



# Revenue Operations

Manufacturing & Distribution Research  
Findings Report

2024

Tim Meuschke  
Principal, Alexander Group  
[tmeuschke@alexandergroup.com](mailto:tmeuschke@alexandergroup.com)

Zack Houghton  
Director, Alexander Group  
[zhoughton@alexandergroup.com](mailto:zhoughton@alexandergroup.com)



# Alexander Group Overview



## MANAGEMENT CONSULTING

Revenue growth strategy and execution

- ▶ Revenue Growth Specialists
- ▶ 3,000+ clients across industries
- ▶ Global 2000 focus



## RESEARCH

Benchmark data

- ▶ Proprietary database of 10M+ data points
- ▶ 1,200+ sales forces
- ▶ 200,000+ unique sales time profiles



## COMMUNITY

Connections and knowledge sharing

- ▶ Full calendar of revenue-centric leadership events
- ▶ Forums, symposiums, roundtables and webinars
- ▶ Insights Newsletter and LinkedIn group

# Alexander Group Consulting Services

Alexander Group provides executives with **actionable data, insights and solutions** to upgrade their **commercial strategies and tactics**

## Digital Strategy & Programs

What roles, tools and enablement are needed to drive a digital channel? What does it take to stand up a digital program?

## Organization & Job Design

What is the optimal organizational structure across segments, particularly with complex teams?



## Sales Productivity & Deployment Optimization

What are the most profitable sales channels? How many commercial resources are needed to win against competition or launch a new product?

## Segmentation, Revenue Motions & Targeting Models

How do we prioritize customers in each segment to identify the highest potential new and expansion revenue?



## Sales Compensation Design

Do compensation plans align with sales strategy and incentive design best practices? Are the supporting quotas robust enough to drive performance?

## Commercial Strategy

Which strategic, structural and management levers are critical to drive profitable revenue growth?



## Annual Commercial Planning

What adjustments are needed to strategy, structure, compensation and deployment to exceed next year's growth target? How are adjustments made while still meeting next year's cost budget?

# 2024 Revenue Operations Survey Demographics

## Participant Profile

**130+**  
Companies

Participant  
Titles

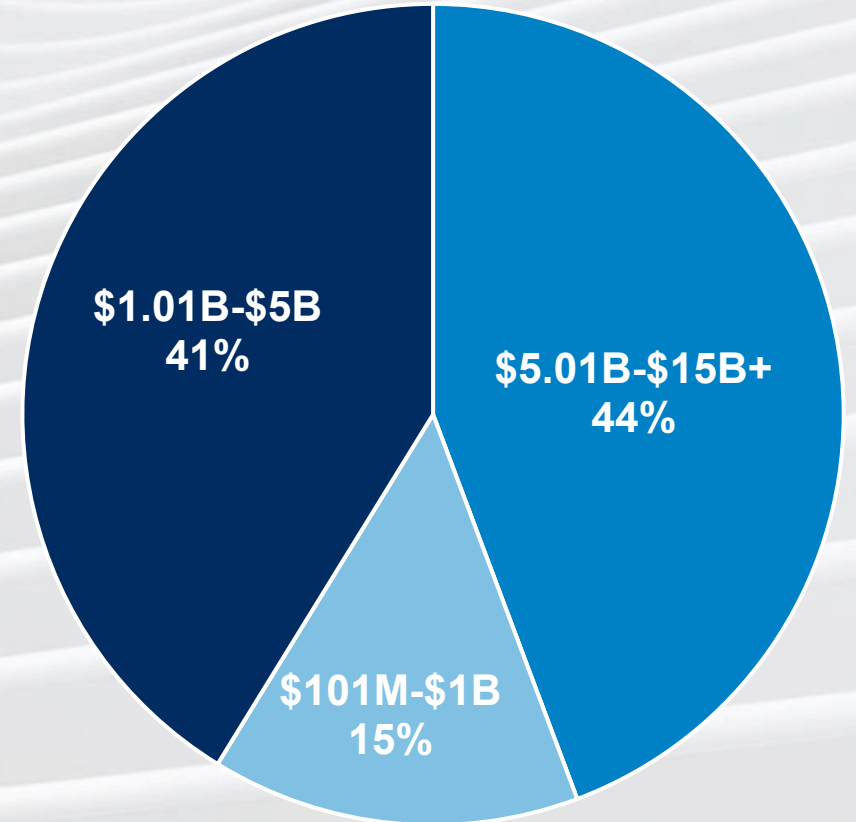
C-Suite  
Managing Directors  
Vice Presidents  
Directors of Operations

Industries

**9+**  
Industries

Technology  
Business & Financial Services  
**Manufacturing & Distribution**  
Healthcare  
Life Sciences  
Pharma  
Med Device  
Media

## Organizations by Annual Revenue



# Executive Summary

1

## Organize to Support Growth Plays

- Leading organizations that drive commercial excellence first understand the **most impactful growth plays** and then select the appropriate RevOps organizational design depending on strategic focus
- Commercial Leaders must **evaluate the efficacy of Revenue Operations across three dimensions**: function, business unit and geography, otherwise they risk limiting the ROI
  - **47%** have cross-functional RevOps teams, while **53%** have standalone Marketing, Sales and Service Ops
  - **48%** are centralized across all business units and geographies, while **52%** are separated by geography and/or business units
- There is **no dominant practice in the marketplace**: Organizations that prefer a fast reaction time and agility tend to prefer a decentralized model; those that prefer consistency and efficiency lean toward a centralized model

2

## Invest in Talent

- Despite economic uncertainty, there is **increased executive focus on RevOps**
  - Majority of RevOps budget is invested in people costs (**59%**)
  - Percentage of companies increasing RevOps headcount more than doubled YoY (**+2.3x to 66%** in 2024)

