision making authority

Chapters

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01. Demographics and Methodology

The survey was designed by Immersa and promoted to the revops community via LinkedIn, RevGenius and the Carabiner Group. We received over 140 responses to the online survey.

Of these, 71 responses were invalidated due to poor data, non-SaaS companies which distort the data significantly, or due to incomplete information in the survey results.

The final analysis is based on 69 companies, which represent 56 SaaS and 13 PLG companies.

1.1 Annual Recurring Revenue (ARR)

What is the Annual Recurring Revenue range for your company?

Distribution of Annual Recurring Revenue (ARR)
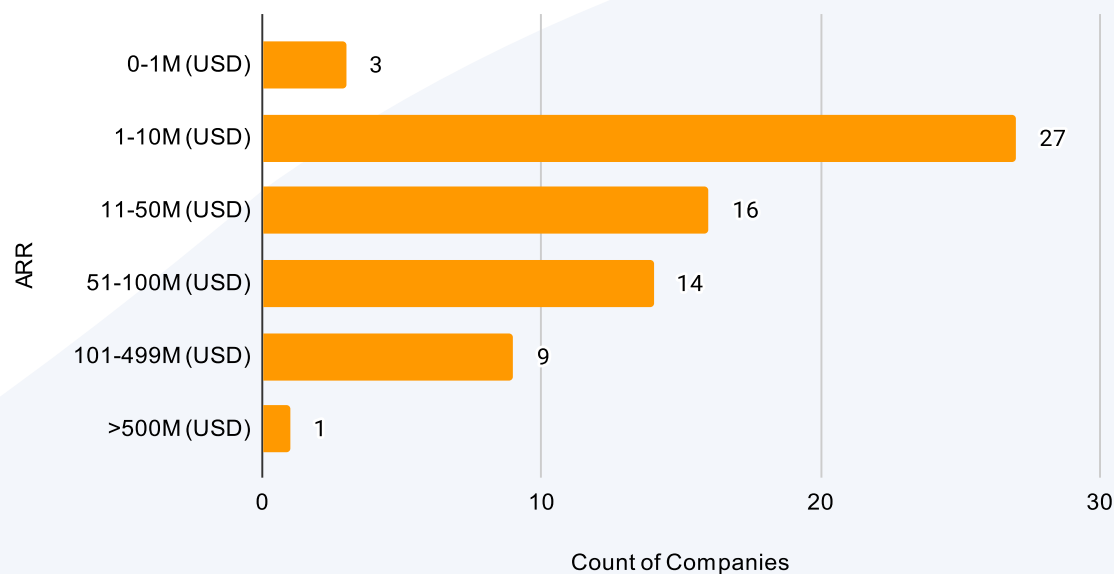
A significant number of companies (46) were under $50M in ARR, while 24 companies were above $50M in ARR. The data indicates that at the $50M ARR mark, companies start to shift in the way they invest for growth in revenue generating functions, as we share later in this paper.

Over 1/3rd of the respondents, or 27 companies, were in the 1-10M ARR range, while only 1 SaaS company represented over 500M in ARR. The universe of SaaS companies greater than 500M ARR is fairly limited. This data point was excluded from some of the analysis to avoid

1.2 Annual Recurring Revenue Growth Rate

What is your company's current revenue growth rate?

Distribution of ARR Growth Percentage
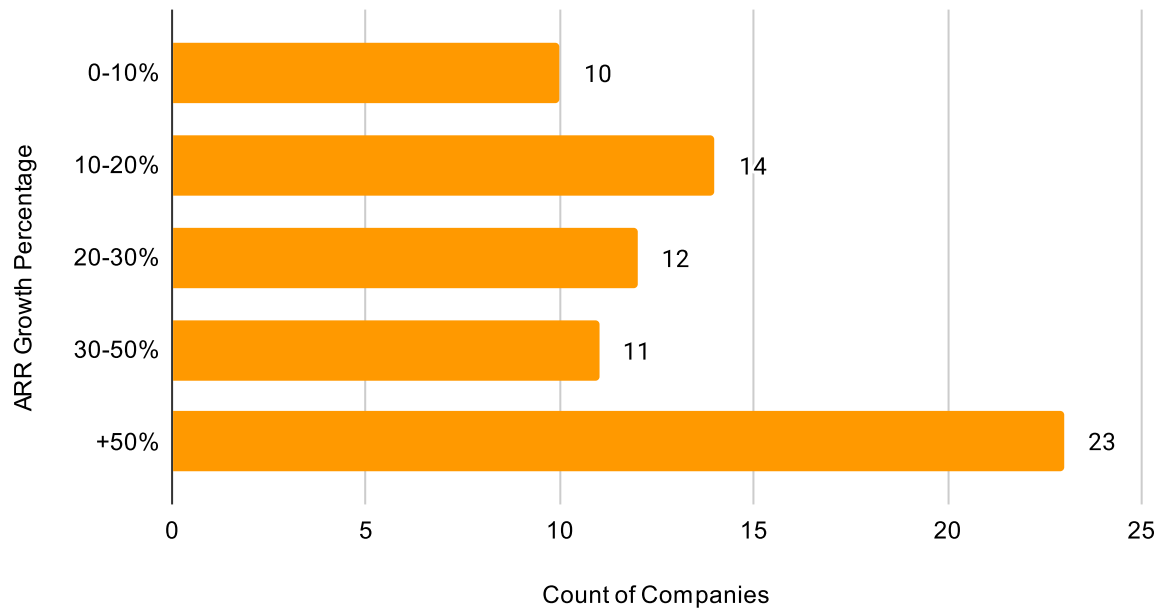
Not surprisingly, 46 of the 69 companies demonstrated over 20% growth rate. While the economic climate turned uncertain in early 2022, 23 companies are demonstrating over 50% growth rate among this cohort. Clearly, the growth rates for SaaS companies have not been meaningfully impacted by the economic slowdown yet.

1.3 Growth Strategy

Which of these best describes your primary growth strategy?

