FORRESTER®

The Rise Of Revenue Operations

Companies Across Industries and Sizes Are Investing In Revenue Operations — What Does This Mean For Your Organization?

FORRESTER®

Table of Contents

Project Director:
Ana Brzezinska,
Senior Market Impact Consultant

Contributing Research:
Forrester's Digital Business Strategy
research group

Executive Summary

Consumers want the freedom to buy on their own terms and businesses are answering that call by building new channels and revenue models. This business complexity creates challenges across the quote-to-cash process: manual painpoints, data inaccuracies, functional silos, and governance faultlines.

To cope with these challenges, leaders are establishing Revenue Operations (RevOps) strategies and teams. Businesses need to become more agile — to learn from consumer behavior and go to market rapidly with new offerings that meet new demands — and a cohesive RevOps strategy can make this agility possible.

Salesforce commissioned Forrester Consulting to explore the state of RevOps with a global online survey of 927 respondents across industries. We identified high, medium, and low maturity RevOps organizations, using scores for six dimensions: collaboration, single source of truth, a role responsible for revenue growth across channels, and alignment in technology, plans, and goals. Based on these dimensions, 27% of organizations were identified as low maturity; 48% were medium maturity; and 25% were high maturity. In this report, we examined the gap between high and low maturity organizations and the characteristics that divide them.

Revenue Operations is defined as the strategic and organizational alignment of the resources, people, processes, and technologies that drive the conversion of prospects to customers and maximize customer lifetime value. It is an alignment of the functions that determine the success of a company's revenue lifecycle.

Key Findings ⟶
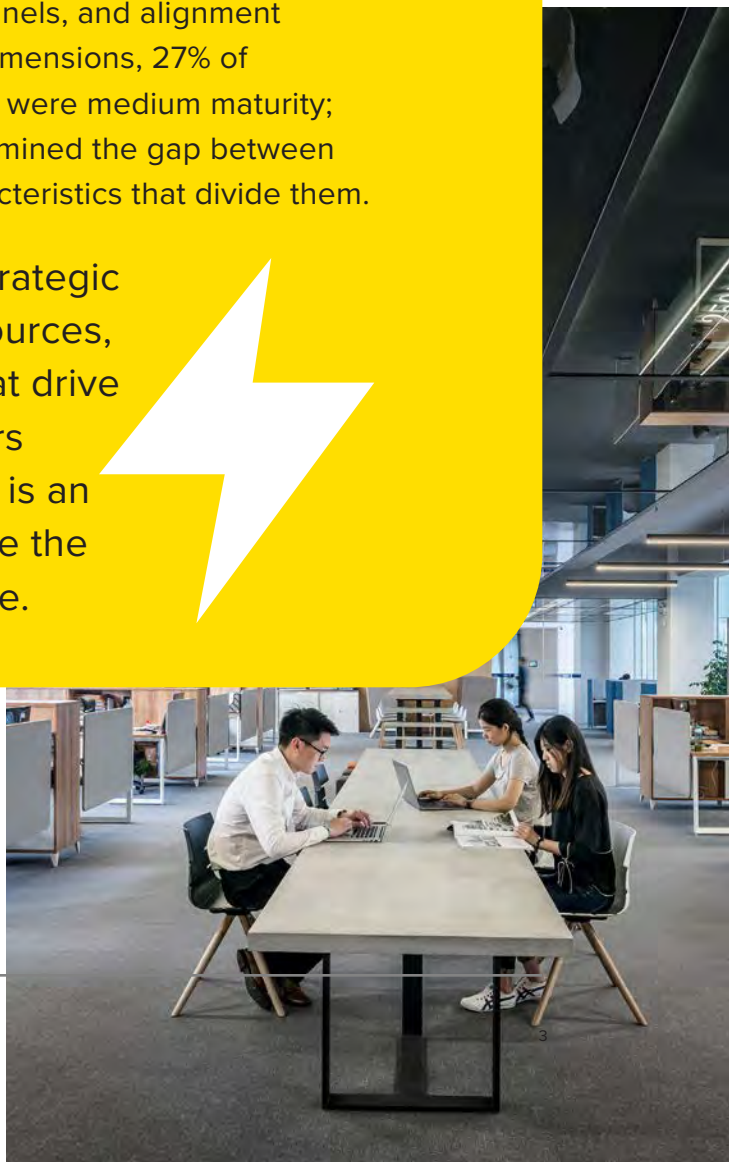
Key Findings

Businesses are selling into more channels and business models than ever before, making revenue management a significant challenge. Organizations are using more channels and driving revenue growth through more models than ever before — and that is only going to increase over the next 12 months. As this complexity grows, so does the need for a cohesive department to accelerate growth and provide predictable revenue. Fifty-seven percent of respondents reported that their organizations plan to invest in a RevOps function in the next 12 months.

