

# How Data Decay Weakens Your Sales Intelligence



Sales intelligence is powered by data. Inaccurate data paralyzes the most sophisticated CRMs and automation platforms on the market. The biggest culprit of data inaccuracy is data decay, when a contact changes their title or company. Or a company's firmographic data changes over time.

In the collective community of sales, marketing and customer success professionals - the problem is accepted but the intensity is debated. Some claim the average CRM data decays at least 30 percent annually (2.5 percent per month). Some peg Silicon Valley as high as 70 percent.

A [Prospectify data study](#) found that out of 1,000 random contacts, 4.5 percent of them were no longer valid after 28 days. This annual decay rate of 54 percent would could lead to millions of lost revenue.

Regardless of the exact figures, data decay isn't something to be ignored.

This report analyzes the data decay issue for technology focused leaders. Once you understand the magnitude of data decay and how it impacts revenue, you'll be better prepared to fight it.



# I. The Missing “Intelligence” in Sales Intelligence

“Intelligence” is attached to other terms to convey a sense of prominence and extravagance — sometimes with merit, and sometimes as a marketing play. The latter situation exists with the “sales intelligence” software and content. Sales intelligence tools collect data but don’t achieve real intelligence, which is defined as, “the capacity for learning, reasoning and understanding.”

Take, for example, a CRM that captures a lead’s contact information but doesn’t track that user’s activity and doesn’t provide a scoring system to qualify the lead. The data is captured without being leveraged or understood.

Another example: a prospecting tool or contact database that contains massive amounts of data, but emails, phone numbers and firmographic information is regularly inaccurate. This renders the system futile. Even worse, sales teams might not know they’re dealing with bad data until they waste their time calling wrong phone numbers or sending undeliverable emails.

The similarity with both of these scenarios is the frequent shifting of data. Employee turnover is often a big culprit, as are other factors like human error and software limitations. This systematic data inaccuracy and data decay over time prevents sales teams from being successful and eats away at potential revenue.

Here’s how data problems damage sales intelligence.



## A. Data Decay

Contact or lead turnover is an unavoidable issue for many sales teams. VPs and decision makers come and go as the company pivots or makes investor-pushed changes. The problem is known and accepted, but the scale of concern is debated.

Sirius Decisions found 25 percent of the average B2B database is inaccurate, and 60 percent of surveyed companies had an overall health score of "unreliable." A whopping 80 percent of companies said their phone contact records were "risky."

This problem extends beyond sales into marketing. [NetProspex analyzed](#) more than 60 million records and found 88 percent were lacking basic firmographic data (industry, company revenue, number of employees), and 64 percent of those records did not include a phone number. No surprise here — 84 percent of those marketing databases are barely functional.

How does this work at the account level? Prospectify analyzed a company in the social media management space with 100+ salespeople and 700K+ contact records (individual records, not accounts). We found more than 60 percent of contacts in their "Tier 1" accounts were no longer accurate.



## B. Data Management

Data decay must be addressed, but what about the bigger picture of data management?

Companies need to be able to diagnose data deficiencies and continue to maintain a high level of accuracy over time.

Experian's [global data management benchmark report](#) looks at the challenges involved with data management. In 2016, 56 percent of respondents said human error was the biggest challenge that contributed to contact data inaccuracy. Although that number dropped to 33 percent in 2017, it was closely followed by lack of internal resources, insufficient budgets and inadequate data strategy.

This shift demonstrates two things: the presence of data tools in the market has grown, and decision makers are realizing that data management requires a detailed strategy.

Furthermore, C-level executives reported having a lack of trust in their own internal data. The most common response was that on average, about 33 percent of their organization's data is inaccurate. That line of thinking, combined with budget and resource constraints, undermines the ability to make strategic decisions.

The moderators of the study confirmed this theory about lack of strategy, and urged C-level executives to prioritize resources and budget toward data management.



## C. Data Problems = Wasted Time and Money

The ongoing issue of data decay and the challenges around data management lead to a number of inefficiencies, including:

- ★ **Sales reps spending time not selling.** Dialing wrong phone numbers, sending emails that bounce, searching for correct contact info, etc. Time budgeted for active selling is wasted on research and data-hygiene tasks.
- ★ **Longer sales cycles.** Sales teams don't know how to prioritize their time which causes an inefficient sales process. This delays the sales cycles and increases costs. Deals are lost as prospects turn to other solutions that can move faster.
- ★ **Cross-department impact.** Sales, marketing and customer success teams are all directly or indirectly affected. We've seen data decay rates as high as **4.5 percent over 30 days**, so if 50 accounts are transferred to customer success over a 60 day span, 4-5 customers ALREADY have out of date information.
- ★ **Poor decision making.** Sales leaders work off misleading forecasts that don't account for time spent dealing with bad data, how incorrect data affects the pipeline, etc. We've worked with companies where marketing and sales decisions were being made based on underlying metrics that were off by over 50 percent. The results are squandered marketing dollars, and successful campaign ideas being disregarded.



