ACCELERATING SALES AND MARKETING EFFORTS THROUGH ARTIFICIAL INTELLIGENCE

As artificial intelligence (AI) begins to deliver on its promises, sales and marketing teams are discovering that not only can AI reduce the amount of human effort required in daily work, but it also can provide the intelligence needed to focus on the highest-value tasks, shaping a far more productive and impactful workday backed by data where everyone is focused on the most important tasks that drive business.

At People.ai, we believe that AI has the power to change the way companies generate revenue by automating manual customer relationship management (CRM) data entry, keeping CRM data updated and accurate, and enabling sales and marketing to work from the same page. In addition, AI has the ability to deliver intelligence on deals, enabling salespeople to take the next best actions every day.

By using People.ai's Revenue Intelligence platform, companies including Zoom Video Communications Inc. are already reaping the benefits, as Greg Holmes, head of corporate strategy at Zoom, attests to.

"With People.ai, my team is no longer spending their days manually entering data into the CRM, and they're now able to focus on what they do best—driving revenue for our organization," said Holmes. "Since deploying People.ai, we've seen productivity and sales activity grow significantly. I am able to ramp up reps faster and monitor the team's activities, identify at-risk deals, and better understand which actions actually drive results."

In this Harvard Business Review Analytic Services survey, more than 320 participants were asked about their current views of AI and to look out over the next three years to predict how AI will shape their businesses. Companies that are already harnessing the benefits of AI were also included to provide their perspective.

The survey revealed that after implementing AI solutions, not only do salespeople become more productive at their jobs, but they also report an increase in their individual happiness. Furthermore, some 82% of large companies surveyed believe AI has the ability to significantly improve the alignment of sales and marketing, with the largest benefit coming from less time on administrative activities like data entry. This move away from time spent on administrative activities enables workers to focus on higher-minded, more fulfilling, and impactful work.

We're excited about how AI is shaping the future of work for enterprise organizations. We invite you to read the research below for more powerful insights into how AI is reshaping the way businesses are capitalizing on this new technology. You'll learn why the world's fastest-growing companies, including Gainsight, Lyft, and Zoom, are investing in AI to work more intelligently and drive revenue.

We hope these findings help you revolutionize your organization.

DAYLE HALL
CMO
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For more on how an AI-powered Revenue Intelligence system can reshape your enterprise visit,
www.people.ai

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Today, sales and marketing organizations are frustrated by their inability to adequately capture and use critical customer data. Some 82% of large companies in a Harvard Business Review Analytic Services survey believe artificial intelligence (AI) has the potential to make human work in sales and marketing more meaningful and valuable. In addition, most companies see AI as a solution to capture critical customer relationship management (CRM) data that is now often lost amid manual processes.

Over the next three years, AI is poised to reshape how go-to-market organizations operate, how sales and marketing are aligned, how representatives are coached and managed, and how data is turned into deeper insights and actions that power more timely marketing campaigns and optimal selling assumptions based on greater visibility into funnel movements.

To do that, organizations will have to go beyond just having mountains of data to having the right kind of it. Increased analysis of this material must be done to show salespeople where to focus their efforts more productively so they can take the next best action on the optimal path to close more business. Managers have to avail themselves of information to coach their teams better. Accentuated dissection of customer data can provide a clearer sense of what customers want.

This paper will explore the benefits that large companies in particular expect from using AI in their sales and marketing organizations, and it includes insights from early adopters that are gaining those benefits today.

Overcoming the CRM Problem

The golden age of data-driven sales and marketing is dawning. The amount of data that companies possess about customers and prospects would have been unimaginable only a few years ago. This treasure trove of information should allow marketing companies to execute real-time campaigns to coax prospects to the next buying stage, while salespeople take the next best action to delight those customers and close deals.

Companies that are **lagging behind** might have trouble catching up with forward-looking competitors.

However, while companies have endless mounds of data, they don't always have the right data or the ability to make use of it. Companies that are lagging behind might have trouble catching up with forward-looking competitors. Start with CRM systems, the central repositories of customer information for many organizations. Some 64% of large companies say salespeople find these systems difficult or bothersome to use and fail to enter some or all information into them.

"Getting high-performing reps to track data in CRM systems is next to impossible," says Ryan Toben, senior vice president of sales for Gainsight, a company whose software helps provide a single view of customers. He says these salespeople have a laser focus on finding new customers, serving current ones, and closing deals, so administrative chores are the first thing to fall by the wayside in their long, busy days.

