The ROI of Knowledge Sharing Software for Sales and Marketing Teams

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Executive Summary:

Sales and marketing teams are experiencing industry changes unique to their own departments, and with those changes, an abundance of challenges in adapting to overcome them. Marketing employees are now changing jobs more frequently and experiencing dispersed teams, larger gaps between their highest and lowest performers, and constantly changing internal and external environments. Sales teams are witnessing sales cycles becoming shorter, products evolving faster, global companies who need to share their best practices in real-time, and who need immediate access to marketing content during conversations with prospects.

When marketing and sales teams lack alignment, the result is lost revenue. Sales representatives spend hours conducting repetitive research, and marketers spend hours generating content that sales representatives may never see, much less utilize in conversation with clients. All of this time lost is time that could be spent closing deals and securing customers.

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Mobility, pervasive connectivity, information "superabundance" and the accelerated pace of change in business have become disruptive forces in today's enterprise, leading organizations to search for new and creative ways to bridge the gap in knowledge sharing and collaboration between various departments and teams.

A 2021 study from Bloomfire and 451 Research found that sales and marketing departments rank "improving cross-functional collaboration" as one of their top three operational priorities. The study also found that less digitally mature companies are more likely to struggle with collaboration due to the lack of adequate knowledge documentation across different customer experience teams. As businesses increasingly strive to establish a holistic view of the customer experience across departments, better knowledge sharing is critical.[1]

This white paper will:

1) establish a basic **understanding of knowledge sharing** and why it is vital to any organization;

2) examine **core use cases** for knowledge sharing, and how it extends and accelerates the value of **existing systems of record**;

3) define the differences between the **hard and soft ROI benefits** in knowledge sharing;

4) **compare and contrast the technology solutions** available to help you achieve your knowledge sharing goals; and

5) identify **strategies to achieve closer alignment** between sales and marketing teams, resulting in more accessible and shareable content.

Where consumers readily embraced social networks for their ability to quickly and easily connect people around personal content, some corporations have been slower to realize the benefits of knowledge sharing.

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What Is Knowledge Sharing?

Between emails, instant messages, websites, blogs, and social networks, today's employees have instant access to an overwhelming amount of information, yet significantly less face-to-face interaction. While these virtual touchpoints provide ample opportunities for individual contribution, they can also create organizational challenges that lead to reduced communication between departments, collaboration, productivity and innovation — ultimately impacting business performance and competitive advantage.

QUICK STAT

Between $900 billion and $1.3 trillion in business value can be unlocked through the use of social networking tools and technologies.

Knowledge sharing technology harnesses the collective intelligence of your company to put the right answers at your fingertips at the right time 1) effectively collapsing time and distance, 2) laying down clear digital pathways that improve team-based outcomes, and 3) making the right information and people easy to find wherever and whenever work gets done in the organization. As a result, teams work smarter, customers are happier, and employees are more engaged.

Deloitte's 2021 Global Human Capital Trends study found that 75% of organizations consider creating and preserving knowledge across evolving workforces is important or very important to their success over the next 12-18 months. However, only 9% of surveyed organizations said they were ready to address this trend, suggesting that those businesses that

successfully capture and take action on their collective knowledge have a distinct competitive advantage.[2]

Deloitte also reports that technology is becoming increasingly embedded in organization's teams "in ways that help advance their collective intelligence." Leaders in knowledge management are using technology to improve knowledge access and discovery in the flow of work, enabling employees in sales, marketing, and other departments to work more efficiently and deliver better customer experiences.

Measuring ROI

Today, sales and marketing teams are more dedicated to improving ROI than ever before. They are constantly searching for new methods

"89% of maturing social businesses say social positively affects business outcomes."
— MIT SLOAN MANAGEMENT REVIEW

of measuring ROI and its impact on the costs to acquire and retain customers.

Research shows that better sales and marketing alignment has a tangible impact on revenue, customer retention, and win rates. Yet interestingly, anecdotal evidence still plays a major role in demonstrating the value of knowledge sharing and collaboration.

As organizations spend more money to promote teamwork and the sharing of ideas and knowledge, anecdotal evidence of business value must be replaced by tangible ROI.

A successful knowledge sharing strategy can introduce productivity improvements... generating a wide range of direct and indirect benefits that drive the bottom line.

