

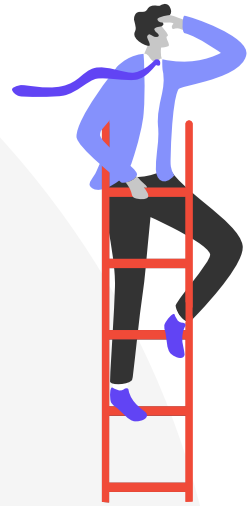


Must-Know Metrics to Measure Sales Engineer Performance

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Introduction



Learn to Unlock Business Growth Through Your Sales Engineers

Sales engineers (SEs) are essential to the enterprise software sales cycle. They have the technical expertise, understand the software, and can address technical objections.

But, to succeed, they need a range of skills beyond just technical knowledge, such as business acumen, communication, objection handling, and collaboration.

This eBook provides nine key metrics to measure the impact of your sales engineers on business growth. The metrics cover win rates, deal velocity, efficiency, and deliverables from lead qualification to successful proof-of-concept.

By tracking these metrics, organizations can improve their sales cycle and achieve growth at each stage of the funnel.



Measure Your Win Rate

Sales enablement activities are generally measured by answering the question, **"Did it work?"**



How to calculate your win rate

According to a study done by The Rain Group in the technology sector, [the average win rate](#) is 47%, while elite performers win 73% of their deals.

$$\text{Sales Win Rate} = \frac{\text{Closed-Won Deals}}{(\text{Closed-Won Deals} + \text{Non Closed-Won Deals})}$$

Disqualify leads that won't convert

When a lead is disqualified, you realize that they aren't the right customer for your technology, and that they shouldn't have been in the pipeline to begin with. Avoid wasting time, effort and resources by taking a closer look at disqualified leads.

Monitor lead disqualification rate over time. If it's increasing, **ask yourself:**

- Is Marketing using the wrong messaging?
- How can you improve the sales qualification process?
- Are leads qualified for organization-led criteria and their own interest?

Top tip:
Use a product-led approach to get prospects using your software early in the buyer journey, shorten the sales cycle and reduce wasting time on prospects who don't have a need for your technology.

Using BANT to qualify leads

BANT is still one of your best options for moving prospects down the sales funnel:

Ask yourself:

Budget: Can the prospect afford the solution?

Authority: Are you speaking to the right stakeholder?

Need: Can your product solve their pain point?

Time frame: Are they ready to move forward?

Asking these questions allows you to understand how important the purchase is to your prospect. And, if any of the answers are negative, it may be time to disqualify the lead.

Metric
#2

Determine Your Deal Velocity

Sales performance depends not only on your win rate but also on the speed of closing deals (or deal velocity.)

Calculate your deal velocity

Deal velocity is also known as the length of the sales cycle, how long it takes you from first contact to close a deal. After all, you can attain a 100% win rate from a single prospect who you've been speaking to for six months.

$$\text{Deal Velocity} = \frac{\text{Number of Opportunities} \times \text{Deal Value} \times \text{Win Rate}}{\text{Length of Sales Cycle}}$$

Worried about this number?

Ask yourself:

- Where are inefficiencies happening in the sales cycle, and how can you reduce them?
- Which channels are your top performers using, and how can you leverage them more frequently?
- Is your number of opportunities too low? How can you source more high-quality leads?
- Can you increase the average deal size, by offering add-ons or cross-sell opportunities?
- Are sales engineers being pulled into tasks that aren't strictly part of their job?

Top tip:

Think about ways to quickly disqualify leads that won't convert, give prospects the right information early on, and automate repetitive or complex tasks, (i.e. answering repetitive questions in RFPs with a central sales library.)



Ultimately, the more you can streamline the sales process, the lower your deal velocity metric will be, and the more focused your sales engineers will become.

Metric
#3

Determine Your Ideal AE:SE Support Ratio

Sales engineers support account executives, but how thinly should their time and resources be spread?

Let's start with the data

The median ratio of account executives to sales engineers is 4:1. That means on average, sales engineers are supporting 4 accounts. In 10% of cases, there are 10 account executives for every sales engineer.

