

B2B Sales Lead Development Series

Guide 1: Productivity Metrics



DIRECT MARKETING
P A R T N E R S

Building and Protecting Your Sales Lead Pipeline

B2B Sales Lead Development

This guide was written to assist companies as they develop their sales lead pipeline and revenue building programs.

The goal of course is sales. However, industry research shows that most U.S. corporations struggle with the presales lead generation and lead development portion of the Inside Sales function. Moreover, these studies have also documented the fact that there are actually two major components to the “inside sales” function. There is a **presales prospect lead development** function and an actual quota driven inside **selling** function in most B2B sales organizations.

For years these two functions were mistakably grouped into one function called “inside sales”. The mounting research has clearly shown that the presales function requires a vastly different skill set and set of resources, management and capabilities. Many wheels have fallen off of selling machines when this fact was either unknown or ignored.

The personality traits and motivators of the presales lead development group are completely different than the professional quota carrying inside representatives of today. Likewise, due to this separate set of traits, rarely is the lead development role a training ground for inside sales closers. This has confused many managers who never viewed the issues up close. However, it makes sense to the managers who have focused on developing each of these respective roles.

Purpose of This Guide

We developed this productivity metrics guide to help firms that are either evaluating how they can improve their current market-to-sale process, or for firms that are planning the process and want to optimize sales results.

Addressing the presales lead development role at a company is a major challenge for many firms. Many sales revenue plans have failed when a company did not get this right. Likewise, many careers have been made or broken based on these decisions. Most executives are painfully aware that a robust and qualified sales ready pipeline yields better inside and outside sales team close rates and quota attainment. However, many executives lack solid metrics to help them address and solve the pre-sales lead development needs of their company.

Direct Marketing Partners has assembled and reviewed the various key metrics and benchmarks which B2B firms are experiencing, and we have summarized them in this brief guide. Our intention is to also provide metrics of two approaches to the lead development process so you may design and implement the right combination of staff and resources to meet your lead generation goals and help your sales teams meet sales quotas.

The first charts validate the presales functions of the department we are addressing.

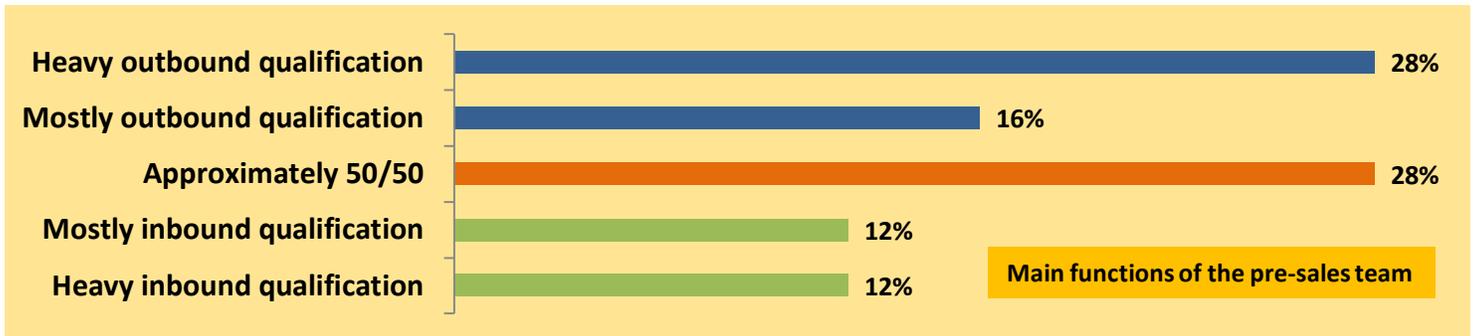
In subsequent comparatives, we look at several key performance indicators which executives ask about most frequently when establishing or refining their lead development process.

DMP has reviewed an industry benchmark report* along with our internal metrics as source documents to develop this guide.

