Bringing Salesforce Data Analytics to the Next Level

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What You Need To Know

Sales and the data that drives them are the lifeblood of each and every organization. In today's data-centric world, the opportunity to track, quantify, and optimize the sales process has risen to unprecedented heights. Performing robust analysis of sales data has become paramount to organizations' success and, as such, sales data has evolved into a central hub that provides context to both internal decisions and external actions.

Sales-related analytics has seen an explosion in mindshare amongst data analysts and in focused investments from companies. Likewise, the role of the sales operations professional has become an essential building block of the modern sales organization. Data analysts and sales operations professionals are responsible for a number of mission-critical initiatives, including maximizing lead conversion, reporting to senior management, and being stewards of their organization's most valuable data asset – customer data.

However, a number of salient pain points inhibit successful sales analytics endeavors. Enterprises often find that the tools at their disposal are not designed to handle the types of analysis that they desire. Often, data analysts and those in sales operations will find that their data curation and analytical reporting responsibilities are hamstrung by the limited toolset available to them.

AT A GLANCE

Salesforce Analytics Limitations

Blue Hill Research notes commonly cited friction points for analyzing and reporting on sales data with Salesforce's native reporting capabilities, including:

- 2,000 row limitation in Salesforce report displays
- Difficulty in uniting data with multiple outside data sources
- Challenging to create lead conversion analysis across variables such as time and first-touch attribution
- Difficulty in building meaningful historical pipeline snapshots
- Requires cumbersome manual processes for custom data requests such sales rep performance comparisons
- Difficulty to embed analytics in other operational tools

One such pain point occurs as sales operations professionals are increasingly asked to report on and analyze data within their organization's Customer Relationship Management (CRM) platforms. In response to this recurring friction point, Blue Hill Research identifies key areas of value that a dedicated Business Intelligence (BI) and analytics engine can bring to the role of sales operations. In doing so, we analyze common constraints that users encounter within Salesforce, among the most popular CRM platforms in enterprise sales environments.

Salesforce and CRM's Limitations in Supporting Data Analysis

Salesforce has become an enterprise standard as a CRM platform, and its ability to quantify customer interactions has been a central catalyst to the revolution of sales-related analytics and reporting. Within many organizations,

Salesforce has established itself as the system of record for all customer and sales-centric data. As a repository of such valuable data, Salesforce comes standard with a number of out-of-the-box data visualization and reporting capabilities; for instance, the embedded capabilities allow for insight into areas such as total deals closed or sales pipeline. However, these embedded capabilities have a number of limitations in their scope and complexity that inhibit the insight that would otherwise be available from a dedicated BI and analytics solution. While Salesforce excels at managing and organizing sales processes and data, it does not possess the analytics capabilities that sales operations professionals are in need of.

This is an area that Salesforce itself has recognized. In 2014, the company introduced Wave Analytics as a dedicated business intelligence and analytics offering. This move was a major validation of the demand that Salesforce users were placing for better reporting on the data stored in their CRM.

To analyze the comparative limitations of Salesforce's standard reporting capabilities, and thus the merits of a dedicated BI and analytics solution, it is important to consider the explicit limitations of Salesforce as well as its implicit contextual limitations. From this analysis sales operations professionals can begin to understand the benefits to both their role and to their organization that a dedicated BI and analytics solution can drive.

Explicit Complexity Limitations of Salesforce

The explicit limitations of Salesforce's analytics capabilities are largely a function of its core value proposition. At its heart, Salesforce is designed to be a fast and efficient system for data entry and retrieval. Its value to customers is a result of performing online transaction processing (OLTP) very well. To maintain this competency, Salesforce necessarily must curtail analytics capabilities that could complicate or otherwise impede its goal of being an easy to use system of data entry and retrieval. Salesforce itself acknowledged its software limitations for reporting and analytics as a detailed list of 'analytics limits' released within its own Salesforce Success Community.

