

*The Definitive Guide to*

# **Building a Successful Outbound Lead Generation Team**





"Your prospectors should not close. Your prospectors should not respond to inbound leads. Your prospectors should not act as part-time telemarketers for marketing who want to fill their events. Your prospectors should prospect."

**Aaron Ross**

Author of "Predictable Revenue"

"The three most important criteria I look for in lead generation reps are coachability, curiosity, and prior success. Always, always, always run a role play over the phone as part of the evaluation process."

**Mark Roberge**

SVP of Sales and Services for Hubspot



"When you're doing outbound, it's really hard to measure success. One of the best ways to do this, is by having people execute existing messaging and a consistent cadence with their outbound process, and you can't do that unless you have all of those things in a sales playbook."

**Trish Bertuzzi**

President and Chief Strategist for The Bridge Group Inc.

"Today, prospects look for and respond to individuals who have expertise and knowledge of their industry, role, and can provide benefits. Those Lead Generation and/or Sales Representatives, who can demonstrate knowledge about the prospect, their business, and the problems they can help solve, will set themselves apart from the crowd and win the respect and business of many."

**Larry Reeves**

COO and EVP of Sales for AA-ISP





“Motivation comes from within, but environment sets the right tone for self-motivation. You should always be asking questions to improve your environment. How is my sales floor configured? What message do we send with the office furniture, access to outside light, selling infrastructure like phone systems provided, and overall ‘feel’ of the physical office environment?”

**Steve Richard**

Co-Founder of Vorsight

“Many companies now have a lot more leads coming in as a result of inbound marketing. The problem is: many of the leads aren’t really leads yet – they’re more like contacts that have to be nurtured for a period of days, weeks or months before the lead is ready to schedule a call or meeting.”

**Dave Kurlan**

CEO of Kurlan and Associates Inc.



“With sales intelligence tools like LinkedIn, InsideView and DiscoverOrg, you can uncover what’s important, key priorities, multiple decision makers, common interests and much more. It’s what you need today to build instant credibility and relevance.”

**Jill Konrath**

Author of SNAP Selling and Selling to Big Companies

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# Meet the Authors

## Zorian Rotenberg

Zorian is a sales and marketing veteran who is a recognized authority on metrics-driven sales and marketing management in the software industry. Prior to InsightSquared, Zorian was on the management teams of several global software companies including Acronis, Veeam and AppAssure (which was sold to Dell), ranging from \$8 Million to over \$100 Million in annual sales, each of which he helped grow by over 100% year over year. He was also CEO at StarWind Software, a software company with customers in over 100 countries where he grew worldwide sales by 100% and North American sales by 145%+ by using the best practices of metrics-driven inside sales management, demand generation and sales prospecting.



Zorian has a degree in Finance and with minors in Applied Mathematics and in Computer Science from Lehigh University and earned his MBA from Harvard Business School.



## Mike Baker

Mike is a content writer and journalist who enjoys diving into complex issues and exploring the world of data-driven business intelligence. Before coming to InsightSquared, Mike earned an English degree from Oberlin College and wrote for several newspapers, websites and marketing firms around the country.

# Introduction

Recently, Inbound Marketing has been proven to be the most efficient way to generate new sales leads. However, many companies want to grow sales beyond what they can achieve with inbound leads, and there is no better way to do that than with Outbound Lead Generation. In other words, it's not just Inbound or Outbound - it's Allbound, as Allen Nance has said. This book explores the benefits of Outbound Lead Generation (or Outbound Sales Prospecting) teams, the best practices for building such a team and the essential methods for managing your new team to achieve measurable results and sustainable revenue growth beyond what you can do with Inbound alone.

**Here are some of the key points you will find in this book,**

- How a prospecting team can significantly boost your sales
- What questions to ask before building your team
- How to attract the best reps and key management tips
- The right KPIs to measure your team's performance
- The best tools to help you get the most from your team

Sooner or later, all young companies face a common problem – their sales reps are closing a large percentage of the deals that come their way, but the pipeline just isn't big enough to sustain growth. If you're in this situation, you have several options: You can increase your marketing efforts. You can have your reps root around for their own prospects. Or you can build an Outbound Sales Prospecting team whose sole responsibility is to fill your pipeline with leads.

Although this last option isn't right for every company, it has several advantages that make it the right choice for many businesses, especially those that are expanding. Outbound lead gen teams are designed to efficiently fill your pipeline with prospects, allowing your sales reps to focus on closing.

If you want to quickly grow your pipeline and generate sustainable growth for your company, **this eBook will help you decide if building an outbound lead generation team is the right choice for you.**

Section // 1

# The Fundamentals of Outbound Lead Generation

# The Fundamentals of Outbound Lead Generation

Why are so many companies turning to outbound lead generation? How can it improve your business?

**In this chapter we will explore why you should consider adding a prospecting team by looking at the following fundamentals:**

- What is outbound lead generation?
- Is an outbound prospecting team right for your company?
- What questions should you ask before creating a team?

## What is Outbound Lead Generation?

You know there are customers out there for your product or service – the question is how to find them. A marketing team is great for attracting people to your business, but it is not ideal for going out and aggressively targeting new prospects.

If your goal is to quickly generate pipeline and proactively reach out to new potential customers, an outbound lead generation team may be your best bet. These teams are designed to dive deep into your target market and connect with some of your most likely potential customers. Outbound lead generation is a way to reach out to targets, educate them about your product, gauge their interest and, hopefully, turn them over to your sales team to convert into paying customers.

## The Benefits of Outbound Prospecting

The success of your sales team relies heavily on a growing pipeline. Other factors matter, of course – how the team is managed, how valuable your product is and how skilled your sales reps are – but without a healthy pipeline, you stand no chance of reaching your growth goals. Luckily, this problem has a straightforward solution: fill your pipeline with leads! Expanding your company means finding new customers, and prospecting teams are one of the best ways to do this.

Your first question is probably “Why invest in an outbound lead gen team instead of one of the alternatives?” This is a fair question – outbound lead gen teams require a significant upfront investment and do not always offer immediate results. However, many companies find that this investment is well worth it once they start seeing the fundamental benefits of an outbound prospecting team.

What are these benefits?

**Essentially, the advantages of adding a prospecting team fall into three categories:**

1. Prospecting teams allow your company to add pipeline at a much faster pace than alternative methods such as inbound marketing or partnerships.
2. They help you efficiently explore new markets, experiment with new messaging techniques and gather a great deal of data about talk tracks, value propositions and buyer personas.
3. They add more depth and versatility to your sales team by allowing you to outsource low value work from your more expensive Inside Sales Reps and providing you with a bench of your next sales reps.

Once you understand the benefits of outbound lead gen teams, you will agree that they are one of the most reliable ways to grow your pipeline and that they often have a very high ROI – especially if your company exhibits one or more of the following common signs.

## Is an Outbound Prospecting Team Right for You?

Before you consider building an outbound lead gen team, you must make sure you would actually benefit from one, which typically means your company exhibits one or more of the **following 5 signs**.

1. You want to grow sales but you don't have enough opportunities in your pipeline.
2. Your sales are complex and require extensive legwork from your sales reps to navigate elaborate businesses or bypass numerous gatekeepers, which leaves them little time to do their own prospecting.
3. You are trying to expand and you need more information about new markets.
4. Your sales process needs recalibration and could benefit from more interactions with, and feedback from, a wide range of prospects.
5. You want to experiment with market segments and new messaging.

## 4 Questions to Ask Before Building a Prospecting Team

If you are one of the many companies that meets one or more of the above criteria, it is time to start designing your outbound lead gen team. This doesn't mean you should immediately go out and hire a stable of new lead gen reps, though – first you need to answer these questions that will help you best design and position your new prospecting team.

### **“Who am I selling to?”**

Not all leads are the same, so it is important to carefully identify your targets before you design your prospecting team. Work with the sales team and key stakeholders to create an ideal customer profile (or several) so you can tailor your lead gen team to target the right prospects.

### **“What do I want my prospecting team to accomplish?”**

Do you want to expand into new markets? Do you want to breathe new life into your sales process? Do you want to build brand awareness? Outbound lead gens can accomplish many things in addition to growing your pipeline, so make sure you know what you want to achieve before you begin building your team.

### **“What is the Team's Reporting Structure – in Marketing or in Sales?”**

Prospecting teams are great at fine-tuning your messaging and generating leads, so they are natural fits for a marketing department. However, lead gen reps also work closely with your sales reps, and must therefore be closely aligned with Sales. Decide where your new team will be situated, who it will report to and how it will be overseen.

### **“When do I need more sales?”**

Like any team, a prospecting team will not contribute results immediately – it typically takes a few months for a new team to supply a steady stream of leads – so it is important to plan ahead if you want to maximize your results.

Section // 2

# Planning Your Prospecting Team

# Planning Your Prospecting Team

Building a new team from scratch is never easy, so it is important to prepare as carefully and fully as you can. In this chapter we will look at the best ways to design your prospecting team, attract the right people and get the team up and running as quickly as possible.

**Some of the most important topics will be:**

- Determining the right size and structure for your team
- Deciding where to place your unit
- Understanding the different types of lead generation reps

## Setting Expectations for Your Outbound Prospecting Team

You've decided your business will benefit from an outbound lead gen team, you've asked (and answered) all the right questions about what the process will entail – now what? Now it's time to tackle the hard part: designing your prospecting team, hiring the right reps and managing your new team to success. Throughout this eBook, we will explore each of these aspects in detail and give you the tools you need to get your outbound lead gen team up and running.

First up is planning your team. There are no pre-packaged prospecting teams – you need to design one from the ground up that suits your company. To do this, you need to understand your target market so you can determine how big your team should be and how it should be structured within the context of your company. (For more information on how to best manage your team, including how many managers you should have for your reps, skip to “**Chapter 4: Managing Your Team,**” which begins on page 34). Before you plan your team, you need to set explicit goals about what you hope to achieve and in what timeframe.

### Setting Goals

The major objective of your team is to fill your sales pipeline with quality leads, but what exactly does this mean? How many prospects are you hoping to generate? What new markets are you hoping to tap into? How much time do you have to grow your pipeline?

These expectations should be realistic. Use historical data and a clear picture of your pipeline and target markets to help you set reasonable goals for what to expect from your new team. Ideally, your lead gen team will produce a steady stream of prospects that will last as long as you need it, but this requires you to plan ahead and set explicit goals that you can easily track and refer back to.

To set goals about how many leads you want to generate and, eventually, how many deals you want to create, you need to have a clear image of what is possible – which means understanding your target market and, perhaps more importantly, your company's revenue goals.

The following three sections are focused on how companies utilizing prospecting lists can determine the size of their teams and the amount of time it will take to exhaust their target market. If your company relies on lists – typically businesses that sell to more mature markets or offer more commoditized products – these sections will help you get the most from your lists and better understand which types and sizes of lists to use. For companies that rely on non-list-based prospecting, skip ahead to page 22 and the section on structuring your new team.

## Annual Capacity, Quota and Budget Model

The question of how big to make your outbound lead generation team is critical: too small and your sales team won't have enough opportunities to hit quota; too large and your cost of sales will balloon.

