

The Future of Revenue

2023

 Pavilion

&

 CROSSBEAM

Hi there,

A bunch of unhelpful things are happening in the market right now. Companies are trimming budgets and headcount. And if one more person tells us that the “old ways won’t work,” we may throw our keyboards into the ocean.

Instead, let’s focus on what is working. Where are the brightest and most experienced minds in revenue and GTM leadership looking in 2024?

This report is about answering those questions. This is not an industry survey. This is a survey of a group of experienced leaders making tough choices (the average respondent is 14 years into their career).

We learned that they’re throwing away the past and leaning into what comes next. They’re moving forward as the next era of GTM strategy has arrived.

This is the Future of Revenue, lovingly compiled by Pavilion and Crossbeam.

Let’s get started.

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If we had to sum up the future
in one word, it would be:

Relationships.

Sales models that rely on one-to-many communications are out, and more individualized and social sales models are in. The future is leaning on partners, your existing customers, and other sources to make up for the inefficiencies of zero interest rate phenomenon tactics.

Highlights

56%

of sales respondents expect to fall short of revenue targets in 2023.

“Lack of high-quality leads”

is the number one reason for missing revenue targets.

89%

of respondents say their companies are looking to change their sales strategy.

Most companies today are sales-led, but change is coming.

An Ecosystem and partner-led strategy is the #1 strategy leaders have been focusing more on.

Why now?

Out with the old, in with the new. In this section, we take a look at the reason company leaders are clamoring for change.

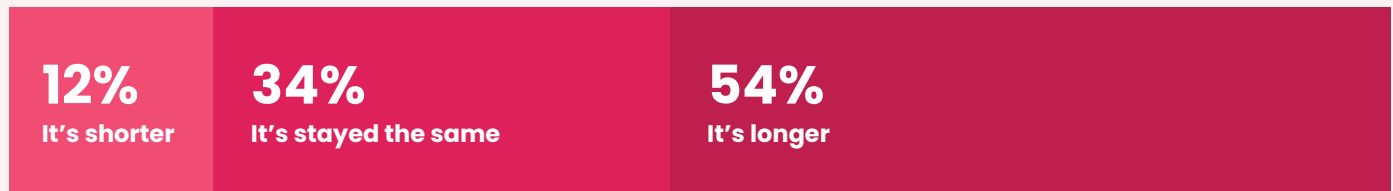
Market pessimism is rooted in hard data. Teams are expecting to miss their revenue targets this year.

How well is your team tracking towards its revenue target for the current year (2023)?



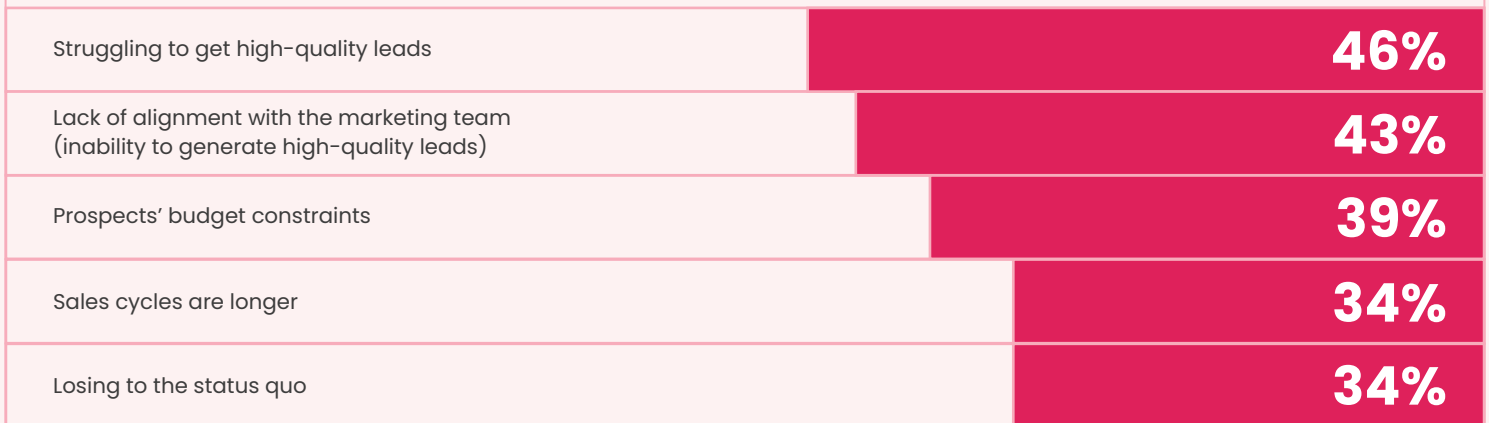
Sales processes are showing strain, with deals taking longer to close.