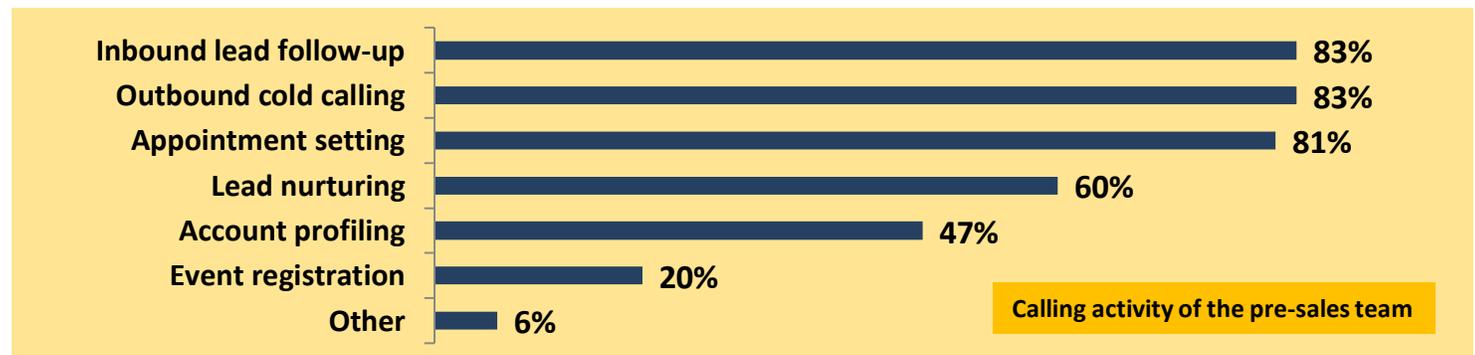
- The benchmark report, from The Bridge Group, Inc. Title: 2012 & 2010 Lead Generation Metrics & Compensation for Technology Companies.

Primary Functions of the Pre-Sales Team:

Both outbound prospect cold calling and inbound inquiry lead follow up qualification are the leading functions of the pre-sales group. This is followed closely by the next logical step, setting of the appointment for the sales team, once a prospect is qualified. Then comes the longer term process of lead nurturing.



Source: 2012 Lead Generation Metrics and Compensation Report – The Bridge Group Inc.



Source: 2010 Lead Generation Metrics and Compensation Report – The Bridge Group Inc.

Since Lead Development and Sales are two different animals, what activities should the Lead Development Representatives undertake? Here are some campaign types:

- Cold calling
- Warm calling to a targeted list
- Nurture leads which are greater than 6 months away from purchasing
- New product launch Introduction
- Tradeshow/webinar follow-ups
- Trial/whitepaper/gated material follow-ups
- Email/direct mail campaign follow-ups
- Webinar/seminar audience acquisition
- Channel partner initiatives
- New Industry/surveys
- Appointment setting

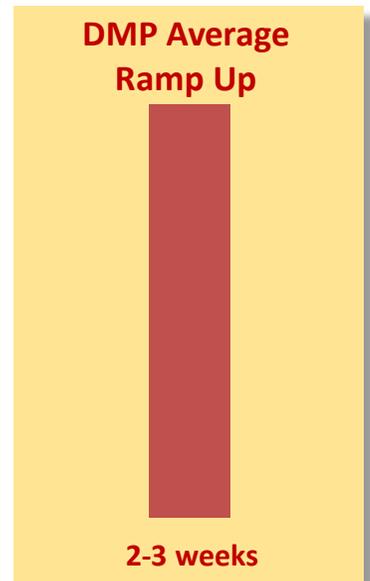
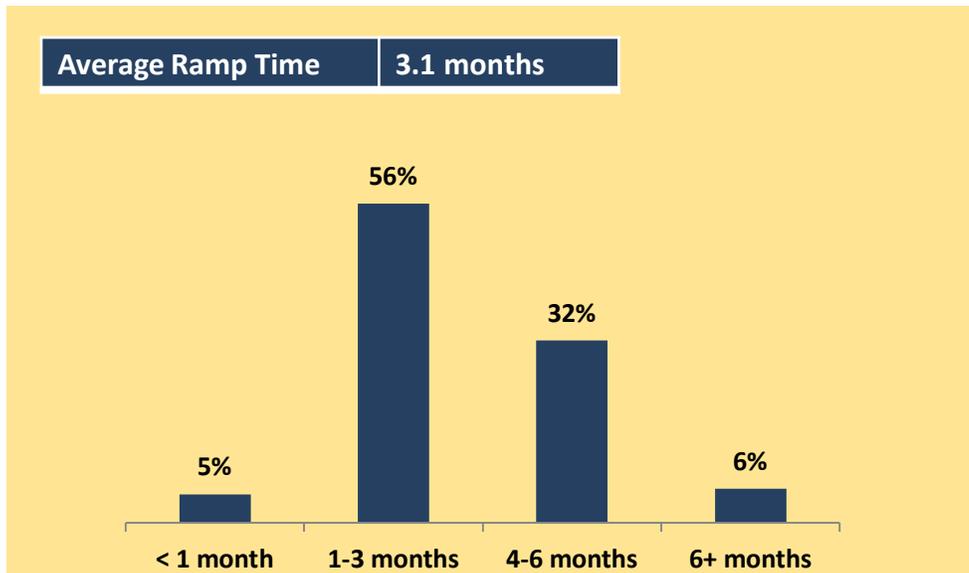
Why shouldn't the Sales (both inside and outside) Representatives be making these calls? Because it is a much better use of their time to concentrate on the vetted prospects the Lead Development team has unearthed. The focus of the Sales Rep should be on developing a relationship with the prospects leading to a full understanding of their needs, pain points and business climate and most importantly, **CLOSING THE DEAL!**

Productivity Ramp Up Period

Industry KPIs from in-house teams:

End-user firms performing the presales lead development functions average 3.1 months until they are productive.

