The Definitive Guide to

Building a New B2B Inside Sales Team

Includes 3 Excel Models to Help You Analyze Your Sales Team Effectively and Efficiently

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Meet the Authors

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Foreword

The future of sales will look very different from the past, and Inside Sales is the number one reason. A Businessweek article recently said that, "for every 1 person hired today for an outside sales role…there are 10 being brought on for inside sales." The reason is a 10-12x cost difference: "Industry estimates show each contact with an inside sales person might cost $25 to $30 compared with $300 to $500 for a field sales person".

This eBook is intended to help you build an Inside Sales team efficiently and effectively. We give you two Excel tools to help figure out the size, quotas, and activity metrics for each role in your inside sales organization – outbound prospecting, marketing, and sales.

In particular, you will learn:

- How to analyze what inside sales team you need

- How to analyze your sales capacity

- How to build an Outbound Sales Prospecting Team

- How to build an Inside Sales Closing Team

- How to hire the right number of people, in the right role, at the right time

- How to define key performance metrics by month for your teams

The Fundamentals of Achieving Revenue Goals

The Fundamentals of Achieving Revenue Goals

To achieve aggressive growth, you need to build sales and marketing teams that can combine 1 and 1 to equal 3. Here we will give you a 5P framework to help you plan and build the most effective inside sales team for your company. In later chapters, we provide Excel tools that help implement the 5 P's into your organization.

The 5P's in Your Organization

People

Hire the right number of people by role to hit your sales targets.

Planning

Create a strategy and plan to grow your pipeline through execution by outbound prospecting, marketing, and sales.

Process

Create a process based on the Excel models' output to make the team achieve your pipeline and sales goals.

Pipeline

Hit the pipeline goals and convert to your revenue target.

Performance

Define the right performance goals and analyze and refine your organization based on what you learn.

People

Our Annual Capacity, Quota and Budget tool helps you work backwards from your quota to the number of people you need in each role. However, knowing the right number of people is only one part of the equation. Be sure you:

- Hire people with enough lead time to nail your quota (see Monthly Planning Model).

- Ramp your reps efficiently. Inside sales reps should hit full productivity in four months or less. Do you have the processes in place to quickly onboard and ramp your new hires?

- Provide ongoing coaching to your reps. An inside sales manager should have 7 or fewer direct reports to enable an appropriate amount of time on metrics-based coaching.

Planning

Effective sales planning has two components: sales strategy and sales execution. Your sales strategy should define:

- WHO can turn into customers

- WHAT will you do to find them and grow your Opportunity Pipeline

- HOW are you going to qualify Opportunities into won deals

Your quota goals should follow from this sales strategy. Once you have this, you need to define an execution plan that gets your outbound prospecting, marketing and sales teams working in lockstep. Here's where the Monthly Planning Model can help you define monthly targets for all of your teams to ensure you deliver on your goal.

Process

A recent survey published by CSO Insights revealed that companies with a formal sales process – which is defined and regularly reviewed to ensure sales effectiveness – have substantially better performance than those with ad hoc or informal sales processes. While this might seem like a no-brainer, the CSO Insights report suggests

that a vast majority of companies are still flying by the seat of their pants when it comes to formalizing, reviewing and measuring their sales processes.

Don't make this mistake when starting to build a successful Inside Sales team. Implement a formal and defined sales process that matches your customer's buying stages (not your internal selling stages). Ensure that the process is written down and known cold by every member of your team. Finally, review this process regularly using your sales analytics. This is the most critical part of building a scalable sales team.

Pipeline

As you scale your team, you need to drive pipeline growth before you can expect to see revenue growth. Many sales managers use 3X pipeline coverage (pipeline-to-quota ratio) as a health check. We recommend varying coverage based on your win rate. 3X might work if you have a 33% win rate, but 5X is more appropriate if your win rate is 20%. Furthermore, we recommend limiting pipeline to the deals forecast to close within the quota period.

Once you're able to grow your pipeline, check that your inside sales reps have enough capacity to manage the pipeline effectively. We look at the number of open opportunities per ISR to gauge capacity. OpenView cites 29 open opportunities per ISR as a benchmark for growing technology companies. If you're asking your ISRs to manage more opportunities, you risk seeing your win rate decline, your sales cycle lengthen, or both. Finally, you may want to focus your ISRs by industry or deal size to enable them to become more adept at selling to a particular customer segment.

Performance

This eBook will help you model performance expectations for your team. Then, you'll start executing, and reality will depart from any modeling. That's OK — it's actually a good thing. This gives you the opportunity to analyze the drivers of performance deviations, coach your team to improve, and then establish a more accurate picture of what to expect thereafter.

Let's take an example. Suppose you expect $100K in quota per month from your ISRs. You find your ISRs are only achieving $50K per month. You dive deeper and find the following:

Item	Assumption	Actual Performance
Quota Per ISR	$100K	$50K
Deal Size	$10K	$10K
Deals Won Per ISR	10	5
Opportunities Per ISR	25	30
Win Rate	40%	18%

Your outbound prospecting and marketing teams are producing more opportunities than you anticipated. However, your ISRs win 18% of opportunities, far below the 40% you had assumed.

Don't take 18% as the new win rate; stretch your team to find the limit of what's possible. Let's assume you spend 3 months focused on improving win rate: you invest time in training reps on qualification, improve objection handling in your sales playbook, and equip your reps with sales tools. You improve your average win rate to 33% before your efforts level off.