How has your sales cycle changed over the last two years?



Why do you think your company's sales strategy is generally not successful?

When asked to diagnose the reasons for the above, a lack of high-quality leads ranks #1. Sales teams are simultaneously having issues generating new pipeline, quickly closing deals, and overcoming increasingly constrained budgets.



* 11 other reasons at <30%.

Less than half

of CEOs and board members are satisfied with revenue attainment.

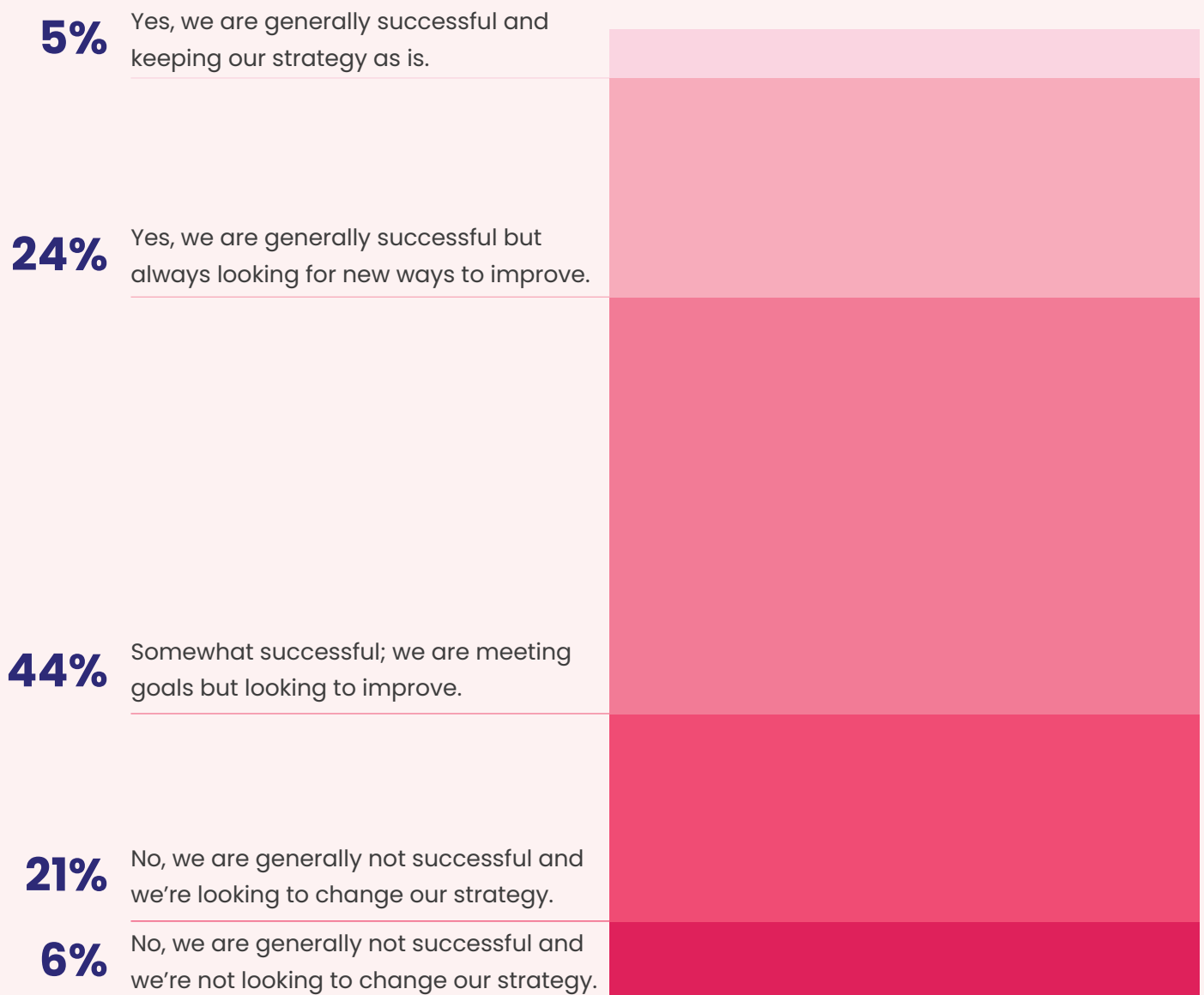
89%

of respondents (across marketing, sales, customer success, and partnerships) say their companies are looking for new strategies.



Only 5% of respondents say they have a successful strategy that they are not looking to change.

