MODERN SALES PROS

BuzzBoard

The State of CRM Data 2022

Forward

We completed the execution of the survey that underlies this report, and began preparing this report, in the spring of 2022, just as global recessionary fears began to mount, and announcements of corporate layoffs began to accelerate.

For those of you who are being asked to deliver the **"same"** (leads, MQLs, SQLs, opportunities, bookings, revenue) with **"less"** (fewer head count, smaller budgets), this report is a must-read. Recession-driven belt-tightening measures mean you can no longer rely on throwing more headcount and massive bulk-lead purchases at your monthly OKRs.

The time is now to invest more deeply in Machine Learning, Artificial Intelligence, automation, and related platforms to wring greater efficiencies from your go-to-market motions.

Data-driven, automated Ideal Customer Profile (ICP) development, account-first go-to-market motions, and an ever-growing list of data signals available for each of your target accounts can more than make-up for the decline in your metrics attributable to the loss of sales head count.

Talk to us - we'll show you how.

The annual State of CRM report, now in its second year, has surfaced trends and insights that are timely and sure to excite. We want to thank the Modern Sales Pros community and its enthusiastic members who have participated in our study, and are eager to share this collaborative effort with the community.

Executive Summary

As revenue leaders consumed our 2021 report and found value in the key findings and recommendations we shared, more of them directly participated in this survey —over three times as many last year—**a telling indicator that CRM data is and remains a strategic corporate resource.**

The 2022 report has a few additional data points over last year, offering even more value for readers. For example, since we have seen a considerable rise in the interest in account scoring capabilities—in part to support Account-Based Marketing programs—we specifically asked about account scoring in this year's survey.

In Summary, Here is What We Learned

- **Buyer need data is an imperative.**
  In our study, the presence of need data correlated with a clear uplift in both respondents confidence in their CRM data and their organizations ability to personalize. Need data, as an attribute to shake up the top-of-funnel go-to-market priorities, is a clear business imperative–the reason it features in the top 3 wishlist items that organizations reported in the survey.

- **The time to recession-proof your CRM data is "yesterday".**
  We're already seeing the signs of economic contraction. Brute force methods that depend on infinity budgets no longer cut it. It is time for greater precision and targeting to deliver the same results with fewer resources.

There is increased demand for signals that help sales teams prioritize by account.

Organizations are increasingly turning to rich data to help them better characterize accounts within their TAM, and prioritize sales and marketing outreach to the best fit accounts that demonstrate the greatest need and promise to close the fastest.

Organizations have yet to unlock deep data and analysis to limit marketing and sales waste.

This, despite a considerable increase in annual spend on data hygiene and enrichment, with nearly a 50% increase in companies spending more than $25K annually. Availability and accuracy remain the top barriers to complete data.

There is still a huge divide on how data can accelerate revenue-driving initiatives and current providers' ability to deliver.

89% of respondents are dissatisfied with their current data providers. Leaders with higher quality data desire deeper datasets to understand industry trends, projected growth, need, and spend for their target accounts, but are limited to firmographic and technographic data.

We sincerely hope that you enjoy reading the report and find value in our findings on how B2B revenue professionals are managing and maintaining their CRM data. And how you can cope better with the various threats to the integrity of that data.

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The Data Speaks...

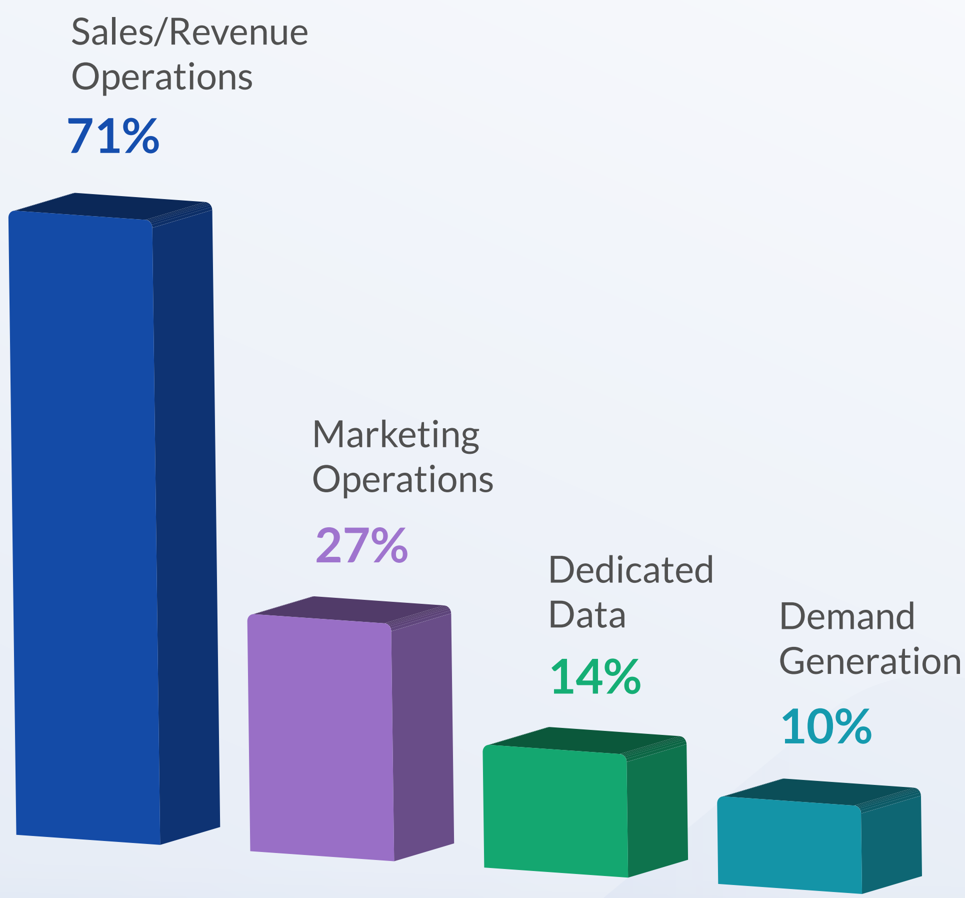
Data Stewardship Mix is Changing to Suit the Changing GTM Mix

CRM systems and the data that resides in them remain chiefly in the purview of the sales departments, albeit with more stakeholders joining hands in sharing accountability.

Marketing, demand generation, marketing operations and data hygiene teams continue to claim their seat at the table when it comes to owning and managing CRM data. Demand generation teams in particular, under ever increasing pressure to hit their OKRs and thereby fuel sales growth, are clamoring for greater ownership over the underlying data that supports their programs and successes.

With uber-rich CRM databases increasingly becoming the (data) melting pot to drive go-to-market initiatives, sales and marketing alignment on goals, processes, and ideal customer profiles is critical to prevent your CRM from being filled with inaccurate and incomplete records.

Who in your organization owns and manages your CRM data?