In broad terms, the benefits of a knowledge sharing platform can include reduced costs, improved engagement, open collaboration, increased innovation, bridging the gap between formal and informal learning, reduced time to resolution, increased business performance, and enhanced competitive advantage. These powerful toolsets can be deployed as standalone solutions, or integrated to work with other enterprise software applications such as enterprise content management, customer relationship management, and human capital management systems, among others — frequently extending beyond the enterprise to include partners, customers, vendors and others.

Using only the textbook definition of ROI (the exact dollar profit netted for every dollarspent) makes it difficult to pin down the precise benefits of an ongoing knowledge sharing strategy. Instead, companies should take a more holistic look, considering both the hard and soft ROI benefits that don't always lend themselves to such a tangible definition.

For instance, a car dealership may be more focused on revenue per sales rep in the field, whereas a SaaS company may be more concerned with customer retention, or an online retailer may want to measure time-to-resolution for customer support calls. The question is not whether to apply metrics to measure the impact of your investment on performance, but which metrics make the most sense for your organization.

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A successful knowledge sharing strategy can introduce productivity improvements to thousands, of employees, customers and partners, generating a wide range of direct and indirect benefits that drive the bottom line.

Hard ROI benefits are quantifiable and can be assigned a specific financial value. Soft ROI is harder to quantify and relies on a business case, often involving a number of steps for the benefit to be realized. While hard ROI may be the ultimate goal, adding soft ROI benefits to a business case can be key to proving the true profitability of a strategic business investment.

When Fast Company looked at Fortune's list of 100 Best Companies to Work, they found trust, respect, internal communication and training as noteworthy traits among the top 100, with particular emphasis on trust and engagement. "Great Places to Work found that not only did these key elements make staff happier, they were 87 percent less likely to leave. This has a direct impact on the bottom line as less turnover means there's no need to spend money and time recruiting and training new hires."[3]

Knowledge sharing has also changed the game with customers and partners. By collapsing boundaries and time zones, increasing access to information, reducing time to resolution and accelerating time to market, knowledge sharing has shifted the equation between companies and their external stakeholders. In fact, in 2020, customer experience surpassed product and pricing as the key differentiator for businesses.[4] This customer experience starts with the first interaction with a company.

Knowledge Sharing In Action

Effective knowledge sharing tools allow individuals tap into the collective knowledge of employees, customers and partners. These solutions effectively eliminate time and distance to bring together content and people, making it easier to answer questions, solve problems, locate information, and ultimately improve business outcomes. Today's fastest growing companies are using knowledge sharing to accelerate onboarding and training, enhance customer satisfaction and speed sales cycles.

Onboarding And Training

According to the Bureau of Labor Statistics, the average adult will have held 12-15 jobs by the time they retire.[5] What's a strategy for circumventing this high turnover? Quality onboarding and training. Onboarding is the initial process of assimilating new hires into a company. In addition to introducing new employees to the organization and team, a successful onboarding program will provide resources to immerse new hires into the culture and brand.

Onboarding new employees is one of the most critical steps in the hiring process and can have a significant impact on long-term success. As a cross-functional process, many business units are involved, including the hiring manager, IT, HR, training, facilities, and others.

Onboarding is essential to incorporating a productive new hire into the team, but it comes at a high cost to the bottom line. New sales representatives may spend many fruitless hours idle because they lack access to the resources necessary to make a sale, or they are unsure about their role in the company and where to look for guidance. Knowledge sharing systems give new hires immediate access to the latest collective company knowledge and produce sales representatives who are capable, confident, and time efficient.

Sales and Marketing

Hard ROI

- Increased sales velocity and revenue production per sales rep
- Reduced customer acquisition costs
- Increased deal size and lifetime value
- Greater speed in disseminating key business information
- Increased brand value/equity

Soft ROI

- Improved competitive position
- Increased exposure to new potential clients

Onboarding and Training

Hard ROI

- Gains in sales and marketing productivity with decreased time to contribution for employees
- Reduced loss of expertise through turnover
- Fewer headcount required to do the same or more work
- Reduced costs associated with training and onboarding

Soft ROI

- Reduced training and implementation pain (vs. other options)
- Improved sales and marketing team morale
- Increased employee commitment to sales process and sales enablement
- Optimized use of resources
- Increased cross-departmental employee collaboration/ engagement

Slash Time To Contribution, Turnover Rate

The average per-employee spending on training increased steadily from 2008-2019, and today, employers spend an average of $1300 per employee for training.[6]

Corporate training starts with employee onboarding. These programs vary depending on the size and sophistication of an organization but often include the following:

• Training and roundtable discussions

• Meetings with key insiders

• On-the-job learning supported by line management

• Individual mentoring and HR support

• Field and product experiences such as site visits and shadowing programs

• Paperwork, compliance and legal procedures

While onboarding is a large investment, the risk of not doing it is significant. The cost of losing an employee in the first year is estimated to be 150 percent of annual salary, not to mention soft costs including lost knowledge, slowed productivity and an increased burden on remaining staff.

