State of Sales Development 2021
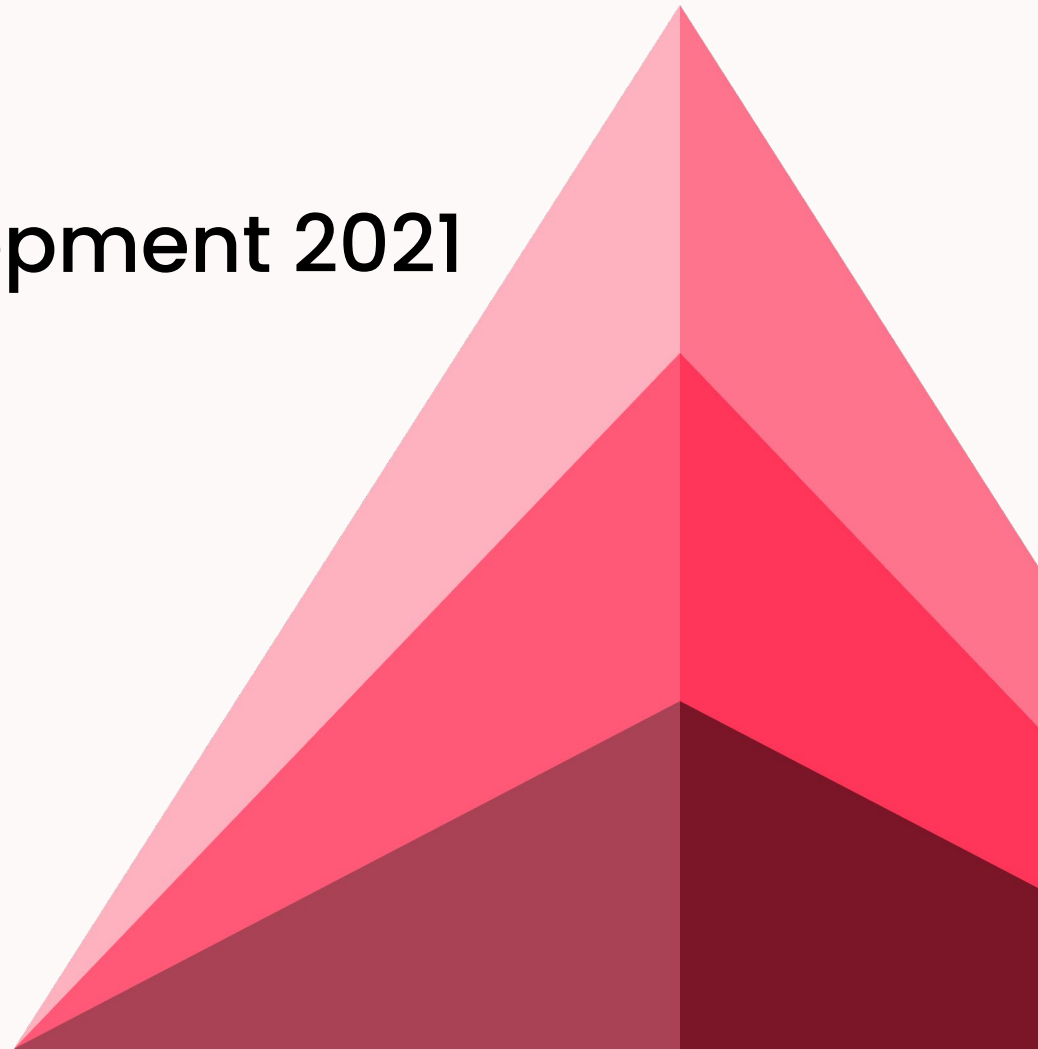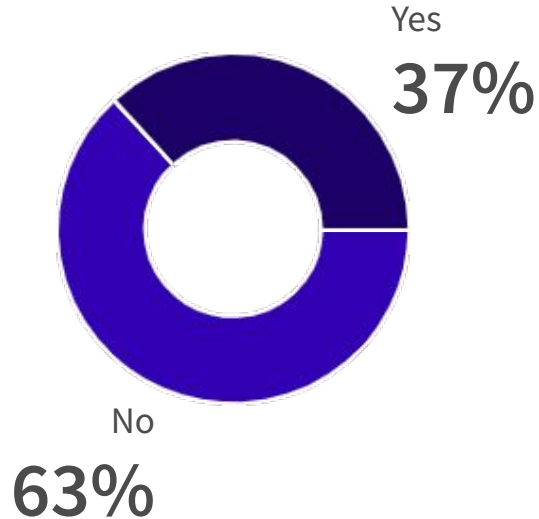
November 11, 2021

Presented by

2020 vs. 2021 Results
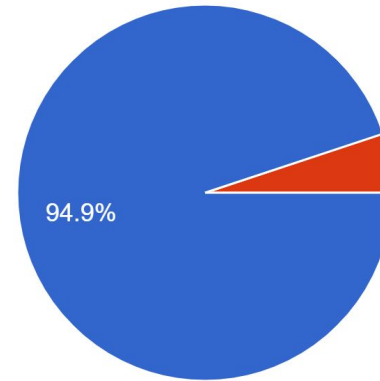
Do you allow SDRs to work remote?

2020

Do You Allow SDRs To Work Remote?

Yes
37%

No
63%

2021

94.9%

- Yes
- No

Has your company gone remote?

Do You Allow SDRs To Work Remote?

Yes
37%

No
63%

- Hybrid
- Yes - Remote
- No - In Office
- No Official Plans Made Yet

21.0%

9.7%

66.1%

Pavilion
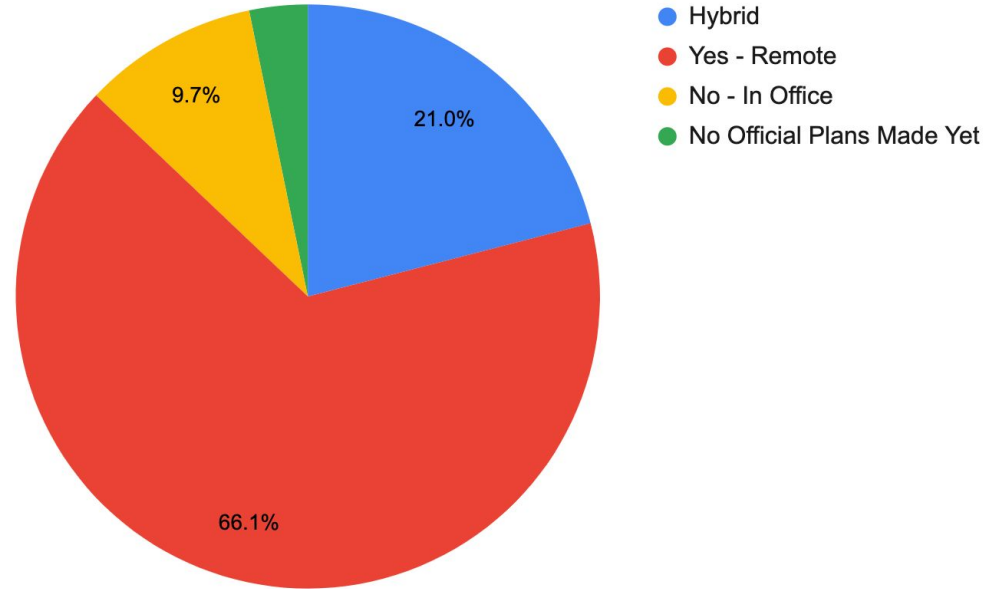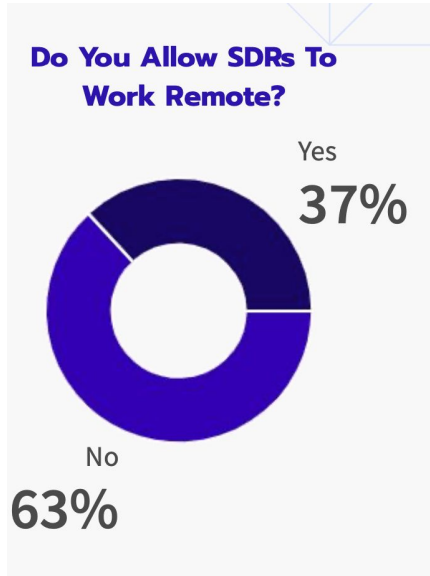
Fewer companies require a degree

2020

Do You Require SDRs to Have A College Degree?