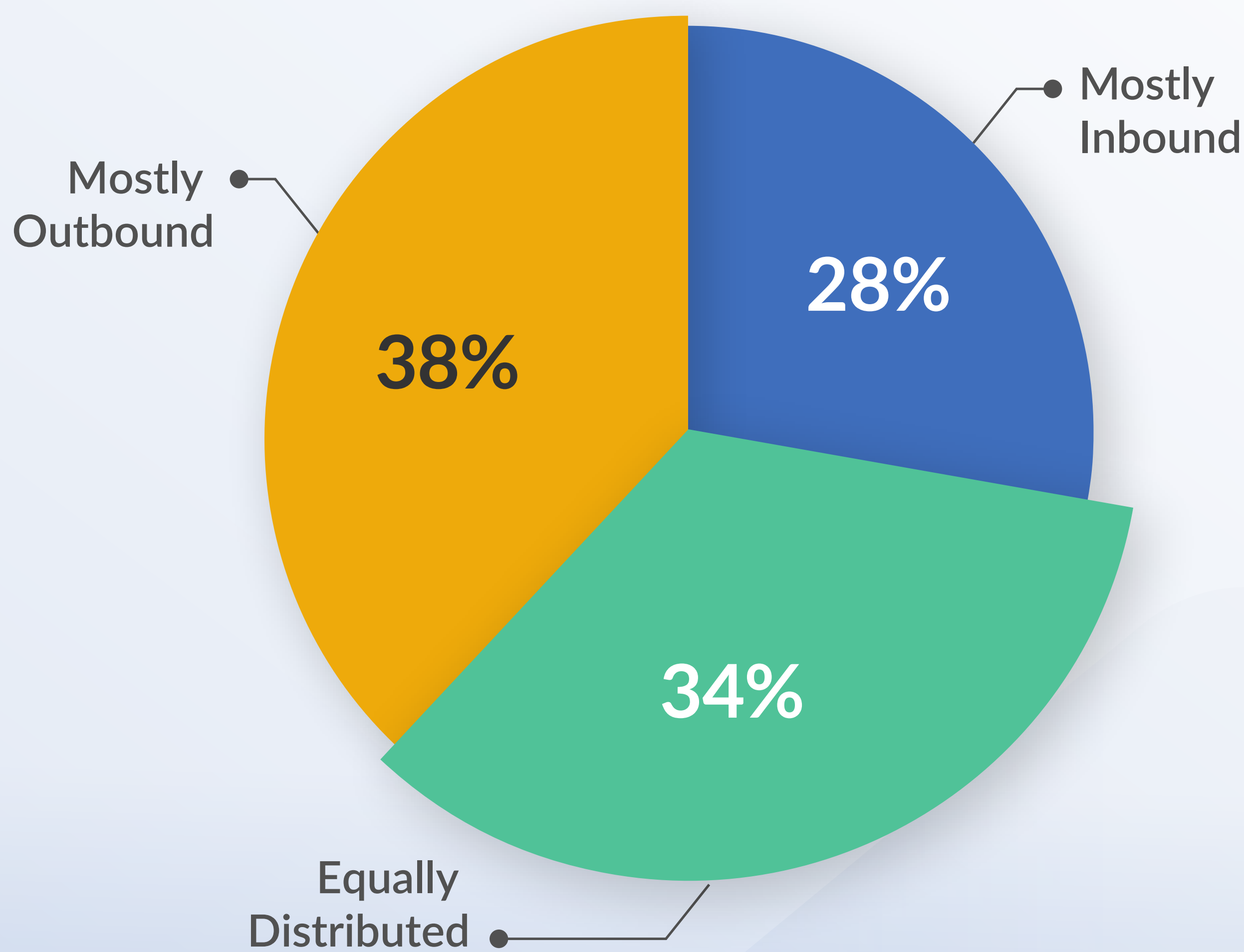
The Data Speaks…

"Mostly Outbound" Giving Way To a More Even Mix

Further explaining the new mix of data stewardship is the reduced dependency on outbound sales, owing largely to increased reliance on digital inbound buying journeys (and companies going hybrid), particularly so for SaaS purchases.

Marketers and sellers are moving toward a more even mix of inbound and outbound as compared to last year when nearly 60% of the organizations were engaged in mostly outbound go-to-market cadences.

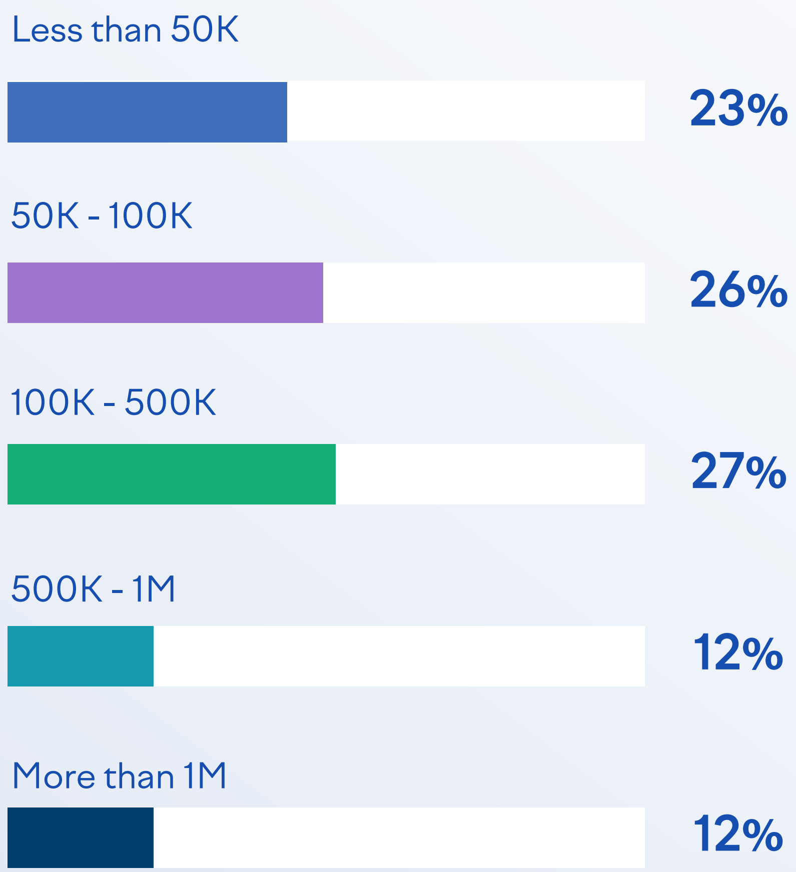
What is the split between your inbound and outbound sales cadences?



The Data Speaks...

CRM Databases are Getting Bigger

How many records do you have in your CRM?



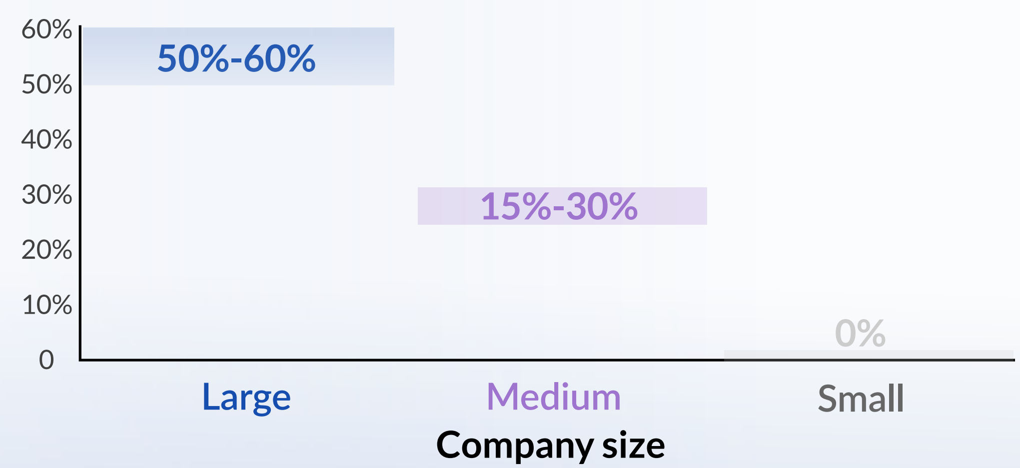
With nearly one-fourth of responding organizations having a CRM with 500K+ records, SaaS organizations are gearing up to rise to their true growth potential. But are they?