Blue Hill has observed these limits to be often cited as frustrations that impede analytical insight into data. For instance, the most cited of these limitations is the quantity of rows that can be displayed in reports. Reports within Salesforce are only capable of displaying 2,000 rows, a capacity that organizations can quickly outgrow. As the amount of data collected by organizations increases, a report containing only 2,000 rows of data quickly becomes less than what would be required to provide even a representative sample. To analyze data on a larger scale, the data must be exported to a tool such as Microsoft Excel, which has its own limitations as a business intelligence tool for large data sets.

A consequence of these complexity limitations is that Salesforce's reporting and analytics capabilities are inherently less robust than a dedicated BI solution. This is apparent in a number of areas, including data discovery, visualization, and custom dashboard creation. Dedicated BI vendors have built their solutions with the express goal of accomplishing these objectives, and to help end-users find meaningful relationships in their data.

Salesforce's embedded capabilities do provide for some level of visualization, but usually within predefined outputs. The same holds true for discovering trend lines, analyzing time frames, and customizing dashboards. Dedicated BI solutions are designed for these types of explorations, and they accomplish them more efficiently than what Salesforce is otherwise capable of. The ultimate limitations, in this sense, are robustness and flexibility.

While Salesforce does allow for insights into data through pre-defined routes, dedicated BI solutions allow organizations to find answers to questions that Salesforce did not anticipate, whether this concerns objects with unexpected relationships or analysis within non-standard time intervals. For those in sales operations, finding this level of insight for a custom data request with Salesforce's native capabilities would require a painfully manual process.

Contextual Limitations of Salesforce

Beyond the explicit complexity limitations of Salesforce as an analytics solution, a constraint consistently cited is its inability to incorporate the "whole picture" of the organization. Salesforce reporting is often good at providing specific insight for the immediate timeframe, but is perceived as inadequate at contextualizing this insight in relation to the broader organization. To this point, Blue Hill has observed three key areas: understanding historical trends, custom metric exploration, and incorporating outside data sources.

Dedicated BI solutions allow for the flexibility to analyze data more effectively regarding historical trends. Organizations often find that to conduct analysis between time periods in Salesforce, separate reports must be constructed and manually compared. This is in large part due to the out-of-the-box functionality of Salesforce having only a limited ability to allow for historical snapshots. If, for instance, a sales leader wants to understand particular metrics at a certain point in time, such as viewing the sales pipeline from six months ago, they would need to run a custom analysis from a data extract to perform any sort of meaningful visualizations and drill-downs. In the absence of such capabilities, organizations are limited in their ability to understand historical trends, and to compare past assumptions with actual outcomes. Because dedicated BI solutions provide fluidity in analyzing non-standard time intervals and preserving historical context, they present a distinct advantage that sales leaders should consider when seeking a more comprehensive view of operations.

Data analysts and sales operations professionals alike are often asked to perform more complex reporting and analysis than what is available from Salesforce's standard reporting options. For example, if an analyst wanted to create a report to run on a complex custom variable, representing a distinct product sold in a particular geography based on the type of interaction a customer first had, it would entail a time-consuming process to create the custom variable necessary for this analysis. While in many instances the granularity of customization is available within Salesforce, the rigidity of the generated report and the time-consuming process to get to the desired outcome constrains the opportunity to explore and drill down into the data. As metrics increase in complexity, the resulting time expenditure and rigidity constraints increase as well. Blue Hill observes this to be a frustration point that can inhibit willingness for deep analysis and fostering a data-first mentality.

Difficulty in incorporating external data sources within Salesforce is another impediment to using Salesforce's capabilities to "paint the whole picture." In contrast, BI solutions allow for you to analyze a wider array of variables in tandem with one another. For instance, if an executive wants to discover which customers would be best targeted for upsell opportunities, they may require data from a variety of non-Salesforce sources to establish upsell trends and indicators. It is likely that they would also need to bring in various data points such as interactions with customer support teams, social footprint, size of the company, or recent turnover to adequately perform their analysis. Without the ability to compare easily between data sources, these types of questions often

become prohibitively complex or time-intensive to answer. Because organizations have multiple systems of record, such as ERP and workforce management solutions, achieving converged data access is essential for decision-makers to be able to ask more impactful questions and affect strategic action.