Distribution of Company Count and Growth Strategy
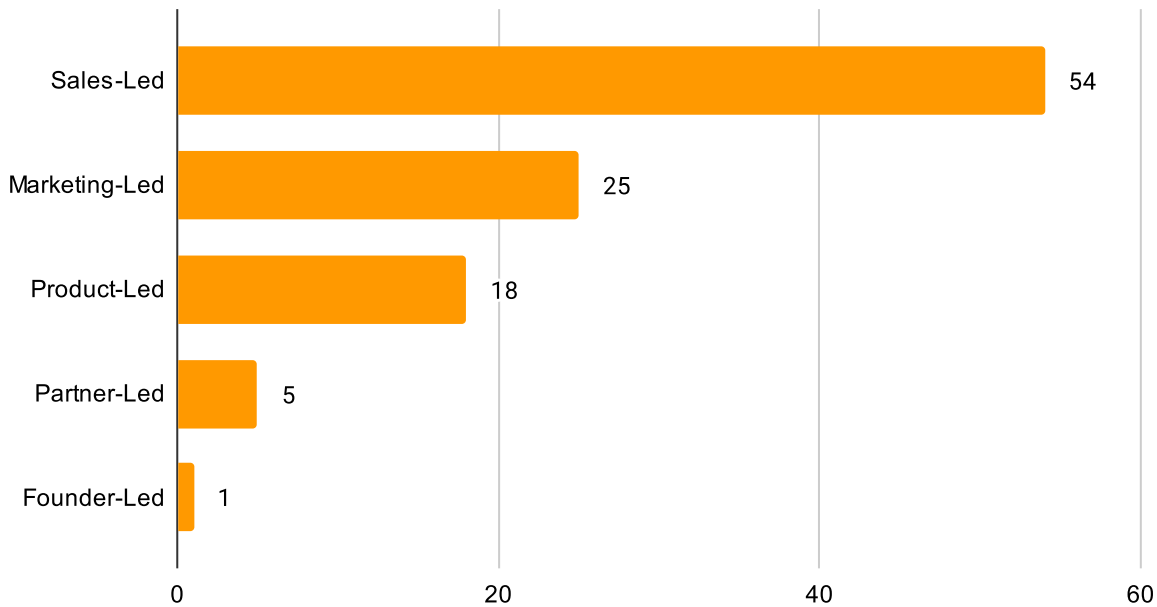
Only 13 companies represented themselves as a PLG business, compared to 54 that represented themselves as sales led growth companies. While this is a low number relative to the overall co-hort, PLG is rapidly growing as a GTM strategy among new SaaS organizations.
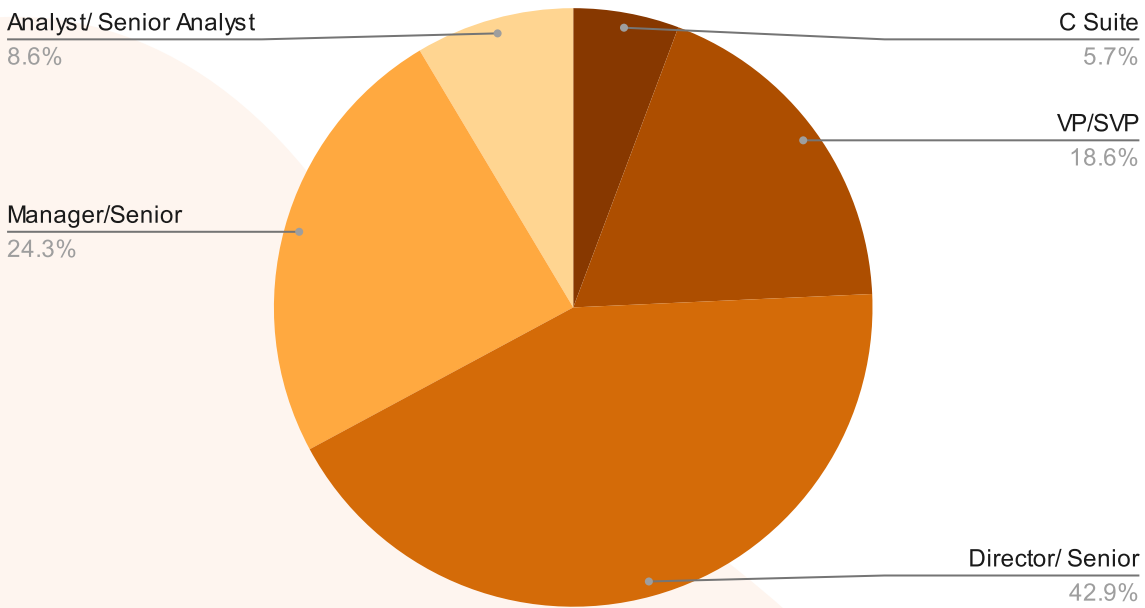
Regardless of the size of the company, we found that Sales-led growth is a prevalent go-to-market strategy. Similarly, we found that product led growth companies are widely distributed as a go-to-market strategy across different company sizes.

1.4 Role of Respondents

What is your current role at your organization?

Distribution of all the roles

Analyst/ Senior Analyst
8.6%

C Suite
5.7%

VP/SVP
18.6%

Manager/Senior
24.3%

Director/ Senior
42.9%

Middle level management, including (Sr) Directors and (Sr) Managers, represented 2/3rd of the responses to the survey, while VPs and above represented close to a quarter of the responses.
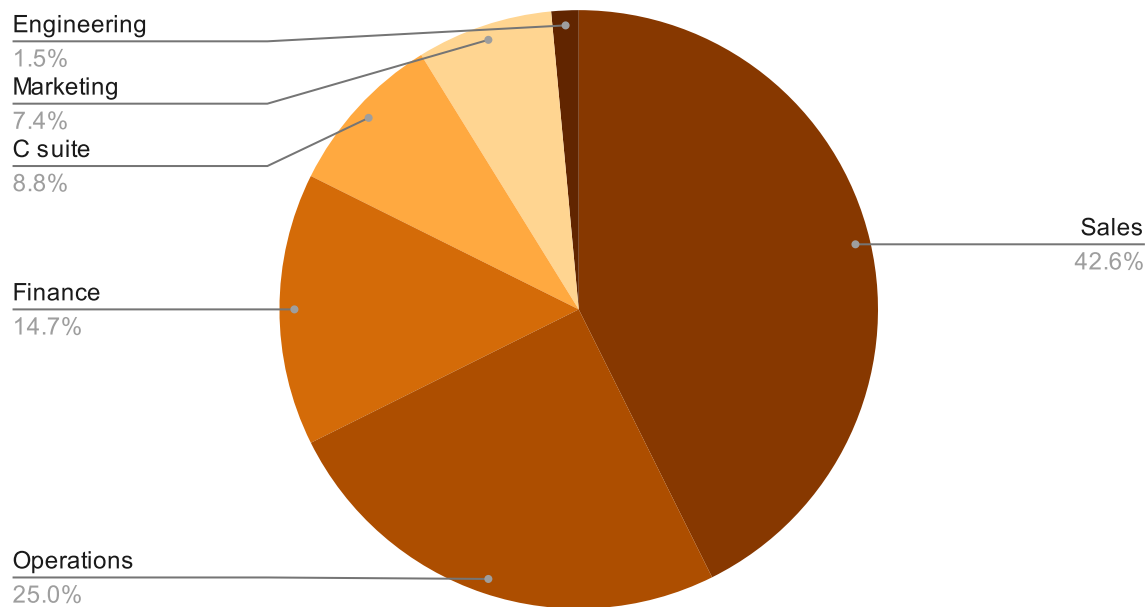
1.5 Respondents by Department

Which department do you currently report into?

Distribution of Departments

Among customer facing functions, over 42% of the respondents report into sales, while 25% roll up to an independent operations department. Only about 7.4% of the respondents report into marketing.

Among non-customer facing functions, finance has the highest representation with 14.4% respondents. This was followed by C Suite at 8.8% and Engineering at 1.6%, presumably at smaller companies in the 1-50M ARR range.

02. Investment in Revenue Functions

One of the top of mind issues was to understand how companies invest in revenue generating functions, particularly in sales for new business and customer success to retain existing business? How does the investment mix between generating new business and retaining and growing existing business change as companies grow?

2.1 Sales Reps by ARR

How many Sales Reps are currently at your company?

### Distribution of ARR and Total Number of Sales Rep
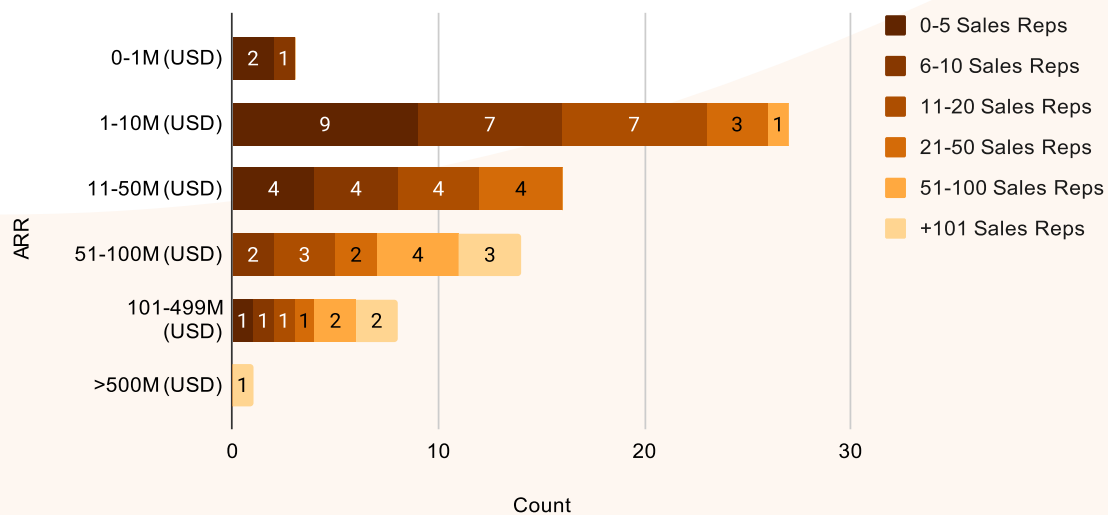
The survey respondents were distributed over a wide revenue range. There is a significant concentration of survey respondents in the 1-10M ARR range with 27 respondents. Of these, 23 companies are operating with 20 or fewer sales reps. Even more surprising is the fact that 12 of the 16 companies in the 11-50M ARR range are operating with 20 or fewer sales reps.

