



How To:

Create Your
Sales Development
Channel



Outbound lead generation is a vital component to driving predictable, sustainable revenue for software companies. Today, this function is typically owned by the sales development team (click [here](#) and [here](#) if your closing sales reps are generating / qualifying their own leads). For many companies, however, the decision to build or buy this function goes through an incomplete & outdated process.

Whether it is a [growth-stage company ramping up sales & marketing](#) or an [established software company improving results](#) with a sales development channel, there are generally three options to choose from. The correct choice for you depends on a number of variables (budget, current resources, in-house expertise, timeline, etc), but a thorough evaluation will ultimately dictate the long term success of creating and managing a sales development team.

What are your options?

Build Internal
SDR Team



[Chapter 1 \(Jump\)](#)

Outsource
SDR Team



[Chapter 2 \(Jump\)](#)

Transition
SDR Team



[Chapter 3 \(Jump\)](#)

Option #1:



Build Internal SDR Team

The first option we will discuss is building your sales development team internally. For those who are not completely committed to the idea of outbound sales development, let's first discuss the need for an SDR team.

Many companies we speak with have either considered or previously attempted using closing sales reps as lead generating resources. [Repeatedly, we see these companies learn that closing reps don't have time to execute the necessary call plan, often let top of funnel pipeline fall off, and prioritize near-term success of long-term funnel sustainability.](#)

In addition, many companies also launch unsuccessful outbound efforts with inbound resources. In its simplest form, they take reps meant to follow up on inbound leads and task them with outbound sales development. We see this model fail repeatedly because [inbound reps will either be insufficiently trained in outbound methodologies, have skills misaligned to an outbound role, or revert to back to their inbound leads out of comfort.](#)

With that said, we will break down the best way of building an internal SDR team into four sections:

- 1) Planning
- 2) Recruiting & Hiring
- 3) Training
- 4) Management

Building internally is initially seen as the preferable choice by many software companies, and this can certainly be the case under the right conditions. Let's take a peek into the process of building an internal SDR team.

*One thing to note is that [Option #3](#) is also relevant to those only interested in building an internal sales development team.

Planning & Recruiting

Planning

Because demandDrive has worked with a wide range of software companies, we have seen a number of different sales models achieve success. With this in mind, we found that the first (yet to be completed) step in building an SDR team is almost always to identify sales development goals and align your team around these metrics.

Typically, [this planning includes the definition and identification of a number of key metrics focused on the top-mid sales funnel:](#)

- Universe size
- SQL / SAL / ISQL goals
- Lead rates
- Account mapping requirements
- Call activity targets

There are a few options available to execute this process. The first is to work with a firm who can provide the research & market mapping that facilitates its completion. The second is to utilize internal resources / experience to produce similar assets.

You will also have to develop and/or modify (depending on your space) a call plan process for your SDR team to execute. This is a pure integration of demand gen expertise and knowledge of your space.

Recruiting & Hiring

Finding top sales talent is [harder than ever](#), and it remains one of the most critical parts of growing a sales development team. The majority of sales development reps are new college grads or professionals with 1-3 years of experience. This means there is typically a small sample size of experience, and your recruiting process must be able to vet these candidates effectively.

Due to our growth and the nature of our industry, dD is consistently evaluating and hiring new reps. This has enabled us to streamline the recruiting & hiring processes and maximize the quality of our reps. [Here are a few ways to ensure your SDR hiring process grows to be efficient & effective:](#)

- Create strong ties to your local tech community
- Be clear about the role. Cold & warm calling isn't for everyone.
- Provide career-enhancing value. ie training, certifications, etc.

Something to keep in mind, and as [this graphic](#) will illustrate, hiring and recruiting is often a hidden, unaccounted cost. Typically, this cost is about 40% of each rep's salary. As you scale, this will drop, but it is a huge barrier for new & small (1-6 rep) teams.

Training & Management

Training

One of the most critical ingredients to a successful Outbound effort is the training of its sales development team - in both lead gen and product knowledge. The quality of this training will directly impact your bottom line via revenue generated. Below are a few keys to maximizing the results of your SDR training:

Knowledge & Expertise

In what may seem like common sense (based on our findings, it isn't), a certain background & experience are necessary when developing a quality SDR training program. The management team that creates your training model needs to use effective teaching methods and proven sales development tactics.

Repeatable Process

Creating a strong training process is the first step. The second is making sure this process is defined & repeatable. Should the creator(s) leave, the process can't leave with them. Clearly organized content, mapped timelines, and specific goals should be readily accessible & periodically reviewed / updated.