3

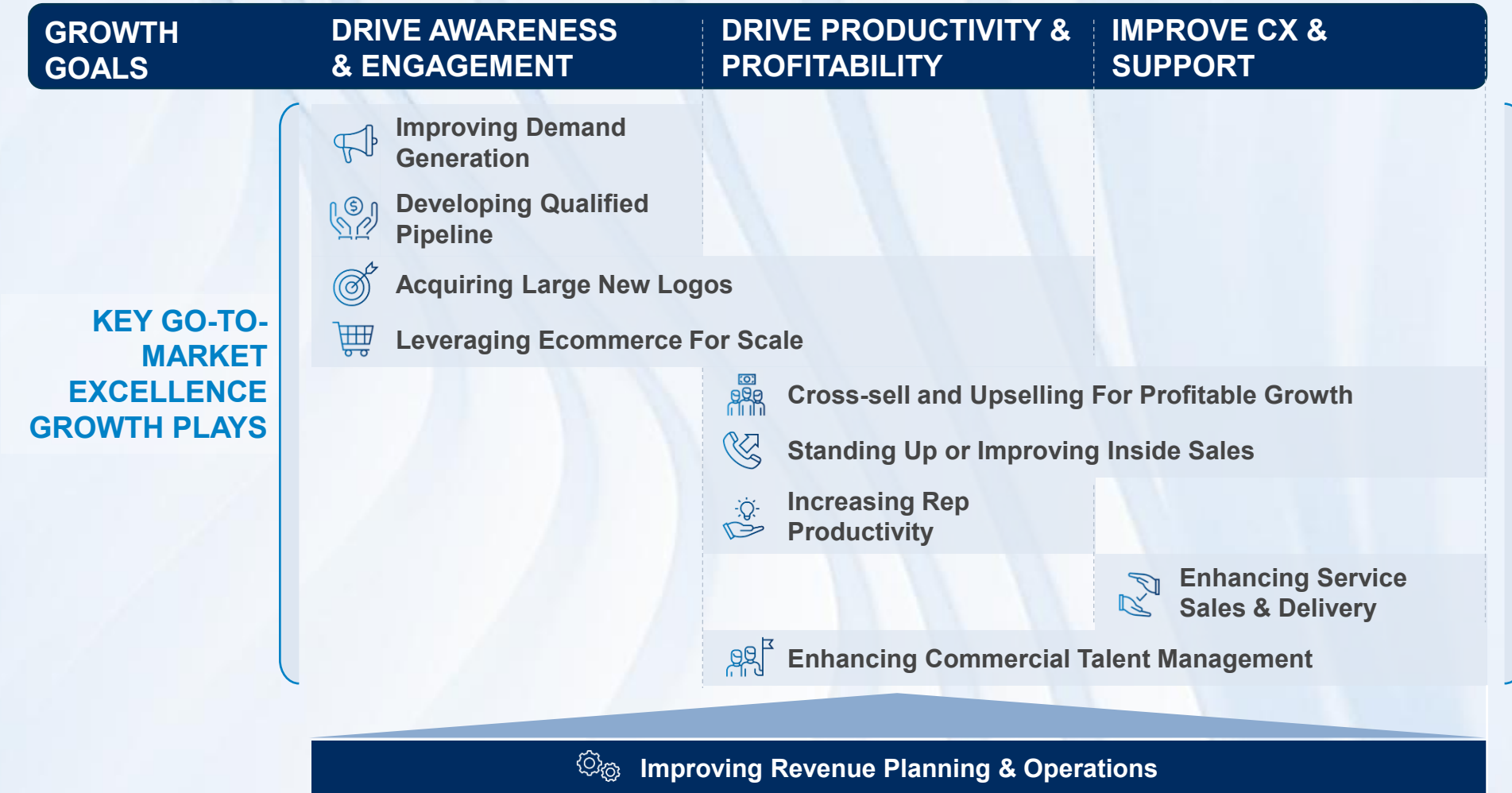
## Build & Measure

- Leaders are **thoughtful and deliberate about what go-to-market elements RevOps should own** or support
  - RevOps teams most prevalently own Strategy (**70%**), Analytics (**55%**) & Enablement (**52%**)
  - “One of my most important roles is to ensure that the annual planning process is driven by facts that lead to business decisions” – RevOps Leader
- As the foundation for commercial excellence, most RevOps teams support segmentation, coverage & sizing, change management and role design
- To **create greater customer visibility**, RevOps is the connective tissue between executives and customer insights
  - Customer Lifetime Value (CLV), Customer Retention and Existing Customer Expansion are the metrics most reported dynamically

# Organize to Support Growth Plays

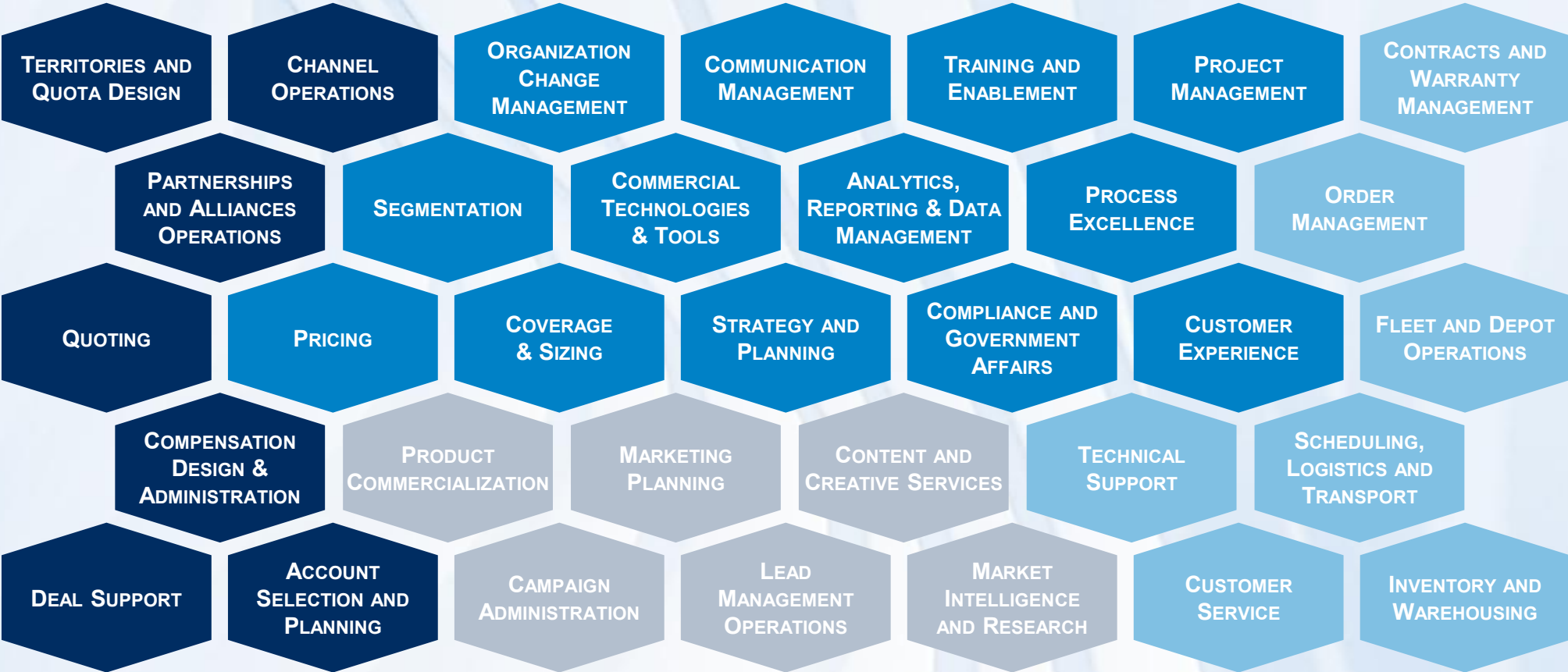
# RevOps Enables Growth Play Execution for Marketing, Sales & Service

