The Metrics that Matter for Aligning Product and Sales

Influencing roadmap discussions, unblocking stalled deals, and increasing the revenue impact of product enhancements

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Introduction

In the modern B2B buying experience, PreSales teams are critical. They are the preferred partners for buyers, and they own what is often the largest component of the sales cycle. In businesses that are more enterprise-oriented or more consumption or expansion-driven, their role is even more prominent as the focus shifts from signing an initial deal to growing the relationship after the initial deal is signed.

Yet the science of how to measure and manage PreSales teams is nascent. What gets attention is unfortunately often what is easiest to measure. Because PreSales teams do not "own" the deal and have not traditionally had dedicated solutions to manage their work, this problem has only recently gotten more of the attention that it deserves.

Now, as a result of more extensive research, there is growing recognition that PreSales performance is an important driver of overall revenue growth, and there is growing demand for the science of PreSales analytics. We have so often heard more and more from PreSales leaders that they wish they knew more about what others are doing and finding useful.

Uniquely positioned to capture the voice of the customer, PreSales can bring a wealth of information to Product leaders who want to increase the impact of product innovation and better understand customer needs, and help go-to-market teams identify product-related revenue risks.

In this eBook, you will get an overview of the metrics that matter for aligning Product and Sales, based on what we have learned from our work with PreSales leaders at all levels. Whether it's influencing roadmap discussions, unblocking stalled deals, or increasing the revenue impact of product enhancements, we cover the greatest opportunities for change in each area, and the metrics you can use to make more informed decisions.

Evolving Your Product

PreSales teams uniquely understand both product and prospects in a way that no other team does. Few things are more valuable to a modern technology company than this, and we believe the PreSales teams should be at the center of company conversations about strategy and product direction. Yet, in many organizations, this is not yet the case.

It is understandable in many ways. Both product and PreSales organizations have evolved tremendously in recent years. The increasing prominence of PreSales and the shift in product from feature factories to empowered product teams engaged in continuous discovery were both prerequisites for effective collaboration. Now, that collaboration requires a new set of patterns that extend that progress and span both functions.

Here, we will focus on how both teams can develop a shared vocabulary and common view of the world through analytics.

Influencing roadmap discussions

Most organizations would love to see a product leader confidently describe how each part of the roadmap ties to business goals. Yet, few B2B product leaders will say they are satisfied with their ability to tie product efforts to financial impact. At the same time, PreSales teams often crave a voice in strategic decisions and would love to see roadblocks to technical wins cleared more swiftly. This is a natural place to invest in closer collaboration.

Feature request

Feature request

Opportunity Gaps
(Feature requests from new opportunities)

Feature request

Product Gaps
(Feature requests recognized by R&D)

Feature request

Account Gaps
(Feature requests from existing customers)

Feature request

During the sales process, PreSales teams will learn which product issues are barriers to the technical win. We will call these issues Opportunity Gaps. The same kind of issue will often show up repeatedly across multiple deals. We will call these canonical archetypes Product Gaps. We recommend that SE teams maintain the canonical list of Product Gaps, and then tie them to specific Opportunities using Opportunity Gaps. What this allows PreSales teams to do is then calculate the total impact of each Product Gap by, for example, adding up the total amount of blocked revenue associated with that Product Gap. We will also discuss several more sophisticated methods for calculating impact below.

At least three things are valuable when teams collect this kind of information.

First, it's valuable to capture the severity of an Opportunity Gap in the context of a particular deal. During a deal cycle, prospects will often share a lot of feedback, but some things are nice-to-have while others will stop a deal in its tracks. By capturing their perspective on this when logging Opportunity Gaps, PreSales teams enrich the data significantly. We recommend bucketing Opportunity Gaps into at least three categories: nice-to-have, deal challenges, and deal breakers.