Do you think your organization's current sales strategy is generally successful in terms of meeting your sales goals?



What's next?

In this section, we'll take a look at how companies are adjusting their strategies and finding better results.



With longer sales cycles, more buyer power, and pressures for “efficient revenue”, GTM leaders are adjusting by leaning more on relationships.

The most popular sales and marketing strategies lean on partners, 1-to-1 communication, and in-person interaction.

But don't mistake “relationships” with “relationships with your team.” Buyers want second opinions from outside sources and to feel like they're in charge - 68% say the buyers have more control in the sales process.

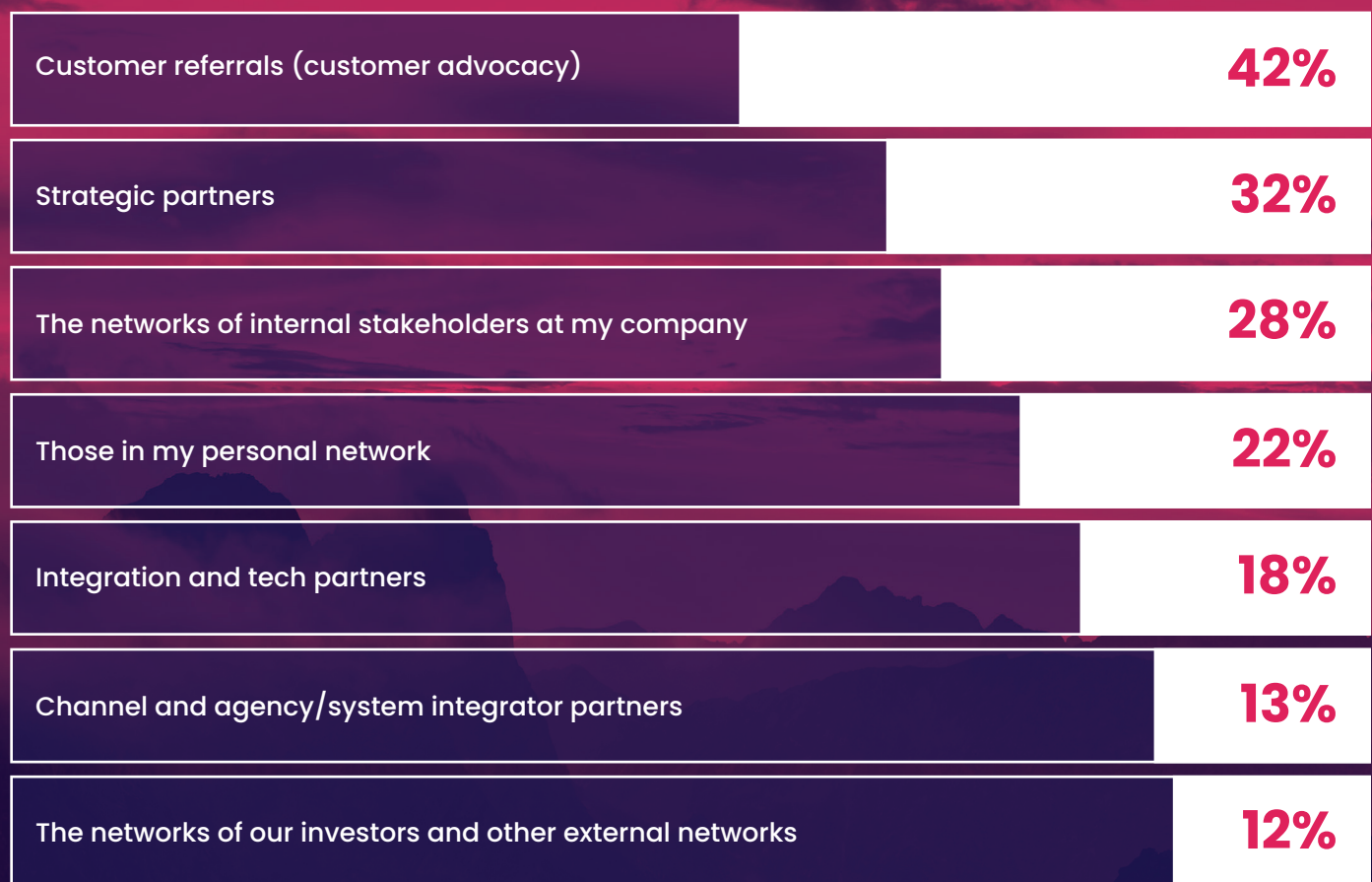
Which sales strategies has your company been focusing more on over the past year?



