

THE STATE OF PRESALES

BENCHMARK REPORT

The 2024 Report

vivun.

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Introduction

The role of PreSales has evolved into a strategic linchpin that bridges the gap between product innovation and customer satisfaction. As organizations navigate an era defined by rapid technological advancements, changing market dynamics, and heightened customer expectations, the efficacy of the PreSales function has become pivotal in shaping the overall success of organizations.

Welcome to the **State of PreSales**, a comprehensive analysis that delves into the current trends, challenges, and best practices shaping the PreSales function. This report serves as a compass, guiding industry leaders, practitioners, and stakeholders through a landscape where innovation, efficiency, and customer-centricity are paramount.

Our goal for this report is to provide an insightful overview of the prevailing PreSales ecosystem, shedding light on trends, key performance indicators, and best practices that set high-performing PreSales teams apart. By reviewing this report, organizations can harness the full potential of their PreSales functions to drive revenue growth, enhance customer experiences, and foster lasting client relationships.

Throughout this report, we explore the evolving nature of PreSales in the context of people, processes and technology.

We also address the impact of economic headwinds in B2B tech, as well as the rise and impact of PreSales software, offering actionable insights that organizations can leverage to stay ahead in an ever-changing environment.

We invite you to uncover the strategies that successful organizations employ to navigate challenges, capitalize on opportunities, and elevate their PreSales function to new heights.

About the Research

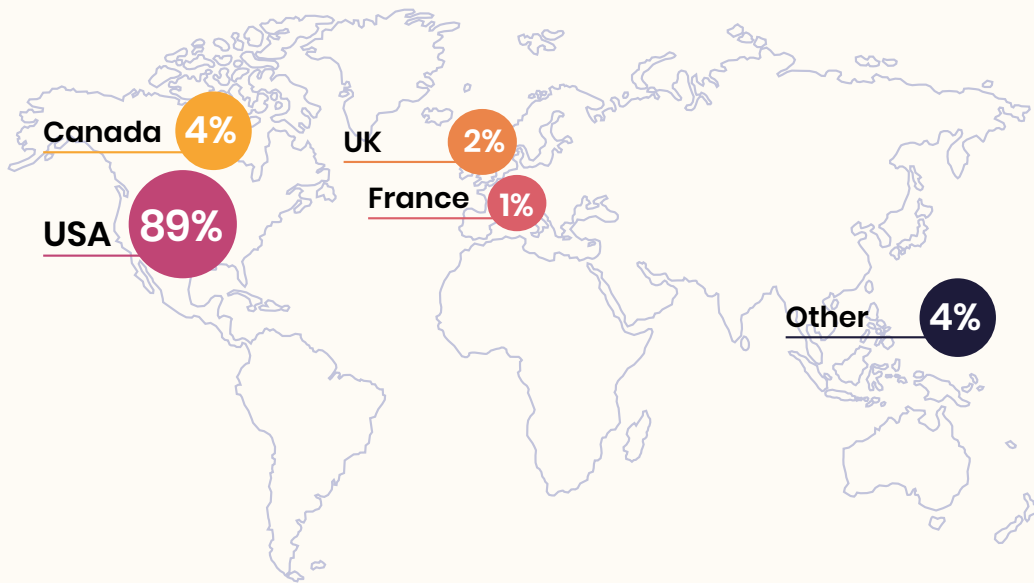
The data in this report was collected from a survey collected from November 9th to December 6th; generating 145 responses.



Our Respondents

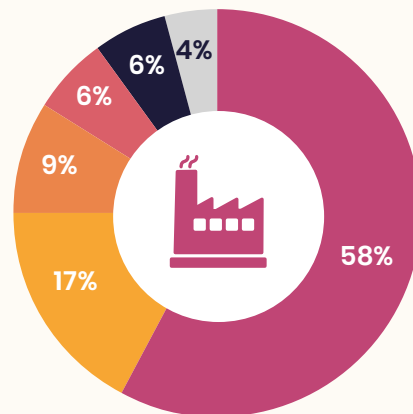
145

Countries



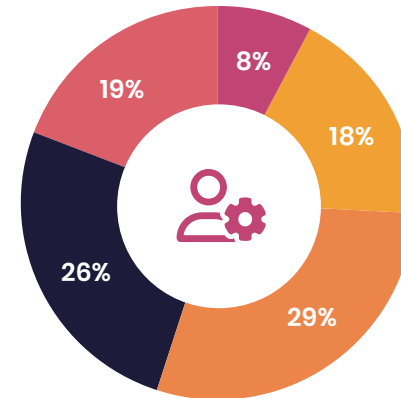
Industries

- Software
- Tech
- IT Services
- Telecomm
- Financial Services
- Manufacturing



Role

- Supervisor / Team Lead
- Manager
- Director
- Vice President
- Executive

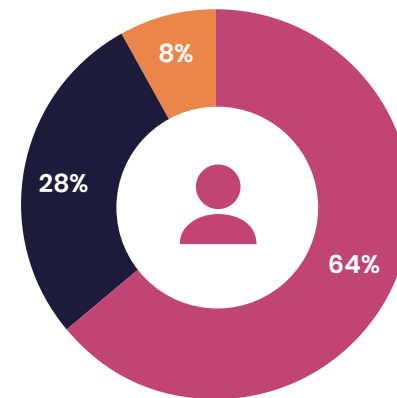


Mean Years of Experience

11.54

Primary Go-to-Market Model

- Sales-Led
- Product-Led
- Customer-Led

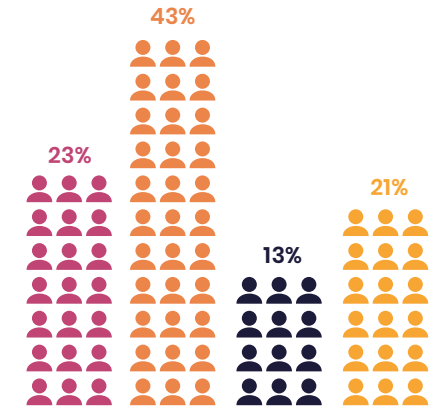


Approx Annual Growth Rate

23%

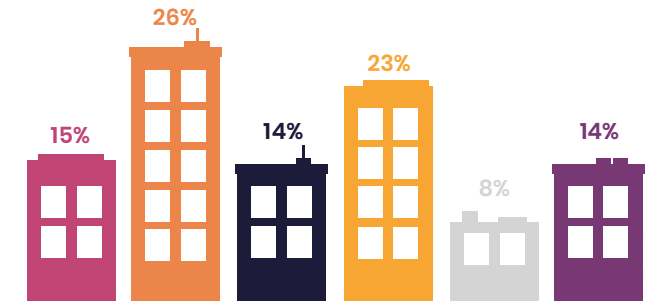
Employees

- 500-999
- 1000-4999
- 5000-9,999
- 10,000



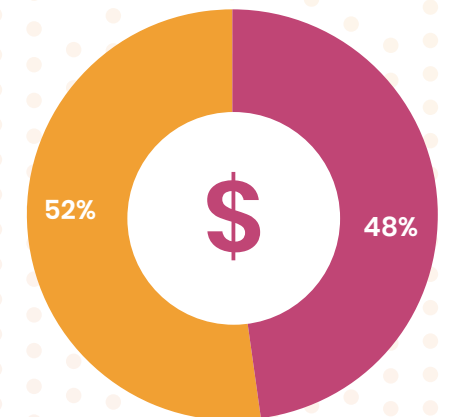
PreSales FTEs

- 5-10
- 11-30
- 31-50
- 51-100
- 101-250
- 250+



Consumption-Based Pricing

- Yes
- No

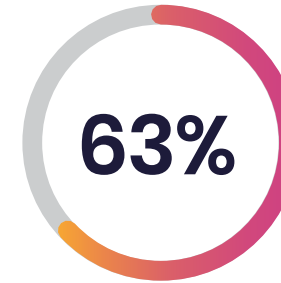


Executive Summary

Our research has identified three pivotal themes that are increasingly crucial for PreSales Leaders seeking to enhance Product and Go-to-Market execution and maximize their overall business impact:

PreSales Supporting “Post Sales” Activities

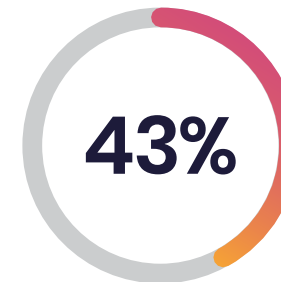
PreSales teams are undergoing a notable shift as they extend their roles beyond initial sales activities to actively support post-sales efforts. Recognizing the significance of the entire customer lifecycle, PreSales professionals are playing a crucial role in ensuring seamless transitions from sales to implementation and ongoing customer success.



63% of respondents supporting customer retention and expansion Activities

Increasing PreSales Budgets

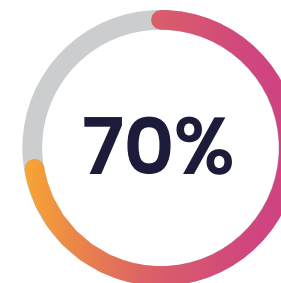
In the upcoming fiscal year, there is a discernible trend where PreSales leaders are securing higher budgets, indicating a strategic recognition of the pivotal role they play in driving product fit, revenue and customer satisfaction.



43% of respondents leaders expect higher budgets than last fiscal year

PreSales Insights Unlock New Opportunities

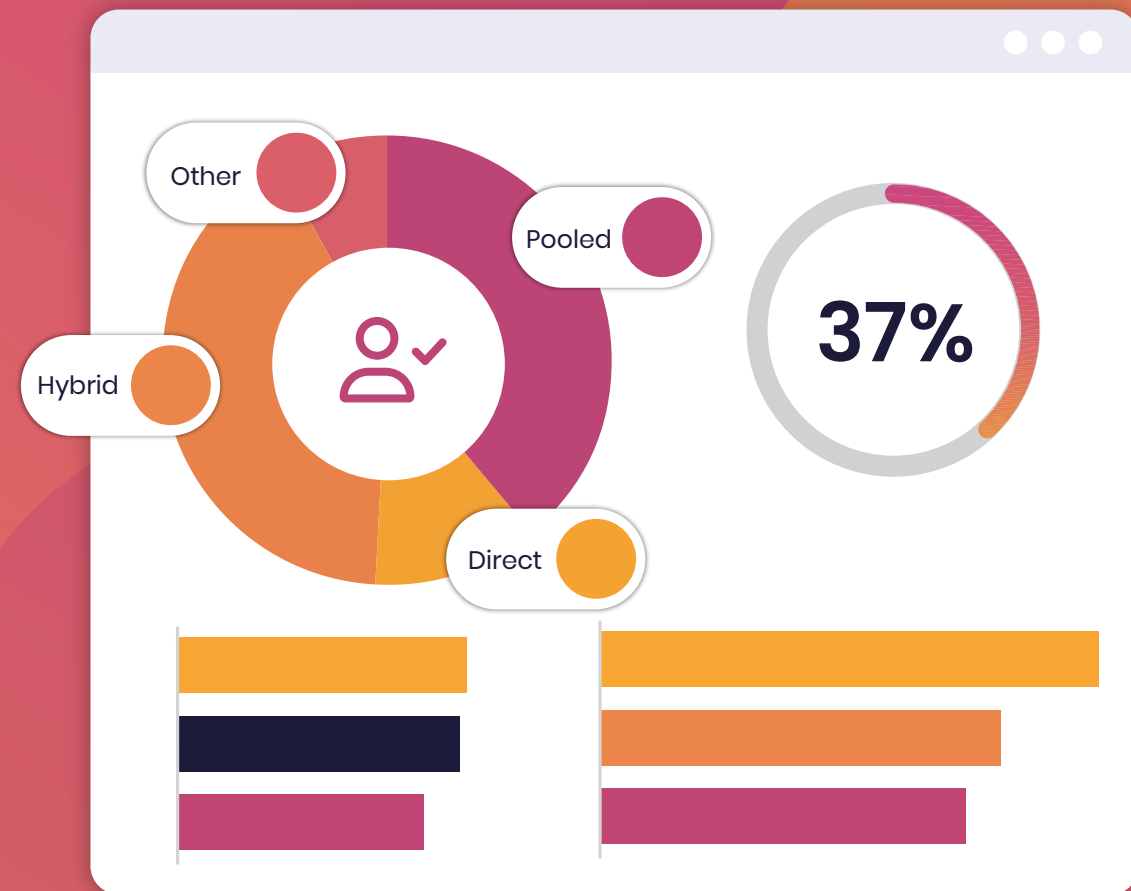
PreSales leaders recognize the need to demonstrate impact beyond just the number of demos delivered, particularly as they work to secure more budget and resources. A wider range of impact metrics now include correlating PreSales activities to business outcomes.