Acquiring records is not the issue SaaS organizations are facing today, with 51% of them having 100K+ records in their CRM.

Small CRM databases (<50K) have declined significantly since our survey last year when 35% repondents reported that their CRM had less than 50K records.

Company size (employee count) may have a fair bit of correlation on the size of the database they keep, our survey suggests.

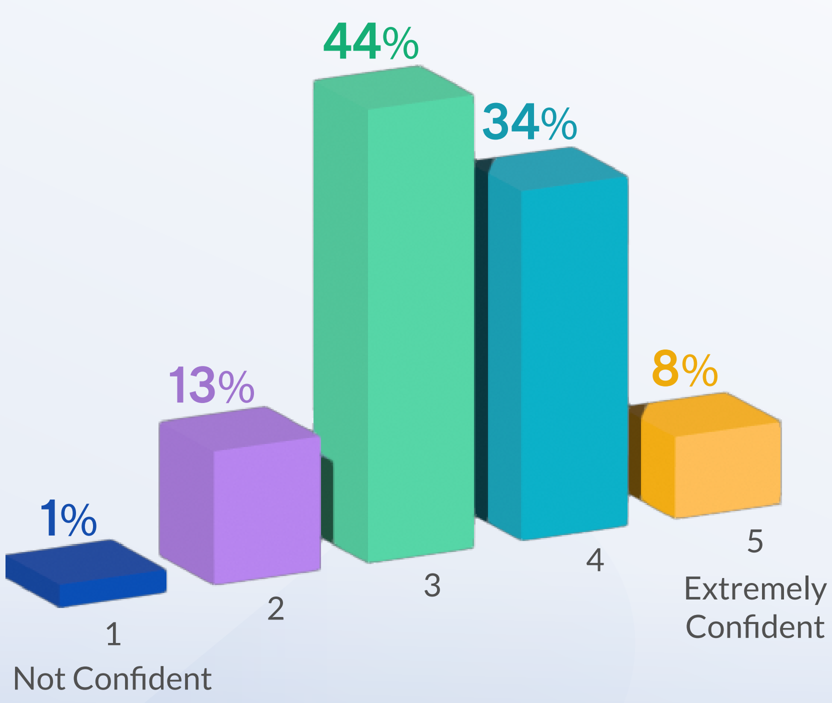
Distribution of companies with 500K+ records



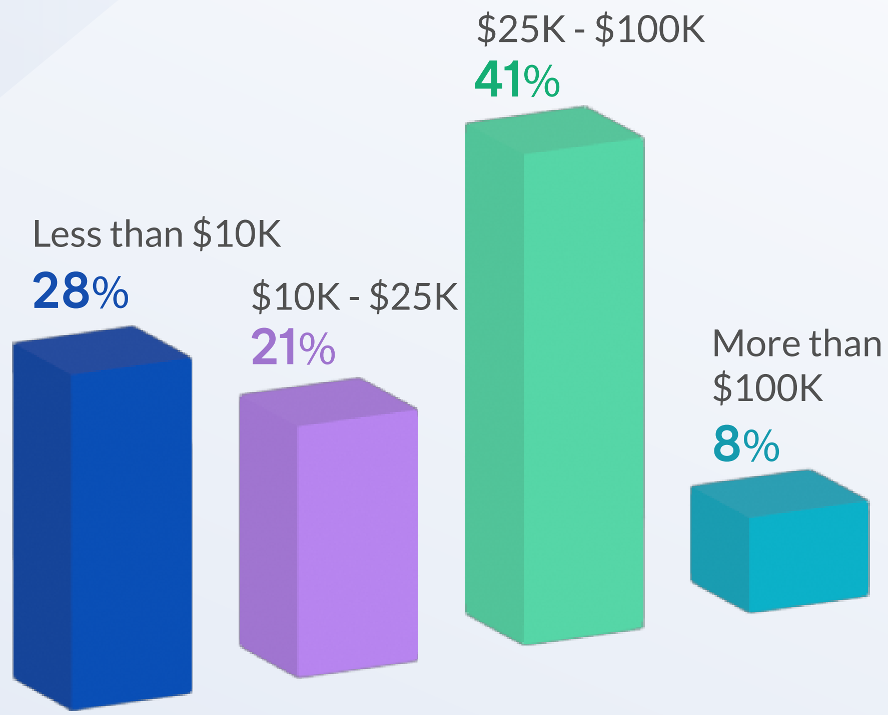
Quantity Doesn't Always Mean Quality

However, quantity doesn't always equal quality, as only 8% of organizations are highly confident in the accuracy of their CRM data. This is despite the fact that almost 50% spend more than $25K annually to enrich and update their CRM data.

How confident are you in the accuracy of your CRM data?



How much do you spend on updating prospect/customer data annually?

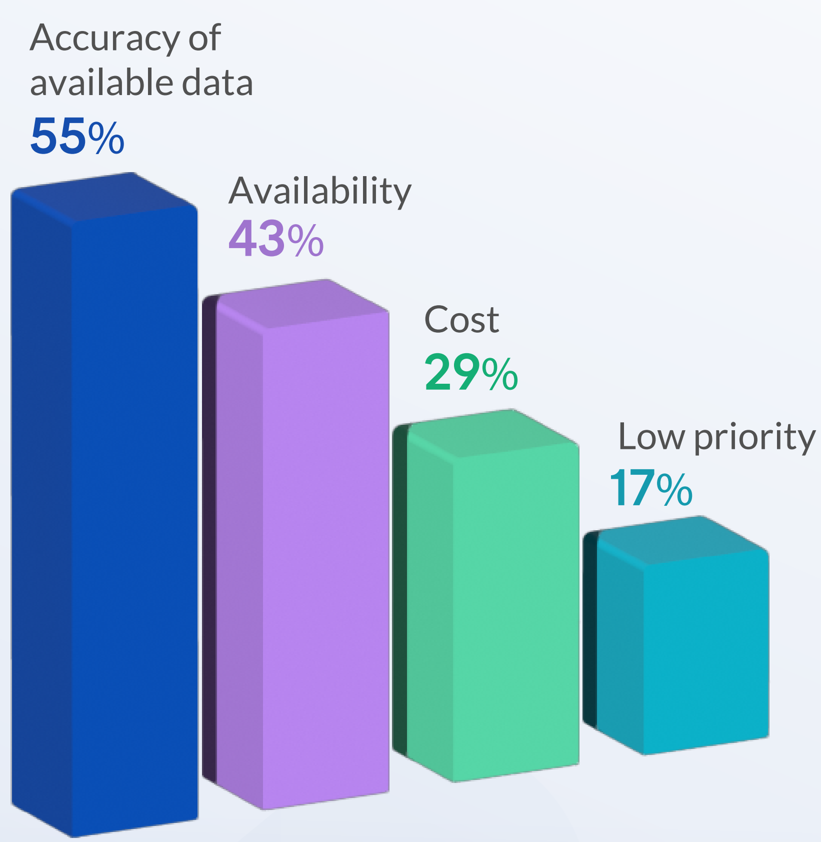


The survey suggests that this number is enjoying a considerable rise, from the numbers we saw in last year's survey. Making their CRM data whole and meaningful to support a range of go-to-market motions is a top priority for many companies. While the increased annual spend on data (with nearly a 50% increase in percentage of companies spending more than $25K annually) may have helped organizations feel a bit more confident about the accuracy of their data, there is still much left to be desired.

