



State of Deals 2020

The New Sales Framework for Today's Buyers



PandaDoc

A letter from PandaDoc CRO Nate Gilmore



Even after twenty-plus years of leading revenue teams, there is still constant pressure to “hit the number.”

And this burden only grows as the relationship between buyer and seller evolves. But, like most sales leaders, I enjoy finding and implementing innovative ways to empower my team’s success.

One day after looking at customer data from 17,000+ happy PandaDoc clients, I realized that they deal with the exact pressure that I do. So, why not learn from them?

What I discovered amazed me—our top-performing customers (measured by MRR) were all exhibiting similar traits.

But I had no idea if these characteristics were consistent outside of PandaDoc’s customer base. Were these successful companies alike because of our product or was this reflective of the entire sales industry?

Thus, the idea for the annual State of Deals report was born. We surveyed hundreds of sales professionals and decision-makers and took an honest look at the relationship between buyers and

sellers, as well as the sales process itself. We wanted to truly understand the specific recipe of successful B2B sales organizations.

We realized that the relationship between buyers and sellers still isn’t black and white. While most teams we surveyed believe their focus is on their buyer, many are still underestimating a buyer’s wants and needs. Our research also tells us that buyers need a better sales process, not just a better salesperson.

This report gives a sweeping look into the hurdles that sales teams are still facing today. With it, we hope you can start to conquer those irksome quotas and run your business more effectively.

Happy selling!

Nate Gilmore, CRO



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Executive Overview

In today's fast-paced B2B marketplace of instant communication, process automation, and talk of digital transformation, buyers expect organizations to move at an unprecedented speed. When a buyer is ready, they are **ready**—and sellers should be equipped to deliver on buyer's desires.

Because of this assumption, sellers need to align their processes and tools with buyer expectations. Sellers must master the relationship with their buyers.

While most sales teams know how important the buyer/seller relationship is, and most believe they are navigating the relationship successfully, our research shows there is still more work to do and that there are glaring discrepancies between buyers' expectations and what sales delivers.

Many sellers concentrate so much on building trust and rapport that they often forget that personalization is important to the buyer too. Today, personalization goes beyond segmentation and customer personas. Sellers must craft a deeply unique sales experience that leaves customers feeling valued and appreciated during every interaction.

Through our research, we also realized that sales teams still face an inability to gain access to every stakeholder in a deal. Sellers know that buyers make a decision to purchase by committee consensus and sales leaders preach that reps must find the decision-maker or group of decision-makers **but many reps still fail to multi-thread their prospective accounts.**

In the same vein, there are numerous changes throughout the sales cycle thanks to single-threading—solidifying the notion that deals constantly change and evolve.

Surprisingly, sellers are still not delivering a tailored and exclusive buying experience.



86%
OF BUYERS expect salespeople to personalize the experience.



64%
OF SELLERS feel the personalization of sales documents is important to closing deals.

Our study also confirmed that there is **more than one person involved in a purchasing decision.**

Moreover, stakeholders and members of the buying committee frequently change, requiring numerous revisions to sales documents.

These discoveries force sales teams to change the way they execute deals.

The 2020 State of Deals uncovers what buyers really want from sellers and the steps revenue teams should take to transform their deals and sales process into more revenue.

It's time. Buyers require a better sales process, not just a better salesperson.

Successful sales and revenue teams must treat deals as a living, breathing, ever-changing process and prepare themselves with the right tools to execute a flawless, personalized experience.



58%

of sellers use email attachments or links



25%

of sellers use a software tool to send their sales documents



16%

of sellers still use more archaic methods like fax or in-person delivery

Process is as important, if not more important, than people.

Most buyers today are doing more discovery and research on their own before speaking with a rep and ultimately making a purchasing decision. And because buyers are so informed, they want—and require—a personalized and prompt experience when it comes time to interact with a sales rep.

However, it doesn't look like sellers are prioritizing their buyers' wishes.

This is huge.

Sellers are still significantly underestimating the wants of their buyers. They are not putting enough emphasis on personalizing their sales process even though buyers indicate that they find this crucial.

