



**THE STATE  
OF SALES  
*DEVELOPMENT***

**2024**



# EXPANSION AND EVOLUTION

Sales development is more essential than ever, but it continues to evolve and expand across the entire revenue organization. It's no longer the responsibility of just the SDRs and AEs. Customer acquisition costs are up for the second consecutive year, and sales cycles are longer. It's become all hands on deck, as pipeline is generated through every corner of the revenue organization. The largest pipeline generator is existing customers, a change from 2023 when it was SDRs, emphasizing the importance of trust and long-lasting relationships.

SDRs stay in the role longer than ever and stay with their organization in far greater numbers beyond their current role than in 2023. They are hitting quota at a higher percentage than in 2023 despite those quotas also increasing. There remains a direct correlation between SDR success and AE success, even as AEs increase the amount of self-sourcing they're doing.



## DID YOU KNOW?

Respondents believe the phone is an effective way to generate pipeline

# 85%

**Like in 2023, the phone drives most of the pipeline, and sales leaders expect to increase phone usage.**

AI increased its grip on the sales process, but instead of replacing sales professionals, it's expanding their capabilities. 80% say they have implemented AI-powered tools in the past 12 months, and 87% say AI has positively impacted their sellers' daily work experience. It also appears here to stay, only 2% believe it's a fad.

# LEARNINGS

## PIPELINE

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Respondents believe the phone is effective way to generate pipeline



Respondents say the majority of their pipeline comes from the phone



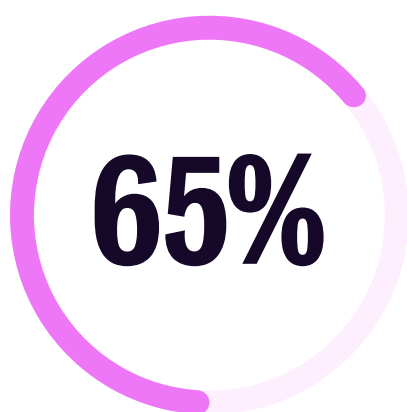
Respondents said their sales cycle is the same length or longer



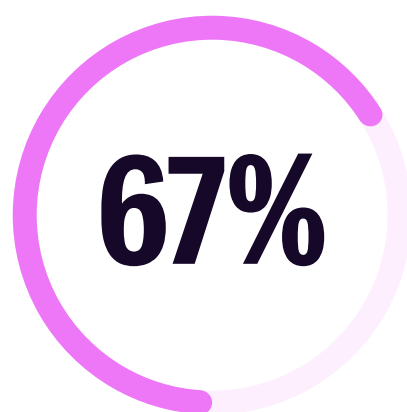
Of revenue pipeline generation comes from Account Management

## PROCESS

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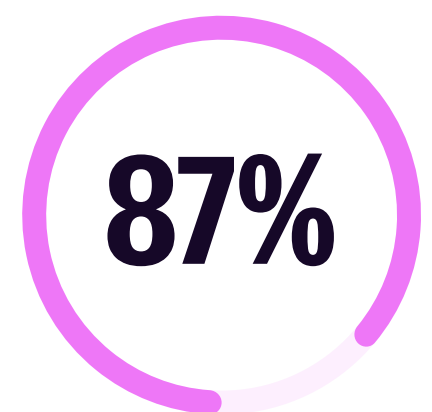
Stated that customer acquisition costs have increased



Say reps spend at least 11 hours weekly on research and follow-up



Say they have implemented AI-powered tools in the past 12 months,



Say AI has positively impacted their sellers' daily work experience.

## PEOPLE



Expect to add more SDRs to their team in the next 12 months.



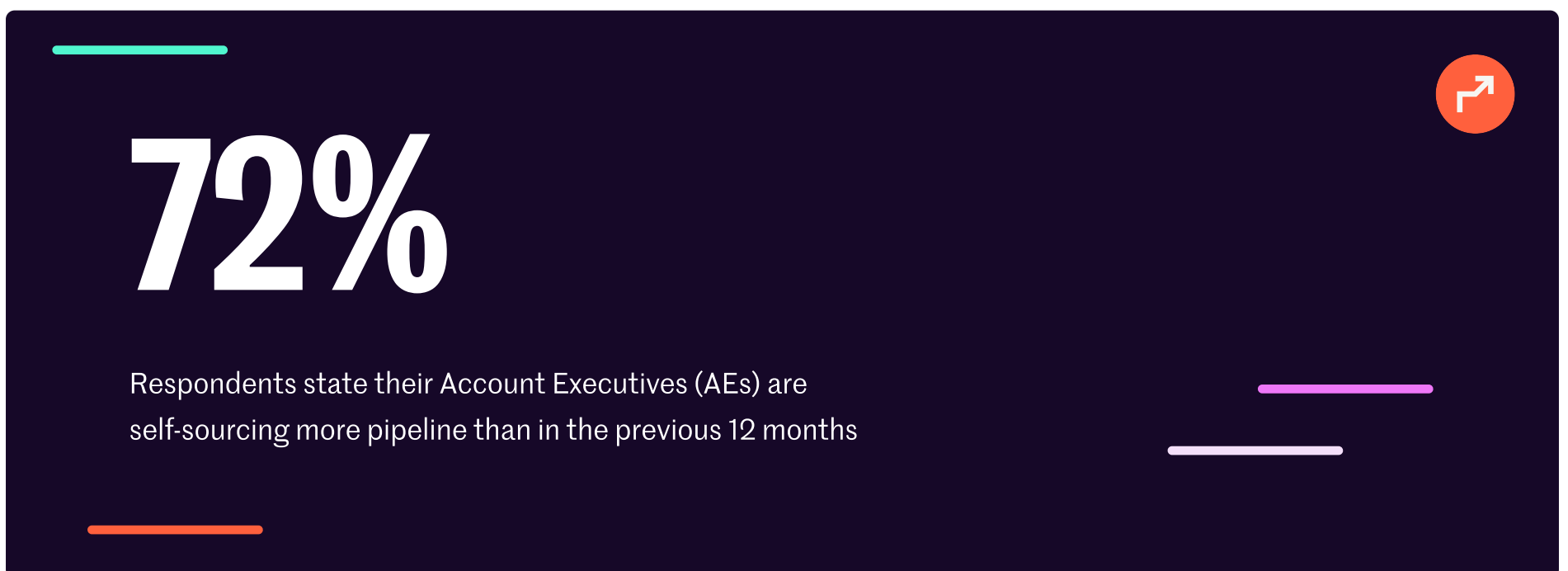
Respondents say quota is up for their SDRs