Growth plays are processes that organizations execute to achieve growth goals



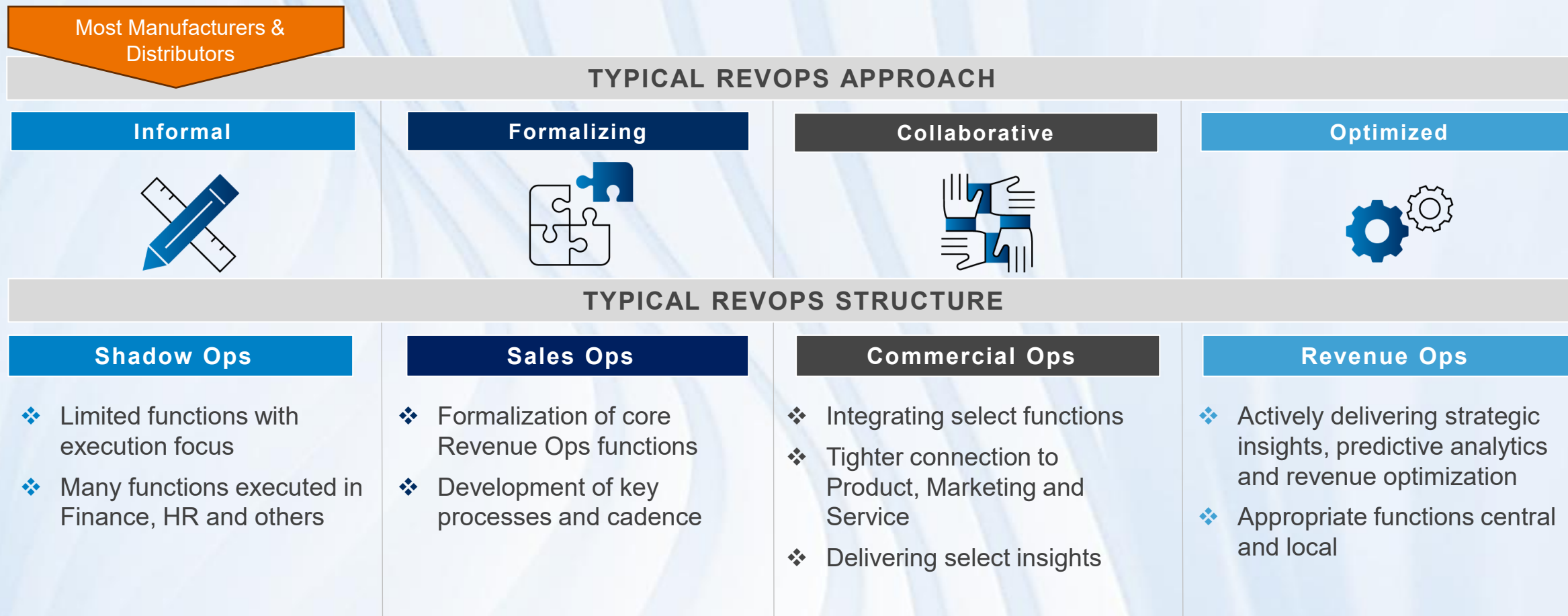
# RevOps Unites the Commercial Model

Revenue Operations Benefits from Horizontal Synergies to Unite the Entire Organization



# Growth Evolution Requires Reevaluation of RevOps

The structure, roles and investments of Revenue Operations depends on company growth goals



# RevOps Teams Must Coordinate Across Commercial Functions

The RevOps team's functional organization is split almost evenly across those that have one team that oversees all functions versus standalone teams split by functional area (Marketing, Sales and Service)

Functional Organization

Cross-Functional RevOps



Standalone Ops

MARKETING OPS

SALES OPS

SERVICE OPS

*For organizations with formal revenue operations teams<sup>1</sup>...*

**47%** have **Cross-Functional RevOps Teams**

**53%** have **Standalone Marketing, Sales & Service Ops**

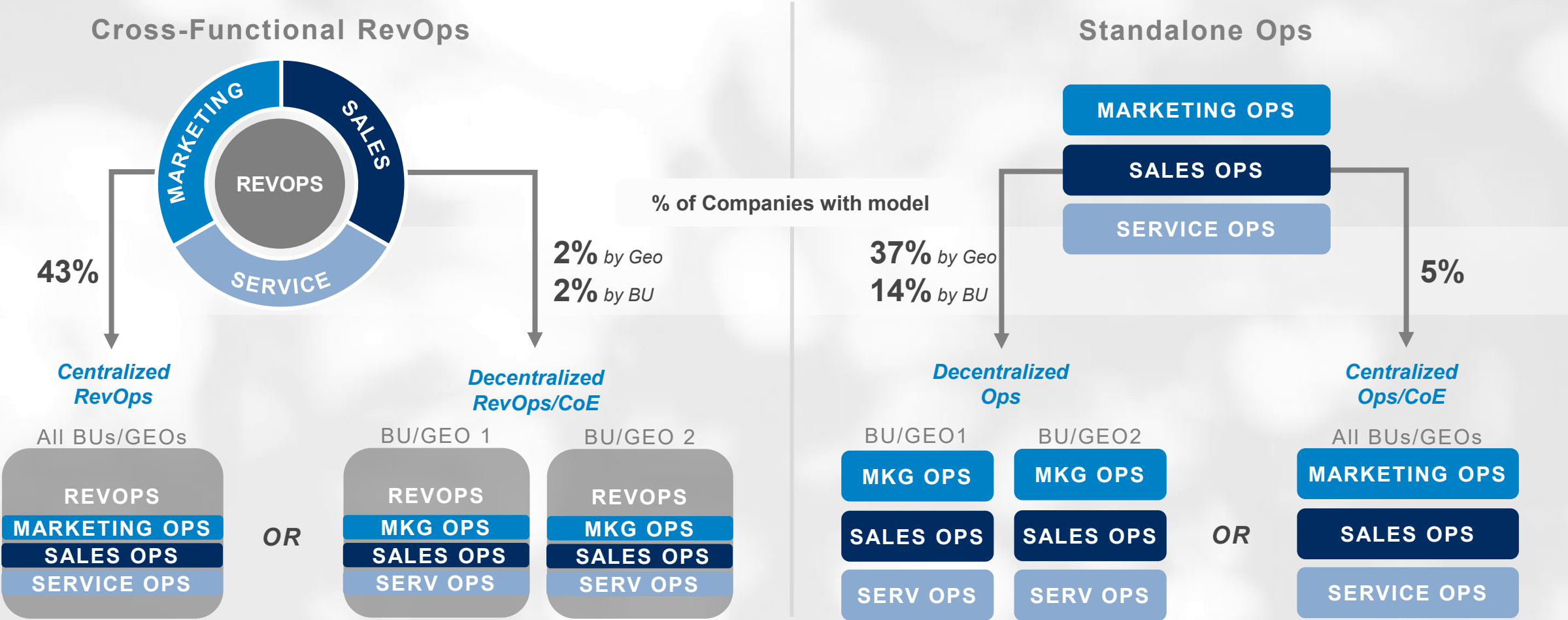
**Data Finding:**



Cross-functional RevOps teams are **1.4x more likely** to rate their Revenue Operations function as “effective” or “very effective.”

# RevOps Structures Vary in Complexity and Centralization

The RevOps team structure can vary from consolidated to disaggregated across (1) functions (Marketing, Sales and Service) and (2) business units and geographies



Source: Alexander Group 2024 Revenue Operations Research

# Pros and Cons of Different Organizational Designs

Achieving the commercial plan requires determining the optimal structure for each element of RevOps, keeping in mind that options exist along the spectrum

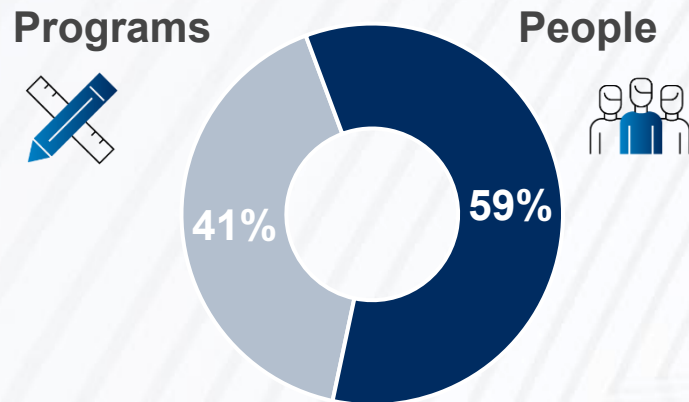
	Decentralized	Center of Excellence	Centralized
Advantages	<ul style="list-style-type: none"> <li>• Faster reaction time</li> <li>• Local market knowledge</li> <li>• Autonomy to react</li> <li>• Local accountability and ownership</li> <li>• Customized systems for local needs</li> </ul>	<ul style="list-style-type: none"> <li>• Ability to establish and govern best practices</li> <li>• Locally empowered decisions</li> <li>• Greater efficiency and improved consistency</li> <li>• Better ROI for those starting the revenue operations journey</li> </ul>	<ul style="list-style-type: none"> <li>• Greater efficiency</li> <li>• Greater consistency of performance</li> <li>• Connection to corporate resources and career profile</li> <li>• Consolidated issue identification and resolution</li> <li>• Improved system access rights</li> </ul>
Challenges	<ul style="list-style-type: none"> <li>• Ensuring knowledge transfer</li> <li>• Managing career path for top talent</li> <li>• Scalability due to redundant roles</li> <li>• Alignment to global policies</li> <li>• Loss of central decision-making authority</li> <li>• Smaller business cases for improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of local “buy-in”</li> <li>• Insufficient resources to cover program scope</li> <li>• Transferring best practices and ensuring local application</li> <li>• Maintaining consistency across diverse businesses/geographies</li> <li>• Duplication of effort/investment</li> </ul>	<ul style="list-style-type: none"> <li>• Difficult to ensure local “buy-in” and ROI delivery within each BU/geo</li> <li>• Less effective for markets with unique needs</li> <li>• Local issues may not receive the urgency deserved</li> <li>• Requires process to drive accountability to regions</li> </ul>