2.2 Customer Success Managers by ARR

How many Customer Success Managers are currently at your company?

Distribution of Company Count and Growth Strategy

| Strategy	Value
Sales-Led	54
Marketing-Led	25
Product-Led	18
Partner-Led	5
Founder-Led	1
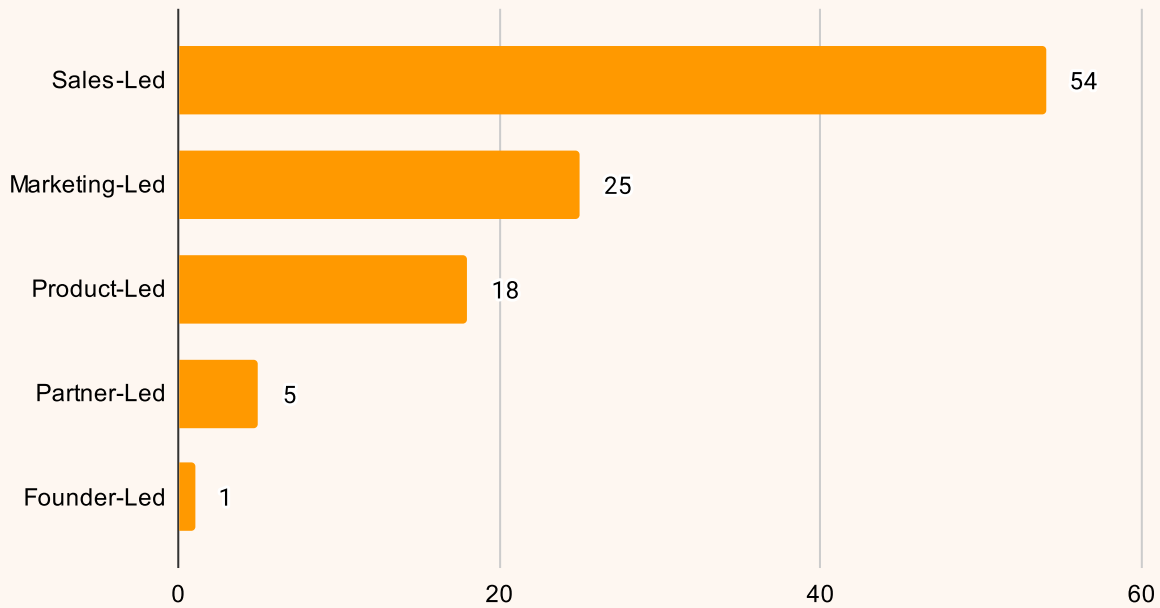
We expected to see lower investment in customer success as a function at the low end of the ARR range as companies build up their install base of customers. This is validated by the data above for companies under 50M in ARR which have far fewer CSMs than they do sales reps.

2.3 Investment in Customer Success vs. Sales

How many CSMs and Sales Reps are currently at your company?

Distribution of Customer Success Managers and Sales Representative
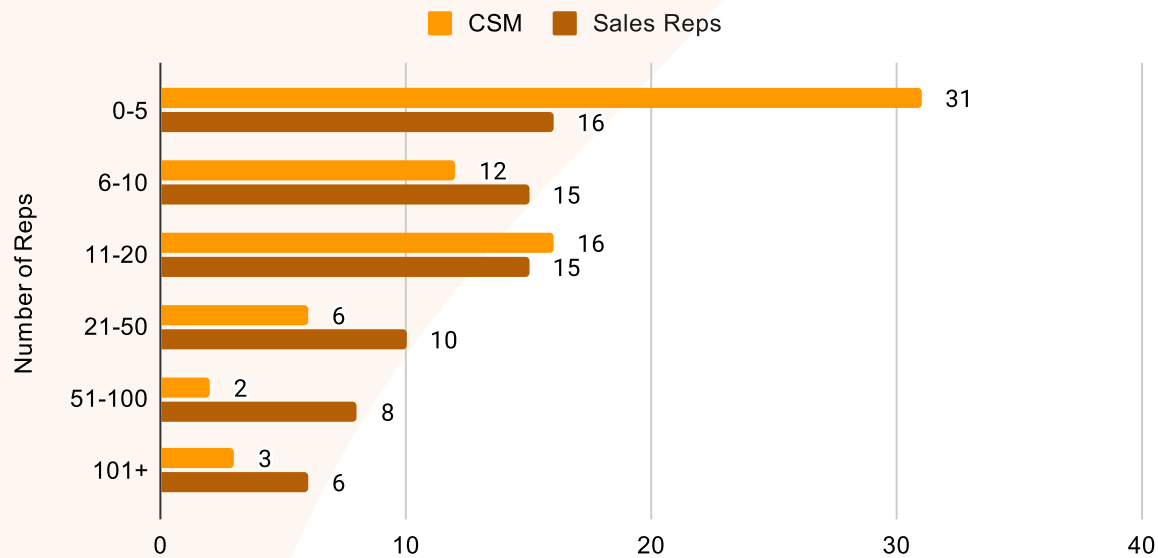
Surprisingly, companies tend to invest heavily in the customer success function in their early years. For instance, the number of companies with 0-5 CSMs is twice as many as companies with the same number of sales reps.

As companies grow, the number of companies that invest heavily in sales reps (20+ reps) is nearly 3 times the number of companies that are making similar sized investments in CSMs. It is likely that as company's grow, they tend to extract more efficiency from customer success and the rate of growth slows down.

Distribution of CSM and Sales Reps by ARR

Category					
0-5 CSM	3	17	4	5	2
0-5 Sales Reps	2	9	4	1	
6-10 CSM	3	7	1 1		
6-10 Sales Reps	1	7	4	2 1	
11-20 CSM	4	5	5	2	
11-20 Sales Reps	7	4	3	1	
21-50 CSM	3	3			
21-50 Sales reps	3	4	2		
51-100 CSM	2				
51-100 Sales	1	4	3		
+101 CSM	2 1				
+101 Sales Reps	3	2 1			