Now you have valuable information to plan for the future. You know that you need your reps to run 30 sales cycles per month, and win 33%. You can expect your outbound prospecting and marketing team to generate enough opportunities. Because you dove into the discrepancy between plan and actual performance, you're now one step closer to driving predictable revenue. This is the essence for managing performance, and good models are important, but they're only a starting point.

Annual Capacity, Quota and Budget Model

Annual Capacity, Quota, and Budget Model

Your CEO gives you a revenue goal. Now you need a tactical plan to achieve it.

- Do you have enough Inside Sales Reps (ISRs) to meet the new goal?

- If you hire more ISRs, will they have anything to do?

- Do you have enough outbound prospecting reps (SDRs) to generate opportunities for your ISRs?

- Does marketing know how many qualified opportunities they'll drive to complement the prospecting team's efforts?

- How much budget do you need?

We've built an Annual Capacity, Quota, and Budget model to answer these questions.

You input your quota, average deal size, and some assumptions about the efficiency of your teams. The model will give you team size, cost, and key metrics for your prospecting, marketing, and sales teams.

The model is organized into six sections, Top Level Metrics, Outbound Prospecting Capacity, Marketing Capacity, Inside Sales Capacity, Budget Planning, and Key Results Metrics. Note a convention: all editable input cells are blue text on grey background.

You can download a sample of the model **here**.

Quota & Capacity Planning Tool

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Line	Item	Amount	Comments/Explanation
1	Total Annual Quota	10,000,000	Enter your annual quota or new revenue goal
2	Average Deal Size	15,000	Enter your average deal size
3	Win Rate	27%	Enter your win rate. 27% is OpenView benchmark for growing tech co's
4	Sales Cycle	30	Enter your sales cycle (time from opp creation to closed-won)
5	% Deals Sourced by Marketing	38%	Enter percentage of pipeline you expect marketing to drive. 38% is Marketo benchmark for average companies
6	Number of Deals Required	667	(1) / (2)
7	Number of Opps Required	2,469	(6) / (3)

Outbound Prospecting Capacity Planning (Outbound Rep = "SDRs")

Line	Item	Amount	Comments/Explanation
8	Dials : Opp	125	Enter the number of SDR dials required to produce 1 opp. 125 is OpenView benchmark
9	SDR Dials per day	56	Enter your target SDR dials per day. 56 is Bridge Group benchmark
10	SDR Opps Required	1,531	(7) * (1 - (5))
11	Dials Required	191,358	(10) * (8)
12	Total SDR Days Required	3,417	(11) / (9)
13	Working Days per year	231	365 days - 104 weekend days - 30 PTO/Holidays
14	SDRs Needed	15	(12) / (13)

Marketing Capacity Planning (Marketing Qualification Rep = "MQR")

Line	Item	Amount	Comments/Explanation
15	% Marketing Leads Converted into Opps	7%	Enter the number of percentage of marketing leads that convert into opps. 7% is Marketo benchmark
16	MQR Dials per day	56	Enter the number of qualification calls on inbound leads a MQR is required to make.
17	Marketing Opps Required	1,531	(7) * (5)
18	Marketing Leads Required	21,869	(17) / (15)
19	MQRs Needed	2	(18) / (16) / (13)

Inside Sales Capacity Planning (Inside Sales Rep = "ISR")

Line	Item	Amount	Comments/Explanation
20	Open Opps per ISR	29	Enter number of opps an ISR manages concurrently. 29 is benchmark from OpenView
21	Opps per ISR per year	353	(365 / (4)) * (20)
22	ISRs Needed	7	(21) / (20)

Budget Planning

Line	Item	Amount	Comments/Explanation
23	SDR Total Comp	72,000	Enter total comp for SDRs. 72K is Bridge Group benchmark
24	MQR Total Comp	72,000	Enter total comp for ISRs. Similar to SDR
25	Marketing Cost Per Lead	35	Enter cost per lead. Marketing Sherpa shows most common cost per lead is $21-50
26	ISR Total Comp	109,000	Enter total comp for ISRs. 109K is Bridge Group benchmark
27	Burden Rate	20%	Enter burden rate (cost of office, phone, T&E, etc, as a % total comp)
28	Total SDR Cost	1,296,000	((14) * (23)) * (1 + (27))
29	Total MQR Cost	172,800	((19) * (24)) * (1 + (27))
30	Marketing Lead Cost	765,432	(18) * (25)
31	Total ISR Cost	915,600	((22) * (26)) * (1 + (27))
32	Total Sales and Lead Gen Cost	2,977,032	(28) + (29) + (30) + (31)

Key Results Metrics

Line	Item	Amount	Comments/Explanation
33	Quota per ISR per month	119,048	(1) / (22) / 12 months
34	Deals per ISR per month	8	(6) / (22) / 12 months
35	Opps per SDR per month	14	(7) / (14) / 12 months
36	Marketing Leads per month	1,822	(18) / 12 months
37	Marketing Opps per month	128	(17) / 12 months
38	Cost of Revenue	30%	(32) / (1)
39	Customer Acquisition Cost (CAC)	4,466	(32) / (6)
40	Customer lifetime, in months	36	Enter the expected customer lifetime for a new customer, in months
41	Customer lifetime value / CAC	10.1	((2) * (40) / 12 months) / (39)

Key: Blue cells are inputs

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Section 1: Top Level Metrics

The first section takes as input five metrics every Sales VP should know cold.