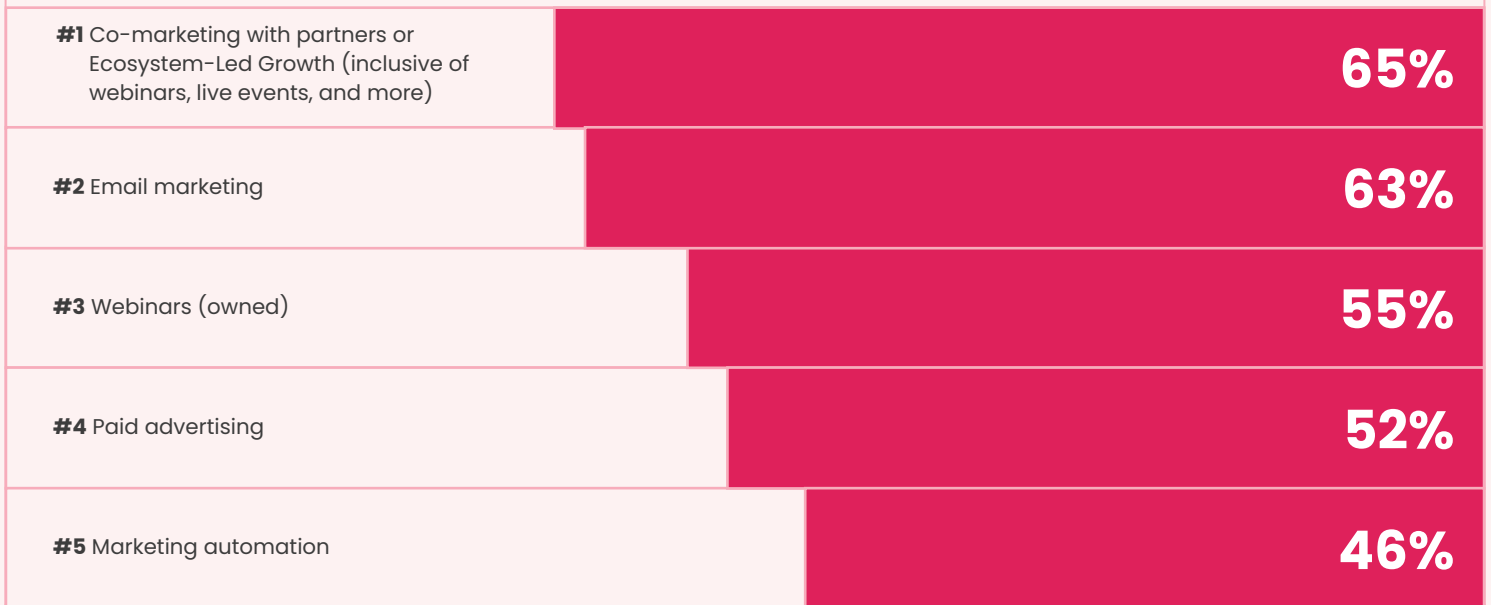
Only 8% of companies say their sales strategy has stayed the same.