Continued Coaching

The first six months of a SDR's training are the most vital and intensive. During this period, call coaching should be a frequently used training tool. Months 6-12, however, do also require a scaled down coaching regimen that ensures both continued development & optimized results.

Management

Managing a team of sales development reps requires a specific knowledge base, a strong coaching ability, and an effective motivational competence. The management component of your SDR team can be handled a few different ways:

Hire Sales Manager

The most effective way to manage your SDR team is to hire an inside sales or sales development manager. These individuals should fulfill the requirements listed above and should be able to maintain the health of the top & mid of the funnel effectively.

Utilize Director or VP of Sales / Marketing

In an effort to minimize costs, we often see sales development teams being managed by a Director or VP of Sales / Marketing. More often than not, this individual has the required skill set & knowledge to manage a team of SDRs, but they lack the time to provide sufficient support. In terms of cost, it is best to analyze two factors:

Salary Cost: Because other responsibilities are inevitably set aside to take ownership of this process, what percentage of their day is now spent managing SDRs? The cost of managing these reps is *that* percentage of your Director / VP salary.

Opportunity Cost: What else could this VP / Director be doing with their time that is now foregone & what does that cost?

Option #2:



Outsource Your SDR Team

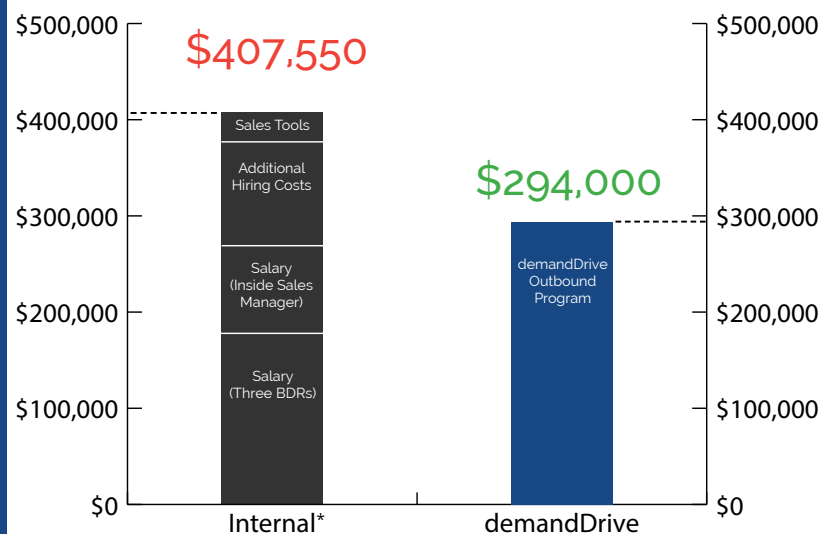
The second option is to outsource your sales development team. Below are the 3 basic advantages, followed by the strategic & tactical methods relative to building internally.

Ramp time

According to the Bridge Group, the average ramp time for a team of inside reps is 5+ months. This period represents a substantial loss of revenue generated and foregone business. In contrast, due to our processes & structure, dD teams can ramp fully in about 2 weeks.

Plugging In

In addition to the accelerated timeframe “plugging in” presents for reps, it also delivers the tangible, proven process that is already defined & refined. dD has implemented its process in over 100 companies, ensuring that you roll out a successful strategic approach and strong tactical execution that will provide results both quickly & over the long haul.



Cost

With high quality firms, who can be either a replacement or extension of an internal team, you see a substantially lower total cost. This then produces a much higher ROI on sales development.

Check out a snapshot of our cost analysis based on a team of three reps per year on the left. Hidden costs such as sales tools, management costs, and additional hiring costs (taxes, payroll, etc) are built into an outsourced firm's price.

[!\[\]\(ab4e2b3fc7e7887b7a72f548aa6f5e60_img.jpg\) Full Whitepaper Here](#)

We will break down the best way of Outsourcing an SDR team into seven sections:

- | | |
|-------------------------|---------------|
| 1) The Basics | 5) Training |
| 2) Critical Definitions | 6) Management |
| 3) Planning | 7) Data |
| 4) Recruiting & Hiring | 8) Technology |

High-Quality Firms

The Basics

In-House Reps

All reps should be in-house, full-time employees. Remote models can work to an extent, but the majority of reps should be working & managed under the same roof.

Dedicated Model

Reps assigned to your project should be dedicated to you. This means one SDR resource is not split among multiple people, therefore ensuring consistent, revenue-generating output.

Well-Trained

This will be discussed further in a few pages, but it is important to note that high-quality firms will have trained their reps with a robust & proven training program rather than just handed a call script on their first day.