There is a gulf between the theory and practice of revenue operations. Only highly mature organizations have truly embraced the core tenets of revenue operations, though most organizations understand the term. Because of this, highly mature organizations are less likely to struggle with fundamental silos, identifying revenue leakage, and poor data quality than those who only have a superficial, theoretical comprehension of revenue operations.

Regardless of maturity level, organizations with revenue operations functions can accurately plan, collaborate internally, and increase their win rates. The benefits of a revenue operations function are clear: more robust and accurate planning, improved internal productivity, and increased win rates. Those who have highly mature revenue operations teams are two times more likely to receive these benefits than low maturity teams.

Introducing The Revenue Operations Maturity Index

Low Maturity	Medium Maturity	High Maturity
Criteria		
Don't have a single source of truth for customer data	Some customer data is consolidated in a single source of truth	Have a single source of truth for customer data
Have no current plans to create a role responsible for the success of revenue growth across all sales channels	Plan to have a role responsible for the success of revenue growth across all sales channels within the next 12 to 24 months	Already have a role responsible for the success of revenue growth across all sales channels or plan to have this role within the next 12 months
Marketing, sales, finance, support, and customer success teams:		
Work in silos with very little to no cross-collaboration.	Work regularly across teams, but some silos still exist.	Work together daily/on every major initiative and are well aligned.
Have individual team-specific goals with little to no overlap.	Have some aligned goals, but still have some team-specific goals.	Have unified goals.
Use four or more systems for all customer data across all departments, touchpoints, and inputs.	Used two to three systems for all customer data across all departments, touchpoints, and inputs.	Use one system for all customer data across all departments, touchpoints, and inputs.
Are not at all or not very aligned on a strategic plan for revenue growth.	Are somewhat aligned on a strategic plan for revenue growth.	Are clearly aligned on a strategic plan for revenue growth.
Experiences		
5% year-over-year (to date) revenue growth	6% year-over-year (to date) revenue growth	7% year-over-year (to date) revenue growth
6% five-year average revenue growth	8% five-year average revenue growth	10% five-year average revenue growth

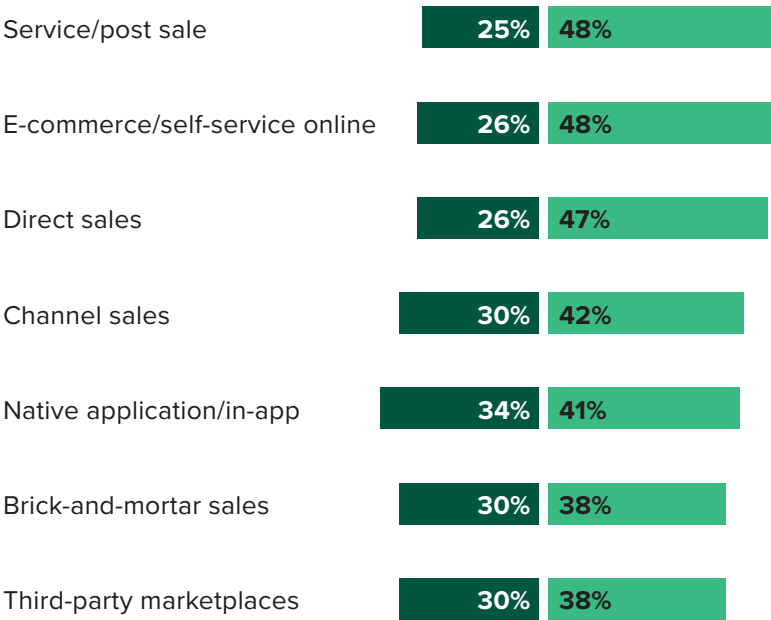# Revenue Operations Is Important To Grow Complex Businesses

Businesses today create a complex web of revenue recognition, reporting, and compliance with multiple selling and buying channels and revenue models. As businesses continue to expand, this complexity will only continue to increase. Enter revenue operations.

- **On average, businesses use three sales channels.** Overall, decision-makers reported fairly balanced channel distributions. Most reported between 39% and 45% of their organizations' revenue coming from any one channel. Service/post sale, e-commerce, and direct sales were the most popular reported sales channels (see Figure 1). Over the next

Figure 1

"Describe your organization's experience with the following sales channels."

● Planning to implement in the next 12 months

● Implemented/maintaining

Channel	Planning	Implemented
Service/post sale	25%	48%
E-commerce/self-service online	26%	48%
Direct sales	26%	47%
Channel sales	30%	42%
Native application/in-app	34%	41%
Brick-and-mortar sales	30%	38%
Third-party marketplaces	30%	38%

"TO THE BEST OF YOUR KNOWLEDGE, WHAT PERCENT OF YOUR ORGANIZATION'S REVENUE COMES FROM EACH OF THE CHANNELS YOU SELL THROUGH?"

	Midpoint
Service	40%
E-commerce	45%
Direct sales	44%
Channel sales	39%
Native application	41%
Brick and mortar	39%
Third-party marketplaces	39%

Base: 927 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021

12 months, in-app/native application sales are projected to increase with over a third of surveyed decision-makers reporting plans for their organizations to implement the channel this year.