Second, it's helpful when PreSales teams focus on specific use cases (i.e. product capabilities) rather than overall solutions, which are more generalized. Product teams know there are many different ways to solve a given problem, and what seems like the best solution at the outset can usually be improved upon significantly. In some cases, it may make sense to tackle several use cases at once with a horizontal solution; in other cases, it may be better to focus on one or two use cases with a purpose-built solution. By focusing on which use cases are blocked by product limitations, PreSales teams help product teams engage in this kind of productive problem-solving.
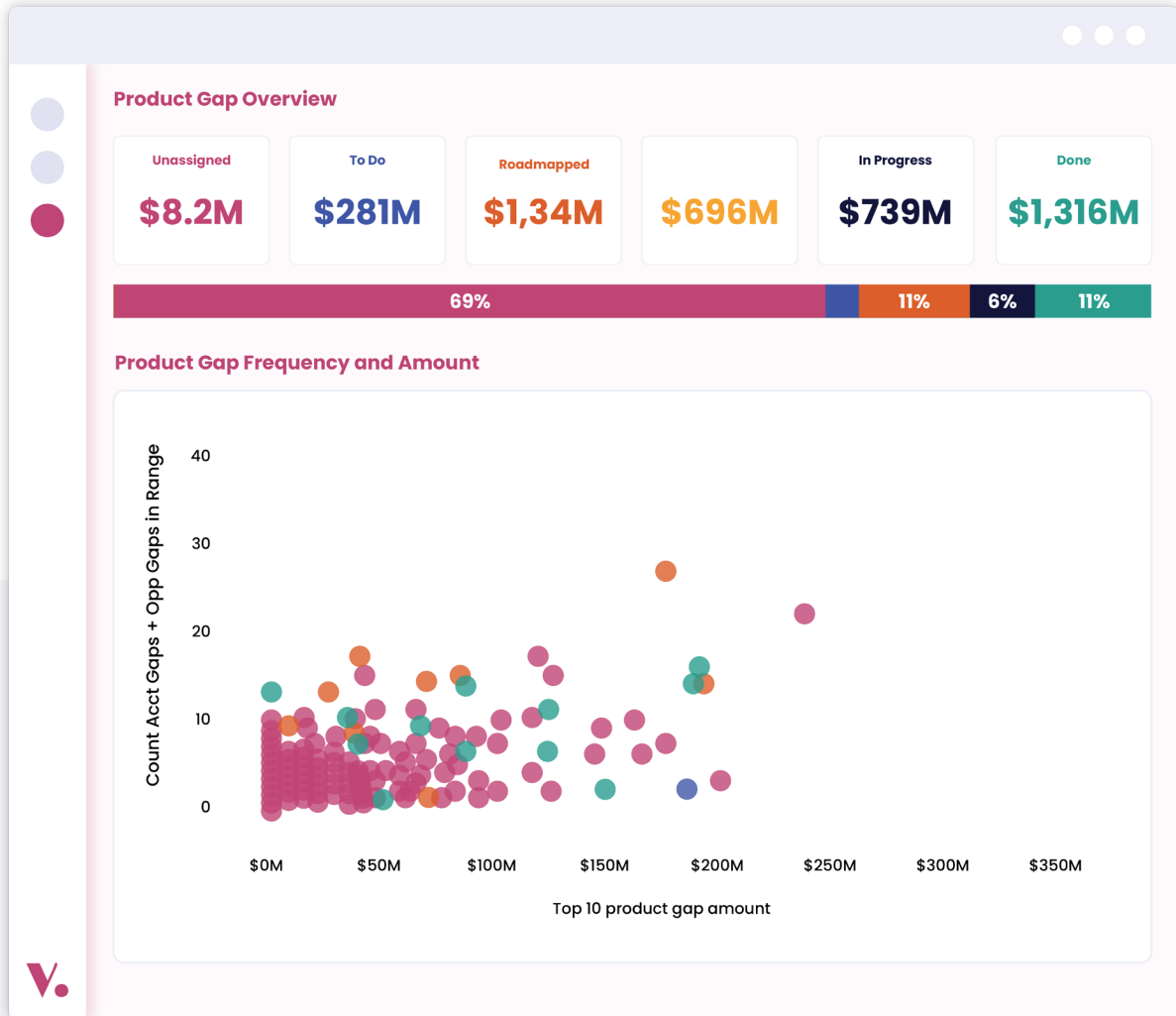
Third, it's important to keep up with when Product Gaps are resolved. This should be the responsibility of the product team although PreSales teams should be in alignment with product team determinations. Capturing this information is made much easier when status from PLM systems automatically flows back to Product Gaps.