- Total annual quota, the number your CEO expects you to deliver

- Average deal size

- Win rate, the percentage of total opportunities that become deals

- Sales cycle, the average time from opportunity creation to closed-won

- Percentage of deals sourced by marketing; you need to know this to understand the source of your opportunities

It calculates two simple outputs that other sections use:

- Number of deals required to meet your quota, at your average deal size

- Number of opportunities required to produce those deals, at your win rate

Section 2: Outbound Prospecting Capacity

This section asks for two inputs:

- Dials : Opp, or the number of dials required to produce one qualified opportunity. This is a key efficiency measure for prospecting

- Dials per SDR per day, the key metric for the volume of activity for SDRs

The key output of this section is the number of SDRs you need. This is calculated by finding the total number of dials required to produce the opportunities you expect from your prospecting team, using the assumed Dial : Opp efficiency level. Then, dividing by the volume of activity per SDR yields the total SDR FTE count required.

Section 3: Marketing Capacity

The marketing capacity section assumes your marketing team is accountable for both generating leads, either through outbound or inbound techniques, and qualifying leads into opportunities. The Marketing Qualification Rep ("MQR") is the role that is responsible for calling and qualifying marketing leads.

The section requires two inputs:

- Percentage of marketing leads converted into opportunities (a.k.a., conversion rate). This is the efficiency measure for marketing leads.

- MQR Dials per day, the volume of activity you expect from your MQR who is calling marketing leads.

Two key outputs follow:

- Number of leads marketing must generate to produce the number of opportunities marketing is responsible for

- Number of MQR FTE required to qualify the leads

Section 4: Inside Sales Capacity

This section takes just one input: the number of opportunities you expect your ISRs to manage concurrently. If you don't know this number, you can approximate it.

How much time do you expect your reps to spend on an open opportunity each week? Let's say 1 hour per week. How many selling hours do your reps have per week? If you assume 75% of a 40 hour week is spent selling, then your rep can manage 30 opportunities concurrently. That's close to the OpenView benchmark of 29 open opportunities per ISR. However, it may vary based on your business – and you may want to experiment with more or fewer deal touches to find the most efficient sales model. The output is the number of ISRs you need to manage the open opportunities your prospecting and marketing teams will generate.

Section 5: Budget Planning

We've determined the number of FTEs and leads required to meet quota. All that's left to do is apply the costs. The budget planning section asks for cost data as input:

- Total compensation (aka On Target Earnings), equal to base salary plus variable pay at 100% of quota, for the SDR, MQR, and ISR role

- Burden rate, the other people-related costs outside of compensation (e.g., benefits, travel and expenses, office space) as a percentage of total compensation

- Average cost per lead. You can calculate this by reviewing historical lead generation costs and dividing by the total number of leads created. The output gives a total for the people and lead generation cost that your sales plan requires. Of course, you will have other budget items like hiring and training costs that go into your final budget number. This section is meant to provide a reasonable baseline for two important line items.

Section 6: Key Results Metrics

Here, we summarize some of the key management metrics, by role:

- ISRs: Monthly quota and deals closed per month. These are the results you demand from our sales team.

- SDRs: Opportunities generated, a function of activity efficiency and volume

- Marketing: Leads and opportunities created per month, covering both volume and efficiency of marketing activity

Overall metrics:

a. Sales and lead generation cost, as a percent of total quota, speaks to how efficiently you generate new revenue.

b. Customer Lifetime Value: Customer acquisition cost indicates the return on sales and lead generation dollars. Note that this calculation requires an expected customer lifetime

Tweaking the Model

Did you use the model and see an outcome that doesn't seem right? If your sales cost, as a percent of quota, looks too high, consider whether you can be more efficient in any of the following areas:

- **Win Rate**: you'll need fewer opportunities to drive the same number of deals

- **Dial : Opp**: you'll need fewer SDRs dialing if you can convert more dials into opportunities

- **% Leads that Convert into Opps**: if you can drive the same number of opps with fewer high quality leads, you'll spend less on lead generation, and on MQRs to qualify poor leads

- **Sales Cycle**: if you can streamline your sales process, your ISRs can run more cycles each year. What is your "loss cycle" (time from opportunity creation to closed-lost status)? If it's longer than your sales cycle, your reps may be wasting time chasing bad opportunities, time they could spend closing good deals more quickly.

If your sales cost, as a percent of quota, looks too low, consider:

- Are you overestimating your efficiency? As you grow, you'll need to take on a greater volume of opportunities, which might be aligned less perfectly with your ideal customer profile. You might want to assume some loss of efficiency.

- Are you overestimating your teams' activity volumes? There are 40 hours in each week, but how many are used for productive activities? Some studies have estimated that selling time is as low as 24% of total time. Inside sales teams should far exceed 24% selling time, but they will not near 100% either.

- Are you underestimating compensation? You pay for quality people; there's no shortcut. Bridge Group benchmarks SaaS ISRs' total compensation at $109,000. Sure, you can pay less, but will your people achieve the aggressive results required to make your number?

Monthly Planning Model

Monthly Planning Model

The Annual Model gives you a high level picture of the people, activities, and results you'll need to achieve your annual goal. If only it were that simple.