To help size your prospecting team, we've developed three tools that use a combination of industry standards, efficiency assumptions and company-specific data to determine how large your prospecting team should be, when you need to hire new reps to reach your sales quotas and how long you can feed your outbound team with names from purchased lists.

The first of these tools is the Annual Capacity, Quota and Budget Model, shown on the next page. **For an interactive version of the Annual Capacity Quota Model, click below.**

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**Quota & Capacity Planning Tool**

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)
<b>Outbound Prospecting Capacity Planning (Outbound Rep = "SDRs")</b>			
8	Dials : Opp	125	Enter the number of SDR dials required to produce 1 opp. 125 is OpenView benchmark
9	Dials per SDR 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)
<b>Marketing Capacity Planning (Marketing Qualification Rep = "MQR")</b>			
15	% Marketing Leads Converted into Opps	7%	Enter the number of percentage of marketing leads that convert into opps. 7% is Marketo benchmark
16	Marketing 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)
<b>Inside Sales Capacity Planning (Inside Sales Rep = "ISR")</b>			
20	Open Opps per ISR	29	Benchmark from OpenView
21	Opps per ISR per year	353	(365 / (4)) * (20)
22	ISRs Needed	7	(21) / (20)
<b>Budget Planning</b>			
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	30%	Enter burden rate (cost of office, phone, T&E, etc, as a % total comp)
28	Total SDR Cost	1,404,000	((14) * (23)) * (1 + (27))
29	Total MQR Cost	187,200	((19) * (24)) * (1 + (27))
30	Marketing Lead Cost	765,432	(18) * (25)
31	Total ISR Cost	991,900	((22) * (26)) * (1 + (27))
32	Total Cost	3,161,332	(28) + (29) + (30) + (31)
<b>Key Results Metrics</b>			
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	32%	(32) / (1)
39	Customer Acquisition Cost	4,742	(32) / (6)

The Annual Model takes your annual revenue goals – \$10,000,000 in this example – and works backwards to tell you how many Sales Development Reps (outbound prospecting reps) you need to reach this target. Once you input your quota, average deal size and the expected efficiency of your team, you can use this model to identify the size, cost and key activity levels for your outbound prospecting team (as well as your marketing and inside sales teams).

The top section is filled with the fundamentals of your sales goals: annual quota, average deal size, win rate, and average sales cycle. These inputs help calculate the number of deals, and thus the number of opportunities you'll need to reach quota. The second section sizes your outbound prospecting team, based on two critical efficiency inputs: Dials : Opps (the number of dials required to produce one qualified opportunity) and Dials per SDR per day. Line 14 outputs the number of SDRs you need to hit your annual quota, based on the assumptions you've entered.

## Monthly Capacity, Quota and Budget Model

Now that you have the Annual Model, it should be pretty simple to determine your monthly quota and goals, right? Just divide by 12. Not so fast. In reality, if you have an increased revenue target in place for next month, you need to grow your pipeline today – which means your prospecting team needs to have increased its activity last month. If, for example, your company's revenue quota is set to increase by 20% from one month to the next, you need to plan ahead and grow your pipeline proportionally to meet that goal. How long does it take your sales reps to convert an opportunity into a deal? How long does it take your SDRs to turn a dial into an appointment? The Monthly Model allows you to use this information to plan ahead and adjust the size and activity levels of your prospecting team to keep up with changing monthly quota goals.

Monthly Plan		← 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	206
18	SDR Sourced Opps	1,531	-	-	-	128	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	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	21,869	-	-	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822	1,822
22	ISR Hiring Plan	2	-	-	-	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	5	6	7	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	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	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.3	2.7	3.0	3.0	3.0	3.0	3.0
29	SDR FTE Count	12.3	13.0	13.7	14.0	14.0	14.0	14.0	14.0	14.0	14.0	14.3	14.7	15.0	15.0	15.0	15.0	15.0
30	SDR Capacity	546,147	29,669	31,257	32,869	33,688	33,688	33,688	33,688	33,688	33,688	34,482	35,276	36,094	36,094	36,094	36,094	36,094
31	MQR Hiring Plan	2	1	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
32	MQR New Hire FTE Production	0.5	1.0	1.5	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	0.5	1.0	1.5	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	31,262	539	1,078	1,617	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

An interactive version of the Monthly Model can be found in the lower left hand corner of the “Sales Team Planning Model” Excel file, which you can download on page 17.

Just as with the Annual Model, the Monthly Model takes general assumptions (that don't change from month to month) such as sales cycle (how long in advance of a deal you need to create an opportunity), SDR cycle (how long in advance of creating an opportunity you need to dial) and marketing cycle (how long in advance of creating an opportunity you need to contact a lead).

After this, the model asks for you to input monthly assumptions. If you expect flat performance over the entire year, we pull in the assumptions you've already entered on the Annual tab. However, you have the ability to improve performance over the course of the year, or adjust for seasonality. Finally, you can define your ramp up schedules for various roles including SDR as they ramp up to 100% of a Full Time Equivalent (FTE). We provide space for a six-month ramp, but the Bridge Group benchmarks SDR ramp up time at 3 months.

Once you've entered all of this information, you can look at the third section of the model, which is its true substance. In this section, you can determine – based on your quota and the other items you've entered above – when to hire your new SDRs and how many you need to hire to ensure that you will hit your quota every month. To do this, enter planned SDR hires by month in Line 27. The model will compare the activities you need to reach quota with the monthly capacity of your team, adjusted for ramp up time. If the cells in Line 30 are green, you have enough capacity. If they're red, you should plan to either hire sooner or hire more reps.

## Market Coverage and Dials Required

Once you have determined the proper size for your team in order to meet both monthly and yearly revenue goals, you need to determine where your prospecting team will find names to call. Buying lists is the easiest way to source names. However, depending on the nature of your market and the size of your goals, this may or may not be sufficient.

Our third tool looks at your market and estimates the number of dials you'll be able to source from lists. It starts by taking the total number of companies and assumptions about how easily names in these companies can be identified in lists. It then asks for input on your process, in particular how many attempts your SDRs make per name and what percentage of that process they'll complete on average. Once you have the total number of dials that lists can produce, the model adds the number of names your marketing team will provide and compares this number to your team's annual dial capacity.

Look at the chart on the following page to see how long you can source dials from lists for your SDR team. **For an interactive version of the Market Coverage and Dials Model, click below.**

[Download File](#)



### 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)]

How many years will it take your team to cover all the names sourced from lists? If the model outputs more than two years, you should be able to use lists effectively. If the answer is less than that, you'll need to think creatively about how to find names for your SDR team to dial. If you cannot find more names, your SDR team's efficiency will drop significantly.

## Picking the Right Structure

What you discover about your target market will not only tell you how many reps you need and the amount of names you need to feed your new team, but also the most appropriate structure for your team. Should you be working most closely with Marketing to try and generate as many leads as possible? Or should you work with Sales to ensure that the leads you find get handled properly and quickly?

### **Reporting to Marketing**

In companies where Marketing is responsible for a large share of the pipeline, prospecting teams often report to the VP of Marketing. This can help streamline the operation, as the Marketing VP is accustomed to handling the inflow of leads. This is especially true in situations where there is a high volume of lower-value opportunities, because it is easier for the marketing team and the lead generation team to collaborate to find and reach out to a large number of prospects. These teams can also work together to experiment with messaging techniques and to nurture leads that have gone cold.

### **Reporting to Sales**

In more Sales-centric businesses, prospecting teams often report to the VP of Sales. Obviously, this will give your lead generation team a slightly different feel than if it were situated in the marketing department, as the sales team will emphasize the quality of the leads and the rate at which they convert to opportunities and, ultimately, won deals.

(For more information about structuring your team and designing the right hand-off process, please turn to page 44).

## **Inbound and Outbound Reps**

In companies where Marketing is responsible for a large share of the pipeline, where your team is situated also affects the composition of your team. Most prospecting teams are split into two sections: inbound reps who qualify marketing leads and outbound lead generation reps who find prospects through cold calling and targeted emailing. Study the structure of your business – how many leads Marketing generates, what type of prospects you want – and design your team accordingly. Having the right balance of inbound and outbound lead generation reps will help you create opportunities more efficiently and, ultimately, generate more revenue for your company.



**“Your prospectors should not close. Your prospectors should not respond to inbound leads. Your prospectors should not act as part-time telemarketers for marketing who want to fill their events. Your prospectors should prospect.”**

**Aaron Ross**

Author of “Predictable Revenue”

Section // 3

# Building Your Team

# Building Your Team

Ultimately, your team is not a set of objectives or a carefully created structure – it is people. So the next steps – defining your ideal lead gen rep, hiring them and onboarding them – are the most important parts of the process.

**In this chapter, we will look at the best practices for building a high-performance prospecting team, including:**

- Finding the right reps
- Onboarding them to get them up to speed quickly
- Designing a playbook to train your reps

## Getting the Right People

No matter how well you design your team on paper, it will fall short of expectations if you fill it with the wrong people. The qualities that make a great lead generation rep are not necessarily the same as those that make up a good sales rep (or marketer, for that matter), so you need to understand what goes into a superlative prospector.

In the following section, we will look at the steps you should follow when bringing on your lead gen reps, including what qualities they should have, how they view their career path, how you should compensate them and the best methods for folding them into your company.

### Career Path and How to Attract Reps

Before you start looking for the right reps for your team, you need to understand what the role entails and what people typically expect from it. First and foremost, it is important to know that being an SDR is rarely the end goal for most prospecting reps. Instead, they see it as a gateway to other positions in the sales process – such as an Inside Sales Rep (ISR) or sales manager of some kind.

When you are trying to fill out your new team, this should be on your mind. You should make it a priority to let your SDRs – and potential SDRs – know what specific opportunities will be available to them if they succeed in their current role.

Of course, promotions are not just handed out freely or after a set amount of time, and you should be clear about what milestones your team members need to hit if they want to be considered for a step up to ISR or another role.

High-growth companies may want to bring on an **in-house recruiter** whose sole job is to quickly find the best prospectors. Many rapidly growing companies find that they can never have enough SDRs, and that recruiting the best reps is a full-time job in and of itself. Hiring a full-time, in-house recruiter can streamline this process and ensure that you always have enough top-tier SDRs.

## Traits of Successful Sales Prospecting Reps

Once you've defined the role and established a career trajectory, it's time to start attracting the right people. What qualities should you look for?

**Here is a list of some of the essential attributes of any effective lead gen rep.**

- Listening skills
- Hunger to succeed
- Competitiveness
- Coachability
- Planning ability
- Strong follow-up ability
- Optimism

**"The three most important criteria I look for in lead generation reps are coachability, curiosity, and prior success. Always, always, always run a role play over the phone as part of the evaluation process."**

### **Mark Roberge**

SVP of Sales and Services for Hubspot



## Compensation

Before you start recruiting SDRs, you need to establish a fair compensation plan to attract the best talent to your company. An outbound lead gen role is traditionally an entry-level position, so you won't need to offer as much as you would for another sales position. However, base salary is only part of the equation, as most outbound prospecting teams are built around a clearly defined bonus and commission structure that is tied directly to performance goals.