Once this foundation of data is in place, PreSales teams and product teams can answer a series of compelling questions together.

Below we will look at both pre- and post-sales opportunities since a growing number of PreSales teams are also involved in existing customer relationships.

What unaddressed Product Gaps need greater attention?

Key metric: Opportunity & Account Gap Revenue by Product Gap, Product Gap Type, and Recency

Product Gap Overview

Unassigned	To Do	Roadmapped		In Progress	Done
$8.2M	$281M	$1,34M	$696M	$739M	$1,316M

69%	11%	6%	11%

Product Gap Frequency and Amount

Count Acct Gaps + Opp Gaps in Range

40
30
20
10
0

$0M $50M $100M $150M $200M $250M $300M $350M

Top 10 product gap amount

Key metric: Product Gaps versus Opportunity win rate

Product Gap	Total amount		Win Rate
Automated workflow approval rules	$43,770,383		23%
Nested and / or filters for analytics	$36,683,636		34%
User bulk updates	$35,529,442		57%
Marketo integration	$33,726,256		46%
Slack integration for approvals	$31,818,417		57%
Custom permission sets	$25,616,139		8%
Alerts for specific objects	$24,804,317		19%
Custom object support	$23,513,578		30%
Google Drive integration	$23,490,688		47%
Custom layout sections	$21,995,687		15%
User-specific sharing	$21,223,551		47%

Roadmap choices are usually one of the most hotly debated items in any company, with good reason. Once teams lay the data foundation described in the last section above, these discussions can be much more productive. Product teams are no longer concerned that feedback is anecdotal and not centered on larger patterns, and they are able to tie choices to revenue. PreSales leaders can elevate their voice and make a systematic case for the issues that are most holding back their teams.

Tactically, there are several different ways to do this analysis, and each is revealing in a different way.

1. Total affected revenue or total affected prospects. The first and simplest, we already mentioned above. Teams can roll up the total revenue or the total number of prospects associated with each Product Gap and then sort the Product Gaps in order of greatest impact. Looking at the number of affected prospects instead of revenue may be useful where revenue does not provide a good signal. For instance, a new product might be sold at a special early adopter price initially that does not reflect its full revenue potential.

2. Total breaker or challenge revenue or breaker or challenge prospects. The second level of analysis is to remove nice-to-haves and look specifically at cases where the Opportunity Gap was a significant source of friction in deals. This eliminates Product Gaps that are frequently raised but have a clear and successful workaround or PreSales playbook associated with them, and it focuses on more urgent issues.

3. Recent trends. Markets often shift, so next we suggest that teams look at how the top Product Gaps from the last quarter or last six months are different from the top all-time Product Gaps. If there are significant differences, teams should discuss whether they reflect a temporary state of affairs or a new market reality, and they should prioritize accordingly.

4. Behavioral data. Most product teams are highly aware that what people say and what they do are often quite different. Once teams have more historical data, therefore, it's insightful to look at how Product Gaps actually impact win rates. In particular, you can ask, what is the win rate when this Product Gap is tied to an opportunity? Cases where the win rate is average or better are less concerning than cases where the win rate is significantly below average. Teams often end up with a large number of Opportunity Gaps in the deal challenge category, where they are not clearly blockers but are clearly a source of some amount of friction. Looking at the buying decision behavior is a useful way to sort out which of these are more important than others.

5. Dependencies. It would be easier to make decisions if each deal had one and only one Opportunity Gap associated with it. In reality, of course, most deals will have several. This means that resolving one Product Gap will not typically unblock all of the deal breaker or deal challenge revenue associated with it. In addition, it may be necessary to resolve other Product Gaps that commonly appear alongside it. Teams may account for this in multiple ways. One is to weight the revenue associated with an Opportunity Gap based on the number of other Opportunity Gaps that appear on the same deal. A lone Opportunity Gap gets all of the revenue while one Opportunity Gap out of five only gets a portion of it.