SDRs report to sales & 34% report to marketing.



Say the majority of their SDRs are hitting quota



A dark blue rectangular box containing a large white '72%' at the top left. Below it, the text reads: 'Respondents state their Account Executives (AEs) are self-sourcing more pipeline than in the previous 12 months'. The box is decorated with horizontal lines in teal, orange, and purple, and a small orange circle with a white arrow icon in the top right corner.

# INTRODUCTION

The sales development representative (SDR) role is shifting. Although the pipeline they create is down, 70% of respondents expect to add more SDRs to their team in the next 12 months.

SDRs are creating a smaller percentage of pipeline than in years past, yet they exceed expectations at higher rates. Organizations are seeing sales development in a new light.

## WHAT TO EXPECT

**In this report, we'll break down the cost of sales development, the different approaches being used by modern sales teams, how AI is affecting daily activity and long-term results, what the future of sales development will look like, why the oldest tool in the tech stack remains the most essential, and how you can set yourself up for success in 2025 and beyond.**

Relationships and conversations are driving pipeline growth. Sales development may be experiencing a revolution, but trust remains at its core. It's a nuanced process that we'll unpack throughout this report.

In the ever-evolving world of sales development, the more things change, the more they stay the same. The rise of AI, a cautious market and a desire for more personalized Go-To-Market (GTM) strategies are adjusting what sales development represents.

## PIPELINE GENERATION HAS BEEN DIVERSIFIED

**Pipeline generation continues to drive the revenue, but, like sales development at large, it looks different. When asked who generates the pipeline, the majority (53%) stated Account Management/Customer Success.**

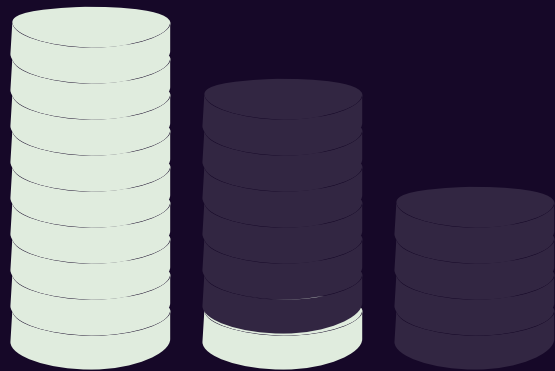
A "land and expand" approach to existing accounts is only possible if customers trust your product and your team. That trust begins well before they are customers and even before they're in your pipeline.

It starts with building a relationship through your GTM strategy. Organisational size can dramatically shift GTM, depending on budget and headcount, so we looked at the data broken by company size and SDR headcount.

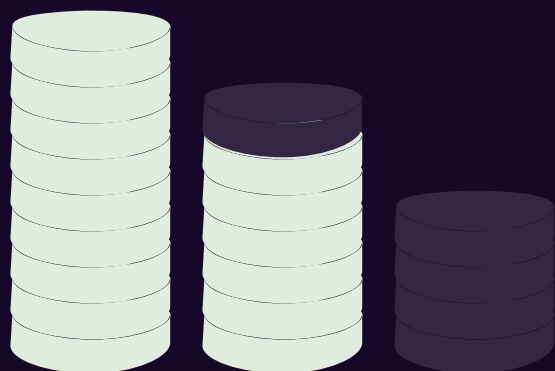
\$10-\$50M\*



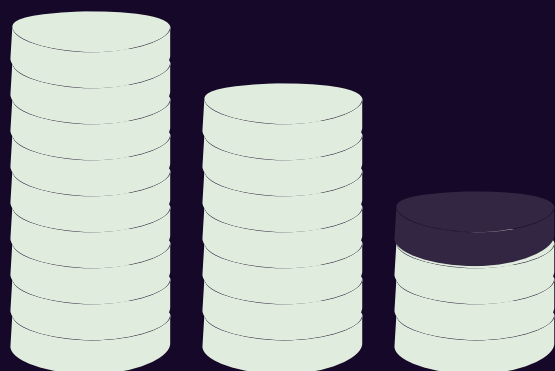
\$50-\$100M\*



\$100-\$500M\*



\$1B+\*



\* Company revenue

## SMALLER COMPANIES

SDR team sizes range from 21-30 to 51-80. This wide range indicates that these smaller organizations are trying to find what process works best for them. They use a variety of GTM strategies, including ABM, PLG, and Sales-Led approaches, with no single strategy being definitively the most used.