Onboarding is a critical step that can ensure new employees are successful in the long term. Organizations that have good orientation programs get new people up to speed faster, have better alignment between what the employees do and what the organization needs them to do, and have lower turnover rates.

However these programs cannot simply end once the initial training program is over. Onboarding should be considered a process, not an isolated event. By providing ongoing support through collaboration channels, organizations can maximize their long-term impact.

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One misstep can lead to a loss of productivity or even worse, a confused employee who is unsure about her role.

Using knowledge sharing tools in onboarding and ongoing training can pay immediate dividends. Employees can join online communities where they can connect, ask questions and get tips and hints from those already in the company, and form connections with large groups of people before the end of the first week.

These tools allow employees to learn on the fly and find the information they need, when and how they need it. They increase employee performance by leveraging the wisdom of crowds and improve overall engagement by enabling employees to collaborate directly from any device or tool where they are already working.

Sales and marketing professionals can maximize the value of knowledge sharing solutions by adopting advanced search capabilities such as predictive type-ahead search, weighted search results, full document index search, and filters to narrow results to ensure content can always be found. Other helpful features include virtual playlists, advanced reporting to track series completion rates by employee, groups or sub-communities, and gamification, which allows employees to give high fives, encouraging adoption and sharing.

Improved Customer Experience Extends To Support

Effective knowledge sharing is far from limited to the sales and marketing departments. Once these teams have secured a customer, it's often up to customer support to retain that customer by providing high-caliber assistance throughout the implementation process and beyond. Just as marketers and sales representatives need immediate access to up-to-date information to ensure alignment and consistency, customer support professionals need that same information to provide timely and effective assistance.

Just a few years ago, it was considered acceptable to respond to a customer support email within 48 hours. Today that thought is laughable. Nearly half of all customers expect a response in less than 4 hours, and 12 percent expect a response within 15 minutes or less.[7]

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Too often, sales professionals find themselves preparing for a meeting with a customer and lacking the latest sales presentation.

With customer support expectations so high, equipping support agents with quick access to up-to-date documentation and expertise, is no longer optional, it's a must-have. Many companies are extending their customer support options to include branded communities and self-service portals that dramatically improve customer engagement, decrease time to resolution and improve customer satisfaction.

The most effective knowledge sharing solutions for customer support feature robust Q&A functionality that allows users, whether customers or support staff, to ask and answer questions while leaving a historical trail that is keyword tagged, indexed, searchable, and easily updated so the next person with the same question can easily find the answer. Analytics and reporting features allow admins to track the number of accepted, unanswered questions as well as time to resolution to ensure customers are getting the answers they need in an acceptable amount of time. In addition, mobile integration ensures collaboration channels can be accessed remotely to connect people with information and knowledge at the time of need.

Sales and Marketing Enablement

Whether on-site with a customer, at a tradeshow or in-between, today's sales and marketing professionals are always on the go and struggling to keep pace with the massive explosion in digital content. Too often they find themselves preparing for a meeting with a customer and lacking the latest sales presentation. When this occurs, most sales team members just create their own. The result is longer sales cycles, inconsistent brand messaging and loss of best practices. Effective knowledge sharing allows marketing and sales professionals to circumvent these effects and ensures communication and consistent brand messaging across departments.

Improve Sales Team Collaboration And Win Rate

The effectiveness of the salesperson can be an important factor in a prospective customer's decision to buy.

Yet, according to Accenture, nearly one-half (47.5 percent) of sales representatives take 10 months or longer to become adept enough to contribute to company goals, attributed to the lack of consistent sales methodologies and not spending enough time on selling activities.[8]

There are many reasons that organizations lose deals or see delayed sales cycles including, inability to penetrate new accounts, lack of pre-sales resources and commoditization. While Accenture analysis also shows that CSOs have increased annual training spend considerably since 2012, they quickly note that, "simply spending on training is insufficient. Organizations need to reinforce the training and incorporate it into daily sales activities to yield higher payoffs."

Knowledge sharing eliminates these challenges and makes it easy for sales reps to stay connected to the materials and experts they need, at every point in the deal cycle. They can share tools, coordinate RFP responses, identify customer references and subject matter experts, and share competitive intelligence.

