



White Paper
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Sales Automation 2.0: Selling More with Less in the Digital Age

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Introduction

Selling plays a pivotal role in our society - as long as goods have existed, people have been striving to sell them. The sales industry has evolved to become increasingly competitive, as customers today have access to unprecedented levels of data. Customers research products online, compare prices, and read reviews independently before having any interactions with sales personnel. On the flip side, technology has also equipped salespeople with new tools and resources to connect with customers and close more deals. This access to a wealth of data and powerful tools has given rise to an entire industry of sales automation dedicated to supporting sales professionals and enhancing the art of sales.

We at AVP are excited about the forthcoming wave of opportunities in the sales automation landscape, having invested in disruptive companies like Cognism and Lessonly (acquired by Seismic).

The Power of Sales Automation

Sales representatives often find themselves entangled in manual tasks, with just 28% of their workweek dedicated to actual selling.¹ The remaining hours are devoted towards areas ripe for technology-driven enhancements through tools like conversational intelligence, generative AI email composition, and analytics. McKinsey's research suggests that up to a fifth of current sales-team functions can be automated and Forrester's research has found that companies implementing B2B sales and marketing intelligence witness a 35% surge in leads and a 45% boost in lead quality.^{2,3} These productivity gains translate into increased customer-facing time, elevated customer satisfaction and the potential for a 10% sales uplift.²

Overall, it is evident there are two key ways that technology is shaping the job of sales professionals:

1. **Manual task automation:** Sales automation streamlines routine tasks, augmenting sales personnel and enabling them to invest more time into meaningful interactions and real selling.
2. **Data & analytics:** Technology now enables cutting-edge data and analytics which supports strategic decision-making.

These benefits translate to heightened productivity, resulting in increased customer satisfaction and a greater probability of pipeline conversions. Although there are tremendous benefits, only one in four companies have automated at least one sales process, indicating significant whitespace.²

Sales automation can supplement all steps of the customer journey starting at the top of funnel prospecting leading to better informed decisions, enhanced customer experience and increased sales. The diagram below depicts key tasks which sales automation assists with.

¹ Salesforce

² McKinsey

³ Forrester

Sales automation solutions



History of Sales Automation and the Incumbents

Given the powerful impact sales automation can have on sales productivity, several sales automation unicorns have risen to prominence. These companies offer innovative solutions that enhance various aspects of the sales process, from prospecting to closing deals.

For starters, ZoomInfo was a first mover in the *lead intelligence* market since its inception in 2007 and set the stage for transformation of the industry. Following suit, Apollo.io has joined the *lead intelligence* market and both companies provide insights on thousands of companies across the globe, steadily broadening their repertoire of solutions. In 2015 AVP's portfolio company Cognism spearheaded in *lead intelligence* market in Europe.

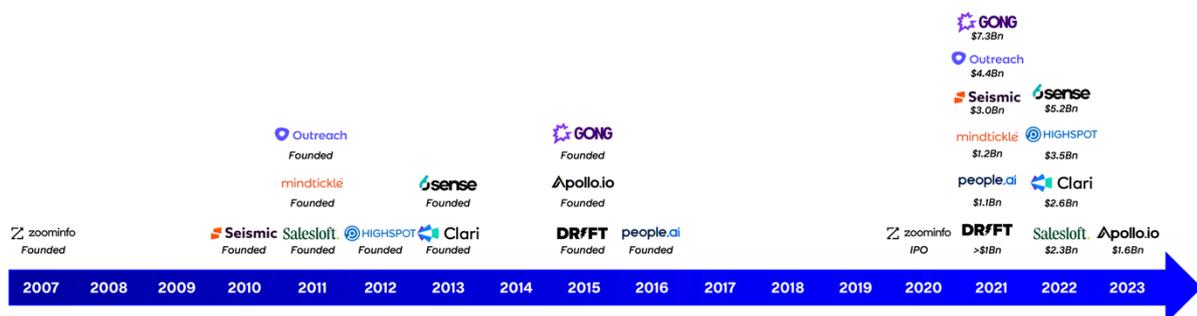
Between 2010 and 2021, Seismic, Mindtickle and Highspot ventured into the *sales enablement* space, assisting with sales conversations by revolutionizing customer interactions and coaching sales reps.

In 2011, Outreach and SalesLoft emerged in the *sales engagement market*, offering tools for prospect outreach and sequencing in high-velocity sales, including email and call tracking, and equipping sales reps with invaluable insights.