The Data Speaks...

Accuracy and Availabilit are Top Barriers to Complete Data

What is impacting your ability to collect quality data for 100% of your records?



When we asked what is impacting revenue leaders' ability to collect quality data, **"availability" and "accuracy" showed up in the selection of 98% of respondents.** This is true whether the organization is partnering with a data provider or not. This tells us that the firmographic and technographic data sets offered by most data vendors today is not nearly enough to realize desired GTM outcomes, and actually could be fueling problems and mistrust.

Sales and marketing teams need to, and want to, make data quality management a priority to reduce customer acquisition costs and invest the necessary resources to ensure it can translate into a competitive advantage for their business.

Majority of organizations barely have insight into what's in their database, **and are mostly blind to the potential customers within their total addressable market.** The severity of the problem is felt more in SMB-focused GTM plays. Dependency on basic firmographic and technographic data results in poor and incomplete definitions of your Ideal Customer Profile.

"We never had a strongly defined ICP. Our solution is around email security. So the truth is, everybody needs the product. (It is both) a blessing and a curse. The total addressable market is everybody and we are focused on business, so every business. The curse is where do you focus?"

Bruce Peltzer
Head of Sales Ops, Area 1 Security

Failure to properly define your ICP results in a poor assessment of TAM, including undercounting, and a lot of sales and marketing budget is wasted in the process.

The Data Speaks…

Rich Data Keeps Getting Richer

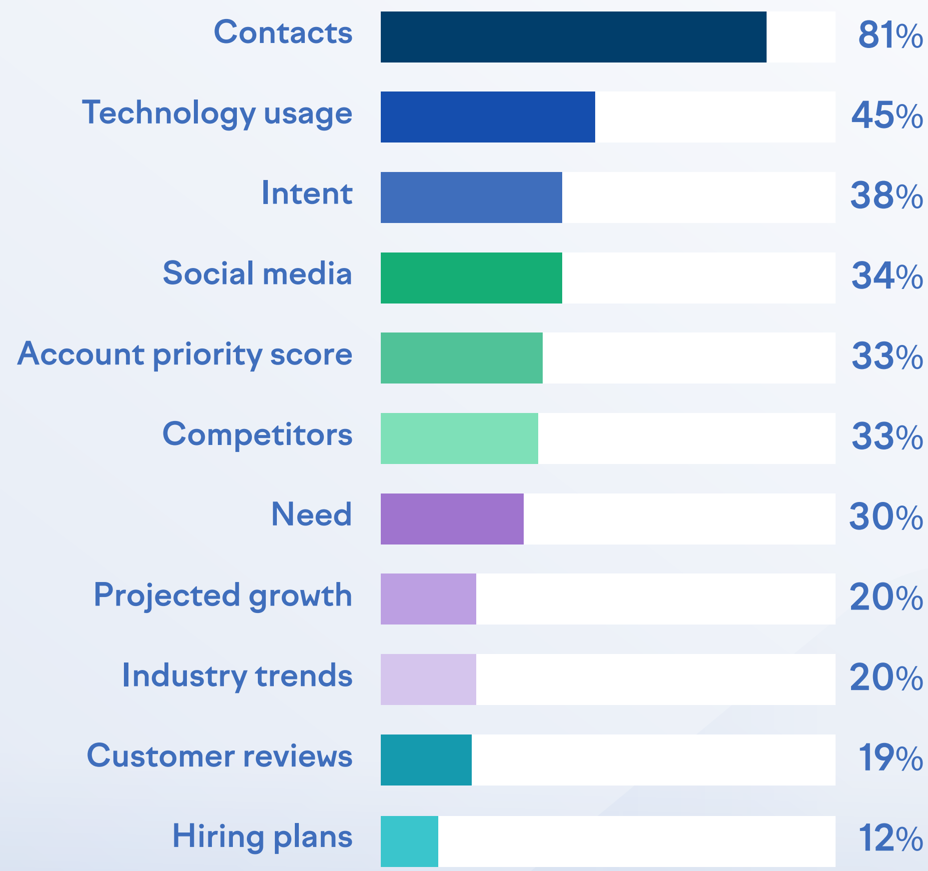
While **"Contacts"** continues to be the default data type in the CRMs of the participating organizations, the buck doesn't stop with Contact data alone for most organizations any longer. With Intent, Need, Projected Growth increasingly featuring in the CRM of more respondents suggest that organizations are welcoming more data depth and variety in their CRM.

Moreover, Modern go-to-market approach starts with knowing which accounts to target first, then identifying the right contacts.

It requires a shift from generic spray and pray or brute-force models that waste money on acquiring off-target contact records to a more precise segmentation and targeting approach based on granular attributes such as a specific need, buying ability, and growth trajectory –using the depth of data to support this.

Although this reduces the number of contacts in the sales team's target list, a more focused, personalized outreach to these **"best fit"** accounts results in a higher ROI compared to more traditional mass-marketing approaches.

What types of data do you *currently* have against your target accounts?



Forward-Looking Indicators Top Wish Lists

When asked what type of data they wish they had against their target accounts, the respondents' top pick was 'Projected Growth', with Technology Used and need data making it to the top 3 data types.

What types of data do you *wish* you had against your target accounts?

1 Projected Growth

2 Technology use

3 Need

4 Industry Trends

5 Hiring Plans

Marketers and sellers not only need to understand who their buyers are, but if they are qualified to buy their product or service. This is especially true when selling and marketing to small to mid-sized businesses (SMBs). SMB buyers expect personalized buying experiences that speak to their specific business needs and circumstances. Moreover, SMB prospecting — being a volume play — has a much higher magnitude of wasted efforts and resources if not managed well within the CRMs.

This calls for and reflects in the desire to source more data depth and variety to allow for a more complete profiling of your best-fit accounts you should focus on. Going beyond the basic firmographic and technographic data to also include **"digiographics"** in your CRM data mix will allow you to purposefully define your ideal customer profile, and a better targeted and relevant outreach.

