# Compass Conversations: Current State of Revenue Performance

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avenue talent partners

Doing Business That Matters.

MERCATO

**Unpredictable Macro Environments**
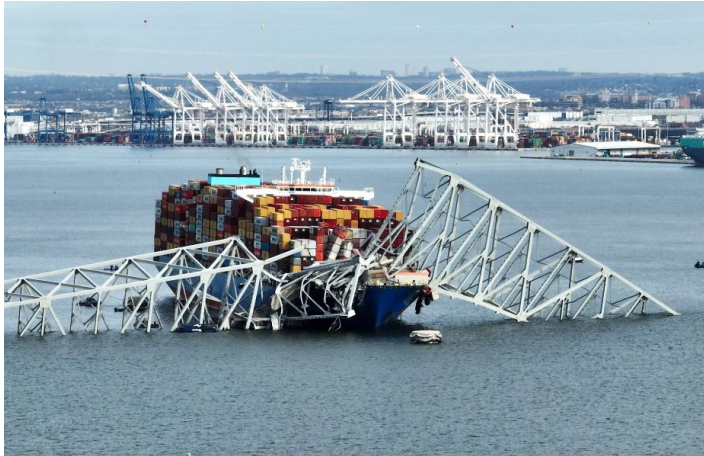


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# What is the current state of SaaS?

**North America Software as a Service (SaaS) Market Size, 2019-2032 (USD Billion)**

116.92  131.18

2019  2020  2021  2022  2023  2024  2025  2026  2027  2028  2029  2030  2031  2032

www.fortunebusinessinsights.com
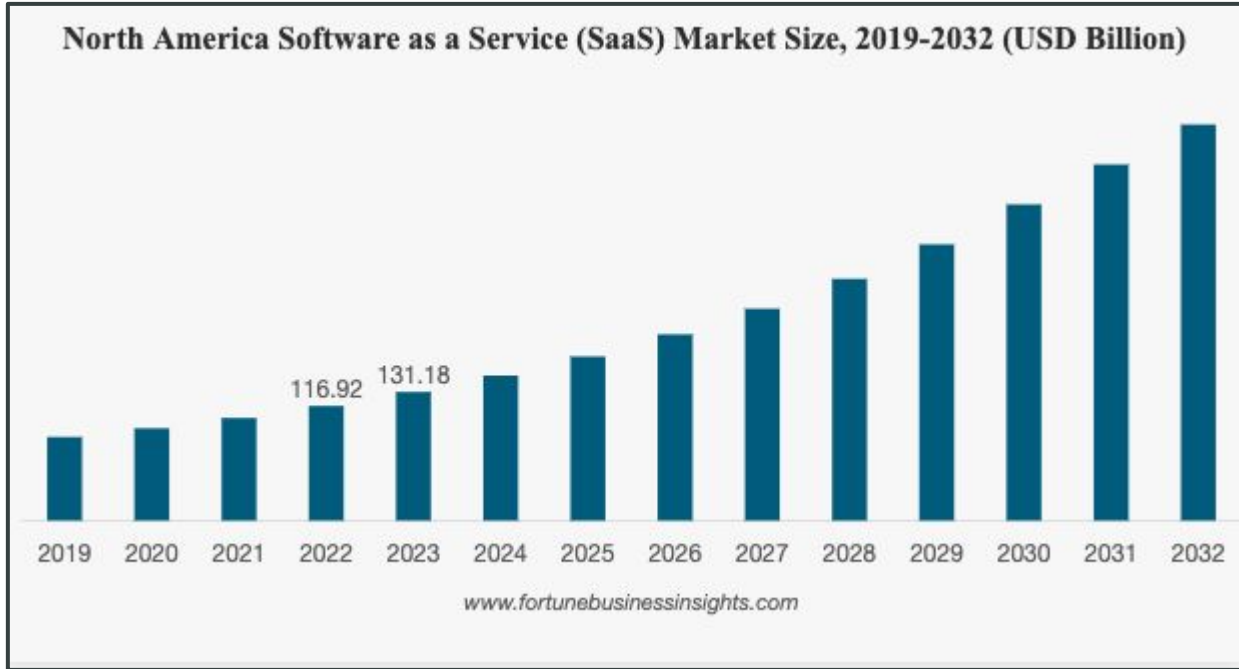
## Growth

