Televerde

The Ultimate Guide to
Assessing Your SDR Strategy:

How to use Sales Development Representatives to support ABM and drive high-value conversations and conversions

The sales development representative (SDR) role has existed in most organizations in some capacity for decades. While SDRs have been called different things at different companies (lead development representative, business development representative, or simply inside sales), it is clear SDRs are playing a more strategic role in high-growth companies today.

According to *SiriusDecisions' 2017 Buying Study,* 60% of B2B buyers report a very positive impact from interacting with sales reps in the education phase at the beginning of the buying decision process.[1]

> 66 I'm very confident this trend is going to accelerate," Phil Harrell, chief sales officer - strategies at SiriusDecisions, recently stated in an article in *Demand Gen Report*.[2] "Buyers are more comfortable buying remotely and virtually. Sales leaders are under more and more pressure from boards and private equity investors to hit their numbers, but to also do it more cost-effectively. 99

The following guide will show B2B sales and marketing leaders why many organizations are reassessing their own approach to using SDRs — transforming a traditionally tactical support role into a far more capable and strategic resource. We'll also explain why a new approach to using SDRs is especially valuable for firms with account-based marketing (ABM) and sales initiatives, and we will discuss the pros and cons of various approaches to building and managing a modern SDR team.

SIDEBAR:
SDRs Add a "Human Touch" in a World of AI and Automation

Technology has transformed every aspect of B2B marketing and sales over the last decade. From artificial intelligence and predictive analytics to email and social media, it's nearly impossible today to envision a marketing or sales program that doesn't rely on technology to identify, assess, engage and convert buyers.

But while technology is ubiquitous, human interaction is still indispensable. It takes people to build relationships, earn trust, and inspire confidence in a product or service, and those people can't succeed unless they have the time and attention to devote to these interactions.

A modern SDR enables a B2B organization to support meaningful and personable connections with more prospects and buyers. This is largely due to the SDR's ability to engage prospects in conversation through a variety of channels: listening to prospects, reacting to their concerns and interacting with them on a level that is impossible to achieve using scripts, battlecards or other "canned content" tactics.

The Traditional SDR:
"Dialing for Dollars" Loses Its Luster

The SDR role has been traditionally tactical, and in many cases, still is. While the job title can vary, the job often involves cold-calling, appointment-setting or lead qualification tasks that emphasize simplicity, consistency and processing a high volume at a low cost. And while "dialing for dollars" can yield a relatively low-cost source of leads, those leads may not be high-quality and are less likely to convert to sales.

Even when traditional SDRs employ more sophisticated methods — for example, moving from one-touch to multi-touch interactions — the role is still one of a tactical contributor. And clearly, organizations still see a place for development roles with a tactical focus.

Just as clearly, though, a tightly scripted traditional SDR with limited product knowledge or industry expertise can't appropriately respond when a prospect expects a seller to "speak the language" of their industry or field; when the prospect turns out to be engaged and eager to discuss new thinking and new solutions to a business problem; or in any other situation where complex interactions and deep product/industry knowledge play an important role. In fact, using a "traditional" SDR in such cases is like showing up at a job interview in your pajamas: You might be brilliant, but who's going to stick around long enough to find out?

There are many other B2B sales and marketing challenges that a traditional SDR is poorly equipped to solve, and these challenges are likely to multiply. The B2B sales cycle, in many cases, is growing longer and more complex, and includes more people in the decision-making process. We'll look more closely at these challenges in a moment, but let's look first at our vision for a modern, strategic approach to the SDR role.
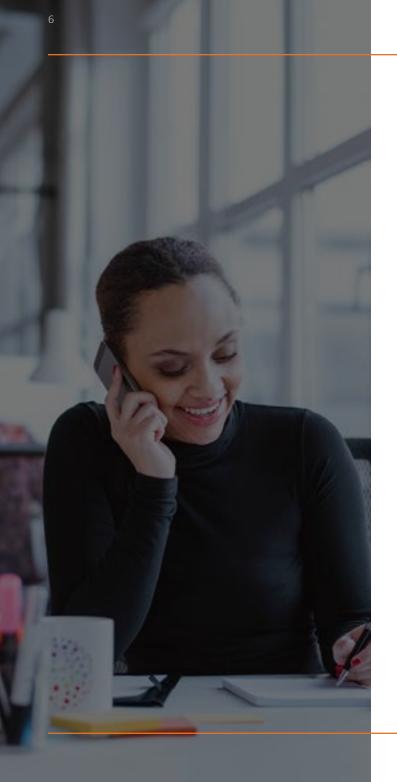
Redefining the SDR Role

The following table offers a snapshot of a modern SDR alongside an important complementary role: the lead development representative (LDR).