# Invest in Talent – Build & Measure

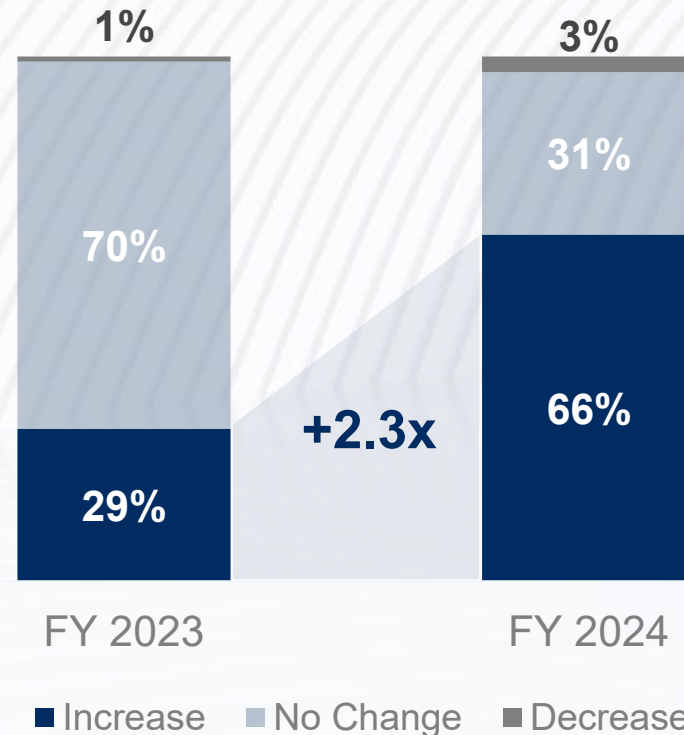
# Talent Drives RevOps: Most Will Increase Headcount

Majority of Revenue Operations investment goes to people cost. Organizations that rate themselves as highly effective see the value in and are making increased investments in their teams

Average Percentage of Revenue Operations Cost Allocated to People vs. Programs<sup>1</sup>



Percent of Companies with Planned Changes to RevOps Headcount<sup>2</sup>



## Data Finding:



RevOps Teams that rated themselves as “effective”/“very effective” were **1.4x more likely to increase headcount** in 2024 than those that rated themselves as “minimally effective”/“neutral.”

Source: Alexander Group 2023 & 2024 Revenue Operations Research

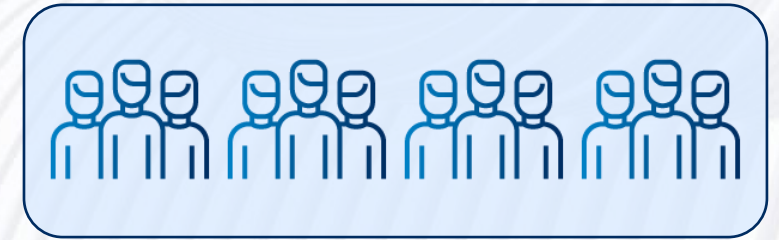
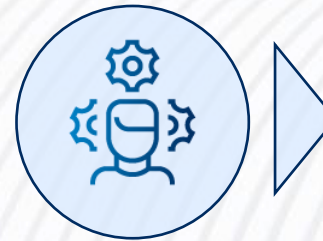
# Top RevOps Sizing Factors are Technology and Workload

RevOps teams are most likely to consider technology investments, workload and overall revenue and bookings to determine sizing

## Top RevOps Sizing Factors<sup>1</sup>

- 79%** Technology Investments (i.e., number of software tools supported)
- 68%** Workload (e.g., # quotes, # orders, etc.)
- 54%** Revenue/Bookings
- 50%** Number of Business Units Supported
- 50%** Number of Geographies Supported