How long does it take for a new rep to be fully productive?



Source: 2012 Lead Generation Metrics and Compensation Report - The Bridge Group Inc.

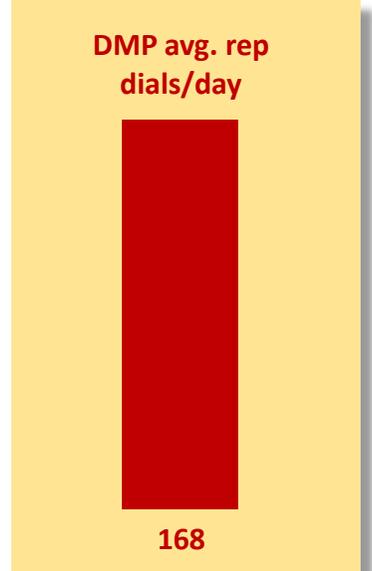
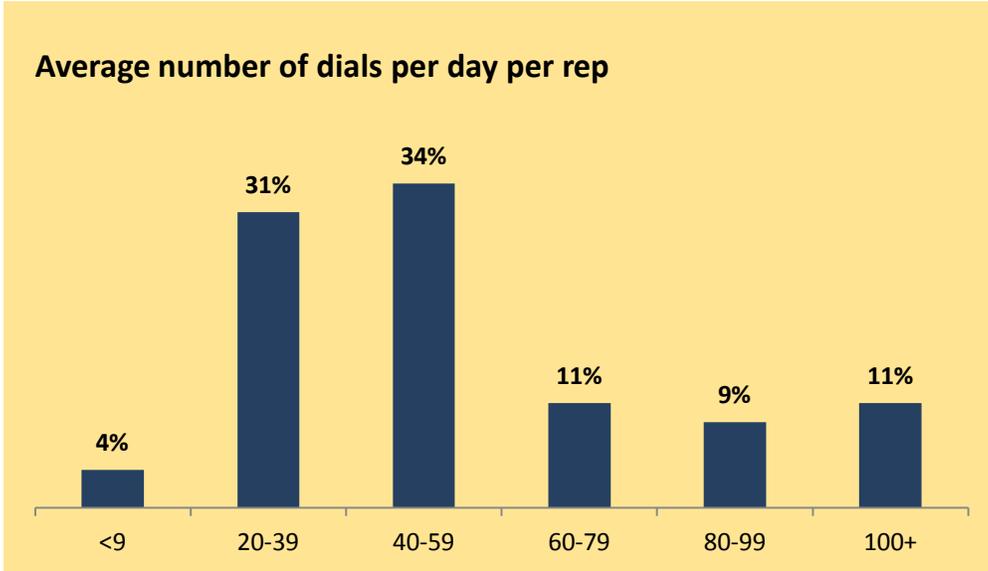
DMP comparison metric:

On average DMP pre-sales campaign and calling rep ramp up is **2 to 3 weeks**.

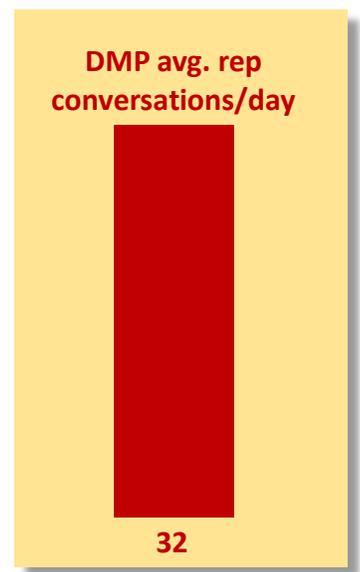
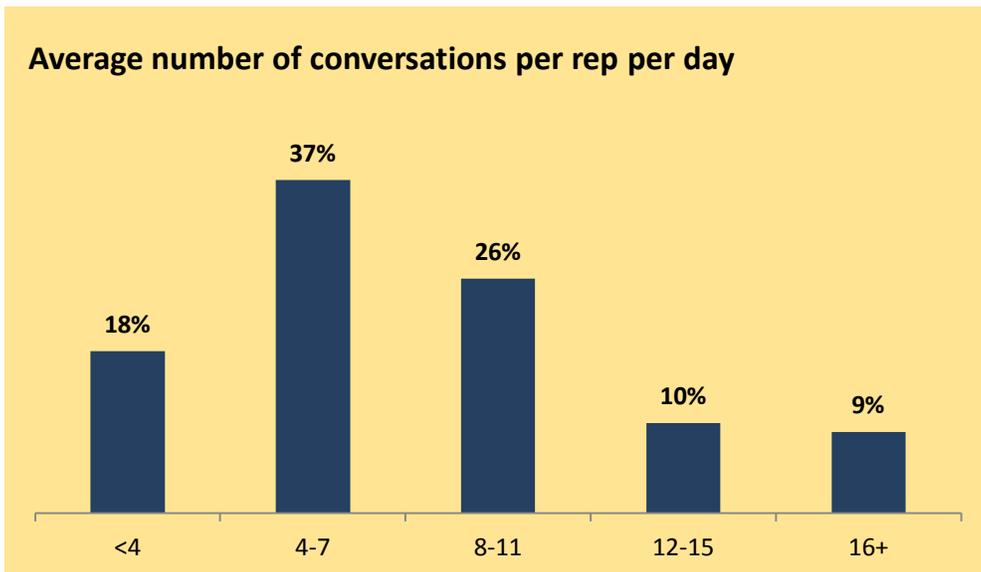
Sales Lead Calling Productivity Metrics