In reality, if you have an increased revenue target next month, you need to grow pipeline today. And if your prospecting teams and marketing teams didn't increase their activity levels last month, you won't be able to grow pipeline today. To increase their activity levels, marketing and prospecting need more productive resources, which you can neither hire nor train overnight. You probably had missed next month's stretch goal 60-90 days ago.

Don't get behind. The monthly planning tool enables you to start with your monthly quota figures and back-up the timing of deals, opportunities, activities, and people that need to be in place to meet those monthly figures.

Monthly planning is more complex than annual planning, and so this model has more input and output cells. We'll explain the overall structure of the model, and then progress through each of the three sections.

First, a note on formatting. As in the Annual Model, all editable input cells are blue text on grey background. In this model, some inputs like sales cycle are pulled from the Annual Model for consistency. These cells are purple text on grey background. Finally, this model highlights where you have the right capacity (shaded green) and where you lack capacity (shaded red) to meet your quota.

You can download a sample of the model here.

Monthly Planning Tool

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Section 1: General Assumptions

Line	Role	Current	Needed	Hires	Lead times	Days	Mths	Check Total Cycle	Dates	Days
1	Number of ISRs	5	7	2	Sales cycle (Opp to Deal)	30	1	Ok	Working Days Per Month	19
2	Number of SDRs	12	15	3	SDR cycle (Dial to Opp)	30	1	Ok		
3	Number of MQRs	.	2	2	Marketing cycle (Lead to Opp)	30	1	Ok		

Section 2: Monthly Assumptions

<-- Prep period before 12 quota months --> | *<------ 12 months of quota measurement ------->*

Line	Item	Uniform	Mth -3	Mth -2	Mth -1	Mth 0	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12
4	Average Deal Size	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
5	Win Rate	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%	27%
6	Opps per ISR	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
7	% Deals Sourced by Marketing	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
8	Dial : Opp	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125	125
9	SDR Dials per day	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
10	% Marketing Leads Converted into Opps	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
11	MQR Dials per day	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56

New Hire Ramp Assumptions

% FTE Performance in Mth X after hire

Line	Item	1	2	3	4	5	6	Check
12	ISR Ramp	25%	40%	60%	100%	100%	100%	TRUE
13	SDR Ramp	33%	66%	100%	100%	100%	100%	TRUE
14	MQR Ramp	50%	100%	100%	100%	100%	100%	TRUE

Section 3: Monthly Plan

<-- Prep period before 12 quota months --> | *<------ 12 months of quota measurement ------->*

Line	Item	Total	Mth -3	Mth -2	Mth -1	Mth 0	Mth 1	Mth 2	Mth 3	Mth 4	Mth 5	Mth 6	Mth 7	Mth 8	Mth 9	Mth 10	Mth 11	Mth 12
15	Total Annual Quota	10,000,000	-	-	-	-	833,333	833,333	833,333	833,333	833,333	833,333	833,333	833,333	833,333	833,333	833,333	833,333
16	Number of Deals Required	667	-	-	-	-	56	56	56	56	56	56	56	56	56	56	56	56
17	Number of Opps Required	2,469	-	-	-	-	206	206	206	206	206	206	206	206	206	206	206	206
18	SDR Sourced Opps	1,531	-	-	-	-	128	128	128	128	128	128	128	128	128	128	128	128
19	Marketing Sourced Opps	938	-	-	-	-	78	78	78	78	78	78	78	78	78	78	78	78
20	Number of Dials Required	191,358	-	-	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947	15,947
21	Number of Leads Required	13,404	-	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117	1,117
22	ISR Hiring Plan	2				1		1										
23	ISR New Hire FTE Production					0.3	0.4	0.9	1.4	1.6	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
24	ISR FTE Count		5	5	5	5	5	6	6	7	7	7	7	7	7	7	7	7
25	ISR Monthly Opp Capacity		29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
26	ISR Capacity	2,955	147	147	147	154	159	172	188	194	206	206	206	206	206	206	206	206
27	SDR Hiring Plan	3	1	1	1													
28	SDR New Hire FTE Production		0.3	1.0	1.7	2.3	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
29	SDR FTE Count		12.3	13.0	13.7	14.3	14.7	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
30	SDR Capacity	251,142	13,292	14,003	14,725	15,448	15,803	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170	16,170
31	MQR Hiring Plan	2	2															
32	MQR New Hire FTE Production		1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
33	MQR FTE Count		1.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
34	MQR Capacity	33,418	1,078	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156	2,156

Key: Blue cells are inputs; purple cells are linked from Annual tab

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Section 1: General Assumptions

The model begins with some general assumptions. These cover things that do not vary month to month: hiring needs for the year, sales, SDR, and marketing cycles, and working days in a month.

The cycles are critical to defining lead times. For simplicity, the model rounds all cycle times to the nearest month.

- Sales cycle defines how long in advance you need to create an opportunity.

- SDR cycle defines how long in advance of creating an opportunity you need to dial.

- Marketing cycle defines how long in advance of creating an opportunity your marketing team needs to create and contact a lead.

An important note on "prep period". The model accommodates a four month "prep period", which is intended to show activities like lead generation and hiring that occur prior to Month 1 of the quota period. If your sales cycle plus marketing cycle is greater than four months, you will not see the initial activities you need to hit Month 1 quota. The same applies if your sales cycle plus SDR cycle is greater than four months.