**Here are some standard salary supplements to consider using to motivate your own team.**

### Appointments Scheduled

This is the most basic bonus for your SDRs and should be distributed monthly when your reps hit certain pre-defined goals for generating qualified leads. It may also be important for you to differentiate between appointments that your reps schedule as opposed to those that are actually attended, as this will hold your reps accountable for generating quality appointments, and not just a large number of them.

### Opportunities Created

You should also reward your reps – again on a monthly basis – for contributing opportunities to the sales pipeline. This can be based on the number or value of the opportunities your reps create.

### Won Deals

Every time one of the leads your prospecting reps generated converts into a won deal, you should reward the rep with a percentage-based bonus.

### Spiffs

On top of these regular bonuses, you should provide your SDRs with smaller spot incentives (often called spiffs) when they accomplish a specific goal or hit a certain benchmark. Gift certificates, getaways and gadgets are all popular spiffs.

The compensation options listed above are just a guide – you should examine these options and pick the ones that are most in line with your objectives. If your pipeline is small or stagnant, for example, you may want to incentivize your reps to focus more on baseline activities. If your pipeline is in decent shape but is not reliably leading to bookings, you may want to emphasize bonuses for Won deals. (For more information on using spiffs and rewards for your team, please skip to the “**Culture**” section, which begins on page 49.)

## Onboarding

To get the most out of your new team and ensure that they ramp as quickly as possible, you need to have a strong onboarding process. One of the best ways to achieve this is to create a playbook that serves as a comprehensive resource for new employees.

**“When you’re doing outbound, it’s really hard to measure success. One of the best ways to do this is by having people execute existing messaging and a consistent cadence with their outbound process, and you can’t do that unless you have all of those things in a sales playbook.”**



### **Trish Bertuzzi**

President and Chief Strategist for The Bridge Group Inc.

### **Here is what you should put in your playbook:**

1. Ideal Customer Profiles that outline the various titles, backgrounds, characteristics and pain points of your ideal customers.
2. Industry resources like blogs, books and studies that can help your new reps quickly become experts in your field.
3. A list of key competitors within the industry.
4. Email Templates to help reps learn how to write catchy, compelling and effective prospecting emails.
5. Call Scripts or Call Tracks to help your reps learn the best practices for cold calling and improve their communication with prospects.
6. A list of common objections to help your reps best respond to prevalent questions and doubts.

## Time to Hire and Ramp Time

Even with the right playbook, your new reps will not be 100% effective on their first day – or month (and this is on top of the 1-2 months it will take you to even find your first reps). To plan accurately, you must understand how long it takes for a typical new SDR to ramp up to full capacity and what you can do to accelerate this process.

### Training

A well designed playbook will help you onboard new reps, but it is not enough. You must schedule time for one-on-one meetings with each of your new reps and use these times to provide tailored guidance to help them learn the ropes and improve their performance. Many outbound prospecting teams employ a **designated trainer**, whose primary responsibility is to quickly and thoroughly train new reps to help them reach full capacity. The amount of time it takes an average SDR to ramp varies significantly – anywhere from 1 to 6 months – depending on how effectively they are trained, so if you want to get your team off the ground as quickly as possible, make sure you have a strong onboarding process in place.

### 100% Productivity

How long it takes a rep to reach full productivity obviously varies, but most people (including Trish Bertuzzi of the Bridge Group) agree that it takes more than 3 months on average. Until this point, your reps will incrementally become more proficient at their jobs, and this ramp time should be reflected in your lead and revenue projections.

### Time to Revenue

With all of this in mind, it's easy to see how long it will likely take before your team generates even its first dollar of revenue. Including the hiring process, average ramp time, the time before your leads hit the pipeline and the length of your Average Sales Cycle, it is safe to say that it will probably take 6-9 months before your new team creates any revenue for your company.

Section // 4

# Managing Your Team

# Managing Your Team

You've designed your team and filled it with the best SDRs you can find – what comes next? In short, it is time to establish the mechanics of your team's operation and your management process, which should include:

- What your reps' daily routines will look like and who they will report to
- How often you will meet with your team
- What you should do to build a strong culture

Once your new reps are fully onboarded and ready to start growing your pipeline, the real work begins. How can you best run your team to generate leads quickly? What management methods should you use to get the most out of your reps? As a benchmark, you will typically want to have about 4-5 SDRs per first line manager on the outbound team, but managing a new prospecting team to success requires a much deeper understanding of how to lead your team.

## Creating the Right Process

Lead generation is a high-volume enterprise, which means that you need a clear and repeatable process to ensure that you are getting the most out of your team. Of course, this process should not be created by happenstance – you need to use a combination of your own data and industry best practices to help you create a process that drives results.

The most fundamental aspect of managing a prospecting team's process is ensuring that your reps are taking the right actions, which in this case means making calls to the right people at the right time and saying the right things. In this section, we will focus on the three most important elements of optimizing your reps' calls:

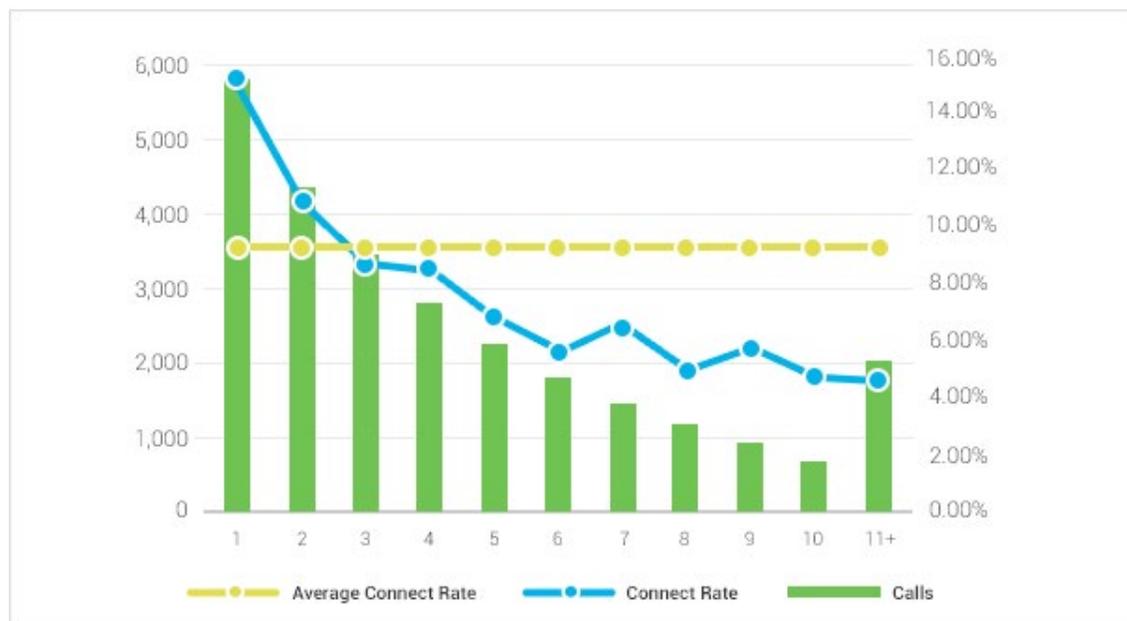
- Determining how many calls to make to a prospect, and when to make them
- Coaching your reps to plan for and research their calls
- Encouraging your reps to experiment with different messaging tactics

## Dialing Efficiency

Perhaps the most important aspect of creating the process for your prospecting team is coming up with a contact model that gives your SDRs the best chance of connecting with targets and converting them into opportunities without having them waste their time on unlikely-to-convert prospects. There are industry standard touch models – usually either 6 or 8 – that you can use as the early foundation of your dialing plan, but then you should fine-tune your process once you have more of your own data to work with.

## Number of Attempts

To come up with this process for your own reps, you need to have a detailed understanding of how effective your reps' dials are across a variety of metrics. For example, how many times should your reps call prospects without connecting before they give up? In the chart below, you can see the data we collected about the connect rate on various attempts for thousands of calls. As you can see, the marginal effectiveness of each subsequent attempt after the 5th declines steadily for high-growth B2B SaaS companies, going from about 6% on the sixth attempt to less than 2% on the tenth. After that, it drops sharply. Using this information, we settled on an 8-touch model – the sweet spot where our SDRs maintain a relatively high average connect rate (about 9%) without stopping too early and missing out on the non-negligible number of prospects who pick up only after five or more attempts.



(Note: Connect rates vary significantly among industries, so our analysis of high-growth B2B SaaS companies is not necessarily reflective of yours. The underlying principle, however – that you should think about how many dials you want your reps to make to a given prospect and what times are best for them to make their dials – are applicable across the board.)

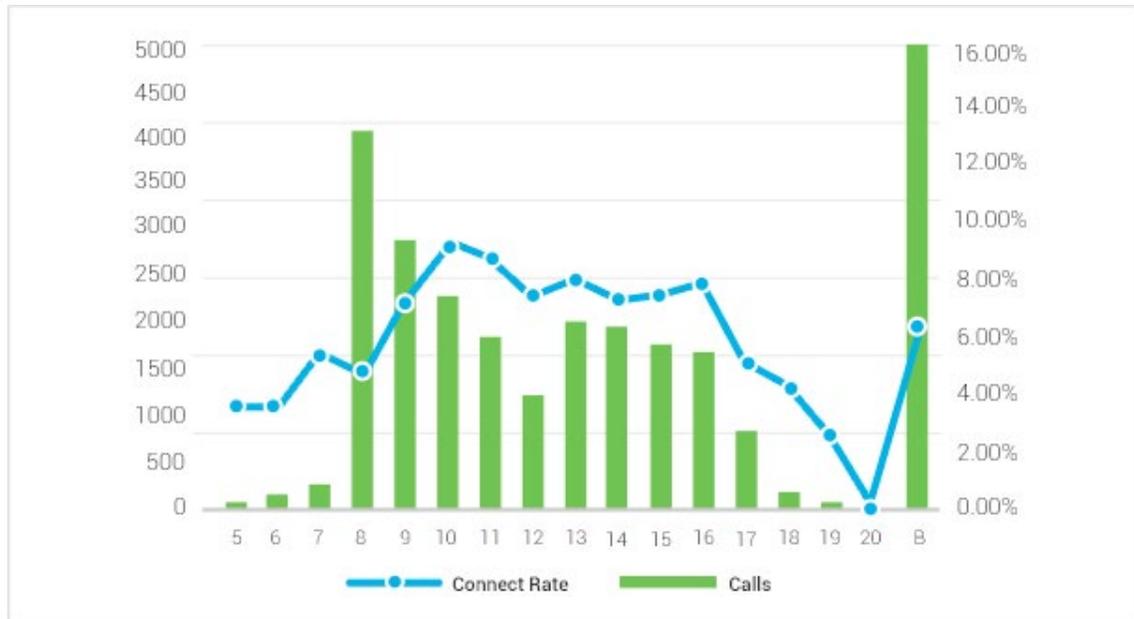
## Day of Week

Of course, not all attempts are created equal. Our data also showed us that some days of the week have much higher average connect rates than others, which helped us build a schedule for our SDRs. In the chart below, you can see that Tuesday has a significantly higher connect rate (just under 10%) than Monday (9.4%), and that the average connect rate declines significantly every day through Friday, where it bottoms out at 8.5%. What does this tell us? This information helped us decide to have our SDRs make more calls early in the week and focus on other activities – such as list research and training – toward the end.