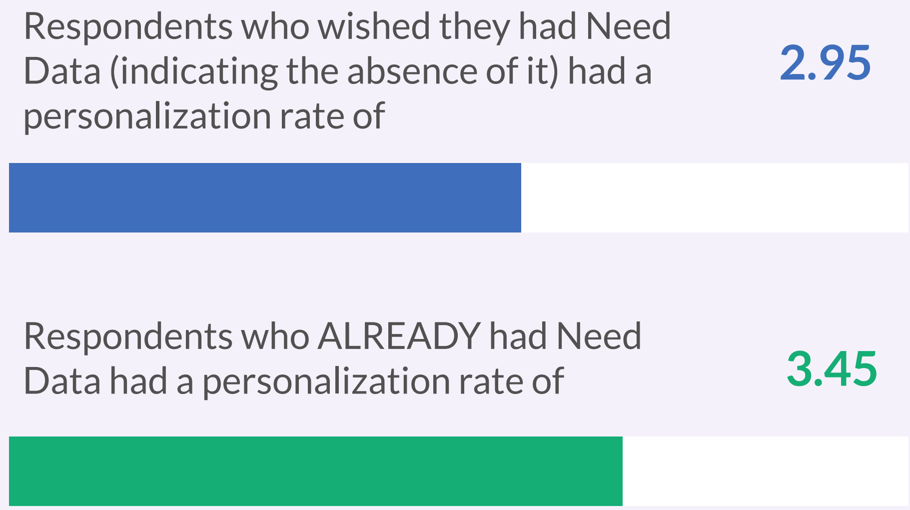
Making a Case for Buyer Need Data

'Buyer need data' - that is, data that indicates that a given prospect is a "fit" (has a need for) your product - surfaced in the top 3 responses for types of data that respondents wished to have in their CRM, while about **one third** of the respondents reported they already have Need data.

While need data is arguably well positioned to draw out the most potential prospects in building a TAM, there probably is more to the data than meets the eye.

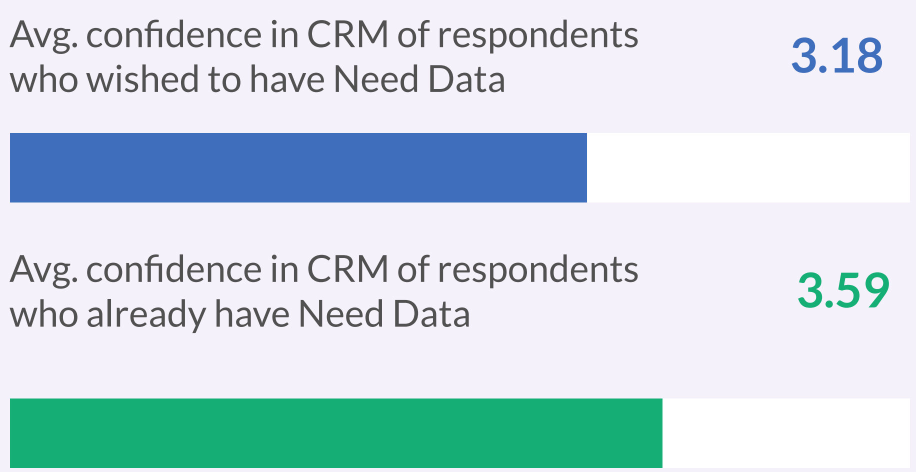
When we zoomed into the responses further, the analysis indicated a strong correlation between the absence of need data and the organization's inability to personalize their sales and marketing cadences.

When asked to rate the level of personalization in their sales & marketing cadences based on their CRM data:



17% **The 17% jump (from 2.95 to 3.45) in the ability to personalize with the presence of need data makes a strong case for why organizations should keep need data in the CRM database.**

Furthermore, our analysis revealed that respondents who lacked need data actually had a lower confidence in their CRM data– 12% less when compared to respondents who ALREADY had need data for their target accounts.



With need data demonstrating a clear uplift in both the confidence in CRM data and organizations ability to personalize, it's clear that companies should be investing in need data.

We would be remiss not to draw parallels with the seemingly close data type, intent data.

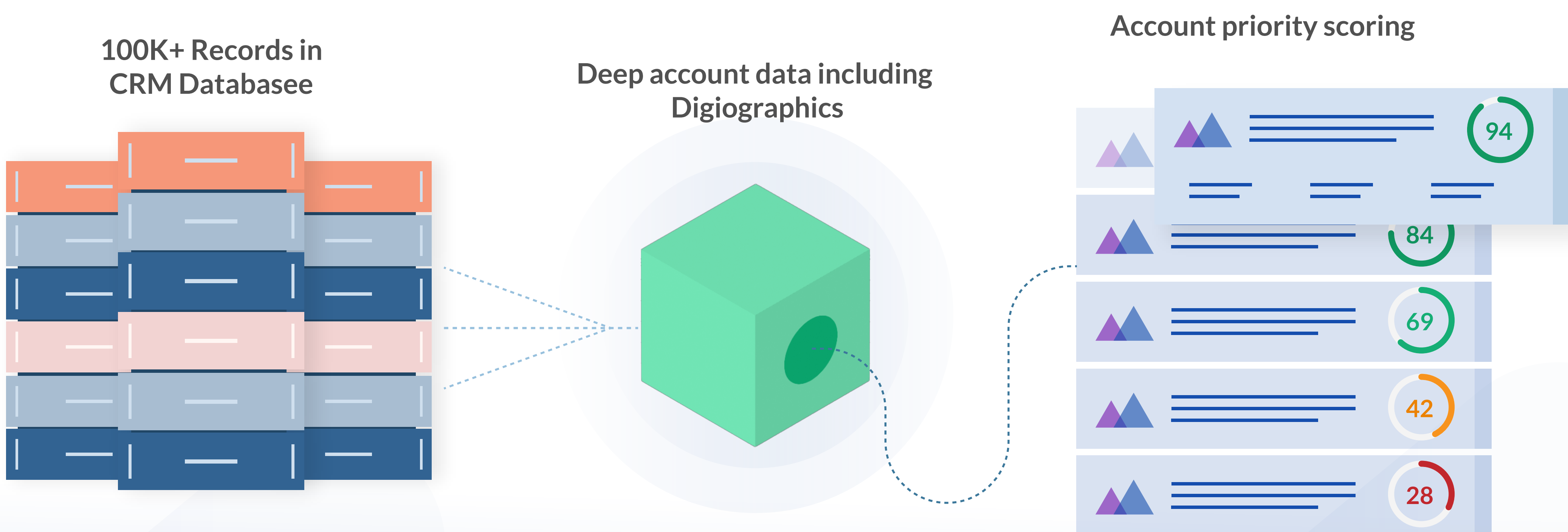
Intent data promises to indicate pent-up demand without really refining or improving segmentation and without surfacing accounts you should be targeting to create demand for your product. **However, despite all its merits, intent data tends to be a lagging indicator.**

> Dependency on Intent data is limiting in the sense that it means that you're waiting for prospects to take some kind of action (demonstrate "intent") for considering them in your TAM instead of pro-actively identifying and engaging in accounts that are a good fit for your product, and showing early signs of need, whether they know it yet or not.

Making Your CRM Useful with Account Scoring

With more than 50% respondents indicating they have 100K+ records in their CRM database, the overwhelming data sizes and spend raise the question of how companies are making use of such huge databases. So we asked.