70% of respondents find the KPIs required to demonstrate PreSales impact difficult to obtain

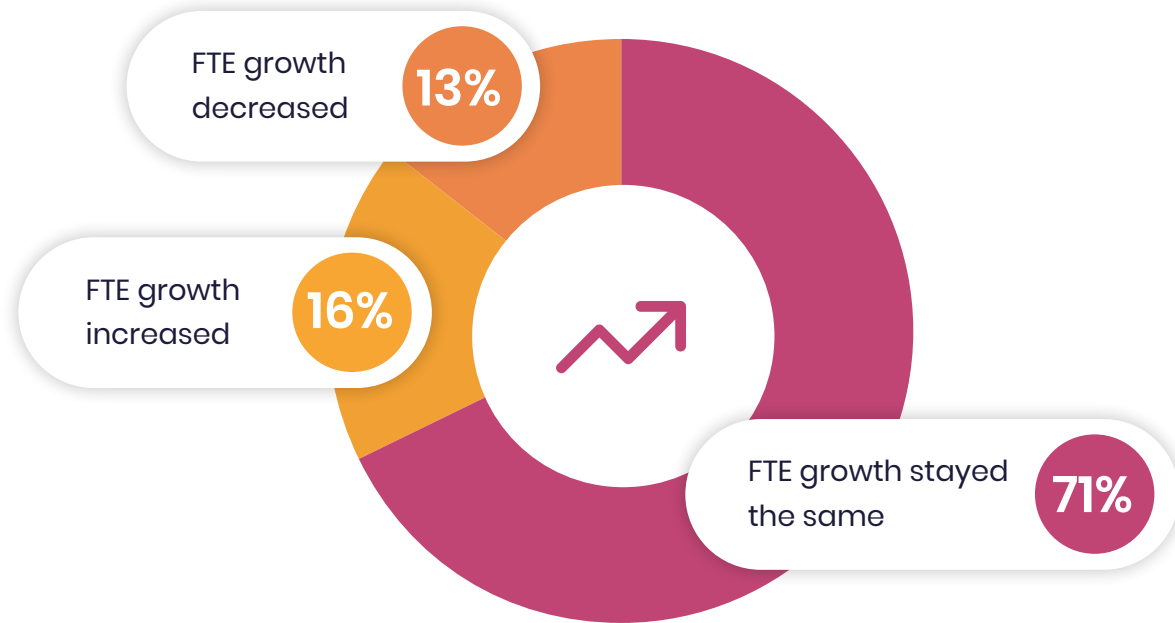
Organizational Structure

PreSales teams were not immune to the challenges presented by the economic downturn in 2023. 68% of organizations reported declining revenue growth compared to the previous three years, with PreSales team growth declining or staying steady for 84% of respondents.





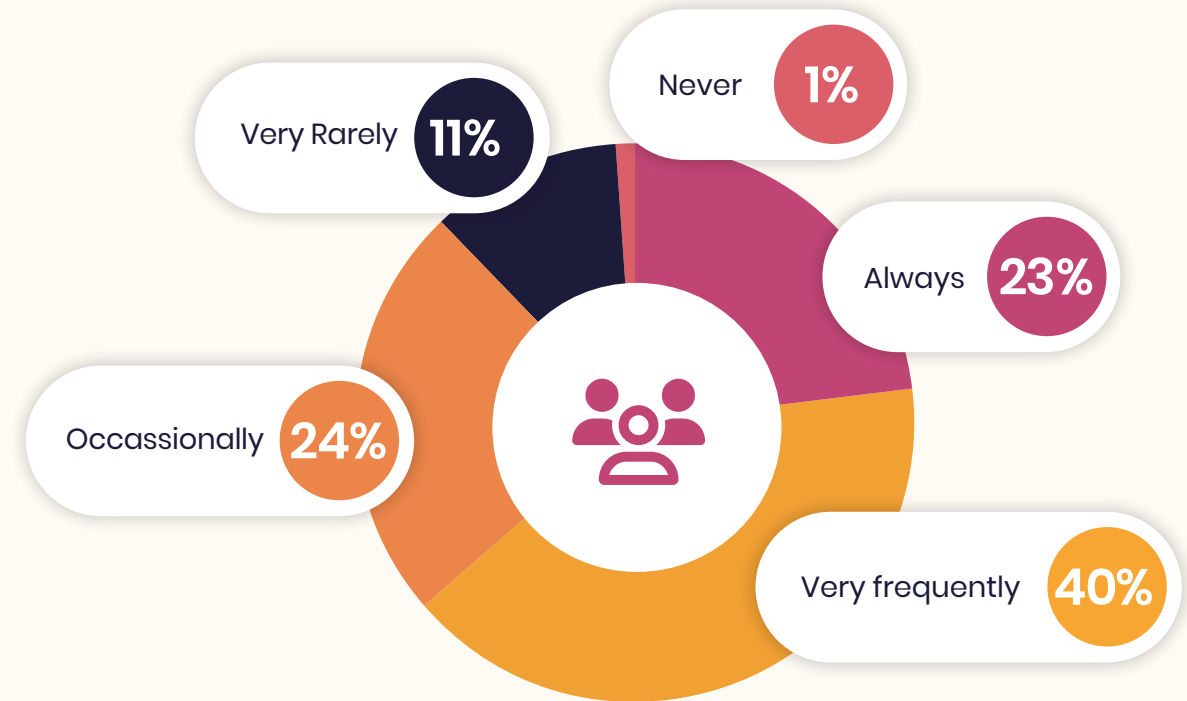
In the last 3 years vs. the past year, what has been the approximate percentage of FTE growth for the PreSales / Sales Engineering team?



71% maintained their current team sizes, relative to growth rates of the last 3 years. Only 18% experienced a reduction in team size, suggesting possible adjustments in response to operational changes or efficiency measures. Conversely, 16% of PreSales departments observed an expansion in their teams, indicating a strategic focus on bolstering resources to meet growing demands or capitalize on new opportunities.



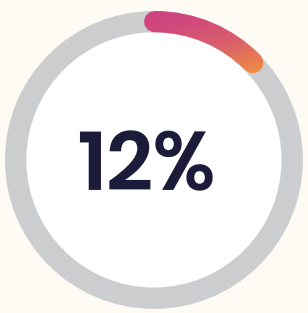
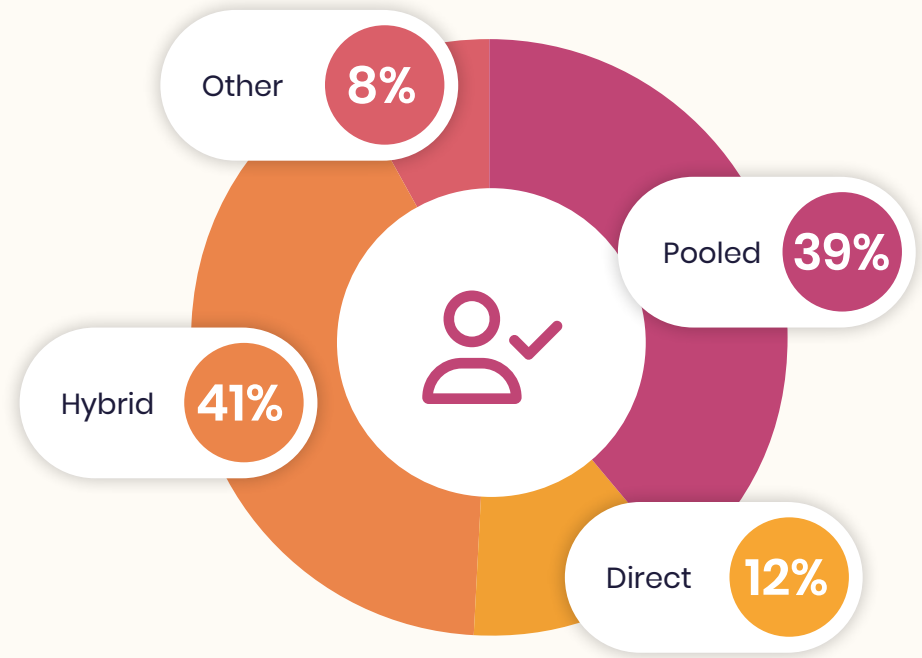
Does your PreSales / Sales Engineering Team support Customer Retention and Expansion activities?



Our research highlighted a significant broadening of the responsibilities within Sales Engineering, particularly in the realm of supporting Customer Retention and expansion initiatives. This evolution underscores the department's growing role in cultivating and sustaining long-term customer relationships. The expanded remit showcases the increasing strategic importance of Sales Engineering beyond traditional sales functions.



How does your organization assign PreSales / Sales Engineers to Sales Reps / Account Executives?



To support Sales, the majority of PreSales teams leverage a Hybrid or Pooled alignment model, with only 12% leveraging a Direct alignment model.

Direct

A method in which pre-sales resources are assigned directly to specific sales teams or individuals based on predetermined criteria, ensuring a dedicated and targeted support structure for each team's unique needs.

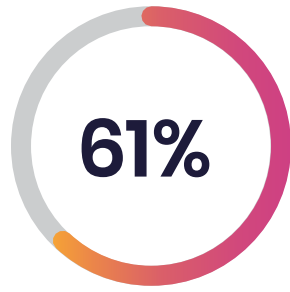
Pooled

A model where resources are pooled together and shared among multiple sales teams or individuals, allowing for flexibility and resource optimization as teams draw from a common pool based on their current demand or requirements.

Hybrid

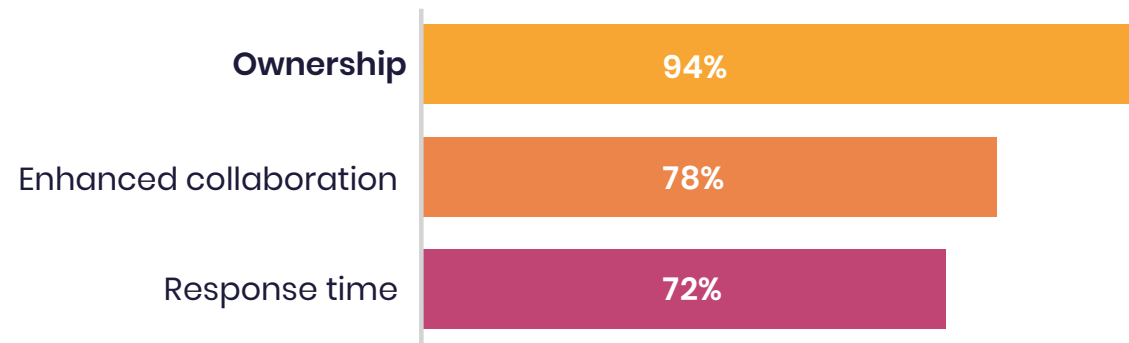
An approach that combines elements of both direct and pooled allocation models, providing a balanced strategy that allows for dedicated support when needed while also leveraging shared resources for efficiency and adaptability in response to varying workloads or priorities.



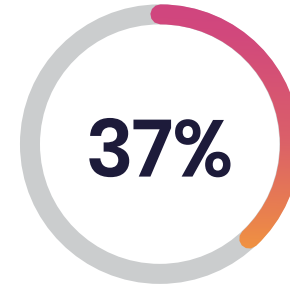
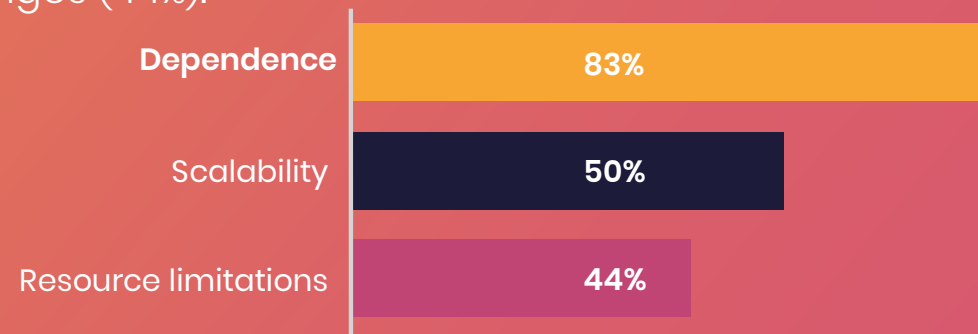


61% of respondents in a direct model are highly satisfied with their approach.

Respondents in a direct model cited ownership (94%), enhanced collaboration (78%) and response time (72%) as primary benefits of the model,

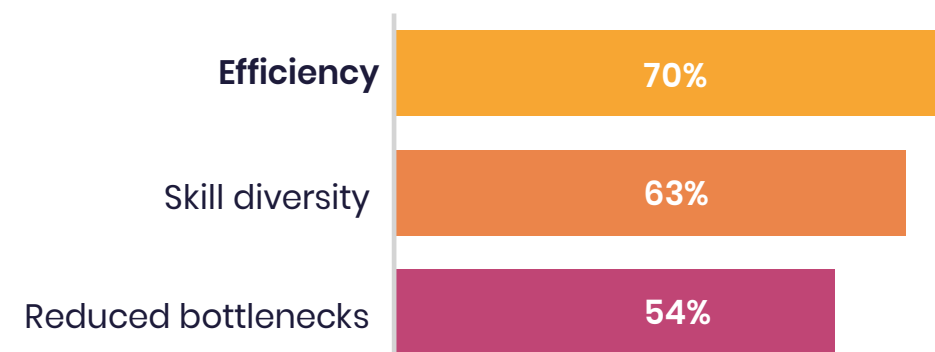


Respondents using a direct model also identified the risk of over dependence (83%), scalability (50%), resource limitations as their primary challenges (44%).

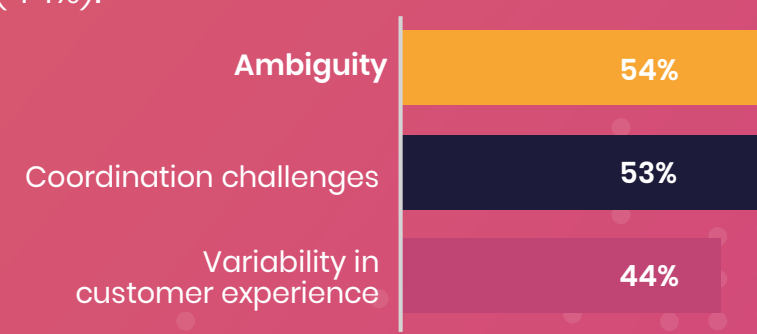


37% Only 37% of respondents in a pooled model are highly satisfied with their approach.