Respondents found CRM data tends to be the information that is most commonly lost or entered incorrectly during manual processes. FIGURE 1 As a result, 51% of large companies say most contacts in CRM databases contain critical errors. In addition, 51% of these companies are not getting the expected ROI from their CRM systems.

Increasingly, organizations view the answer to this widespread problem as being AI, which can allow computer systems to perform tasks that normally require human intelligence. Over the next three years, most (51%) large companies expect AI to automate processes such as extracting and adding information from CRM systems. AI can be used to do things like enter new contacts, emails, phone calls, and calendar information automatically into CRM systems, ensuring that sales and marketing teams have timely—and correct—data about interactions with customers.

Large companies expect a bigger payoff from eliminating manual processes. To a greater degree than their smaller cohorts, they expect AI to provide an improvement in customer engagement and satisfaction, forecasting, predicting cross-sell and upsell opportunities, and improving sales strategy. For example, only 29% of small companies anticipate that AI will improve sales strategy, but 43% of large companies have this expectation. FIGURE 2
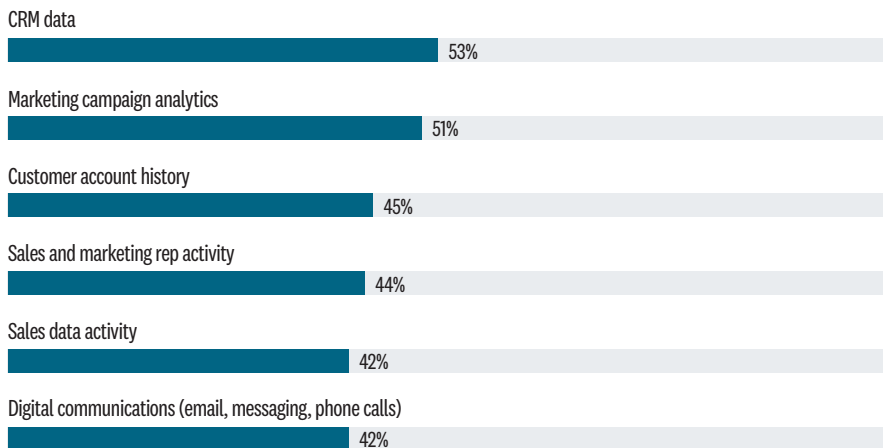
Supercharging Salespeople
The heightened expectation when it comes to a stronger selling strategy could be due, in part, to the greater challenges of operating a large sales organization. Gyre Renwick joined Lyft as vice president of Lyft Business, a unit that creates travel, commute,

FIGURE 1

CRM DATA MISSING IN ACTION
Lots of information is lost during manual processes.

What sales/marketing data tend to be lost or incorrect in the process of manual data entry and processing?

CRM data
53%

Marketing campaign analytics
51%

Customer account history
45%

Sales and marketing rep activity
44%

Sales data activity
42%

Digital communications (email, messaging, phone calls)
42%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, MAY 2019

event, and courtesy ride programs for enterprises, in the early days of the ride-sharing service.

As Renwick's team grew from 30 people in one office to 200 people in several locations, he saw that different teams and various sales reps within the same team had dramatically disparate productivity. With teams spread across the country, it was difficult to pinpoint why some did well and others did poorly.

After using AI to automate the collection and analysis of information that tracked salespeople's activity, Renwick could see patterns established by the highest performers on his team. At first, reps were wary of what Renwick calls "Big Brother oversight." That concern faded quickly when they realized the subjectivity of measuring performance was being removed and the data could help them make more sales. "We discovered that even if some reps were being productive in terms of revenues or deals moving forward, they weren't taking the actions that could have allowed them to be performing at as high a level as they could," he says.

Gainsight had a similar experience using an AI system that automated collection and management of CRM data. Relieving salespeople of administrative chores allowed a 15% increase in bookings per sales rep. Even more importantly, having a full picture of salespeople's activities let Gainsight compare those activities to results.