6. Competitive trends. Lastly, there may be competitive trends in the marketplace that deserve special attention. An emerging competitor may, for instance, not yet be in a large number of opportunities but may be highly successful when they do appear, with significant expansion potential. In this case, teams may wish to look at the Opportunity Gaps that arise when this competitor is present and give these special attention.

Often, it makes sense for an organization to start simple and move towards greater sophistication over time. One of the main hallmarks of successful organizations is that there is a shared conversation across PreSales and Product about which methodology is the right one.

One organization applied this powerfully to their cloud transition. The organization is a provider of data infrastructure technology and was building out a new platform. They needed to move revenue over to their new platform as swiftly as possible, and that required thoughtful prioritization. They used a system of Product Gaps to drive this. For each customer, they captured which Product Gaps held them back from transitioning successfully, and they prioritized Product Gaps based on how much revenue they were holding back. As part of this, they took into account dependencies between Product Gaps.

Many leaders recognize that these kinds of platform transitions are often rife with potential for friction between sales and product since they are complex and typically take longer than expected. Close collaboration on Product Gaps helped this organization navigate those perils and sustain alignment between PreSales and product throughout the extended transition.
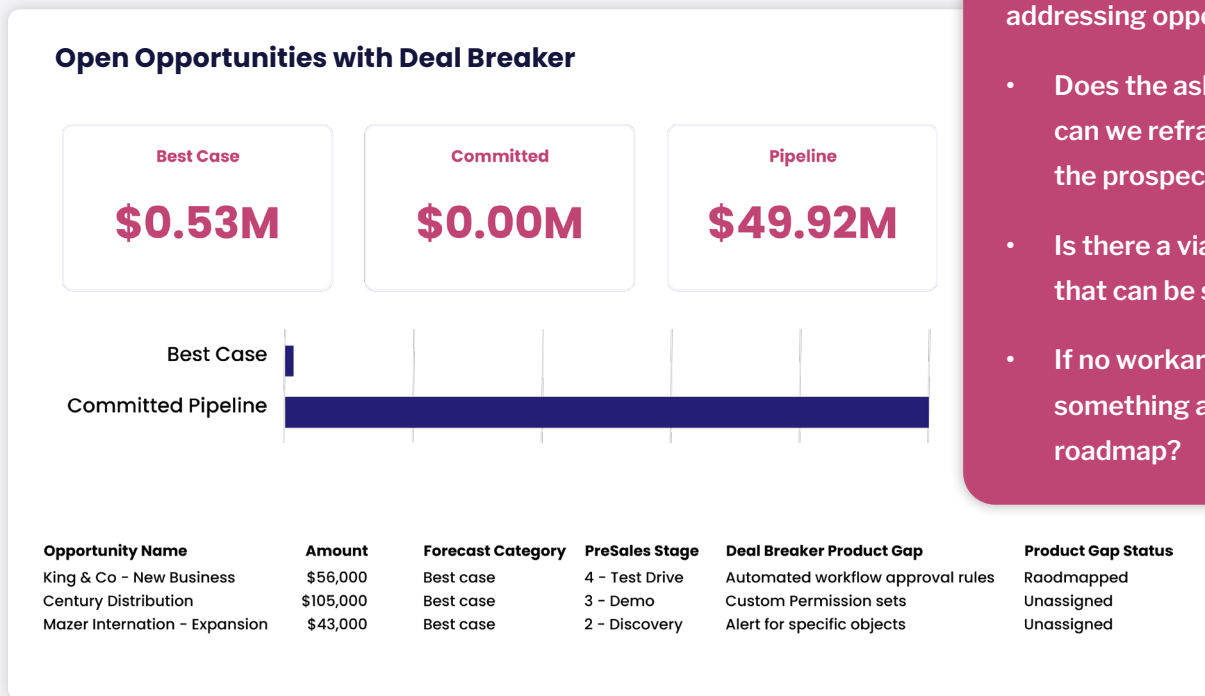
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Unblocking stalled deals

In addition to collaborating on strategic decisions, product and PreSales teams can partner more effectively on day-to-day operations. If PreSales teams consistently log deal breaker Opportunity Gaps as they arise, these can be triggers for collaboration. Teams should have mechanisms for PreSales to reach out to Product in order to gain additional insights (e.g., whether something has a workaround or is part of a roadmap effort) or draw product team members into prospect discussions. Reporting on these deal breaker opportunities also helps leaders across both PreSales and product ask the right questions and identify areas where team members could be doing more to support each other.