## MID-SIZED COMPANIES

31-50 SDR team size with a GTM focus on ABM and sales-led. As organizations grow, they sharpen their strategy and better understand how many sellers are required to sustain growth.

## LARGE COMPANIES

Team sizes range from 5-10 SDRs to as large as 51-80 SDRs, but they appear dependent on their GTM approach. ABM and Sales-Led strategies are being used heavily

## BIGGEST COMPANIES

These organizations cite an average of 21-30 SDRs. While one might expect larger organizations to have the most significant headcount, these organizations focus almost exclusively on ABM, which creates longer sales cycles but requires fewer reps working accounts.

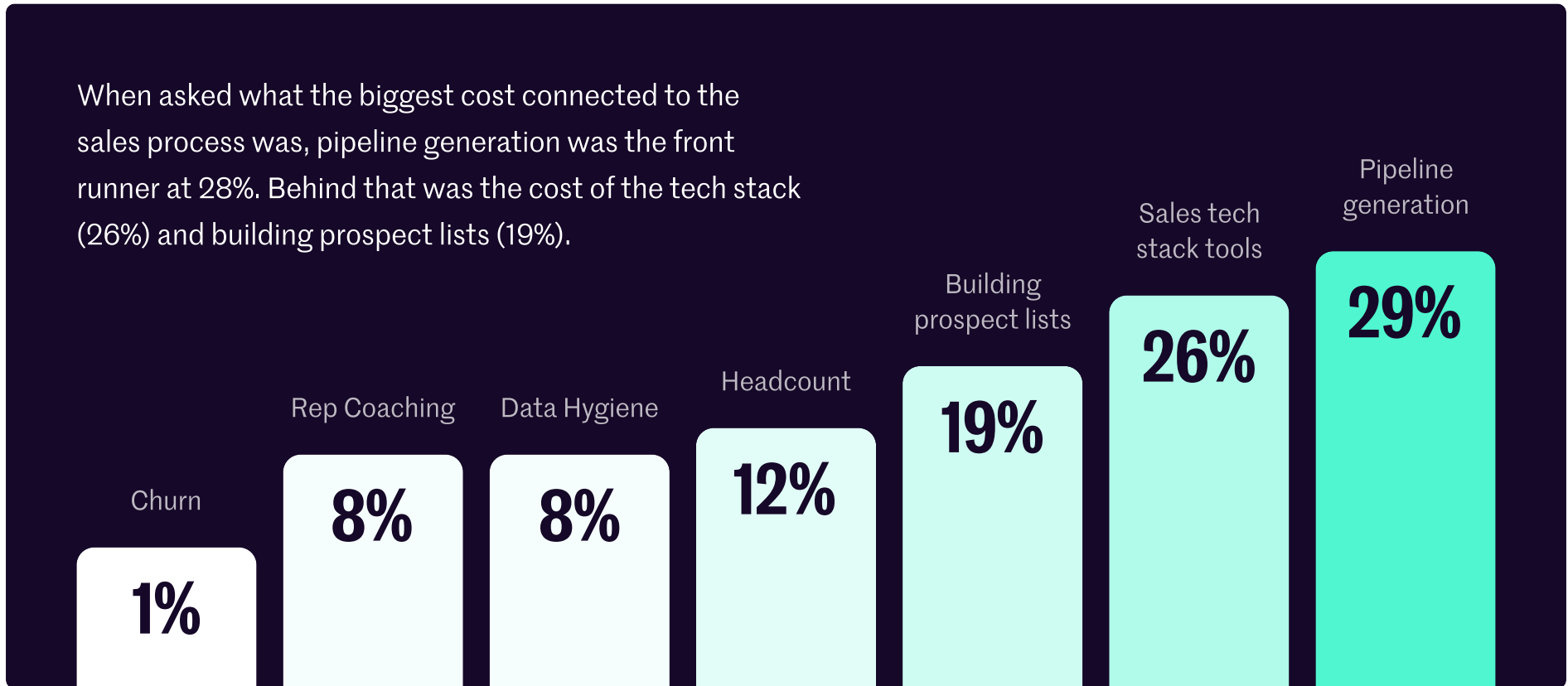
### What this means

As organizations mature and grow, they have the resources to build long-lasting relationships with their accounts. This is reflected in the first touch through ABM and extends to seeing account management as the most significant driver of pipeline growth.




Organizations are looking at SDRs not as replaceable pipeline builders but as talented individuals who can create long-lasting value and relationships at the company. Pipeline generation is spread across the revenue team, yet SDRs are coveted than ever before.

# THE MODERN SALES DEVELOPMENT REALITY

When asked what the biggest cost connected to the sales process was, pipeline generation was the front runner at 28%. Behind that was the cost of the tech stack (26%) and building prospect lists (19%).



