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ESIGNATURE & SALES OPERATIONS: A CATALYST FOR COMPETITIVE IMPROVEMENT

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ABERDEEN

In this report, Aberdeen Group will explore how the usage of eSignature technology elevates tactical effectiveness and efficiency in sales operations, while simultaneously bolstering sales' overall ability to win revenue.

Where Does It Hurt? Understanding the Sales Pain-Points Addressed by eSignature Technology

Recent Aberdeen Group research has uncovered that, on average, sales teams only achieve 55% of their company's annual sales goal, based on the performance ranges of all surveyed sales organizations. Simultaneously, the top pressure cited by 44% of sales organizations is the ability to not only hit the annual revenue number, but to do so profitably. Sales organizations are in desperate need of an edge, which is why, understandably, there's been an explosion of available solutions designed to increase sales.

Of course, having a diverse spectrum of solutions to review and potentially implement hardly makes life easier for a sales professional seeking to get a leg up on the competition — or even just a handle on their own operations. Quietly, yet steadily emerging as a transformative technology in this sales environment, is eSignature technology.

eSignature platforms generally refer to solutions that facilitate secure and binding digital or "electronic" endorsement of documents. While eSignature may seem like a simple logistical upgrade in signing — signing anywhere and on any device clearly carries more utility than simple paper endorsements that would have to be printed, scanned, faxed, or mailed — the impact is far more transformative.

eSignature solutions often come with analytics capabilities. They integrate with CRM platforms, contract management systems, content management systems, and digital asset management systems to deliver seamless experiences for both sellers and buyers. With the completion of a deal through an eSignature solution integrated into CRM, for example, you have up-to-the-second insight on how long a deal took to achieve, along with insights on everything that happened in between.

Aberdeen's Maturity Class Framework for Sales

Aberdeen's research defines Best-in-Class **sales** performance by benchmarking organizations against 4 key current and year-over-year performance metrics:

1. Current sales quota attainment
2. Current opportunity win rate
3. Year-over-year improvement (decrease) in customer acquisition cost
4. Year-over-year improvement (increase) in total company profit margin

By looking at organizational performance, we then break the survey respondents into three maturity classes:

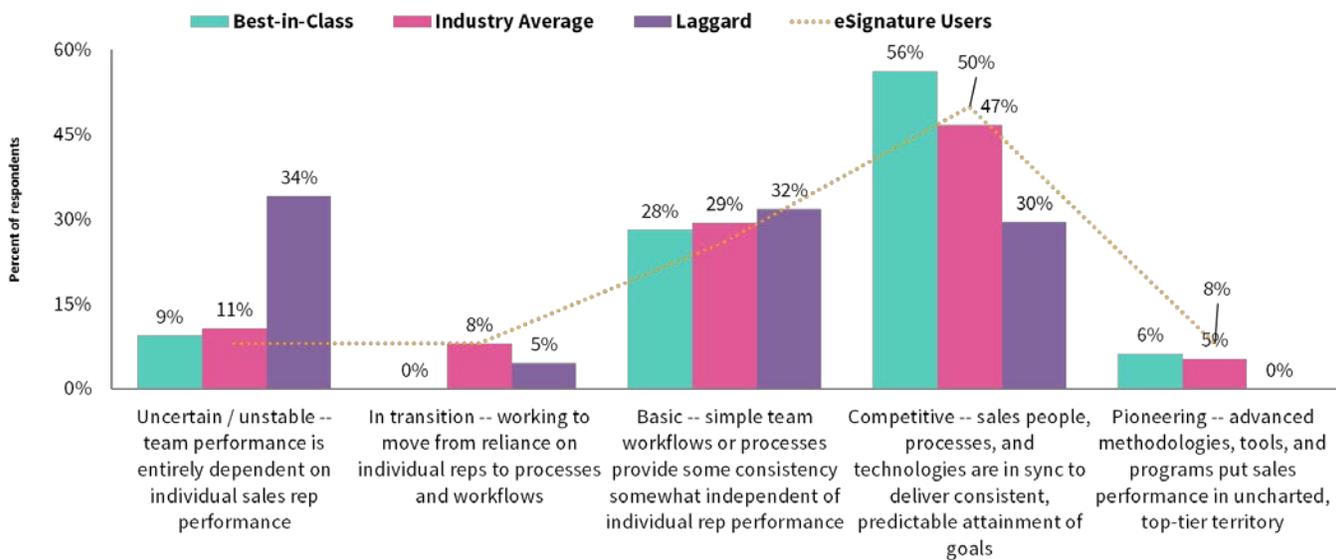
- **Best-in-Class:** top 20% of performers
- **Industry Average:** middle 50% of performers
- **Laggard:** bottom 30% of performers

Sometimes, a fourth maturity class, **All Others**, is used to describe Industry Average and Laggard combined.