## Time of Day

We didn't stop there, though. Once we dug deeper into the data, we realized that our reps' average connect rates varied not just based on the attempt number or day of week, but also by the time of day. In the chart below, you can see that the connect rate was highest between 10am and 4pm (in the prospect's time zone), which allowed us to create a daily schedule to optimize our reps' efficiency.



## List Research

Part of making more efficient calls is following a sound dialing plan, but the other part is ensuring your reps are prepared for the calls they make – regardless of when they make them. To do this, your team should have good insight into your company's target markets and a clear plan for targeting them. One of the most effective ways to do this is to utilize **prospect lists**, which help focus your team's efforts and improves their success rates of converting leads into opportunities.

Work with your company's marketing team to establish expectations for how these lists will be generated and managed. You may also want to hire a Research Analyst to help you compile lists and enter them into Salesforce to help make your SDRs as efficient as possible. These workers, who are typically fresh out of college as well, are responsible for ensuring that every entry on the list has the appropriate information: the correct name and number, the prospect's title and any other pertinent details.

Research Analysts are not perfect fits for every type of company (ones with smaller, less complicated sales, for example, may not need a Research Analyst), so think carefully about how exactly you would benefit from bringing one on.

## Gathering Sales Intelligence

Even without a **Research Analyst**, your reps should be utilizing research to help them get the most out of every call. To give your SDRs the best chance to succeed at cold calling, help them gather as much information about their prospects as possible. There are many tools on the market to help with this process – such as SalesLoft, InsideView and iSell (which are covered in more detail in the “**Tools**” section of this eBook, which starts on page 70). A detailed understanding of each prospect gives your reps a much better shot at connecting with them, pitching to them and ultimately converting them into opportunities.



“Today, prospects look for and respond to individuals who have expertise and knowledge of their industry, role, and can provide benefits. Those Lead Generation and/or Sales Representatives, who can demonstrate knowledge about the prospect, their business, and the problems they can help solve, will set themselves apart from the crowd and win the respect and business of many.”

**Larry Reeves**

COO and EVP of Sales for AA-ISP

## Call Planning

The more sales intelligence and pre-call research your SDRs have at their disposal, the more effective their calls will be. This is especially true if your outbound lead generation reps stick to a pre-defined call plan to help them achieve uniform and repeatable success. This plan doesn't need to be overly rigid; it should just serve as an easy way to help SDRs ensure they are hitting on all of their major talking points and that they are prepared for what their prospects are likely to say in response.

**Below are the main elements of a simple call plan to share with your SDRs to make sure they go into each call with the right plan:**

- What is your ideal outcome for the call?
- What information should you be trying to get from the prospect?
- What are the prospect's likely needs/pain points?
- Which features of the product or service should you emphasize?
- What signs should you be looking for to identify a likely buyer?
- What likely objections should you be prepared for?

(You can find a template for a full Sales Call Plan in **Appendix C.**)

## Experimentation

One of the biggest advantages of building an outbound prospecting team – on top of growing your pipeline, of course – is the ability it gives you to experiment with new messaging techniques, market segments and prospect lists. This benefit cannot be overstated, as it enables your company to improve positioning and messaging at a fast pace and on a large scale.

To get the most from your experimentation, though, you need to place an emphasis on tracking results and measuring effectiveness. Doing so can show you precisely which messaging approaches work best for each market segment and which demo scripts have the highest conversion rates.

**Here are three areas you can use your new prospecting team to experiment with:**

### Messaging

The way you pitch your product or service to prospects plays a huge role in how many appointments you set and, ultimately, how many deals you book. Don't be afraid to "fail fast" and test several different messaging approaches.

### Marketing Segments

Your SDRs connect with a large number of potential customers, which makes them a great means for exploring new markets with an eye toward expansion.

### Prospect Lists

Lists of potential customers are incredibly valuable, but they are not all equally so. Have different reps use different lists and compare the results regularly.

(See **Appendix B** for an example chart measuring the Call : Demo ratio and Win Rate within a target industry.)

## **Hand-Off Process**

The goal of any prospecting team is to provide qualified leads for meetings to the sales team, so it is essential that you have a clearly defined and repeatable process for handing these leads off. The most effective way to do this is to use a standard method for defining the leads – at all their various stages from lead to opportunity – that your team brings in.

Once your SDRs connect with a prospect and book a meeting, their work is almost done – but not quite. It is their responsibility to follow up with the sales rep who will be leading the meeting and make any necessary introductions. Again, your team will ultimately be judged by how many deals it contributes, so you should do everything you can to help the leads your team generates convert into opportunities and, ideally, won deals.

## Holding Team Meetings

Coaching your outbound lead gen team to success requires consistent communication with your reps, which is best achieved through a series of regular meetings. Here is a simple schedule to follow:

1. **Weekly Team Kickoff Meeting** - Held at the beginning of every week to assess last week's successes and failures and plan for the coming week. During this meeting, you should give each of your reps a copy of the Weekly SDR Plan, which outlines that week's approach in terms of messaging, new targets and weekly goals. (For an example plan, go to **Appendix D**.)
2. **Bi-weekly Team Meeting** - Held every other week to discuss more strategic initiatives and recap past performance. Unlike your weekly meetings, this one should focus on your larger objectives – such as your quarterly goals and long-term development aims. Make sure to support the claims you make in this meeting with hard data and clear insight into your team's recent performance against expectations.
3. **Weekly 1:1 Coaching Meeting** - Held toward the end of each week with each of your reps to discuss specific tactics and areas of improvement. Dig into each individual rep's performance data and use this information to provide customized feedback and coaching. This should be the time when you answer questions from your reps and provide them with individual goals and benchmarks. Because your outbound reps are likely to be relatively inexperienced, you may want to spend more time with them than you do with your more senior reps – industry best practices are 3 hours each week. (Refer to the “**Tools**” section of this eBook on page 69 for more information about the tools you can use to get the most out of your prospecting team.)
4. **Getting on the Phone with Reps** - SDRs spend the majority of their day on the phone, so it is important for you, as a prospecting team manager, to spend a significant amount of time on the phone listening to your reps in action. Not only will this help you identify messaging problems and common objections, but it can also help you provide better coaching opportunities for your weekly one-on-one meetings.
5. **Review** - In addition to regularly scheduled, relatively frequent meetings, it is important to hold periodic reviews with your reps to discuss their performances. These meetings should be held a few times each year and focus on your SDRs' career aspirations and their performance histories.

## Ongoing Training

Some managers think that once their SDRs are up to speed and fully onboarded, their training is done. This couldn't be further from the truth. In fact, it is essential to continue training reps throughout their tenure, and you should regularly coach and teach your SDRs, whether they have been part of your team for six months or six years.

You should work to constantly develop your team's skills and design an ongoing training program that helps incrementally bolster your team's capabilities and capacity. Identify the key skills that your reps should have and design an ongoing training program that helps your reps adopt and improve upon these traits.

(For more information about how to be an effective Sales Manager for your prospecting team, please see **Appendix A** for a management checklist or download a copy by clicking [here](#).)

## Daily and Weekly Activity Reports

Regular meetings and ongoing training are essential ways to coach your team to success, but it is also important to give them the raw data they need to evaluate their own performances. One way to do this is to send out nightly and weekly emails that show how each rep performed during that time period and how they stand relative to their co-workers.

Here are examples of weekly and nightly activity reports that you can send to your team to help them see how they are stacking up against expectations and their team members on a regular basis.



### New Deals [view full report](#)

Deal Name (Client)	Owners	Value
<a href="#">Opportunity #418 (Kubota Corporation)</a>	Henry Cavendish	\$360
<a href="#">Opportunity #861 (FLIR Systems)</a>	Max Planck	\$7,140
		<b>\$7,500</b>

### Activity Percent-of-Weekly Goals [view full report](#)

Active Employees	Call	Prosp Call	Prosp Email	Stage 2	Stage 3
<a href="#">Julius Robert von Mayer</a>	0%	686%	236%	0%	0%
<a href="#">Dmitri Mendeleev</a>	0%	696%	142%	0%	0%
<a href="#">Louis Pasteur</a>	118%	256%	188%	233%	0%
<a href="#">Max Planck</a>	620%	28%	82%	33%	0%
<a href="#">Rene Descartes</a>	0%	374%	236%	0%	0%
<a href="#">Charles Darwin</a>	0%	286%	238%	0%	0%
	<b>76%</b>	<b>141%</b>	<b>85%</b>	<b>18%</b>	<b>5%</b>

## Top Performers [view full report](#)

Activity	Employee Name	Last Week (+/- Prev Week)
Call	<a href="#">Steve Nash</a>	394 (-1)
Connect	<a href="#">Russell Wilson</a>	39 (-5)
Meeting Scheduled	<a href="#">Russell Wilson</a>	5 (-3)
No Show	None	0
Opportunity Sourced (Attributed to Meeting Scheduler)	<a href="#">Russell Wilson</a>	6
Deal Closed (Prosp)	<a href="#">Russell Wilson</a>	2 (+2)
Lost (Prosp)	<a href="#">Russell Wilson</a>	4 (-3)

## Prospecting Activity Last Week [view full report](#)

Active Employees	Call	Connect	Meeting Sched.	No Show	Opp Sourced	Deal (Prosp)	Lost (Prosp)
<a href="#">Russell Wilson</a>	244	39	5	0	6	2	4
<a href="#">Steve Nash</a>	124	16	4	0	1	0	0
<a href="#">Payton Manning</a>	359	33	3	0	1	0	3
<a href="#">Eli Manning</a>	214	27	2	0	3	1	3
<a href="#">Kobe Bryant</a>	394	22	2	0	4	0	4
<a href="#">Michael Jordan</a>	341	30	2	0	6	0	2
<a href="#">Grant Hill</a>	0	0	1	0	0	0	1
	<b>1,676</b>	<b>167</b>	<b>19</b>	<b>0</b>	<b>21</b>	<b>3</b>	<b>17</b>

## Prospecting Comparables [view full report](#)

	Call	Connect	Meeting Sched.	No Show	Opp Sourced	Deal (Prosp)	Lost (Prosp)
Last Week	1,676	167	19	0	21	3	17
Average, last 90d	1,725	191	25	3	18	2	12
Highest, all time	1,982	249	35	6	30	5	20

## Culture

Being a Lead Generation Rep isn't easy, so it's important that you create a strong and stimulating culture for your new team. Of course, what this process entails will vary significantly depending on your company and industry, but there are a few common elements you can turn to that will help you instill a positive culture designed to help motivate and reward your reps.