No
57%

Yes
43%

2021

66.7%

33.3%

● Yes
● No
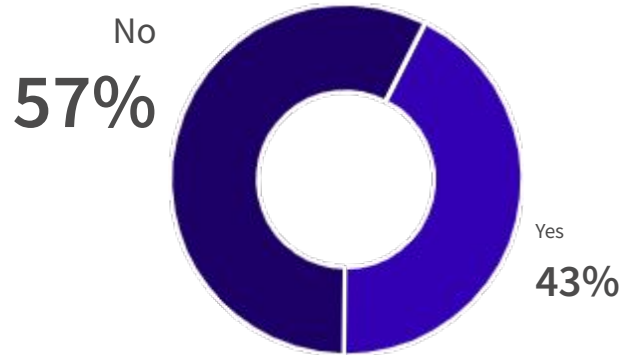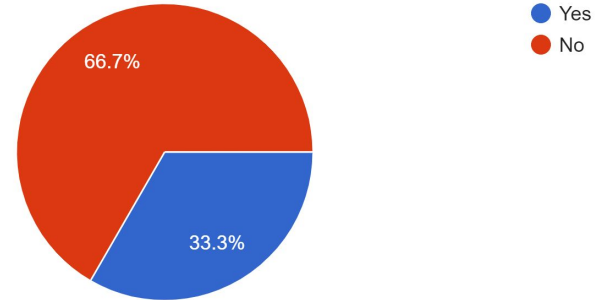
What is the average experience of a new-hire SDR? (in months)

2020

→ **74% of companies are comfortable hiring SDRs with little to no work experience** — most new hires have less than 12 months experience

2021

13.3%
8.3%
33.3%
13.3%
31.7%

- None
- <6
- 6 - 12
- 12 - 24
- 24+

Pavilion

What outbound channel is MOST successful?
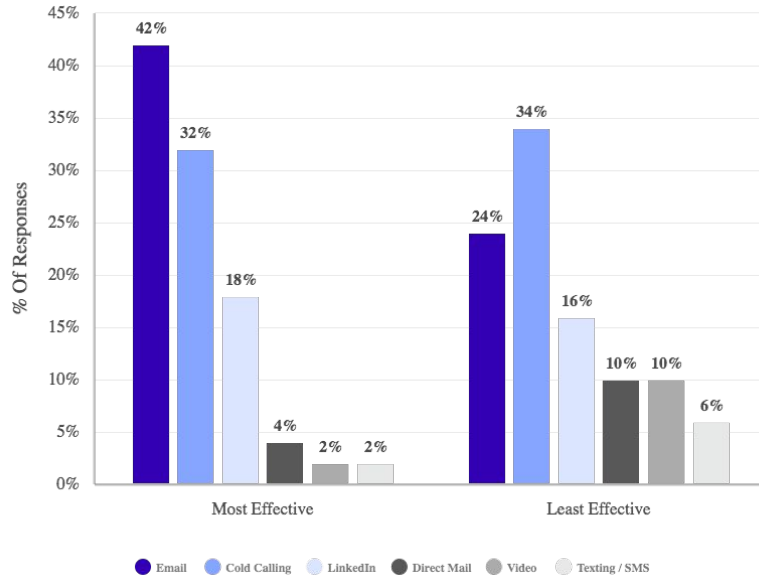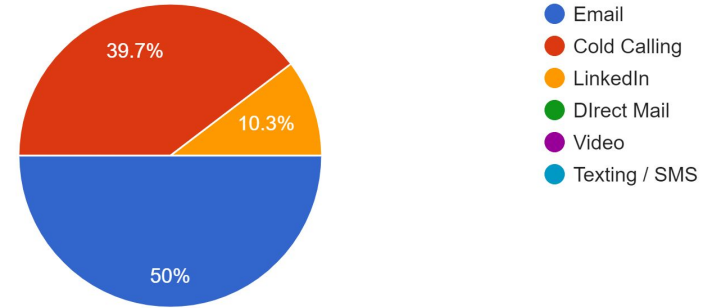
What outbound channel is LEAST successful?

Channel Utilization

2020

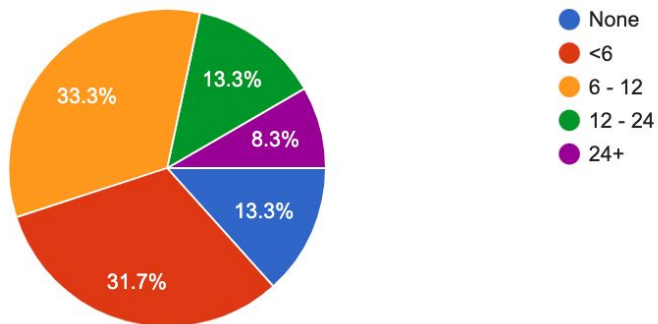|					
100%	93%	91%	31%	27%	18%
Email	LinkedIn	Cold Calling	Direct Mail	Video	Text SMS