Critical To Define

Success

Your firm's definition of success should be aligned to your own definition of success. It is critical to work with a firm who can provide a high level of consultation, helping achieve that goal. At demandDrive, we use the client kick-off week to align goals, expectations, and (ultimately) the definition of success.

Leads

A "lead" can mean very different things to different companies. Be sure to work with a firm that not only makes it clear what a "lead" entails but will also customize their definition to your standard. For example, the demandDrive definition fits the "Sales Qualified Lead" criteria, in which the prospect is fully qualified and ready to speak with a closing rep.

Process

One of the most overlooked attributes of an outsourced firm is the ability to align with your process. This covers things like reporting, lead handovers, campaign support, and data alignment. It is important to make sure your firm is able to clearly define (and align) their process in those areas to ensure a strong & responsive relationship.

Planning & Recruiting

Planning

When you work with an outsourced sales development firm, they should also be able to serve as a consultant that helps you plan for success. This will largely exclude most pay-per-lead shops because they do not have the resources or expertise to provide such support.

As we mentioned in the earlier planning section, there are a number of key metrics that you must identify that will help clarify what resources you need and how many will be required. Whether you are a seasoned demand gen leader or a newly appointed manager, the identification & development of these goals is a resource consuming task. Your outsourced firm should help you execute this process, even if they are responsible for its entirety.

For example, this planning is a customizable component to our flagship service, dD Outbound. We implement our Client Kick Off Week, which familiarizes our team with your product and serves as a vehicle for our team to provide the consultative arm of our services. [Because demandDrive also provides go-to-market strategy, sales enablement, and market intelligence services, we have the in-house expertise & resources to support our Outbound program with leading sales development planning capabilities.](#)

Recruiting & Hiring

Typically, outsourced firms have a high rate of turnover among their SDR teams. In our case, and in the case of a select few high quality firms, there is a high rate of growth within our SDR team. In either case, this causes outsourced firms to have a strong recruiting and hiring process. [This, in addition to the training faction detailed next, minimizes ramp time and generates revenue more quickly.](#)

As noted earlier, the typical recruiting & hiring cost (subject to economies of scale) is around 40% for new / small teams. This includes costs such as recruiting, benefits, taxes, workspace, etc. Outsourcing allows you to both forego this cost and take advantage of an existing recruiting process. Check out some of the ways demandDrive enhances its recruiting process and hiring process to attract some of tech's top young sales talent:

- Provide top sales training program & dD Certification
- Promote our opportunity-laden, *esprit de corps* culture
- [Option our Transition program that enables clients to hire reps after a defined period.](#)

Some of the more tactical methods of attracting talent will have to stay under wraps, however. We can't give *everything* away! But working with a high quality vendor can minimize the overhead of hiring while enhancing the quality of your sales development team.

Training & Management

Training

As we mentioned earlier, a proven training program should be utilized by your outsourced firm. While we did place it under the “Basics” section, we have repeatedly found this to be an overlooked & ignored component to outsourced demand gen best practices. This training should cover every sales development skill from on-phone performance & email messaging to account mapping & research methodologies.

At demandDrive, we have an industry-leading SDR training program that has been developed & refined by Lindsay Frey over her 10+ years in the tech space.

Each demandDrive SDR goes through our intensive training program and ultimately demonstrates a consistent proficiency for every aspect of our process. Upon completion of our training, each SDR becomes a full-fledged dD Certified rep. The quality of our training program directly impacts the quality of our solutions & services, which means our program is under perpetual improvement and optimization.

demandDrive, and firms like it, can provide the knowledge, expertise, process, and refinement needed to enable a successful SDR team with minimal ramp times and a strong capacity to scale as necessary.

Management

As we mentioned earlier, the management of an SDR team is a critical component to its success. Reps need a manager who can provide guidance, call coaching, and added motivation. They also require a superior who can develop goals, aggregate metrics & reporting, and can enable both their near & long-term success through a transparent process.

demandDrive's project managers are all dD Certified and Salesforce.com Certified professionals who support the needs of both their SDR teams and their clients:

Internal

Our SDR development process entrusts the PM's to execute the continued training & call coaching duties for their reps. Each rep spends time with their PM each week to ensure improved results and refined tactics. They also motivate their reps with internal contests & weekly goals and implement sales enablement processes (data, technology, etc) to maximize results.

Client Facing

Each dD manager is highly proficient with top-mid funnel SFDC tactics & reporting. This relieves your team of the resource commitment of running weekly reports and generating data points that give you a high-level view of success. They are also your primary point of contact and run both weekly status calls & quarterly business reviews.