Gainsight learned, for example, that 94% of its top deals correlated with salespeople scheduling a meeting within the last two weeks before closing. Such insights allowed sales reps to focus on activities proven to help close more deals. "Sales isn't rocket science," Gainsight's Toben says. "If I do certain things a few times, I can correlate that with success. Now I can prove it, and that lets me talk to the team about what they need to do."
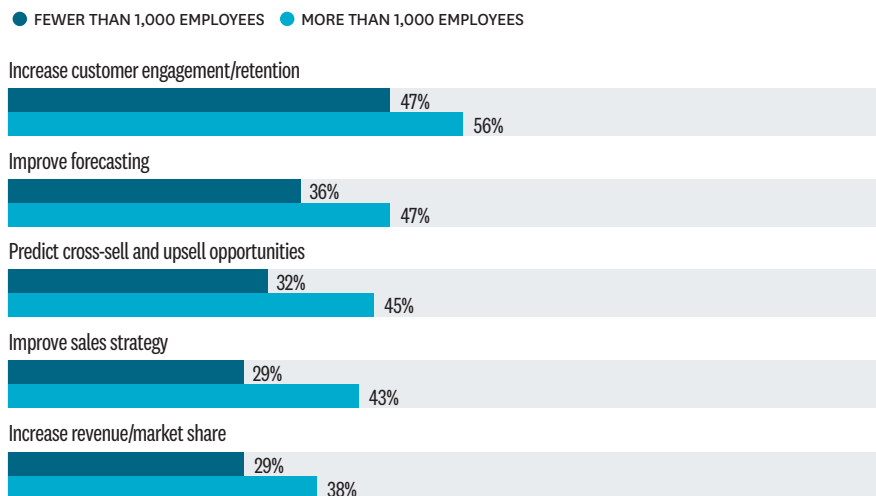
Toben can talk to senior managers about ways to improve the company as well. With the AI-fueled data, he determined that only a third of salespeople's time was devoted to selling to new customers—the

BIG COMPANIES EXPECT BIG PAYOFF FROM AI

Technology will provide a wide range of customer and selling advantages.

What outcomes do you expect sales/marketing to achieve from AI implementations over the next three years at your organization?

● FEWER THAN 1,000 EMPLOYEES ● MORE THAN 1,000 EMPLOYEES

Increase customer engagement/retention
47%
56%

Improve forecasting
36%
47%

Predict cross-sell and upsell opportunities
32%
45%

Improve sales strategy
29%
43%

Increase revenue/market share
29%
38%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, MAY 2019

activity that most determined their compensation. Instead, much of their workday was consumed by the requirement to seek out renewals from current customers, for which the salespeople weren't highly compensated.

"The company needed to back off and take this off the salespeople's plate so they could be more productive," Toben says. When the board saw the data in front of them, they quickly agreed to let salespeople focus on the most important tasks, which resulted in much higher productivity.

Making Work More Meaningful
Such real-world examples dovetail with survey results that project that AI will allow salespeople to be more productive and energized. Some 82% of large companies that responded believe AI has the potential to make human work in sales and marketing more meaningful and valuable. FIGURE 3 "The value of the sales reps is their personal interactions with customers," says Kerry Cunningham, senior research director of SiriusDecisions, a research

LARGE COMPANIES EXPECT A BIGGER PAYOFF FROM ELIMINATING MANUAL PROCESSES.
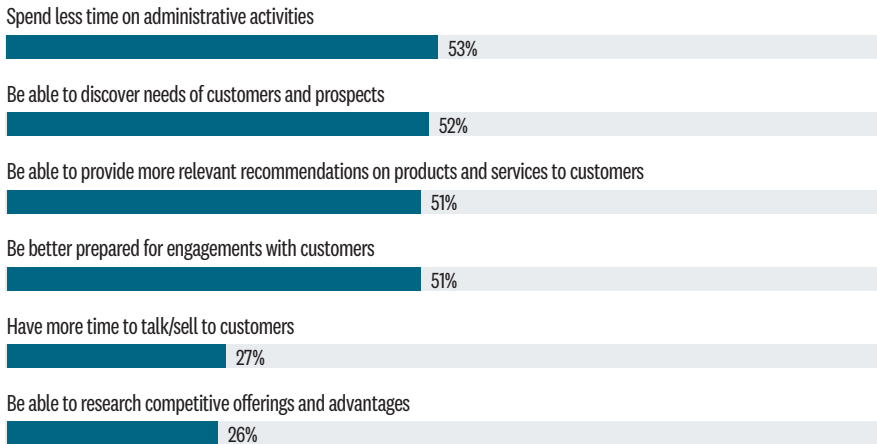
FIGURE 3

AI ELIMINATES THE MUNDANE
Salespeople can focus on more important tasks.