2021

Channel Utilization

Cold Calling — Email — LinkedIn — Video — Gifting — Direct Mail — Text — Chat
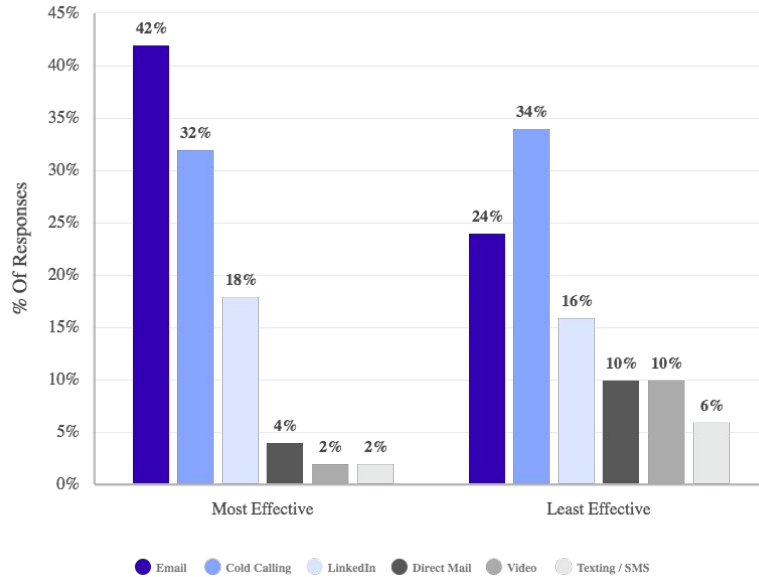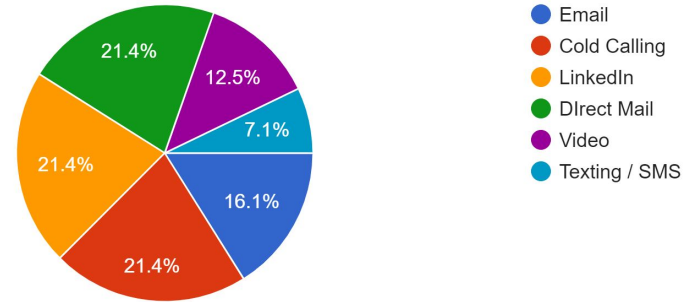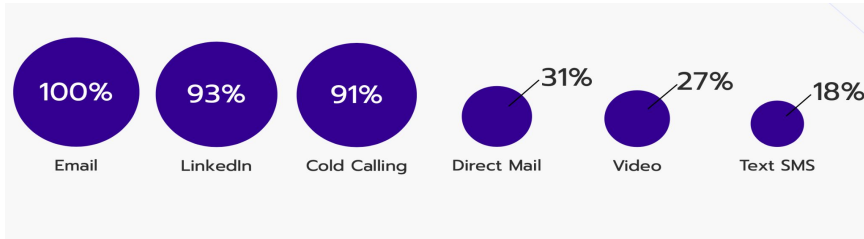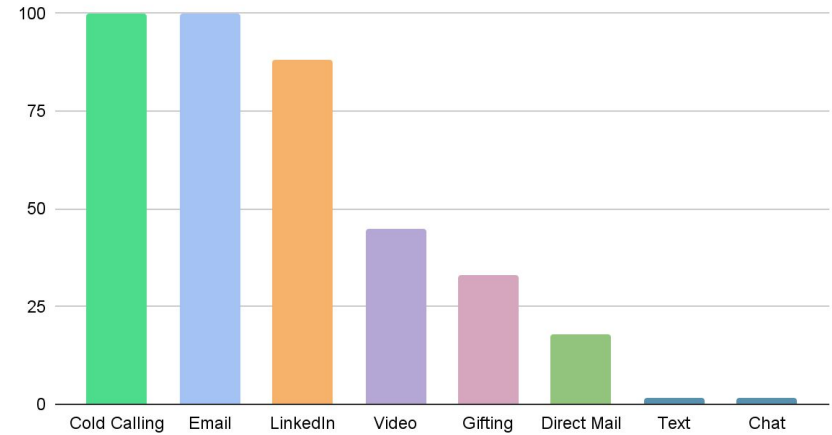
What is the total OTE for a 1st year SDR?
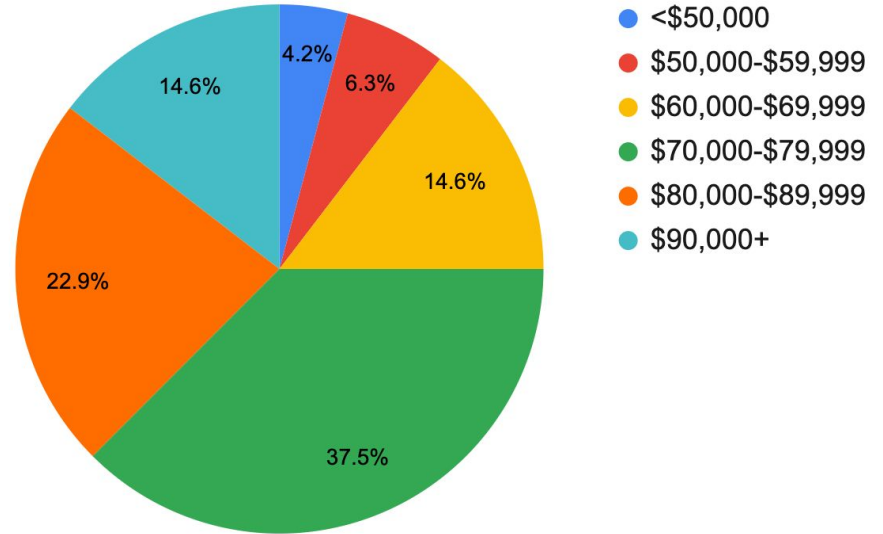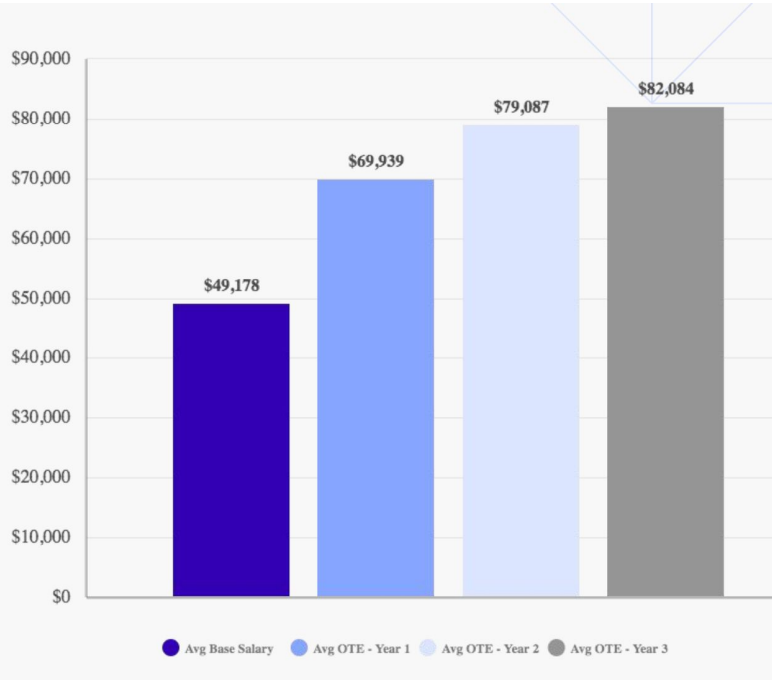
What is the total OTE for a 2nd year SDR?
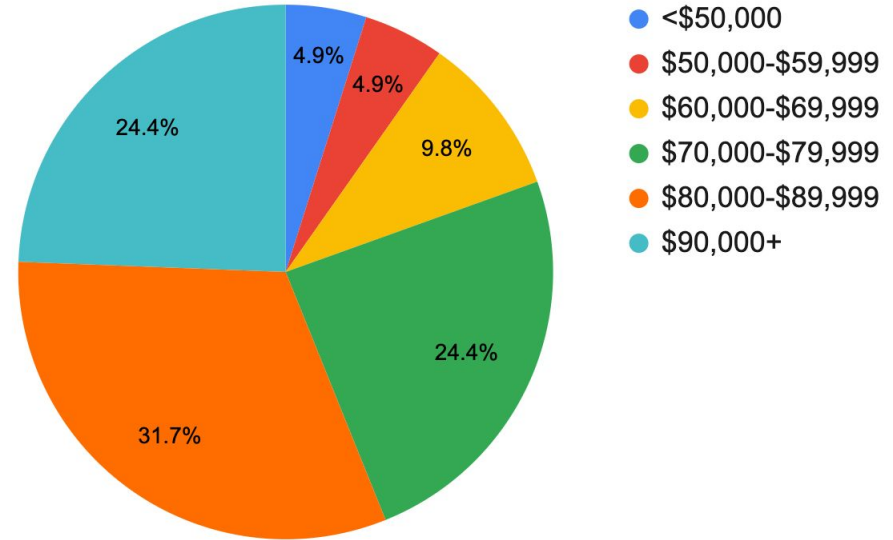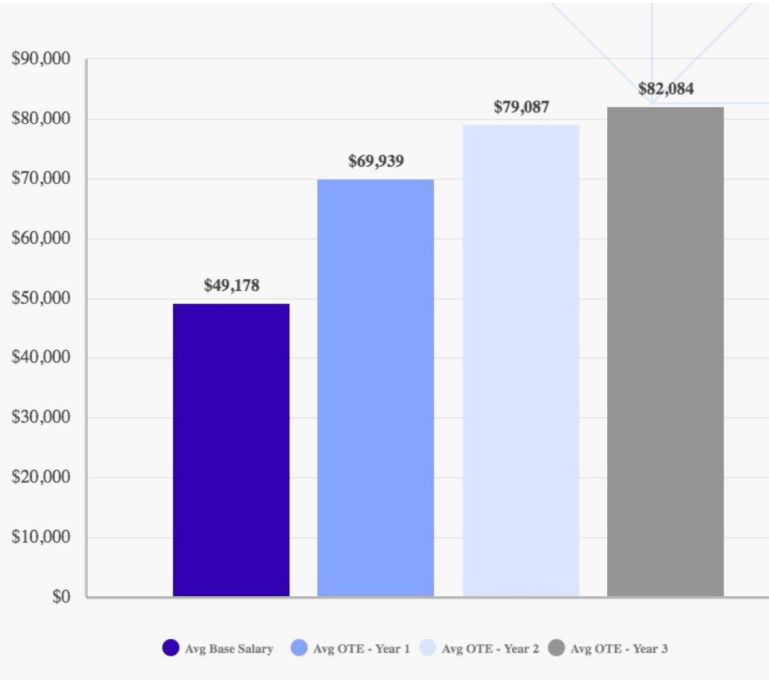
What is the total OTE for a 3rd year SDR?
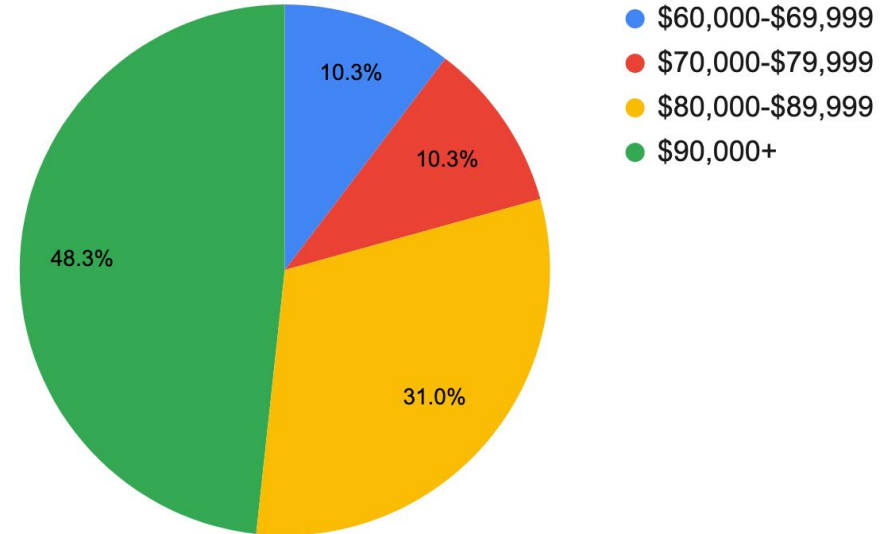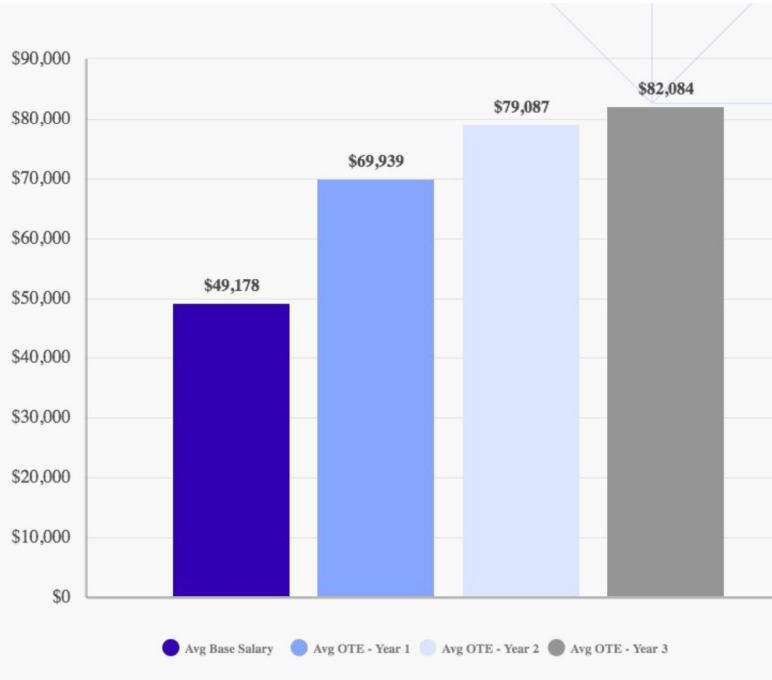
Quota attainment about the same as last year