Legend:
- 0-1 M(USD)
- 1-10 M (USD)
- 11-50 M (USD)
- 51-100 M (USD)
- 101-499 M (USD)
- +500 M (USD)
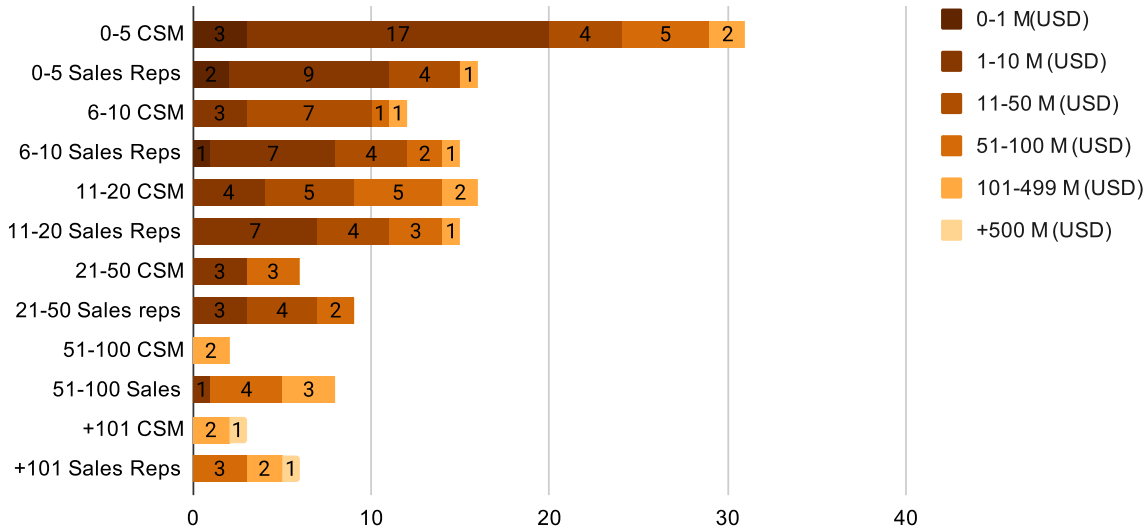
Breaking this down further by ARR to understand this trend, we broke down each area by the size of the company. The above trends seem to hold pretty well regardless of the size of the company.
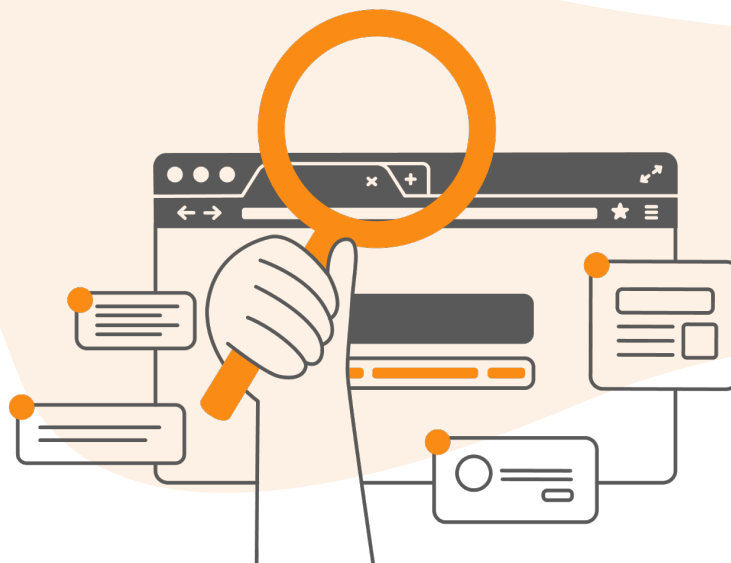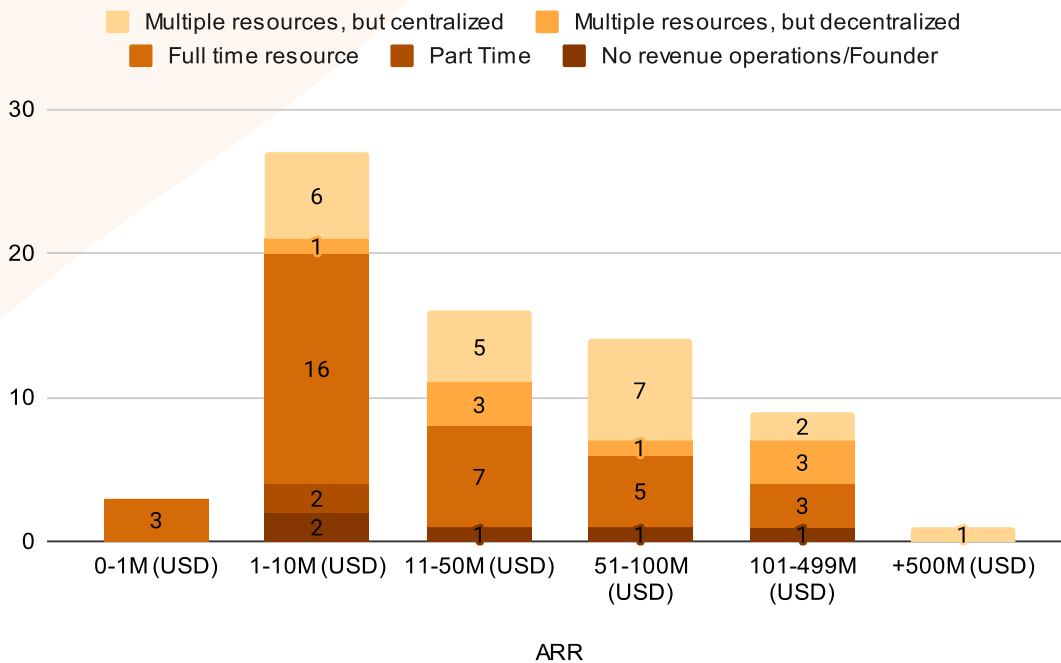
03. Revenue Operations Maturity

We were keen to explore how the maturity of a revenue operations function correlates to the size and growth rate of the company. How does the investment in revenue operations change for companies that hit the $50M ARR threshold?

3.1 Revenue operations maturity by company size

Which of these best describes your Revenue Operations function?

Distribution of ARR and RevOps Maturity

Almost every company (64 of 69), including those that are just starting to build out their revenue engine in the 0-1M ARR range, has invested in revenue operations. Many companies tend to employ a full time revenue operations person typically in the 1-10M ARR range.
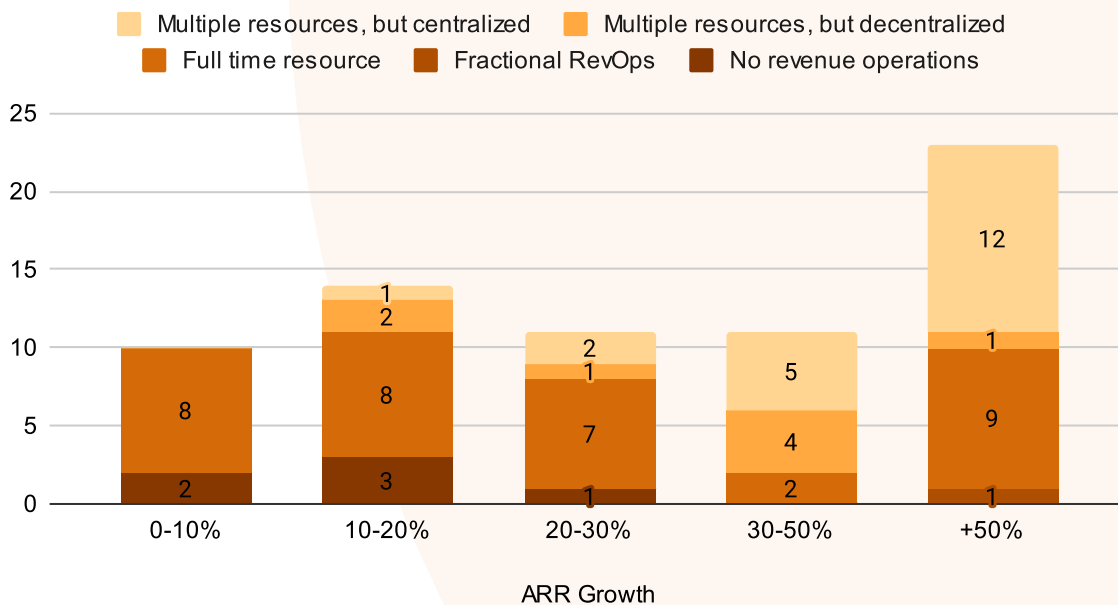
Companies with more than one revenue operations person on the team, prefer centralized (21) revops over a decentralized (8) model. As companies grow to 100M+ ARR, we see a greater preference for de-centralised RevOps teams.

Regardless of size, the data indicates that companies should implement some form of RevOps early.
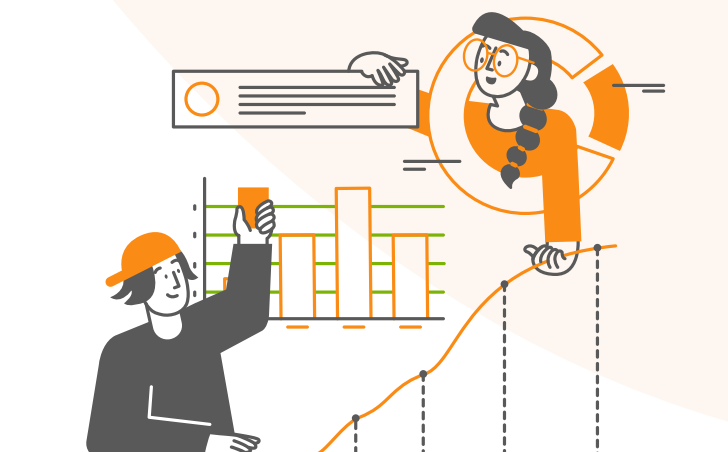
3.2 Revenue Operations Maturity by Growth Rate

Which of these best describes the maturity of Revenue Operations at your company?