LDRs vs.

	LDR	SDR
PURPOSE	Provide top-of-funnel support INQ/AQL > MQL	Provide target account and mid-funnel support MQL > SQL
AREAS OF FOCUS	• Inbound • Outbound campaigns • Event recruitment • Reheat cold/disco leads	• Target/strategic account engagement • Lead nurturing/opportunity management • Account profiling/mapping • Relationship building • Social selling • Single POC until lead accepted
ALIGNMENTS	Aligned by territory, Assigned by sales play	Aligned by territory/account and sales rep

Our focus here is on the SDR, but we think it's important to show both roles together. The LDR role complements and reinforces the strategic value of the SDR — for example, taking over top-of-funnel support tasks that enable SDRs to concentrate on target accounts and mid-funnel support activities. This shift, in turn, allows SDRs to perform tasks that previously consumed sales bandwidth or simply didn't get done, and that, in many cases, directly impact sales costs and revenue KPIs.

What are the traits that make a great SDR? The biggest difference compared to a traditional SDR is an emphasis on fast, flexible, self-motivated workers who learn fast and understand how to use what they learn to engage prospects and conduct target-account outreach.

This is a role that, at its best, doesn't need or want a script to engage prospects on the phone or via email. A good SDR thrives on meaningful conversations with key decision-makers and strategic accounts.

Deep knowledge of the products and services being sold is an absolute requirement, but it's almost as important to have a thorough command of a buyer's business background — what matters to them, why it matters and how these priorities translate into buying decisions.

SIDEBAR:
Revenue, Retention & ROI: Finding the Right Way to Measure SDR Success

As we have discussed, a modern SDR team clearly plays a very different role in a sales or marketing organization than its traditional predecessors. This means taking a different approach to measuring SDR performance, one that generally places less emphasis on quantity, while adding more quality-focused metrics to the mix.

Typical SDR KPIs

- Call activity (% of time on the phone)
- Social engagement, such as social selling index (SSI) and activities
- Number of decision-maker connections
- Number of contacts added

- Number of meetings or demos scheduled
- Hours per MQL
- SAL/SQL conversion rates
- Average opportunity size
- Engagement with sales

It can be difficult to measure the specific revenue impact of some SDR activities. There's no way to know, for example, whether an SDR was truly the reason why the value of an opportunity increased or if their social engagement with prospects resulted in any additional closed deals. The right metrics, however, can give you a pretty good idea about the overall value and impact of your SDR team — and in many other cases, they can yield specific insights into SDR revenue, cost savings and ROI contributions.

87% of marketers who have used ABM say it delivers higher ROI than any other tactic.
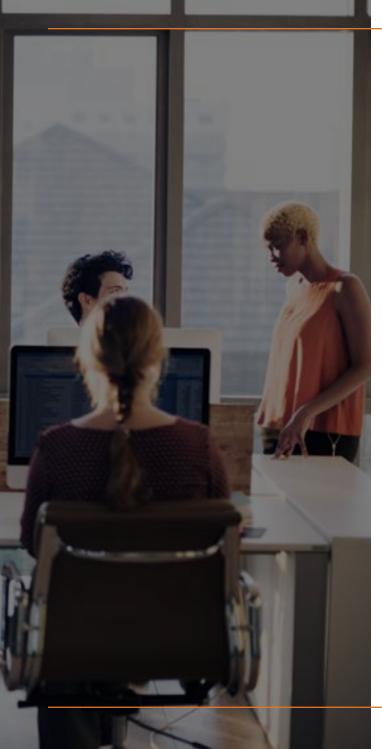
The Strategic SDR: Solving Mid-Funnel Challenges

The modern SDR role can help address some very important sales and marketing challenges. Four of these stand out as especially important: ABM program performance, mid-funnel engagement/outreach activities, data quality and building stronger relationships.

ABM support and enablement. Account-based marketing is designed to concentrate sales and marketing resources on a clearly defined set of target accounts; to identify decision-makers and other key roles within each account; and to employ personalized campaigns designed to drive engagement with these roles. ABM is very effective: 87% of marketers who have used ABM say it delivers higher ROI than any other tactic.[3] Even bigger rewards await firms that coordinate ABM with account-based selling activities.