- **Businesses currently operate in two different revenue models on average.** Usage and consumption and subscriptions are the most common revenue models used today, but over the next 12 months 30% of survey respondents' organizations plan to implement milestone-based models. As with sales channels, businesses are fairly evenly dependent on their various revenue models — no one model accounts for a significantly higher portion of revenue than others. As businesses continue to expand into even more sales channels and revenue models, a comprehensive quote-to-cash view of the business will become imperative for success.

- **Nearly a third of respondents reported that their organizations have a single role responsible for revenue growth across all channels.** Thirty-two percent of respondents reported that their organizations already have a role where one person is responsible for the success of revenue growth, including renewals and expansion, across all channels they sell into. Forty-three percent said their organizations plan to establish such a role over the next 12 months, while 89% of respondents stated their organizations plan to have such a role within 24 months.

- **Decision-makers recognize the increasing importance of revenue operations to meet goals as an individual, team, department, and company.** Eighty-six percent noted that revenue operations is important to meet their organizations' goals; 81% noted the importance of revenue operations in meeting their teams' goals; and, critically, 78% noted revenue operation's importance in meeting their personal goals (see Figure 2).

Figure 2

"To your best estimation, how important is revenue operations to the following entities today (e.g., helps them meet their goals)?"

● Very important　　　● Important　　　● Somewhat important

● Not very important　　　● Not at all important
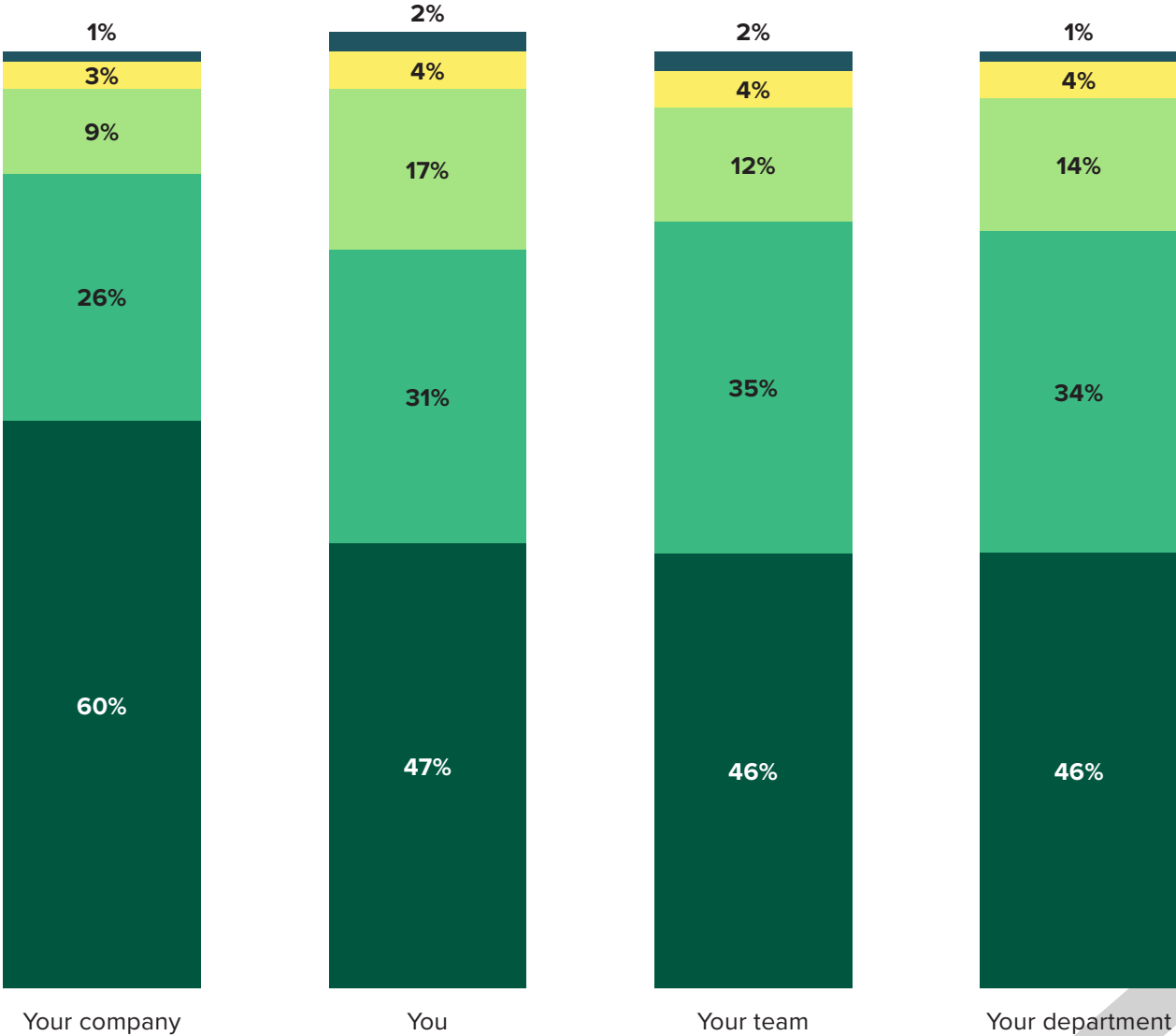
Note: Percentages may not total 100 because of rounding
Base: 927 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021