How to strike the optimal balance between SEs and AEs

Give the sales engineers too many accounts to manage, and you'll stretch them too far, slowing down the deal velocity and maybe even leading to some dropped balls.

However, there's also such a thing as not enough accounts. While we would all love to allow sales engineers to focus on just one or two prospects, the budget is unlikely to allow for that luxury.

Sales engineers are an added cost... but are they worth it?

The numbers speak for themselves. The more sales engineers, the more moolah. "On average, sales forces with a 1:5 ratio (1 SE for 5 reps) have revenue per rep of \$2M, while sales forces with a 1:1 ratio average \$3.2M per rep."

In reality, **the right support ratio is what creates a balance between effectiveness and efficiency in your business.** Keep track of win rates, deal velocity, and revenues, and don't be scared of a bit of trial and error.



Top tip:

The goal is to maximize what prospects can get from account executives without overstressing sales engineers. To achieve this, virtual instructor-led training (VILT) can be used to provide non-technical account executives with a scalable solution to quickly create technical demos and proof-of-concepts (POCs) in minutes, thanks to easily customizable templates.

Metric
#4

Understand the Average Age of Open Leads

A full pipeline is a healthy pipeline, as long as it keeps on moving forward.

The “average age of open leads” refers to the average amount of time that has passed since leads were first added to a sales pipeline (and the deal has not closed).

Tracking the average age of your leads allows you to determine how well you’ve simplified your sales process.

Calculate the average age of open leads

$$\text{Average age of leads in pipeline} = \frac{\text{Total age of all active leads per rep}}{\text{Number of active leads}}$$

While this is an important number to track as an average over time, don’t forget to keep an eye on individual leads that are open too long. A stalled deal takes up the sales team’s time and headspace, but stalled doesn’t always mean the lead can’t be given the kiss of life.

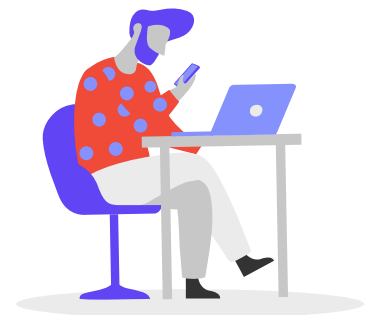
Ask yourself:

- What is the dollar value of this open deal? And, should we continue to put effort into it?
- Does any one rep have more stalled deals than others? They may need added support.
- Can you see where the prospect has stalled, and can you provide personalized guidance?
- Compare support ratios to stalled deals. Are SEs overstretched?

Use the BANT guidelines above to identify leads that should be disqualified, and think about smart ways to encourage leads to move towards the sale.

Top tip:

According to a study done by **Consensus research**, the average time for SEs to deliver a demo to a customer is five business days. Think of ways to reduce delivery time and move engaged prospects faster through the funnel.



Metric
#5

Measure Efficiency

Efficiency means that you're making money for the business, once you've factored in how much it costs to close a deal.

How to calculate your efficiency

You usually measure efficiency with a formula like this:

$$\text{Sales Efficiency} = \frac{\text{Sales revenue}}{\text{cost of making the sales}}$$

You can do this for a specific period of time, a certain sales rep, or a particular account. You might be surprised by what you find. If a \$1M deal costs \$450,000 to close - that's a sales efficiency score of 2.5. If a \$500,000 deal costs \$100,000 to close - the efficiency score doubles to 5.

You might instinctively want to go after those big logos, but streamlining a process to gain a consistent stream of lower dollar sign clients can be more efficient, and spread the risk across more customers for the business.

Is your sales efficiency low? Consider...

- Hours wasted waiting for prospect responses, investing time in unqualified leads, or completing repetitive or manual tasks.
- Upsell or cross-sell opportunities to increase the value of the win rate.
- Tasks that could be automated or digitized, such as creating demos, POCs, or training environments for sales engineers.

Top tip:

Look for ways to identify your highest efficiency wins, those that are high-dollar with low resource investment. These are your ideal pipeline, and you can learn from these to replicate sales journeys and increase efficiencies across the business.



