

How to Accelerate Your Sales Cycle During a Downturn Using CPQ + DealRoom





Overview

The United States has the most advanced software and information technology (IT) services industry in the world.

More of the

40% of \$5 Trillion

global IT market is in North America, primarily the United States.

The sector accounts for

\$1.8 Trillion

of U.S. value-added GDP. (SelectUSA)

COVID-19 Impact on the Global Economy

We know that COVID-19 has had a significant impact on the global economy.

Harvard Business Review reports that forecasts:

13% - 32%

Call for a decline in merchandise trade

30% - 40%

Reduction in foreign direct investment

44% - 80%

Drop in international airline passengers in 2020

And the impact will be long-lasting. Financial Times recently wrote that the global economy could anticipate a state of “hysteresis” following the coronavirus crisis. The economy will not automatically return to the status quo.

There is a ray of light in our current situation. A quote from Amit Bendov, CEO of Gong.io, comes to mind, “All downhills have an end, and if you zoom out a bit, there are plenty of opportunities. Find them.”



SaaS Industry Growth

A few months before the outbreak of COVID-19, at a presentation delivered by LinkedIn Marketing Solutions, they shared a fascinating insight: In 2020, with trade wars happening between global superpowers, various industries will experience reduced growth figures. The exception to this is the software industry, which is expected to remain buoyant given the low barriers to global mobility. Given that you can run a SaaS company remotely from just about anywhere in the world, you can expect to achieve superior growth in this industry.

In the current crisis, SaaS companies have the advantage of employing primarily knowledge workers who can work virtually, given they have the technology and processes in place to work from a remote location. Post-COVID, many software companies will continue to support remote work arrangements since their teams have proven to be productive while working from home.

A May 2020 Gartner survey of CFOs found that once offices are re-opened, 26% of staff not working from their normal location will continue working remotely beyond the end of 2020. Now that the systems have been put in place to manage and train remote employees effectively, the reduction in office space expense is welcome news for CFOs. Another Gartner survey revealed that 74% of companies plan to permanently shift to more remote work after COVID-19.

SaaS Industry Sales Performance During COVID-19

In light of current economic conditions, at DealHub, we were compelled to look at our aggregate customer data across the software industry to understand how companies were performing during March-May 2020.

We pride ourselves on our expertise in the area of Configured Price Quote (CPQ), and we wanted to understand the performance patterns of all the closed-won deals. We measured the sales cycle duration from quote to close each month, and compared traditional quotes delivered by either a PDF or Word output, against our innovative DealRoom.

What is a DealRoom?

DealRoom sales proposal software technology enables the sales team to quickly compile and generate customized business proposals into one convenient and easy-to-send digital room. The advantage for buyers is an intuitive experience, personalized content, and all the information they need at every stage of the buying journey.

Analyzing our software industry customers' performance during COVID-19 2020, we measured sales cycle duration from quote to close. We compared the use of CPQ inside our **DealRoom sales proposal software** vs. the use of Word/PDF to generate price quotes. We determined that CPQ software is outperforming PDF/Word formats for quote generation in two key areas:

- Sales cycle duration (time-to-revenue)
- Time spent in creation (operational efficiency)

01

Average Sales Cycle Duration Results

Our DealRoom delivers a compelling impact as it reduces the sales cycle duration by an average of 3.5x faster compared to PDF/Word documents. This can be attributed to the fact that it condenses all the deal stages into one tailored micro-website. Everything is in one location - from sales collateral and configured price quote, to contract negotiation, SoW, forms, and eSignature.



DealHub



Pdf/Word documents

Revenue average time-to-win (in days)



02

Average time spent creating a quote

We also determined that it takes significantly less time per person to create, manage, and execute a price quote inside DealRoom compared to quoting with a PDF/Word document.

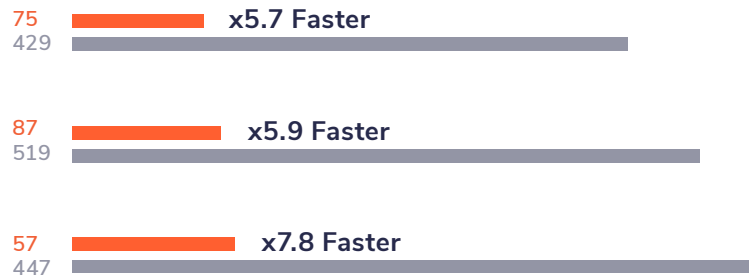


DealHub



Pdf/Word documents

Efficiency average time playbook (in minutes)



Keep in mind that your salespeople are not the only ones working remotely. Your customers are, too. They have increasing demands on their time as they balance working from home (learning new tech, adjusting to new processes, having virtual meetings, etc.) with home life. Your customers expect vendors to be able to produce quotes, supporting content, and proposals quickly so they can move purchases forward on their end.

Sales Responsiveness

Buyers choose the vendor that responds first

50%

50% of buyers choose the vendor that responds first

61Hrs.

Industry average response time is 61 hours

21x

Lead Response time in under 5-min has a 21X progression rate

47%

47% of businesses don't respond at all

Source: InsideSales

Speeding Up the Sales Cycle

Benefits Revenue Operations

Consider the length of your current sales cycle and all the steps your salespeople go through from prospecting to closing the sale. To speed up the sales cycle, all stages should be horizontally connected. This eliminates administrative work, decreases errors, and automates proposal generation.

DealHub consolidates the whole sales cycle from opportunity to close. Instead of logging into disparate software solutions, DealHub delivers complete horizontal connectivity - with all the solutions you need in one platform.

The benefit of reducing the sales cycle is that Revenue Operations can access the new revenue within the same fiscal quarter, rather than the next quarter. Maintaining this positive cash flow is essential to the financial health of companies that are dealing with economic downturn.



DealHub CPQ + DealRoom = An Accelerated Sales Cycle

Configure Price Quote software is well-known to streamline the product configuration and price quotation process and to deliver error-free quotes to buyers. At DealHub we didn't stop at that. We purpose-built our CPQ and DealRoom software to help our customers accelerate their sales cycle and grow revenue faster.

Using CPQ as the foundation, we extended the sales playbook and workflow to also deliver a complete digital sales proposal which includes price quote and personalized content assets. This level of horizontal connectivity is achieved by tailoring the playbook in our CPQ, allowing you to quickly create personalized proposals tailored to your buyers' needs. This differentiation leads to superior results: a faster sales cycle and more closed-won deals.

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