## Where orgs are spending, based on their size

 <p>Mid-sized and large companies (\$50M and above) are investing heavily in sales tech</p>	 <p>Across all company sizes, pipeline generation is the most significant cost</p>	 <p>However, for smaller companies (\$5-\$50M), building prospect lists is the top cost</p>
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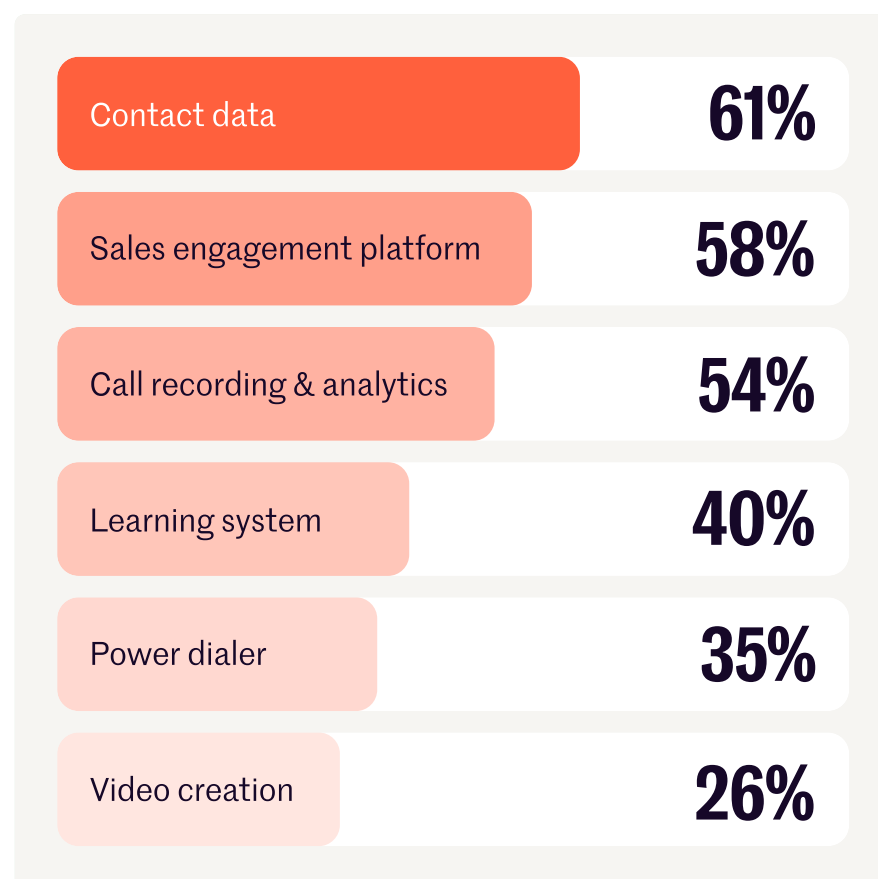
## What this means

As companies grow, the focus shifts from finding leads to managing and optimizing the sales process to pipeline management. AI is enhancing capabilities rather than replacing sellers, leading to better productivity but not necessarily lower costs. The oversight needed to ensure AI-generated lists meet the high standards required for effective sales outreach is a contributing factor to the sustained cost levels.

Part of that optimization focus is creating a stronger connection between sales development and marketing. While pipeline generation becomes more prevalent throughout the revenue team, SDRs focus more on driving brand awareness, acting as prospects' first touchpoint with their organization. **While 59% of respondents state their SDRs report to sales, 34% indicate SDRs are reporting to marketing.** The lines are blurring between marketers and frontline sellers.

# WHERE ARE ORGANIZATIONS FOCUSING THEIR PIPELINE GENERATION?

The majority of respondents (57%) say they're spending at least \$6-7,000 annually per rep on tech stack, up from \$2,000 to \$5,000 in 2023. Organizations are investing heavily in their pipeline and the tools used to build it because of the increasing price and time it takes to close new deals.



# 66%

stated that customer acquisition costs (CAC) have increased in the last 12 months, compared to only 11% saying they've gone down. Only 26% said sales cycles are shorter than in years past.

## How are organizations combatting rising CAC and longer sales cycles? An omnichannel approach to outreach.

For the second straight year, email, calling, and social media remain the top three most effective prospecting channels. In 2023, texting was fourth on the list, but now video and word of mouth are fourth and fifth place, respectively.

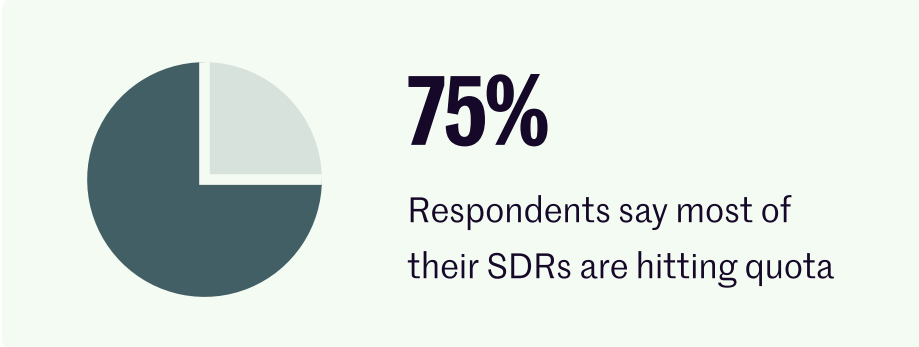
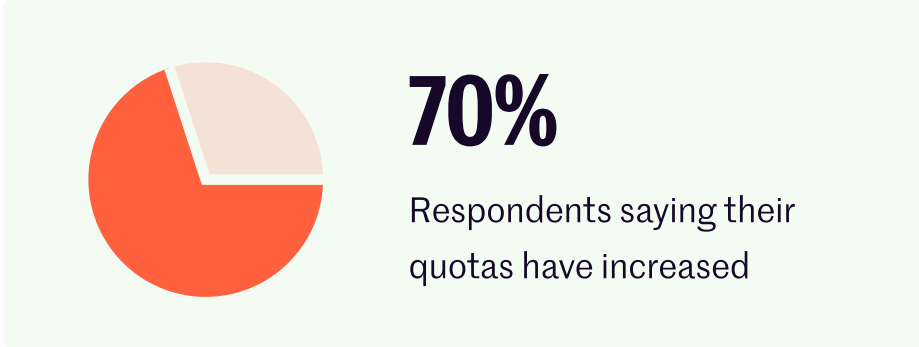
Additional Orum data shows that the phone is overwhelmingly the final touch point for booking a meeting. Respondents agree, with **85% saying that the phone is an effective way to generate pipeline**. All these channels are about establishing trust and leaning into the importance of conversations to book more meetings.