What are the greatest potential benefits AI can produce to improve the day-to-day jobs of salespeople?
[RESPONDENTS WERE ALLOWED TO SELECT UP TO THREE ANSWERS]

Spend less time on administrative activities
53%

Be able to discover needs of customers and prospects
52%

Be able to provide more relevant recommendations on products and services to customers
51%

Be better prepared for engagements with customers
51%

Have more time to talk/sell to customers
27%

Be able to research competitive offerings and advantages
26%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, MAY 2019

WHILE AI WILL CHANGE JOBS, THE SURVEY INDICATED IT WON'T REPLACE WORKERS.

and advisory company. "AI can help salespeople get to those conversations faster so salespeople can do the things that matter."

AI also helps managers train and coach their staffs more effectively. The survey found the single biggest benefit of data-driven coaching, cited by 43% of large-company respondents, was to set goals and benchmark activities based on the team's top performers. The second-best benefit, noted by 36% of large companies, was to determine whether sales reps were talking to the right people.

"We've learned where salespeople are spending their time and if they're talking to the wrong people or spending too much time on certain accounts," says Renwick of Lyft. Managers use the data to coach sales reps on activities with the greatest likelihood of a payoff. After implementing the AI system, 75% to 80% of Renwick's salespeople achieved or exceeded their goals.

Data-driven coaching has brought results for Toben as well. "If you are coming to the end of the quarter,

people have a lot of crazy ideas for how they can close business, like sending the CEO two dozen cupcakes or parking themselves in the lobby," he says. "Now we have the data to tell us the next little thing you can do that will substantially improve your chances of success, like get on the calendars of two people in the next 10 days. And if you can't, we can stop kidding ourselves and move on to something else."

While AI will change jobs, the survey indicated it won't replace workers. The most important effect of the technology will be to liberate salespeople and let them do work that is more important. FIGURE 4 "What it will eliminate is functions that require repetitive actions, like send emails," SiriusDecisions' Cunningham says. "You can already have a chatbot do that, and it won't take sick days."

As salespeople become more productive at their jobs and happier overall because of AI, customers will be delighted, too. Some 85% of large companies surveyed expect AI will create better customer experiences. More than half of large companies anticipate using AI to identify growing signs of customer dissatisfaction. Some 47% say the technology will provide higher personalization of customer messages.

AI will also give companies new insights about business-to-business customers and buying groups, which can be challenging to analyze today. Organizations simply have had less data about these prospects. B2B sales are more complex than most consumer purchases and typically involve many people. AI allows a company to see that, say, three different people from a prospect company filled out forms on its website, giving a clear sense of a prospect's interest. "Six or seven years ago, that would have been unimaginable," Cunningham says. "Because AI allows us to collect and analyze so much more data, we can get a much higher-definition picture of who those buyers are."
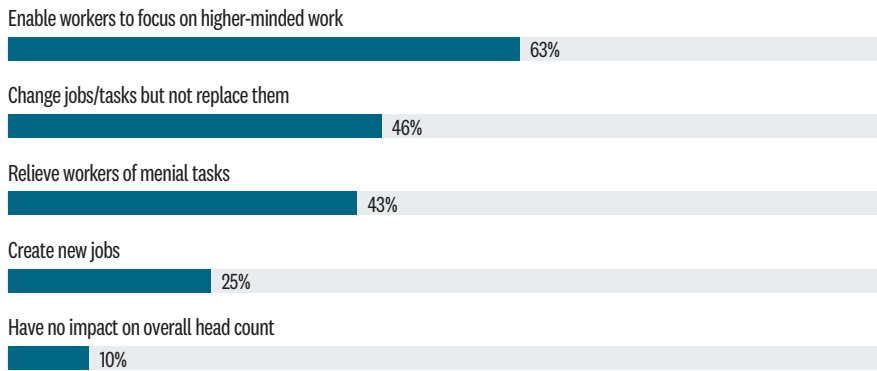
43%

THE SURVEY FOUND THE SINGLE BIGGEST BENEFIT OF DATA-DRIVEN COACHING, CITED BY 43% OF LARGE-COMPANY RESPONDENTS, WAS TO SET GOALS AND BENCHMARK ACTIVITIES BASED ON THE TEAM'S TOP PERFORMERS.