"Motivation comes from within, but environment sets the right tone for self-motivation. You should always be asking questions to improve your environment. How is my sales floor configured? What message do we send with the office furniture, access to outside light, selling infrastructure like phone systems provided, and overall 'feel' of the physical office environment?"

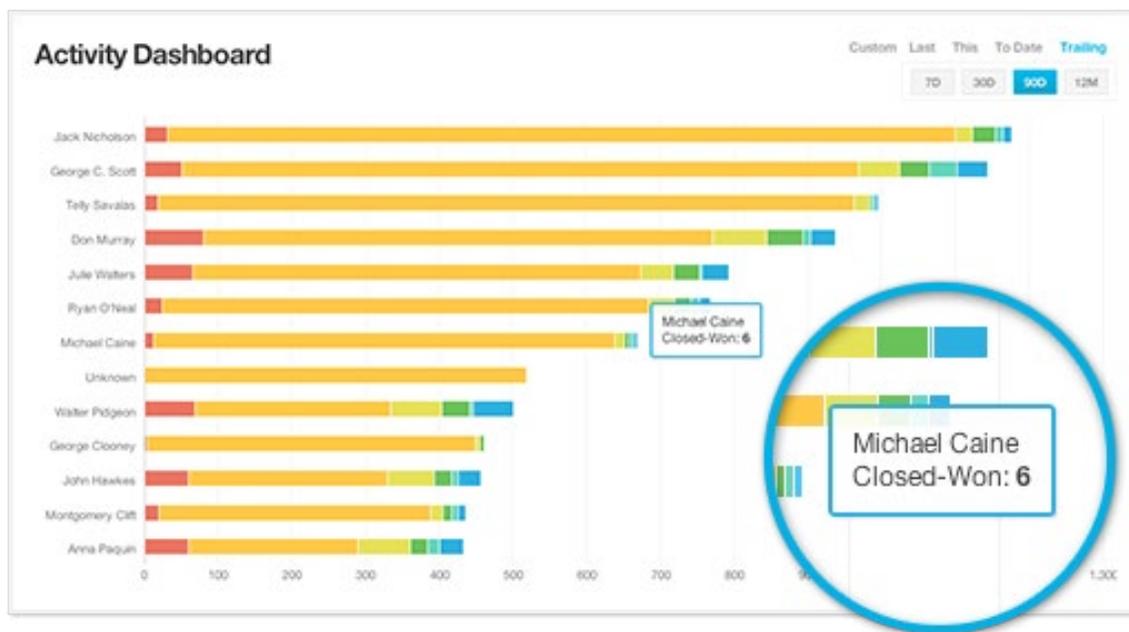
**Steve Richard**

Co-Founder of Vorsight

## Contests

Contests and competitions are great ways to add drama and energize your team. Who can schedule the most meetings in a month? Who can end the quarter with the highest “Dials : Appointments” ratio? Adding an element of friendly competition to your team on a regular basis will keep your reps motivated and performing at a high level.

Here at InsightSquared, we reward our outbound lead gen reps for the number of opportunities they source. Each month, the rep who creates the most opportunities receives a cash prize, which spurs competition and can have a noticeable impact on generating pipeline. You can use a report like the one shown below to keep your reps up-to-date about their current standings and what they need to do to take the lead.



## Individual vs. Team Contests

Although your reps perform their tasks independently, many experts believe that rewarding your team as a whole – as opposed to individual reps – will have a more positive impact on your team's morale and performance. Pick contests that reward team metrics such as total number of opportunities sourced and percentage of quota achieved – this way your reps can work together to reach their goals and focus on collaborative metrics instead of individual ones.

## Gamification

The concept of 'gamification' has become increasingly popular in recent years, especially in the sales world. Creating an atmosphere that rewards reps for specific actions and tracks performance over time is a great way to add an element of fun and healthy competition to your team's culture.

One way to use gamification to motivate your reps is to display lead and sales stats on a leaderboard in your office. This simple step helps your reps maintain a useful competitive edge and easily track their performance.

Furthermore, simple gamification techniques like using bells and gongs to announce appointments and deals will help create an atmosphere of light-hearted competitiveness and publicly acknowledged achievement.



## **Rewards**

Of course, all games need stakes, so it is important to include incentives for each of your competitions to keep your SDRs performing at high levels and invested in the outcome of their efforts. Bonuses and incentives make up a significant portion of most SDRs' compensation packages, so you should make a point to regularly reward your reps when they reach certain milestones or exceed expectations in their performance.

Get creative when you pick rewards for your reps – fancy dinners, vacation days, trips, gym memberships and so forth are all great ways to incent your reps and get them to do their best work.

## **Spiffs**

Most of your rewards will be clearly defined – a certain percentage of every won deal, for example – but other incentives can be given out more sporadically or spontaneously. As discussed earlier, these frequent, relatively small rewards are often called spiffs and they are used to motivate reps on a daily or weekly level.

## **Celebrations**

It's not all about material rewards, though. Sometimes a simple celebration or party can accomplish just as much in your efforts to create a dynamic, positive culture. Celebrate whenever your team reaches a major benchmark or hits goals ahead of schedule. These celebrations can also double as team-building opportunities, so don't be afraid to schedule a night out or weekend trip for your entire team.

## Alignment

Communication within your team is essential, but it is also important to communicate effectively with the teams around you. This is especially true for outbound lead generation teams, which are often closely linked to both the sales and marketing teams. To ensure proper performance, it is integral that you have a clear process for interacting with both Marketing and Sales.

**“Many companies now have a lot more leads coming in as a result of inbound marketing. The problem is: many of the leads aren't really leads yet – they're more like contacts that have to be nurtured for a period of days, weeks or months before the lead is ready to schedule a call or meeting.”**



**Dave Kurlan**

CEO of Kurlan and Associates Inc.

## **Alignment with Sales**

If your prospecting team is situated in the Marketing Department, you should take regular steps to better align yourself with Sales, which means communicating with the Sales Manager about lead and bookings goals and regularly soliciting feedback about your team's performance. Additionally, you should ensure that your lead gen reps are properly supporting the sales reps, which usually means having each lead gen rep working with no more than three sales reps.

## **Alignment with Marketing**

In companies where Prospecting is part of the Sales Department, you need clear attribution rules to identify which team was responsible for creating (and, in some cases, nurturing) the lead that ultimately led to a deal.

This may sound simple, but in practice, it is often complex. Marketing and Prospecting often work simultaneously on leads – with SDRs calling prospects at the same time as marketers send the prospects pertinent materials – which can make it difficult to determine which team is responsible for a won deal.

Although this is a complex problem, there is a fairly simple solution: whichever team creates the lead – Outbound Prospecting or Marketing – has 30 days to convert that lead into an opportunity. If they do, they receive credit for the opportunity. If they fail to convert the lead within 30 days, the lead is recycled and the next real interaction – either an SDR connect or a marketing form completion – gains attribution should the lead convert. Not only does this reward the teams for generating leads, but it also frees them to use any materials at their disposal – be they Marketing or Prospecting – to help convert that lead into an opportunity.

Section // 5

# Measuring Your Team

# Measuring Your Team

Without measuring your prospecting team's performance, you can never be sure that your team is meeting its goals or contributing to your company's revenue. In this chapter we will look at the most important metrics to measure and evaluate your prospecting team's performance on a rep and team level, including:

- Activity efficiency ratios
- Pipeline contributions
- Prospecting-generated bookings

## Key Metrics for Your Team

Once you have built your team and instituted a process for managing it, you need to start measuring its performance. Ultimately, your prospecting team will be judged on how many deals it creates – and this means you need to carefully track how well your reps are performing and how the leads they produce progress through the sales funnel.

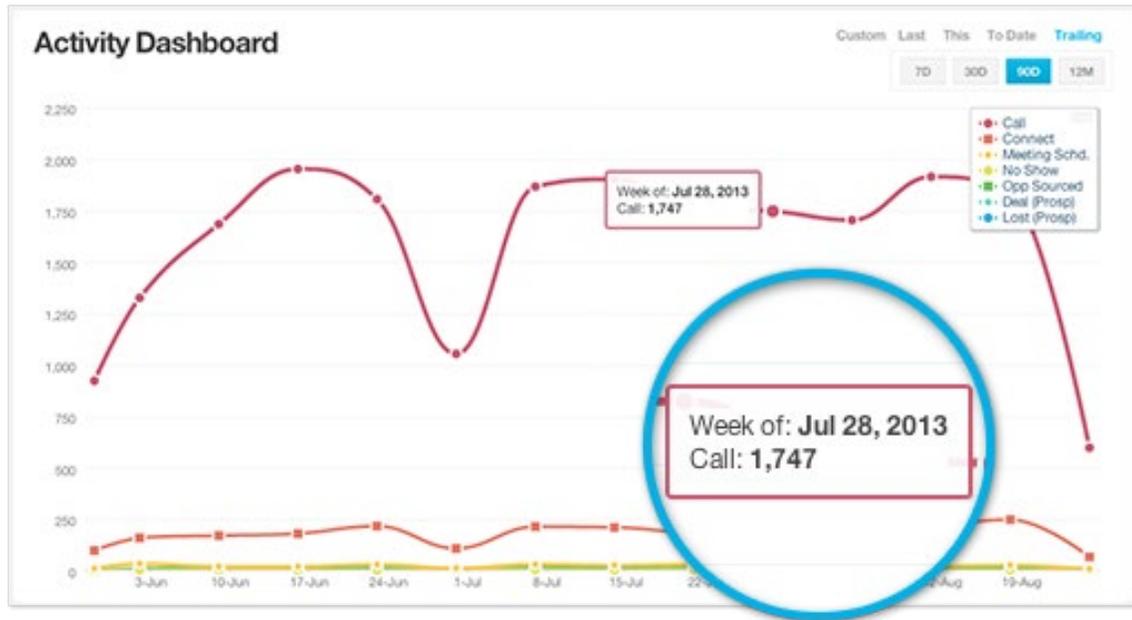
This isn't always easy. Correctly identifying where leads come from and what caused them to convert into opportunities can be tricky, but there are a few simple metrics that you should track to ensure that your prospecting team is meeting or exceeding your goals. This means knowing how hard your reps are working, how effective they are at creating high-quality opportunities and what percentage of their leads eventually turn into deals.

The best way to get the most from your outbound prospecting team is to use data to help you stay on track and regularly measure your performance against expectations. This way, you can easily demonstrate to your team and other members of your company how effective your prospecting has been and what you are doing to continuously improve it.

You should use reporting and dashboard tools to help you track your performance in three areas: activity, productivity and process.