*Connection rate has become more critical than ever as sales leaders understand that the more conversations reps can have, the more likely they are to book more meetings. The size of the SDR team fluctuates wildly depending on company size, but one constant is that conversations drive the majority of pipeline.*



# THE MODERN SDR IS ABOUT MORE THAN ACTIVITY NUMBERS

As the cost of acquiring new customers rises and pipeline generation is spread across the entire revenue team, you'd expect SDR headcount to decrease. But that is not the case.



This is critical because two-thirds of all respondents cite that their SDRs are responsible for building pipeline for at least four AEs.

40% say they have five AEs for every SDR, and only 3% of respondents stated they have more SDRs than AEs.

40%	Have five AEs
3%	More SDRs

**70%** of respondents cite an SDR tenure of at least 12 months, with 40% stating their reps have been in the role for over two years.

SDRs can manage the nuance and challenges of building multiple pipelines across countless industries because they are starting to have more experience.

**21%** of the time, SDRs leave the organization voluntarily or for performance reasons, substantially lower than 50% in 2023.

When SDRs do leave their roles, it's now because they move into a different department at the organization (43%) or are internally promoted (36%).

**70%**

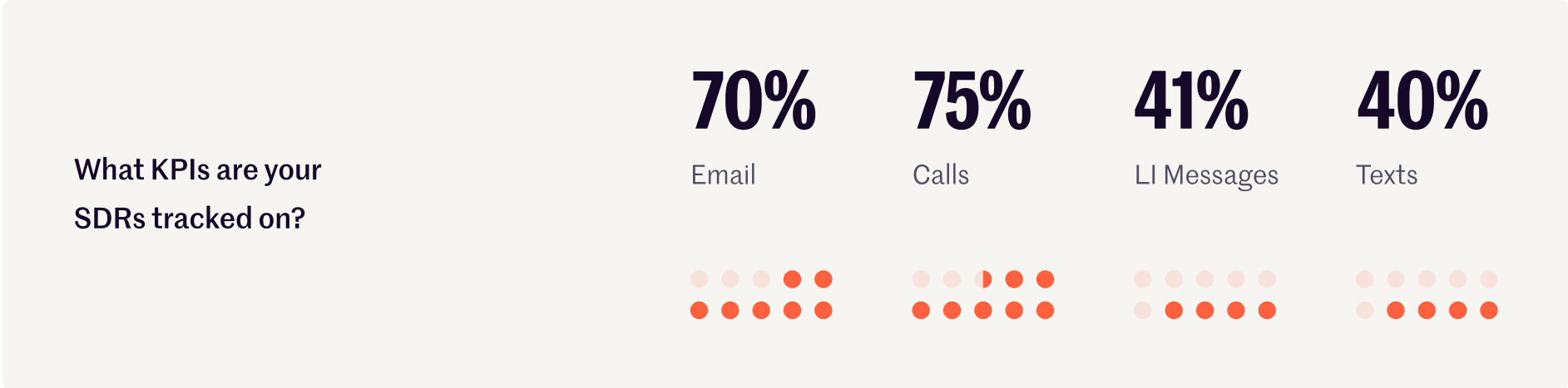
of respondents expect to add more SDRs to their team in the next 12 months, up from 66% in 2023, and 36% expect to increase their SDR headcount by at least 25%. Only 5% expect to reduce SDR headcount.

# THE WORK SDRS ARE DOING

The evolution of the SDR starts with an evolution of what productivity looks like. “Busy” work is becoming a thing of the past. While 61% of respondents say daily sales KPIs have increased, **the main focus of those KPIs is booking meetings (60%) over activity numbers (19%), specifically qualified meetings (44%).**



Spraying and praying is a thing of the past. The new focus is strategic prospecting, especially into strategic accounts. This is also represented by the omnichannel, allbound approach reflected in the KPIs reps are tracked on.



An interesting development is the rise of the importance of social selling. Channel data above shows how crucial it is to success, but only 41% of respondents state they are currently tracking this metric as part of their KPIs.

Current regulations on LinkedIn and across multiple email platforms make it harder to automate personalized social and video, making it critical for organizations.

instilling trust through these channels.

This is already occurring, as relationship building is happening faster than ever. While sales cycles may be increasing, the amount of touch points it takes to book a meeting is decreasing. **It now takes between three and nine touch points to book a meeting, a reduction from 2023 when the range was seven to fifteen.**

## What this means

Personalization of messaging reduces the time it takes to book a meeting, and personalization at scale is only possible because of the increasing prevalence of AI in the tech stack. It's heavily impacting the sales process in, perhaps, unexpected ways.