Distribution of ARR Growth and RevOps Maturity

Legend:
- Multiple resources, but centralized
- Multiple resources, but decentralized
- Full time resource
- Fractional RevOps
- No revenue operations

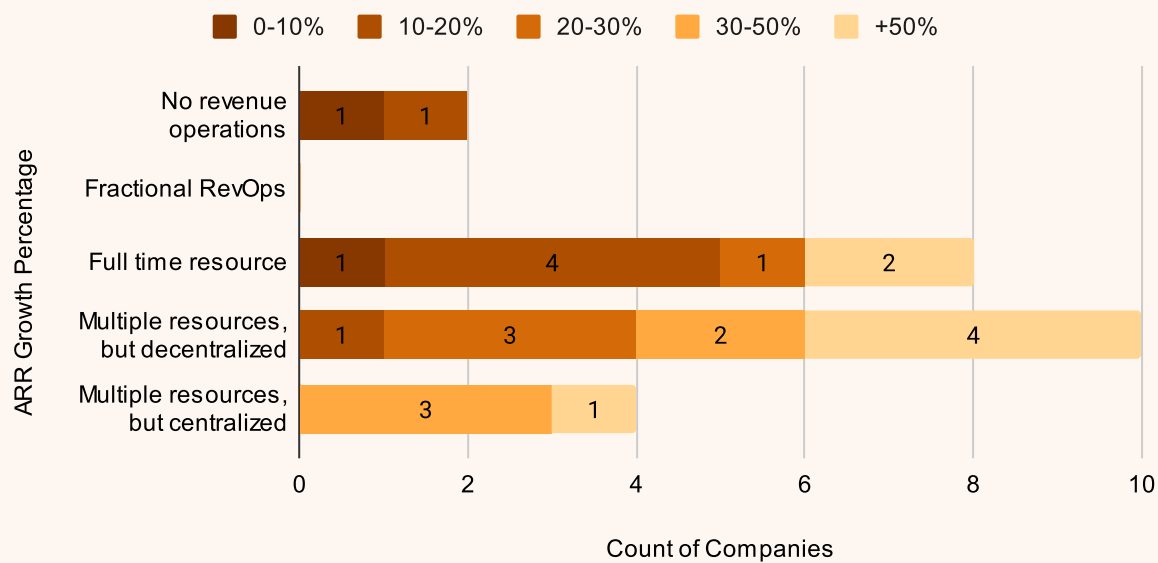| ARR Growth	No revenue operations	Fractional RevOps	Full time resource	Multiple resources, but decentralized	Multiple resources, but centralized
0-10%		2	8		
10-20%		3	8	2	1
20-30%		1	7	1	2
30-50%		2		4	5
+50%		1	9	1	12

ARR Growth

The correlation between companies with higher growth rates and investment in revenue operations is clear. Companies that invest in revenue operations tend to have a higher probability of driving growth. Of the companies demonstrating 30%+ growth, all have at least one revenue operations person on the team, and 22 have multiple revenue operations people on the team.
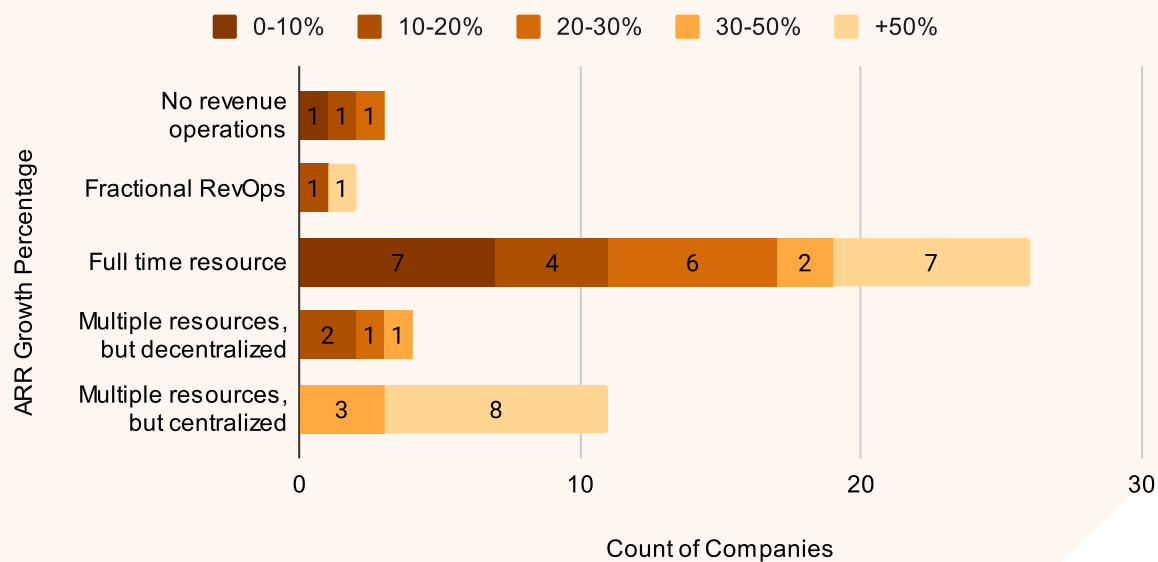
3.3 Revenue Operations Maturity at $50M ARR

Which of these best describes the maturity of Revenue Operations at your Company?

Distribution of ARR Growth and Revenue Operations Maturity (>50M ARR)

Distribution of ARR Growth and Revenue Operations Maturity (<50M ARR)

Companies that grow past $50M ARR have some form of full time revenue operations function in house, regardless of their growth rate or go-to-market model.

Companies with centralized revenue operations consistently grow upwards of 30% regardless of size of the company.

Companies that utilize fractional revenue operations resources from 3rd parties or consultants tend to do so in their early stages of growth. Having achieved maturity, they tend to leverage external resources primarily for strategic direction rather than managing day to day operations.

3.4 Revops Maturity Correlated to Company Growth

We analyzed the data in more detail to get a better understanding of the correlation between a company's growth rate and revenue operations maturity.

Our survey presented respondents with 5 choices for revops maturity. We assigned an increasing numeric value to each stage of maturity.

We also asked respondents to pick a growth range for their company. We assigned a numeric value to each stage of growth rate of the company as well.

Here we charted the maturity and growth rate of the company:

Distribution of RevOps Maturity and ARR Growth
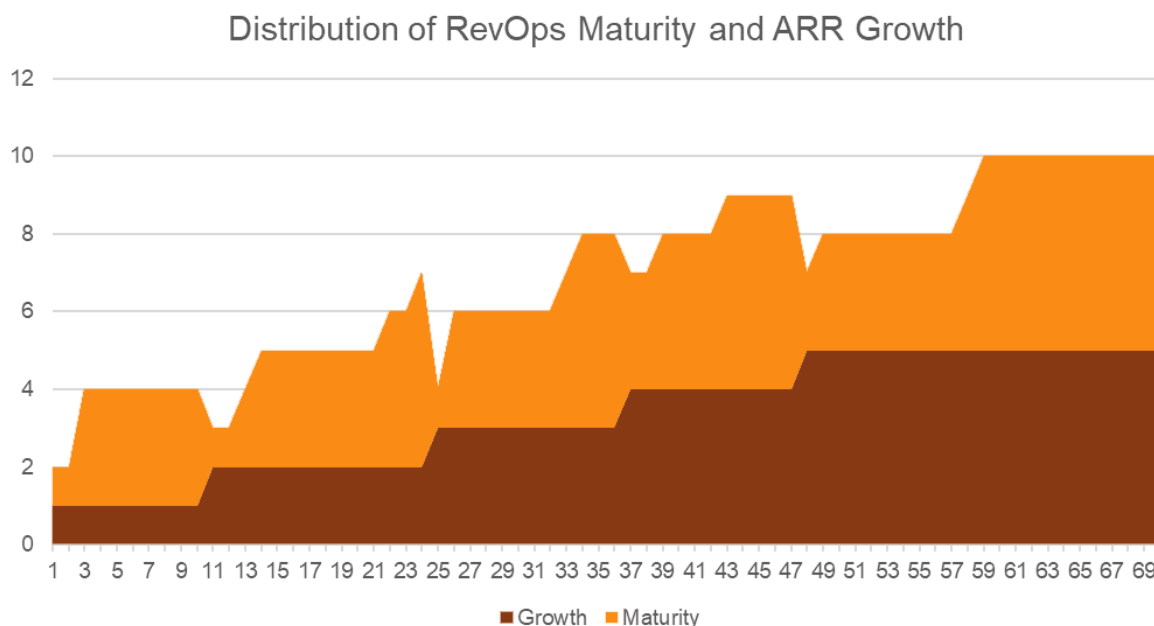
04. Top Priorities for Revenue Operations

We were keen to explore how the maturity of a revenue operations function correlates to the size and growth rate of the company. How does the investment in revenue operations change for companies that hit the $50M ARR threshold?

