

THE STATE OF SALES *DEVELOPMENT*



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EXECUTIVE SUMMARY

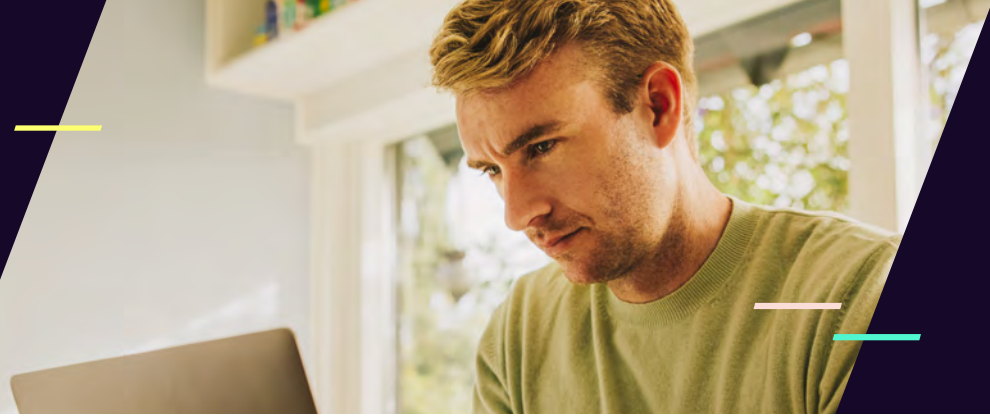


Sales development has never been more complex or more essential. As customer acquisition costs rise, outbound channels get flooded with messaging, and it becomes harder to connect with prospects, organizations need ways to cut through the noise, faster. For this report, we blind surveyed 1,000 sales professionals across 11 industries about their sales development process, changes in the market, and how they invest in revenue pipeline growth.

These sales organizations acknowledge the need for continual investment in their sales development teams, but with turnover on the rise, how that money is spent is more important than ever. As technology advances, maximizing productivity and pipeline generation is coming from platforms that can connect reps with prospects directly while being easy to use.

In fact, despite the rise of artificial intelligence and machine learning technologies, the answer to pipeline quandaries lies within a century old technology—the phone.

KEY STATS



58%

say **pipeline generated from calling** has **increased** in the last 12 months

90%

have at least a **1:3 ratio of SDRs to AEs**

40%

say **turnover has increased** in the last 12 months

60%

state their **quotas have increased**

11/11

industries surveyed **put phones in their top three**

66%

expect their **SDR headcount to increase** in the next 12 months

51%

total pipeline for all respondents **comes from the phone**

8/11

industries surveyed said the **phone is the most important outbound tool**

0.73

correlation coefficient between **sales development representatives hitting quota** and **Account Executives hitting quota**, indicating a strong positive relationship between the performance of these two teams.

54%

noted **customer acquisition cost is up** in the last 12 months

62%

say **calling volume increased** in the last 12 months

INTRODUCTION: THE COMPLEXITY OF SALES DEVELOPMENT



Sales development as a standalone practice has existed for nearly four decades but it's never been more important than in the modern business landscape. For this report, we partnered with Qualtrics to perform a blind survey of 1,000 sales professionals from C-suite to individual contributors. 78% stated they use a mix of inbound and outbound tactics, and 76% of respondents noted their primary go to market motions are sales and marketing led. Every participant surveyed emphasized the importance of sales development in that process through their responses.

The results were clear.

54%

expect their **SDR headcount to increase** in the next 12 months

Sales development is a position that requires serious introspection and action. Customer acquisition cost (CAC) is on the rise as 54% of respondents noted CAC has gone up in the last 12 months while only 12% state it's gone down. It shouldn't be surprising to learn that when asked about their biggest go-to-market concerns, CAC and a slowed pipeline were the top two responses. Companies are holding their budget closer to the vest than in the past, which means the health and growth of your revenue pipeline requires a more strategic investment plan. What can be done to drive costs down while still building pipeline?

While some aspects of the acquisition process are beyond control, you can positively affect the investment in your sales development process and team. Reducing sales development headcount in an effort to create short term savings can hurt your bottomline in the long run. When you invest in your sales reps, the ROI is clear.