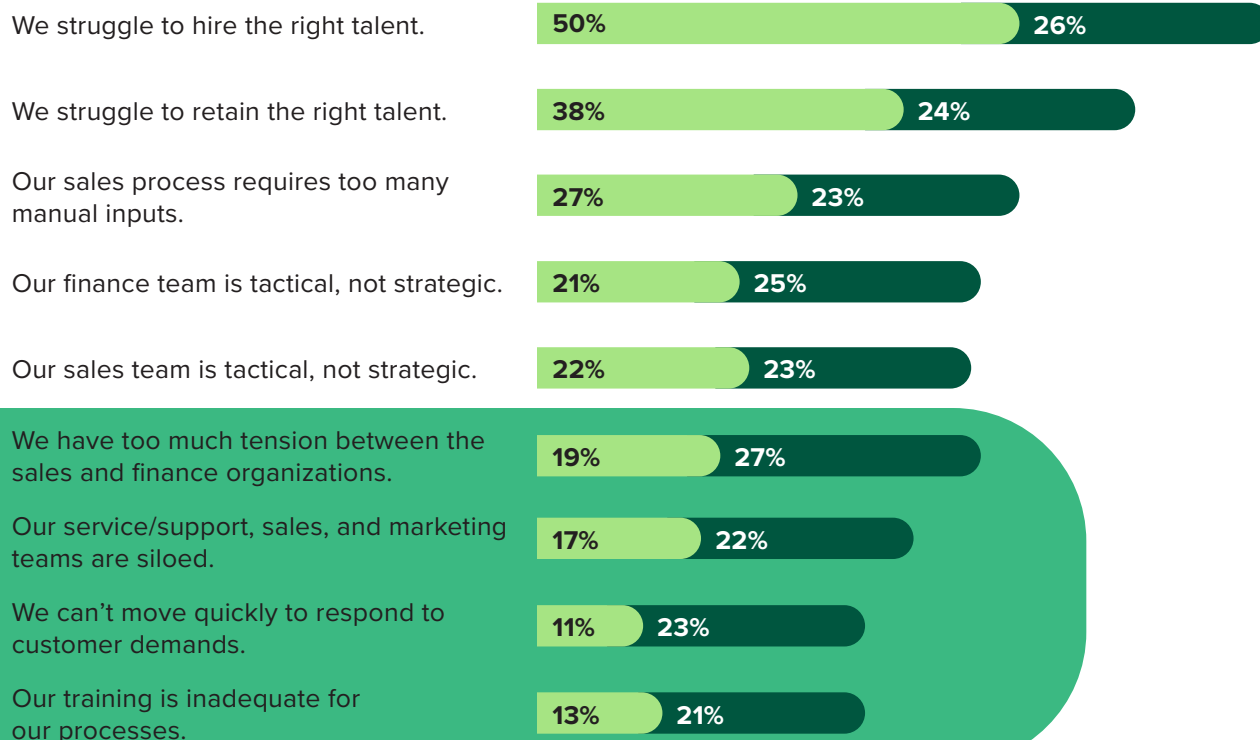## There Is A Gulf Between Revenue Operations Awareness And Execution

Putting RevOps into practice is a challenge. Only 41% of decision-makers were "Very confident" in their understanding of revenue operations, underscoring the gap between the theory and practice of revenue operations. There is a distinct gulf between those that have fully embraced RevOps and those that have simply rebranded existing sales or finance teams. The disconnect of true revenue operations (i.e., high maturity) and revenue operations theory (i.e., low maturity) showed just how far many organizations need to grow to become fully mature.

- **Only a third of respondents noted that their teams are completely aligned in critical functions.** Only 38% of respondents noted that their organizations' marketing, sales, finance, support, and customer success teams have completely aligned technology management functions. Even fewer noted complete strategy and planning alignment (37%) and data management (36%). Crucially, just 31% noted that their organizations' measurement, analytics, and insights are completely aligned — meaning that most teams don't have access to fundamental data needed to develop cohesive strategic plans.

- **Low maturity organizations are more likely to struggle with foundational issues.** Ninety-four percent of decision-makers surveyed struggled with people-specific challenges, most commonly hiring and retaining the right talent for their organizations. However, low maturity organizations also struggle to break through silos, work through cross-team tensions, and adequately train their teams on processes (see Figure 3). The disconnect between mature RevOps organizations and low maturity ones is most prominent in their enterprise speed. Respondents from low maturity organizations reported an inability to move quickly to customer demands two times more frequently than high maturity RevOps organizations.