2020

83% 👤👤👤👤👤👤👤👤👤👤👤👤
Of SDR Teams Missed Quota In 2019

2021

- <60%
- 60% - 70%
- 70% - 80%
- 80% - 90%
- 90% - 100%
- 100% - 110%
- 110% - 120%
- 120% - 130%
- 130% - 140%
- 140% - 150%
- 150%+

Pie chart values: 10.2%, 11.9%, 16.9%, 20.3%, 16.9%, 15.3%
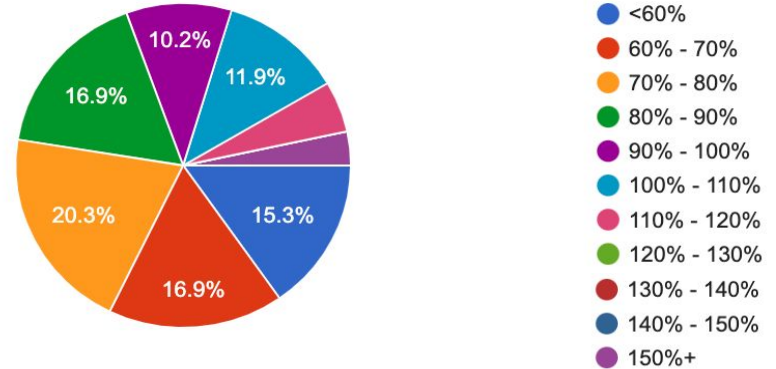
What's the expected growth path for members of your SDR team?

Expected Career Path
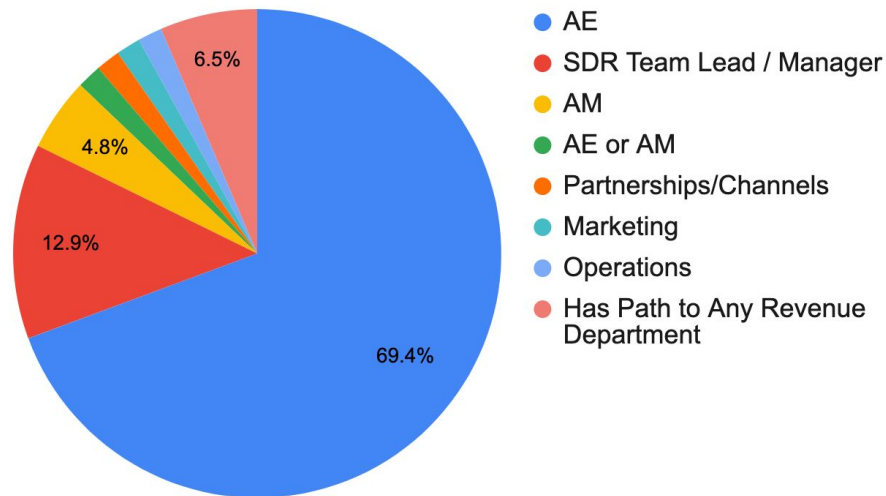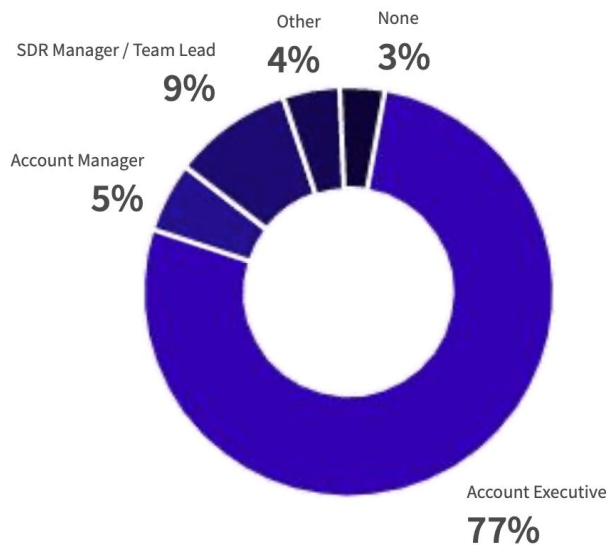
- SDR Manager / Team Lead **9%**
- Other **4%**
- None **3%**
- Account Manager **5%**
- Account Executive **77%**

- AE — 69.4%
- SDR Team Lead / Manager — 12.9%
- AM — 4.8%
- AE or AM
- Partnerships/Channels
- Marketing
- Operations
- Has Path to Any Revenue Department — 6.5%

Pavilion

How many promoted SDRs have over 100% attainment in their next role?

90% - 100%
22%

<90%
78%

0-50%
51-75%
76-100%
100%+

31.4%
17.6%
13.7%
37.3%

▲ Pavilion
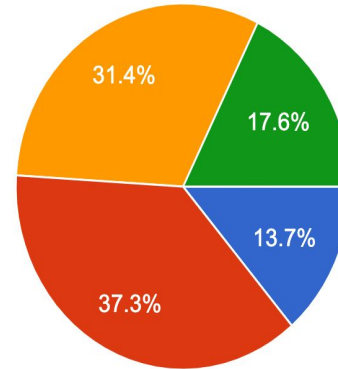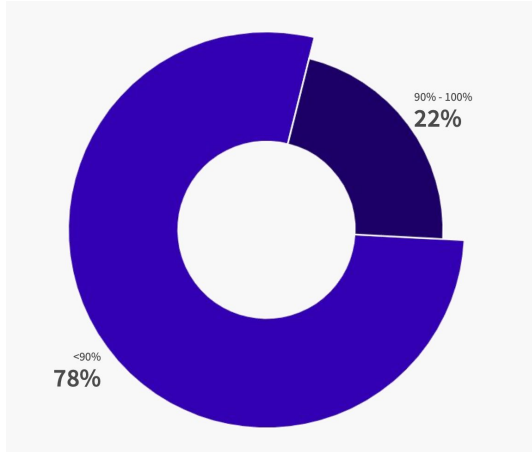
Company / Structure

Does your company have an outbound SDR/ BDR Org?

Pie chart legend:
- Yes
- No

95.1%

Pavilion
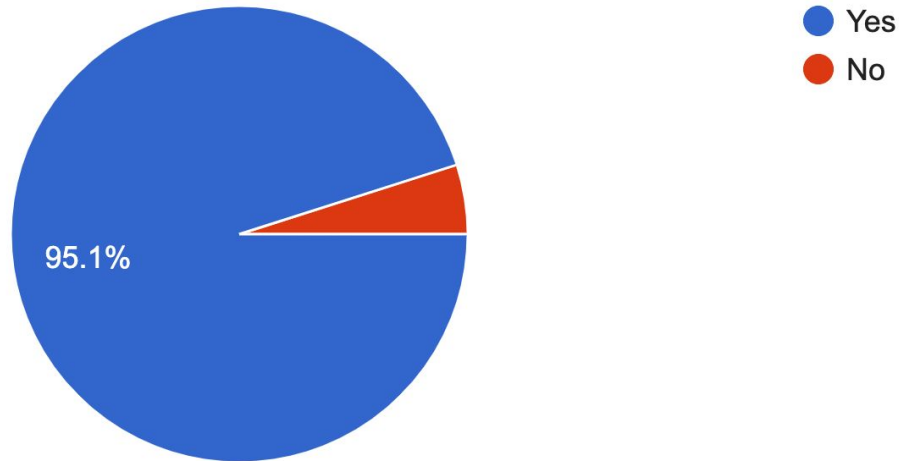
Has your company gone remote?
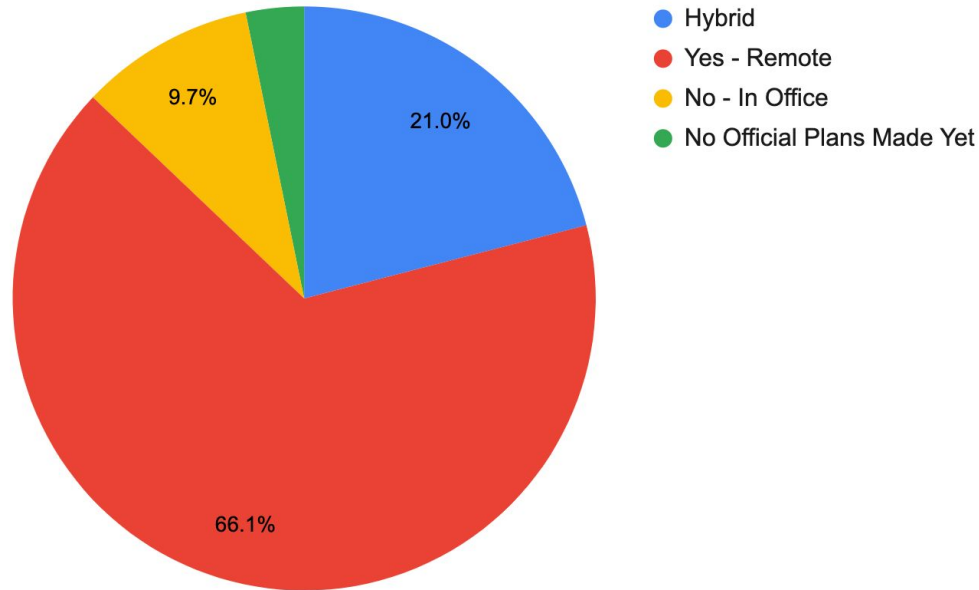
If there is a company HQ, where is your company HQ?