Respondents in a pooled model cited efficiency (70%), skill diversity (63%), and reduced bottlenecks (54%) as the primary benefits of the model,



Respondents using a pooled model also identified the ambiguity (54%), coordination challenges (53%), and variability in customer experience (44%).





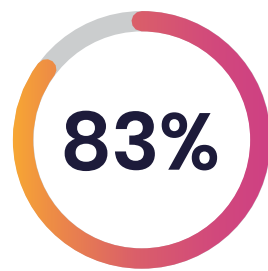
Moving forward

PreSales teams are undergoing significant changes, marked by expanding responsibilities, a flattening of Account Executive to Sales Engineer (AE:SE) ratios, and a lack of a universally ideal alignment model. Sales Engineers find themselves grappling with scaled responsibilities, encompassing a broader array of tasks. The AE:SE ratios, crucial for planning, are moving towards more balanced structures. And despite the absence of a one-size-fits-all alignment model, there is a growing recognition of the importance of establishing a well-tailored framework.

Navigating these changes becomes imperative for organizations seeking optimal synergy between sales and engineering functions, underscoring the need for a strategic approach to alignment.

Budgeting & Planning

PreSales teams are witnessing a notable shift in financial priorities. The surge in the importance of the PreSales function has translated into an upward trajectory in budgets allocated to these crucial teams.



83% of respondents are directly involved in their organization's planning and budgeting process.

Even in the wake of the economic downturn, **44% of respondents involved in the planning and budgeting process expect higher budgets next fiscal year**, and 33% expect their budgets to remain the same.

Q. Is the estimated budget for your PreSales Team in the upcoming fiscal year higher, lower or the same budget for the current fiscal year?



Respondents expecting a higher budget cited the following drivers:



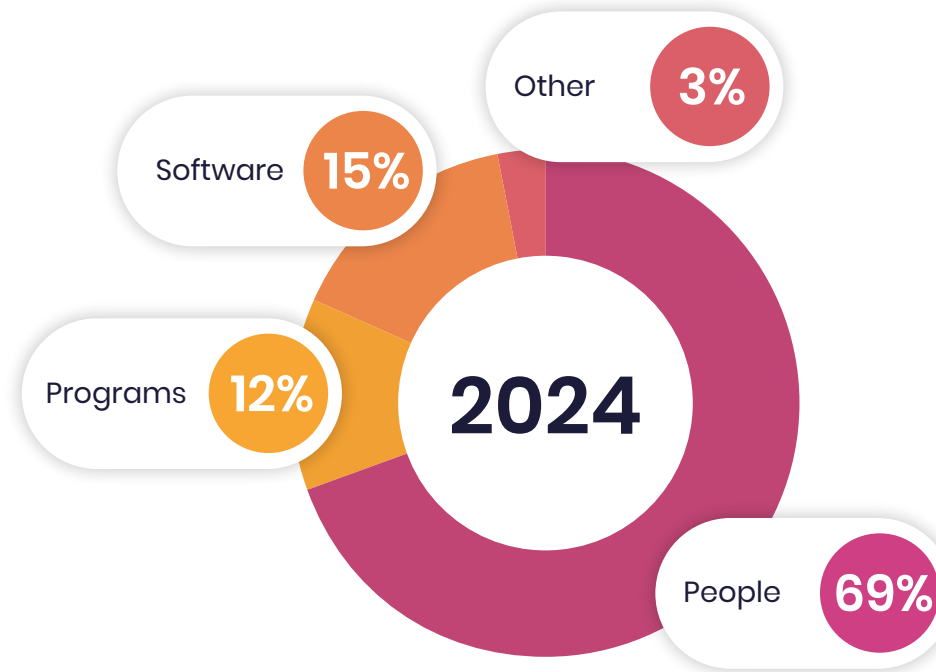
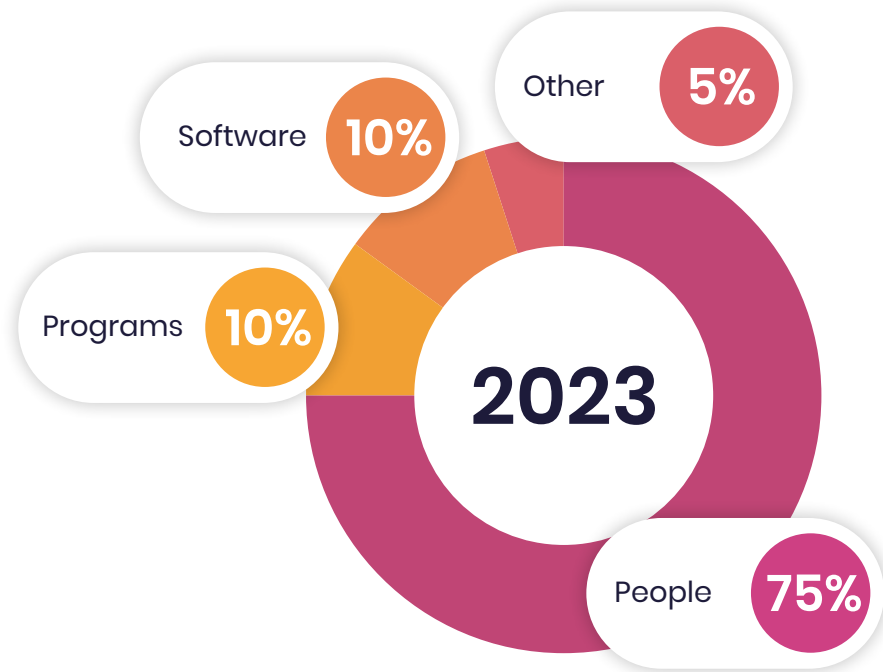
Respondents expecting a lower budget cited the following drivers:



When considering investments across people, programs and software, PreSales leaders intend on shifting their spend towards software.



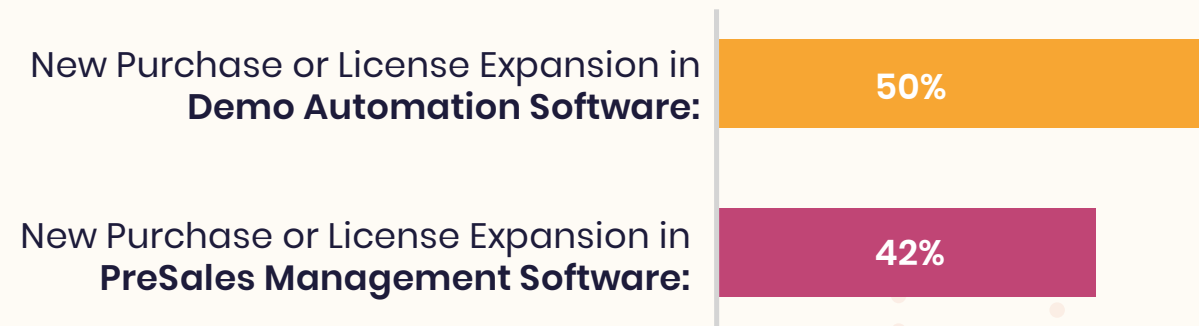
How do you currently distribute your PreSales budget currently vs. How do you plan to distribute your PreSales budget for the next fiscal year?



20% of respondents who are set to increase their investment in software intend to do so on point solutions for the PreSales Team, either with Demo Automation or PreSales Management tools.



You stated that you intend to increase your investment in software. What do you intend to spend the increased budget on?





Moving forward

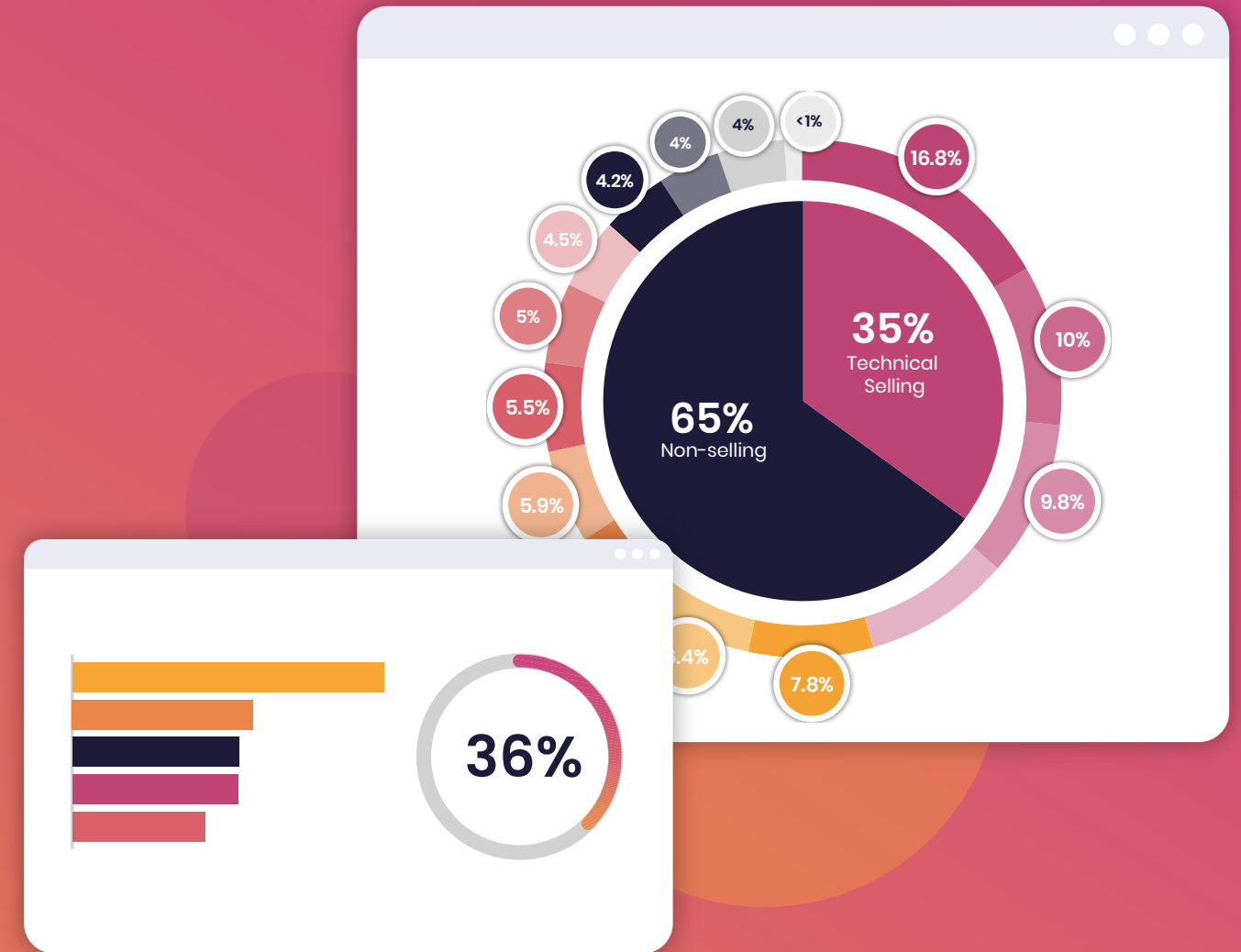
In the face of economic challenges, PreSales leaders are exhibiting resilience by either increasing or maintaining their budgets, showcasing a strategic commitment to their crucial functions. Notably, there is a discernible trend toward directing these budgets towards software investments, highlighting a growing recognition of the need for scalability through automation.

PreSales Time Allocation

PreSales team members have a wide range of responsibilities, with the plurality of their time spent on the activity they were primarily hired to do: product demonstrations. Our research showcases a breakdown of where time is spent on doing more than demos.

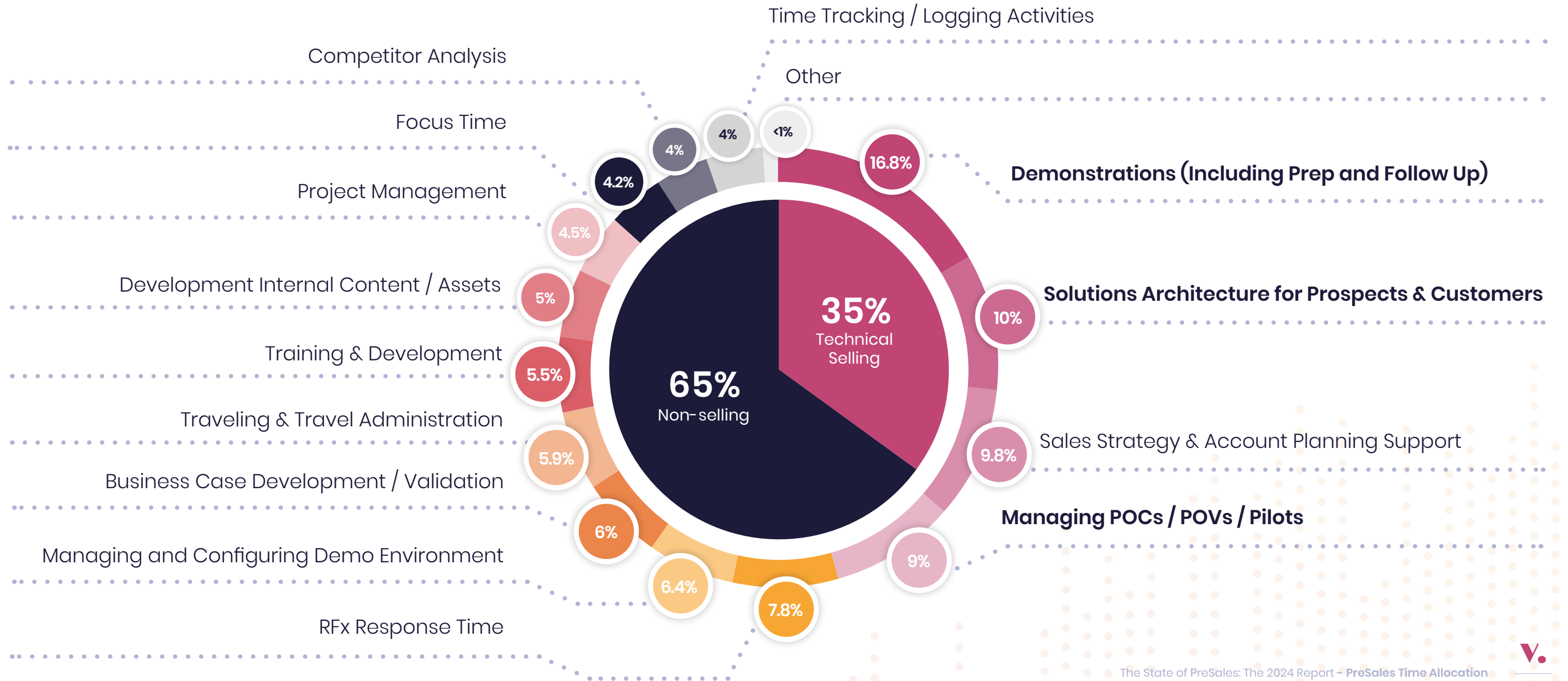


Only 35% of Sales Engineering time is spent Technical Selling.