Figure 3

"Which of the following people-specific challenges do you face as an organization today?"

● High   ● Low

We struggle to hire the right talent.
50%   **26%**

We struggle to retain the right talent.
38%   **24%**

Our sales process requires too many manual inputs.
27%   **23%**

Our finance team is tactical, not strategic.
21%   **25%**

Our sales team is tactical, not strategic.
22%   **23%**

We have too much tension between the sales and finance organizations.
19%   **27%**

Our service/support, sales, and marketing teams are siloed.
17%   **22%**

We can't move quickly to respond to customer demands.
11%   **23%**

Our training is inadequate for our processes.
13%   **21%**

Base: 927 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021

- **The majority of organizations struggle with process-related issues, but low maturity organizations acutely struggle with basic processes.** Ninety-two percent of surveyed decision-makers struggle with process-related obstacles today. Most commonly, their organizations struggle to adapt to customer needs, accurately measure success, and gain insights from data. This is amplified at low maturity organizations, which are two times more likely to be out of compliance with their revenue requirements and also struggle with identifying how and where revenue leakage occurs (see Figure 4). Since low maturity organizations likely don't have good collaboration and alignment across goals, technology, and strategic planning, it's no surprise that they struggle with fundamental revenue recognition and management processes.

Figure 4

"Which of the following process-related challenges do you face as an organization today?"

● High ● Low

We struggle to adapt to customer needs.
37% | **22%**

We struggle to accurately measure our success.
30% | **22%**

We struggle to gain insights from our data.
30% | **20%**

Goal setting for teams takes a long time.
23% | **16%**

We struggle to have a unified goal across teams.
26% | **19%**

We have limited alignment across teams' success metrics.
17% | **20%**

We lack demand management, opportunity management, or customer lifecycle management process governance.
13% | **19%**

We are unable to launch new business models or channels.
14% | **17%**

We can't accurately identify where and how revenue leakage occurs.
12% | **17%**

We're frequently out of compliance with our revenue requirements.
10% | **20%**

We have too much revenue leakage.
9% | **14%**

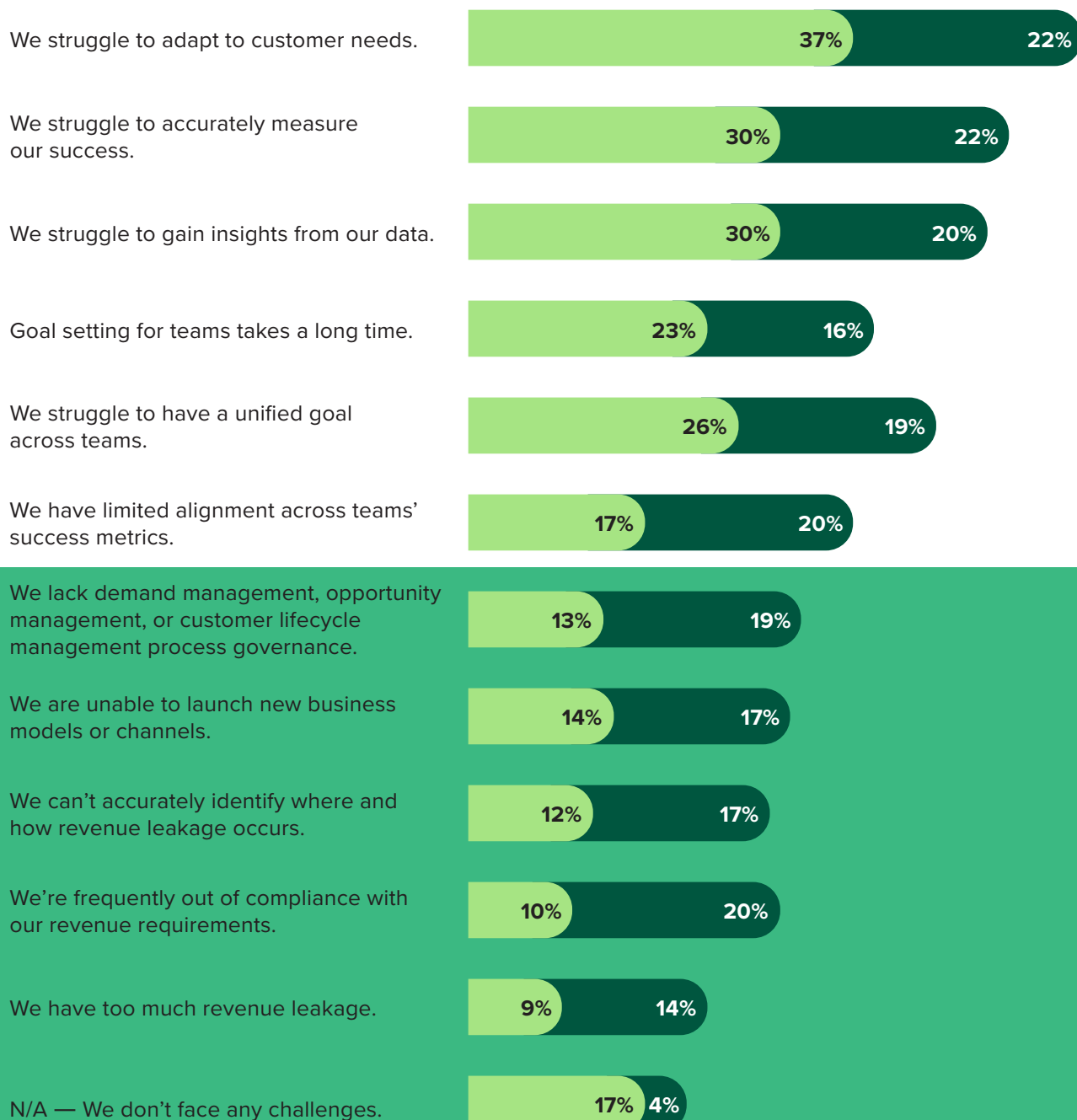N/A — We don't face any challenges.
17% | **4%**