Sales and marketing executives evaluating solutions should look for a product that offers series functionality, which make training and enablement a breeze.

Simply drag and drop multi-media content into series and sub-series and quickly organize it to guide users. Advanced reporting allows managers to track completion rates by users or teams.

In addition, it's critical to find a solution that puts collaboration in the flow of daily work and extends the value of existing business solutions by offering seamless integrations with Salesforce, Slack, Microsoft Teams, Microsofty Dyanmics, and Google Apps, as well as with popular file sync and share apps like Box, DropBox, Google Drive, and Microsoft OneDrive — all from any location.

"Nearly one-half (47.5 %) of sales representatives take 10 months or longer to become adept enough to contribute to company goals.

— ACCENTURE

Exploring Your Options Beyond Knowledge Sharing

With the benefits of knowledge sharing now proven, more and more vendors are attempting to enter the fray and capture market share. In addition to the knowledge sharing solutions we've described above, the market now includes three additional categories of offerings: document sharing technologies, enterprise social networking tools and traditional collaboration platforms. Let's take a moment to explore each of these alternatives.

Document sharing solutions such as Box, Dropbox, Google Drive, and Sharepoint can be hosted in the cloud or on premises. They offer collaboration in the most traditional form, allowing two or more people to work within the same files. However, rather than sharing knowledge, these solutions require users to work alongside each other in a formal document structure and focus on content management, storage, and version control. They also require users to know exactly who they would like to collaborate with, rather than allowing individuals to opt-in based on interest, which limits the longterm benefits of the documents that are being created. These file storage solutions often work cohesively alongside the newer, innovative knowledge sharing solutions.

The second category includes enterprise social networking solutions, which are designed to easily create dialogue, similar to instant messaging services, but lack the archive and search capabilities that allow knowledge to become a valuable asset down the road. Studies show that most of the ROI from knowledge sharing comes from leveraging the same content repeatedly by saving and sharing information for the future. These tools offer the ability to get an immediate response from a peer but are limited when it comes to historical archiving, intelligent search and sustained longterm value.

Finally, the third category consists of the traditional collaboration platforms which while early to market, are cumbersome to administer a nd difficult for end users to use and contribute to. Today, most users are accustomed to visually friendly, simple, drag-and-drop interfaces similar to their personal applications. Instead, these solutions require a heavy investment in servers and storage, and tops-down administration, which ultimately leads to lower user adoption than the industry average.

Best Practices Checklist

It wasn't too long ago that knowledge sharing systems for business were in their infancy. Now they have grown, matured and are providing real value. And while the challenges of knowledge sharing can include cultural chasms, disruption, cost, risk, and repeatability, experts agree the biggest challenge — and equally lucrative opportunity — invariably boils down to changing the way people think.

In the end, knowledge sharing systems are dependent on the people within them. Your workforce is the single biggest investment your company will make. Your customers are the key to your bottomline. And your partners provide critical support and routes to market to grow your global footprint. Quantifying the impact of your social business investment allows you to continually assess and improve the performance of your solution to broaden adoption, deepen engagement and optimize outcomes.

As social business expert Dion Hinchcliffe notes, communities have become one of the most important new aspects of the future of the enterprise. With collaborative economy startups putting them at the core of their business models, having a strong, engaged, and aligned community can mean the difference between access to the future of your organization, and being disrupted by a startup that can better connect, participate, and do business with your millions of stakeholders.

The following best practice steps are critical success factors in engaging key stakeholders and driving the business value of knowledge sharing software:

- ☐ Define project goals and objectives
- ☐ Secure executive endorsement
- ☐ Recruit energetic champions
- ☐ Encourage a range of use cases
- ☐ Launch with hands on activities for new users
- ☐ Focus on repeated activities
- ☐ Complement existing systems of record
- ☐ Track and reward engagement
- ☐ Capture and report key findings (early and often)
- ☐ Leverage and expand the community

Measure the ROI of your knowledge sharing software and make your business work for you.

Rather than sharing knowledge, document sharing solutions require users to work alongside each other in a formal document structure and focus on content management, storage, and version control.

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Bloomfire is the leader in knowledge engagement, delivering an experience that connects teams and individuals with the information they need to do their jobs. Our cloud-based knowledge engagement platform gives people one centralized, searchable place to engage with shared knowledge and grow their organization's collective intelligence. For more information or to schedule a demo, visit **www.bloomfire.com.**

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