When considering time spent on activities completed in your organization, please allocate a total of 100 points among the following activities based on how much is spent per week.

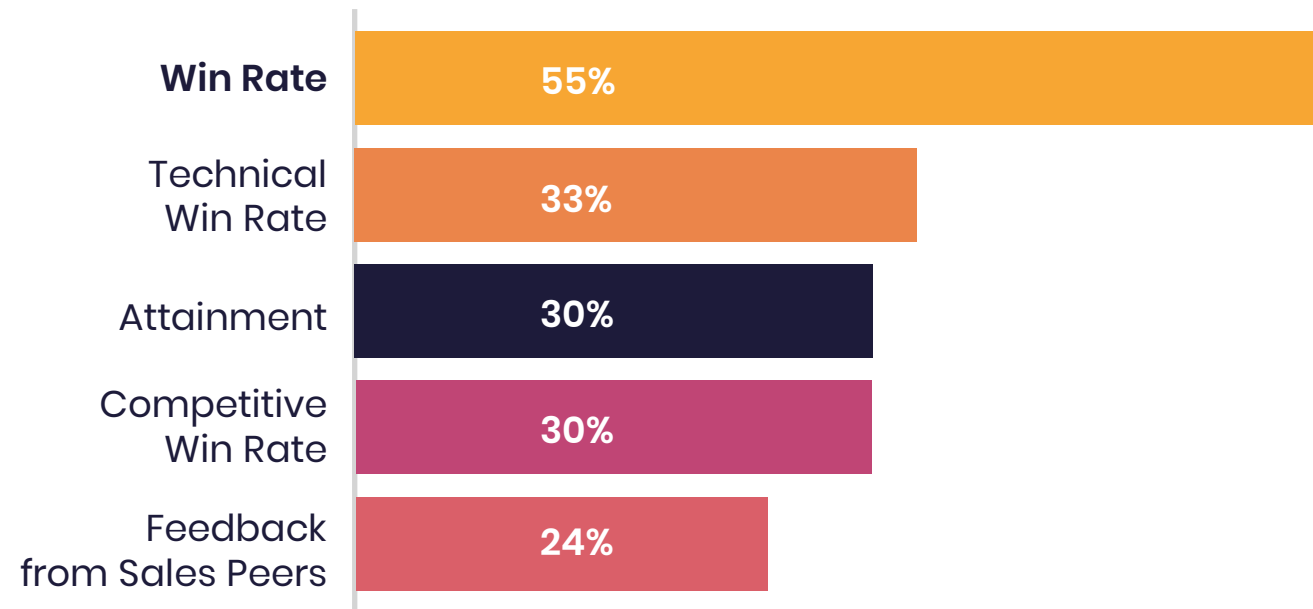


Analytics & Insights

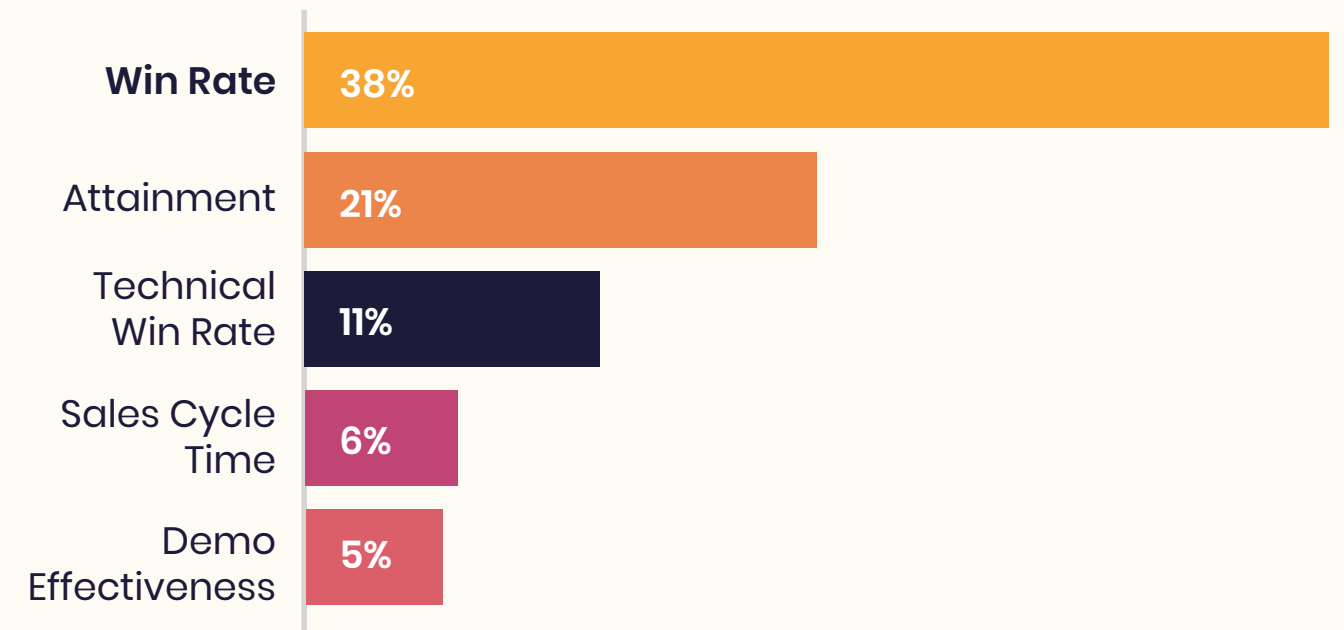
PreSales leaders must measure and evaluate performance, and rely on metrics and key performance indicators to track progress and identify opportunities for improvement.



When considering key performance indicators (KPIs), which of the below metrics are used to measure performance? Please only rank the top 5 most important KPIs.

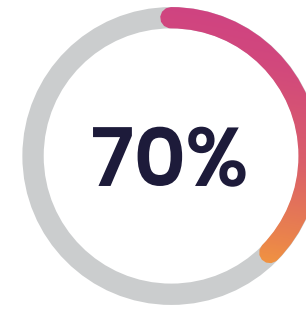


PreSales leaders must also use metrics to demonstrate the business value of their function, and must correlate PreSales activities to business outcomes. While Win Rate, Technical Win Rate and Attainment remain the top three impact KPIs, respondents also see the value of faster sales cycles and demo effectiveness – measured through conversion.



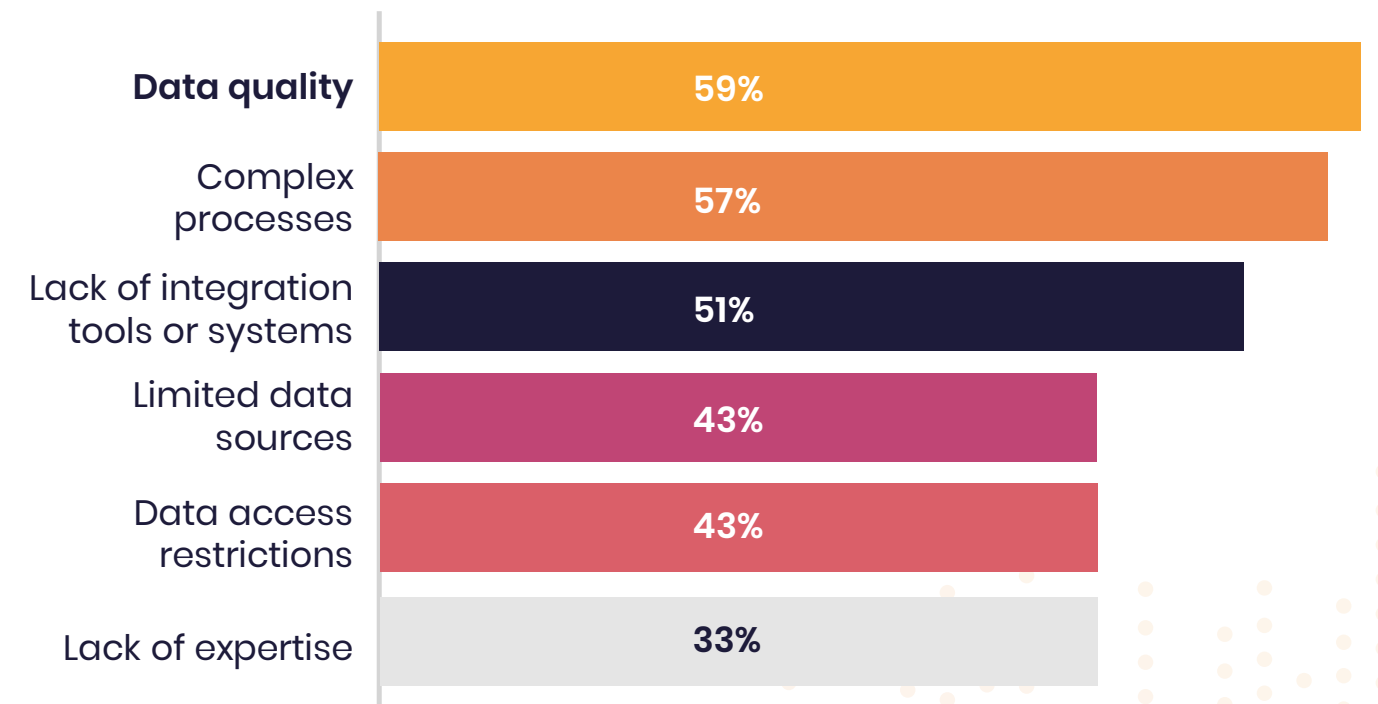
Year over Year PreSales execution across these KPIs is as follows:

	Increased	Decreased	Stay the same
Win Rate	57	21	21
Technical Win Rate	68	11	21
Attainment	53	18	29
Sales Cycle Time Rate	68	11	21
Average Deal Size	54	20	26
Competitive Win Rate	40	28	32
Time w/ Customers	52	23	26



70% of respondents find the KPIs required to demonstrate PreSales impact difficult to obtain

Top contributing factors



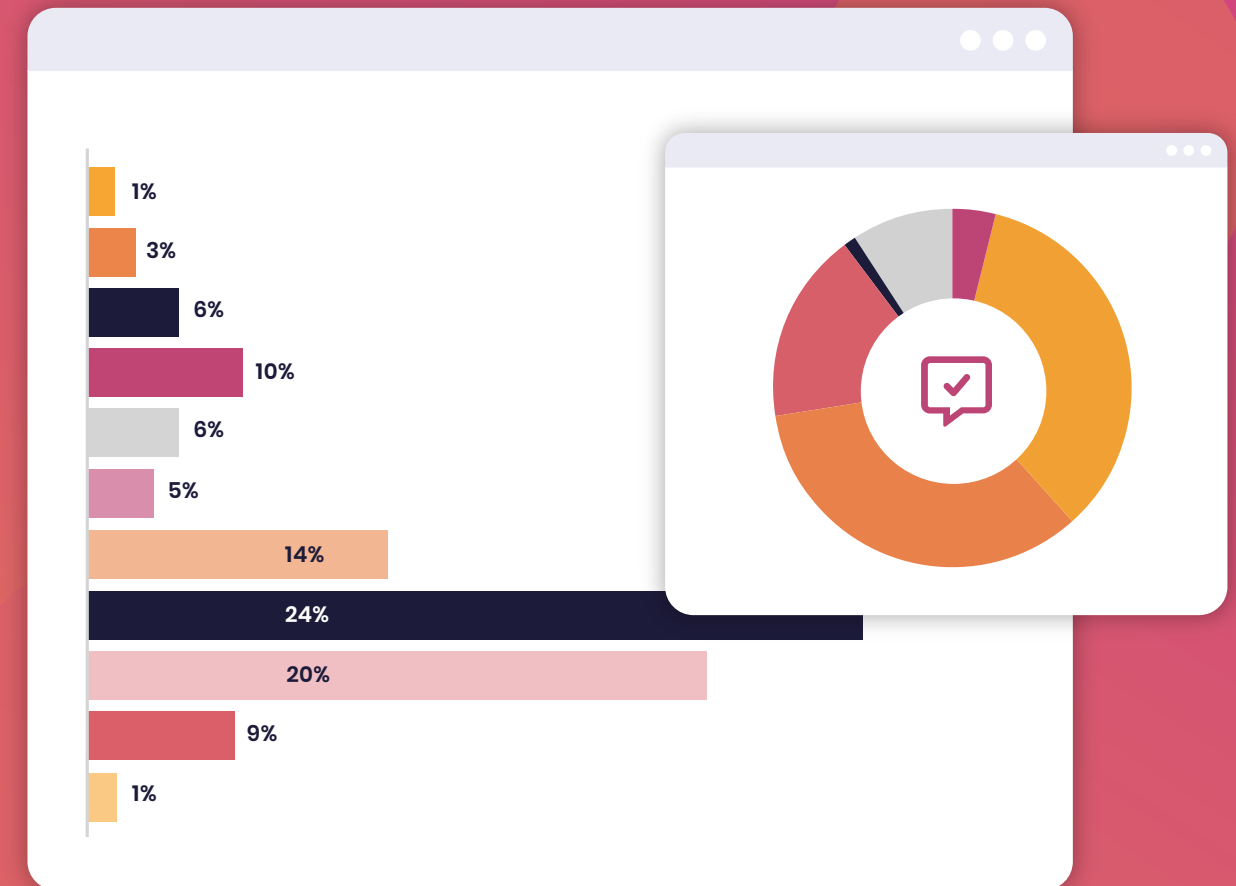


Moving forward

Navigating the landscape of PreSales performance evaluation poses challenges as KPIs and metrics undergo subtle shifts, demanding a nuanced understanding. The metrics essential for PreSales leaders are elusive, making it challenging to attain a comprehensive performance assessment. Acknowledging this complexity, there is an imperative for PreSales teams to invest in tools that facilitate the extraction of these critical insights. Failure to embrace such tools may leave PreSales teams at a disadvantage in demonstrating business value.