## II. The Impact on Revenue

We mentioned the cross department impact of data decay, these issues can negatively impact any team who is focused on driving revenue by using data and analytics.

### A. Sales

Bad data has the most glaring ramification on sales. Teams leave revenue-generating opportunities on the table when they're not able to contact the right people. Reps might consider unresponsiveness to mean a lack of interest, when in reality the emails or voicemails never reach the intended target. This leads to a focus on the wrong opportunities — for example, researching and prepping on an account that is in the midst of a staff transition.

Prospectify found salespeople from the social media management company were spending huge chunks of their day cleaning up CRM data or doing research. An internal analysis concluded that sales reps were spending six hours a day at times on non-sales activities.

An [insidesales.com report](#) had a similar conclusion, some companies have reps spend as much as 40 percent of their time looking for someone to call. With the [average sales rep bringing in \\$52,000](#), or \$25 per hour (pre-tax). The wasted budget adds up quickly for large sales teams.



## B. Marketing

Marketing departments rely heavily on data, and outdated or inaccurate data can disrupt efforts to target new customers or keep prospects warm via newsletters and content.

The [2017 State of Pipeline Marketing Report](#) asked marketers how confident they were in their CRM and marketing automation data. Only 6.6 percent of respondents said they were highly confident their data was complete and up-to-date. Conversely, nearly 43 percent of those survey marked not confident or highly unconfident, meaning their data is somewhat or completely outdated.

In marketing, the problem is silent killer. Sales rep are immediately admonished over the phone when they use for incorrect information. Conversely, marketing data can stay stagnant without being updated. Emails addressed to, "Account Rep" instead of "VP of Sales", most likely won't lead to a response and record update. [Mailchimp tracks](#) email marketing metrics by industry, the average open rate ranges from 15-25 percent and click-through rates range from 1-3 percent.

You can't afford to have bad data in addition to natural unresponsiveness or emails going to spam.



## C. Customer Success

Customer success practitioners focus on keeping customers happy by delivering value based on the customer's needs. Their job becomes futile without accurate data. Customer success teams use software or a hodgepodge of tools to get a 360-degree view of their accounts. This data set is supplied by usage data, billing, help desk interactions and more.

Outdated contact data causes things like usage data to be misleading or incorrect. It prevents CSMs from being successful on multiple levels.

- ★ **Onboarding** - Technical onboarding with 1,000+ users requires reliable technographic data for their CRM, email, etc. The process is streamlined when the contact information doesn't need to be verified.
- ★ **Support** - If data is accurate across an entire account, reps can support each team member without verifying data. Also, considering the amount of users who don't return after a free trial (**an estimated 40-60 percent**) - proactive and messaging can be a differentiator during the trial phase.
- ★ **Upsells** - Proactive knowledge is the basis for quality upsell opportunities. CSMs need to know when accounts expand with new hires and need more services or when accounts go through layoffs and value needs to be re-established.
- ★ **Preventing Churn** - Contact turnover is a universal red flag, if not updated in real-time, success reps aren't privy to major account changes that could impact renewals.





## III. Solutions

Lead quantity and quality is the second biggest challenge for sales leaders behind training and development, according to [insidesales.com](#) and [AA-ISP research](#). The need for hands-on training will persist, so solutions that can address lead quality and quantity automatically have great ROI potential.

Here's what to consider when shopping for sales intelligence solutions.

### A. Considerations

Automation is a powerful tool for improving business in terms of productivity, cost savings, customer management and more. Millions of jobs will be replaced in the coming years and some restaurants have already replaced wait staff with automated technology.

When it comes to sales, a technology can't replace the nuanced touch and experience of a sales rep. A robot can answer questions about a product, and many SaaS companies are able to grow with self-serve models. However, 77 percent of US consumers prefer dealing with human beings for advice and 83 percent of US consumers prefer dealing with human beings, according to the [Accenture Consumer Pulse Survey](#).