4.1 Prioritizing Revops Activities

How would you rate the importance of following functions in your role?

Distribution of Importance for Each Priority
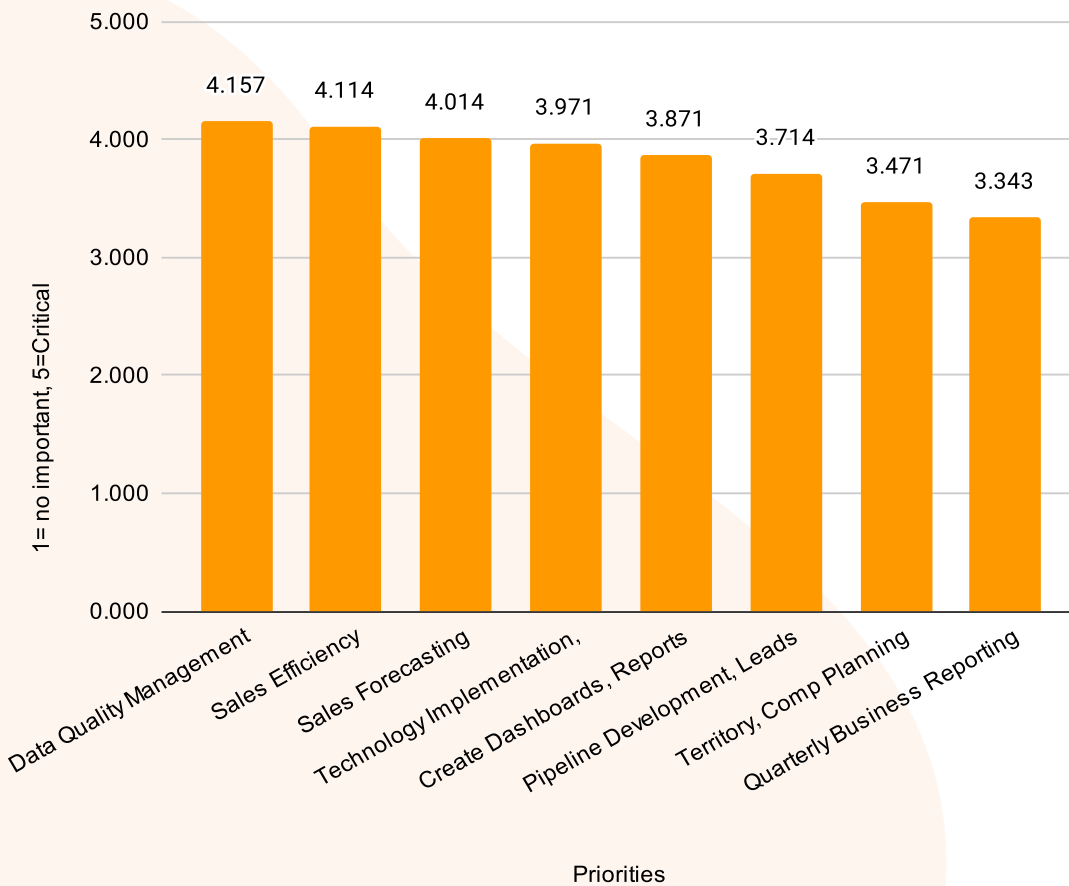
We asked respondents to rate the most important functions that their revenue operations teams spend time on. Data Quality Management ranked at the very top, followed by Sales Efficiency and Sales Forecasting. Lowest priority were Pipeline Development, Territory & Comp planning, Quarterly Business Reporting. Now, consider where your revenue operations teams spend their time and whether that's consistent with where they believe priorities should be?

We did not notice any deviations on priorities depending on the size of the company. However, companies with higher growth rate tend to prioritize Sales Forecasting and Territory & Comp Planning higher than low growth rate companies.

4.2 Data Quality and Data Syncing (<50M USD)

Given the importance of managing data quality, and keeping the data in sync across a growing number of systems, we wanted to better quantify the resources applied to managing data quality. We broke down this data for companies less than and greater than $50M in ARR.

How many hours does your team invest in managing data quality every week?

Distribution of Time Spent Syncing Data and Time Spent Managing Data Quality (<50M USD)
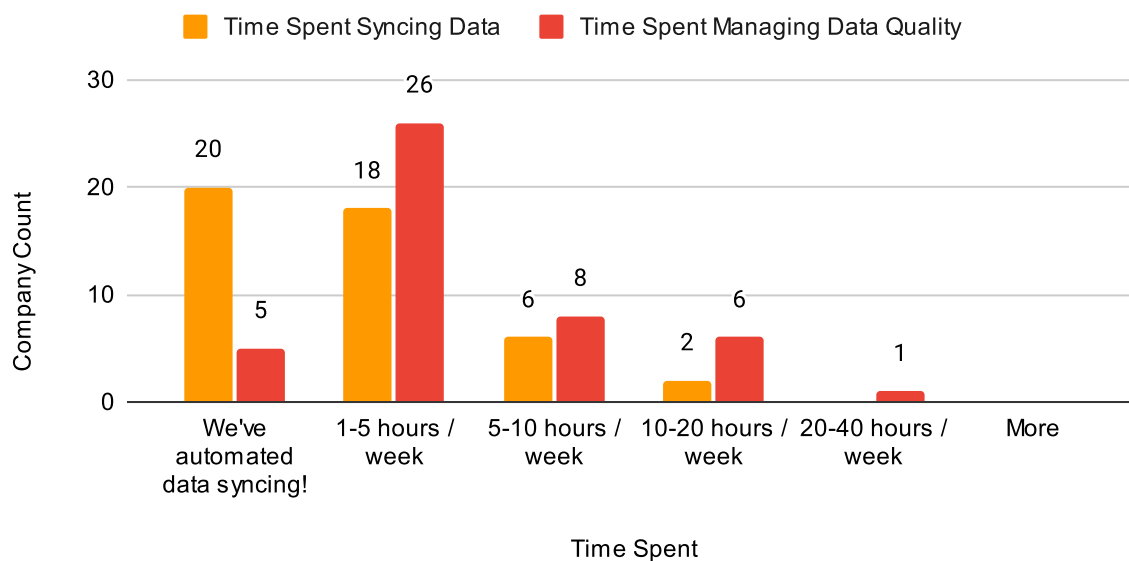
For companies with less than 50M in ARR, 20 of 46 have automated data syncing, while another 18 are spending negligible time on data syncing.

However, managing data quality remains a significant challenge as only 5 companies have automated this process, and all companies are spending significantly more time on managing data quality than data syncing.