(If remote with an office, check both remote first and the HQ location.)

Category	Value	Percentage
US - Tier 1 (Boston, New York,…	18	(30.5%)
US - Tier 2 (Denver, Austin, Atl…	18	(30.5%)
US - Tier 3 (Kansas City, Birmi…	6	(10.2%)
Canada - Tier 1 (Toronto)	3	(5.1%)
Canada - Tier 2	1	(1.7%)
EMEA - Tier 1 (London)	3	(5.1%)
EMEA - Tier 2 (Berlin, Amsterd…	2	(3.4%)
APAC (Singapore, Sydney, Tel…	1	1.7%
Other:	6	(10.2%)
Remote first	14	(23.7%)

Pavilion
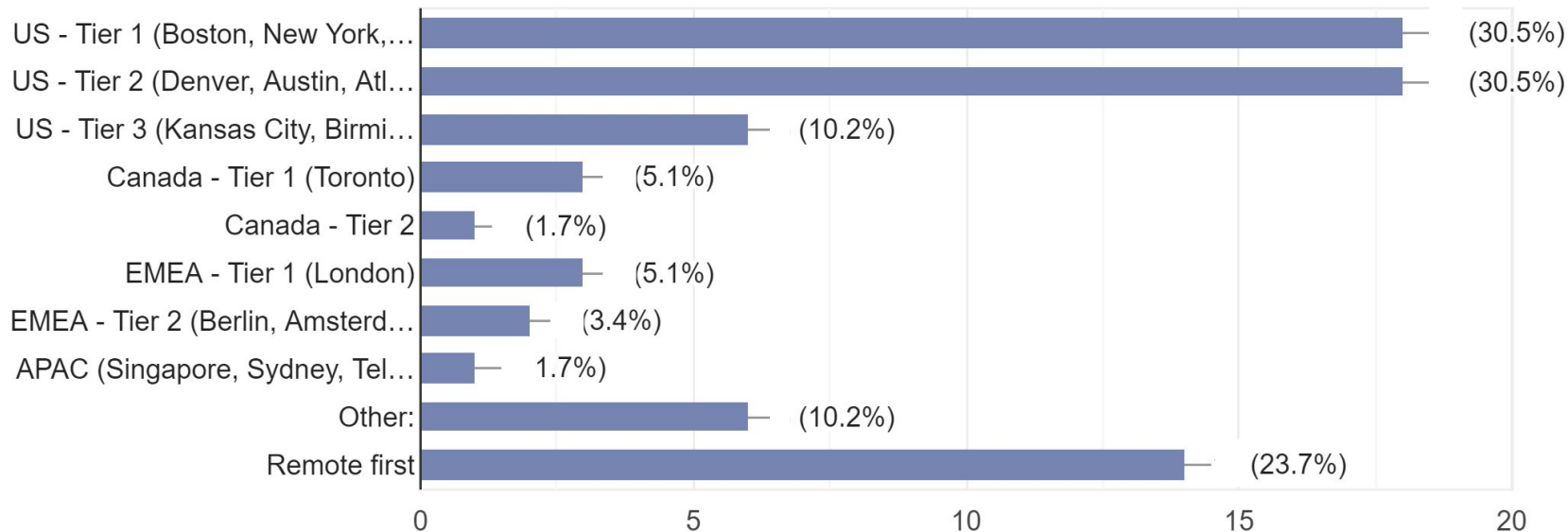
What is the rough revenue range of your company?

Pie chart segments:
- 29.5%
- 21.3%
- 16.4%
- 11.5%
- 9.8%

Legend:
- $0-1M
- $1-10M
- $10-30M
- $30-100M
- $100-300M
- $300-500M
- $500M-1B
- $1B+

Pavilion
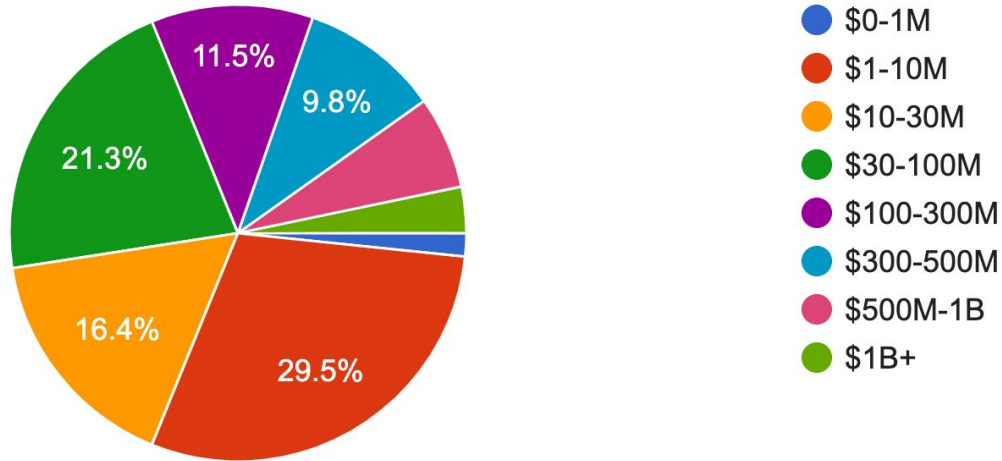
What stage of financing is your company?

Legend:
- Bootstrapped
- Pre-Seed
- Seed
- Series A
- Series B
- Series C
- Series D
- Series E
- Public Company

Pie chart values: 11.9% (Bootstrapped), 18.6% (Public Company), 11.9% (Series E), 10.2% (Series C), 8.5% (Series B), 27.1% (Series A)

Pavilion
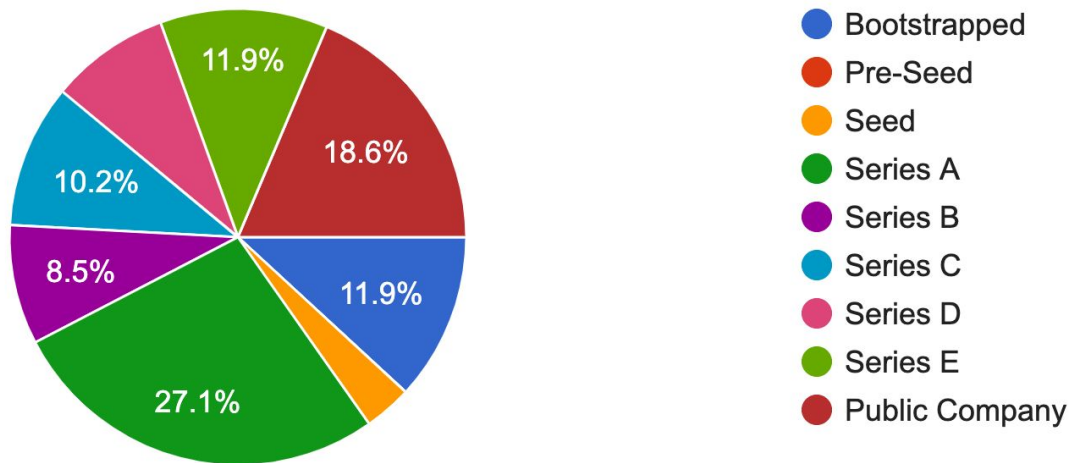
How many employees does your company have?