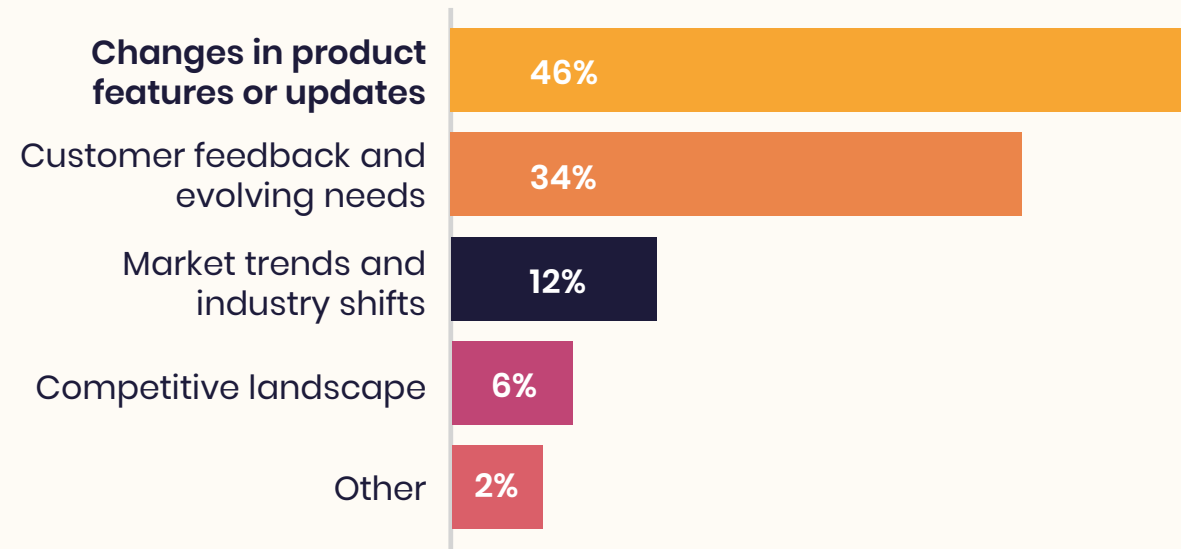
Demos & Product Experiences

While product demonstrations and creating compelling product experiences for prospects and customers are not the only activities Sales Engineers perform, they remain the primary deliverable from Sales Engineers. Products with rapid development cycles move at a pace that Sales Engineers can find difficult to keep up with, which puts go-to-market execution at risk, particularly in competitive markets.





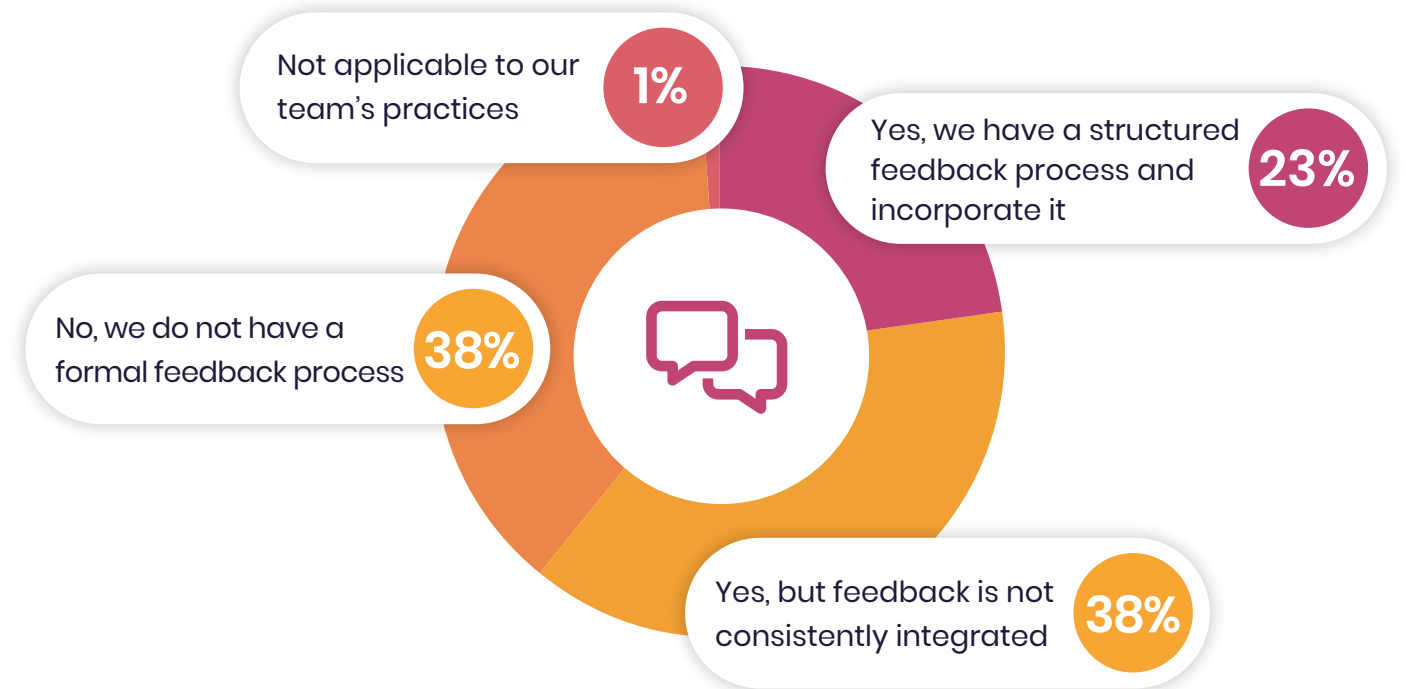
What is the most significant driver for updating the demo process, scripts, and click paths?



Given the critical importance of the product demo, it is interesting that only **23% of PreSales teams** have a structured feedback process and incorporate that feedback regularly.



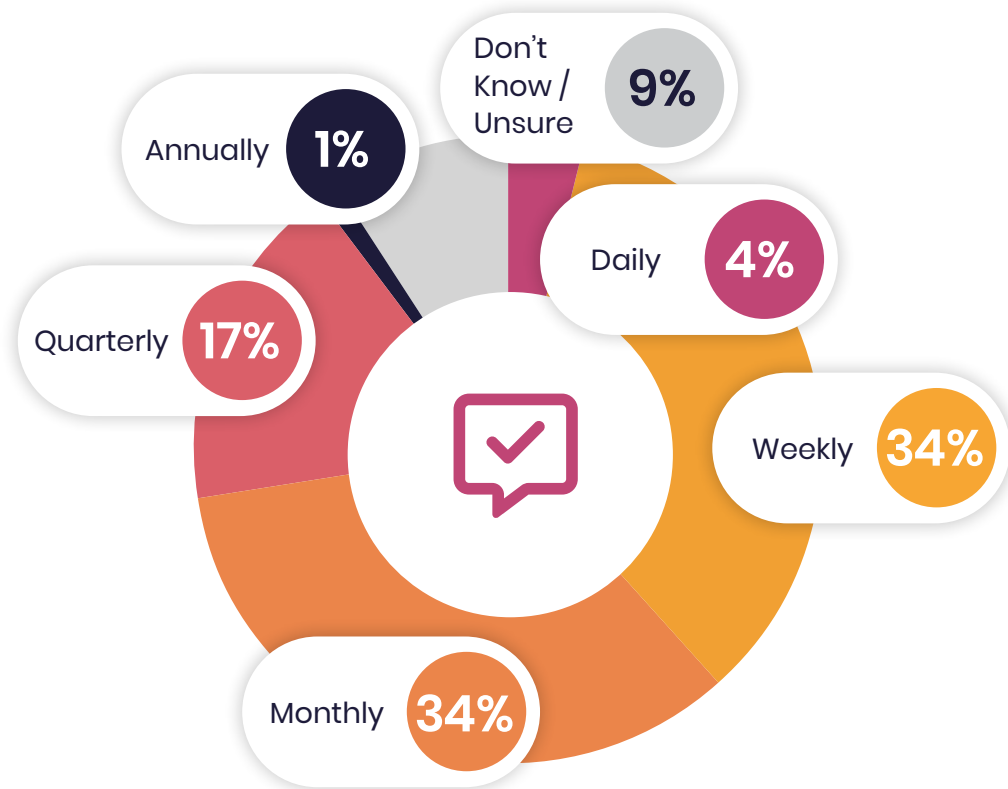
Do you have a structured process for gathering feedback from your sales team and customers regarding the effectiveness of your demo presentations, and how often is this feedback incorporated into updates?



Furthermore, only **38% of teams** are giving feedback and coaching on demos on a weekly or daily basis.



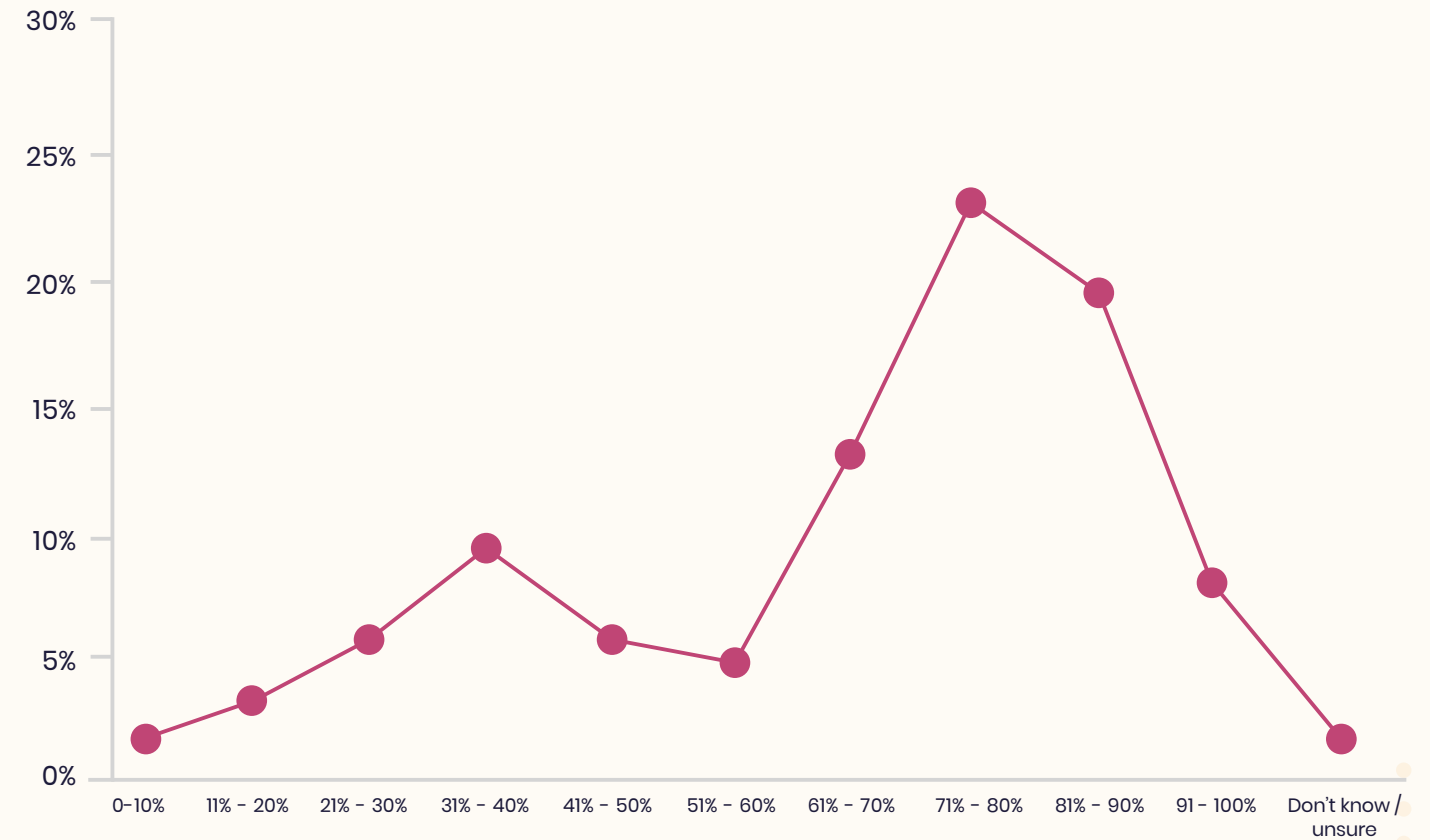
How frequently do PreSales / Sales Engineering leaders in your organization provide coaching and feedback on the demos conducted by their teams?