## Sales Operations Headcount Ratio Benchmark Data<sup>2</sup>



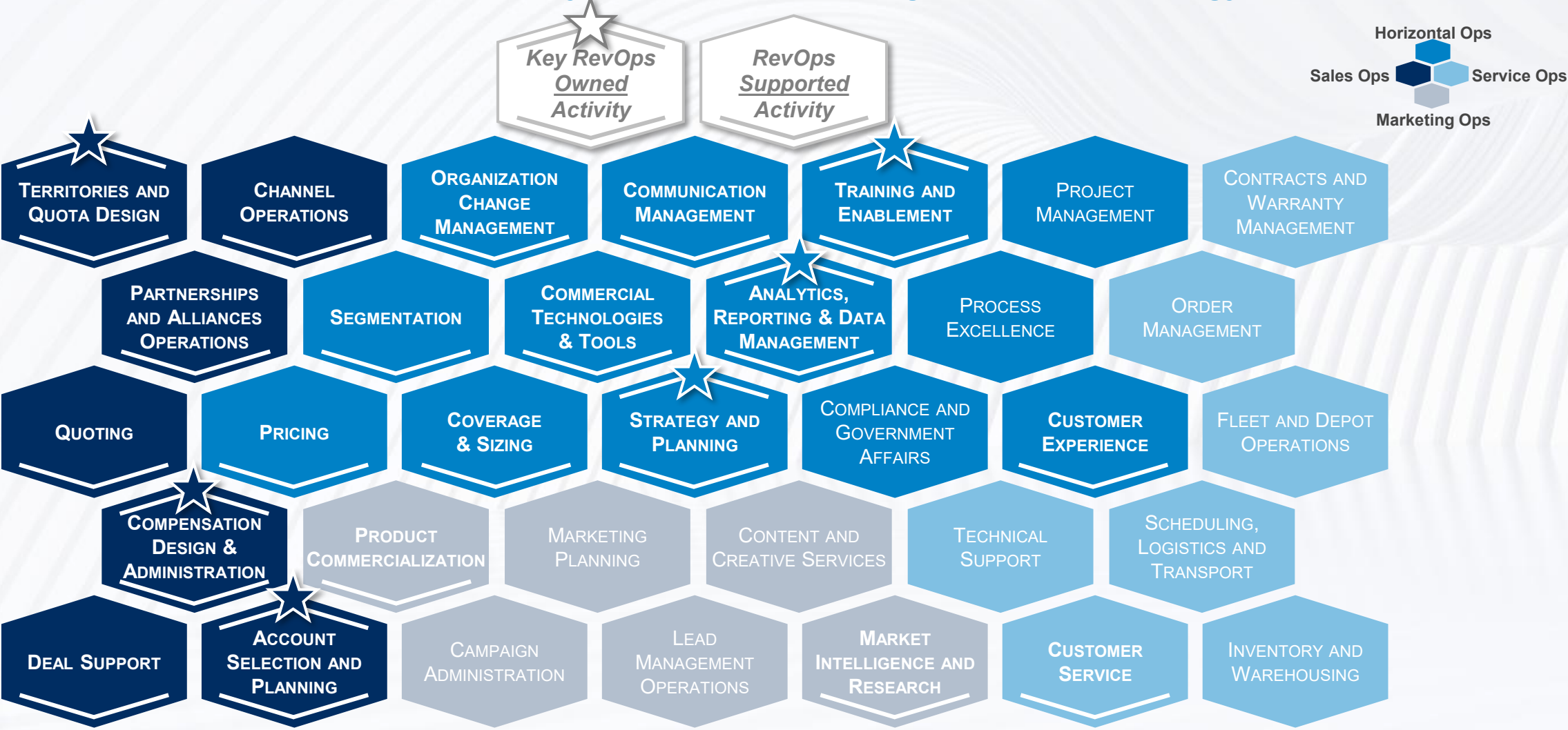
**1**  
Sales  
Operations  
*per*

- 12.9** Sellers in Manufacturing
- 10.8** Sellers in Business Services
- 8.7** Sellers in XaaS
- 7.1** Sellers in Digital Media
- 13.9** Sales Resources in Healthcare

Source: Alexander Group 2024 Revenue Operations Research

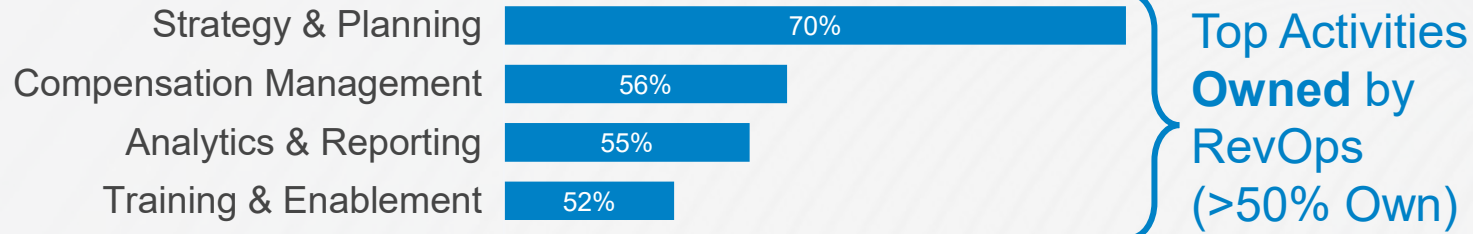
# RevOps is the Foundation for GTM Execution

Revenue Operations owns and supports key activities that drive go-to-market strategy and execution



# Complex and Strategic Activities Require Robust Organization

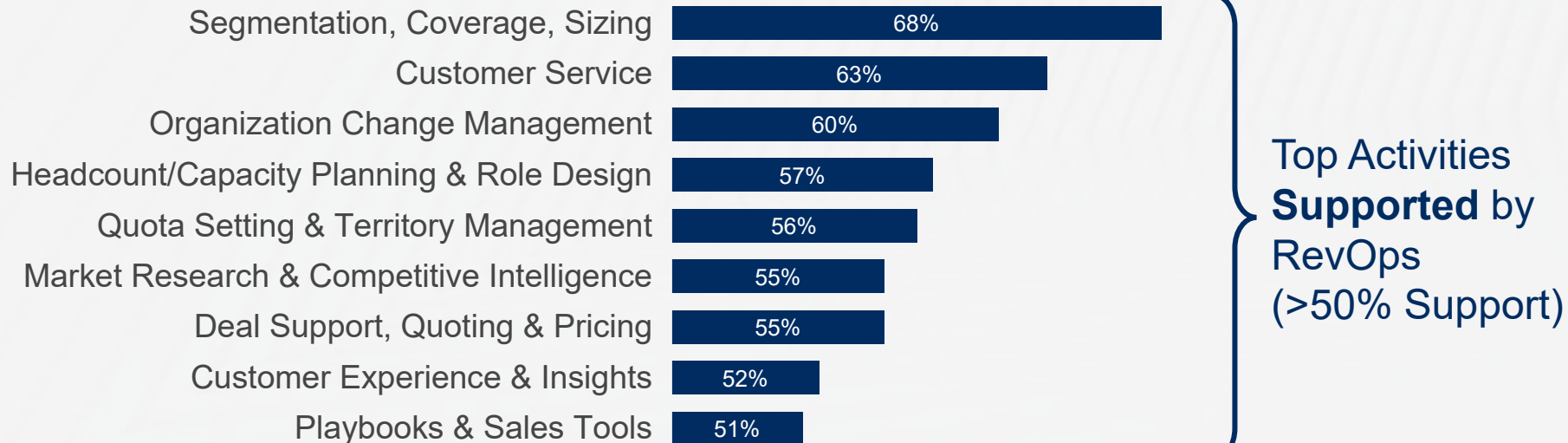
Over two-thirds of RevOps teams own Strategy & Planning, playing a critical role in designing go-to-market strategy; other core RevOps functions are Analytics and Enablement



**Executive Interview Insight:**



“My top concern from the board is how do we figure out the strategic direction.”