Furthermore, as Nate mentioned, our own customer data shows that **82% of sales documents are generated from templates** and **75% of top-performing (by MRR) customers have automated the process** of adding customer data right into their documents. This enables many of our customers to decrease their time-to-close while incorporating personalization.

of buyers...



agree that at their organizations the **BUYING EXPERIENCE IS EASY**



agree that they **APPRECIATE** it when sales deals and docs are personalized for them and their company



agree that they **EXPECT** vendor salespeople to personalize sales materials

of sellers...



agree that **PROSPECTS APPRECIATE** when deals and documents are personalized



feel the personalization of sales docs **IS IMPORTANT** to closing deals

Sales organizations can be more successful in hitting their sales goals and having confidence in their sales process when they implement ways to generate personalized proposals for their prospects and customers.

Personalization wasn't the only area where buyers and sellers were not on the same page when it comes to the interaction between one another. There were additional differences too like timing, trust, and the overall importance of the relationship throughout the lifecycle of a deal.

But it seems that sellers are still underestimating how important this is to buyers.

When it comes to reducing the length of the sales cycle...

23%
of sales leaders

30%
of sales reps

...say that it is one of the biggest challenges they face.



of sellers...

64%

consider **TIMING** as an important factor in closing deals

VS

of buyers...

77%

said that a vendor's response **SPEED** was important when selecting a software or technology

79%

think that **TIMING** (in general) was important in their recent purchase

What if a sales rep could close a deal in as little as **ten hours**? (Hint: most PandaDoc customers can send and close a document in under ten hours).

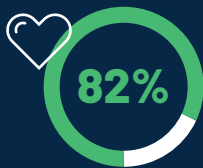
How many more deals could a sales rep close if the sales process was shortened from days to hours to meet the needs of buyers?

Personalization and timing are two very important factors when closing a deal, but what about other elements of a buyer/seller relationship like trust and rapport?

of sellers...



say **TRUST** is an important factor for closing deals...



say the **RELATIONSHIP** between the buyer and the sales rep is an important when closing deals...

VS

of buyers...



agreed that **TRUST** influenced their purchase decision.



think the **RELATIONSHIP** with the sales rep influenced their recent purchase.

Turns out, trust throughout the buying experience isn't as important as sellers think.

We were certainly surprised to find that there was a misalignment between buyers and sellers when it comes to these elements of a relationship.

To put it simply, buyers are looking for less small talk, and more personalized experiences from sellers. When sales leaders dedicate a team's sales efforts to providing the best

experience tailored to their buyer, it won't matter if the rep knows how many kids their buyer has or what their favorite sports team is.

Our customer research shows that many PandaDoc customers are able to go from sent to approval in as little as **25 minutes**. When the right tools and processes are in place, sales teams have the perfect ingredients to a winning sales recipe.

Consensus is key. These words still ring true.

We mentioned earlier that **69%** of buyers feel that the buying experience at their company is easy. But **45%** of sellers consider deals at their company to be cumbersome and **47%** believe their deals are complicated. What is making deals so difficult to close?

For starters, the number of people involved in a deal likely matters.



5.6

Average number of people involved in the buying process at companies of any size.

84% of software buyers reported



people at their company being involved in the buying process for a single tech decision.

13% of software buyers reported



people at their company being involved in the buying process for a single tech decision.

On the upside, **60% of survey respondents state that the number of people involved in a deal hasn't changed** within the last 12 months.

Sales must be prepared for the number of buyers involved to potentially increase and the stakeholders to change throughout the deal.

Companies often involve a wide variety of teams in the deal cycle, most frequently consulting technical specialists, executive leadership, and finance teams on the decision.

91%

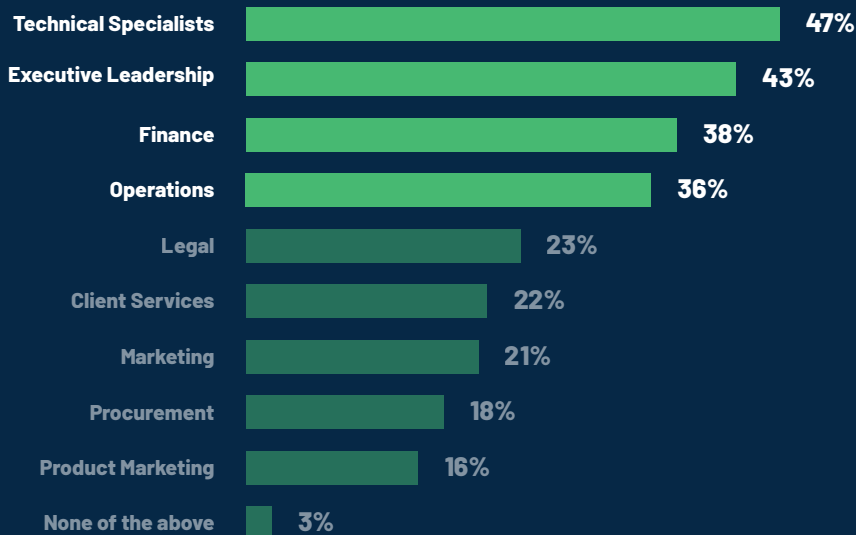
of software sellers

have seen the decision-maker change during the selection process.