Base: 927 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021

- **While most experience technology challenges, low maturity firms struggle on basic data input.** As the common refrain goes, "garbage in, garbage out" when it comes to data management. Fundamentally, low maturity organizations are more likely to struggle to share data across different teams' tools, have poor data quality, and have too many SKUs compared to high maturity firms. Without these basic pillars of data management, low maturity organizations cannot expect to build comprehensive strategic revenue operations plans.

High Revenue Operations Maturity Drives Agility And Business Growth

All decision-makers — at high and low maturity firms alike — recognize that they must evolve their approaches to revenue operations to become an agile organization, which meets it's customers where they are and how they demand. Of those who don't have revenue operations today, nearly 60% reported planning to stand up a revenue operations function within the next 12 months. Two-thirds plan to stand up a revenue operations function within the next 24 months. As new revenue operations teams are established and low and medium maturity organizations develop their functions, it's critical that these teams focus on what matters most: strong collaboration and alignment across goals, technology, strategic plans, and customer data.

- **Regardless of maturity, businesses were driven to establish a revenue operations function to create more agile businesses.** Across all maturity levels, the most commonly noted drivers for a revenue operations function were to increase revenue growth, make sales more effective, and improve process agility/go-to-market strategy. These drivers speak to the cross-functional underpinnings of revenue operations functions — creating one cohesive quote-to-cash department helps build adaptive enterprises.

- **RevOps functions drive more revenue growth than expected.** Pre-RevOps firms and RevOps firms alike anticipate revenue growth when standing up a RevOps function. Pre-RevOps firms reported anticipating a 2% uplift in revenue growth, while RevOps adopters experienced a 3% uplift in growth (see Figure 5). Establishing a revenue operations function builds a more aligned and agile business, which can result in even higher revenue growth than anticipated.

