

Success Factors for Highly Effective Inside Sales Teams

A PhoneWorks white paper, courtesy of Marketo



Introduction

Today's sales leader is confronted with a dazzling list of possibilities to enhance and increase revenues: CRM systems, new point solutions, channel strategies, Internet technologies, targeted lead generation programs, and many more. At the same time there is an unprecedented level of scrutiny into sales operations and demand for more reliable revenue production and forecasting. Following the burst of the "tech bubble" and in a climate of increased accountability, few executive management teams are willing to leave sales alone and hope for the best.

Instead, many companies strive to balance the efforts of various internal teams to maximize sales productivity. Increasingly, a key component in realizing this vision is having an inside sales team in addition to a field-based sales team. In our 2005 annual Inside/Telesales survey, 40% of responding companies have an inside sales group. Our survey indicates that more than half (56%) of inside sales personnel have less than two years of experience and annual turnover is 42%. With ramp-up times averaging more than six months, getting new people up to speed quickly and supplying your best reps with the tools and motivation needed to retain them are of paramount importance. You'll want to consider the several best practices outlined here to establish and manage your inside sales team.

Another statistic to keep in mind: 25% of inside sales rep time is spent either researching accounts or on administrative tasks. That is a great deal of time, but it's important to be prepared before that first call. Are those reps who aren't doing as much research adequately prepared?

"One of every four hours of possible selling time was siphoned off to do research and admin tasks."

Importance of Inside Sales

Since inside sales is often the first touch point with a prospect, it is critical that the sales organization have the proper level of focus and investment. When building or restructuring an inside sales operation, there are a number of factors that can make or break the effort.

- 1) Have a Strategic Plan
Rather than simply hiring a number of inside sales people and putting them on the phone, it is imperative that you first design and plan your inside sales operation. Many companies skip this essential first step and never achieve the powerful



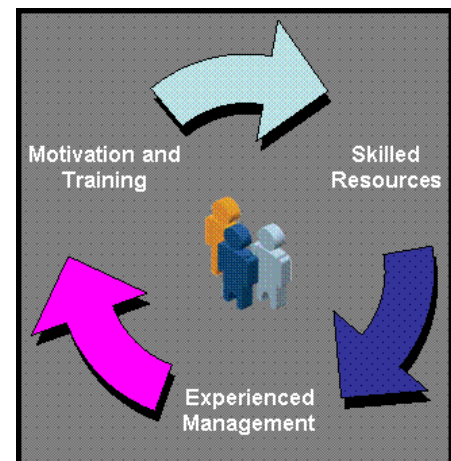
results that are possible with an inside sales strategy that has been carefully thought through, integrated with the rest of the business, and “sold” internally as well as to your customers.

Include your management team and key staff to determine how inside sales can best contribute to your overall business goals. Establish a complete set of specific and measurable objectives for the group. Prepare a detailed implementation plan, budget and timeframe that will serve as a roadmap for success. This strategic plan is a living document that should be revised as changes occur within sales.

2) Focus on Hiring the Right People, Managing and Motivating

With a winning strategy in place and the right inside sales people on your team, superior results are sure to follow. If you hire the wrong people, you won't have a chance of success. You can avoid the biggest mistakes by paying attention to:

- **Appropriate Hiring Profiles and Interviews**
Your implementation plan should clearly articulate the appropriate hiring profiles, experience and skills required to be successful in an inside sales role in your company. Phone interviews and face-to-face interviews are critical given the nature of an inside sales professional's job.
- **Professional Inside Sales Management**
An inside sales team needs a dedicated, experienced manager. Numerous programs fail when a VP of sales or marketing is called upon to manage the team on top of other responsibilities. Similarly, if you are starting up a new group or restructuring an existing one, you should not hire an inside sales rep for a first-time management role, or an inside sales manager who has never created a group from scratch. The design, building and fine-tuning required in a new or restructured inside sales operation are highly specialized skills, without which an inexperienced manager will flounder.
- **Compensation and Training**
Your compensation and incentive programs should be aligned with the goals and objectives of the inside sales operation and provide significant financial motivation for reaching and exceeding individual and/or group targets. New hire as well as ongoing training and one-on-one coaching should be provided to support the team and cover product, sales, systems, current marketing campaigns, and procedures within your inside sales group. Training should occur at least quarterly (and more often if your



products or business strategies are changing) and be designed to minimize time away from the phone. Use on-line tutorials or schedule traditional classroom sessions after hours.

3) Productivity with the Right People, Process and Technology

Now that we've discussed how to attract the right people, it is important to ensure they are as effective as possible. Even the best inside sales professionals can get bogged down and made ineffective without properly defined processes that are supported by reliable, proven systems.



“Non-revenue-generating” time should be kept to an absolute minimum in any inside sales operation. Many groups fail to reach their potential due to crippling inefficiencies introduced by deficient or absent process definition, CRM (customer relationship management) systems, or related tools or technologies that support the inside sales function. To avoid decreased productivity in inside sales, take note of the following key operational best practices.

The Building Blocks of an Effective Sales Team

Metrics Management

Inside sales is a measurable, predictable discipline that is driven by productivity metrics, made explicit in your strategic plan. Your focus should be on tracking and managing to these metrics (e.g. calls and emails required to make contact with a prospect, number of contacts required to generate a qualified lead, number of qualified leads to generate a forecasted sale, number of forecasted sales to close, etc.). The average inside sales rep makes 300-500 new contacts per month. With this kind of volume, it is impossible to manage an inside sales function without consistent metrics management. In addition, inside sales reps become self-motivated when they understand the activity levels needed to reach targets and be successful.