- 30% growth rate throughout the company lifetime
- 84% growth rate (start up through growth stage)
- 60% growth rate (settling into to growth)

*\*\*Top-performing SaaS sales teams are still achieving 90-100%+ of quota by leveraging targeted prospecting, value selling, and focus on expansion within existing accounts.*

# What is the current state of **attainment and performance**?

**83% of sales leaders** in a worldwide study claimed they were "awesome" at coaching. Yet, **48% of the reps** working for these leaders claim they never get coaching and when they do, the 1:1 experience was only "helpful" **13% of the time**

**42% of companies** reported a decrease in win rates over the last 12 months, with **30% of those companies** experiencing a decline of **over 11%**. (Lightspeed)

# Managing the Team

What are current team size and structure trends?

| Sales performance is getting worse | We are contributing by: |
|---|---|
| <ul><li>Buyers demand more these days</li><li>They're well-informed</li><li>They don't have time for the tactics and extra steps</li><li>They want to be heard and understood</li><li>Our buyers are under pressure, and they fear making bad decisions</li></ul> *\*\*According to Gartner, 60% of technology buyers involved in renewal decisions regret nearly every purchase.* | <ul><li>Not teaching them how to have a business conversation</li><li>Making them robots through icky automation</li><li>Designing a sales process that talks at buyers, not with them</li><li>Over-segmenting the sales function</li><li>Bogging sellers down in admin</li></ul> *\*\*Lost productivity and poorly managed leads cost companies at least $1 trillion every year. — Marketo* |

# What are current team size and structure trends?

## Team Size

- The median SaaS sales team size has grown by approximately 20% year-over-year.
- SDR and AE roles have seen the most growth, while sales engineer and customer success hiring has been relatively flat.

## Specialization

- Overlay roles like sales engineers, industry specialists, and solution architects
- SDR: Segmented by inbound vs. outbound motions or by target persona.
- AE: differentiated by hunting vs. farming, SMB vs. enterprise, or new business vs. expansion focuses.

## Organizational Design

- Exploring blended AE/CSM roles to provide greater continuity.
- Account-based approaches with tight alignment between sales and marketing are being adopted more widely.
- Leveraging non-traditional profiles like industry consultants or solution experts in quota-carrying roles.

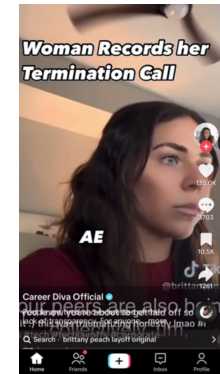# What are the upsides and downsides to alternative models?
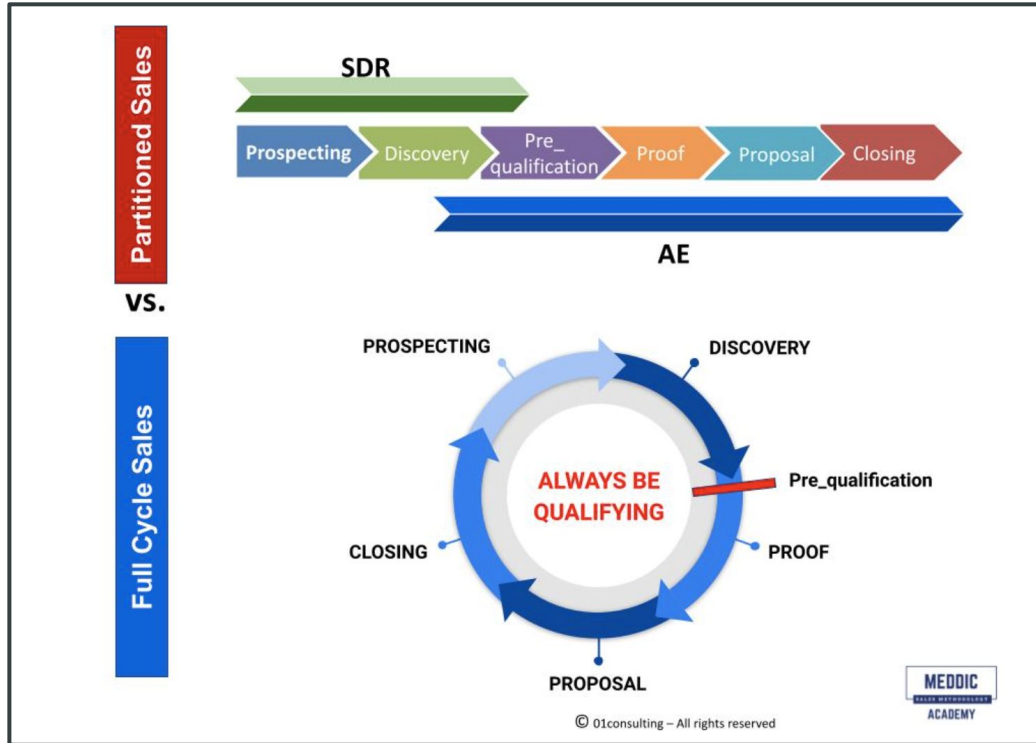
# How can I manage reductions in sales headcount?