FIGURE 4

A PATH TO REPLACING MENIAL WORK

AI will change jobs but not replace them.

Hypothesize on the future impact of AI on sales/marketing at your organization three years from now.

Enable workers to focus on higher-minded work

63%

Change jobs/tasks but not replace them

46%

Relieve workers of menial tasks

43%

Create new jobs

25%

Have no impact on overall head count

10%

SOURCE: HARVARD BUSINESS REVIEW ANALYTIC SERVICES, MAY 2019

Bringing Sales and Marketing Together

Just as AI will bring salespeople and customers closer together, it will get colleagues in go-to-market teams in sync. "Today, it's not uncommon for marketing to be focusing on one set of prospects, while sales is selling to a completely different set," Cunningham says.

AI can eliminate the confusion and actively help marketers accelerate the sales process. For these reasons, 82% of large companies believe AI has the potential to significantly improve the alignment of sales and marketing.

Today, for example, some 72% of large companies say that inadequate tracking of information makes attribution difficult. AI-organized data can fill in those gaps and determine what marketing activities are moving the needle. "Companies want to know if they sent emails to prospects and they're not coming to their web site, if those marketing efforts are having any impact," Cunningham says. "Now, if I can see the prospects are having meetings and exchanging emails with salespeople, I can see the impact of my marketing dollars."

The survey found that 38% of large companies also believe a 360-degree view of their consumers, which can be gained from using AI to improve data collection, will let them adjust marketing campaigns in real time as they progress.

"From the sales data, you can determine that the sales department has to involve the CFO of the prospect company at stage three of the selling process, or else they're not going to sell anything," Cunningham says. "Marketing can kick off a campaign to get to that specific buying persona involved early on in the buying process. It allows marketing to be much more aligned with sales."

Conclusion

Over the next three years, large companies have huge expectations for the technology's ability to allow them to forge deeper relationships with customers and market and sell to them more effectively.

Looking further into the future, early adopters anticipate AI will provide even deeper data insights, such as analyzing the content of emails rather than just keeping tabs on the number of interactions. "AI will be able to analyze the tone of the customer's email and let you know if he's become more or less frustrated," Renwick says.

Companies that start on the AI journey today will have a leg up on competitors, and those that don't will find themselves left behind as customer expectations continue to rise. We may be on the verge of the golden age of data-driven sales and marketing, and AI could be a powerful force in making it happen.

82%

FOR THESE REASONS, 82% OF LARGE COMPANIES BELIEVE AI HAS THE POTENTIAL TO SIGNIFICANTLY IMPROVE THE ALIGNMENT OF SALES AND MARKETING.

METHODOLOGY AND PARTICIPANT PROFILE

A total of 328 respondents drawn from the HBR audience of readers (magazine/ newsletter readers, customers, HBR.org users) completed the survey.

SIZE OF ORGANIZATION

31%	**17%**	**8%**	**38%**
10,000 OR MORE EMPLOYEES	1,000- 9,999 EMPLOYEES	500-999 EMPLOYEES	499 AND FEWER EMPLOYEES

SENIORITY

25%	**35%**	**22%**	**19%**
EXECUTIVE MANAGEMENT/ BOARD MEMBERS	SENIOR MANAGEMENT	MIDDLE MANAGERS	OTHER GRADES

KEY INDUSTRY SECTORS

17%	**10%**	**12%**	**9%**	**8%**
TECHNOLOGY	BUSINESS/ PROFESSIONAL SERVICES	FINANCIAL SERVICES	MANUFACTURING	OR LESS OTHER FUNCTIONS

JOB FUNCTION

17%	**16%**	**13%**	**11%**	**8%**
SALES/BUSINESS DEVELOPMENT	GENERAL/EXECUTIVE MANAGEMENT	MARKETING/PR/ COMMUNICATIONS	CONSULTING	OR LESS OTHER FUNCTIONS

REGIONS

53%	**18%**	**16%**	**6%**	**5%**
NORTH AMERICA	ASIA PACIFIC	EUROPE	SOUTH/CENTRAL AMERICA	MIDDLE EAST/ AFRICA

Figures may not add up to 100% due to rounding.