Data from this survey shows a

0.73

correlation coefficient between **sales development representatives hitting quota** and **Account Executives hitting quota**

indicating a strong positive relationship between the performance of these two teams and, ultimately, the performance of your entire sales organization.

Simply put, when your SDRs succeed, your pipeline grows and your company does as well.

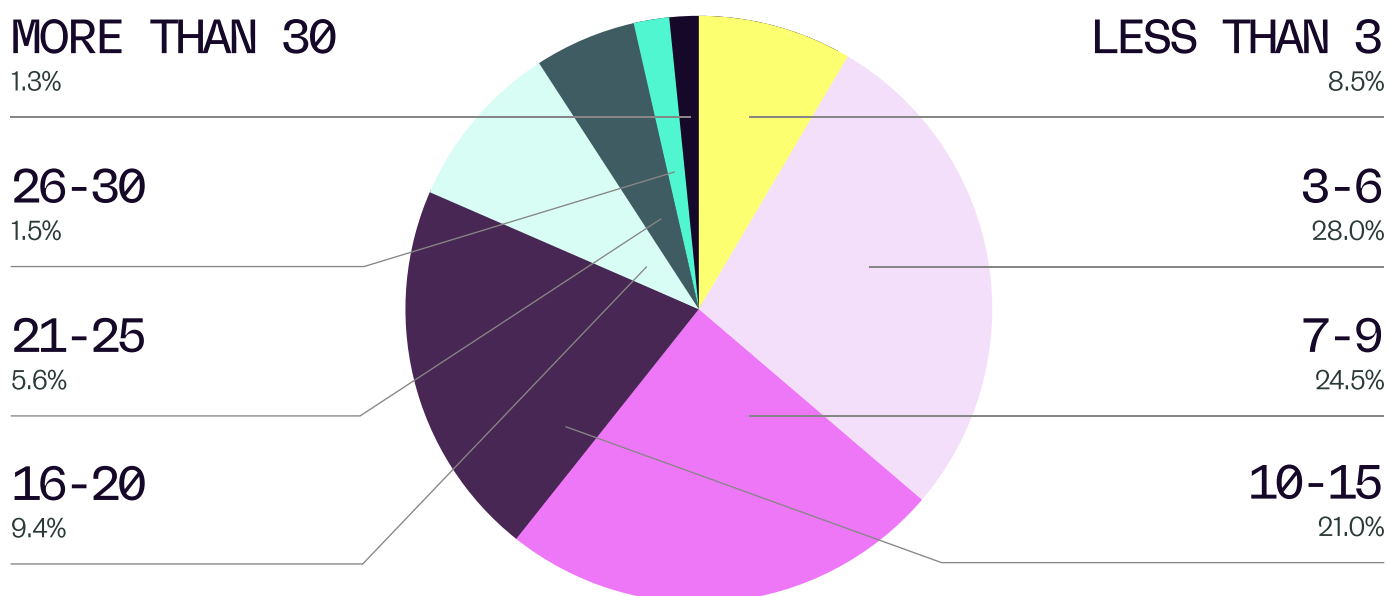
PIPELINE GROWTH REQUIRES INVESTMENT



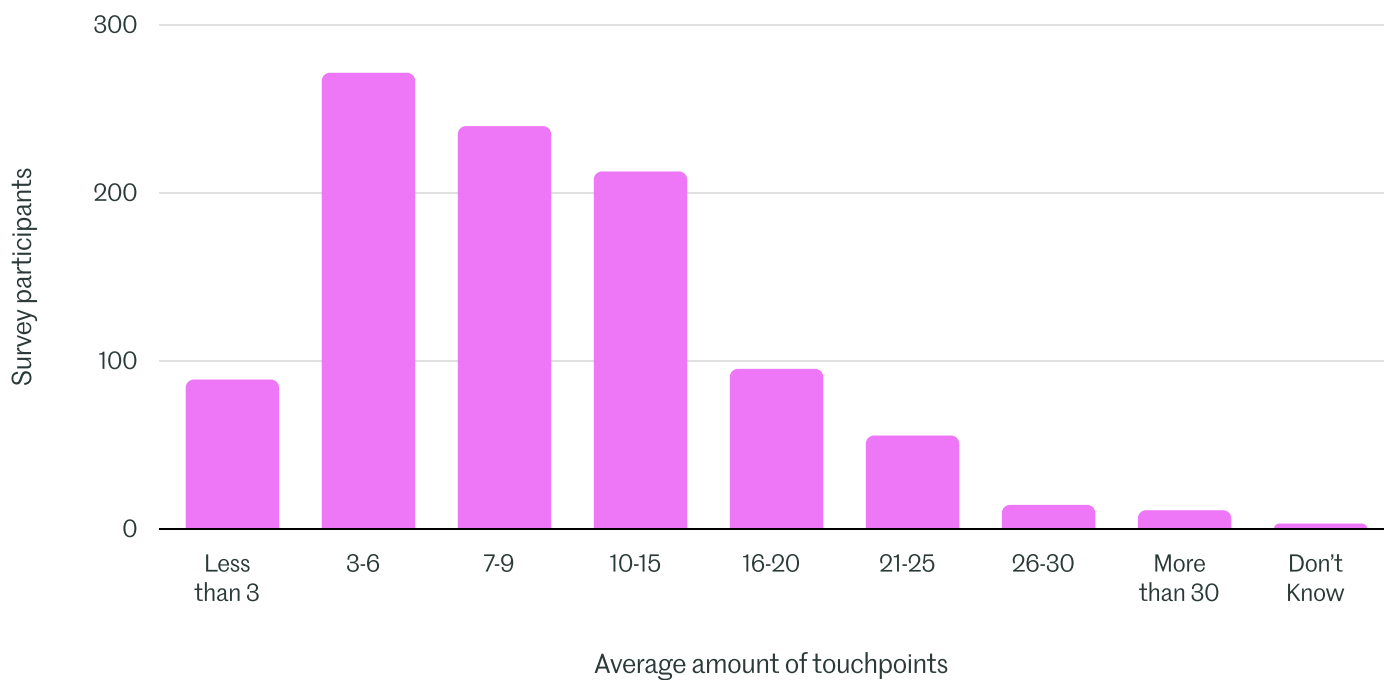
Empowering sales teams means investments must be made. This isn't breaking news as respondents noted spending a range of **\$2,000 to \$5,000 per rep annually on tech**. Reps need tooling that reduces ramp time, maximizes opportunities, and builds a sustainable culture of prospecting through connectivity.

As technologies advance, personalization and relationship building remain essential in selling and organizations are achieving these through an omnichannel sales development approach. On average, respondents say it takes **seven or more touchpoints to land a meeting** with prospects. Broken out by job title, **VPs and Directors of sales said it actually takes 10-15**. Every single respondent stated at least three types of outreach channels being used to establish that relationship.

HOW MANY TOUCHPOINTS IT TAKES TO SET A MEETING



AVERAGE AMOUNT OF TOUCHPOINTS TO SET A MEETING



Responses in this survey show that cost per meeting was varied but 47% of respondents are pacing anywhere from \$250-\$1,000 per meeting.

71%

state they are **satisfied with the price of their meetings**

When breaking the data out by job title, VPs of Sales and C-suite respondents indicated higher price points per meeting than sales directors and managers while also responding with a higher rate of satisfaction for those numbers. This indicates **sales leaders understand the expense to create opportunities and see the value of that investment.** In fact, only 23% stated it's higher than they expected.