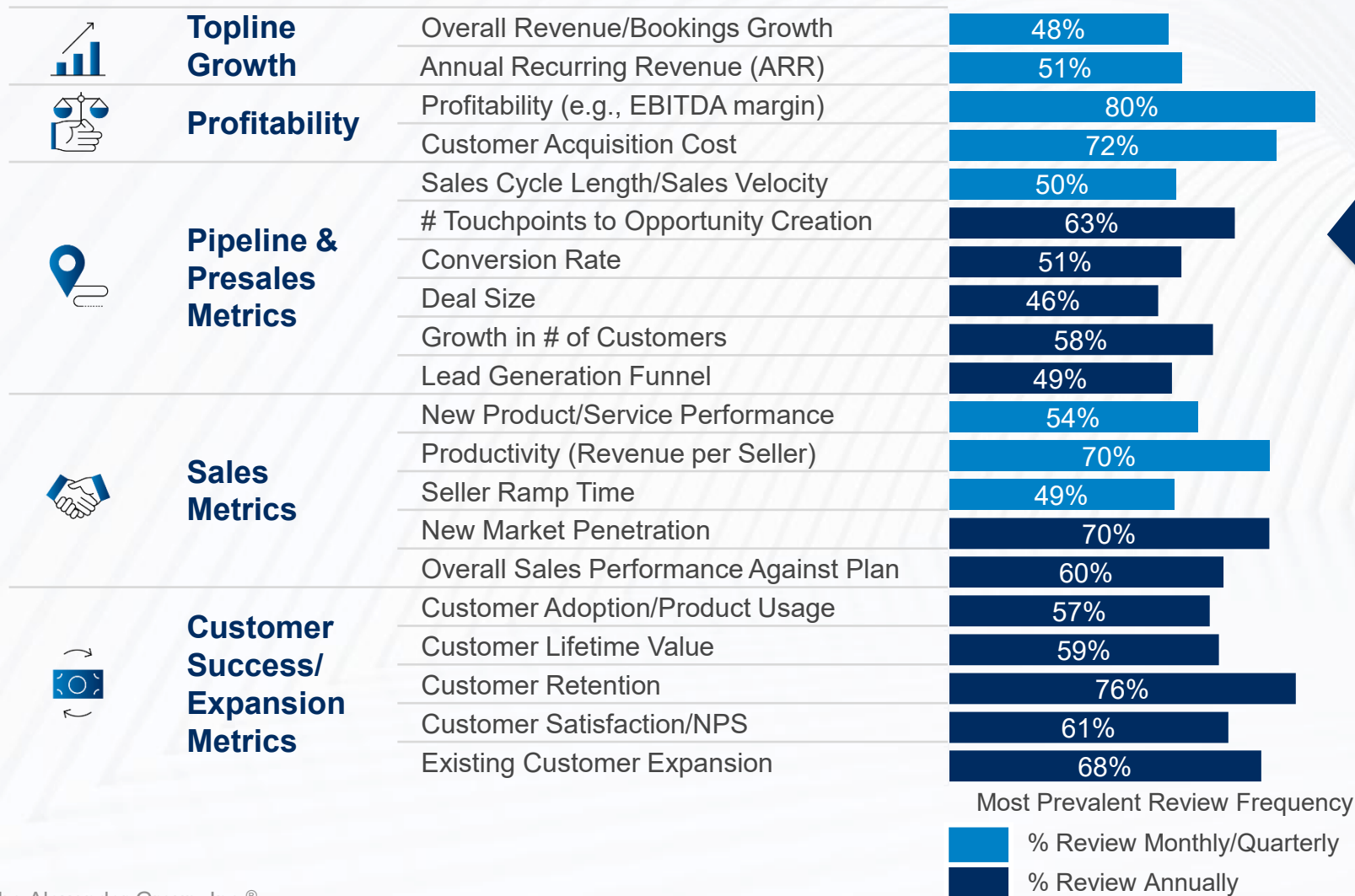


**Executive Interview Insight:**



“We’ve found that one RevOps Analyst can help a Manager find 5% more productivity across their entire team.”

# Profitability, Productivity and Customer Acquisition Cost (CAC) are the Most Frequently Monthly Reviewed KPIs



## Data Finding:

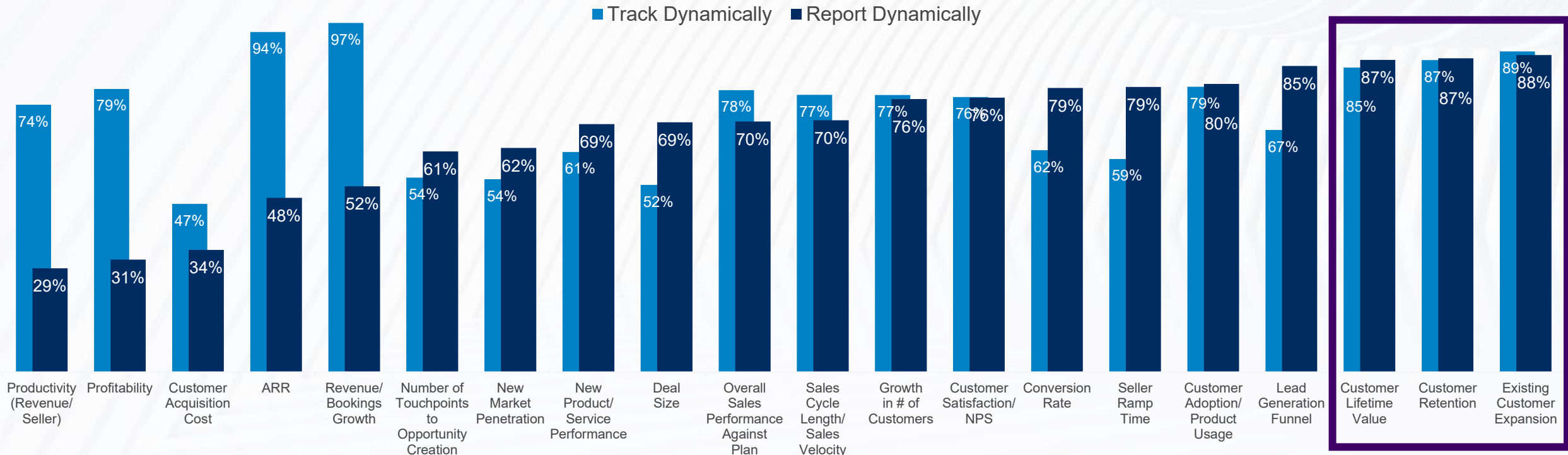
Deal Size is more commonly reviewed on an annual basis...

but organizations reviewing on a **monthly/quarterly** basis are **1.5x more likely** to rate their Revenue Operations function as “effective” or “very effective.”

# KPI Tracking Points to Critical RevOps Mandate to Provide Customer Visibility

Customer Lifetime Value (CLV), Customer Retention and Existing Customer Expansion are the metrics most reported dynamically

Prevalence of Organizations Dynamically Tracking & Reporting KPIs<sup>1</sup>



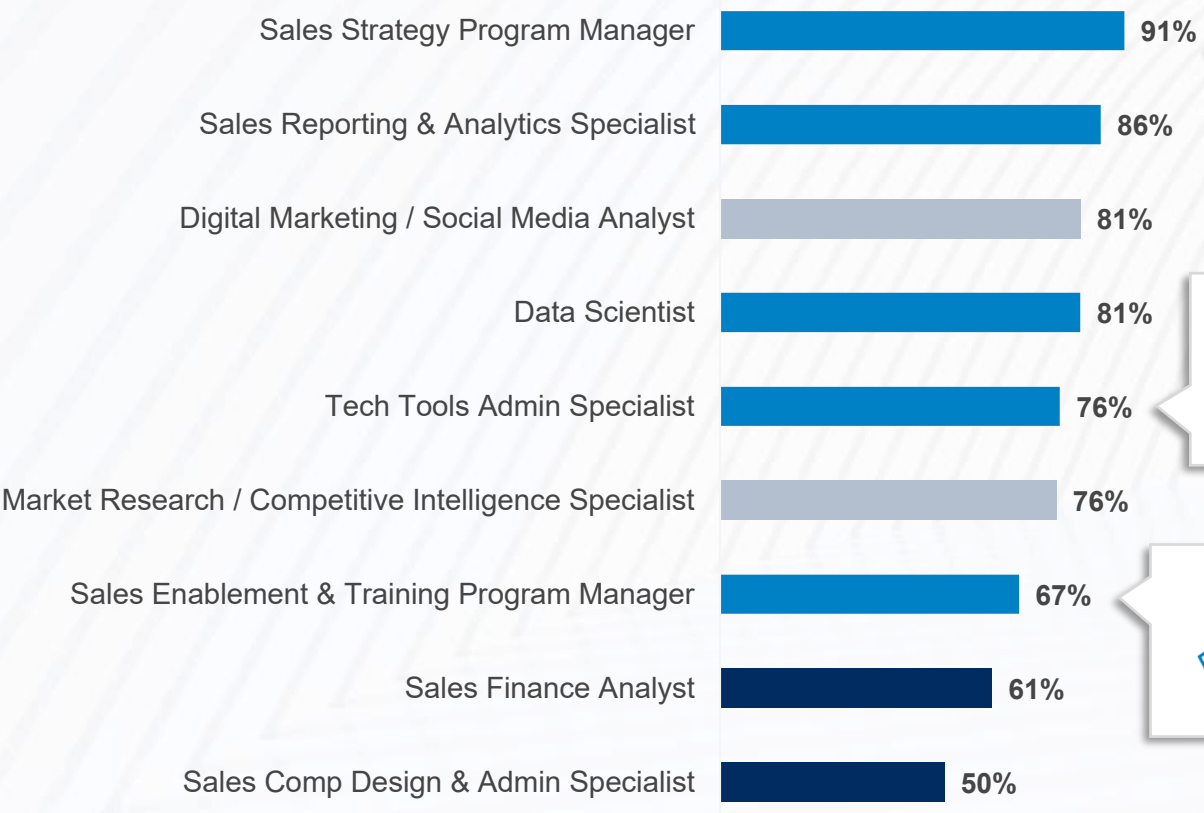

Source: Alexander Group 2024 Revenue Operations Research

# Dedicated RevOps Roles Focus on Strategy & Data

RevOps commonly has dedicated roles for strategy, reporting, digital marketing, data science, tools administration and market research that require the right talent profile