When we look at what Best-in-Class sales organizations (defined in sidebar) desire in the sales technologies they implement, the top need reported by 66% of these top performers is for effective tracking, management, and optimization of sales performance. Without eSignature technology, understanding what happens once a contract has been sent out, at best, depends on what's captured in a sales rep's notes in CRM. At worst, insight into this final stretch of the sales process is a complete blind spot for operations.

By providing such vital insight to track, manage, and optimize the process of getting deals signed, it should come as no surprise that eSignature solutions are already relatively commonplace for the Best-in-Class. Indeed, Best-in-Class sales teams are 62% more likely to be active eSignature users, compared to All Others (47% vs. 29%). The Best-in-Class, if not using eSignature presently, are also 36% less likely to report "no known need" in considering eSignature technology for adoption, compared to All Others (33% vs. 45%). In Figure 1, the importance of these technology adoption details becomes clear in the context of how sales sophistication levels and sales performance levels go hand-in-hand.

Figure 1: The State of Sales Sophistication & Where eSignature Users Fit In

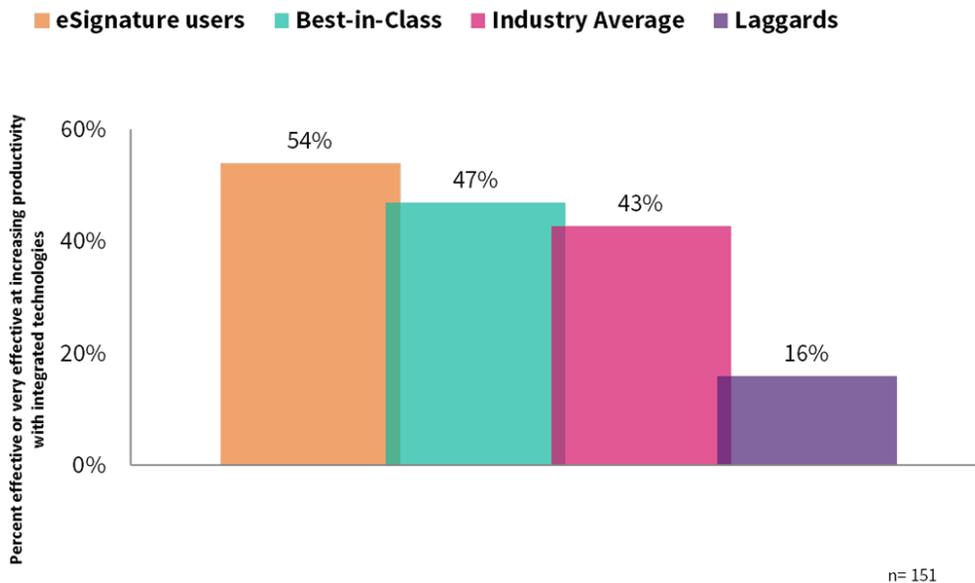


Source: Aberdeen, October 2017 n= 151

In Figure 1, we see how Best-in-Class sales teams, the highest performers, also skew toward the highest levels of sophistication. Naturally, this is to be assumed, but with eSignature sophistication levels shown in orange over the Best-in-Class paradigm, we can see how eSignature users also skew to higher sophistication levels. For the sales personnel aspect of sophistication (particularly important as 40% of all sales respondents cite sales talent is the primary driver of favorable results), eSignature makes closing deals an easier, faster process for individual reps. As a platform not only for facilitating digital signing, but for managing processes around the signing process, eSignature also makes sales operations more systematic and measurable. Finally, as we will see in Figure 2, eSignature is also a key factor for increasing the value and utility across integrated sales technologies in general. In other words, the synergy of people, process, and technology that enables sophisticated and superior sales performance is all functionally enabled in eSignature technology.