What deals could we go unblock right now?
Key metric: Opportunities with close dates in this (or next) quarter and breaker Opportunity Gaps

Open Opportunities with Deal Breaker

Best Case	Committed	Pipeline
$0.53M	**$0.00M**	**$49.92M**

Best Case

Committed Pipeline

Opportunity Name	Amount	Forecast Category	PreSales Stage	Deal Breaker Product Gap	Product Gap Status
King & Co - New Business	$56,000	Best case	4 - Test Drive	Automated workflow approval rules	Raodmapped
Century Distribution	$105,000	Best case	3 - Demo	Custom Permission sets	Unassigned
Mazer Internation - Expansion	$43,000	Best case	2 - Discovery	Alert for specific objects	Unassigned

Questions to ask when addressing opportunity gaps:

- Does the ask make sense, or can we reframe the issue for the prospect?

- Is there a viable workaround that can be shared?

- If no workaround exists, is something already on the roadmap?

The simplest device is a report listing all opportunities with an upcoming close date that have deal breaker Opportunity Gaps associated with them. Both product and PreSales leaders should have access to this, and it should be one of the things they consistently look at, together and separately. It is an opportunity for them to ask a series of coaching questions to the SE on the deal as well as the product manager who owns the associated Product Gap.

- Does the ask make sense in light of the prospect's goals? Is there an opportunity to reframe the issue for the prospect?

- If we agree that the ask makes sense, do either product or field experts know of a workaround that could be captured and conveyed?

- If there is not a viable workaround, is this something already on the roadmap?

  ◦ Should the prospect be made aware of that if so?

  ◦ If not, is this a sufficiently strategic deal and is this sufficiently aligned with our product direction that we should consider a product commitment?

As alternative narratives and workarounds are developed through this kind of collaboration, these can be documented and embedded in the knowledge repositories of the PreSales organizations.

De-risking renewals

Product Gaps may also emerge as deal breakers for customer renewals. In order to sustain strategic customer relationships and maintain high net retention, close collaboration on these issues is also valuable.

What renewals could we go de-risk right now?
Key metric: Renewals in this (or next) quarter with breaker Account Gaps

Account Name	Total ARR	Renewal Date	Account Breaker Product Gap	Product Gap Status
Rogers Inc.	$275,000	1/10/2024	Automated workflow approval rules	Roadmapped
Titan Enterprises	$135,000	1/31/2024	Custom object support	In progress
Element Industries	$32,550	1/31/2024	Slack integration for approvals	Unassigned

As with at-risk deals, it is useful to have a report of any upcoming renewals that might be at risk because of deal breaker Product Gaps. This permits early cross-functional collaboration to strengthen the relationship and navigate any barriers.

- How great is the risk in the context of overall account health?

- Have similar customers been successful even with these limitations? Does the at-risk customer understand how?

- Do either product or field experts know of a workaround that could be captured and conveyed?

- Has there been a pattern of close partnership that has created a foundation of trust? If not, what are the opportunities to invest in that now?

- Is this something already on the roadmap?

  ◦ If so, have plans been discussed with the customer?

  ◦ If not, is this a sufficiently strategic account and is this sufficiently aligned with our product direction that we should consider a product commitment?

Early action on these kinds of risks is especially important with existing customers. B2B customer sentiment is heavily influenced by feelings about the state of the relationship. Many potentially renewal-breaking issues may be headed off by showing that the organization is listening, willing to transparently discuss thinking and plans, and focused on the customer's success. However, these investments are less effective when they happen once a year, shortly before the customer's renewal date.