When considering new strategies, those that leverage existing professional networks are gaining steam.

Which relationships do you most utilize in your sales process?



Which marketing strategies has your company been focusing more on over the past year?



Ecosystem-Led Growth is a new go-to-market motion that focuses on partner ecosystems as the primary way to attract, convert, and grow customer relationships.

The shift toward relationships with partners and collaborators extends beyond sales teams. Marketing leaders are leaning into channels they have more control over, such as co-marketing and owned media.

How has your marketing strategy changed over the past year?

46%

#1 We're collaborating more with partners to generate and nurture leads, through co-marketing.

27%

#2 We're developing more owned media content. (like podcasts, video content)

22%

#3 We're using more AI.

22%

#4 We're focusing more on personalization and a unique buyer experience.

21%

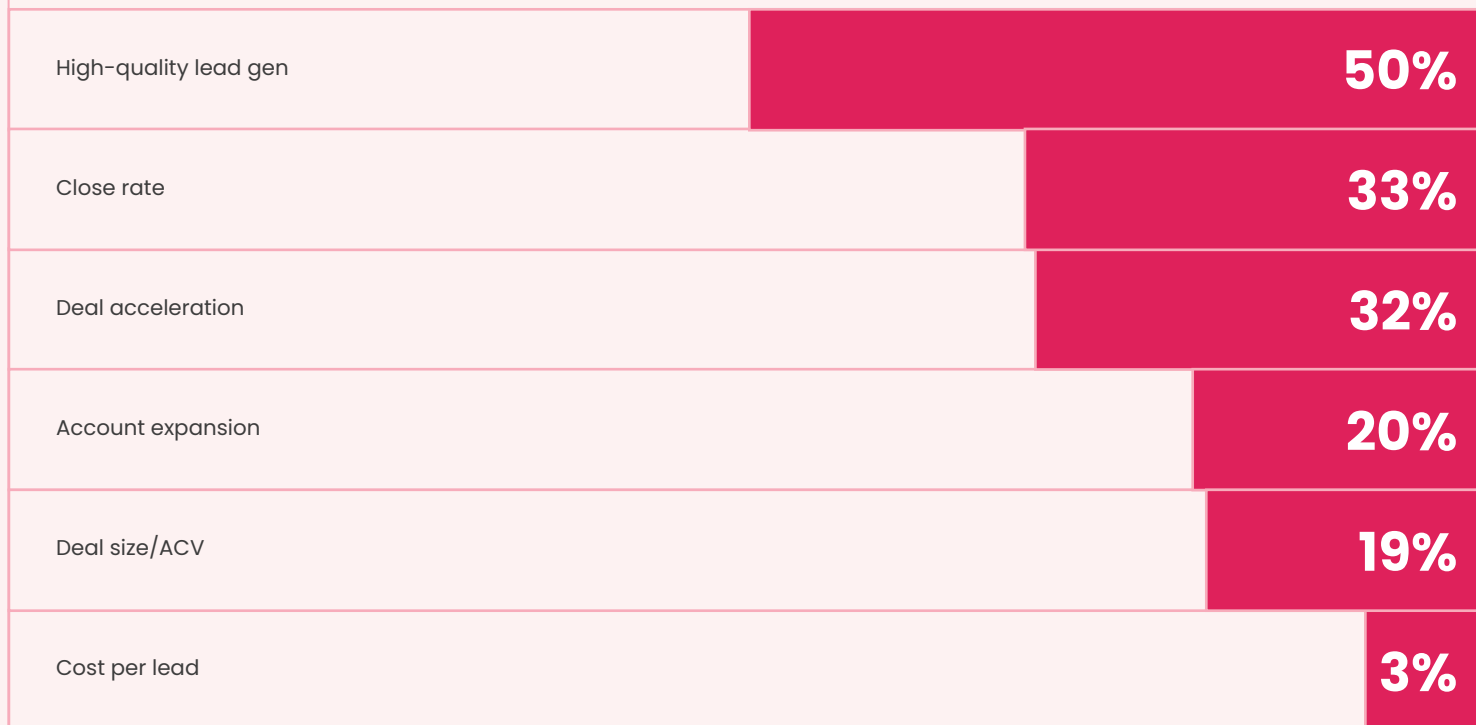
#5 We're focusing on social selling and building long-term relationships with buyers outside of the org.