The majority of eSignature users (58%) report either competitive or pioneering levels of sales sophistication in their operations.

Figure 2: eSignature Connects to Improved Productivity Across Integrated Sales Technologies



Source: Aberdeen, October 2017

Indeed, when Aberdeen Group asked its sales respondents to rate themselves across critical sales capabilities on a 1 to 5 scale — 1 being “very ineffective,” 4 being “effective,” and 5 being “very effective” — eSignature users consistently skewed toward the higher ranges for effectiveness. In Figure 2, specifically, when it comes to effectiveness at



increasing productivity with integrated technology, eSignature users saw a 7% higher contingent of respondents reporting effectiveness than even the Best-in-Class. For added context, only 26% of non-users of eSignature technology reported effectiveness at this critical capability. This affirms an extremely strong enabling relationship between eSignature technology and successful, sophisticated sales technology deployments. Without eSignature technology, organizations are apt to find more struggles with sales technologies than strengths, based on these findings.

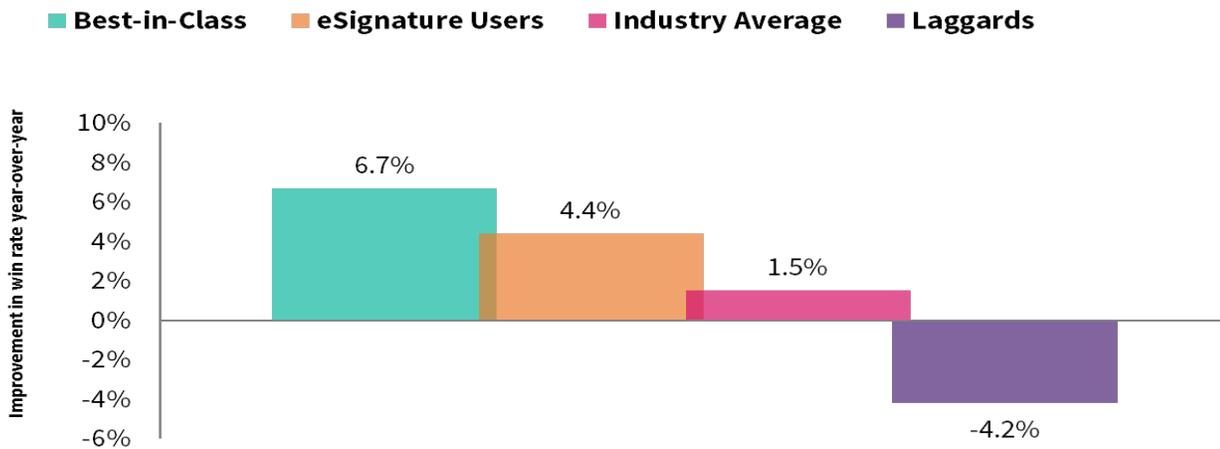
How eSignature Builds on Winning Ways:

Beyond operational sophistication in sales — a kind of infrastructure for sales success — eSignature’s impact is also clearly shown in direct action. That is, eSignature users not only have the building blocks to outperform their peers, they’re also putting those pieces to good use. In terms of one of the simple success indicators in sales, the win rate, eSignature users are not only distinctly outperforming non-users, but also keeping in hot pursuit of the Best-in-Class as well. For an average current win rate, eSignature users show a 12% higher baseline at 53%, compared to non-users’ current average of 41%. For Best-in-Class sales teams, opportunity win rate is one of the defining performance metrics, so naturally they set the bar high with an average of 62%. Still, this snapshot of eSignature users, in terms of current win rate, skews much more toward the Best-in-Class than any other group of performers.

As we see in Figure 3, where we show how Aberdeen’s performance groupings improve their win rates year-over-year compared to eSignature users, we see how, again, eSignature users outperform Industry Average and Laggard respondents.

eSignature users enjoy a 4.4% year-over-year increase in opportunity win rates, while non-users stagnate with 0% improvement.

Figure 3: Improving Win Rates Year-Over-Year: How eSignature Users Stack Up Against the Best-in-Class



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Source: Aberdeen, October 2017

While the visual differentials in Figure 3 present an immediate sense of eSignature’s impact on improving win rates, it’s also important to again add in the context of non-users. Year-over-year, organizations without eSignature report a zero percent change in their win rates. The reason organizations without eSignature can’t move the win rate needle over time in the same way eSignature and Best-in-Class companies do is also vital for understanding the full value of eSignature.

