Gartner

Defining Revenue Operations

Introduction

By Craig Rosenberg
Distinguished Vice President, Analyst

A new functional role is emerging in B2B organizations: Revenue operations (see Figure 1). Gartner recognized this trend in 2017 (at the time, we described it as customer operations). Today more organizations are exploring the adoption of or have already adopted some version of a revenue operations model.

The key business drivers moving organizations to revenue operations:

- **Companies are disillusioned with rigid silos.** Across industries, organizations are rethinking alignment across the entire customer lifecycle**.** For example, marketing is no longer just responsible for leads, but plays a role throughout the sales and retention/expansion process. Despite this shift, operations teams are still largely siloed (e.g., marketing operations does not interact with sales operations, etc.) Revenue operations unifies the different operational teams into one.
- **Emerging need to support multiple Go-to-Market (GTM) plans.** Organizations are now supporting multiple GTM strategies based on their segments, products, etc. For example, they might develop a process to support the volume and velocity of their digital marketing and inside sales focus for the SMB market along with an account based, field-heavy GTM for the enterprise. To enable this approach, they need aligned operations functions since each GTM is supported by a distinct strategy, people, process, technology, and tactics.
- **The unified data problem and promise.** Gartner analysts first recognized the trend of unifying revenue operations teams in our research of enterprise organizations. At that time, enterprises were creating horizontal business operations functions (or centers of excellence) to unite multiple departments around data. As organizations undergo rapid digital transformation, they are realizing that their marketing, sales, and customer data is inconsistent or out-of-date, making it unusable.

- **Proliferation of marketing and sales technology.** Marketing and sales have been automating their organizations for the past decade, resulting in massive technology stacks. These stacks are often purchased and managed by an operations function (e.g., marketing operations purchases marketing tech, sales operations purchases sales tech, etc.). This siloed approach has created a convoluted, often redundant, technology stack.
- **Customer experience is becoming a critical revenue driver.** Gartner defines customer experience as your customers' perception of your company based on their engagement with you across the entire customer lifecycle. The organizational objective is to exceed customer expectations via design, delivery, and continual optimization against customers' core experiences with your organization (e.g., digital, human, product, etc.). In order to achieve this organizational objective, a revenue operations-led horizontal operations platform is required in order to deliver against the customer lifecycle.

Revenue Operations Organization (Figure 1)

Revenue Operations	
Overview	
Definition	The function that designs, manages, and tracks non-product experiences across the entire lifecycle.
Core Functions	
Responsibility	**Description**
Strategy and Planning	Responsible for GTM and revenue planning
Process and Workflow	Owns overall revenue process by connecting various organizations across the customer lifecycle
Enablement	Enables human engagement (i.e., (sales, SDR, CS, AM, etc.) across the customer journey
Analytics/measurement	Provides visibility across the entire journey (vs. individual organizational KPIs)
Data Management	Responsible for collecting all customer data and making it usable across the organization
Technology Platform	Designs and manages the technology stack to: • Capture and process data • Provide a seamless CX by connecting point solutions • Manage and track the revenue process

Ultimately, creating a revenue operations function has considerable upside and moves organizations closer to a truly integrated GTM across the entire customer lifecycle (see Figure 2).

Advantages of Revenue Operations (Figure 2)

Responsibility	From	To
Strategy and Planning	Locked in PowerPoint	Operationalization of plan
Process and Workflow	Silos (different milestones, KPIs, data)	Seamless workflow across lifecycle
Enablement	Narrow sales-only focus	Designed to support overall CX
Analytics/measurement	Each function maintains its own metrics	Consolidated view of the revenue process
Data Management	Multiple data sources and repositories	Single, horizontal customer database
Technology Platform	Multiple, fragmented point solutions	Integrated tech platform

The revenue operations function is in its early stages and the market continues to evolve as organizations continue to test new models. To date, Gartner analysts have identified four models:

1. **Revenue operations organization –** Many emerging organizations are building from the ground up with a revenue operations leader and horizontal revenue operations team. These are typically companies without legacy silos generating less than $20M in annual revenues.
2. **Centers of excellence or internal working group –** Enterprise organizations are starting the revenue operations process by creating internal committees. These comprise an executive sponsor, a steering team (key stakeholders across the customer lifecycle), and execution teams (leaders of relevant business functions accountable for execution). The group is responsible for coordinating operations across the customer lifecycle.
3. **Horizontal data organizations –** This model is focused on designing and managing a common customer data source. It's a piece of the ideal revenue operations function, but for many, it's the most important one. Establishing a data organization is a trend in larger enterprise organizations as they look to centralize data and move towards artificial intelligence.
4. **Functional group alignment –** This model is the best "walk before you run" option. Two functional groups start the revenue operations process. The most common examples: marketing-SDR; marketing-sales, and sales-customer success. The two groups work together to map the journey between their functional groups and to address the key functions of revenue operations starting with process and metrics.

Gartner analysts are continuing their research and analysis of the revenue operations market and will share new insights and use cases as they emerge.

About Gartner

Gartner, Inc. (NYSE: IT), is the world's leading research and advisory company and a member of the S&P 500. We equip business leaders with indispensable insights, advice and tools to achieve their mission-critical priorities today and build the successful organizations of tomorrow.

Our unmatched combination of expert-led, practitioner-sourced and data-driven research steers clients toward the right decisions on the issues that matter most. We are a trusted advisor and an objective resource for more than 14,000 enterprises in more than 100 countries — across all major functions, in every industry and enterprise size.

About this research

The insights in this document were originally produced by TOPO, now Gartner. Gartner and TOPO together creates the leading research and advisory company equipping sales and marketing executives to advance strategic initiatives with impactful insights, data tools and one-on-one guidance so that they achieve repeatable, scalable revenue growth.

Contact Us

Web: gartner.com/en/topo-now-gartner

Gartner®