All account-based programs, however, depend on careful research, intelligence-gathering, outreach and other activities designed to identify and map target accounts, and then to learn how best to engage with individual roles within those accounts. Many B2B firms are learning from experience that these activities play a critical role in the success of their ABM programs. According to a 2017 benchmark report from ITSMA and the ABM Leadership Alliance, 72% of businesses increased their ABM budgets in 2017, yet 80% of marketers stated they found ABM less effective than they expected.[4]
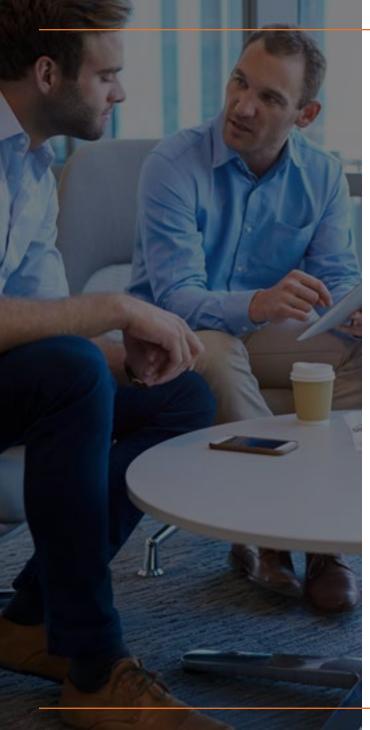
Clearly, these activities demand a B2B organization's full attention — the long-term viability of their account-based programs may depend on it. Fortunately, these kinds of research, support and enablement activities are also a perfect fit with a modern SDR team. The tasks demand initiative, strong research skills, a creative and persistent approach to gathering vital account intel, and the ability to boil down large quantities of information into useful and relevant target-account insights.

Closing the mid-funnel "attention gap." Most B2B organizations clearly assign responsibility for top-of-funnel lead-gen and nurture activities to marketing, while the sales team handles late-stage activities. This division of labor, however, isn't always clear-cut during the critical middle stages of a B2B buyer's journey. Questions about which team handles which mid-funnel tasks can get fuzzy and lead to problems defining and executing lead hand-offs; create barriers to coordinated outreach and engagement efforts; and ultimately increase the risk that promising leads will get lost or mishandled.

Even when an organization assigns responsibility for mid-funnel activities exclusively to one group or the other, things don't go as planned. Consider that during an average buying cycle, B2B buyers have 12 to 18 human and non-human interactions — all of which must be targeted, tracked and followed up on consistently.[5] An ABM approach compounds this complexity by introducing a variety of additional roles, audience profiles and information requirements. Most sales teams already have their hands full; asking them to move up the funnel and to perform such tasks simply isn't realistic.

A modern SDR plays a critical role in closing this gap. The SDR can support mid-funnel outreach and relationship-building activities or take over these tasks completely by:

- shepherding leads from MQL to SQL status,
- ensuring that leads don't stall out and grow stale during the hand-off process,
- gathering useful insights and information for the sales team, and
- ensuring that a buyer is truly ready and appropriate for conversion.

No matter where an SDR reports in a B2B organization (we'll discuss this question in a moment), their role as a mid-funnel resource benefits sales and marketing alike, and naturally leads to improved alignment and communication between them.

Data quality and governance. B2B sales reps are often pressed for time and forced to multi-task. It's understandable that they may have difficulty keeping up CRM records and other resources. A properly trained SDR can be tasked with making data quality a priority, becoming familiar with working inside a firm's CRM system and other data-driven sales and marketing applications. As a result, B2B firms that adopt a modern approach to the SDR role typically see significant improvements in data quality compared with those where a sales team does this work.

Stronger prospect/buyer relationships. B2B organizations where LDRs and SDRs coordinate their activities tend to take a more coherent approach to long-term nurturing and relationship-building activities. There are several reasons why, including a more consistent approach to updating CRM contact and interaction records, as well as the SDR's position as a shepherd for mid-funnel leads that may have previously received little or no follow-up during the hand-off process. This coordination can yield benefits related to conversion rates, deal velocity, opportunity size, cross-sell and upsell value, and other performance indicators. Such interactions also reinforce the SDR's role as an important source of human contact, even as technology plays a large and growing role in B2B sales and marketing activities.