Legend:
- <10
- 10 - 50
- 50 - 100
- 100 - 200
- 200 - 500
- 500 - 1,000
- 1,000 - 5,000
- 5,000 - 10,000
- 10,000+

Pie chart values: 11.5%, 18%, 21.3%, 9.8%, 24.6%, 13.1%

Pavilion
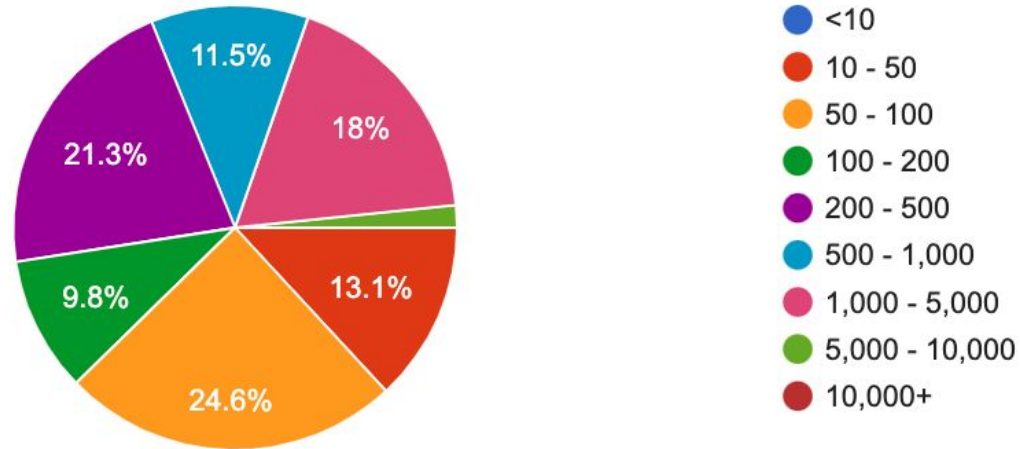
What size companies do your SDRs primarily target?

- Startup
- SMB
- Mid-Market
- Enterprise

39.3%

16.4%

44.3%

Pavilion
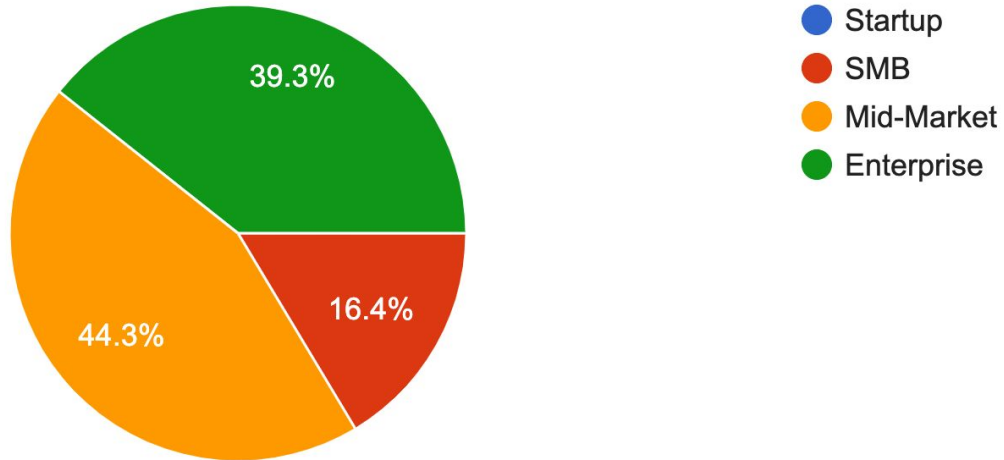
What are the top 1 - 3 industries that your SDRs target? (Ex. 1. Healthcare 2. Manufacturing 3. Retail)

1. Security
2. Finance
3. Retail
4. Consumer Electronics
5. Banking
6. Retail
7. SaaS
8. Hospitality

Pavilion

What is your (ballpark) ACV range?

Legend:
- <$10k
- $10k - $25k
- $25k - $50k
- $50k - $100k
- $100k+

Pie chart values: 8.2%, 24.6%, 26.2%, 19.7%, 21.3%

Pavilion
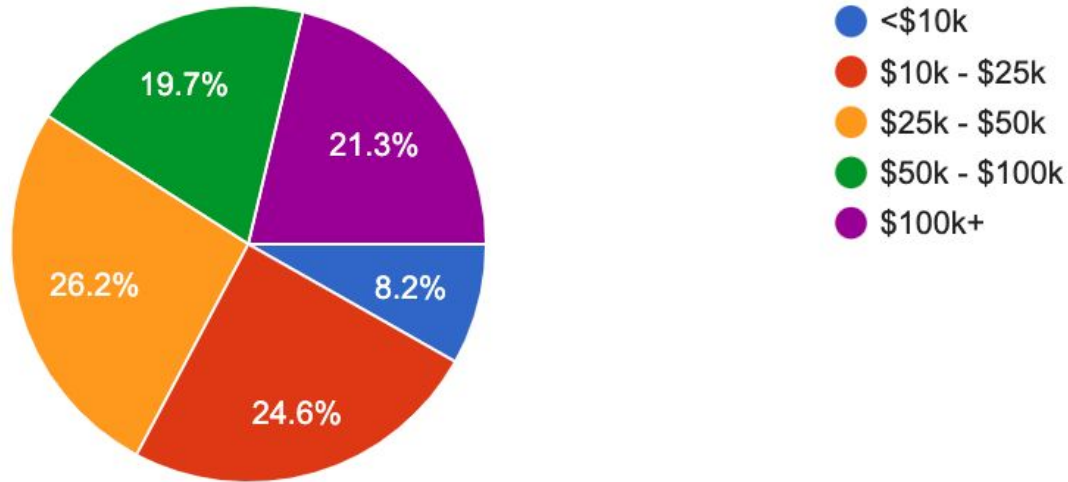
How many SDRs are in your org?

Legend:
- 0-15 SDRs
- 16-30
- 31-50
- 51-70
- 71-100
- 101-150
- 151+

Pie chart values:
- 63.3%
- 15.0%
- 6.7%
- 5.0%
- 5.0%

Pavilion
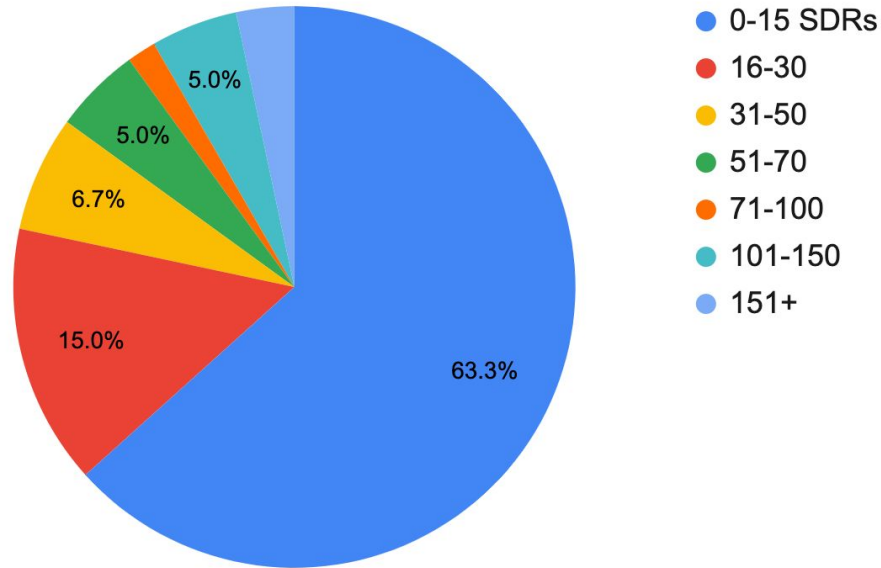
Does the outbound SDR team report into Sales or Marketing?

- Sales
- Marketing
- Sales & Marketing
- Revenue Operations
- Sales Development

70.2%
19.3%
7.0%

Pavilion
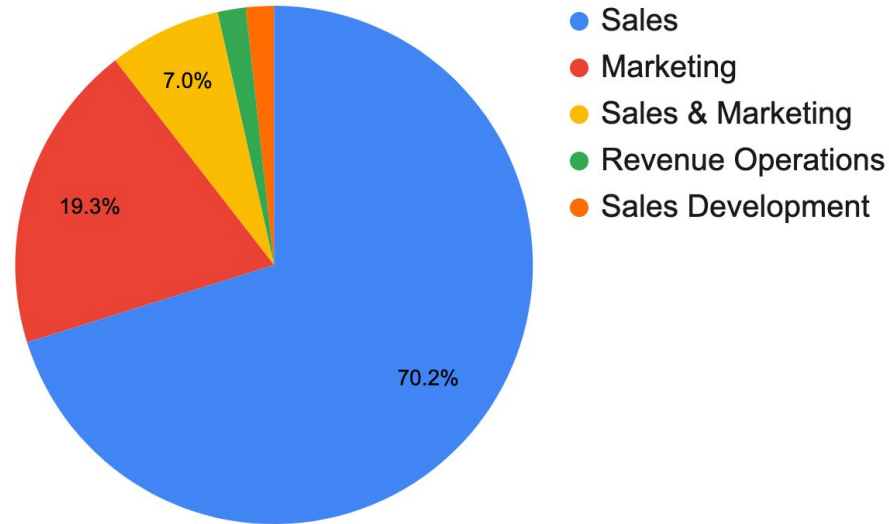
In your opinion, where *should* the SDRs report?