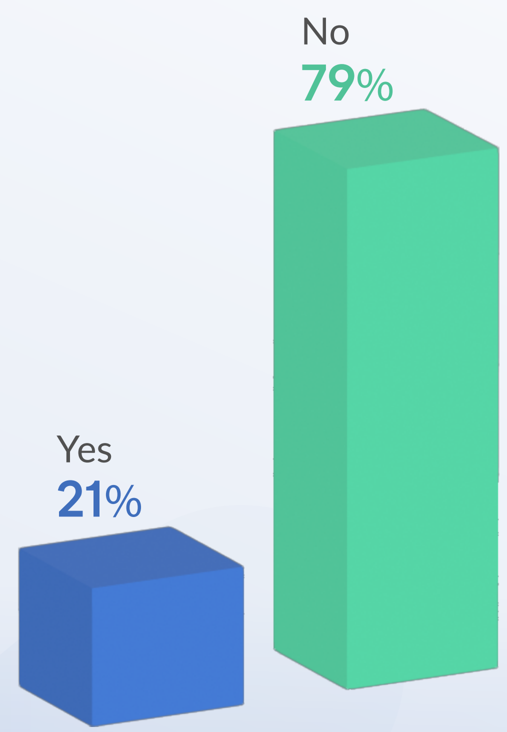
One-third of respondents believe their organizations employ account priority scoring to prioritize target accounts. With more databases now featuring "digiographics" such as future technology needs, hiring growth, industry trends, presence of customer reviews, and spending patterns, meaningful account scoring is now a reality. Still, there is significant room to grow.



Organizations are employing a myriad of ways to establish account scoring within their go-to-market practices. But oftentimes these methods are makeshift, incompleted, or limited in deployment.

21% of respondents said that they used custom signals for scoring accounts in their database highlighting the need for quality account data to accomplish this.

Do you use custom signals for account scoring?



BuzzBoard's scoring algorithms leverage both machine learning and AI-driven analysis. The algorithms can be customized to the context of a specific enterprise or product or service. And it may be used in conjunction with other filters, such as selected technology groups.

Playing Catchup with Account Scoring

Account scoring is the process of sorting all the potential customers in rank order from the most to the least valuable. The estimated value of an account is equal to its proximity to the ideal customer profile (ICP).

Account-first approach will keep you from spending time and money enriching and updating lead records for off-target accounts. An account-first approach that leads with account identification, classification, scoring, and prioritization makes better use of your resources and is more compatible with account-based marketing programs.

Common benefits you may realize from adopting an 'account-first' scoring model include:

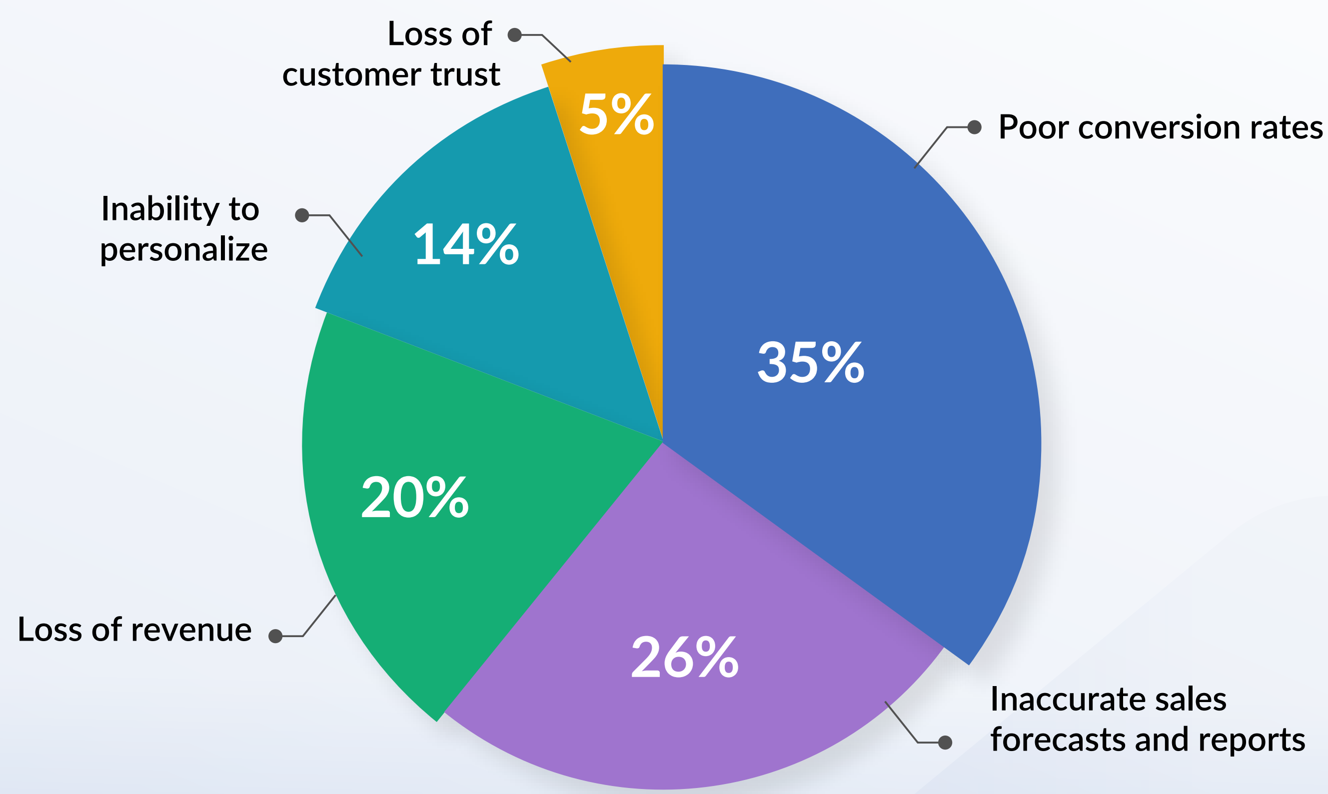
- Build trust between marketing and sales, with cleaner handoffs, by forwarding down the funnel better qualified leads.
- Better match your messaging and offers to targeted audiences, to markedly improve your marketing outcomes and conversion rates.
- Improve SDR efficiencies by having them focus on more qualified, high-priority leads based on precise scoring, resulting in higher conversion rates from SQL to Opportunity to Closed Won.
- Maintain CRM and funnel hygiene—your funnel is only as clean as your CRM and marketing automation database. Stop poor quality leads from entering the funnel to begin with.

The Impact of Incomplete and Inaccurate Account Data

Poor Data Fuels Poor Conversion Rates

The bottom line—data quality has a direct impact on conversion rate, and therefore revenue, and can no longer be ignored or deprioritized. With availability and accuracy being major barriers for leaders to collect quality data as discussed in an earlier section (refer chart on page 11), sales and marketing teams should seek data providers that are more targeted and focused on a segment. Assess your data vendors for the deep data and growth signals you need to prospect accounts that directly impact new business opportunities.

What's the impact on your business because of poor-quality data?