**Examples:**

Communication

Do: Treat departing employees like future customers and employees

Don't: Cloudflare example



*Woman Records her Termination Call*

*\*\*Grammarly/Harris Poll Data = $1.2T in US spent on poor communication every year*

# How to keep your salesforce's morale and motivation high?

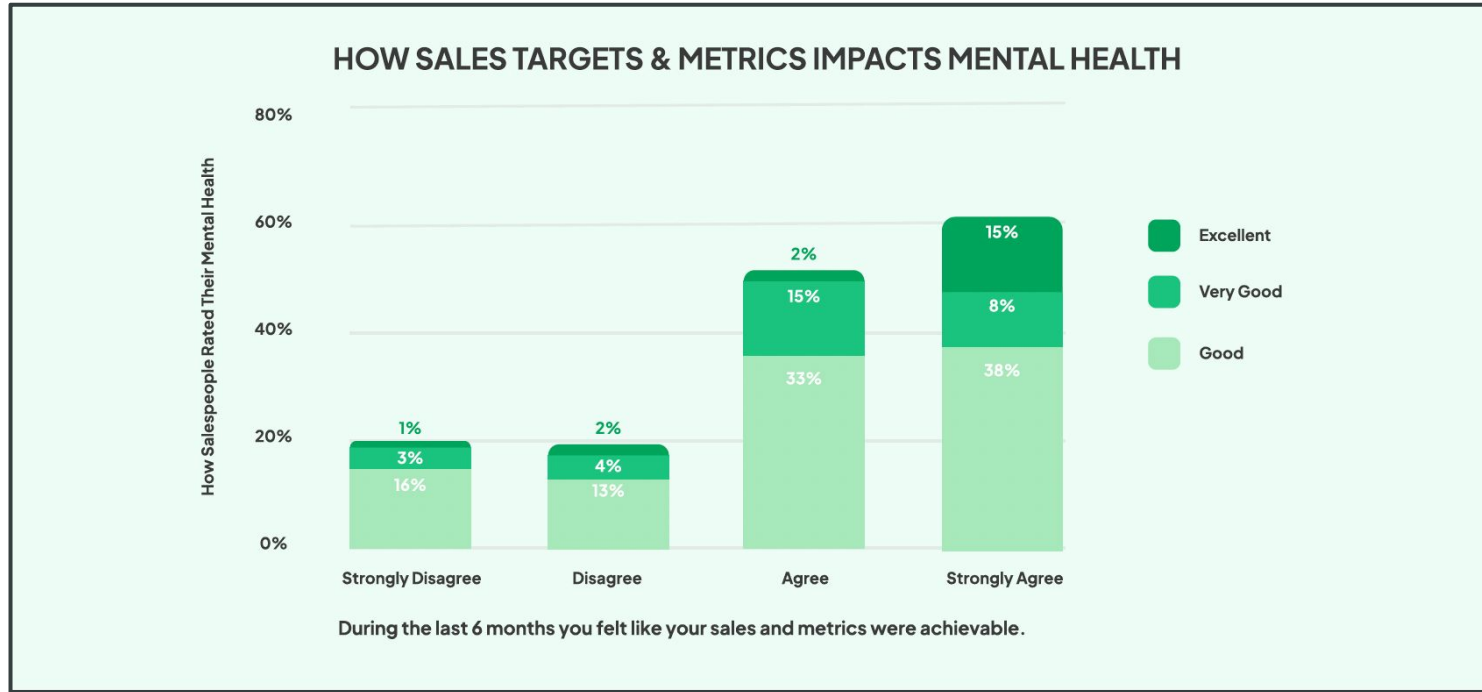| | |
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| **1** | Realizing that each person is different, sales isn't one sized |
| **2** | Maximize 1:1's - Sam McKenna's journal trick |
| **3** | Set expectations early and often |
| **4** | Understand career pathing/opportunities for growth |
| **5** | Firing Freeze concept |
| **6** | Belief in our people to give them hope - starts with us |