## Activity

### Baseline Activities



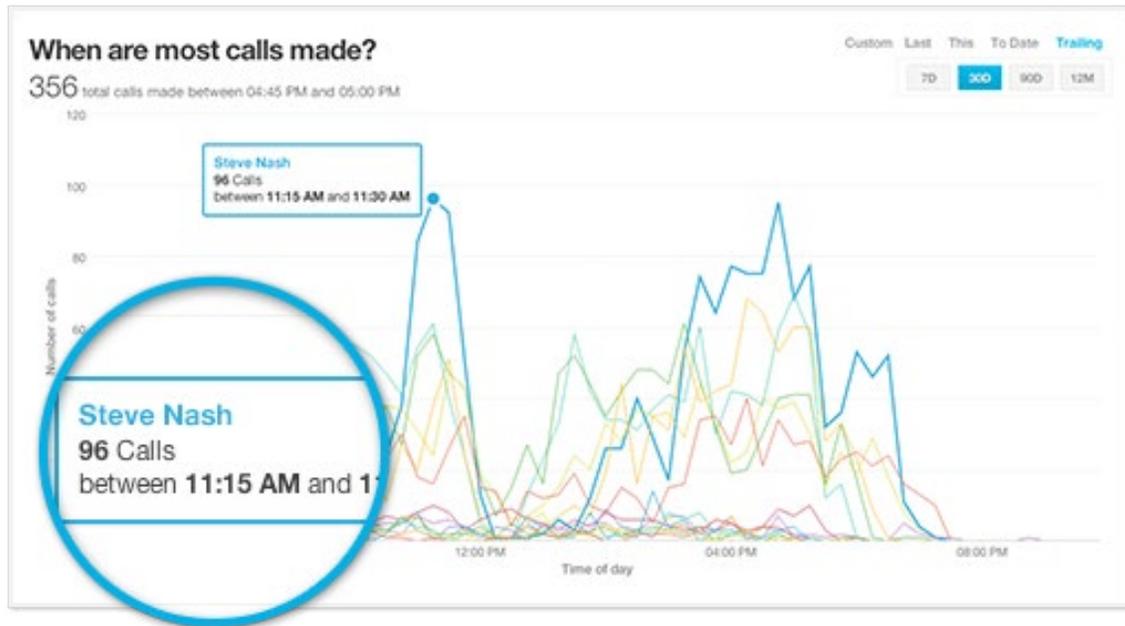
The most fundamental metric you should be tracking is activity – such as calls, connects and appointments. This information will help you better understand the foundation of your team's performance and tell you if you need to alter any of the basic characteristics of your team, such as by adding more reps or changing your cold calling process.

# Middle of the Funnel Activities



From there, you should move on to examining the middle of the funnel – how many meetings and opportunities your lead gen reps have created over a given time period. Although dials form the backbone of any outbound rep's day, it is important to regularly keep track of how they are doing in terms of more downstream metrics such as meetings and deals.

## Calls By Time



The bulk of your prospectors' days will be spent on the phone, so it is important to regularly check when they are making their calls. As we saw in the Dial Plan section of this eBook, not all times of the day are created equal, so it is a good idea to use a call activity report like the one shown above to ensure that your reps are emphasizing the best times of day.

## Productivity

### Activity Effectiveness Ratio

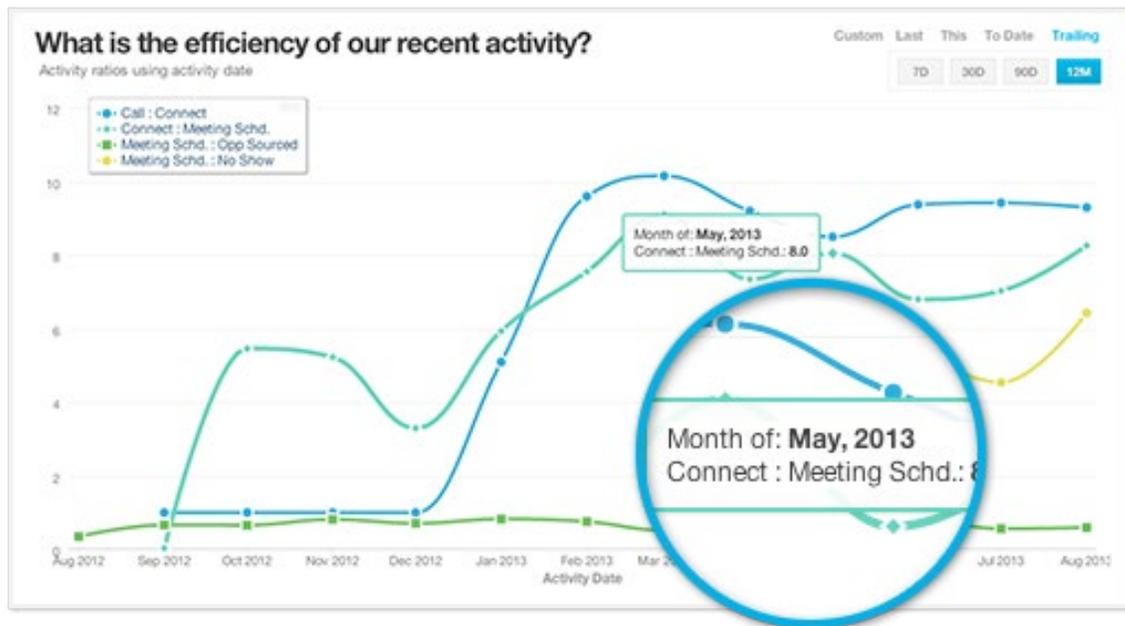
Tracking your team's activity metrics will help you understand how much effort they're putting in, but only by measuring their productivity – opportunities created, demos booked and so forth – can you truly determine if your team is actually serving its purpose. Work with Sales to make sure that your team isn't simply finding prospects, but that it is handing over well-qualified, high-quality leads that regularly convert into opportunities and deals.

One of the best ways to do this is to start measuring your lead gen reps' "Dials : Opportunities: Deals" ratios. Tracking this metric will give you a much clearer picture of not just how hard your reps are working, but how effective they are at generating opportunities and deals.

SDRs	Dials	Connects	Opps	Deals	Dial : Connect	Dial : Opp	Opp : Deal	Dial : Deal
Steve Nash	3,844	333	11	1	12:1	349:1	11:1	3,844:1
Jeff Hornacek	4,285	339	15	2	13:1	286:1	8:1	2,143:1
Shawn Marlon	2,911	251	27	4	12:1	108:1	7:1	728:1
Jared Dudley	3,973	342	20	6	12:1	199:1	3:1	662:1
<b>Total: 4</b>	<b>15,018</b>	<b>1,265</b>	<b>73</b>	<b>18</b>	<b>12:1</b>	<b>206:1</b>	<b>6:1</b>	<b>1155:1</b>

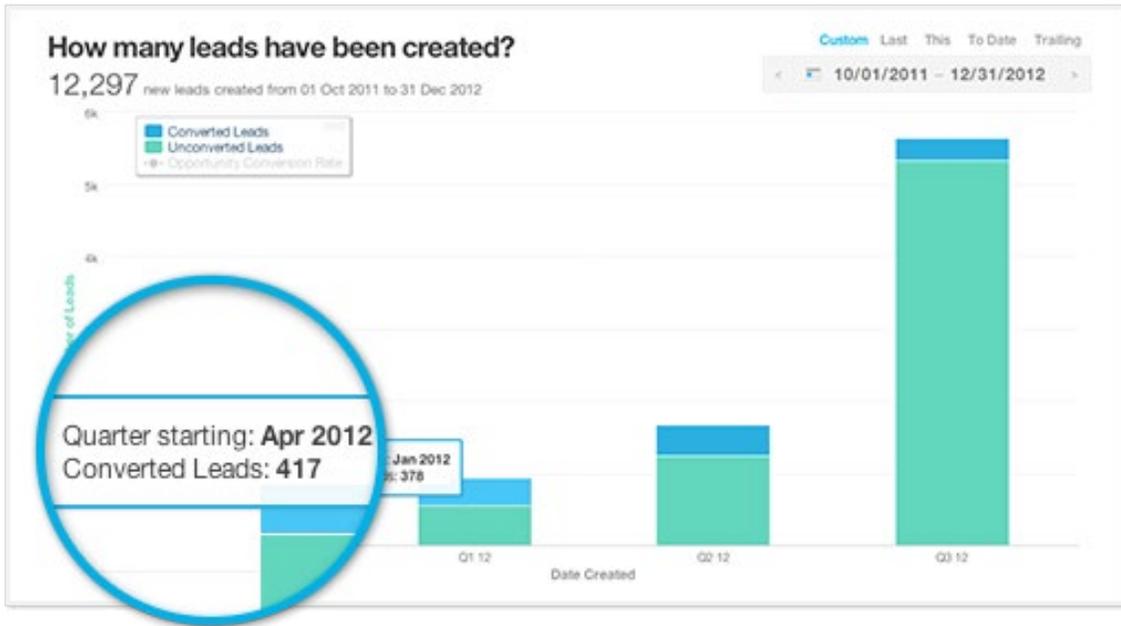
In the figure above, it is clear that Shawn Marion is a much more effective SDR than Steve Nash, even though he made significantly fewer calls. Managers who only look at simple activity metrics may believe that Steve Nash – who made a large number of calls – was the more effective rep, but analyzing deeper-diving efficiency ratios prove that it was in fact Shawn Marion who should be rewarded for his ability to efficiently generate deals. Knowing this can help you better manage your prospecting team by finding ways to increase the other reps' "Dials : Deals" ratios and by putting those reps with favorable ratios in a position to create more opportunities. What made Shawn Marion so effective at creating opportunities? What can you do to make your other reps have similarly impressive ratios?

## Downstream Efficiency Ratios



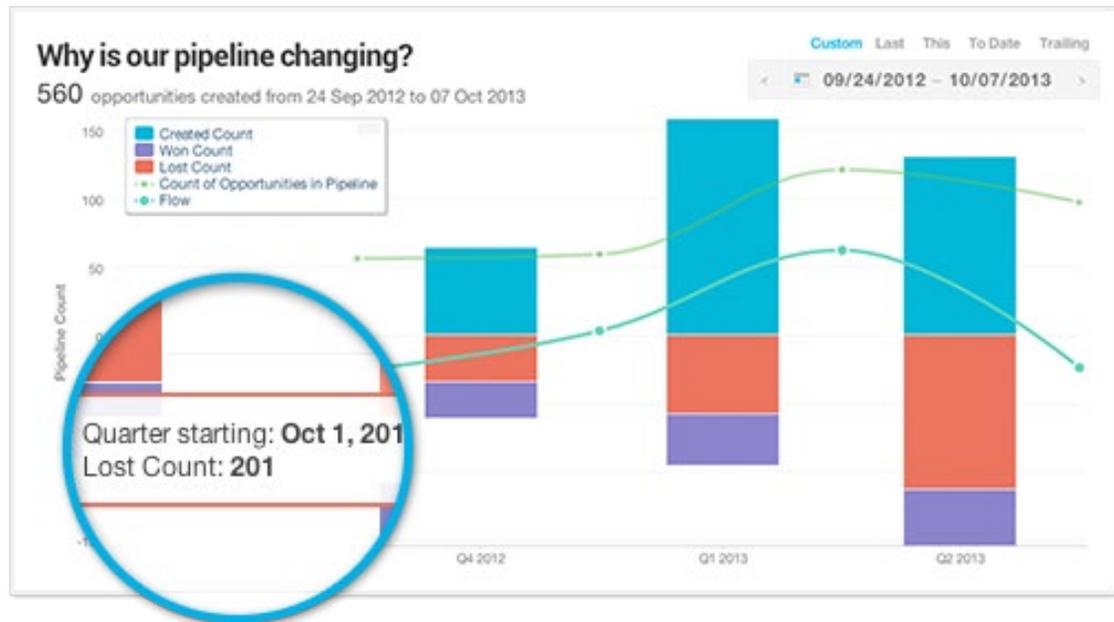
Once you're sure that your reps are performing the right activities, it is important to measure how effective these activities are at leading to downstream milestones such as connects, meetings scheduled and opportunities sourced. Identifying low ratios in any of these metrics means that you should be coaching your reps in a particular area. For example, a low Dial : Connect ratio might mean that your reps need to improve at obtaining direct numbers, calling at optimal times of day or getting past gatekeepers. A report like the one shown above gives you up-to-the-minute information about how your reps are performing in terms of these three critical KPIs.