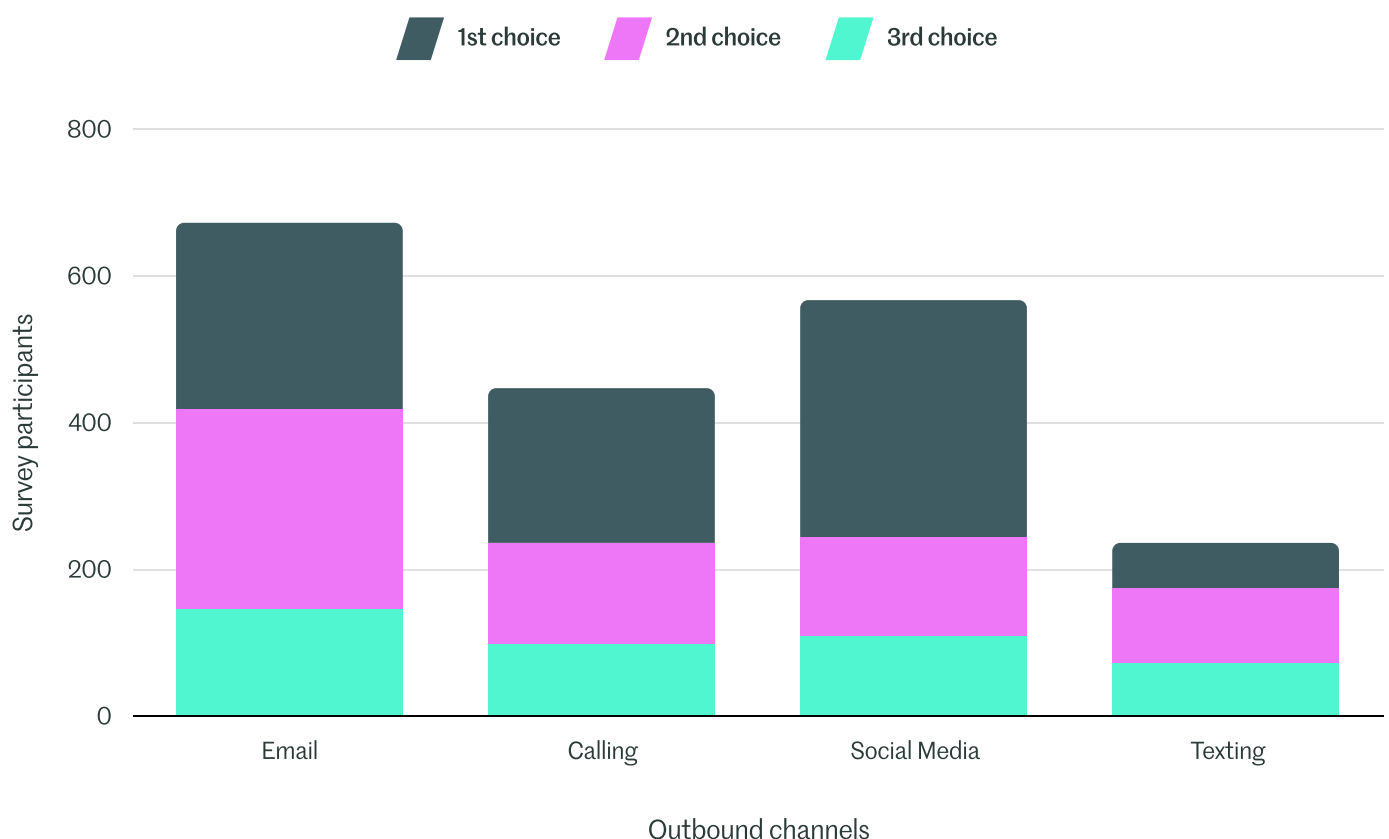
SALES DEVELOPMENT IS AN OMNICHANNEL ADVENTURE



Pipeline generation is complicated. It's a bespoke practice without a one-size fits all solution. As the chart below notes, there are countless combinations of strategies being implemented by sales organizations. This variety of channels shows the complex skills needed to succeed as a sales development representative.

Of note, the majority of organizations state they emphasize a combination of calling, email, and social media as their leading motions. More on this later.

WHAT ARE THE MOST EFFECTIVE OUTBOUND CHANNELS?



PIPELINE GENERATION IS THE *LIFEBLOOD* OF SALES ORGANIZATIONS...

but it's handled by some of the least experienced members of the company. Sales Development Representatives are often young employees who are new to the workforce. It's also a position that experiences constant turnover, which is expected but:

40%

noted that turnover has **increased in the last 12 months** above what they normally experience

The continuous need to onboard and train SDRs has a direct impact on CAC. A few data points from the survey highlight that sales development is an ongoing process and not something with a finish line:

57%

say tenure of their
SDRs is **6-18 months**

60%

say onboarding **takes**
3-6 months

\$ 60,000 – 80,000

noted a median salary of
\$60,000-80,000 per SDR

These numbers show the reality of sales development and respondents understand that it's well worth the time, effort, and cost. In fact:

2 / 3

expect their **SDR headcount to increase** in the next 12 months

It's clear that the cost of bringing on and onboarding new reps is essential given the impact these reps have on revenue growth. The juice, as they say, is worth the squeeze.