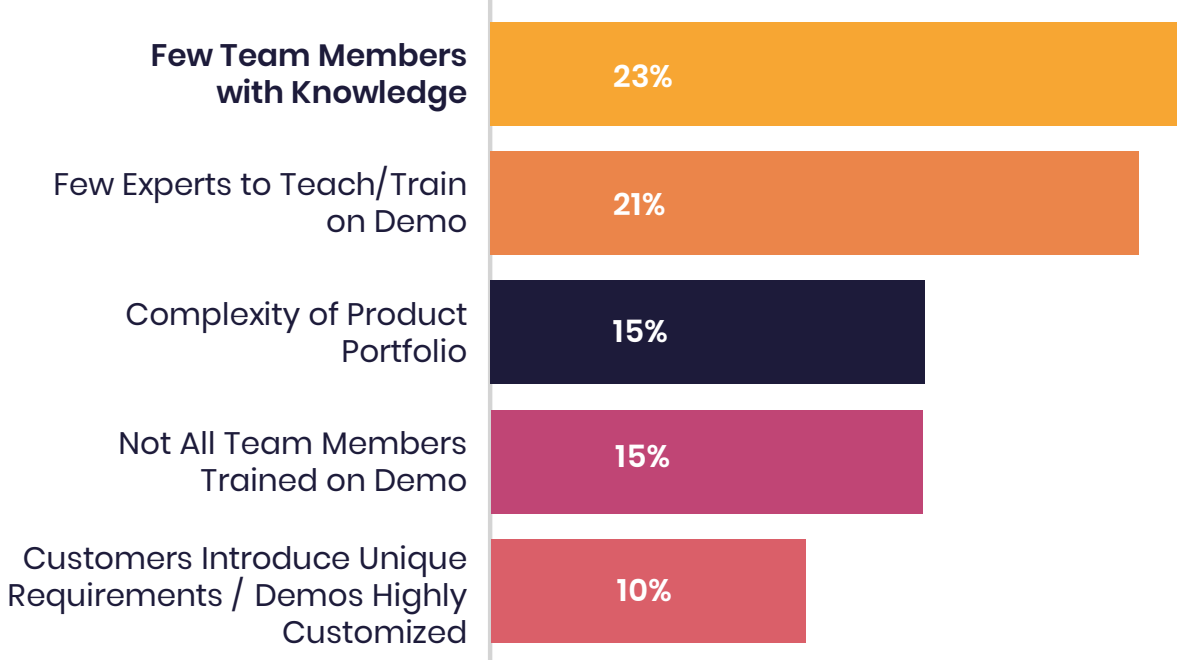
PreSales leaders remain confident in their team’s abilities to deliver a product demo that is 100% congruent with the product’s current unique value proposition.



What percentage of your team members are capable of delivering a product demo that is congruent with the product’s current unique value proposition?



When asked about the challenges associated with delivering a demo congruent with the product's value proposition, PreSales leaders cited a wide range of reasons, with the top five as follows:



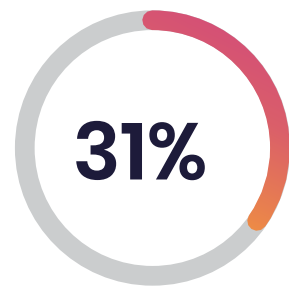
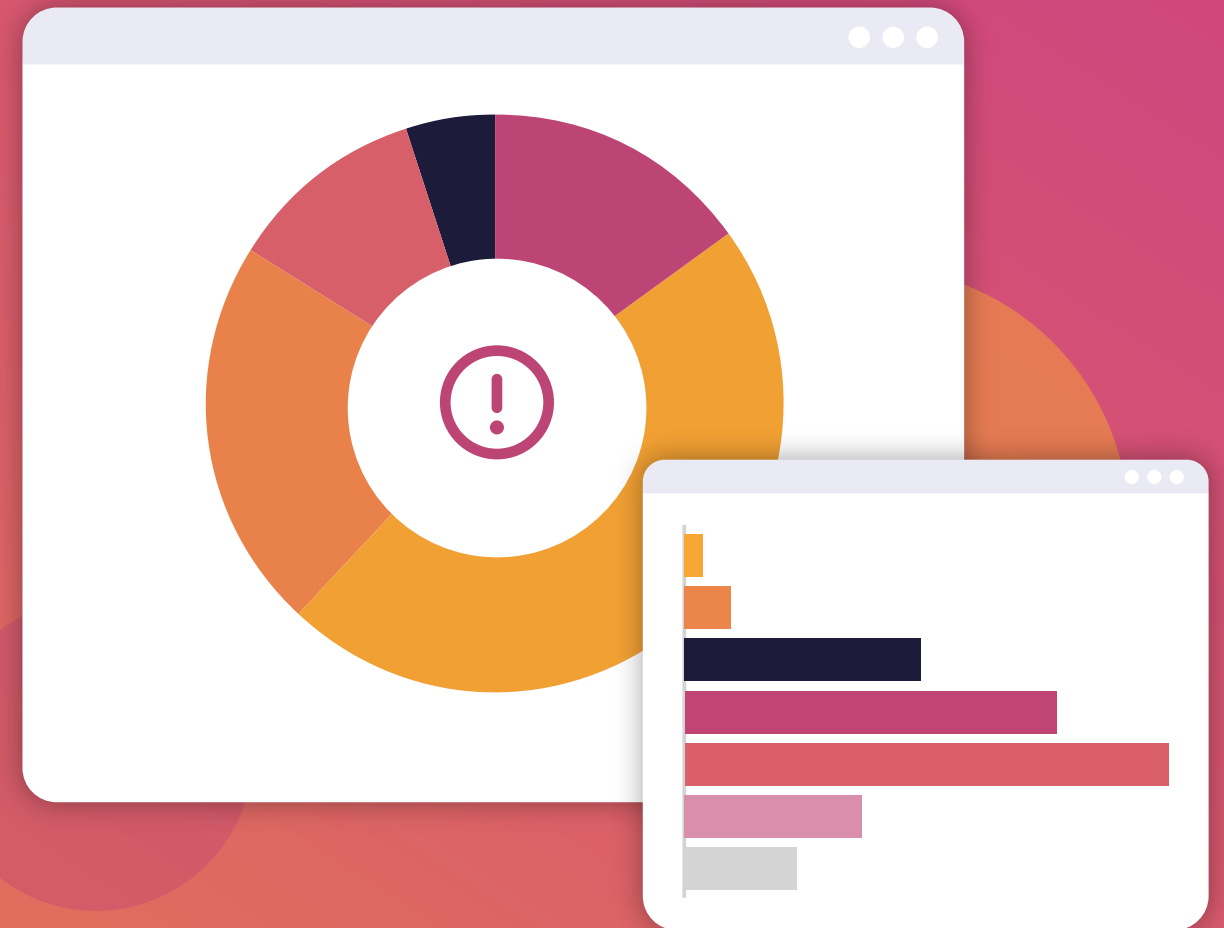


Moving forward

Demos play a pivotal role in the sales process, demanding careful maintenance and strategic planning rather than being left to chance. Establishing feedback loops is essential to continually iterate and enhance the quality of demonstrations. Automation emerges as a valuable ally in this process, allowing for the standardization of low-value demos, thereby enabling teams to concentrate their efforts on delivering high-value, personalized demonstrations that are more likely to resonate with potential clients. This approach not only ensures consistency but also optimizes resources for maximum impact in the dynamic realm of product presentations. It also allows for less experienced PreSales team members to see what a good demo looks like, and incorporate learnings into their demo.

Technical Forecasting

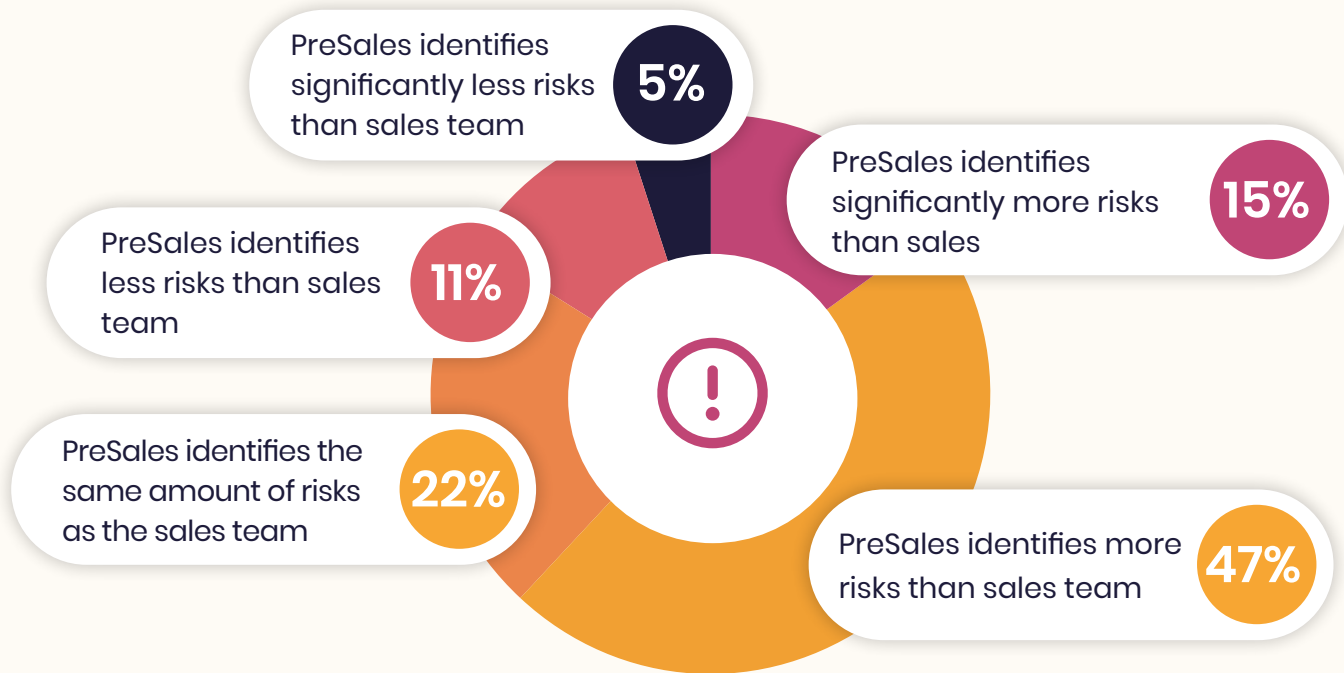
Sales Engineers have proven their value in the sales forecasting process, particularly through the strategic integration of processes and tools. This approach not only provides revenue leadership better visibility, but allows for teams to make adjustments in moving resources away from opportunities unlikely to close as anticipated towards opportunities that would benefit from the technical expertise of Sales Engineers.



31% of respondents indicated that Sales Reps and Sales Engineers make the forecast call together. This pays big dividends, as 62% of respondents indicated that the Sales Engineering team identifies more risks and concerns about opportunities than the sales team does.



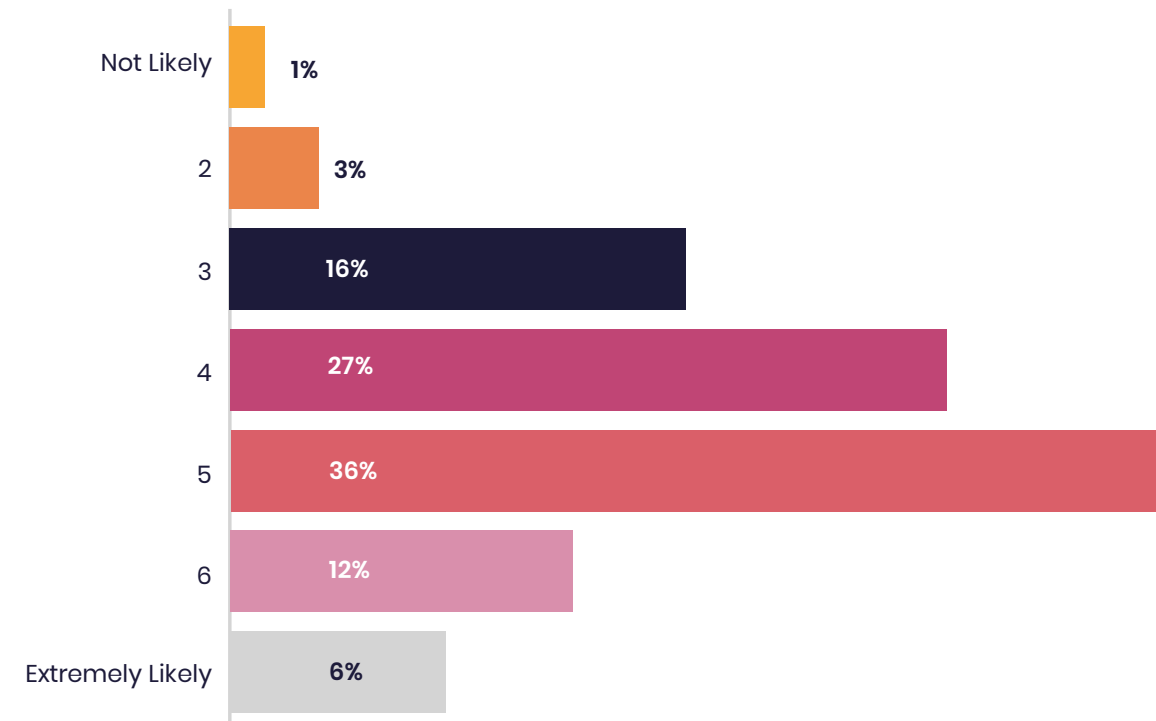
How often does the PreSales / Sales Engineering team identify risks and concerns about opportunities in the sales forecast that were previously unidentified by the sales team?