A simple example illustrates the issue. If your sales cycle and marketing cycle are each 3 months, then to hit a Month 1 quota target, you need to generate leads in "Month -5" (6 months in advance of Month 1). The model will only let you see "Month -3", which will turn into deals in Month 3. Cells N8:N10 provide an alert when the total cycle time exceeds 4 months.

Section 2: Monthly Assumptions

The model then offers a chance to modify a number of key variables by month. In lines 4-11, the Monthly Model prepopulates each month's assumptions with values from the Annual Model. However, you can edit any of the monthly assumptions if you expect performance to vary over the course of the year.

Lines 12-14 allow you to define ramp up schedules for new ISR, SDR, and MQR hires. You should enter the expected productivity, as a percent of a FTE, in months 1-6 for each role. The check in column K ensures that each month's productivity is greater than or equal to the last month, and that each role reaches 100% productivity by month 6. Note that the Bridge Group benchmarks ramp up time at 3 months for SDRs and MQRs and 4 months for ISRs.

Finally, the model begins with "Month -3 to 0". None of these months have an associated quota. The model intends to cover the activities required to make quota in a 12-month period (Months 1 to 12). However, lead times dictate that many activities necessary for driving revenue growth in Months 1 to 12 must occur prior to Month 1. This period allows us to capture activities that require lead times up to four months.

Section 3: Monthly Plan

The meat of the model is in the monthly plan section. Here you have four key lines that you must input:

- Line 15: Enter your quota by month. The total on this line checks that the sum of your 12 months of quota is equal to your annual quota from the Annual Model
- Line 22: ISR Hiring Plan. Enter a positive integer in the month you plan to hire additional ISRs. The total on this line checks that you are hiring enough people to cover the gap between your current number of ISRs and the number you need from the Annual model (cell G8).
- Line 27: SDR Hiring Plan. Enter a positive integer in the month you plan to hire additional SDRs. The total on this line checks that you are hiring enough people to cover the gap between your current number of SDRs and the number you need from the Annual model (cell G9).
- Line 22: MQR Hiring Plan. Enter a positive integer in the month you plan to hire additional MQRs. The total on this line checks that you are hiring enough people to cover the gap between your current number of MQRs and the number you need from the Annual model (cell G10).

Based on the monthly quota and assumptions you enter, the model calculates the activity requirements by month, with the appropriate lead times, in lines 16-21.

In lines 26, 30, and 34, the model calculates the monthly capacity you have for ISRs to to work opportunities, SDRs to dial, and MQRs to qualify leads respectively. The capacities come from your current resource levels, hiring plan, and ramp schedule for each role. If the cells in these lines are shaded green, you have enough resources on hand to drive the activities you need to make your quota. If the cells are red, you do not have sufficient capacity. You should change your hiring plan to bring on more resources sooner.

Dial Capacity from Lists

Dial Capacity from Lists

For your outbound prospecting team to scale effectively, you'll want to be sure they have names to call. Our third tool helps you estimate the dial capacity you can gain from lists.

How many years worth of dials can your market's lists sustain?

#	Item	Amount	Notes
1	Total companies in market	100,000	Enter the total # companies in your market
2	% you can get from lists	75%	Enter an approximation for what percentage you can access in lists.
3	Names per company	4	Enter the number of names per company you acquire from a list
4	% names that are real	60%	Enter what percentage of names will be scrubbed from lists you buy. We approximate 60% from past experience
5	# Touches	8	Enter the number of calls you ask your SDRs to make before giving up on a name
6	% Touches Done on Avg	50%	Enter the average number of dials to any single name, as a % total touches
7	SDRs	10	Enter the number of SDRs on your team
8	Dials/day/rep	60	Enter the average number of dials per day your SDRs achieve
9	Working Days per year	231	365 days - 104 weekend days - 30 holidays/PTO
10	MQLs per year	8,000	Enter your marketing team's goals for MQLs per year
11	Companies you can get	75,000	(1) * (2)
12	Names you can get	180,000	(10) * (3) * (4)
13	Dials per name	4	(5) * (6)
14	Dials possible per pass	720,000	(11) * (12)
15	SDR total dials / year	138,600	(7) * (8) * (9)
16	SDR dials to MQLs / year	32,000	(10) * (13)
17	Years to complete pass	6.8	(13) / [(14) - (16)]

To use the model, enter inputs for your market and company into the blue cells. The model will compare:

- The approximate number of calls you will make to names sourced from lists

- The dialing capacity of your SDR team

The output is the number of years your SDR team can subsist on the names in your market obtained from lists.

If the result is two years or more, you should have plenty of names to keep your SDR team busy. If the result is less than that, are there any creative ways you can source additional names?

Note that the model assumes only a percentage of names are "real". As your team scales, consider bringing on an analyst to scrub lists so your SDRs don't waste dials on names that could be eliminated without a call.

You can download a sample of the model here.