It is worth noting that this is not a limitation unique to Salesforce, but rather a truth for any point solution that collects silos of data. This is consistent with any dedicated CRM, sales, marketing, or operations tool. The native analytics of any given point solution do not have the contextual relevancy for organization-wide analysis. This is important because without contextual relevancy, users can understand neither the meaning nor the sentiment of the data, and thus lack an impetus for action. Further, dedicated BI solutions offer an opportunity to embed analytics into the existing workflows of users, rather than constraining dashboards and reports to a user interface outside of a user's normal workflow. This removes adoption barriers, and raises the level of utility of analytics across an organization.

Exploring Gains from a Dedicated BI Solution

Blue Hill has observed that the gains from implementing a dedicated BI solution on top of Salesforce data generally manifest themselves in two ways: operational savings, and enhanced insight.

Operational savings come from having a dedicated analytics solution rather than one that is primarily optimized to be an efficient system of record. Dedicated BI solutions give organizations a great deal more flexibility to create the reports that they need. This results in a reduction of labor-intensive processes, such as individually creating separate reports and manually compiling and sharing results through media like Excel or PowerPoint. Because of this, drilling down into data and making incremental changes to the analysis can happen at a materially more efficient pace.

The value of enhanced analytics is generally consistent with the broader value proposition of BI. Enhanced analytics and reporting allows for users to ask better questions and to impact the business with the answers they discover. Consider the business need for a roll-up of sales performance compared to individual quota achievement for sales representatives. A dynamic model encompassing multiple sources must be constructed to accomplish this goal. This undertaking can be made considerably easier by using a solution designed to produce such reports. The potential for gain lies within the possibility of increased deals, smarter sales campaigns, and identified weak spots of internal processes.

However, it is important to consider the relative costs of implementing a dedicated BI solution when weighing what options are best for your organization. While every organization can benefit from better insight into their data, not every organization operates at a level of complexity which would merit the investment required. Of late, BI vendors have come to market with dedicated Salesforce data connectors and other innovations that have decreased the time and cost associated with introducing a BI solution. But still, the associated costs of implementation and the opportunity costs of using IT resources should not be overlooked. Further, initiatives looking to unite multiple data sources in conjunction with their Salesforce data will require a similar cost/benefit assessment. Executives must take inventory of what questions they are currently able to ask of their data, and compare it to the answers that they need to improve their business.

Looker and Potential Impact on Sales Operations

With the demand for improved analytics functionality to support the growing sales operations role, a number of vendors have positioned themselves to augment the analytics capabilities associated with Salesforce data. The solutions vary in terms of their scope and breadth of functionality. Analytics solutions range from those concerned exclusively with data held in Salesforce itself to those that bring Salesforce in as a complimentary data source to the overall enterprise data ecosystem. In the marketplace of such solutions, Blue Hill Research finds Looker among the most interesting ones.

Looker offers a broad Business Intelligence and analytics platform, which Blue Hill has covered in detail in previous research reports. In September of 2015, Looker introduced "Looker Blocks." The Blocks are packaged templates of code that are designed to be extensible for repeatable use cases, such as those in sales or marketing analytics use cases. Looker Blocks present a shortcut for building out analytics workflows by providing a foundation that can be customized to a given environment. Given the relative ubiquity of Salesforce as a CRM and the common challenges amongst sales operation personnel, Looker introduced a dedicated Looker Block for Salesforce. The Block lets organizations drop in and build out commonly needed reporting and analytics views from their Salesforce data.

On a tactical basis, the Blocks provide a more accessible means for sales operations professionals to deal with commonly encountered limitations in reporting on Salesforce data. Blue Hill has observed that specifically reporting on customer conversion rates and time-series comparisons is inordinately difficult with out-of-the-box Salesforce reporting functionality. The Salesforce Block allows users to work with existing templates for these operations. The views can be established either in the Looker analytics client directly or embedded within the Salesforce interface itself.