Consistent Lead Qualification and Rating Model

You should “grade” every potential customer according to his or her likelihood to make a purchase decision. This “score” may differ according to product, sales person, geography or account name. Sales and marketing management need to agree on this potentially complex rating methodology, document it, and implement it consistently companywide. Such a rating system helps inside sales reps know which leads have priority and with whom to follow up first.

Easy Access to Lists and Pertinent Market Data

Before making the first phone call or sending the first email message, inside sales reps should have relevant information about the account. Too often, inside sales reps have to spend time

researching accounts and finding names of prospects to call, wasting valuable selling time. In addition, many inside sales reps spend more time researching than is needed to further the sales objective. The more data that is specified as a requirement by you and accessible through your CRM, the better. This could include not only company names and key contacts with email addresses and phone numbers, but also market intelligence provided by leading vendors and personal reference information to accelerate introductions into major accounts.

Consistent Sales Message

With each phone or email contact, inside sales reps need a pertinent and current call guide or “script” that encapsulates the appropriate message for a particular prospect at a specific time in the sales cycle. Designed, fine-tuned and tested in advance, these call and email templates ensure that your reps are consistently communicating a proven sales message, even when leaving voice mail. Inside sales also requires sales tools to assist in properly answering the myriad of questions that arise when speaking to hundreds of prospects per month. These include FAQs, competitive analyses and other tools specific to your business.

“Those companies that do a world class job of delivering a consistent message also show less discounting... and increased ability to up-sell and cross-sell.”

Customized, Automated Lead Fulfillment

Sales collateral fulfillment should be a pre-planned, multi-step, automated process, integrated into your CRM and customized for each prospect. If every inside sales rep has to decide what brochure, white paper, case study, data sheet and letter among potentially hundreds to send to each prospect at various stages of the sales cycle, the result is inconsistent, incomplete or redundant packages that may or may not be appropriate for the prospect in question. And if the process is manual, it simply wastes time that could otherwise be spent generating new prospects. Your CRM can track what has been sent to a prospect and help determine not only when to make the next contact, but also what to send or email in a follow-up package. This will save marketing dollars (and potentially trees) as well.

Common, Consistent Systems Usage Company-Wide

The CRM is the brain of your inside sales operation, so it’s imperative that your reps make an entry each and every time a contact occurs. The system is critical in so many ways, including:

- 1) Account hand-offs - when an inside sales rep needs to turn over a hot account to the field, strings of email and post-it notes cannot compete with full account histories captured over time.
- 2) Tracking and reporting key sales and marketing data - e.g. results and ROI of marketing campaigns and programs, sales cycles and conversion rates, forecast and pipeline reports, executive summaries, and other information used to manage your business and hold sales and marketing accountable.



- 3) Managing sales turnover – when a sales person leaves your company, you don't want his/her account contacts and information to leave too. Avoid this by making system usage mandatory.
- 4) Minimize ramp-up time for new reps – when a new sales rep assumes an existing territory, getting up to speed takes less time when your company enforces strict systems usage and integrates training and sales tools into the CRM. Unfortunately, this is a familiar scenario: The field uses ACT; marketing uses Oracle; inside sales uses salesforce.com, and none of the systems are integrated. In order to manage your accounts effectively, everyone in your company has to use the same CRM (or tightly integrate those that are disparate) and use it consistently.

Close

This document outlined the critical success factors associated with delivering a world-class inside sales team. Inside Sales is the catalyst that feeds the sales funnel, and it must be finely tuned and in synch with the field sales organization. Having a strategic plan that is focused on people, process and technology will ensure that you build a team that will deliver highest possible conversion rates and have the greatest impact on your top-line revenue.

Learn More

Learn how Marketo can make your sales team more productive by indentifying and interacting with your best sales leads, aligning sales and marketing to close more deals faster and close the loop between spend and revenue. Visit us at www.marketo.com for free video demos or live webinars.



About PhoneWorks

This Best Practices White Paper was developed by Phone Works to provide you insight to the critical success factors that must be considered when managing or building an inside sales team. Phone Works has over 15 years experience building, managing, and “fixing” inside sales teams for over two hundred companies, and in this document outlines the most important things to get right.



About Marketo

Marketo is the revenue-focused marketing automation company, revolutionizing how marketing and sales teams of all sizes sell and succeed at every stage of the revenue cycle. Delivered in the Marketing Cloud, Marketo’s powerful and easy solutions provide the fastest time to value and ignite explosive revenue growth from the earliest phases of demand generation and lead management to the pursuit of revenue and customer loyalty.

Marketo Lead Management gives marketing the power and flexibility to automate demand generation campaigns and deliver more high-quality leads with less effort, and Marketo Sales Insight helps sales understand, prioritize and interact with the hottest leads and opportunities to close more business faster. Known for providing the most innovative customer experience, Marketo was voted 'Best Marketing Automation Application' by Salesforce customers on the Force.com AppExchange. As of September 2009, more than 250 mid-market and enterprise companies in nine countries have selected Marketo. For more information, visit Marketo online at <http://www.marketo.com>.

Marketo, Inc.
901 Mariners Island Blvd. Ste 200
San Mateo, CA 94404
1.877.260.MKTO (6586)
sales@marketo.com