Increasing the impact of product innovation

The value of velocity is widely recognized today. As a result, at many technology organizations there is a continuous stream of product innovation. This is exciting for field teams at these organizations—and also a lot to keep up with. In many cases, you could poll the customers of a modern technology company about their unmet needs and find among them things that are already supported. By the same token, you can often find, among deals recently lost, prospects who walked away because of product issues that are now resolved.

There is low-hanging fruit here, if you can keep track of it. Fortunately, if you set up the system of Product Gaps that we have described above, the ability to report on these kinds of opportunities is a byproduct. The key is ensuring that product delivery status is linked to the Product Gaps logged and maintained by the PreSales team and ensuring the delivery date is captured. If you have both of these things, you can then report on any opportunities or accounts affected by recent product deliveries.

What deals could we revive?

Key metric: Lost Opportunities associated with Opportunity Gaps that we closed in the last X months

Opportunity Name	Opportunity Amount	Opportunity Stage	Product Gap Name	Product Gap Type	Product Gap Status	Completed Date
Major Industries - New Business	$160,000	10 - Nurture	Layout templates	Breaker	Done	9/6/2023
Massive Inc. - EMEA Expansion	$104,000	10 - Nurture	Export chart as pdf	Challenge	Done	8/16/2023
Green Technologies - New Business	$87,000	10 - Nurture	Scheduled reports	Nice-to-have	Done	8/22/2023

In this report, you are looking for any recently closed opportunities where the associated Product Gap was recently resolved. It is useful to group opportunities by account owner or create dashboards that are easy for account owners to filter down to their own deals. It may also be valuable to filter for opportunities that were not irretrievably lost. For example, if you know a prospect who selects a certain competitor usually takes a long time to reconsider, you might not include these deals in your report and might instead focus on deals where customers chose to delay or wait for an alternative.

Once you have the right reports and dashboards set up, they provide account owners with useful ammunition to rekindle deal discussions and also help them showcase rapid innovation and responsiveness.

What customer relationships could we strengthen?

Key metric: Accounts associated with breaker or challenge Account Gaps that we closed in the last X months

Account Name	Account ARR	Account Type	Product Gap Name	Product Gap Type	Product Gap Status	Completed Date
Hedge Financial	$305,000	Live	Layout templates	Breaker	Done	9/6/2023
Large LLC	$400,000	Implementing	Export chart as pdf	Challenge	Done	8/16/2023
Neutron Inc.	$142,000	Live	Scheduled reports	Nice-to-have	Done	8/22/2023

Similarly, you can create reports that highlight existing customers who benefit from recent product deliveries. Here you are looking for all customers associated with recently closed Product Gaps. If you arrange this report so that account managers can easily filter for the accounts that they own, they will have a steady stream of relevant product innovations to bring to the customers who will benefit from them the most. From the product team's perspective, this will enhance the adoption of new features and magnify the impact of each product delivery.

Inform Product Strategy with PreSales Data

It's never been more important for organizations to invest in and elevate their PreSales teams. With each of the sections above, we hope we have illustrated how much impact a fully enabled PreSales team can have on your company's product strategy.

When PreSales is empowered to have data-driven conversations with R&D, Product and Engineering organizations are better able to focus on the most important opportunities, stay ahead of competing product offerings, and drive greater customer impact with each new release.

For a comprehensive view of all the metrics PreSales can use to prove their impact and drive strategic change, check out our **Definitive Guide to PreSales KPIs.** To learn more about how Vivun empowers PreSales to bring a brand new set of insights to the business and drive strategic change, visit **https://vivun.com/demonstrate-presales-impact** or request a demo.

About Vivun

Vivun is the leading provider of PreSales software. Its AI-powered platform supports a family of products that enable B2B businesses to accelerate sales and drive revenue more efficiently. With PreSales at the forefront of the modern go-to-market, organizations can manage their solutions teams globally, align sales and engineering to deliver products with incredible fit, and scale their demo abilities without more headcount. Customers include Snowflake, Zoom, Okta, Elastic, ADP, and Harness.

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