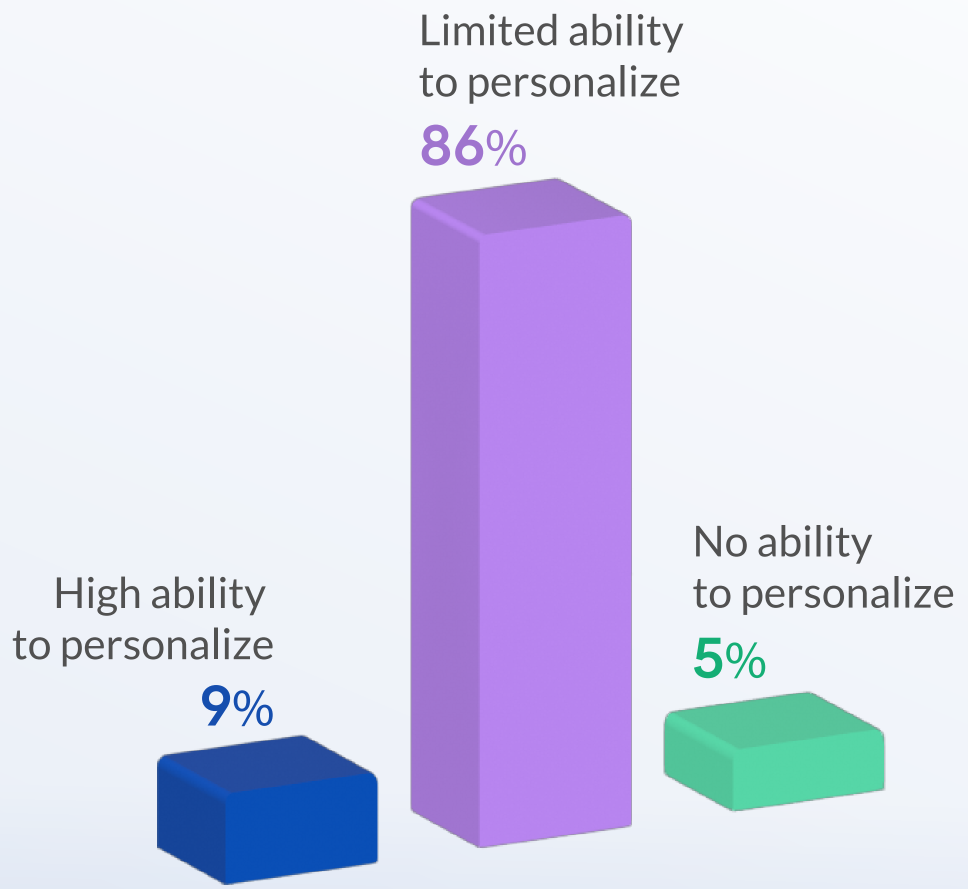


Poor Data Limits Personalization

Despite a considerable increase in annual spend on data hygiene and enrichment, with nearly a 50% increase in companies spending more than $25K annually—what might seem like a lot of focus and investment in getting their sales and marketing databases in order—only 9% of SaaS organizations have a high ability to personalize marketing and sales cadence.

In fact, SaaS organizations struggle to identify the right accounts to target with the right message at the right time.

How would you rate your level of personalization in your sales and marketing cadences based on your CRM data?

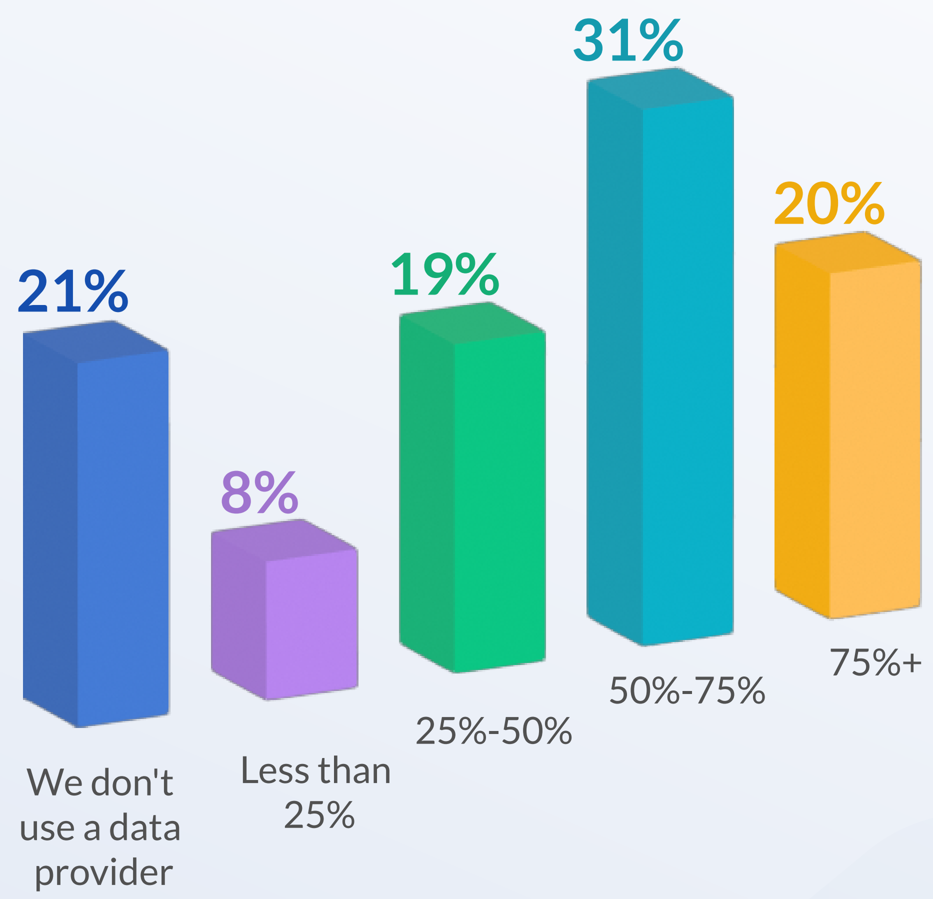


In order to fulfill the promise of personalization, organizations must start implementing data management and enrichment to enrol workflows and practices that align to their ICP's buying journey. However, teams have some work to do in order to first define their ICP correctly.

The survey suggests a fair level of interest with a variety of data types on the **"wish"** list of data they would like to see in the CRM. This comes from the need to make better sense of their ICP and get a clearer view of their prospects. However, current data providers may not be the best positioned to fill the gap with 58% of organizations reporting a match rate of <75% from the data vendor.

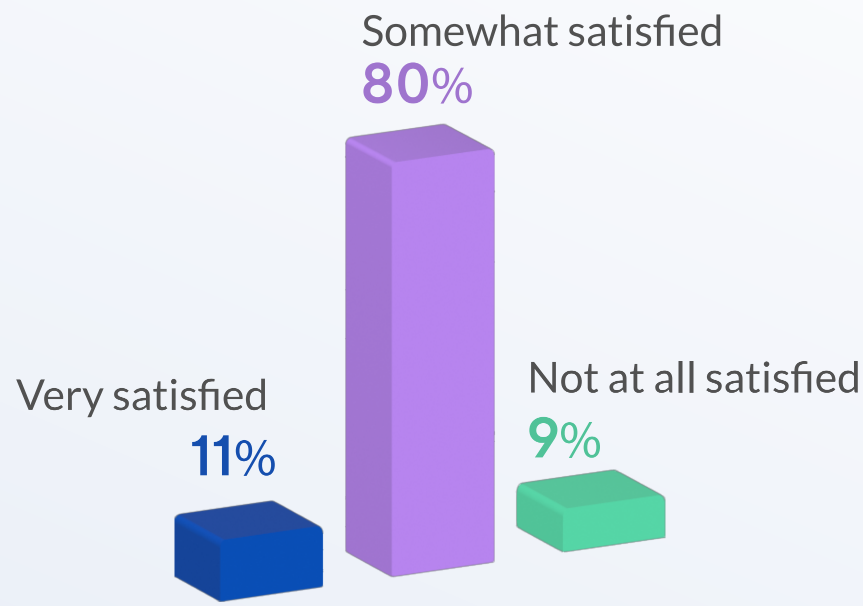
In fact, 27% said their match rate was even lower than 50% at the moment. And only 5% of the organizations get a match rate of >90% from their data vendor.