In Aberdeen Group’s research, respondents were asked if they were able to “identify, dissect, and duplicate effective sales efforts via ‘formulas for success.’” Eighty-six percent of eSignature users reported that they could, indeed, distill such formulas for success from their efforts. Among Best-in-Class sales teams, 81% reported an ability to produce such repeatable formulas. Interestingly enough, 62% of eSignature non-users follow suit, but with one obvious limitation in scope at the end of the sales process: eSignature users, like many Best-in-Class organizations, are able to analyze the entirety of sales operations. Despite a substantial amount of non-users demonstrating a worthwhile sales best practice, without eSignature, these organizations still operate with a distinct disadvantage. eSignature users can identify formulas for success right down to what gets contracts signed, and everything before. For non-users, what exactly contributed to a win, in the end, is still an uncertainty.

86% of eSignature USERS report the ability to identify, deconstruct, and duplicate effective sales efforts via “formulas for success.”

94% of eSignature USERS report the ability to identify the most profitable buyer profiles, customers, or accounts across their efforts.

eSignature Advantages by the Numbers: Users vs. Non-Users

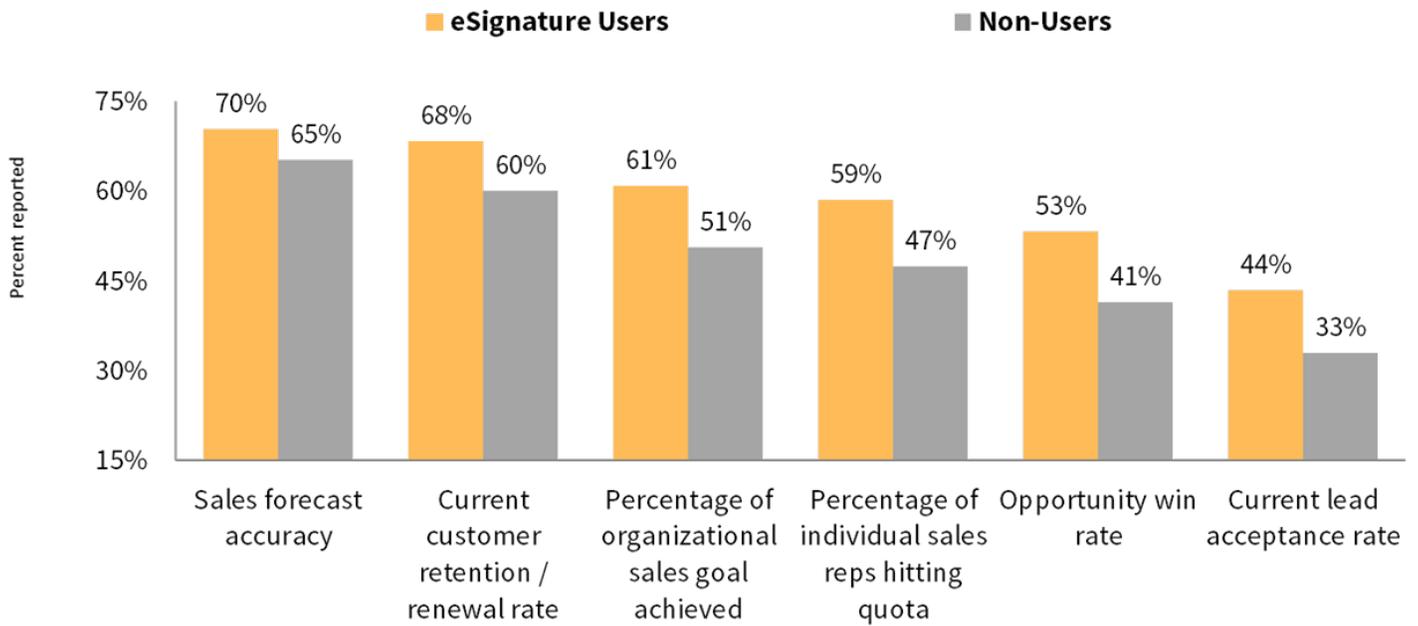
Ultimately, in considering any sales technology, there are three basic options for action; an organization buys a platform, builds its own proprietary solution, or tries to compensate with people and process improvements without any new technology. With eSignature technology, given the technical and legal complexities of getting contracts signed digitally, the build option is decidedly the hardest. Therefore, for most organizations, the decision comes down to investing in eSignature solutions or bolstering up in-house talent and processes.