## Leads Generated by the Prospecting Team



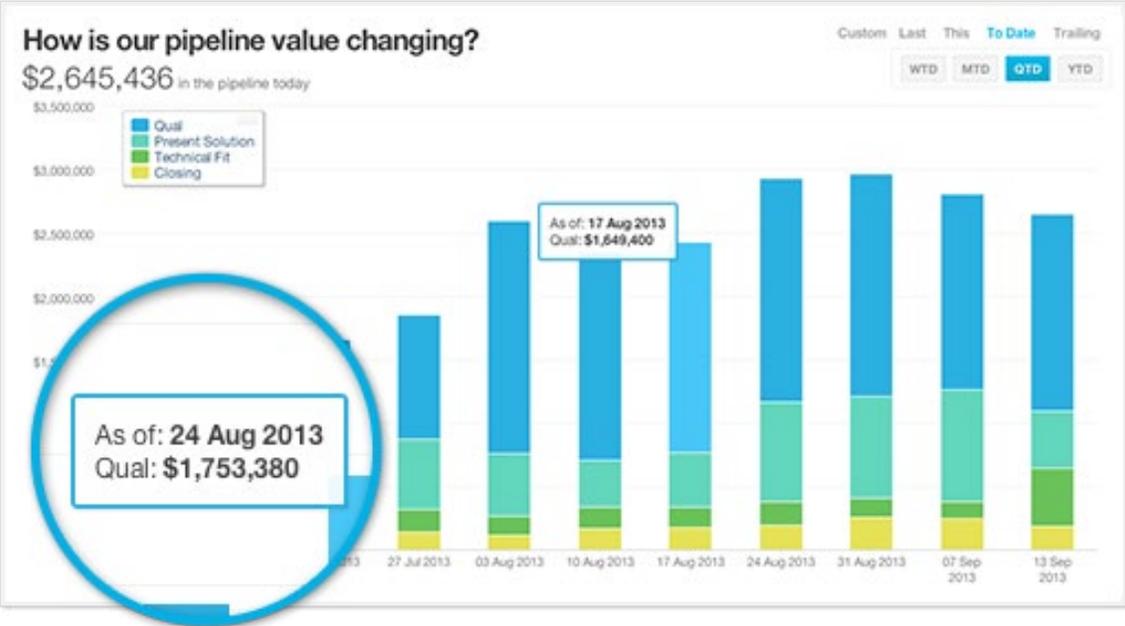
After you've determined how efficient your reps are at converting leads, you should use the following report to see how many leads your prospecting team has created over a given time period – and, more importantly, how many of those leads have been converted into opportunities.

## Pipeline Generated by the Prospecting Team



Once you know how many opportunities your team has contributed, you should analyze what happened to the opportunities your prospecting team contributed after they entered the sales pipeline. This will tell you how many prospecting-generated opportunities converted into won deals and whether your prospecting team is contributing enough new opportunities to replenish those that have flowed out of the pipeline as both won and lost deals. Pay specific attention to the number of newly created opportunities as well as the net flow of opportunities and total number of open opportunities – your team should always be contributing enough new opportunities to keep your net pipeline growing even as your quota-carrying reps close deals.

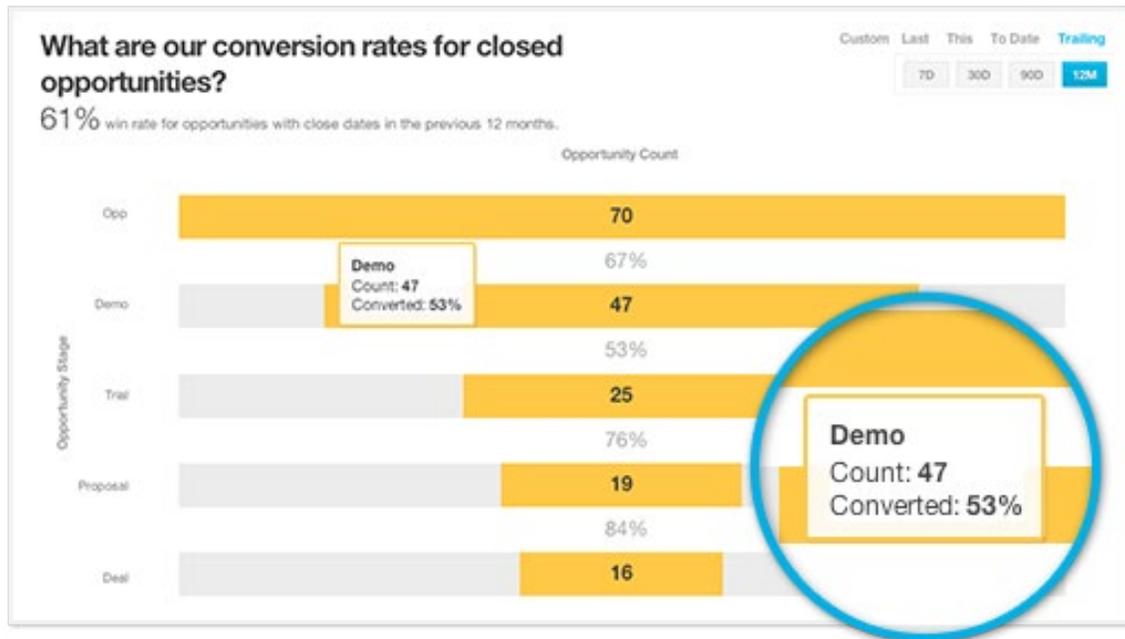
# Contribution to Pipeline



If you want to know how effective your prospecting team is, you need to know how many opportunities it has generated, which means examining your sales pipeline closely. Each week or month, you should look at a snapshot of your team’s pipeline contribution from previous time periods to ensure that your team is consistently adding more opportunities to the pipeline. In the report above, for example, you can see how much value is in this team’s pipeline and what stage the opportunities are in.

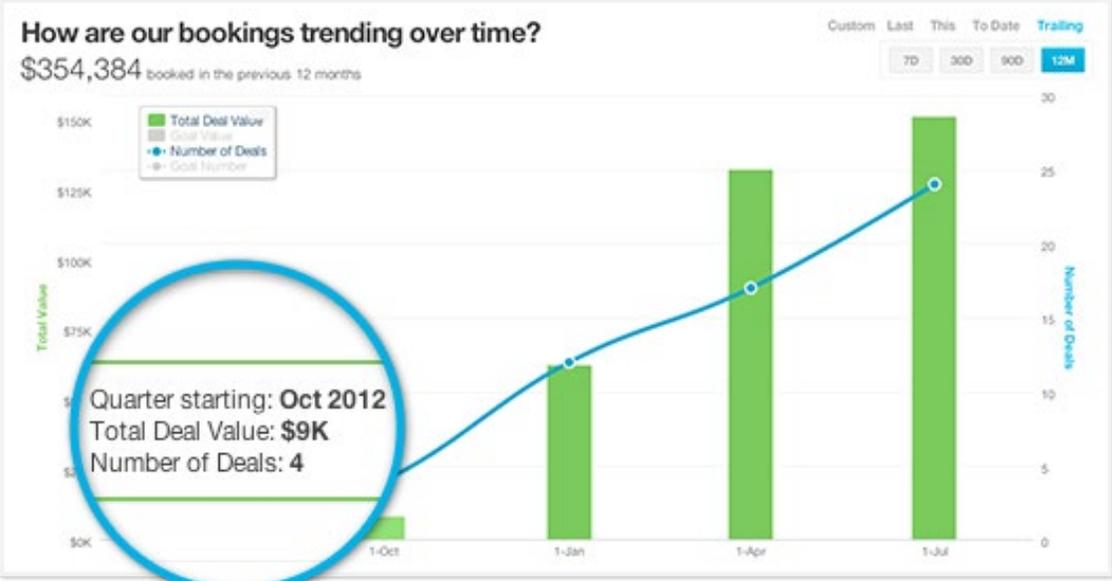
## Process

### Sales Funnel



One way to see whether the opportunities your prospecting team has created are high-quality is by examining how routinely your ISRs are converting them into won deals. Check your company's win rate (overall and by stage) to see how the opportunities your team is creating are progressing through the various stages of the sales cycle.

# Bookings Generated by the Prospecting Team



Ultimately, you need to know how much revenue your prospecting team has created, which means analyzing how many bookings resulted from the leads your lead gen reps contributed. Use the following report to see exactly how much revenue your prospecting team has generated and whether your team's contributions are growing or shrinking over time.

## Benchmarking

### Activity Effectiveness Ratio

Tracking your reps' performance in a variety of ways is essential for making sure your team is contributing to your company, but it is really only useful if you have specific benchmarks with which to measure it against. Here are some benchmark data points to keep in mind for building a prospecting team for high-growth B2B SaaS companies.

- Dials / Rep / Day = 60 (Top Performers = 200+)
- Dial : Connect (i.e. to conversation) = 5-10 Dials
- Connect : Appointment = 12%
- Dials : Opportunity = 150 Dials
- Opportunity : Deal = 20%
- Cost per Appointment = \$700
- Open Opportunities per Quota-Carrying Rep = 25-30
- New Business Win Rate % = 20%
- % Pipeline Contribution by Prospecting = 40%-60%

Section // 6

# Essential Tools for Your Prospecting Team

# Essential Tools for Your Prospecting Team

The last few years have seen an explosion of sales and marketing tools – especially in the cloud – and this has extended into outbound lead generation as well. In this chapter we will look at some of the best and most current tools on the market, including:

- Phone tools
- Email templates
- Social prospecting tools

## Phone Tools

The majority of an outbound lead gen rep's day is spent on the phone, so it makes sense that the tools that help these reps make calls more efficiently can have an enormous impact on your team's success. Utilize some of the following tools to optimize your team's production.

### **InsideSales.com**

Makes phone tools that automate the dialing process, helping your reps connect more quickly to the best leads. Allows your reps to each make 200-300 dials per day.

### **ConnectAndSell**

Utilizes a network of "virtual assistants" who help your rep navigate complex phone networks and gatekeepers, allowing your SDRs to better use their time and connect with more decision makers every day.

### **Five9**

Makes cloud-based virtual call center software that enables your reps to easily and automatically connect with as many leads each day as possible.