Distribution of Time Spent Syncing Data and Time Spent Managing Data Quality (>50M USD)
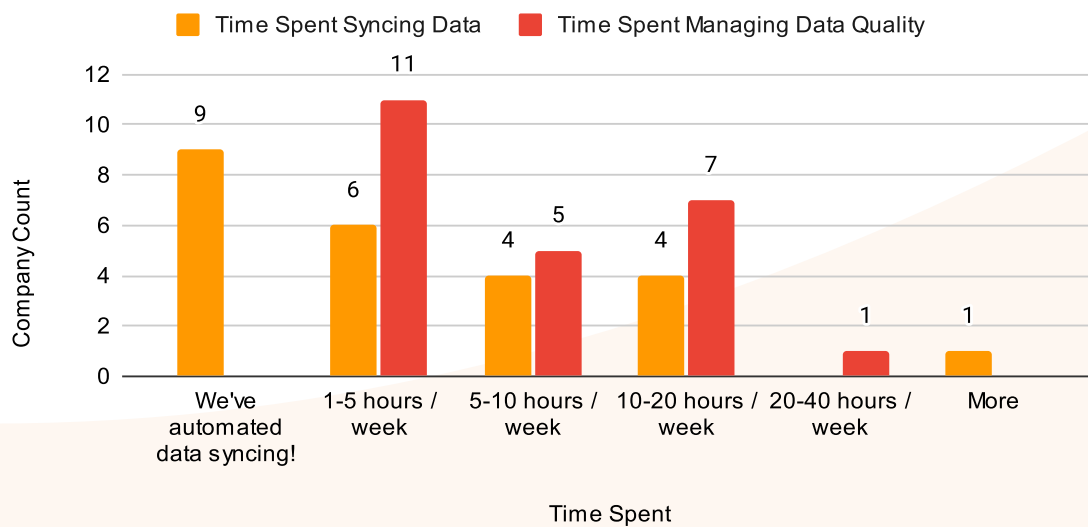
The trends noted above were similar for companies with greater than 50M in ARR with a lot more time spent on data quality than data syncing.
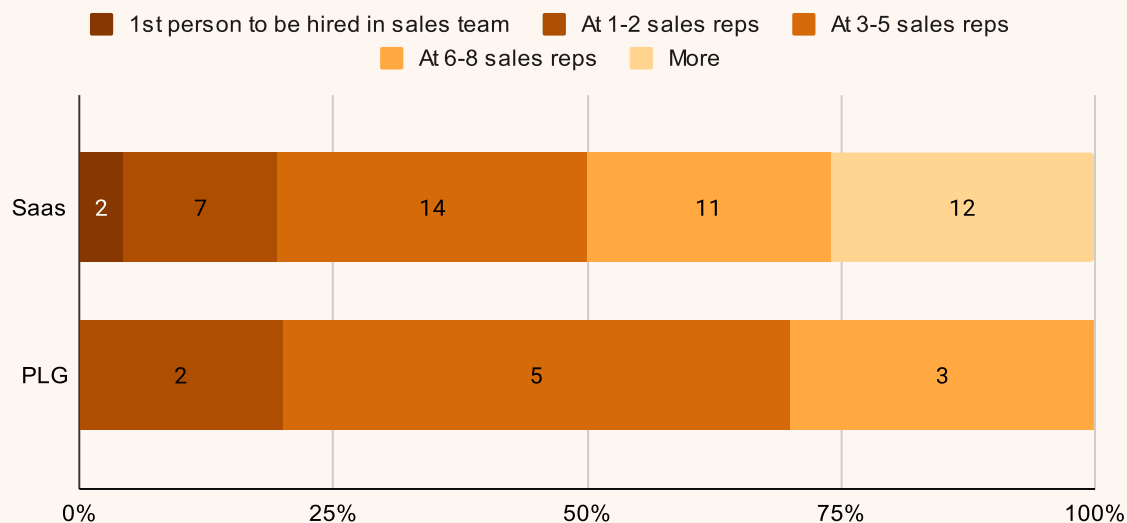
05. Comparing SaaS to PLG

Are PLG companies inherently more efficient than SaaS companies? Do they invest in revenue operations earlier than SaaS companies? Do they invest more in revenue operations and automation than SaaS companies?

These questions were top of mind for us as we put this survey together. However, of 69 respondents, only 13 were PLG companies. This indicates that PLG is a growing trend, though not as prevalent as traditional SaaS. According to one study, 50% of all SaaS companies are expected to be PLG companies by 2030.

5.1 First full time revops hire for PLG vs. SaaS

At what stage was the first *full time* RevOps person hired?

Distribution of When First Full Time RevOps Hired for SaaS and PLG

Legend:
- 1st person to be hired in sales team
- At 1-2 sales reps
- At 3-5 sales reps
- At 6-8 sales reps
- More

|	1st person	At 1-2	At 3-5	At 6-8	More
Saas	2	7	14	11	12
PLG		2	5	3	

X-axis: 0% — 25% — 50% — 75% — 100%

Very few companies will hire RevOps as their first sales team hire. Majority of companies invest in a full time RevOps person when they have a team of 6 sales reps or more. Due to the smaller sample set of PLG companies, we did not notice a significant difference between PLG or SaaS companies in this regard.fairly limited. This data point was excluded from some of the analysis to avoid distortion due to the size of the business.

5.2 Sales Reps in PLG Vs. SaaS

How many Sales Reps are currently at your company?

Distribution of Saas and PLG for CSM and Sales Reps
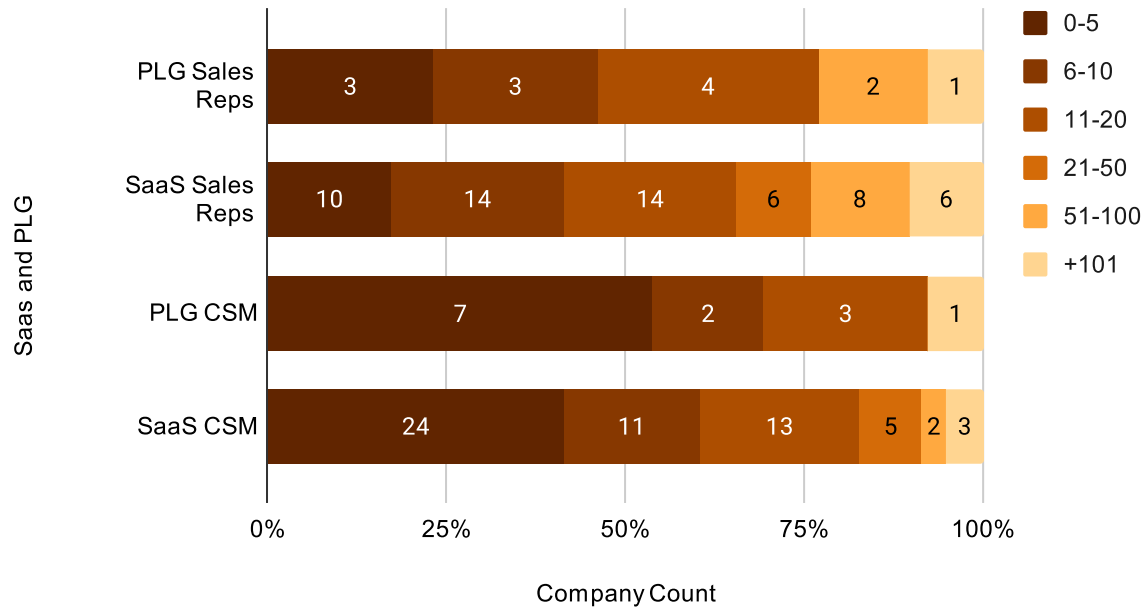
An often repeated myth about PLG companies is that they do not need a sales team as the product sells itself. We also hear sometimes that PLG companies have fewer reps for the same reason. This is clearly not the case. PLGs and Saas have roughly the same distribution of sales reps relative to their size as a business in our data set.

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06. Budget Influence

A key responsibility for revenue operations teams at tech companies is to select which technologies deploy to improve the efficiency of their customer facing teams. What degree of influence do they have on these investments? Is their influence different for cohorts of companies with less or more than 50M ARR?

6.1 Revenue Operations Influence on Budget

Do you own the budget for applications that support your Marketing, Sales or CS teams?