62% of respondents excel in risk identification for opportunities by leveraging technical expertise and in-depth product knowledge, enabling a more thorough assessment of potential challenges and providing comprehensive insights to mitigate risks effectively.



The majority of respondents are confident on their abilities to mitigate risks and addresses concerns when they are identified through the forecasting process:



PreSales goes beyond risk identification by actively employing technical prowess and product insights to proactively mitigate and eliminate potential risks, ensuring a more robust and successful outcome for opportunities.



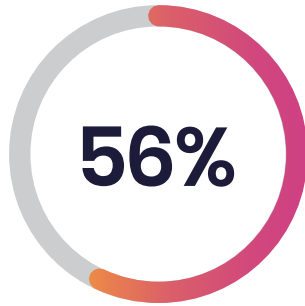
Moving forward

Recognizing the invaluable role of Sales Engineers in the forecast process, their involvement becomes paramount as they possess a unique ability to identify and flag risks that may elude the sales team. Codifying best practices for risk mitigation or elimination is inherently tied to software solutions, making it imperative for presales leaders to invest in these tools. The adoption of such software not only enhances forecast accuracy but also aligns with the strategic interests of Chief Revenue Officers (CROs), underlining the crucial interplay between technology, presales practices, and overall revenue success within organizations.

Product – Field Alignment

The synergy between PreSales and Product Management is a critical component for success. PreSales team members, as frontline representatives interacting with customers on a continuous basis, play a pivotal role in gathering real-time feedback from the market. This feedback loop, established through regular interactions, becomes an invaluable source of insights for Product Managers shaping the product roadmap. The collaborative exchange of information ensures that the development trajectory aligns with market demands, enhances product-market fit, and ultimately contributes to the overall success of the product in meeting customer needs. ever-evolving landscape of product evolution.



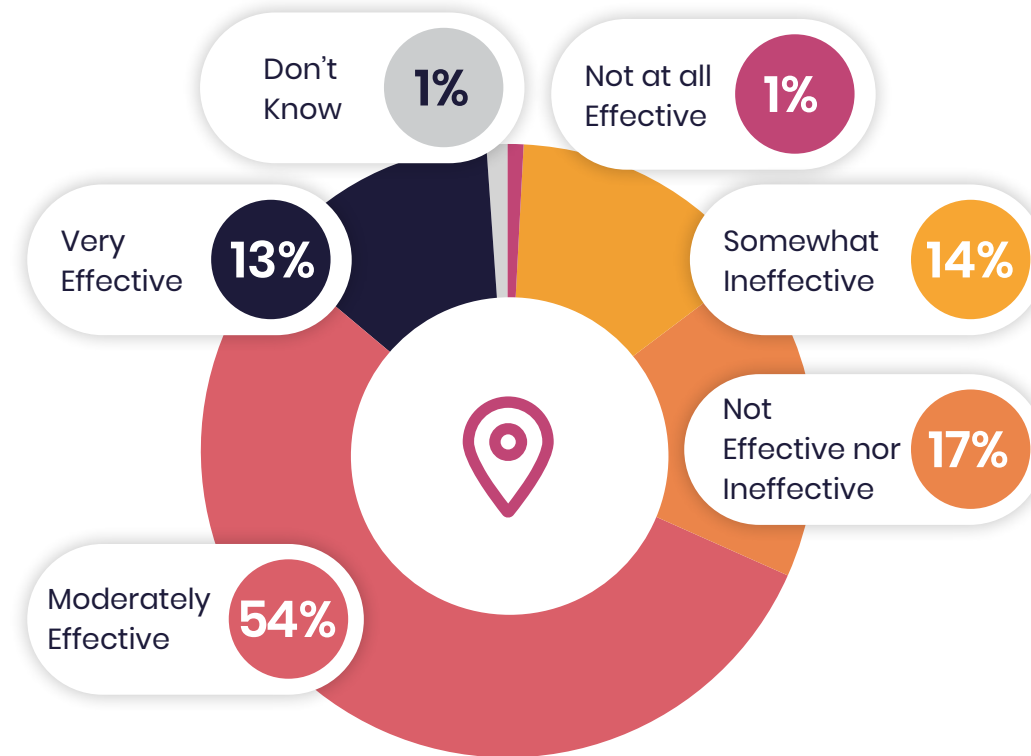


56% of respondents meet with Product Teams on a weekly basis, and 43% use software as a mechanism to provide product feedback.

As Product Teams are inundated with feedback from multiple stakeholders, including customers, it can be difficult for PreSales to see their feedback incorporated into the product roadmap.

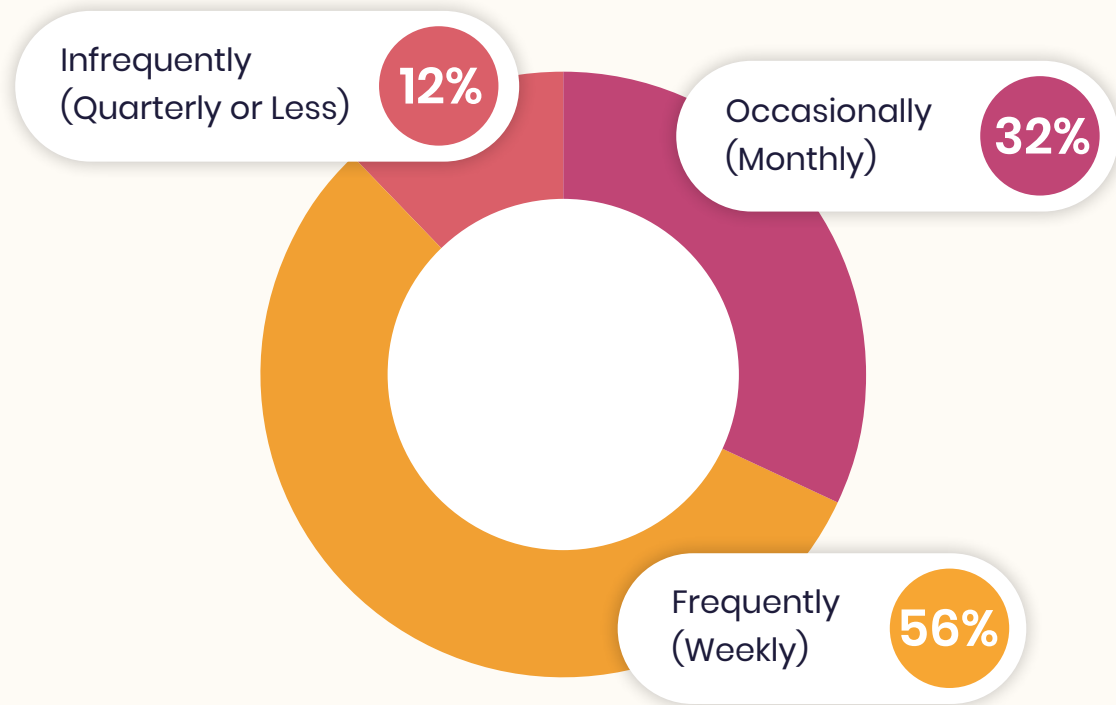


How well do you feel that the feedback you provide to the Product Management team is incorporated into product development and enhancements?

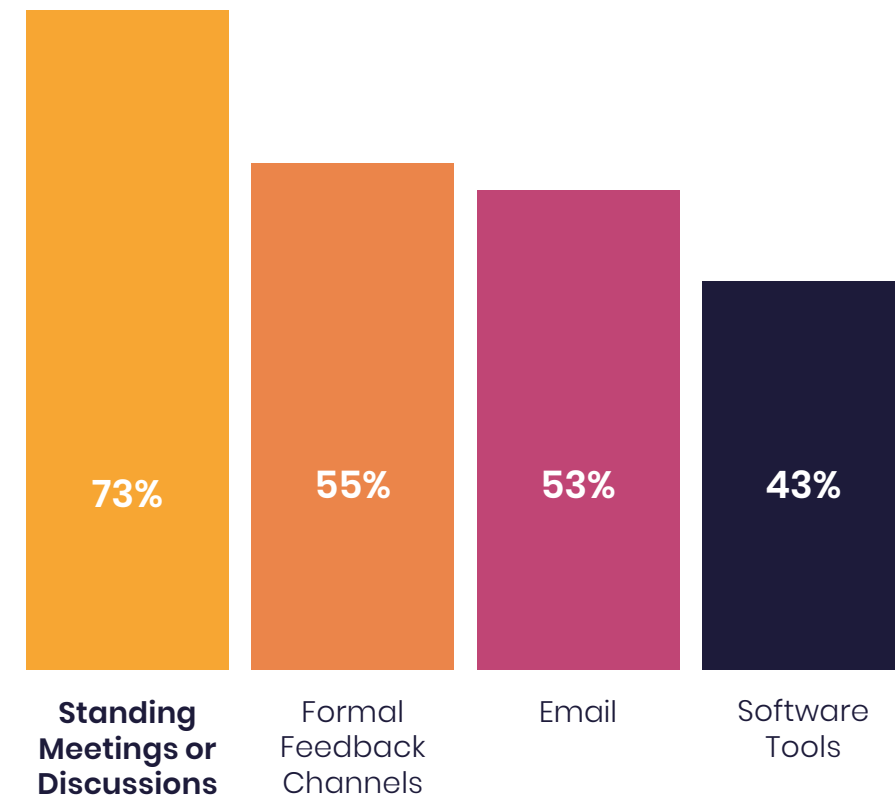




How often does your team provide feedback to the Product Management team regarding product features, functionality, or customer requirements?



Through which mechanisms does the PreSales / Sales Engineering team primarily provide feedback to the Product Management team?





Moving forward

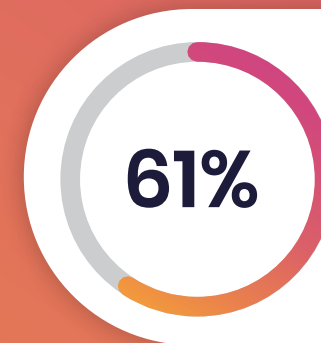
Sales Engineers play a pivotal role in bridging the gap between sales and product teams by expediting the feedback loop. Their responsibility goes beyond merely relaying feature requests; instead, they must align feedback to revenue opportunities and present a contextualized perspective to product managers. This unique position requires sales engineers to act strategically, ensuring that the information they provide is not just a random list of requests but a well-structured and relevant input that contributes directly to the enhancement of products and, consequently, the overall success of the organization.

PreSales Enablement

In the evolving landscape of revenue organizations, Sales Enablement has emerged as a well-funded and strategically crucial function, recognized for its pivotal role in enhancing overall sales performance. However, a noteworthy observation arises when examining the relationship between Sales Enablement and the PreSales team function.

Despite the increasing emphasis on enabling various facets of the revenue team, there exists a discernible gap, leaving presales somewhat disconnected from the enablement ecosystem.

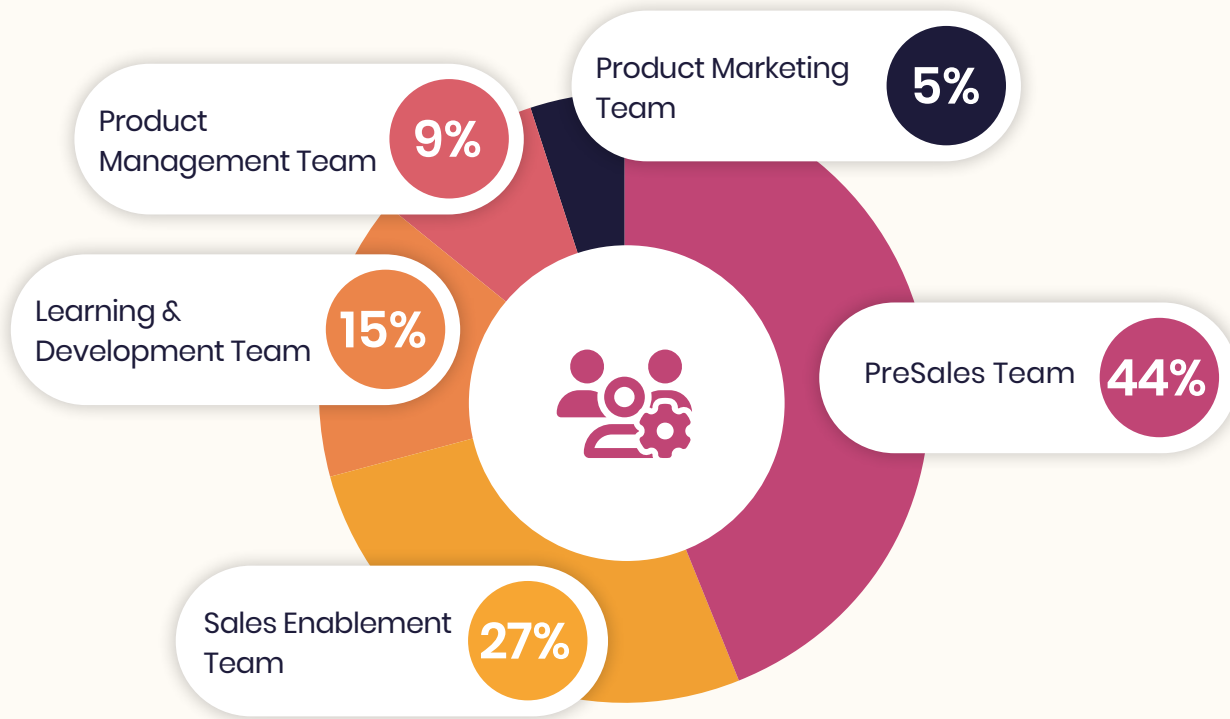
This disconnection poses a substantial risk to execution, as the alignment of messaging and value propositioning becomes imperative for a cohesive and effective sales strategy. When PreSales teams are not adequately enabled alongside the broader sales function, the potential for disjointed communication and missed opportunities becomes apparent, underscoring the necessity for a more integrated approach to comprehensive revenue enablement.