Sales development will continue to be the driving engine of a healthy pipeline but with such a short tenure (and lengthy ramp time) providing tools that maximize their productivity and value is essential to remaining a profitable company.

THE SDR REALITY

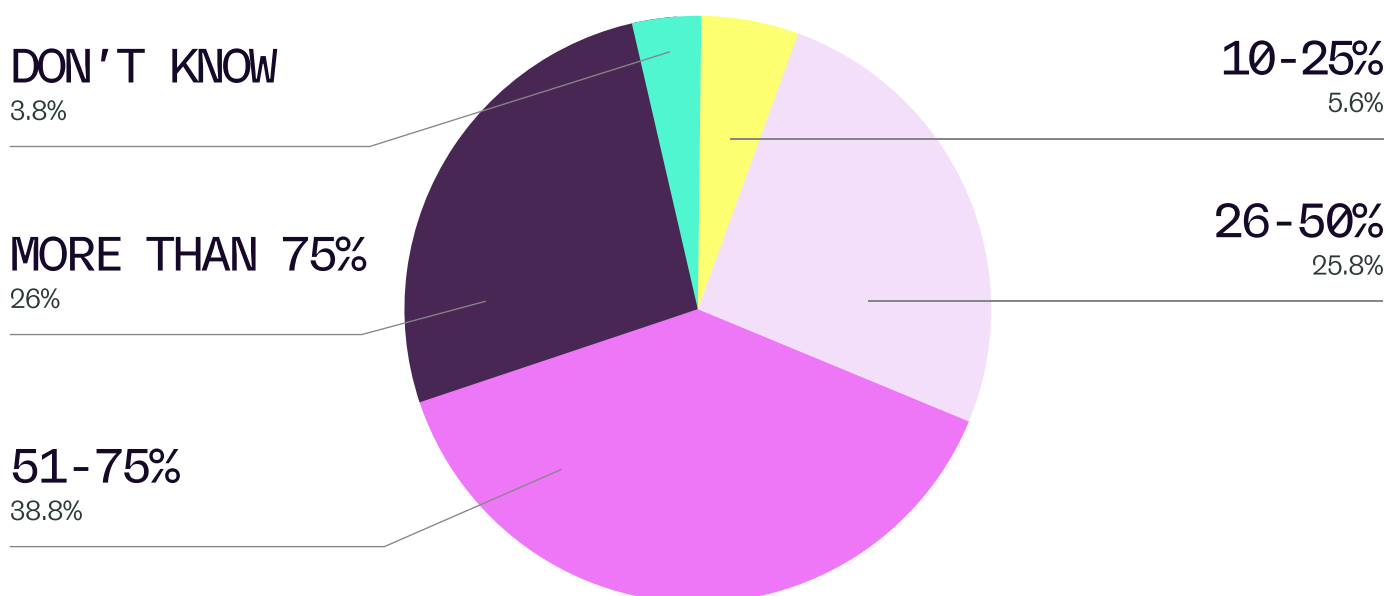


Maximizing the time you have with SDRs means understanding the challenges both they and your managers face. If you know where problems may arise, you can properly train and prepare for them.