The *revenue intelligence* market took shape in 2013 with pioneers 6Sense and Clari optimizing sales through insights on revenue-generating activities and providing insights on forecasting and monitoring. People.ai later joined the competition, with all of these companies now boasting valuations in the billions.

In 2015, Gong and Drift entered the landscape, introducing *conversational intelligence* tools to enhance customer interactions and provide in-depth analysis, suggested workflows and steps for sales reps.

Timeline illustrating the growth of sales automation unicorns



Between 2010 and 2015, most established players made their industry debut. The success of these companies is attributed to their first-mover advantages, distinct value propositions and strong strategy. The success of these startups has also compounded since word of mouth is so vital in such a concentrated industry, leading to prolific growth.

Sales Automation's Evolution

Many of the large startups in the sales automation field have shifted to become more holistic so that they capture a larger share of customers' wallets. Rather than offering point-solutions, they are all-in-one platforms which are especially convenient for small, resource-strapped businesses. Most of this has been seen through (1) product enhancements (seen with Apollo.io's product-led growth where 60% of funds are invested into product development and everything is built in-house⁴), (2) strategic partnerships (like Gong with Apollo.io, Clearbit and Cognism) and acquisitions (such as Seismic acquiring AVP's portfolio company Lessonly to enhance its sales enablement platform by integrating training, coaching and enablement solutions).

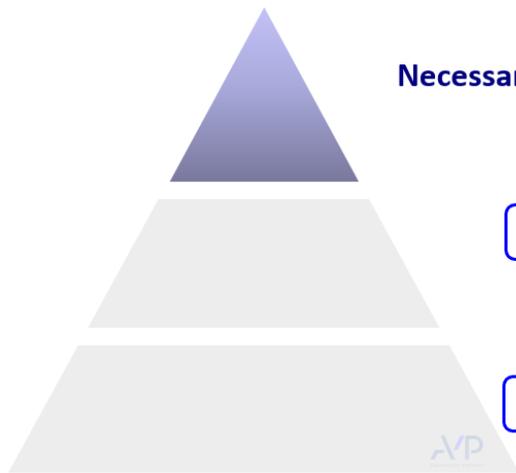
Given the heavy deal volume in this space, it bodes the question whether new startups with point solutions will grow to become independent unicorns or fill a gap within an existing incumbent workflow which makes them an attractive acquisition target. This concentration of incumbents poses an obstacle for nascent startups seeking to compete with these well-established unicorns. Nonetheless, emerging startups with nimble operations, coupled with innovative AI capabilities and a differentiation, stand poised to disrupt.

AVP's Sales Tech Pyramid

Our pyramid framework presents how we think about the numerous sales tech solutions from a sales organization's perspective:

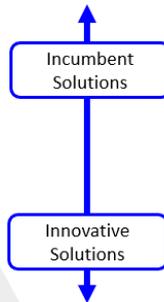


⁴ Techcrunch



Necessary Tools

At a bare minimum, every sales team needs tools to generate and manage a pipeline. This layer consists of **CRMs** to track outreach, **lead intelligence** tools that focus on providing customer information, and **sales engagement** tools that funnel the customer through the pipeline.



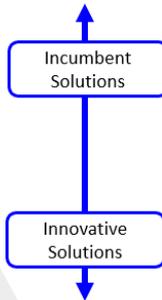
- salesforce HubSpot zoominfo Outreach
- Apollo.io Salesloft ORACLE NETSUITE
- keep pipedrive Seamless.AI cognism
- attio Formaiio clay Rattle
- durable folk. CHB ACCORD

At the top of the pyramid are the necessary tools every sales organization needs to track customer relationships, obtain customer prospecting information, and manage workflows to execute the sale.



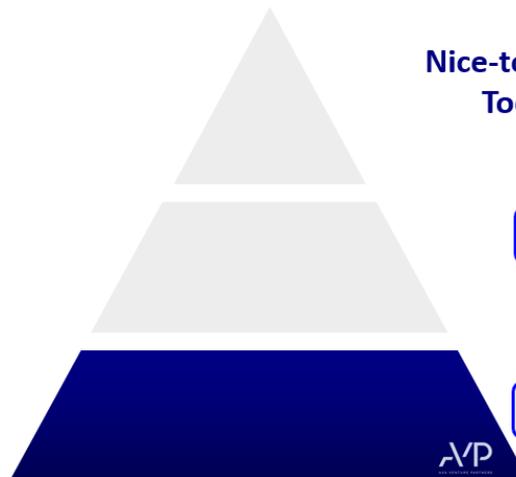
High Risk, High Reward Tools

These tools are capable of supercharging sales teams but often require a large upfront investment to purchase and train sales reps. This layer includes **revenue intelligence** such as buyer intent and sales optimization, **conversational intelligence** to gain insights from interactions, and industry-specific tools such as **content management** and **proposal tools**.