Reports to Monitor Your Performance

Reports to Monitor Your Performance

The activity requirements – and thus the hiring requirements – hinge on several key variables. Monitor these seven variables every month, and you'll be able to identify the driver of gaps between your performance and plan:

- SDR: Dials per day (Figure 4)

- SDR: Dials : opp (Figure 5)

- Marketing: Lead conversion, showing total leads and percentage converted into opportunities (Figure 6)

- ISR: Open opps per rep (Figure 7)

- ISR: Win rate (Figure 8)

- ISR: Sales cycle by stage (Figure 9)

- ISR: Average deal size (Figure 10)

Figure 4: Dials per day
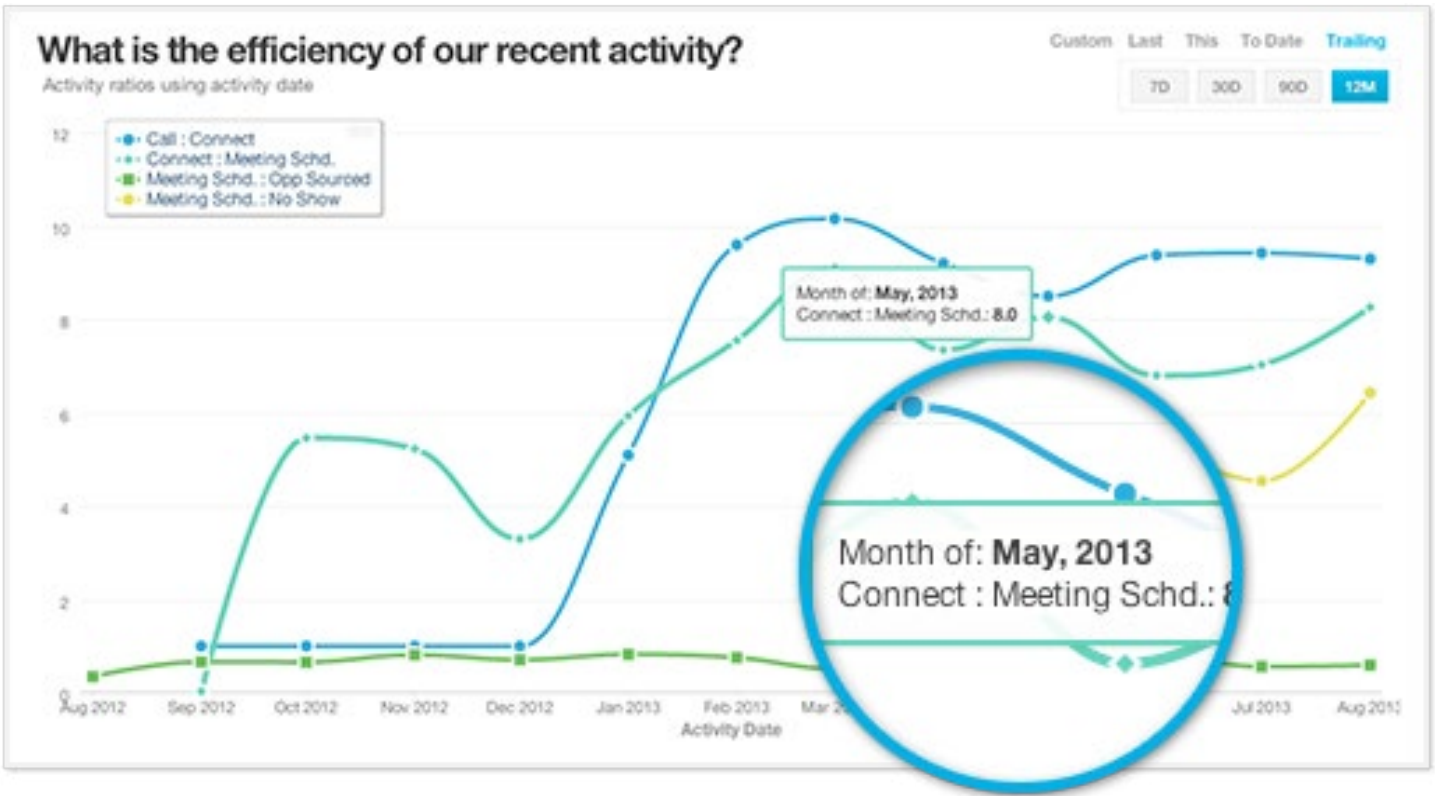
Figure 5: Dials : opp