### **CallCopy**

Allows sales managers to record their reps' calls so they can provide better coaching opportunities and regularly monitor call quality.

## Email Tools

The telephone may be the primary tool for lead gen reps, but email is not far behind. Your prospectors will rely on email to connect with and nurture leads. Here are a few tools that will allow your reps get the most out of the emails they send.

### **Hubspot Signals**

Helps your prospectors engage leads by providing pertinent updates about when they open your emails, what links they click on and even when they update their LinkedIn profile.

### **Yesware**

Provides essential information – open rates, click-throughs, etc. – about every email your reps send.

### **WiseStamp**

Allows reps to customize their email signatures for different markets and prospects.

### **Vsnap**

Allows SDRs to send short, easy-to-share videos to prospects, which helps them make a more personal connection and stand out from the field.

### **Xobni**

“Inbox” spelled backwards, helps prospectors organize their address books and quickly view all the information they have about a specific prospect or company.

## Social Prospecting

Social networks like Twitter, Facebook and LinkedIn have become valuable resources for prospectors looking to find pools of high-quality leads. Tapping into these resources can help your team quickly grow your pipeline, so it is essential that you know how to tap into this growing resource. Luckily there are several tools that can help you do this.

### **SalesLoft**

Lets you easily track leads across various social networks – like when one of them changes a job status on LinkedIn – and connect these with your CRM.

### **InsideView**

Helps your reps better understand and reach out to their prospects through social networks and online profile consolidation.

### **Postwire**

Allows reps to easily share documents, pictures and web links with prospects.

### **Rapportive**

Helps reps better customize their emails by providing more context and social information about prospects.

### **Newsle**

Notifies your reps any time someone in your network is in the news, which helps them build rapport with prospects.

### **WhoWorks.at**

An easy way for prospectors to discover connections and learn about the contacts they've made.

“With sales intelligence tools like LinkedIn, InsideView and DiscoverOrg, you can uncover what’s important, key priorities, multiple decision makers, common interests and much more. It’s what you need today to build instant credibility and relevance.”



**Jill Konrath**

Author of SNAP Selling and Selling to Big Companies

## Sales Coaching and Management Tools

**TeamVisibility**

Helps managers better coach their teams by giving them access to rep-customer interactions and other “game tape.”

**LevelEleven**

Helps you coach and motivate your reps by using games directly within Salesforce.

## Reporting Tools

**Native CRM Reports**

Reports from services like Salesforce.com are a great place to start for getting reports about your team’s performance. Although these reports are often limited, they can give you a good framework for evaluating your team’s progress and tracking KPIs.

**InsightSquared**

Gives you a better understanding of your prospecting team’s performance by showing you in-depth and up-to-the-minute reports on your reps’ activities, effectiveness and downstream conversion rates.

# Conclusion

If your company needs to generate more pipeline, building an outbound lead generation team is one of the best tactics you can use. By helping you find prospects, explore new markets and expand your messaging, prospecting teams are an essential tool for many companies. By following the tips in this eBook you will be better able to design, build and manage an outbound lead gen team - and ultimately generate more leads, opportunities and revenue for your company.

Creating a team from the ground up is not easy, but by focusing on the areas covered in this eBook, you will likely find the entire process much more manageable. The eBook covers everything from determining what size team you need to the best tips for using metrics to manage that team to success.

As the B2B landscape becomes ever more competitive, it is increasingly essential that you have all the right tools – and an outbound prospecting team could be one of the most powerful at your disposal.

**Use this eBook to help you ask all the right questions about outbound prospecting, design the perfect team and manage and measure it to help drive growth for your company.**

# Appendix

## Appendix A



### The Definitive Scorecard for Top Sales VPs

Top sales VPs know what it takes to lead a sales team, manage pipeline and accurately forecast, but what differentiates a TOP sales manager from the average sales manager? Read on to find out:

	Top Sales VPs Must...	Average Sales VPs Just...
<b>1 Be a More Effective Coach</b>	Coach Effectively! Coaching is the single most important sales management activity that drives more sales. Customize it to each individual and focus only on a single behavior during the period until it's improved.	Manage reactively instead of proactively coaching reps individually to improve their performance.
<b>2 Train</b>	Train your reps consistently. It's one of the keys to making them more effective and capable. Make it a weekly priority.	Let reps learn "in the trenches": They believe reps can learn on their own instead of scheduling regular monthly training.
<b>3 Over-Communicate</b>	Communicate ad nauseum. You know it's enough when someone complains that it's too much. Until then, over-communicate.	Expect reps to "get it". They don't communicate consistently and clearly and just expect everyone to catch on.
<b>4 Align with Marketing</b>	Align with marketing and your sales team will reap huge rewards. Add your experience about leads to marketing's objective data and everyone grows!	Stay in their sales silo and demand more and more leads from marketing. They complain instead of collaborating and aligning to achieve great performance.
<b>5 Analyze Key Sales Metrics Daily</b>	Be laser focused on metrics on a daily basis. Sales today is a science. If you can't measure it then you can't manage it. Sales VPs who don't analyze metrics will lose authority quickly.	Believe that managing sales is done through hunches and don't look at the numbers. They lack insight into which metrics (calls, activity ratios, conversions) might help identify problems early on.
<b>6 Forecasting</b>	Perform data-driven forecasting. Don't use forecasting stages like Commit and Upside. Don't run forecasting on subjective feelings of your reps. Forecast only by opportunity stage conversions.	Ask reps for how they "feel" about a deal and whether it's an upside or strong upside. They don't perform metrics-driven forecasts and ignore the fact that < 40% of their forecasts actually close.
<b>7 Pipeline Management</b>	Schedule bi-weekly pipeline reviews to ensure your top of funnel is full. Know whether you need it to be 3x or 5x of your sales quota by analyzing historical conversions.	Talk about pipelines sporadically but don't hold dedicated pipeline review meetings. They ignore historical pipeline-to-sales conversions, creating situations where there could be insufficient opportunities for reps to work.
<b>8 Stop Focusing Only on Revenue</b>	Focus on coaching and developing your sales reps to achieve better performance independently. That means don't sell and don't get on calls with your reps.	Try to do sales themselves and make themselves too available to their reps who should be selling on their own. They hamper the rep's ability to grow and stand on their own feet.
<b>9 Inspire Your People</b>	Win your reps' hearts before you win their minds (go to bat for them, take them bowling) and inspire your team to greatness. A good manager has more impact on a sales rep's results than experience or skills. Remember - it's all about the people!	Fail to inspire their sales reps. They focus on the negatives - missing goals, losing opportunities - instead of celebrating the positives. They forget the magic management ratio of "3:1" for praise:reprimand.
<b>10 Reward, Recognize and Appreciate</b>	Appreciate, recognize and reward your reps - nothing is more critical. A Globoforce 2011 survey found that 70% of employees would work harder if they were recognized more. Reps exceed expectations if they feel appreciated!	Treat achievements with indifference and demand too much from their teams. They fail to motivate their reps with positive reinforcement.
<b>11 Have Fun</b>	Make sure to have fun - hold contests, go out for team dinners, celebrate success, launch the 100% Club! People perform better when they love their job.	Focus only on work, and don't pay attention to team morale. In a fun environment, their team would outperform their objectives but average sales VPs don't recognize this and don't facilitate fun.
<b>12 Hire Great People</b>	Identify, hire and attract talented people. Use SalesDrive or DISC personality tests that help discern a high level of conscientiousness and commitment to goals. Hire for attitude, not aptitude.	Hire for technical skills, and don't consider attitude. They'd rather see a beefy resume than a "can-do", or better yet "will-do", candidate.
<b>13 Fire Bad People</b>	Get rid of bad attitude immediately. You can coach weaknesses but can't change negativity. Give those with good attitude but bad performance 3 full months to show improvement but measure monthly.	Keep negative reps on their roster, hoping to change them, while they let go of motivated but lower performing reps that could be easily coached (if they focused on that in the first place).

## Appendix B

		Industry and Employees					
		Industry A				Industry B	Industry C
		<20	20-100	100-200	>200		
Function	Role 1	2% n= 85	4% n= 23	5% n= 42			
	Role 2	6% n= __	10% n= __	2% n= __			
	Role 3	8% n= __	15% n= __	3% n= __			
	Role 4	10% n= __	12% n= __	1% n= __			
	Role 5	10% n= __	0% n= __	0% n= __			
		8%	12%	10%			

Positive Results
------------------

Poor Results
--------------

Insufficient Data
-------------------

Objective of test:  
Determine Dial:Opp conversion rate for each targeted segment and the Opp:Deal or **Win Rate %**

# Appendix C

## Sales Call Plan



General					
Call Objective/Action: What next steps will we ask of the buyer if the call is successful?					
Call Opening: Reason for Call, Benefit to the Buyer, Agenda for the Call					
Background We Need:					
•					
•					
•					
•					
•					
Positioning Capabilities					
Key Features of Our Solution			Benefits to the Buyer		
Pros and Cons					
Buyer Problems	PAIN	Consequences	Buyer Desires	GAIN	Additional Payoff
•			•		
•			•		
•			•		
Questions to Ask			Notes		

## Appendix D

# SDR Weekly Plan

Week: 10

Summary
<b>What Am I Doing This Week?</b> <ul style="list-style-type: none"><li>Continue calling List ____ from last week but use new messaging to test</li></ul>
<b>Why?</b> <ul style="list-style-type: none"><li>Connect rate with List ____ has been good, but messaging isn't hitting home</li><li>Need to run more, and quicker experiments. If you have an idea, test it!</li></ul>

Detailed Description
<b>Who Am I Calling?</b> <ul style="list-style-type: none"><li>Prospects from List ____, largely Sales VPs from Software Industry</li></ul>
<b>What Am I Doing?</b> <ul style="list-style-type: none"><li>Campaign: "SDR Calls – Week 10" in Salesforce.com<ul style="list-style-type: none"><li><b>Messaging:</b></li><li><b>Pain:</b></li><li><b>Process:</b></li></ul></li></ul>
<b>What Should I Ask For?</b> <ul style="list-style-type: none"><li>Continue using our messaging to schedule an appointment</li></ul>

<b>Goal</b>	Make 300 dials this week, schedule 5 appointments
<b>What's Next</b>	Send fully qualified demos to an ISR with the normal process. Be ready to do the intro on the call and leverage the rapport you have built. Expect to be heavily involved in the first 5-10 minutes of the meeting.

# #1 for Salesforce Analytics

## About InsightSquared

InsightSquared is the #1 Salesforce Analytics product for small and midsize businesses (SMB). Unlike legacy business intelligence platforms, InsightSquared can be deployed affordably in less than a day without any integration costs and comes preloaded with reports that real business people can use. Hundreds of companies and thousands of users around the world use InsightSquared's award-winning analytics to maximize sales performance, increase team productivity and close more deals. Based in Cambridge, Mass., InsightSquared was recently named one of the "Best Places to Work in Massachusetts" by the Boston Business Journal. [For more information, visit \[www.insightsquared.com\]\(http://www.insightsquared.com\).](#)

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