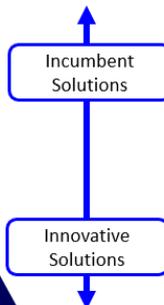
- sense GONG people.ai DocuSign
- PandaDoc Clari DRIFT Seismic
- dealhub Mixmax Showpad Clearbit
- Sightful dock Matik AutogenAI Endgame

The middle layer of the pyramid consists of high risk, high reward tools that are beneficial to certain industries. These tools require a high investment to integrate but can drastically increase results.



Nice-to-Have Tools

Though this layer is 'nice to have', it would be a mistake to underestimate the power of sales reps adopting these tools en masse. These tools offer an abstract or marginal productivity boost but can greatly enhance the sales rep experience - for example **point solution optimizations** to reduce manual tasks, or **onboarding and coaching**.



- HIGHSPOT mindtickle Calendly
- klentY Walnut Reprise rocketlane copy.ai
- SCRATCHPAD MAGNIFY lemlist Ctrl
- LAVENDER Demodesk wonderway
- ATRIUM ONRAMP SecondNature

Finally, the bottom of the pyramid are the nice-to-have tools that make the sales rep's experience better, including easy-to-adopt point solution optimizations that reduce manual work and training to help sales reps reach their full potential.

What are the Top Trends in Sales Tech?

1. AI and Gen AI are Taking Over

It's no surprise that AI is integrating into every layer of the sales stack - from crafting personalized emails at scale, coaching sales reps in real time, summarizing interactions, and identifying unsuccessful behaviors that cost salespeople valuable leads. We view Generative AI as an augmentation of the sales rep, as sales are inherently about relationships and will continue to rely on a personal touch.

Interesting startups using AI to supercharge prospecting include Lavender, which integrates into email platforms and acts as a personalized sales coach to improve response rates, Regie.ai, which integrates with sales engagement platforms to predict optimal engagement strategies for prospecting and sequencing, and Amplemarket, which uses AI to craft hyper-personalized messages and trigger relevant follow-up actions.

Other exciting use cases include Atrium's solution for data driven talent management using AI to analyze sales rep performance to provide coaching recommendations, and Momentum.io's solution using AI to capture and sync notes and tasks after calls.

Given the ability of AI to clearly reduce the time spent on manual data entry and outreach and ease of use, these tools have the potential for high sales rep adoption across organizations.

2. Configuration to Productize Best Practices

Given the rise of large toolboxes such as Salesforce and Gong, companies are often overwhelmed with how to set up the ideal workflow for their business goals. We believe startups providing configuration tools with opinionated insights on best practices will offer differentiated value in a sea of sales automation tools.

Some interesting startups building in this space include Attio, which provides a new CRM with flexible custom fields and data-powered workflows. Meanwhile, Sweep.io works on top of Salesforce as a no-code toolkit to configure CRM processes. In the area of revenue analysis, Sightfull offers best practices for SaaS companies by detecting relationships between different key business activities to uncover performance insights.

In short, we are particularly excited by solutions that offer preferred playbooks for broad industries, while offering flexibility to configure for individual business needs.

3. Distributed Teams Selling in Hybrid Environments

Modern B2B customers want multiple communication channels, convenience, and personalization. This shift requires B2B organizations to move from traditional sales to a hybrid approach to align with customer preferences. This has resulted in a rise in collaboration across distributed sales teams and self-service product-led growth.

There are a variety of startups building novel products to support these shifts. For example, Matk allows revenue teams to create personalized, data-driven content in minutes. Digital sales rooms are emerging to facilitate consensus in distributed teams, with companies such as Dock and GetAccept streamlining the buying experience. Self-service demos are also getting an upgrade with customizable no-code solutions such as Reprise, Walnut, and Navattic.

Although these trends gained momentum during the pandemic, we are confident that hybrid sales and personalized self-service are enduring and remain enthusiastic about innovative solutions in the space.

Parting thoughts

At AVP, we are excited to support founders creating the next generation of sales automation tools. We are high conviction investors, leading rounds in companies such as Cognism and Lessonly. We believe as long as sales are happening, there will always be new tools to support sales organizations. If you're building in the space, we would love to chat with you and hear your perspective! Please reach out to us at jessica.hayes@axavp.com or isabel.young@axavp.com.

We invest in great entrepreneurs.
We support outstanding companies.



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