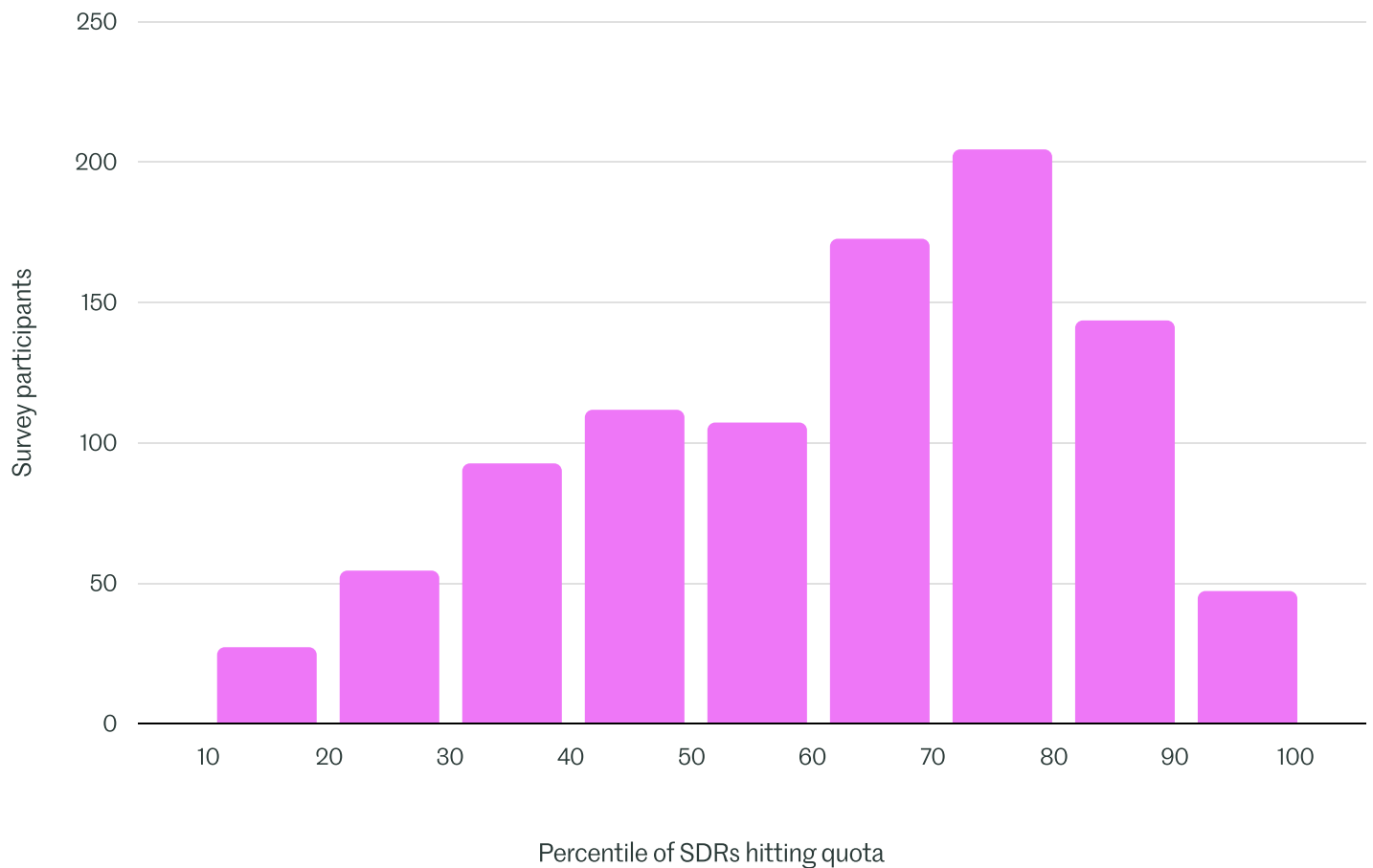
One major issue that must be addressed is burnout. 90% of respondents noted they have at least a 1:3 ratio of SDRs to AEs. When you factor in that 60% of respondents state their quotas have increased (only 9% stated they decreased), combined with previously mentioned turnover, signals indicate that SDRs may be struggling with burnout or, at the very least, have the cards stacked against them. SDRs aren't set up for success in their roles due to the increasing demands of the business and the lack of tools and processes to meet them.

Even if these factors don't result in reps leaving the position, they will result in a decline in productivity. **Only 55% of respondents said a majority of their SDRs are hitting quota and only 60% said their SDRs are hitting daily KPIs.** Collectively, these numbers lead to a large amount of reps being put on performance improvement plans over the last 12 months, as shown in the chart below.