- Sales
- Marketing
- Sales & Marketing
- Revenue Operations
- Sales Development

65.6%
26.2%
4.9%

Pavilion

Do you allow SDRs to work remote?

Yes
No

95.1%

Pavilion

What is your SDR/AE ratio?

- 1 SDR : 1 AE — 22.6%
- 1 SDR : 2 AEs — 38.7%
- 1 SDR : 3-5 AEs — 29.0%
- 1 SDR : 5+ AEs
- 1 SDRs : 1 AE
- Full Cycle AE (No SDRs)
- Ratio Depends on Segment

Pavilion
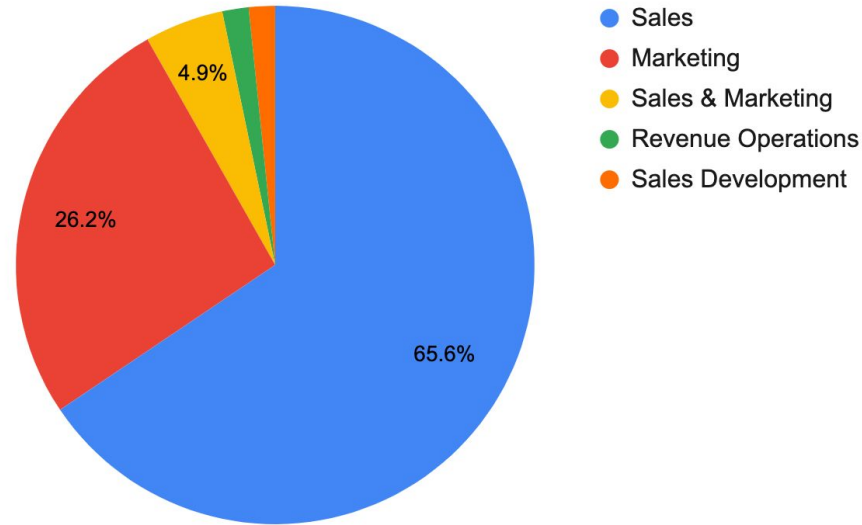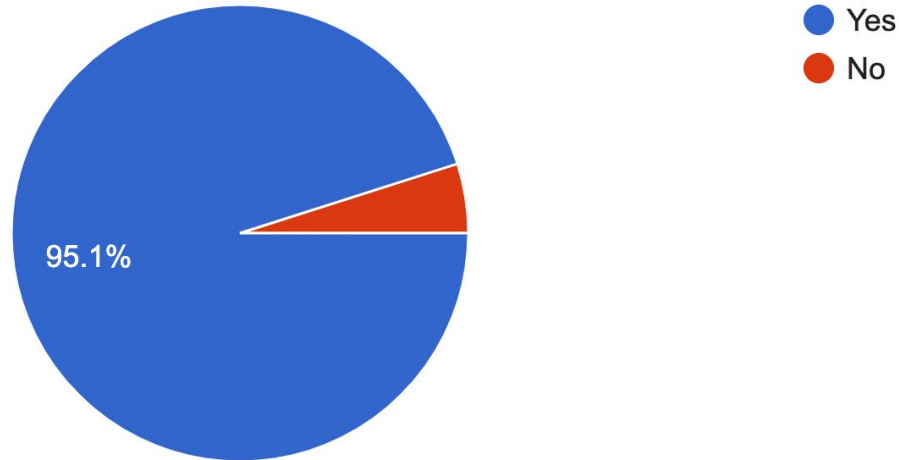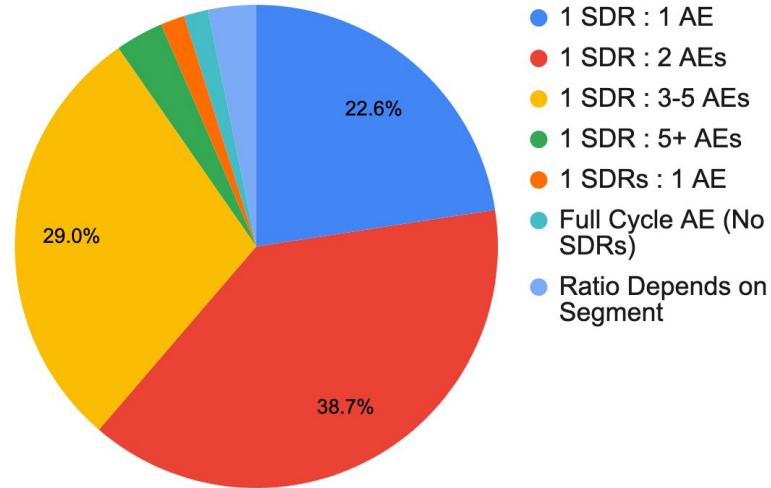
What is your SDR/Manager Ratio?

- 3-5 SDRs : 1 Manager
- 5-7 SDRs : 1 Manager
- 7-9 SDRs : 1 Manager
- 10+ SDRs : 1 Manager
- Does not report to SDR Manager

21.7%
25.0%
33.3%
15.0%
5.0%

Pavilion
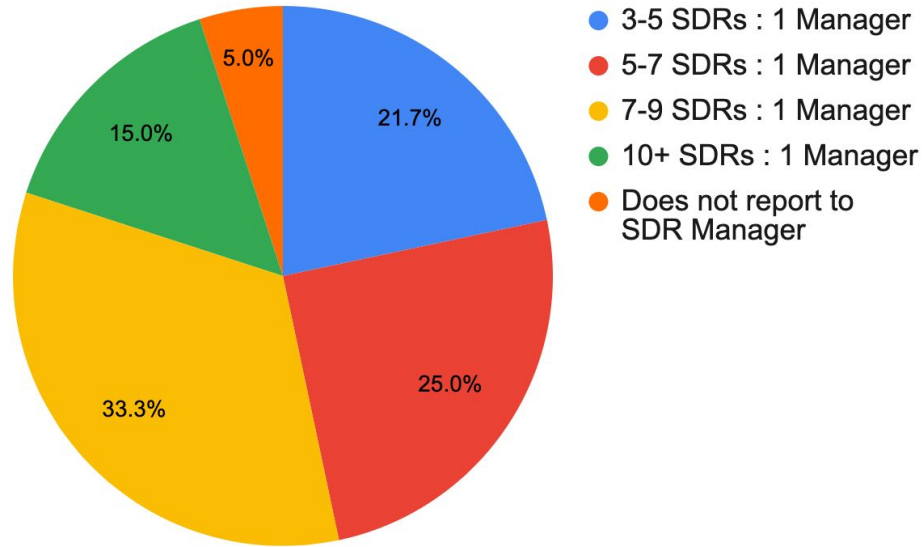
Key Takeaways

SDR to AE ratio is decreasing
95% of SDRs allowed to work remote in some capacity
Remote HQs represent roughly ⅓ of companies with SDR teams

Process

Do your SDRs do outreach globally?

Yes — 65.6%
No — 34.4%

Pavilion
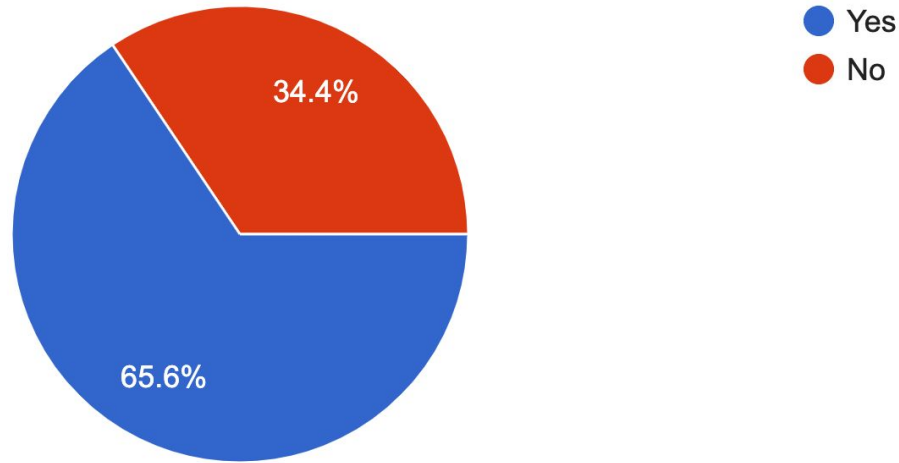
How are territories defined?