In the final two charts, we have straightforward, users vs. non-users comparisons to see some of the returns gained from eSignature solutions, compared to what organizations are achieving without the technology. For added reference, along with the 62% of non-users reporting an ability to produce formulas for success, non-users also demonstrate other people and process sales best practices at noteworthy levels.

- ▶ 73% of non-users of eSignature technology report an ability to identify the most profitable buyer profiles, customers, or accounts across their efforts.
 - 94% of eSignature users report having this capability.
- ▶ 61% of non-users provide continual training / ongoing education for sales reps, managers, and executives as a part of their regular efforts.
 - 84% of eSignature users report having this capability.
- ▶ 57% of non-users are able to document the knowledge and behavior of top-performing sales reps to share it with average and underperforming reps.
 - 70% of eSignature users report this capability.

Suffice it to say, non-users of eSignature technology are hardly slouches in terms of competent sales operations. The majority of these organizations are taking positive steps. However, as the following eSignature findings will emphasize, taking the right steps can only take an organization so far without the right technology.

Figure 4: Advantages in Current Sales Performance Metrics from eSignature



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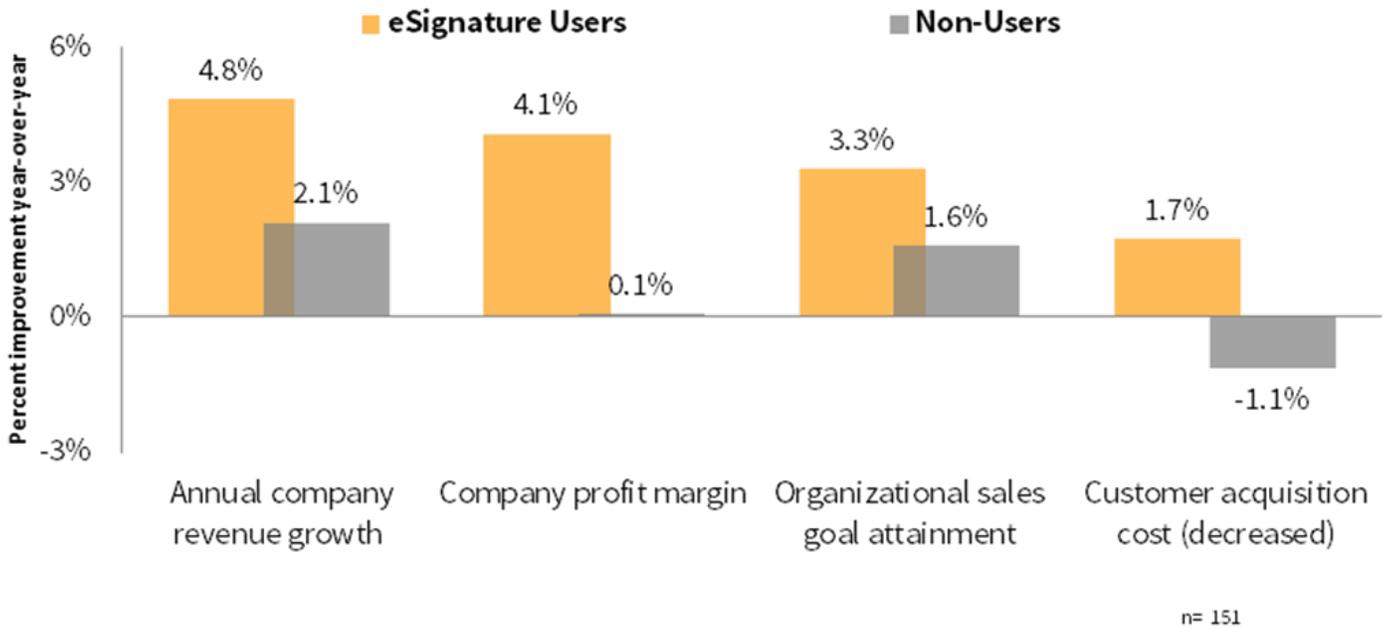
Source: Aberdeen, October 2017

While it's easy to immediately discern the one-sided nature of sales performance advantages enjoyed by eSignature users over non-users in Figure 4, it's still important to dig a little deeper to consider what these differentials really mean as current metrics. This is, after all, where eSignature users stand today. With emerging technologies, it's often rare to see significant differentials in current performance as it often takes a significant amount of time to ramp up and start recognizing value. What we see for eSignature users in Figure 4 is an indicator of a relatively quick ramp-up time to start recognizing value — even down to the individual sales rep level.

eSignature Users average a 29% higher average current opportunity win rate, compared to non-users.