SIDEBAR
Who's the Boss? A Guide to Choosing the Right Home for Your SDR Team

Where should your SDR team report? This is a surprisingly complex question with no single "right" answer. Industry data backs this up: According to TOPO's *2016 Sales Development Benchmark Report*, 64% of those surveyed said sales development teams report in to sales. Yet the same research revealed that in larger enterprises, more than half of SDR teams report in to marketing. The conclusion? Top-performing SDR teams perform more or less the same when reporting to marketing vs. reporting to sales.[6]
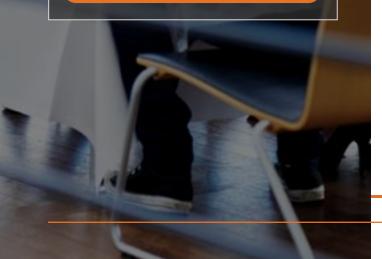
We recommend answering this question by looking at your sales and marketing capabilities in two areas:

1. **Strategic Execution.** Which group takes point when it comes to implementing a go-to-market strategy, creating a lead management process and SLAs, addressing change management, and establishing a strategy to manage and qualify leads?
2. **SDR Development.** Which group has the resources, the expertise, the organizational influence, and the peer mentoring/coaching experience to build and maintain a world-class SDR team?
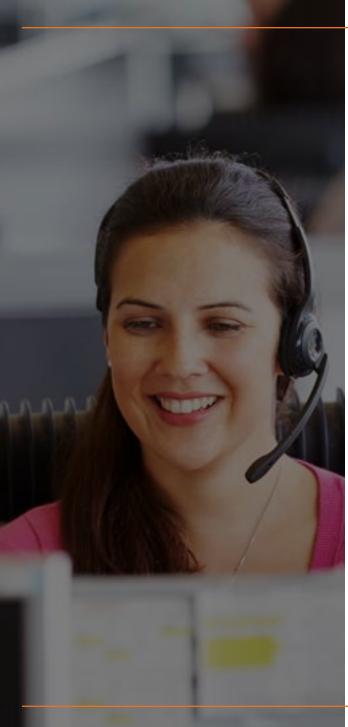
Answering these questions is inherently subjective and depends on the structure and culture of your company. Different observers may reach very different — but equally valid — answers. No matter how you answer, keep one thing in mind: the group that "owns" the SDR function must be ready to invest the time, attention and resources required to prepare it for a challenging, complex and extremely important business role.

Want to know more about choosing the right home for your SDR team?

DOWNLOAD A WORKSHEET TO HELP YOU ASSESS AND COMPARE YOUR OPTIONS

Good Help Is Hard to Find:
The SDR Staffing Dilemma

Like many roles that are in high demand, hiring skilled strategic SDRs is a challenge for B2B organizations. This is clearly a job description with a Catch-22: a typical in-house SDR position is a junior role in terms of pay and prestige, yet it requires a skillset and a level of experience that often take years to develop.

The benefits of hiring experienced SDRs are clear and significant. According to the *2016 Bridge Group SDP Metrics Study*, groups that require two or more years of experience for SDR hires achieved 12% higher performance ratings than those without such requirements.[7]

In addition, as demand for high-quality SDRs increases, finding them will get harder: In 2016, according to the same study, four times as many companies reported hiring reps with less than one year of experience as did in 2010.[8]

A model that is growing increasingly popular among B2B organizations that don't have the budget or the bandwidth to build a full SDR team is to outsource all or part of the role.
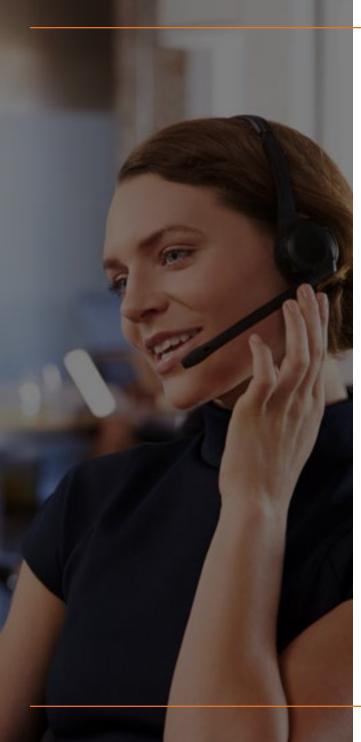
SDR Staffing Options:
The Benefits of a Blended Approach

Earlier, we discussed the challenges many B2B firms face when they consider how to build a modern SDR team. Of course, it's always possible to compromise in one direction or another — for example, elevating the role to a more senior pay grade, or accepting the cost of long ramp-up times and extensive training for roles that often have short tenures.