This is important to consider when evaluating sales enablement solutions. Some software vendors prioritize seamless automation over data accuracy. Drip emails, pre-recorded voicemails and other automations are valuable when used properly, but CEOs shouldn't lose track of human interaction.

Additionally, your sales intelligence solution needs to provide accurate data in real time. If data updates occur every 30 or 60 days, none of the problems above are solved. A 30-to-60-day delay is far too long when it comes to closing deals, reaching prospects or saving customers.

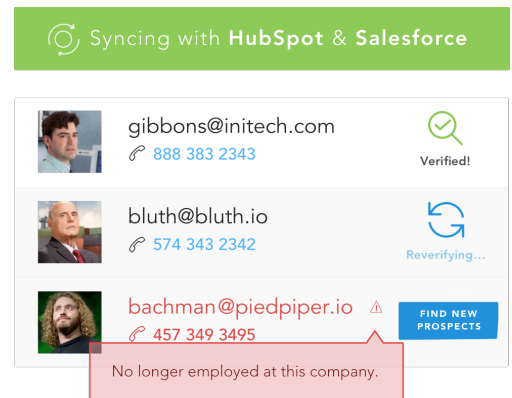


## B. The Prospectify Difference

Your sales intelligence solution needs to empower sales, marketing and customer success teams with a reliable and trusted system for contact and firmographic data. Real-time updates are the only way to fight data decay and allow an organization to thrive without tedious roadblock of data cleanup and research.

### Top Points:

1. Bi-lateral Integration & Sync (CRM & Sales Automation)
2. Always On & On-demand Verification Systems
  - a. AI-supported deep verification
  - b. Accurate customer and prospect database.
  - c. No more bounced emails, wrong phone numbers.
3. Support for RevOps Teams (not just sales).



Prospectify ensures accurate data via bilateral integrations with the most popular CRM platforms, Salesforce and Hubspot. The bilateral framework sends information both ways, so updates are continuous and fluent. For example, when sales reps pull up a potential account, they're able to immediately enrich the profile with the latest firmographic data available, so they're aware of an updated title and changes in company size. They can also verify or discover phone or email addresses before reaching out or developing an angle for the close.

We've built a similar integration with top customer communication and automation platforms, Reply and Salesloft. This allows you to utilize verified data to engage with inbound or outbound leads. You can also reach out to prospects who are on a trial and existing customers and offer them as account expansion.



The sophistication of these integrations would be trivial without consistently reliable data. Prospectify uses a system of web crawlers and APIs to achieve persistent sales intelligence. This Always On Refresh & Sync features means data is verified at the time a request is made, not when it's too late to be useful.

Prospectify is built for a **RevOps organization**, where each team (sales, marketing and customer success) is focused on driving revenue through data-driven solutions. Marketing teams can fight unresponsiveness by ensuring their emails are hitting the right inbox. Success teams can rely on their data as they initiate onboarding and when they review an annual renewal.

## Thank you.

The screenshot displays the Prospectify web application interface. On the left, a 'Filter Companies' sidebar includes filters for Industry (Aerospace), Employees (1,000+), Does not use: AWS, and Alexa: Top 500. The main content area shows details for SpaceX, including its logo, description, website (http://spacex.com/), phone number (18584007479), and B2B Business Model. Below this, there are tabs for COMPANY INFO, GEOGRAPHIC INFO, and SOCIAL MEDIA PRESENCE. The SOCIAL MEDIA PRESENCE tab is active, showing links to LinkedIn, Twitter, YouTube, and Skype. A 'VERIFIED PROSPECTS' section lists two prospects: Elon Musk (Founder & CEO) and Thomas Mueller (Propulsion CTO). Each prospect has an 'UNLOCK EMAIL' and 'UNLOCK PHONE' button. At the bottom, a table shows the number of prospects available, companies, emails unlocked, and phones unlocked for various filters. The table has columns for 'Prospects Available', 'Companies', 'Emails Unlocked', and 'Phones Unlocked'. The data shows 36 prospects available, 10 companies, 28 emails unlocked, and 1 phone unlocked. A 'COMPLETE' button is visible on the left side of the table.

Filter	Prospects Available	Companies	Emails Unlocked	Phones Unlocked
What do you v	36	10	28	1
B2B Tech Co	Unlocked 28	Aerospace Companies ...		
What saved cc				
Large Orgs usin				

For more information on our Bi-lateral Integrations & Sync, our Always On & On-demand Verification Systems, our Platform, and more check out [prospectify.io](http://prospectify.io).