Metric
#6

Measure the Right Deliverables

Sales engineers have evolved from solely demonstrating the technical aspects of a product to a wider range of responsibilities.

According to Forbes, today's sales engineers need to advise, instruct and develop. They may also conduct technical discovery during lead qualification, assess the feasibility of a potential customer's environment, reduce risk by creating POCs and trial environments, and collaborate with account executives to evaluate, qualify, nurture, and ultimately finalize deals.

What deliverables should you measure?

Tracking the deliverables of sales engineers can provide you with valuable insight into how your team is spending their time.

Separate sales engineers' activities by the stages of the buying cycle, including:

- Prospecting
- Qualification of leads
- Discovery
- Value proposition
- Proposal
- Negotiation

Within these categories, create a list of deliverables, which can be anything from RFPs, to demos, POCs and POVs, discovery calls, and value assessments.

By measuring the amount of time and effort spent on specific parts of the buying journey, and more granularly - specific deliverables, your sales teams can start to drill down into efficiency savings.

Top tip:

Maximize the time spent on communication and personalization, as customer experience is where you can move the needle. Automate the "behind the scenes", and time-consuming elements, such as demo creation and spinning up trial environments. (CloudShare VILT can easily help you do this.)

Bonus:

See where sales reps are getting the most return on their investment by comparing effort with outcomes!



Metric
#7

Determine SE Performance

Knowing who your top SEs are is a powerful business growth strategy. It allows you to understand the behaviors which lead to their success and upskill your team.

How to identify top performers

There are a few ways to identify top performing SEs. You could take the monetary value of their sales over a specific period, or you could divide that number by their closed-won deals, so that your data isn't skewed by one big-ticket success.

Why not try?

Dividing earnings by how many hours an SE has worked, uncovering an "effort efficiency" metric that explains dollar value per hour.

The results can shine a light on high-performing behaviors in your top sales engineers.

Watch and learn from rockstar sales engineers

First, make sure that you're comparing apples to apples. If you have multiple products with different audiences, price tags or goals attached - then it may not be fair to put them all in the same boat.

Once you've identified top performers, look at other SE performance metrics.

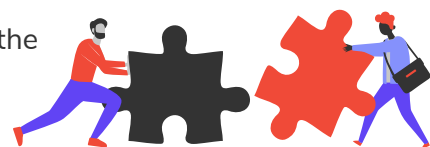
Ask yourself:

- How long do they spend on an average deal cycle?
- Do they offer discounts, incentives, or any "try before you buy" techniques?
- How do they handle objections?
- What ratio of hand-holding to self-serve opportunities do they provide?

Answering these questions can help you create a profile of the ideal sales engineer hero, and provide improved training for other sales engineers and enablement teams.

Top tip:

It's not enough to ask your sales engineers about their behaviors. Using technology, you can get granular insight into the sales process, gaining essential data on activities, performance and points of friction that can help you identify what high-performing Bob does, while everyone else misses a trick.



Metric
#8

Understand and Increase Engagement Rate

A dramatic generational shift is happening, where prospects want to research, test and learn on their own.

A dramatic generational shift is happening, where prospects want to research, test and learn on their own. And, in a [study](#) of B2B buyers, 43% said they would prefer a rep-free buying experience, with this number jumping to 54% of millennial buyers.

“For many sales leaders, that dramatically small window of direct interaction represents the single biggest challenge their sales teams face today, an overall lack of access — and therefore lack of opportunity — to materially impact purchase deliberations and bend customer preference toward their company’s unique offering.”

So, if sales engineers are being given less and less face time, (via web conferencing or otherwise) how can they boost engagement?