# AI AND THE SDR EXPERIENCE

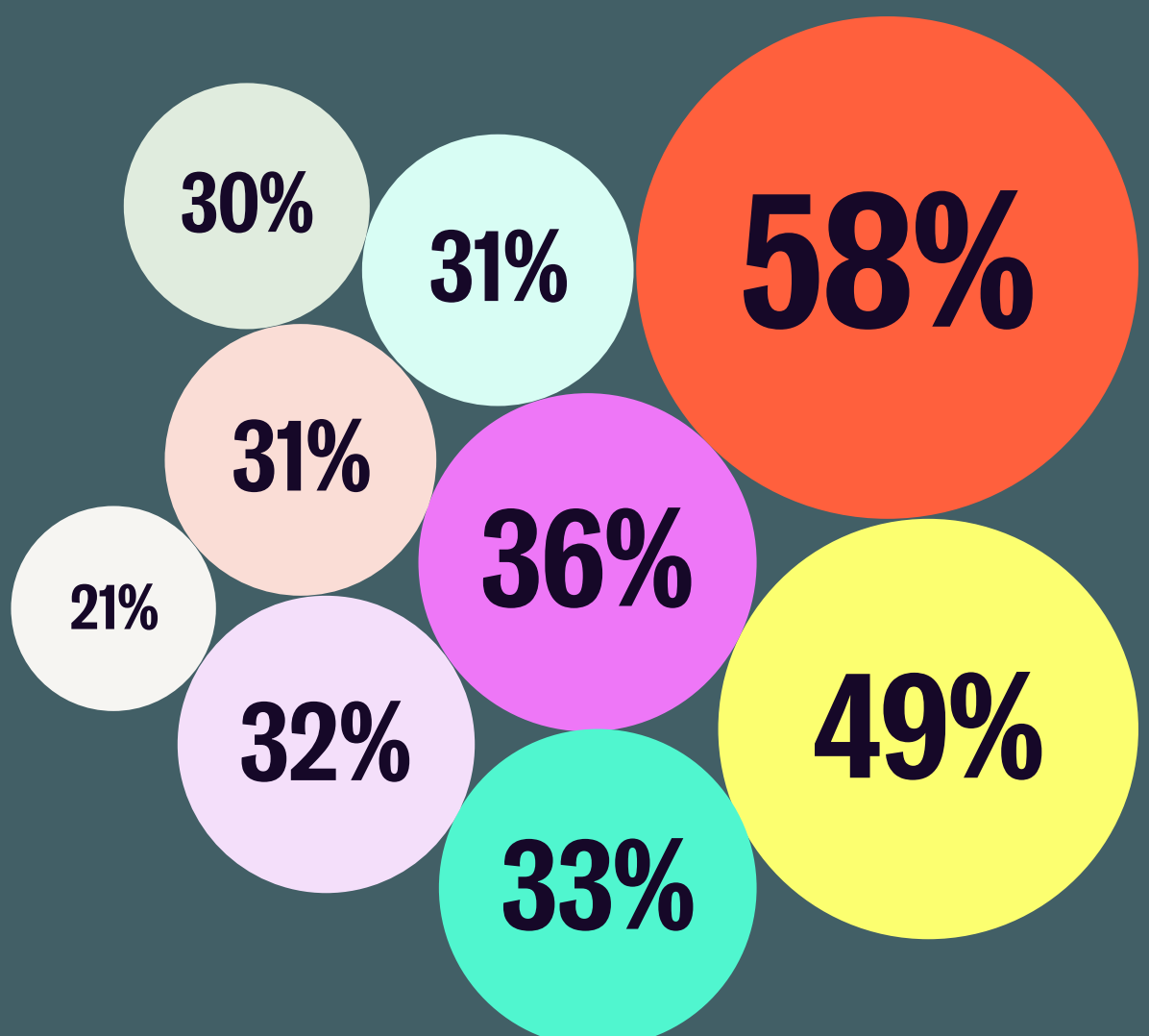
AI is transforming daily work and may eventually lead to a reduction in the workforce, but currently, its primary purpose is optimizing the sales calendar. Adding personalization to prospecting is time-consuming. 67% of respondents say reps spend at least 11 hours weekly on research and follow-up, while only 3% say it's less than five hours.

Spending at least one-fourth of the workweek on research when prospects may not respond is not a viable growth strategy. This is where AI is most prevalent and critical, as [Salesforce](#) reports that sales professionals spend 70% of time on non-selling tasks.

Organizations are experimenting with AI to optimize processes for their sellers and prospects. 80% say they have implemented AI-powered tools in the past 12 months, and 87% say AI has positively impacted their sellers' daily work experience.