# How to keep your salesforce's morale and motivation high?



**HOW SALES TARGETS & METRICS IMPACTS MENTAL HEALTH**

How Salespeople Rated Their Mental Health

- Strongly Disagree: Good 16%, 3%, 1%
- Disagree: Good 13%, 4%, 2%
- Agree: Good 33%, 15%, 2%
- Strongly Agree: Good 38%, 8%, 15%

Legend:
- Excellent
- Very Good
- Good

During the last 6 months you felt like your sales and metrics were achievable.

# Quota and Compensation trends 2024

## 5-7%

Average Increase in Quota

## $1M

Median Rep Quota

## 100%+

Enablement and relaxing quotas
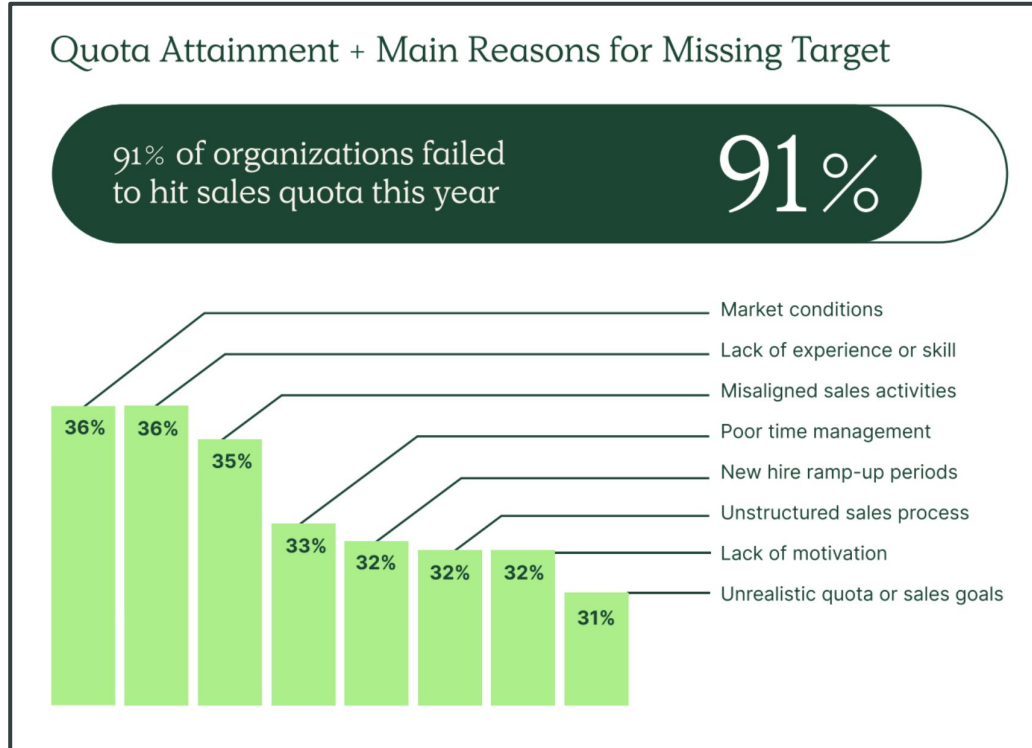
## 48/75

Salesforce State of Sales Report

## 24%

Exceed quota

## 60/40

Base pay mix (Key Performers)

# What are the Quota and compensation trends in 2024



Quota Attainment + Main Reasons for Missing Target

91% of organizations failed to hit sales quota this year

91%

- 36% — Market conditions
- 36% — Lack of experience or skill
- 35% — Misaligned sales activities
- 33% — Poor time management
- 32% — New hire ramp-up periods
- 32% — Unstructured sales process
- 32% — Lack of motivation
- 31% — Unrealistic quota or sales goals

Thank You