39%

of software sellers

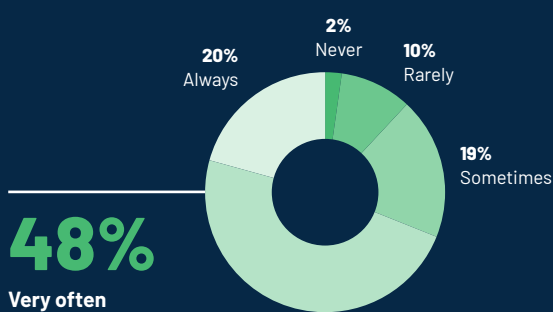
see the decision-maker change very often or always during the selection process.



The top teams companies involved when making a purchase decision for technology or software.

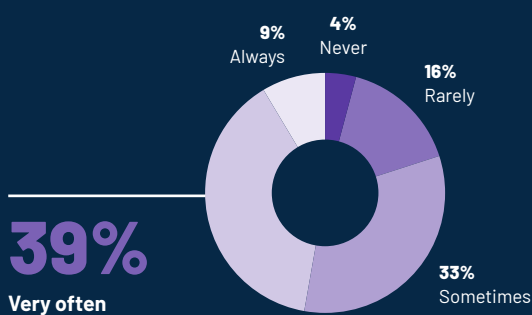
buyers say...

that during the software or technology selection process, the final decision maker changes...



sellers say...

that even through the final decision is consensus based, they only only have access to one individual...



While 67% of buyers agree that buying decisions are very often or almost always made by consensus of a committee, 46% of sellers say they only have access to one individual—often causing sellers to be single-threaded throughout an entire deal.

When the buying committee itself is so prone to change, it's no surprise that the decision-maker can change too.

91% of buyers and 98% of sellers say they have seen the decision-maker change throughout their sales processes.

Thanks to traditional, more stringent sales methodologies and processes, it's nearly impossible to know if sales reps are being single-threaded or tell if the decision-maker will change. Unless sales reps and teams have access to tools that enable reps to identify the right buying committee, they're completely in the dark.

Sales managers must adopt the right technology into their process. When the right process is in place, sales reps will see deals accelerate because they now have access to those decision-makers most important in closing the deal.

Dynamic deals are the norm, not the exception.

We've uncovered the discrepancies between buyers and sellers, and identified that consensus is key, but are sales teams equipping themselves for success at the bottom half of a deal cycle?

On average, **7.59 people** at a seller's company touch a deal, which is almost **2 people more** than the buyer side. Sellers must be prepared to conquer stakeholder changes within their own process and the buyer's process.

Buyers and sellers typically see these changes in stakeholders after a sales proposal is sent.

After stakeholders are added post-proposal, most sales reps must create a new version of a proposal or make revisions to an existing one to accommodate the new committee member. Turns out, sales teams aren't using the right tools to prepare themselves for these rapid, frequent changes.

PandaDoc Spotlight: Our customers state that 17% of their docs are revised after being sent. In addition, every 6th doc that is sent via PandaDoc is changed.

(P.S. More than 10,000+ docs are sent every week via PandaDoc!)



of sellers



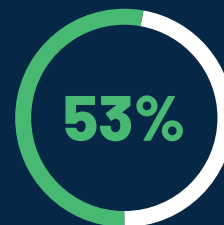
of buyers



have experienced a stakeholder being added post-proposal.



of sellers



of buyers



very often or always experience 3+ revisions to a proposal.



Even though buyers and sellers are aware or experience changes throughout the deal cycle, many sales teams still are not using traditional tools to aid in improving efficiency in their process.

Only 27% of vendors report using a software tool to aid in creating their sales docs.



31%

don't use a CRM for tracking deals

10%

consider a CRM for tracking a priority



72%

of sellers are using outdated methods to create sales documents



37%

of sellers use more static sales creation methods like Word or GoogleDocs

22%

of sellers use PDFs

Additional steps of the document management process are a mess too. For example, only...