What AI-powered tools are your sellers currently using (select all that apply)

- 58% Chatbots
- 49% Email automation
- 36% Custom website experience
- 33% Content creation
- 32% Prospect research
- 31% AI-powered dialers
- 31% ABM/Advertising
- 30% Social selling
- 21% Prospect follow-ups



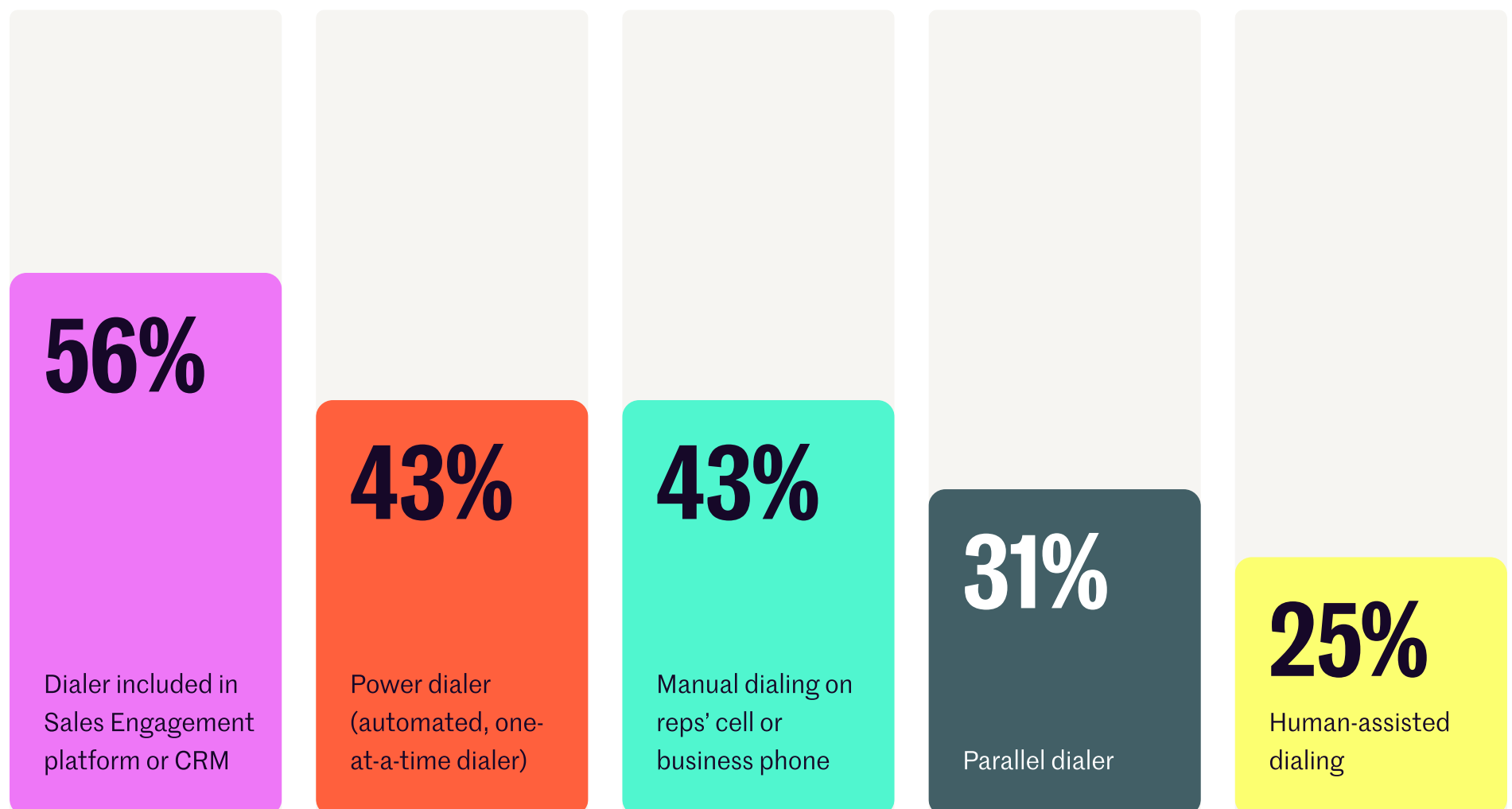
# CONVERSATIONS CREATE MORE CLOSED-WON

The phone has always been the most direct way to connect with prospects and have genuine conversations. With the rise of AI dialing solutions and live conversation platforms, conversation-generated pipeline is at an all-time high.

These tools empower reps to engage in more conversations, thus improving their communication and discovery skills while offering prospects the ability to feel heard. According to the survey, 64% of reps are working remotely or hybrid, which means the phone remains the best path to genuine human-centric sales.

A high percentage of organizations continue to dial manually (43%) or use a dialer built within an existing platform (56%) despite how slow this manual process can be. This shows that sales leaders understand the phone's value, even if they haven't yet added a dialer to the tech stack.