Data & Technology

Data

The old computer science adage goes, “garbage in, garbage out”. It’s similar truth for sales development teams, “garbage in, nothing out”. If your data resources provide a high percentage of bad data, your sales development results will suffer. Good data, on the other hand, enables good reps to yield great results. To set context, data in the sales development world largely refers to prospect lists & data points. One of the most common ways that companies acquire this data is still by purchasing lists. In order to avoid spamming, these lists should be heavily vetted.

A benefit of using [an outsourced firm is that most will typically have a subscription to one or more data resources already](#). This allows you to forego the relatively substantial cost of finding & paying for your own. In addition, the acquisition process of this data will be streamlined, as your outsourced firm should be able to help you vet, identify, and narrow / broaden your constraints in order to drive success.

For example, dD provides access to a number of data resources. We have our own proprietary database, are partnered with leading data firm infoAnalytica, and subscribe to a number of recognized data leaders. This enables us to provide a certain level of data as a part of our demand generation packages. One thing to note, however, is that no data source is perfect, and rep-powered work (like account mapping) is just as crucial as a solid data foundation.

Technology

As Outbound processes have improved & evolved, so has sales enablement technology. With the caveat that technology enhances (not replaces) process, a high quality outsourced firm will provide a certain level of technology with their services. Each firm will also utilize different technologies for different purposes. [For example, demandDrive’s technology suite has been specifically designed to integrate & optimize its leading Outbound process design.](#)

Similar to data acquisition, this benefit relieves your team of the cost and time of evaluating, purchasing, and implementing a new technology. To get an idea of the technology an outsourced firm can provide, check out a sample of dD’s a la carte suite (*additional but discounted cost for select few):

CRM
Salesforce.com

Email Tracking
Yesware

Lead Prediction & Analytics
Fliptop*

Content Distribution
Content Raven*

Option #3:



Transition Your SDR Team

For those who want to build internally, demandDrive offers a unique alternative that has proven to be a **highly successful method of building an internal sales development team**:

dD Transition

demandDrive's dD Transition solution enables you to "transition" (hire) your dD SDRs to your own internal team after a defined period. **dD Transition combines many of the advantages of outsourcing (process design, recruiting / hiring , training, ramp time, and lower cost) with the comfort of building internally.** We help you quickly launch a sales development program that provides immediate results and allows you to develop long-term employees.

Let's take a look at a few of these major components and discuss some additional advantages of the dD Transition program:

Process Design

During your time working with dD, you will accrue and apply our proven Outbound process and methods. Your new SDRs will also carry over their experience and expertise from our team to yours.

Proven, Talented SDRs

You will benefit from our obsession of hiring talented reps. In addition, you receive a degree of "rep approval" upon our engagement, and you can use the length of our Outbound program to evaluate your rep(s).

Ramp & Cost

As mentioned earlier, the SDR ramp time will shrink from an avg of 5+ months to 2 weeks, while still developing & creating an internal team. The initial overhead costs are also minimized, paving a healthy path to scale.

Timeframe

The defined period which dD executes our Outbound program before the official "transition" of reps is typically 6-12 months. This can be customized and mitigates your risk of building an internal team directly + improves your ability to scale.

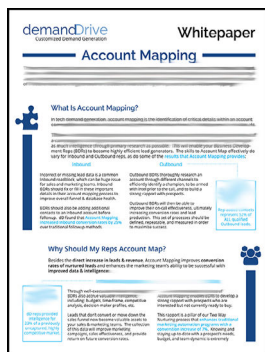
Fit

During the Outbound period, your dD SDRs can work alongside your staff in your own offices. This typically occurs 2-3 times per week and increases as the "transition" date nears. This helps you identify the important fit / chemistry of these SDRs with your team.

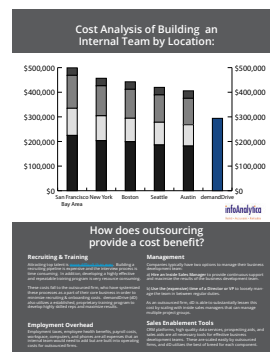
Results

dD Transition enables you to evaluate the effectiveness of a sales development team for your company without the same time & financial risk of building directly. You can see the results after 6-12 months and know that "transitioning" these SDRs is a sustainable model.

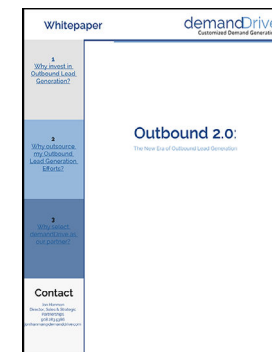
More Resources



Account Mapping
Whitepaper



SDR Team
Cost Analysis



Outbound 2.0
Whitepaper