58%

of sellers use email attachments or links



59%

of sellers use digital or e-signature tools



16%

of sellers still use more archaic methods like fax or in-person delivery

Merriam-Webster defines a **deal** as:

To sell or distribute something as a business.

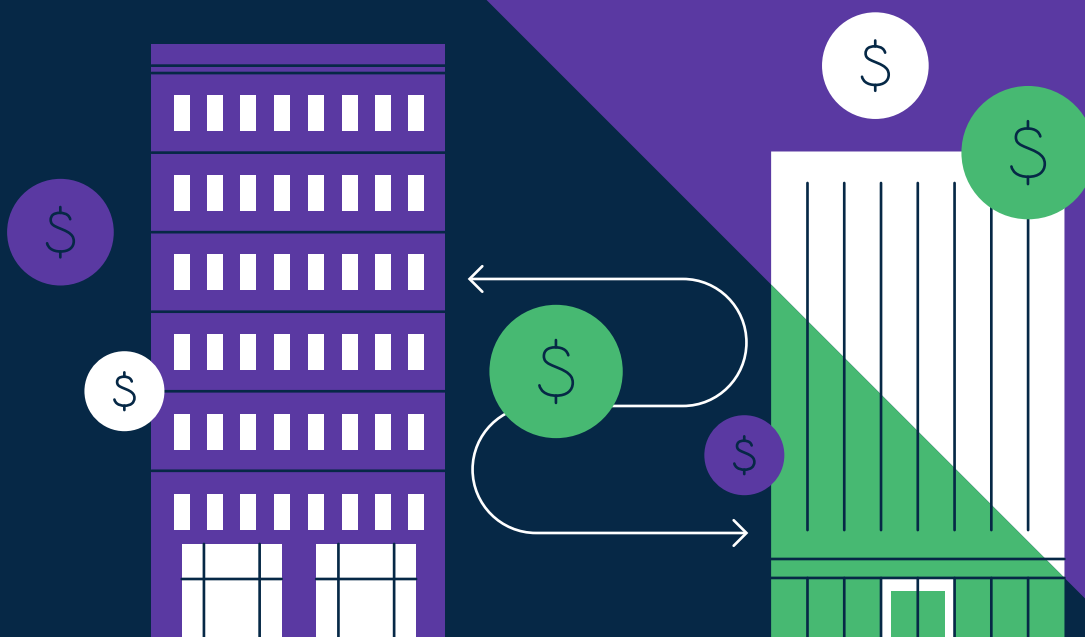
But that definition doesn't apply to modern, successful sales teams. This definition, coupled with the data we presented, doesn't represent deals and processes that high performing sales teams experience today.

Today's definition must change:

A deal is a continual exchange of value between you and your customer before, during, and after the agreement and throughout the entire customer lifecycle.

A modern, dynamic deal is a continuous and productive activity/exercise/necessary action executed by the entire revenue team within an org, not just the sales team.

And when sales teams adopt the new definition of a deal, they are more confident and are better prepared to meet and exceed their quota.



Summary: The Future of Elite Sales Teams

In 2020, sales teams cannot afford to ignore the challenges that come with managing dynamic deals. Businesses must accept that many of their assumptions about their buyers were incorrect. Investing in the right tools to accommodate evolving, ever-changing deals will be critical to surviving in this new decade.

Evidenced in the research, there are still large gaps between buyer expectations and seller deliveries throughout the entire deal. It is up to the seller to adapt the sales process to put value on personalization and timing over relationship- and trust-building with buyers.

Sales teams must establish new strategies for successfully closing business through consensus by committee. It is clear that consensus by committee is a point of contention for both buyers and sellers.

A lot of stakeholders are involved, more will be added, and decision-makers will change. That's a guarantee. This phenomenon presents growing challenges that slow down sales cycles and prevent sellers from hitting their sales goals.

Now more than ever, to operate as an elite sales team, one that consistently hits quota, sales managers must prioritize building a responsive sales process—not just training reps to be better salespeople.

Sales teams that consistently hit quota and have confidence in their sales process exhibit common characteristics because they understand that deals are dynamic. Likewise, they build their teams, invest in tools, and structure each step of their process to capitalize on the transformative nature of deals.

of respondents...



indicated they are **SELLING MORE** solutions than they were a year ago.



stated their **SALES CYCLE IS LONGER** than it was 12 months ago.