** 4 other answers 21% or less not included*

Both sales and marketing teams are utilizing partnerships, and the data are clear as to why:

Ecosystem-Led Growth best generates higher quality leads and accelerates sales cycles: the top issues sales teams have with current strategies (see page 6).

Does working with partners and Ecosystem-Led Growth have a more positive impact on any of the following metrics at your company compared to traditional sales channels?



The impact of Ecosystem-Led Growth on sales metrics:

31%

DEAL VELOCITY

ELG deals close 31% faster.

49%

CLOSE RATE

ELG deals are 49% more likely to close.

48%

DEAL SIZE

ELG deals lead to 48% higher ACVs.

87%

LEAD QUALITY

say ELG leads are of a higher quality than other lead sources.



Which attributes do you consider most important for your top-performing sales reps or sales leaders?

47%

Being analytical and more targeted in their sales approach

27%

Being long-term, goal-driven, and strategic

24%

Leadership and willingness to collaborate cross-functionally

24%

Discovering new strategies and sales motions

22%

Developing and nurturing long-lasting relationships and social selling

13%

Driving more efficiency and automation in the sales process

Leaders are looking for reps who can use newly available data to make better use of their time and pipeline. That begins with being more willing to collaborate with partners and peers alike.

Opportunities for career growth:

53%

REACH OUT TO YOUR PARTNERS.

More than half of sales leaders said 19% or less of their sales team co-sell with partners today.

43%

FILL YOUR OWN PIPELINE.

43% blame lack of alignment with marketing for their sales strategy not being successful.

29%

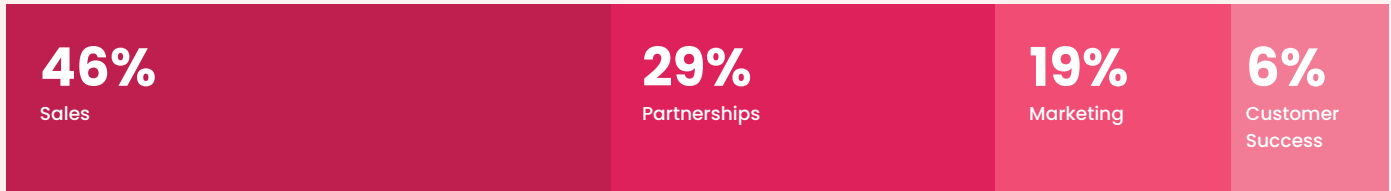
TAKE OWNERSHIP.

29% say they rely on their partnerships team to liaise with partners. 21% say they never connect with partners. Only 43% say they have direct contact with their partner counterparts.

About the survey

This survey was conducted from August 28, 2023 to September 27, 2023 with 426 respondents.

GTM functions: primarily sales



14.3

The average respondent has 14.3 years of experience.

Mostly B2B SaaS



Primarily based in the U.S.



* 13 others less than 3%

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