Many firms, however, have discovered that outsourcing offers the benefits of a modern SDR team without compromising on team quality or driving up costs. The case study of InsideView, a B2B data and intelligence platform company, illustrates the benefits of such an approach, even for firms with relatively complex sales and marketing requirements.

InsideView settled on a hybrid approach to building its SDR team. The company's in-house SDRs focused on qualifying leads, engaging with accounts and generating pipeline, as well as working on special projects. InsideView then turned to Televerde for additional SDRs who work alongside the in-house team, performing a similar set of engagement and lead-qualification activities.

This blended approach allows InsideView to use Televerde as an "always-on" SDR talent pool — available at any time, capable of ramping up quickly and then scaling down again as needed. The Televerde SDRs also allow InsideView to test and experiment freely by using them in situations where hiring and training an in-house SDR would take too long and cost too much. InsideView benefits from Televerde's command of industry best practices and metrics, and from the firm's expertise and leadership capabilities. Televerde's experienced SDRs also share their knowledge with InsideView's in-house SDR team, resulting in a faster and more comprehensive learning process for new SDRs.

InsideView's relationship with Televerde reinforces an important point about outsourcing a firm's SDR team: this is rarely an either/or decision. Instead, B2B organizations can blend in-house and outsourced resources, often with the goal of transferring knowledge from the outsourced SDRs to their in-house colleagues or of adjusting their use of either model based on changing needs and business conditions.

Ultimately, it's this combination of flexibility, reliability and experience that makes an outsourced approach to SDR team-building so useful for so many different B2B organizations.

Conclusion:
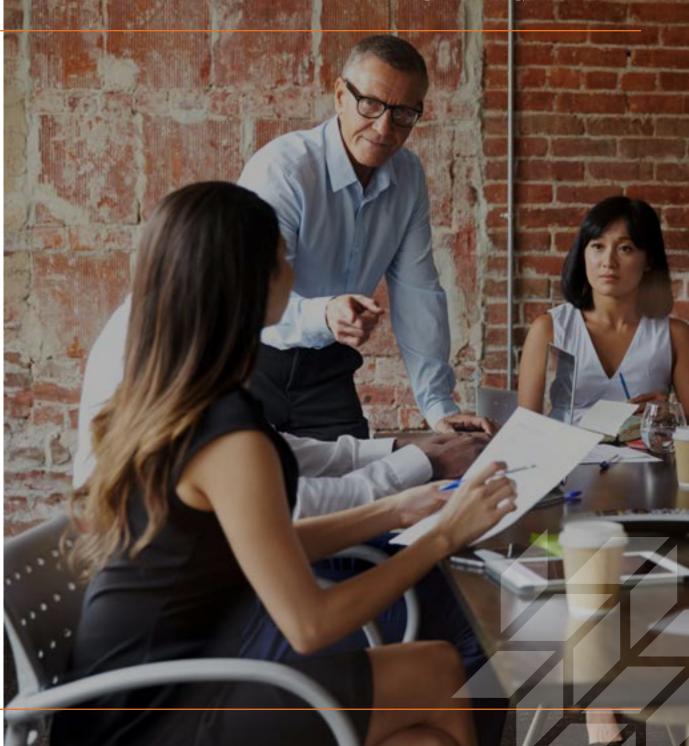# The Right Role for a
Changing B2B World

A modern approach to hiring, training and
using SDRs may seem like a big step for
organizations that are comfortable and
familiar with a more traditional approach.
As the B2B environment continues to
evolve, however, it will become even more
important to create a job role that is ready,
willing and able to cope with the realities of
longer and more complex B2B sales; to face
the challenges and opportunities of account-
based strategies; and to stay on top of rapid-
fire technology innovation.

The modern SDR provides the answer:
a strategic role, moving buyers along
the pipeline, to keep B2B firms profitable
and productive.

1 SiriusDecisions, "Seven Actionable Takeaways From the SiriusDecisions 2017 Buying Study," February
    5, 2018
2 Demand Gen Report, "Integration, Deeper Intelligence Within Sales Development Becoming Critical
    Components for Closed-Loop Engagement," January 11, 2017
3 ITSMA, Driving Growth with Three Types of ABM, August 2017
4 Ibid.
5 SiriusDecisions, "The Four Elements of a Buyer's Journey Map," June 8, 2016
6 TOPO, "Strategic Sales Development: The 2016 TOPO Sales Development Benchmark
    Report," 2016
7 The Bridge Group, SaaS AE 2017 Metrics and Compensation Research Report
8 Ibid.