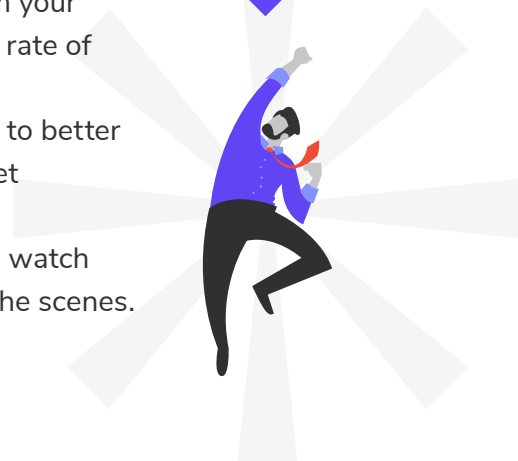
Virtual engagement starts with visibility

Traditional ways of measuring sales engagement might be how many times a prospect opens an email. This is a good start. Even better is to add measurable touchpoints along the journey, even if that journey is completely digital.

- Offer a link to a demo or test environment from your website or social media, and measure the click rate of the CTA.
- A/B test different demos, and see which leads to better engagement and conversion rates across target audiences.
- See how active users are inside the demo, and watch for points of friction to make changes behind the scenes.

Top tip:

This one is from **Gartner**: “CSOs predict a 2.5X increase in the proportion of virtual sellers given the increase in digital buying. Seek to engage customers virtually where attention spans are lower and customers may also be more reluctant to share skepticism and challenge viewpoints.”



Metric
#9

Improve Your POC Success

A dramatic generational shift is happening, where prospects want to research, test and learn on their own.

For sales engineers, the Proof of Concept (also known as Proof of Value (POV)) is a critical stage of the sales process. You're pushing your product baby bird out the nest and hoping it can fly.

Except, like a magician's glitzy assistant, you're often blindfolded.

That's why the traditional approach to sending out a Proof of Concept is to send it to the prospect, and then wait hopefully by your inbox.

Gain Visibility and Control Into Your POCs

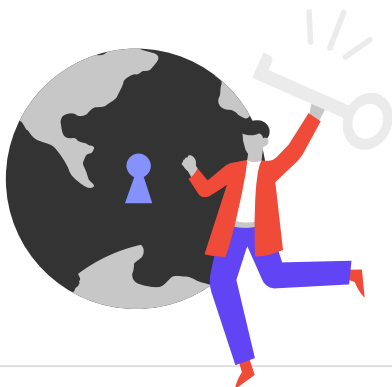
Software experience platforms like [CloudShare](#) allow you to easily send prospects a cloud-based POC, and understand:

- **POC activity:** How many hours has the prospect interacted with the POC, per day, per blueprint, and per organization?
- **POC details:** Whether blueprint or Virtual Machine, what activity has taken place, for how long, and which parts caused delight or friction?
- **POC status:** In progress, pending, finished, or expired - managers have a full view organized by each sales engineer, in real-time.

Top tip:

Ensure you and your customer have agreed on success criteria prior to beginning a POC. This allows you to manage customer expectations and avoid scope creep. It's also crucial to time-limit the POC to avoid a "never-ending" POC.

Sales engineers get greater insight into the true experience of the prospect, and managers can keep track of engineers' productivity, progress and success.



Next Steps

Build Highly Effective Demo Experiences with CloudShare

If you can gain insight into these nine metrics, you can use the data to supercharge your business growth.

With an interactive VILT software experience solution like CloudShare, you can use these metrics to:

- Learn from your highest performers, and train the rest of the team to follow in their footsteps.
- Improve your ratio of qualified leads, getting hands-on faster to ascertain proof of value.
- Gain greater insight into demo and POC experiences, alleviating friction, improving engagement, and speeding up deal velocity.
- Give prospects the tools to break and play with your technology, so they can self-serve their way to software FOMO.

[Speak to a CloudShare product expert](#), to understand how you can supercharge your Sales Engineering team performance with interactive VILT software.



More About CloudShare

CloudShare is a leading software experience platform, helping software companies increase customer acquisition and retention by creating highly engaging, hands-on virtual POCs, demos, and training environments.

CloudShare's virtual experiences are easily replicated in the cloud and purpose-built to generate user engagement that ultimately impacts key business metrics such as repeat purchase rates, lower support costs, higher win rates, faster sales cycle, and more. We are proud to serve leading global software companies such as Motorola, Atlassian, SAI Global, ForgeRock, Salesforce, and many more.