Prevalence of Dedicated Role in RevOps Teams<sup>1</sup>


**Sales Strategy Roles: Key Responsibilities**

- Annual planning process ownership
- Collaborate in the creation of commercial strategy
- Communicate strategy to internal stakeholders
- Evaluate & propose strategic initiatives to meet commercial objectives



**Tech Tools & Data Sciences Roles: Key Responsibilities**

- Commercial software ownership and tech investment review
- Tech functionality
- Commercial reporting and analysis
- Data integrity & data management



**Enablement & Training Roles: Key Responsibilities**

- Onboarding & ongoing curriculum and training delivery
- Technical training content design
- Sales, marketing, and service training content design
- Content & LMS management

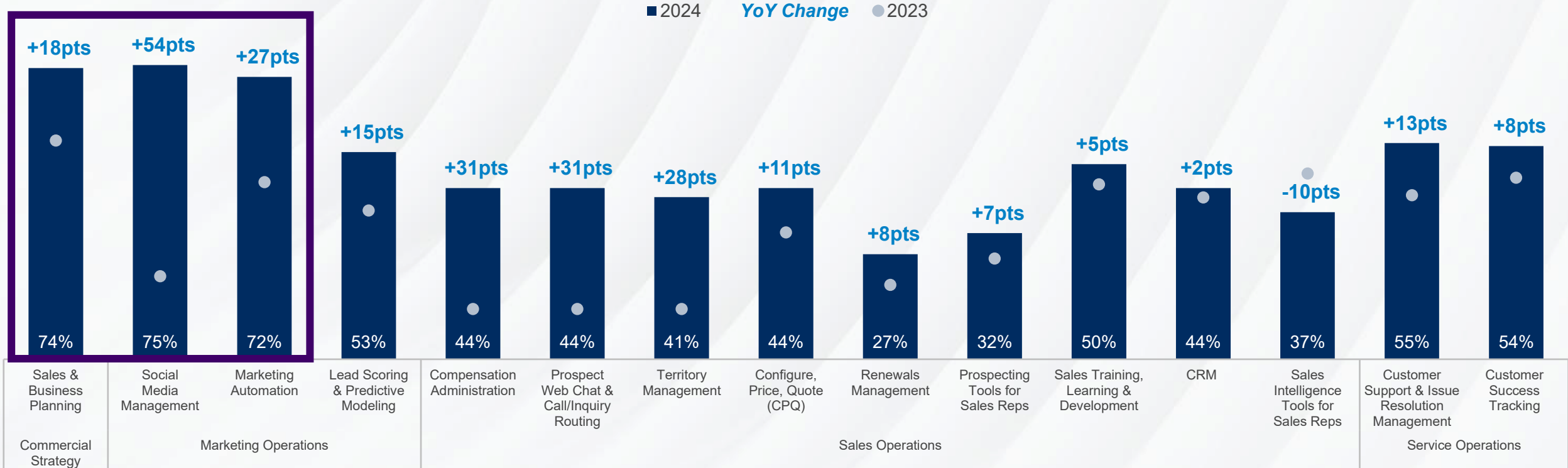
Source: Alexander Group 2024 Revenue Operations Research

(1) Survey Question: "Select whether the following roles are part of the Revenue Operations team(s)." (Note: percentages represent respondents that selected "Have dedicated role in the Revenue (Marketing/Sales/Service) Operations team(s); percentages >50% reported).

# Companies Invest in Tools as a Lever for Profitable Growth

Marketing and Sales Ops seeing the greatest rise in the percentage of organizations increasing their investment in technology tools; Social Media Management tools saw the biggest YoY increase (+54 pts)

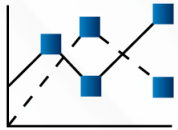
Percentage of Organizations Planning to Increase Investment in Technology Tools<sup>1</sup>



Source: Alexander Group 2023 & 2024 Revenue Operations Research

# Key Takeaways

## Action Items for a Successful Revenue Operations Program



Organize RevOps to drive the **most impactful growth plays** for your organization and deliver ROI by **evaluating RevOps across** the dimensions of **function, BU and geography**



Make the **right level of investment** in RevOps and **ensure that the appropriate talent, roles and headcount are available to execute** the RevOps charter in line with strategic goals



Be deliberate about the activities that RevOps should own or support by establishing a **clear charter and scope of accountabilities** that includes a key role for RevOps in designing go-to-market strategy, delivering insights and enabling commercial teams



**Accelerate** your commercial and RevOps teams **with artificial intelligence**, by reviewing first that your jobs and process align to growth plays and by **prioritizing technology investments according to growth initiatives**

# Appendix

# Revenue Operations: Horizontal Sub-Functions

Function	Description
<b>Analytics, Reporting &amp; Data Management</b>	Collects, analyzes and gathers insights from data to inform business decisions for the Commercial team; influences data architecture and infrastructure; drives standard reporting and metrics globally. May include sub-teams dedicated to each function (Sales, Service and Marketing)
<b>Commercial Technologies</b>	Provides technical expertise in identifying, evaluating and developing systems and procedures that are cost-effective and meet user requirements. Manages all commercial tools across sales, marketing and services. Liaises closely with Information Technology function
<b>Training &amp; Enablement</b>	Creates and executes training strategy for Commercial team globally (training development and can include delivery). Loads, automates and curates content and enablement tools for use by sales, marketing and service resources
<b>Process Excellence</b>	Leads organizational change to implement process standardization and optimization by building consensus among cross-functional teams
<b>Compliance &amp; Government Affairs</b>	Accountable for monitoring and reporting of overall compliance metrics. Monitors, tracks, manages and ensures resolution of all major issues and drives programs to close any identified gaps
<b>Strategy &amp; Planning</b>	Finds opportunities then executes strategic projects, drives effective project performance and leads initiatives in innovation
<b>Segmentation</b>	Leads definition of customer segments according to how and why they buy; evaluates current and potential attractiveness of each segment
<b>Customer Experience</b>	Collects and evaluates customer feedback and monitors all processes that come into direct contact with the customer driving continuous customer experience improvement with the goal of maximizing usage and adoption of products and services to fulfill customer needs
<b>Communication Management</b>	Develops, coordinates and disseminates clear and consistent messaging for the commercial and revenue operations organizations both to internal teams and externally to other functions within the company. May also handle customer communications partially or fully

# Revenue Operations: Horizontal Sub-Functions

Function	Description
<b>Project Management</b>	Resources that provide deep project management expertise for key strategic Commercial initiatives
<b>Organizational Change Management</b>	Ensures strategic initiatives have a clear communication, change adoption and reinforcement strategy to maximize probability of success
<b>Coverage &amp; Sizing</b>	Leads design of coverage model by segment, roles required and headcount sizing analysis
<b>Pricing</b>	Sets pricing strategy differentiated by product and customer segment; Monitors overall health of pricing architecture

# Revenue Operations: Marketing Operations Sub-Functions

Function	Description
<b>Lead Management Operations</b>	Defines and manages the process for generating, qualifying and progressing leads through the marketing, sales and service engines; also measures, tracks and works to optimize lead quality
<b>Marketing Planning</b>	Facilitates the process of establishing marketing strategic plans
<b>Product Commercialization</b>	Manages the new product development & introduction process to link efforts between R&D and Marketing, as well as product line extensions
<b>Campaign Administration</b>	Performs administrative activities to support marketing campaigns
<b>Market Intelligence and Research</b>	Collects and analyzes consumer and marketing data; validates current market positioning
<b>Content and Creative Services</b>	Develops written content aligned with marketing strategy and translates into implementable assets (e.g., banner, PDF, presentation, visual, etc.)