THE % OF ORGANIZATIONS WHERE THE MAJORITY OF SDRS ARE HITTING QUOTA



%SDR'S HITTING QUOTA



We know that when SDRs succeed, AEs succeed and the inverse is true as well. Top of funnel activities don't mean much if those leads aren't converted and moved down the funnel.

SDR MANAGEMENT: SOLVING FOR SUCCESS



Teams of inexperienced employees tasked with growing the company pipeline while constantly combatting turnover is always going to be a challenge. One made even tougher given the fact that SDR teams can be rather large.

90%

state they have at least **10 SDRs** with **30% saying they have at least 50**

Making training reps a labor intensive and ongoing process. In fact, when asked to select all of the various challenges connected to adapting new technology, **83% of respondents cited training new reps or getting training from vendors as their primary issues.**

Managing a successful sales development team goes beyond just using technology. It's also about addressing issues of onboarding, coaching, and giving reps the support they need. When asked what challenges SDR managers face most often, respondents cited **providing sales enablement and tactics, team culture, and growth opportunities as the biggest concerns they're facing.**

As technology continues to evolve, AI matures, and new platforms push to increase efficiency, respondents cited one tool above all others as the best way to build pipeline effectively. **And it's one that's been around for decades...**

PHONES: THE SALES DIFFERENTIATOR



When asked about the most efficient and effective outbound tools,

8 / 11

industries surveyed **selected the phone as their most important outbound tool**

Additionally, all eleven industries surveyed put phones in their top three, along with email and social media.

Overall, **86% of respondents consider the phone as being an effective outbound tool** for their sales development team to build pipeline. Several data points show that phone usage isn't just consistent. It's continuing to expand.

51%

of total pipeline for all respondents
comes from phone

62%

stated calling **volume increased**
in the last 12 months

58%

say **pipeline generated from calling has increased** in the last 12 months

10%

stated **phone-generated pipeline has decreased** in the last 12 months

Not only is the majority of pipeline coming from calling, but these numbers are expected to continue to grow in the coming months. The more dials reps are able to make, the more opportunities they are creating.