Overall, this approach creates an opportunity for sales operations personnel to more efficiently complete high-frequency tasks that were previously unwieldy with Salesforce's native capabilities. These include tasks such as comparing historical snapshots across time or building first or last touch attribution models to understand contributors to customer lead conversion. Organizations can build a framework that enables deeper analysis in an accessible way. For instance, Looker allows for pipeline analysis by size or industry with a few clicks rather than the manual creation of a new report. Further, there is an opportunity to integrate predictive models that are unique and adaptive to a situation rather than rely on percentages arbitrarily assigned by a sales rep.

The impact for those in sales operations is to have the ability to run these reports in an automated and repeatable fashion. This allows for users to shift their time from manual reporting processes, such as building custom slide decks or running Excel models, to analyzing the trends and optimizing processes.

Notably, Looker, as a dedicated analytics engine, also provides the opportunity to analyze Salesforce data within the context of the broader enterprise. Blue Hill has previously documented Looker's approach to creating a centralized data environment within a high-performance database such as Amazon Redshift or HP Vertica. In doing so, users can run analysis that requires data from multiple data inputs such as product usage data,

marketing automation systems, or web traffic streams. The benefit here is in avoiding analysis of data in isolation. As the sales operations role continues to evolve, it will mature into providing more accurate and robust analysis of both internal sales team performance and external customer intelligence. Even relatively simplistic analysis of looking at customer service interactions, such as Zendesk tickets or the number of scheduled calls on the calendar, can be used to create a rules-based approach to customer health. Further, analysis of customer lead origins such as tradeshows, cold calls, or referrals, and tracking their historical quality and time-to-close creates invaluable knowledge for sales teams to act on. Building out holistic customer health reports and gaining insight to recommend specific action will be increasingly important to the sales operations persona. However, achieving this level of insight will only be possible if sales operations professionals are able to treat Salesforce data as a piece of the larger puzzle, rather than as a monolithic silo of data.

Conclusion

For many organizations, Salesforce is an informational foundation upon which smarter decisions are made and deals are won. However, the next leap in better data-driven decisions requires stronger analytics capabilities. For sales operations professionals, there is a need for reporting and analysis that surpasses Salesforce's native capabilities. The introduction of dedicated BI and analytics solutions presents a two-fold opportunity. The first benefit comes as sales operations professionals leverage dedicated analytics engines to build out automated reporting capabilities for metrics and analysis that would otherwise take time-consuming manual processes. This allows sales operations personnel to move away from reactive processes, and towards proactive value-adding initiatives.

Secondly, broader BI and analytics platforms are designed to analyze data outside of predesigned dashboards, visualize data to discover new patterns, and understand data within the context of the entire organization. As the sales operations role continues to mature, this will become an invaluable asset. Sales organizations will invariably demand to understand their customers' health and personas, and doing so is only possible through a broader analysis of sales operations data than what is exclusively contained within Salesforce.

Ultimately, operations teams considering an investment to augment the reporting and analytics capabilities of their Salesforce solution should seek to understand what can be accomplished when existing data is put to better use. For those that have exhausted the native capacities of Salesforce, who are finding complex answers by comparing old PowerPoint decks, or who are exporting data sets to spreadsheets – there is a strong case to be made for considering a dedicated BI and analytics platform.

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James Haight is a research analyst at Blue Hill Research, focusing on analytics and emerging enterprise technologies. His primary research includes exploring the business case development and solution assessment for data warehousing, data integration, advanced analytics, and business intelligence applications. He also hosts Blue Hill's Emerging Tech Roundup Podcast, which features interviews with industry leaders and CEOs on the forefront of a variety of emerging technologies. Prior to Blue Hill Research, James worked in Radford Consulting's Executive and Board of Director Compensation practice, specializing in the high tech and life sciences industries. Currently, he serves on the strategic advisory board of the Bentley Microfinance Group, a 501(c)(3) non-profit organization dedicated to community development through funding and consulting entrepreneurs in the Greater Boston area.

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