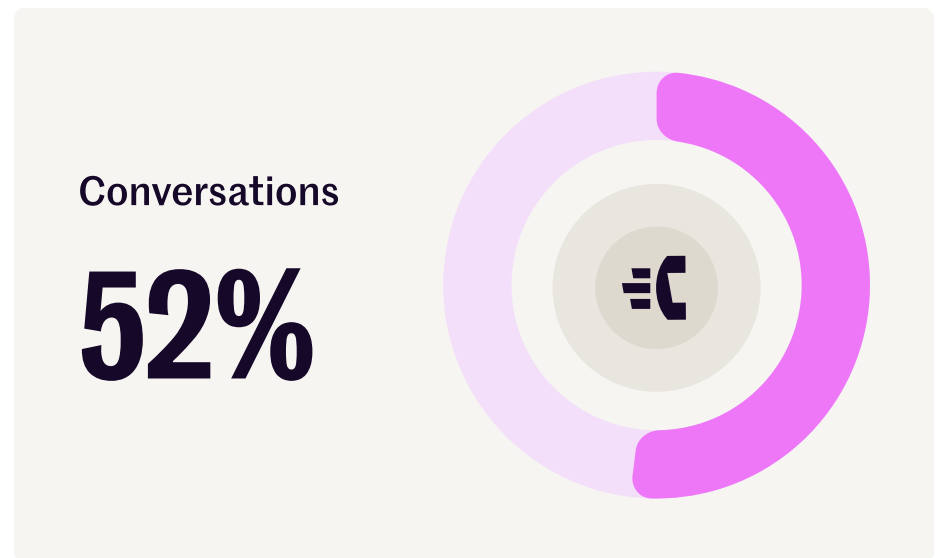
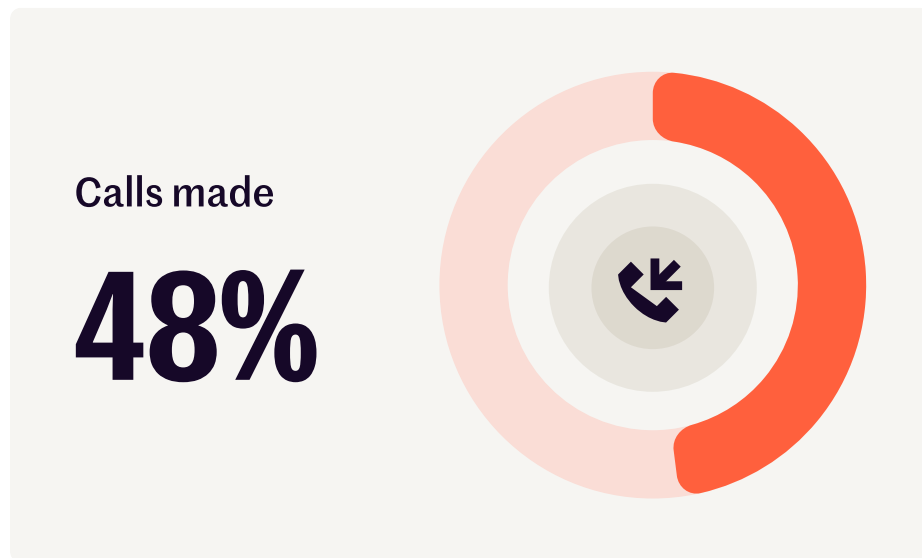
What technology does your team use for calling? (check all that apply)



As more reps access calling tools, they can make more dials in less time.

However, sales leaders understand that the volume of dials isn't as crucial as actual conversations with prospects. In the coming years, we anticipate outputs (conversations, meetings booked) to be substantially more important than inputs (calls made, emails sent).

What metrics are prioritized for your SDRs?



## WHAT PERCENTAGE OF YOUR COMPANY'S TOTAL PIPELINE COMES FROM THE PHONE?

**54%**

Smaller companies  
(\$10-\$50M)



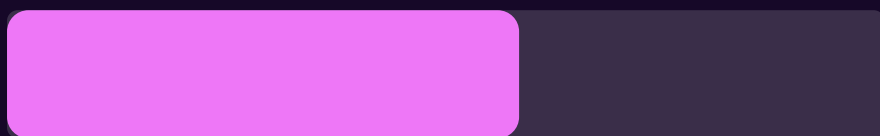
**58%**

Mid-sized companies  
(\$50-\$100M)



**55%**

Big companies  
(\$100-\$500M)



**56%**

Biggest companies  
(\$1B+)



### What this means

Calling is a critical revenue driver. Companies rely on calling for 50-60% of their revenue, and larger companies have a moderately higher reliance on phone-based outreach.

Technology changes. Tactics change. The one constant is that the phone continues to be the most direct and efficient way to connect with a prospect.

# 54%



of respondents say pipeline from the phone has increased in the last 12 months compared to only 7% saying it decreased. This is up from 58% in 2023.

## PIPELINE GENERATION AND THE PHONE

63% of the respondents say the majority (more than 50%) of their pipeline comes from the phone, and one-third say at least 70% comes from the phone.

# 85%

of respondents believe the phone is an effective way to generate pipeline



# 31%

say at least 70% of their pipeline comes from the phone



# 46%

say at least 60% of their pipeline comes from the phone



# 70%

say at least 50% of their pipeline comes from the phone



**At first glance, these numbers may not match the initial data shared about pipeline generation being spread among multiple teams. The truth is that every team uses the phone to cut through the noise and connect.**

The top-of-funnel pipeline comes from SDRs making dials, AEs using the phone to get deals over the line, and customer success teams using the phone to strengthen customer relationships, upsell, and extend contracts.

Combining advanced AI-powered technology with the connective power of the phone remains the best pipeline generation strategy.

# SO, WHAT COMES NEXT?

## **AUTOMATION IN SALES DEVELOPMENT ISN'T THE DEATH OF THE SDR. *IT'S AN EVOLUTION.***

Personalization and scalability will be more accessible than ever, but prospects will be harder to impress as they become the norm. Sellers will need to be more capable than ever.

Sales development will continue to succeed through relationships and trust. Trust is gained through sellers having more conversations with prospects and customers. Those discussions will be more impactful because the AI-powered research will become more thorough.

The lines that separate the revenue-driving teams will blur. One enduring concept will remain pivotal.

[LEARN MORE](#)

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*In this report, we partnered with Pure Spectrum to conduct a blind survey of 1,000 sales leaders, from the C-suite to Sales Development Managers and everything in between. They represent organizations with ARR's ranging from \$5 million to over \$1 billion and headcounts from 50 to more than 10,000 workers. This report analyzes the state of sales development as both a concept and a role.*