# Revenue Operations: Sales Operations Sub-Functions

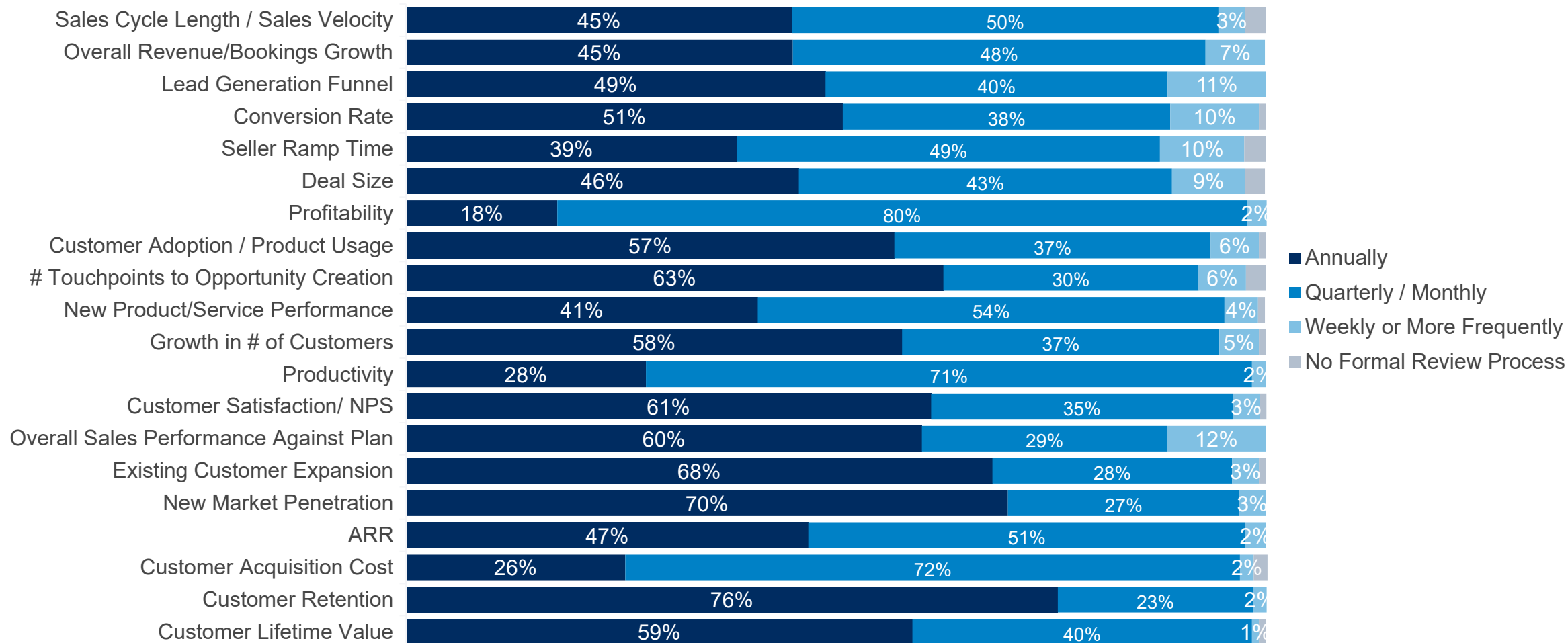
Function	Description
<b>Partnerships &amp; Alliances Operations</b>	Secures and manages relationships with key business partners that provide value-add to commercial offerings or go-to-customer model
<b>Territories &amp; Quota Design</b>	Defines and manages the process to design, optimize and implement territories for sales and/or service organizations Defines and manages the process to design quota allocation methodology, finalize quota allocation and communicate quotas
<b>Account Selection &amp; Planning</b>	Defines, manages and supports execution of the account categorization, prioritization and assignment process for sales/service resources
<b>Quoting</b>	Provides pricing for products and services to sales resources and/or customers. May also provide RFP and tender response support
<b>Channel Operations</b>	Supports commercial channel partner teams in operational aspects of managing partners – including contracting, compliance, channel incentive support, program design, etc.
<b>Deal Support</b>	Performs many of the administrative tasks associated with closing a deal (e.g., proposal development, presentation drafting, scheduling key meetings, etc.)
<b>Compensation Design &amp; Administration</b>	Manages the annual compensation design process and ongoing compensation-related design and execution activities. Performs all activities needed to produce accurate and timely incentive compensation payouts

# Revenue Operations: Service Operations Sub-Functions

Function	Description
<b>Technical Support</b>	Provides phone-based and web-based support to customers who require technical assistance with problem-solving, troubleshooting, and optimization of company products/services Often structured in tiers (e.g., Tier 1, Tier 2, Tier 3) based on complexity of customer issue
<b>Customer Service</b>	Performs order entry, order review and order management. Primarily responds to customer inquiries online and over the phone
<b>Contracts &amp; Warranty Management</b>	Manages service contracts, warranty, service plan management and service pricing & quoting
<b>Order Management</b>	Phone and web-based resources for assisting customers with order processing and management
<b>Scheduling, Logistics &amp; Transport</b>	Schedules, plans and organizes customer interactions including shipment of parts, assets and resource. Utilizes and monitors warehouse management system (WMS). Manages 3 <sup>rd</sup> party vendors
<b>Fleet &amp; Depot Operations</b>	Manages, maintains and optimizes vehicle fleet and/or depots including company assets, parts and equipment used by field teams
<b>Inventory &amp; Warehousing</b>	Plans, optimizes and monitors inventory including parts, demos, spares, loaners, etc. Develops governance to manage supply chain effectively

# Key Performance Indicator Review Frequency Prevalence

Key Performance Indicator (KPI) Formal Review Frequency<sup>1</sup>



Source: Alexander Group 2024 Revenue Operations Research

# Join Our Community



## FORUM SERIES

Focused on strategy, operations and implementation, the annual Leadership Forum series of events provides participants with strategic and tactical insights from highly regarded speakers, executive panelists and the revenue growth experts at Alexander Group.



## SUMMITS

Customized, half-day sessions designed for 10-12 senior executives to discuss specific, contemporary issues and key topics in an intimate roundtable setting. Invitation only.



## ROUNDTABLES

Cross-industry and industry-specific discussions for senior revenue, sales and operations leaders. Held in person or virtually.



## WEBINARS

Virtual events covering revenue, sales-centric and sales compensation topics for executives, sales, marketing, sales/commercial operations and HR/compensation leaders. Recorded webinars are available on-demand.



## SYMPOSIUMS

Topic-focused, one-day events that combine Alexander Group research with deep insights from leading industry practitioners. Built around today's most important sales management issues and a unique opportunity to collaborate with peers.



## SURVEYS & RESEARCH STUDIES

Alexander Group sponsors multiple industry-specific research studies each year, along with targeted client-sponsored surveys. Alexander Group sales compensation and sales pulse surveys are conducted annually.



## SALES BENCHMARKING

The value of sales analytics rests in having quality data, client context and expert interpretation. Alexander Group-cultivated benchmarks provide quantitative insights to event and study participants.

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[alexandergroup.com](https://alexandergroup.com)



**Atlanta**

404.249.1338

**Chicago**

312.357.0500

**London**

+44-0203-398-8190

**New York**

646.891.4445

**San Francisco**

415.391.3900

**Scottsdale**

480.998.9644

[AlexanderGroup.com](http://AlexanderGroup.com)