Figure 5

"What do you expect the impact on your revenue to be?* To the best of your knowledge, what was your pre-revenue ops revenue growth compared to your post-revenue ops growth?"
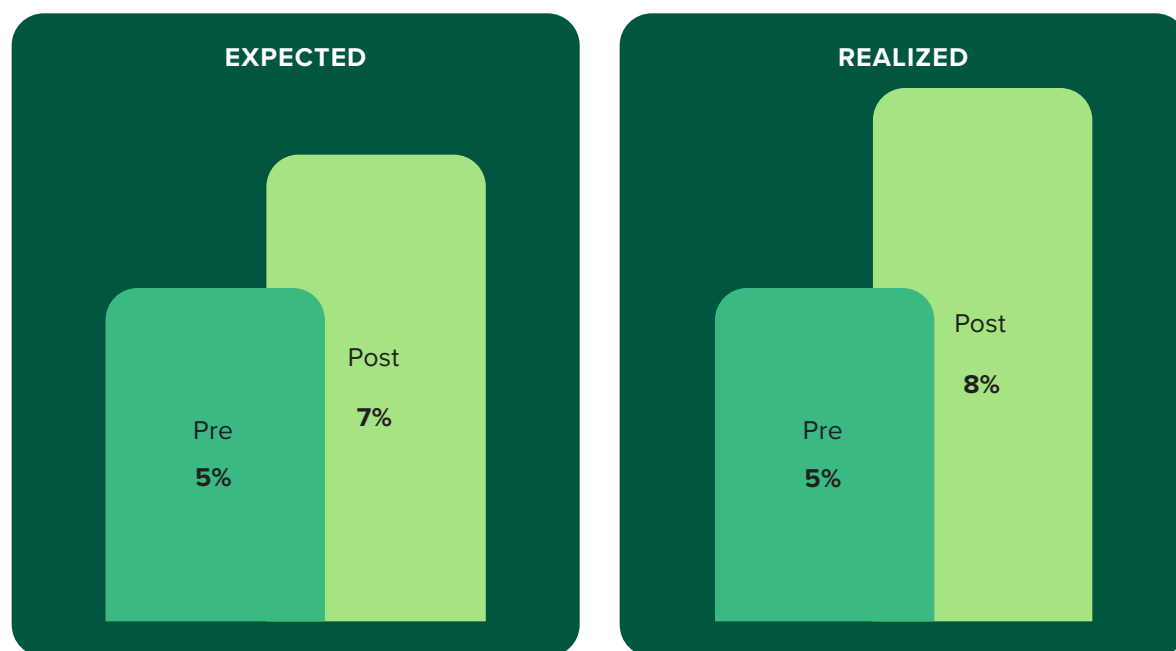
*Base: 169 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations who do not currently have a revenue operations function, but plan to set one up
Base: 742 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations who have or use to have a revenue operations function
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021
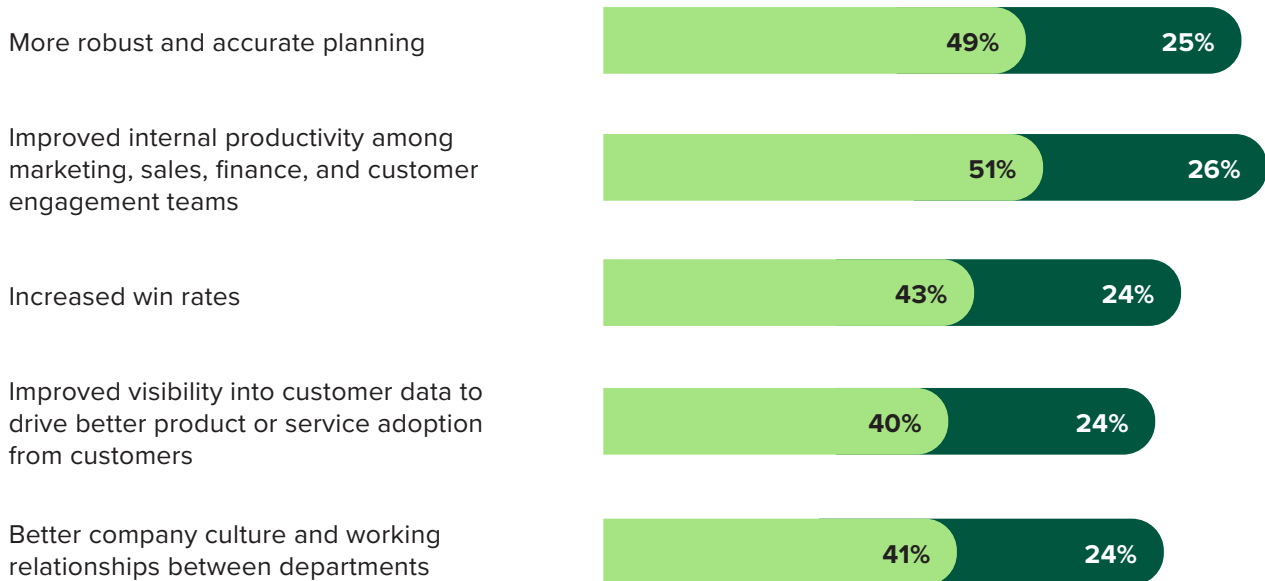
- **Unified revenue operations departments have more accurate planning and increased productivity.** The top anticipated benefit of RevOps for those firms in the planning phases is improved visibility into customer data, allowing them to drive better product or service adoption from customers. Improved internal productivity among marketing, sales, finance, and customer engagement teams was the next anticipated benefit. For those firms that already have an established function, the top benefits realized include more robust and accurate planning and improved internal productivity among teams. An agile business requires a cohesive revenue operations foundation to break down silos and make all teams more effective in their roles.

- **High maturity organizations are twice as likely to see benefits.**
  Simply having a revenue operations function is not enough. Strong collaboration, alignment, and a single source of customer data are necessary to reap the benefits of revenue operations (see Figure 6). RevOps is a fundamental cultural shift in how teams work together — it's not simply an organizing model.[1] Highly mature revenue operations teams are nearly two times more likely to report more robust and accurate planning and improved internal productivity than low maturity teams are, further underscoring the critical difference between having a revenue operations team in name only and creating a RevOps function that drives the business forward.

Figure 6

"What are the benefits of having a unified revenue operations department? What are the benefits you expect to realize from having a unified revenue operations department?"

● High ● Low

Benefit	High	Low
More robust and accurate planning	49%	25%
Improved internal productivity among marketing, sales, finance, and customer engagement teams	51%	26%
Increased win rates	43%	24%
Improved visibility into customer data to drive better product or service adoption from customers	40%	24%
Better company culture and working relationships between departments	41%	24%

Base: 892 global director-level or higher decision-makers with cross-departmental insights and awareness of revenue operations who have or are planning to set up a revenue operations function
Source: A commissioned study conducted by Forrester Consulting on behalf of Salesforce, March 2021

- **Maturity does not impact time to stand up a RevOps function.**
  Nearly a quarter of survey respondents from high maturity organizations
  reported that their organizations have had a revenue operations
  function for five or more years, compared to just 6% of low maturity
  teams. This indicates that there is a correlation between maturity and
  tenure. However, when asked how long it took to stand up a revenue
  operations function, there were no significant differences between
  maturity cohorts. Fifty-four percent of respondents from high maturity
  organizations reported taking six months to two years to stand up
  their team, compared to 60% of respondents from low maturity
  organizations. The challenge of improving RevOps functions shouldn't
  intimidate medium or low maturity firms, though, and non-adopters can
  begin their journey with confidence.