For those who are uncertain of how to restructure and adapt to the **dynamic deal, here is a look at how the most profitable organizations are succeeding in creating a better sales process:**

Dynamic		Not Dynamic
79%	Agree or strongly agree it is easy to create sales documents.	44%
80%	Agree or strongly agree it is easy to customize sales documents.	57%
44%	Have developed and use ICPs (Ideal Customer Profiles).	24%
41%	Have developed and use personas.	26%
30%	Use software tools for sending documents.	13%
65%	Believe the proposal experience is important for closing deals.	33%
44%	Are prepared to encounter more than 3 revisions to a proposal.	35%

Teams that treat deals as dynamic have the right tools in place—and are ultimately more confident, accurate, and in control of their sales cycle.

In addition, **44% of dynamic sales teams reported overperforming last quarter and 26% report they now have a shorter sales cycle.**

Not to mention, dynamic sales teams also report being more confident in the accuracy of their average selling price (ASP), opportunity goals, and close rate.

Dynamic sales teams that meet goals or over perform consistently, understand what it takes to create a better sales process, not just a better salesperson. An effective process enables teams to easily manage their workflow, gather actionable insights, and decrease their time-to-close—all without sacrificing the customer experience.

Because they've taken the necessary steps to develop an effective and efficient sales process, teams are no longer worrying about how they will consistently "hit the number."

Audience Composition

This table below represents the audience we targeted to execute this research:

	Sales Reps	Sales Managers/ Sales Leadership	Tech/Software Decision-Makers	PandaDoc Customers
Company Size	11-2,000 employees	11-2,000 employees	11-2,000 employees	11-2,000 employees
Industry	All	All	All	All
Employment	Employed at current company for 12+ months	Employed at current company for 12+ months	Employed at current company for 12+ months	Employed at current company for 12+ months
Country	North America (US/Canada)	North America (US/Canada)	North America (US/Canada)	Global English Speaking
Source	Panel/G2	Panel/G2	Panel/G2	PandaDoc

The majority of respondents actively hold sales roles and have been with their companies for at least the last 12 months. We felt this particular audience would paint the best picture of the day-to-day experiences of sales reps and sales leaders.

This year, businesses up to 2,000 employees are featured as they are likely to experience quick-moving sales cycles and more transactional sales.

20.3% Sales Reps

20.5% Sales Managers

56.8% Tech/Software Decision-Makers

2.2% PandaDoc Customers

56.2% 11-200

43.7% 201-2,000



Methodology

The PandaDoc and G2 teams fielded our State of Deals 2020 survey from Nov. 2019-Jan. 2020. The survey was distributed via email, online, and social media channels.

We surveyed 880 respondents through online survey software. Each respondent answered about 21-30 questions ranging from “Do you agree that deals at your company are dynamic?” to “How confident are you in your close rate?”

We also evaluated the top 10% of PandaDoc customers. A top customer was defined as having the highest monthly recurring revenue spend with PandaDoc.

To see the full demographic breakdown of the completed survey respondents, please reference the Audience Composition in the previous section of this report.



-
- Kara Kennedy** Research Director
 - Emma King** Project Manager
 - Laura Lee** Survey Author
 - Beth Mi** Data Analyst
 - Ben Page** Data Analyst
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 - Mattilee Hillman** Editor



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 - Masha Roshchina** Data Analyst
 - Jack Shonkwiler** Designer



About G2

(formerly G2 Crowd)

Headquartered in Chicago, G2 is revolutionizing how businesses discover, buy, and manage software and services. More than three million monthly users rely on G2 to help them find and buy the best software for their businesses. The platform has over a million reviews and \$100 million in total funding invested by IVP, Accel Partners, LinkedIn, Emergence Capital, Pritzker Group, Chicago Ventures, and Hyde Park Ventures, as well as industry leaders and founders. G2's customers include Amazon Web Services (AWS), IBM, and Zoom. Its most recent funding, a \$55 million Series C, was in October 2018, followed by the company's acquisitions of Siftety and Advocately.

For more information, please visit g2.com



PandaDoc

About PandaDoc

Sales teams use PandaDoc to improve deal workflow, insights, and speed without compromising the customer experience. Over 16,000+ customers use PandaDoc's all-in-one document automation software to streamline the process to create, approve, and eSign proposals, quotes, and contracts. With powerful document creation and workflow capabilities, sales teams can provide their customers with a more professional, timely, and engaging experience.

For more information, please visit pandadoc.com