Figure 6: Lead conversion, showing total leads and percentage converted into opportunities
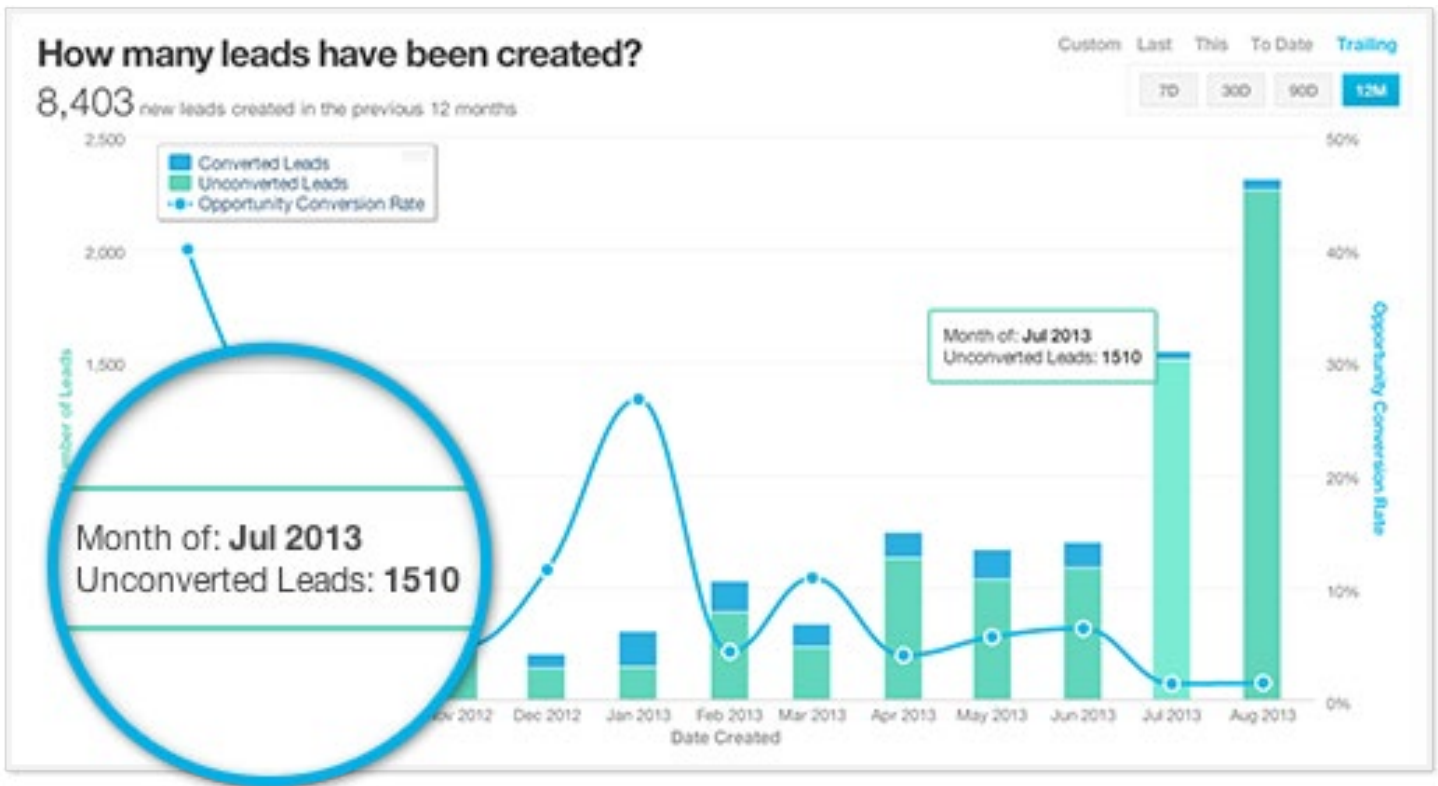
Figure 7: Open Opps per Rep
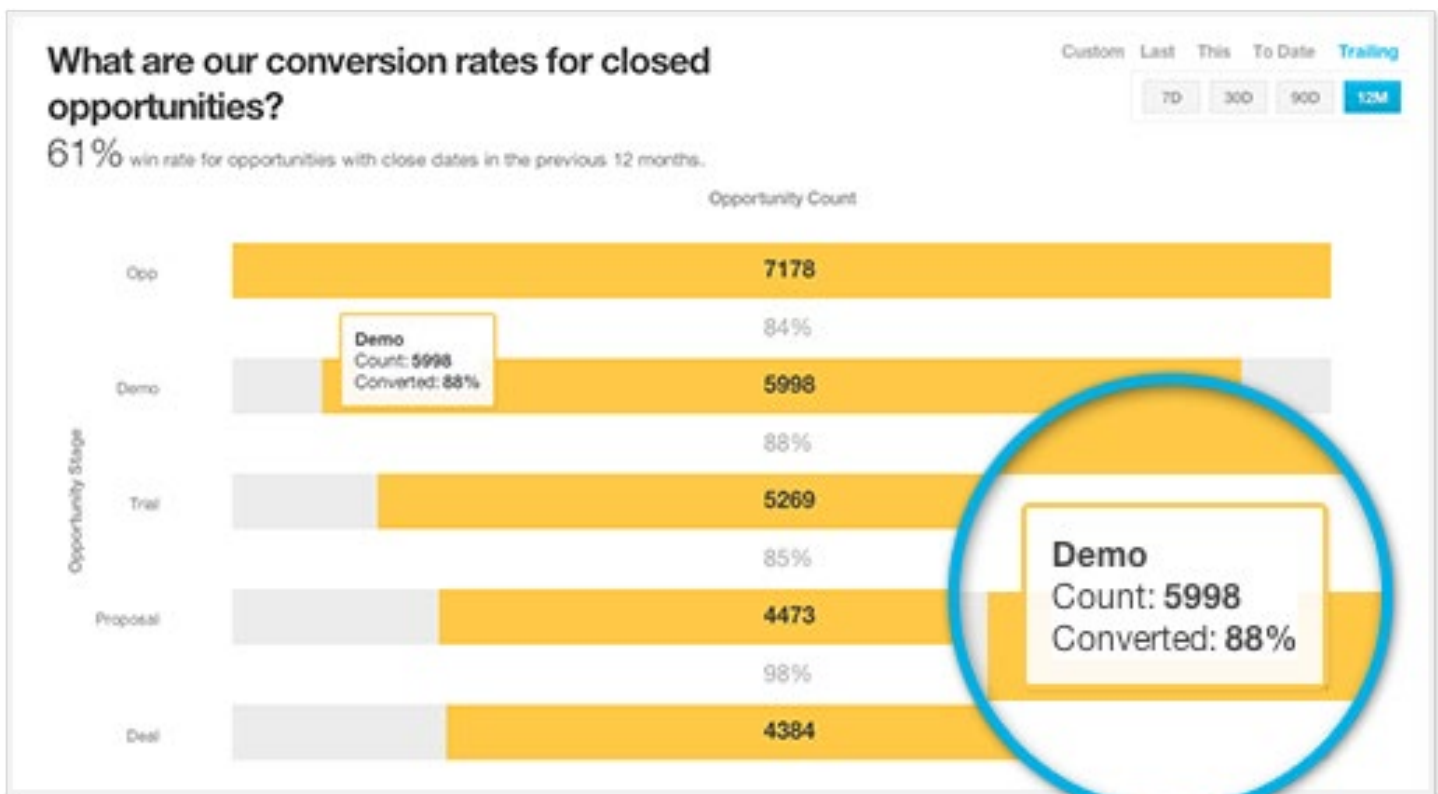
Figure 8: Win Rate
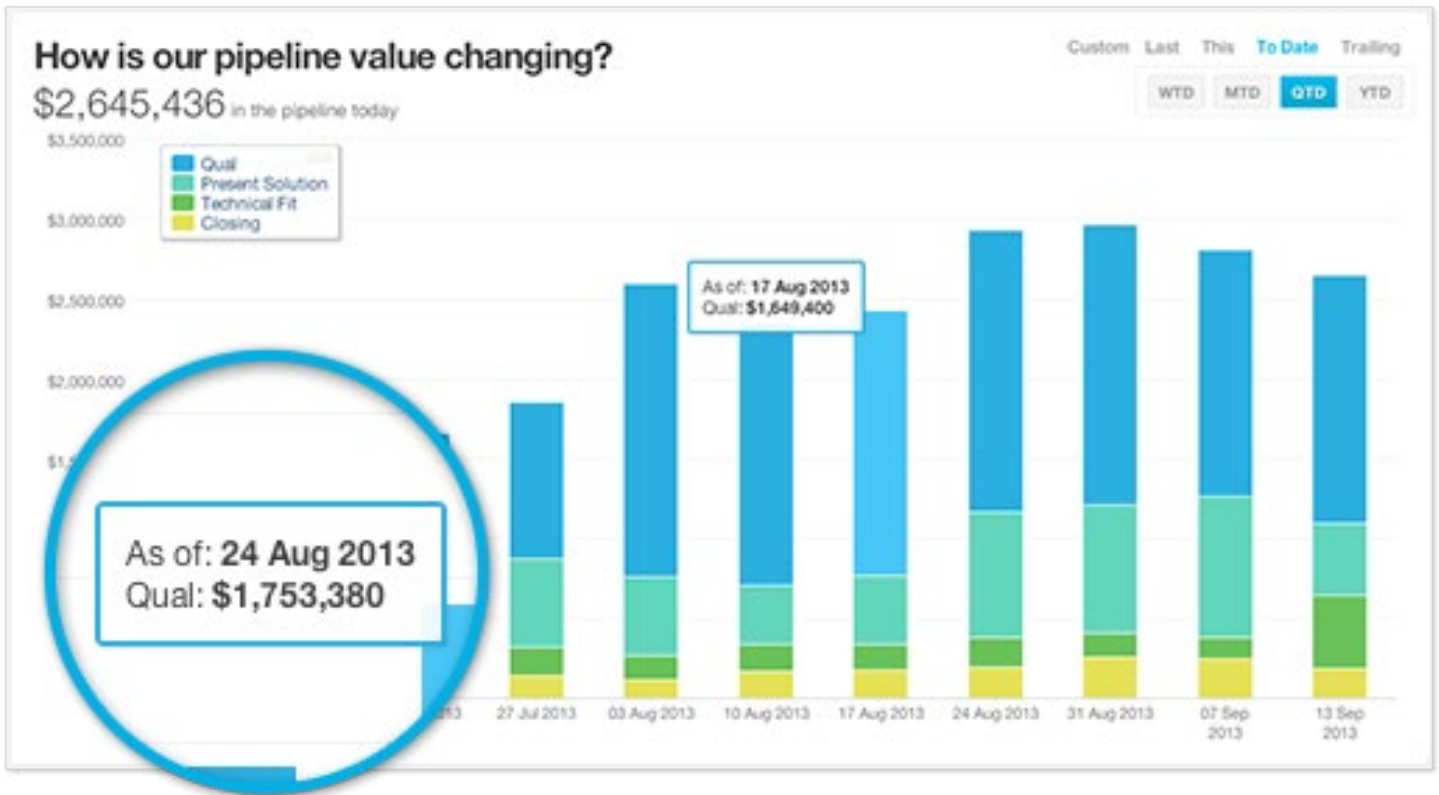
Figure 9: Sales Cycle by Stage

Figure 10: Average Deal Size

Review

It's no easy task to grow sales rapidly, but thoughtful planning and analysis can break down your aggressive growth goal into a series of smaller, more manageable goals.

After reading the eBook, we hope you'll take away

- How the 5P's help you think about building a scalable inside sales team.

- How to use the Annual Capacity, Quota, & Budget model to estimate your annual sales and marketing requirements for FTEs and activities.

- How to use the Monthly Planning model to create a hiring plan that enables you to meet your monthly team quota goals.

- How to use the Dial Capacity from Lists model to create a plan to feed names to your outbound prospecting team.

- What metrics you need to measure to understand your performance against plan.

- How to iterate on your models when you find a discrepancy between your actual and plan performance.

- Belief that you can hit your aggressive revenue goals with the right planning and performance management.

#1 for Salesforce Analytics