Key Recommendations ⟶

Key Recommendations

Modern businesses have adopted multiple monetization models and plan to add more. On average, businesses are selling across three channels, and planning to further expand. Meanwhile, competition, disruptive forces, and continuously rising customer expectations pile on more pressure to adapt and move quickly in an ever-changing market. RevOps is about driving alignment across all functions critical for revenue management including acquisition, retention, and growth.

Forrester's in-depth survey of 927 global decision-makers yielded several important recommendations:

Take a comprehensive view of the revenue lifecycle

Even low maturity RevOps firms see revenue growth from their alignment efforts. But the chasm between firms with some RevOps functions and firms experiencing mature alignment across the organization is wide. Mature RevOps firms do better across six dimensions: collaboration, goal alignment, technology alignment, strategic plan alignment, the availability of a single source of truth, and a role responsible for the success of revenue growth across all the channels they sell into. The more far-reaching the RevOps function, the better the benefits are across planning, productivity, and revenue growth, among others.

Don't leave billing operations out of your revenue operations journey

The first step in the RevOps journey is getting clarity on what it is, along with what it means for your business, your team, and you. It's a popular concept with varying definitions and applications. A lack of confidence in the concept will stoke inertia and impede progress. But don't make your RevOps story just about sales and marketing; billing operations and finance own a crucial part of the customer experience and revenue lifecycle but are too often left out of the RevOps transformations.

Get started unifying your revenue operations strategy and adjust along the way

There is no one right revenue operations leadership or organizational structure. Large firms may find a federated model works best, while smaller scaling organizations may find it easier to stand up a centralized RevOps group. Organizations should aim for operational alignment across marketing, sales, customer support, customer success, and finance. All mature RevOps organizations prioritize a unified view into the customer experience and revenue lifecycle. But RevOps is a journey, and any progress will result in some benefits. For example, some first steps may be a process audit for misalignment or developing a cross-operations partnership. These can be followed by finding cross-operational synergies and customer lifecycle signals the correlate with revenue growth.

Appendix A: Methodology

In this study, Forrester conducted an online survey of 927 respondents in the US, the UK, Germany, France, Australia, and New Zealand to explore the state of revenue operations teams. Survey participants included decision-makers in finance, customer service or support, operations, customer experience or success, marketing, and sales. Respondents were offered a small incentive as a thank-you for time spent on the survey. The study began in March 2021 and was completed in March 2021.

Appendix B: Demographics

REGIONS	
United States	**55%**
United Kingdom, Germany, France	**34%**
Australia, New Zealand	**11%**

COMPANY SIZE	
500 to 999 employees	**17%**
1,000 to 4,999 employees	**56%**
5,000 to 19,999 employees	**22%**
20,000 or more employees	**5%**

RESPONDENT LEVEL	
C-level executive	**21%**
Vice president	**29%**
Director	**50%**

BUSINESS MODEL	
B2B only	**25%**
Business to business to consumer (B2B2C)	**32%**
Mix of B2B and B2C	**44%**

INDUSTRY	
Technology	**14%**
Financial services	**13%**
Architecture, engineering, or construction	**11%**
Manufacturing	**9%**
Professional or business services	**8%**
Communications	**7%**
Automotive	**7%**
Healthcare	**6%**
Retail	**5%**
Life sciences or biotechnology	**5%**
Energy and utilities	**5%**
Supply chain and logistics	**4%**
Consumer product goods	**4%**
Media and entertainment	**2%**
Other	**1%**

Note: Percentages may not total 100 because of rounding.

DEPARTMENT	
Finance and accounting	**27%**
Customer service or support	**24%**
Operations	**22%**
Customer experience or customer success	**12%**
Marketing and advertising	**11%**
Sales	**5%**

DOES YOUR ORGANIZATION HAVE A FORMAL REVENUE OPERATIONS CAPABILITY?	
Yes	**78%**
No, but we plan to have one in the future.	**19%**
No, but we used to have one.	**2%**
No, we've never had one and never plan to.	**1%**

Note: Percentages may not total 100 because of rounding.

Appendix C: Endnotes

[1]Source: Anthony McPartlin, "B2B Revenue Operations Is Seeing Greater Centralization, But Can Organizations Make It Stick?," Forrester Blogs (https://go.forrester.com/blogs/b2b-revenue-operations-is-seeing-greater-centralization-but-can-organizations-make-it-stick/).

FORRESTER®