Industry KPIs from in-house teams:

Calls-per-day can quickly be converted into a calls-per-hour metric for benchmark comparison.



Source: 2012 Lead Generation Metrics and Compensation Report - The Bridge Group Inc.



Source: 2012 Lead Generation Metrics and Compensation Report - The Bridge Group Inc.

According to the industry research end user firms, performing the presales lead development functions in-house, average 56 prospecting calls in an 8 hour day, or 7 calls/hr.

Of these, approximately 9 calls/day/rep result in qualifying conversations.

DMP KPI metrics:

On average, DMP rep calling productivity is **160 to 176 per 8 hour day or 20 to 22 calls/hr.** Of these, **30 – 33 calls per day**, per rep result in qualifying conversations with scripts completed.

Due to our specialized contact center software, presales training and productivity tools, DMP typically outperforms the in-house teams by, on average, three to three and a half times the productivity metrics.

Key Findings

As B2B firms review and assemble their **marketing lead-to-sales closure** sequence, it is critical that the process include the all important **lead development presales** functions.

Important considerations for optimizing lead-to-sales results

- The sales lead tele-qualification productivity measures will have a direct impact on the quality and quantity of the sales-ready lead pipeline. How a firm goes about building their presales lead pipeline is a critical business decision. Sales lead generation and development metrics should be analyzed. This can often be broken down and compared at the man hour productivity level. This guide has noted several industry average KPIs for in-house and outsourced pre-sales productivity.
- The costs to staff and manage the functions and duties are very important and are often underestimated and therefore miscalculated. A seasoned Chief Financial Officer will challenge incorrect assumptions, thereby reducing your credibility.
- Be sure to staff and run campaigns according to the size and lead funnel volume that you need to produce in order to achieve sales quotas. Anything less will be judged in very dim view by most senior management. Many executives underestimate their true sales lead pipeline requirements only to come up short on sales revenue metrics after it's too late.
- Consider comparing your sales lead requirements and your sales lead pipeline building plan to both the in-house KPI's in the report and an industry leading sales lead development service firm. Many service providers will provide planning tools and side by side comparisons at no charge or obligation.

About Direct Marketing Partners

Direct Marketing Partners, Sacramento, California, is a B2B strategic marketing consulting, direct marketing and tele-services provider with an embedded call center for custom lead generation-qualification and lead management. The company was founded in 1991 and offers the full spectrum of services so that you can execute the most effective lead generation campaigns to meet your revenue goals. DMP's productivity metrics are shared along side of the industry average benchmarks outlined above.

DMP provides go-to-market resources including campaign planning tools, lead management resources, and the execution of integrated B2B direct marketing & telemarketing touch campaigns with complete results tracking, reporting and campaign analytics. We help firms to quickly build their lead funnel to their unique specs and revenue goals. Our clients are mostly comprised of firms with complex B2B selling processes that harness the DMP resources and systems. These firms use DMP to generate demand and qualified sales-ready lead pipelines, which accelerate sales-ready lead flow and conversions to revenue. DMP programs adapt to each client scenario and we augment a company's existing sales lead process.

We hope that this guide has helped simplify the key elements to implementing your sales lead development funnel building process. Feel free to discuss the guide with us. We are happy to provide sample metrics reports, sales lead requirements projection models and cost examples. No obligation.

See for Yourself Offer:

To see how your company stacks up, ask us for a **productivity comparison benchmark** for your scenario. Or, just ask for one of our **free revenue based ROI sales-lead funnel analysis plans and a budget estimate** to compare with your current approach. **There is no obligation.**