61% of respondents have a formal enablement program for PreSales.



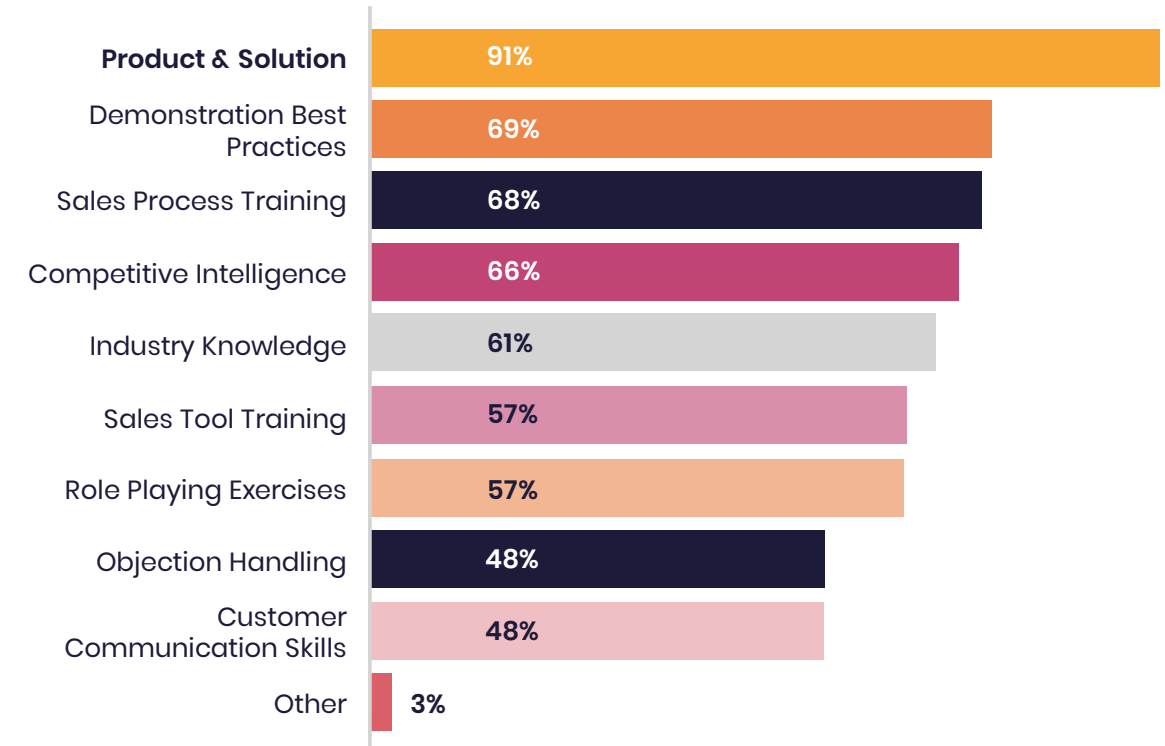
Which team leads the enablement program for the PreSales / Sales Engineering in your organization?



Respondents with a Sales Engineering enablement have a wide range activities involved with their program.



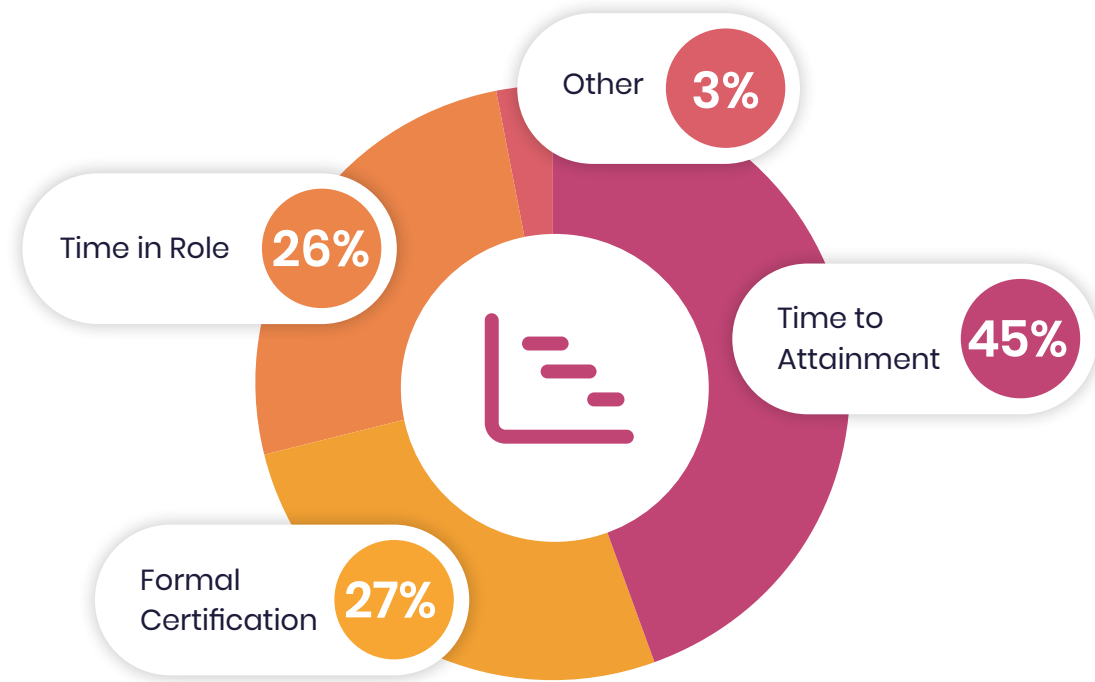
Which activities are involved in the PreSales / Sales Engineering enablement program?



One of the measures of effective enablement is the reduction of ramp time, where new Sales Engineers reach levels of productivity faster. Respondents had a mixed range of ramp time measurement.

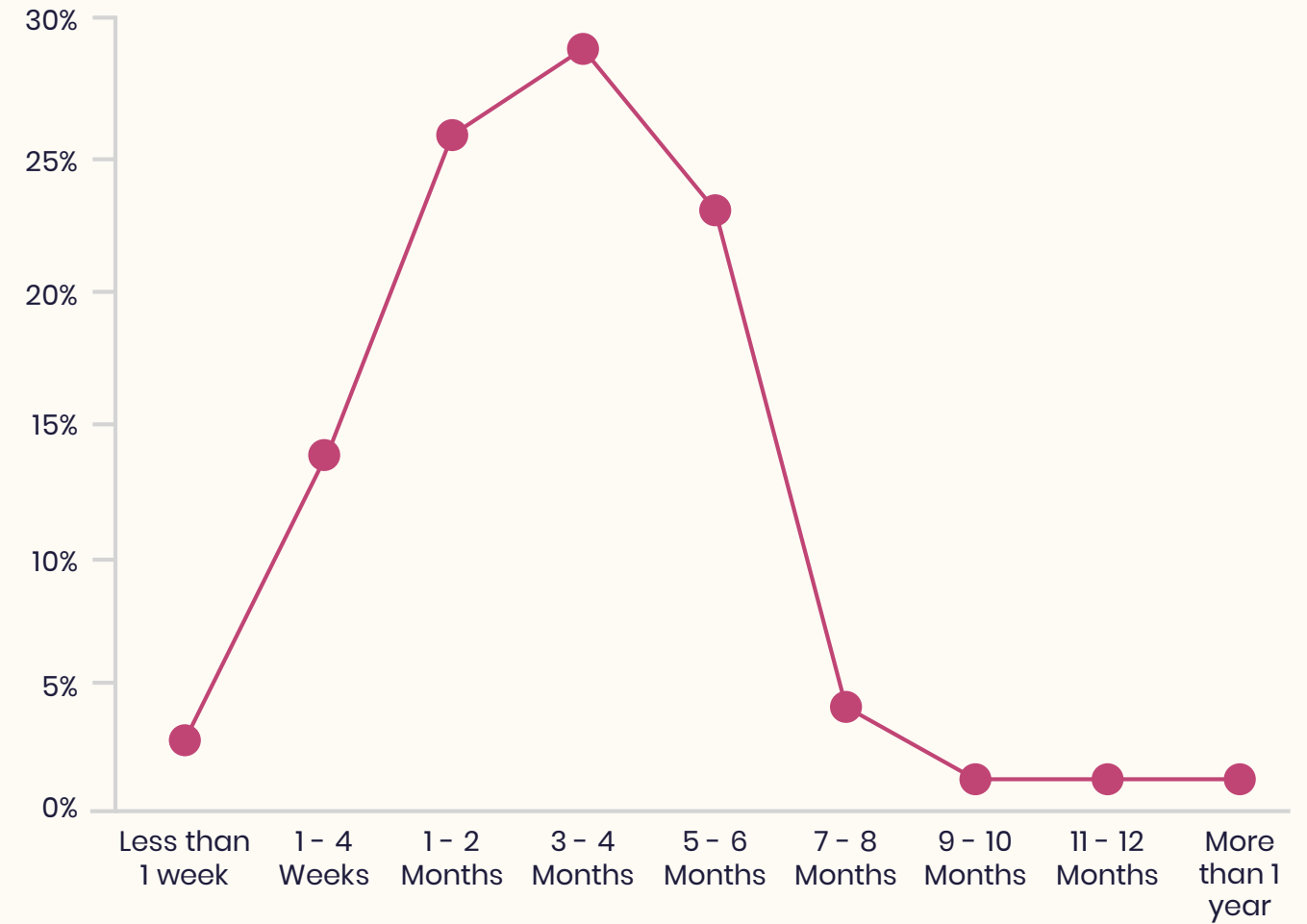


Which of the below best describes how you measure PreSales / Sales Engineering ramp time?



PreSales team member ramp time measurement gauges how quickly new members become fully productive. It spans from initial training to independent handling of PreSales responsibilities. Efficient measurement is vital for resource optimization and seamless team integration.

Several factors can contribute to ramp time, but respondent distribution is as follows:





Moving forward

PreSales teams are urged to assume greater ownership of their onboarding and training processes, recognizing the nuanced requirements specific to their roles. The codification of best practices, essential for efficient training, is facilitated through software solutions. Investing in such tools enables PreSales to expedite ramp time, standardize training programs, and tailor the learning experience to their unique needs.

By taking control of their enablement, PreSales teams mitigate the risk of misalignment that may arise when leaving these crucial aspects solely to enablement teams without the necessary product context.



Key Takeaways

- PreSales requires a strategic approach to adapt to shifts in responsibilities, team structures, and technology.
- Economic resilience and a focus on software investments highlight the need for adapting to economic changes with a technological edge.
- Demos in sales necessitates careful maintenance, feedback loops, and strategic automation for resource optimization.
- PreSales involvement in forecasting and codifying best practices underscores the interconnectedness of technology, sales practices, and revenue success.
- Effectives PreSales feedback to Product Management requires accelerated feedback loops and context-rich information.
- PreSales teams should take ownership of onboarding and training processes so as to take a proactive stance in aligning with organizational goals.

Conclusion

As we draw the curtains on this in-depth exploration of the State of PreSales, it becomes evident that the landscape is undergoing a profound transformation, spurred by technological innovation, evolving customer expectations, and the imperatives of a dynamic business environment. Our benchmarking journey has not only illuminated the current state of PreSales but has also unearthed key insights that will undoubtedly shape the trajectory of organizations seeking excellence in this crucial domain.

Throughout this report, we have witnessed the ascendancy of PreSales as a strategic cornerstone, essential for organizations aspiring to not just survive, but thrive in the ever-changing marketplace. The convergence of efficient growth mandates, evolving product and go-to-market models, and digital transformation in sales has propelled PreSales functions into a pivotal role, where they act as architects of customer success, driving engagement, and fostering long-lasting relationships.

This report has allowed us to identify the hallmarks of high-performing PreSales teams—agility, innovation, and a customer-centric mindset. Successful organizations are those that have harnessed the power of technology to streamline processes, enhance collaboration, and deliver tailored solutions that meet the unique needs of their clients.

As we conclude, it is imperative for organizations to leverage the insights gained from this report to recalibrate their PreSales strategies.

Embracing the principles of continuous improvement, adaptability, and a deep understanding of customer journeys will be paramount in navigating the future of PreSales.

The State of PreSales is not a static entity but a dynamic force that responds to market shifts, emerging technologies, and the evolving needs of customers. It is our hope that this benchmarking report serves as a compass, guiding organizations toward the realization that PreSales excellence is not merely a goal but an ongoing journey of refinement and growth.

In closing, we extend our gratitude to the industry leaders, practitioners, and stakeholders who contributed to the insights encapsulated in this report. May the findings within these pages empower organizations to chart a course towards a future where PreSales is not just a function but a strategic advantage in the pursuit of unparalleled success.

About Vivun

Vivun is the world's leading provider of PreSales software. Its AI-powered platform includes solutions for PreSales Operations, Demo Automation, and aligning Sales with Product teams. Revenue leaders can now drive growth efficiently by scaling their technical selling efforts, maximizing every R&D investment and de-risking their deals. Customers include Snowflake, Zoom, Okta, Elastic, ADP, Coupa, and Harness.

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