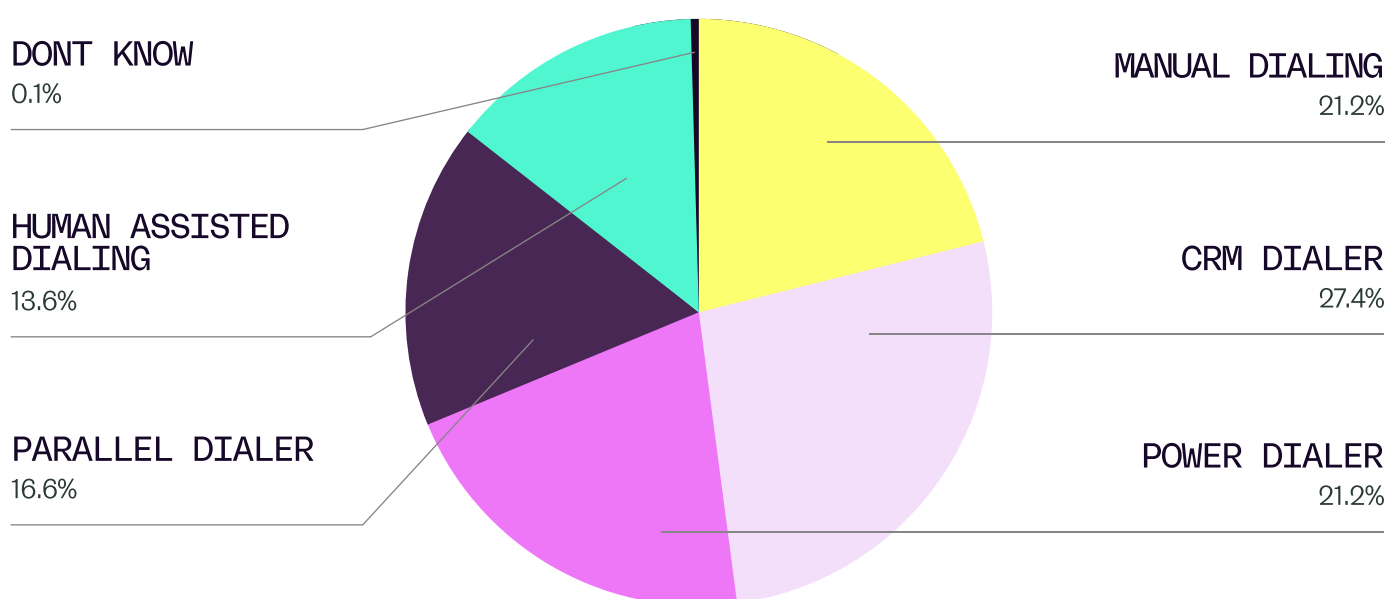
WHERE REPS MAKE *COLD CALLS*



In a world that's become saturated with automated emails, social media connections, and endless ads, sales organizations are seeking ways to cut through the noise. Direct conversations have always been the most effective to succinctly provide value propositions and form relationships. Until recently, however, making large amounts of cold calls was not a sustainable practice. It was time-consuming, mundane, and limited the amount of people SDRs could reach.

The use of AI on dialing platforms has largely eliminated these manual tasks, and most sales organizations are providing at least one or more dialing option for their reps. When asked to select all the dialing technologies their organization is using, every respondent cited at least two.

WHAT TECH IS USED BY SALES REPS FOR DIALLING?



Additionally, nearly every response was a combination of manual or human-assisted dialing and an auto dialer option (CRM, Power, or Parallel dialing). While much of the calling that happens on these platforms is part of an outbound GTM motion, strategic platforms also enable inbound motions as well.

THE TOP CHALLENGES OF *COLD CALLING*

Some dialing platforms come prepackaged with a virtual space for sales reps to collaborate, learn, and make calls together, providing an answer to the concerns managers mentioned above as being the obstacles they need to overcome. These platforms also provide a low barrier to getting started, enabling reps to quickly gain confidence in their skillset, creating value and opportunities faster.

When asked about the challenges connected to dialing,

25%

cited that **getting prospects to pick up** was their biggest issue

Lack of response is the biggest issue for any prospecting effort, making this unsurprising. The other top answers include **getting reps the right dialing technology, training and getting them excited to call, and providing a sustainable strategy**. In short, organizations are looking for platforms that are efficient and can help them build an effective calling culture.

A successful cold call doesn't necessarily mean a meeting has been booked. As we mentioned previously, numerous touch points are needed to land a meeting. Rather a successful cold call is built upon a positive outcome like a prospect asking for more information, asking you to reconnect later, giving you the name of a coworker, etc. In order to follow up on these positive outcomes, reps need to know how to properly disposition a call.

The good news is that when SDRs are using dialing platforms, they are quickly growing comfortable with dispositioning their calls. Some of these platforms have even automated this dispositioning process, saving reps even more time. When asked whether or not their reps reliability perform quality dispositioning, 94% of respondents said yes.

74%

stated they are able to **build actionable reporting based on those dispositions**

In short, when given the proper tools and training, SDRs are showing that phones are a dynamic way to create opportunities and build pipeline.

RECOMMENDATIONS: SMARTER INVESTMENT, GREATER RETURN



Omnichannel prospecting is necessary to succeed in the modern sales environment but certain factors need to be considered. Given the brief amount of time you have with each sales development representative and the investment in onboarding and employing them, optimizing the [tech stack](#) they use is imperative. The data in this survey shows that dialing platforms are sustainable options that are continuing to grow in popularity. Previously released data backs these insights, as [phone-first sales reps have twice the amount of quality conversations](#) compared to other channels.

Given the amount of touch points it takes to connect with prospects, it's important to empower your sales reps to use multiple channels to connect whenever possible. However, given the challenges surrounding adopting new technologies and training, it's essential that you work with platforms that are easy to use, provide continuous coaching opportunities, and supercharge productivity.

Sales development representative success drives the success of the sales organization as a whole. Phones enable reps to do what they do best—create authentic human connections.

Your reps deserve a conversation platform that enables them to generate opportunities and pipeline. Your sales organization can't afford to not invest in sales development.

PEAK SALES PERFORMANCE *RIGHT THIS WAY*

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