Compounding on the performance of eSignature users in Figure 4, in Figure 5 we see the rate at which eSignature users are essentially pulling away year-over-year.

Figure 5: Year-Over-Year Improvements in Sales Performance Metrics from eSignature



Source: Aberdeen, October 2017

In Figure 5, the importance and, perhaps, even urgency for adopting eSignature technology really comes to a head. Year-over-year, eSignature users are growing company revenue at 2.3 times the rate of non-users (4.8% vs. 2.1%) They’re increasing profit margins while non-users stagnate. They’re even decreasing customer acquisition costs steadily while non-users experience a 1.1% increase in annual costs.

Conclusion and Key Takeaways:

The bottom line: eSignature technology is a key enabler of the kind of sophisticated, systematic sales operations that support Best-in-Class performance. Organizations with eSignature technology in place consistently outperform those without this technology. Suffice it to say, eSignature is fast becoming a mainstay for top-performing sales teams, and a must-have for organizations aiming to keep pace. Nevertheless, to keep a level head — and to make a solid case for adoption if necessary — when evaluating eSignature, remember:

- ▶ 66% of Best-in-Class sales organizations turn to sales technology to enable or enhance the tracking, management, and optimization



of sales efforts. Without eSignature technology, the final phase of the sale, from delivering the proposed contract to securing the signature, is a blind spot for operations. Moreover, outside of the specific performance differential highlighted in this report, eSignature also simply makes completing the sales process easier for the buyer. **For both business performance, and buyer convenience, eSignature must be a priority for consideration.**

- ▶ 94% of eSignature users report an ability to identify the most profitable buyer profiles, customers, or accounts across their efforts. 86% provide continual training / ongoing education for sales reps, managers, and executives as a part of their regular efforts. 70% are able to document the knowledge and behavior of top-performing sales reps to share it with average and underperforming reps. **What makes eSignature so effective as a sales technology is that it enables and enhances superior people and process capabilities, while also maximizing the value of other integrated sales technologies. It is the anchor point for a complete, end-to-end sales technology stack.**
- ▶ eSignature users increase their average win rates by 4.4% year-over-year, while non-users stagnate averaging a 0% change. **Where organizations have the most to gain from eSignature technology is where it matters most, in maximizing the frequency and value of sales wins.** By having better insight into common success factors that contribute to signed deals — and everything in the lead-up analyzed by integrated technologies — sales organizations can recognize and repeat the sales efforts that most consistently lead to revenue.
- ▶ eSignature technology has been shown to deliver significantly higher levels of sales performance for its users. In action, success with eSignature may look like 2.3 times the year-over-year revenue growth of non-users. It may look like a 12% higher average win rate, but over time in the long-run of the competitive, modern sales environment, success with eSignature starts with adoption — and stirs a chain reaction. This continuous improvement of people, processes, and technologies, thanks to eSignature, compounds on existing, proven, winning ways.

Related Research

[The CEO's Marketing & Sales Ops Cheat Sheet: Seeing the Revenue Through the Efficiencies](#) September 2017

[Solving for Sales Friction: 3 Emerging Technologies Changing the Game;](#)
June 2017

[Understanding Best-in-Class CRM Usage for Marketing;](#) September 2016

About Aberdeen Group

Since 1988, Aberdeen Group has published research that helps businesses worldwide to improve their performance. Our analysts derive fact-based, vendor-neutral insights from a proprietary analytical framework, which identifies Best-in-Class organizations from primary research conducted with industry practitioners. The resulting research content is used by hundreds of thousands of business professionals to drive smarter decision-making and improve business strategies. Aberdeen Group is headquartered in Waltham, Massachusetts, USA.

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