What is the match rate of your data provider?



Poor match rates, data inaccuracy and even unavailability, all contribute towards the majority of organizations not being satisfied with their current data provider. The number has modestly gone up for the highly satisfied, but a large majority still feel shortchanged.

How satisfied are you with your current provider?



While contacts is a default data type in the CRMs of all organizations, with 100% of the respondents agreeing that they store contacts data in their CRM, what is worrisome is that the uptake of all other (available) data types is severely lacking—and true personalization can only ensue if they house a complete suite of firmographic, technographic, and digiographic data in their CRM.

Deeper Data Intelligence will Separate the Winners from the Losers

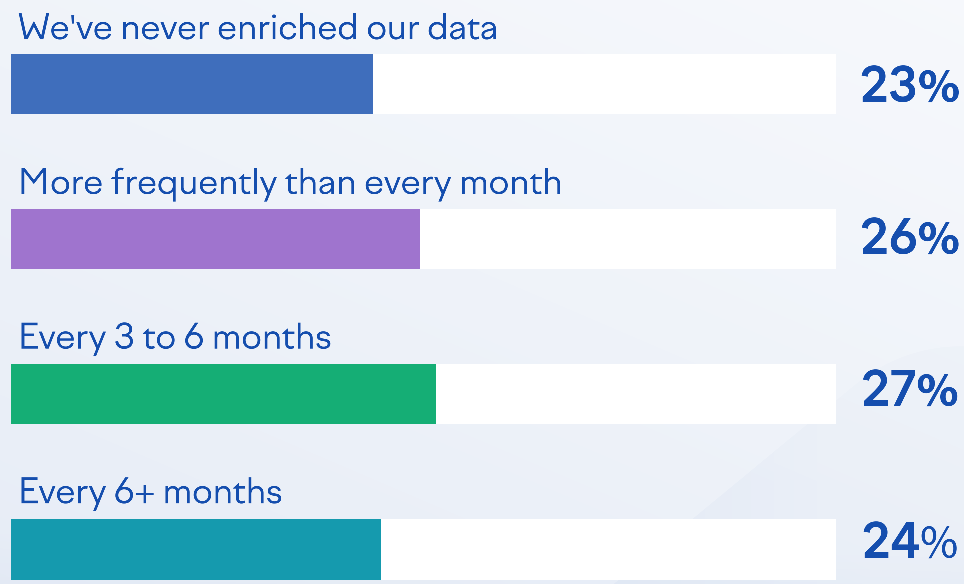
In today's competitive world, data has become the most valuable asset in every organization, but raw data tells you nothing, and data decays every moment. In fact, about 30% of it will become useless, in almost a year, due to buyers or potential clients changing contact numbers. This is why data enrichment and data cleaning have come to play a central role in today's data-driven sales world. For a quarter of respondents, they are bringing internal and external data together more frequently than every month in hopes it will build richer profiles of potential and existing customers.

However, **a quarter of organizations** have never enriched their data, which means there is no existing process to enhance, refine, or improve their raw data. While there is an uplift in organizations warming up to the concept of enriching their CRM data, many are still falling behind. In order for organizations to have an equal playing field, the quality of their data could be the deciding factor.

Accurate and complete customer data is the foundation for any effective marketing campaign today – and those who don't invest in a strong foundation may not be able to withstand the rapid pace and changes of today's sales environment.

How often do you enrich your database?

i.e. update your data through a provider like Clearbit or ZoomInfo.



Key Recommendations for Data That Delivers

The size of your database does not reflect better preparedness and, in fact, could actually be more counter-productive to your go-to-market objectives. More so, in this period of economic contraction where you will need to keep your KPIs at comparable levels while having fewer resources to do so. Future proofing against any and all exigencies must be on top of the minds of revenue leaders today.

Sometimes, less is more, if done the right way.

Below are a few of our key recommendations for organizations to maintain their topline while pulling back on their various costs related to go-to-market and revenue operations.

- **Stay relevant with your database**
  Don't make your CRM about the size of your contact database. Your data expense in not only what you pay to your data vendor, but the actual cost in putting a team behind processing those leads. Focus on efficiency gains, instead. Maintain a more mindfully curated database based on your TAM that improves conversion rate. The math is simple.

- **Find a data vendor who sells Need data**
  This is particularly useful if you are selling to small businesses. Understanding data that can signal need (for your product or solution) and baking that into your TAM assessment can help you achieve more with smaller databases. Identify SMB prospects who need your product before they demonstrate intent. Pay only for contacts that belong in your TAM.

Score your Accounts at the top of the funnel

Prioritize, segment, market, and sell based on **account fit scores** using account data that is most relevant and actionable for your business. Define a detailed data-based, AI-driven ICP to score your accounts. Allocate your GTM resources to the accounts more likely to convert and/have the highest revenue potential.

Just because you are having to cut back on available resources and access to funds does not mean you have to generate fewer bookings, pipeline, opportunities, SQL, or MQL. It means things will only get tougher and you need to get better prepared.

Better preparedness in the face of the recession, layoffs and cut backs, means we now need nuance, sophistication, AI/ML, better data, things that can improve efficiency at every step of the sales and marketing funnel.

Better preparedness means avoiding wasteful, profligate spending—just hire more reps!!! Just buy more contact data!!

About Modern Sales Pros

Modern Sales Pros (MSP) is the world's largest peer education community for sales operations, sales enablement, sales engineering, and sales leadership professionals. Founded in 2015 in San Francisco, the community now totals more than 20,000 sales professionals from all over the world. The MSP team is committed to building a community that represents the true variety of backgrounds, perspectives, and skills in revenue leadership today. The more inclusive we are, the better the community is, and the more we learn.

Join the community here: https://modernsaleshq.com/buzzboard-apply

About BuzzBoard

BuzzBoard is fueled with over 20 years of acquired intelligence of 20+ million small-to-medium businesses to help solution providers deeply understand their customers and build trusted relationships in today's digital-first selling environment. BuzzBoard's AI-powered intelligence engine powers account-based marketing and sales performance using its proprietary SMB signal stack and category classification system to identify, segment, and score the accounts with the highest revenue potential.

With BuzzBoard account intelligence fueling CRM and marketing automation platforms with ideal customers, demand generation and sales teams now have the insights and recommendations they need to acquire and retain customers with highly personalized interactions at scale.

To learn more about how you can improve the quality of your CRM data, visit www.buzzboard.ai

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