Distribution for Influence for Tools Supporting Other Teams. <50M (USD) and >50M (USD)
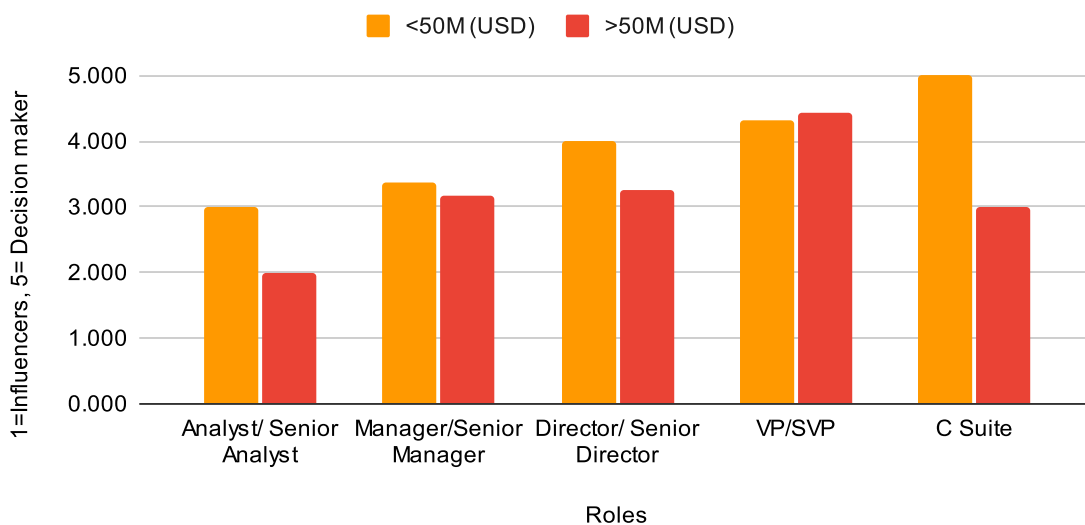
For companies under 50M ARR, there is a positive correlation between the level at the company and degree of influence you tools supporting customer facing teams. The C-suite, presumably founders, are much more actively involved in decision making at these companies.

However, as company's grow to greater than 50M ARR, the decision responsibility is delegated to Directors and VPs.

Regardless of the size of the company, individuals gain a significant jump in influence when they go from Director/Senior to VP/SVP

6.2 Top Priorities and Challenges

For the final section of the survey, we asked respondents to provide free-form feedback on their top priorities and top challenges. We analyze and quantify their free form responses here.
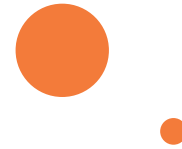
What are your top priorities and goals for the next 12 months?
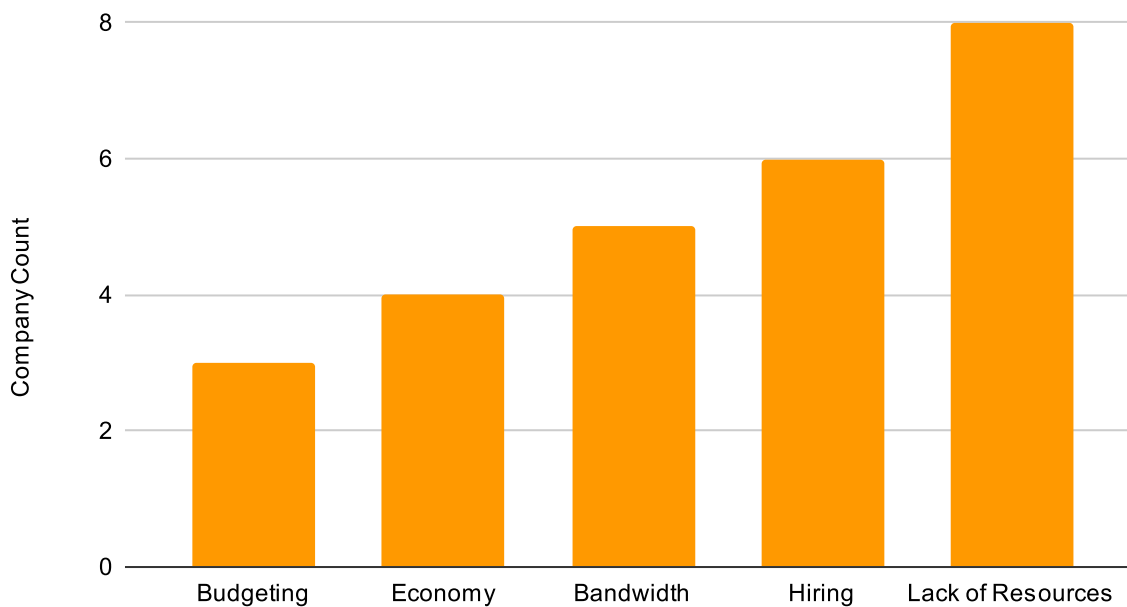
Top Priorities
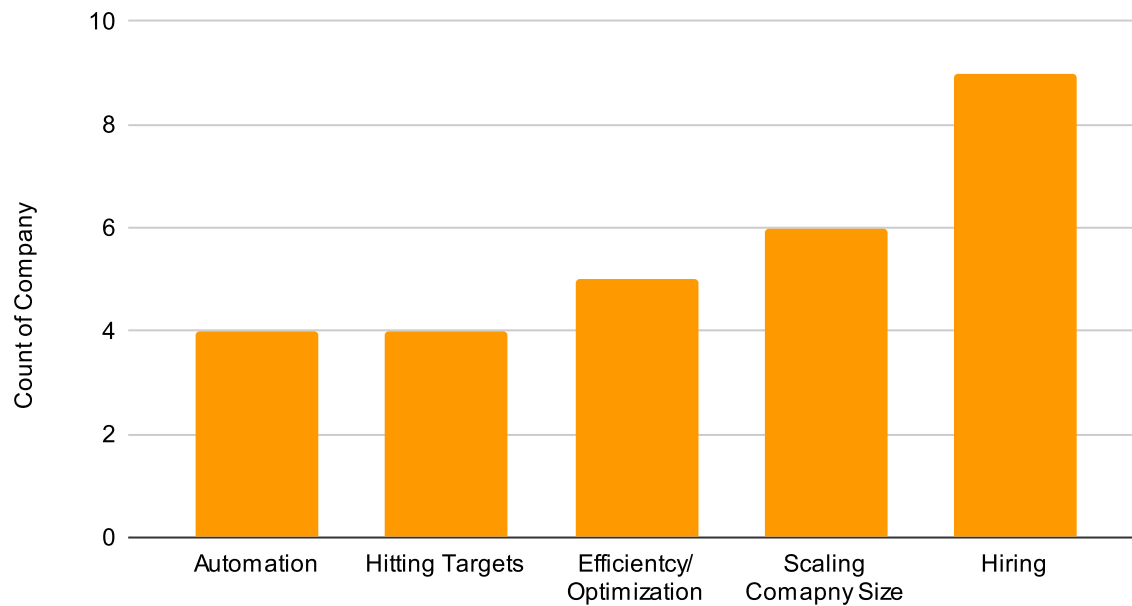
Given the number of high growth companies with 30%+ growth rate, it is perhaps not surprising that scaling the company and hiring are the top priorities for many of the teams.

What are your top challenges or obstacles that may prevent you from achieving these goals?

Top Challenges

Our cohort of respondents identified lack of resources and hiring as the top challenge or obstacle from achieving their growth goals. Interestingly, the state of the economy and budgets available were some of the lowest priority themes that emerged from this analysis.

Acknowledgements

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We are thankful to the over 100 Revenue Operations, Sales and CS leaders from SaaS and PLG companies that responded to our survey.

Thanks to Daren Cheng, summer intern at Immersa, for conducting the survey, collating the results and analyzing the data shared here.

We are thankful to the Carabiner group for sponsoring the research reflected in this paper.

About Carabiner Group
Carabiner Group is the world's first and leading RevOps-as-a-Service℠ consultancy. Founded in 2020, Carabiner represents and defines a growing movement towards fractional Revenue Operations as the solution for many of the world's most innovative companies. Their proprietary RevOps-as-a-Service℠ model makes Carabiner uniquely qualified to support both the strategic needs of a growing GTM motion as well as the tactical support of a sprawling tech stack. Collectively, the team has over 200 years of GTM technical experience and exposure to literally 1000s of technical configuration and implementation projects.

About Immersa
Immersa's mission is to make data intelligence available to everyone. Immersa offers the industry's first no-code data platform designed for operations teams to combine product usage data with CRM data. We then deliver insights that drive growth and expansion to Sales and Customer Success teams. We believe that product usage data offers a valuable revenue signal for customer-facing teams. Immersa unlocks the value of this signal and enables customer-facing teams to act on insights directly in their preferred CRM.

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