Legend:
- Geography
- Named Accounts
- Size Criteria (Revenue/Employees)
- Industry/Vertical
- Varies by Segment
- Combination of 2 or more of the above
- No Territories

Values: 39.7%, 32.8%, 10.3%, 6.9%, 5.2%

Pavilion
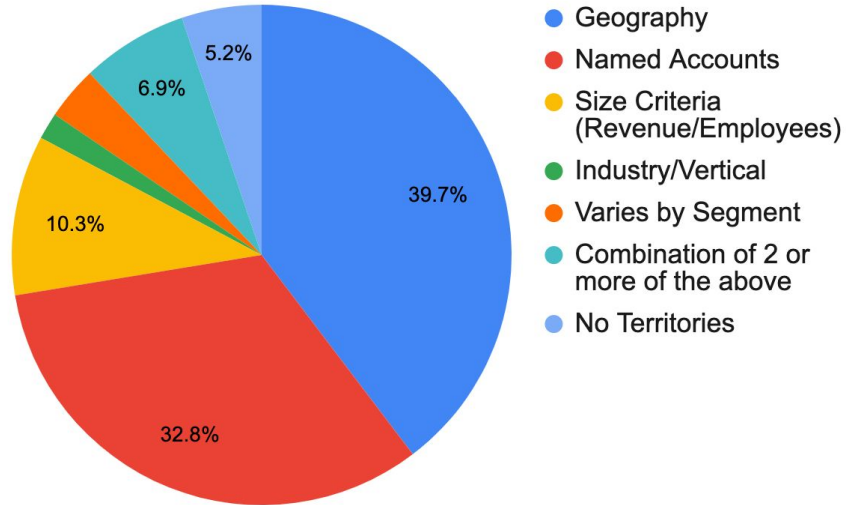
How do SDRs primarily source opportunities?

- Prospecting
- Cross-Sell
- Up-Sell (Freemium)
- Marketing Generated

72.1%

24.6%

Pavilion
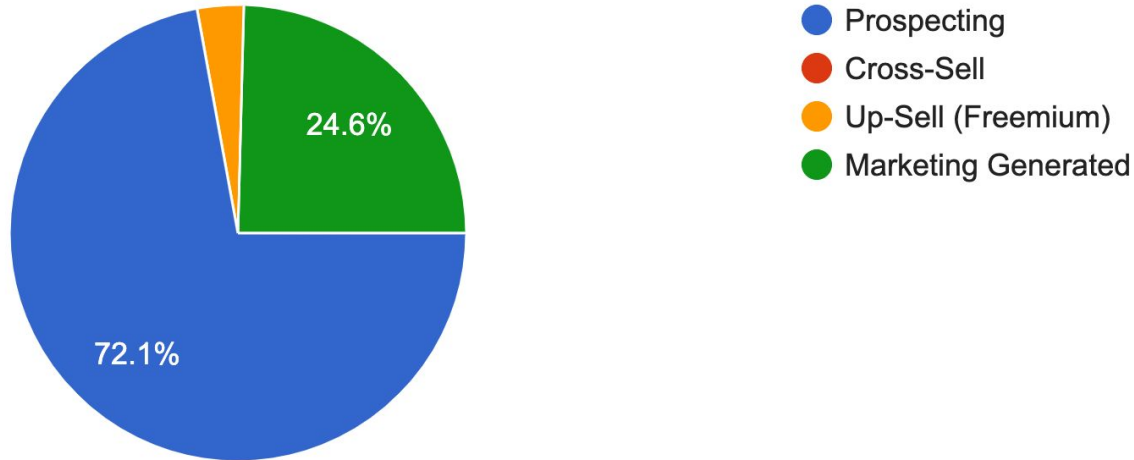
How does your SDR team qualify opportunities?
(select all that apply)

Category	Percentage
BANT	(28.8%)
Correct Persona	(39%)
Correct ICP	(52.5%)
Accepts Meeting	(37.3%)
No qualification	(6.8%)
SPICED	(1.7%)
Correct Persona, clear next…	(1.7%)
ChAMP	(1.7%)
PACT. Pain|Authority|Commi…	(1.7%)
Pain/Need, Interest	(1.7%)
CHAMP	(1.7%)
Components of Meddpicc m…	(1.7%)
Form of BANt: ICP, Persona,…	(1.7%)

Pavilion
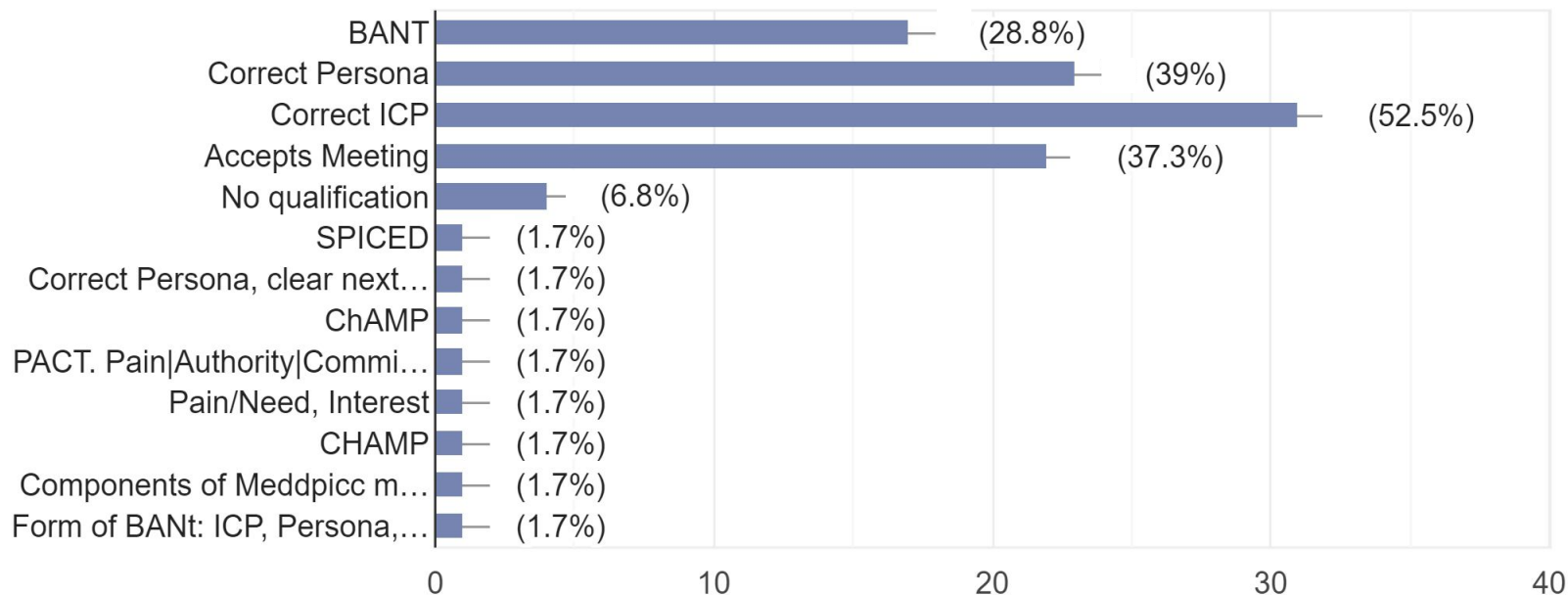
Do you have separate teams for inbound and outbound sales development?

Yes
No

54.1%

45.9%

Pavilion
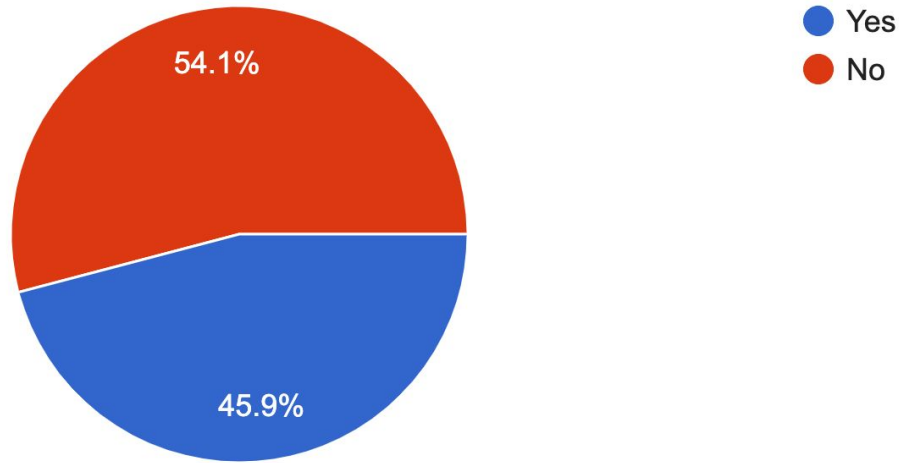
What's in your SDR Tech Stack?

- SFDC

- Outreach

- HubSpot

- LISN

- Sales Navigator

- Chorus

- Sendoso

Pavilion

What's your most relied on technology in your SDR Tech Stack?

- 30% use Outreach

- 21% use Salesloft

- 11% use HubSpot

- 9% use Salesforce

- 5% use Sales Navigator

▲ Pavilion

What are your channels of outreach?
(select all that apply)

Channel	Value	Percentage
Phone	59	(100%)
Email	59	(100%)
Social	52	(88.1%)
Video	27	(45.8%)
Mail	11	(18.6%)
Gifting	20	(33.9%)
Chat	1	(1.7%)
text if needed	1	(1.7%)

Pavilion
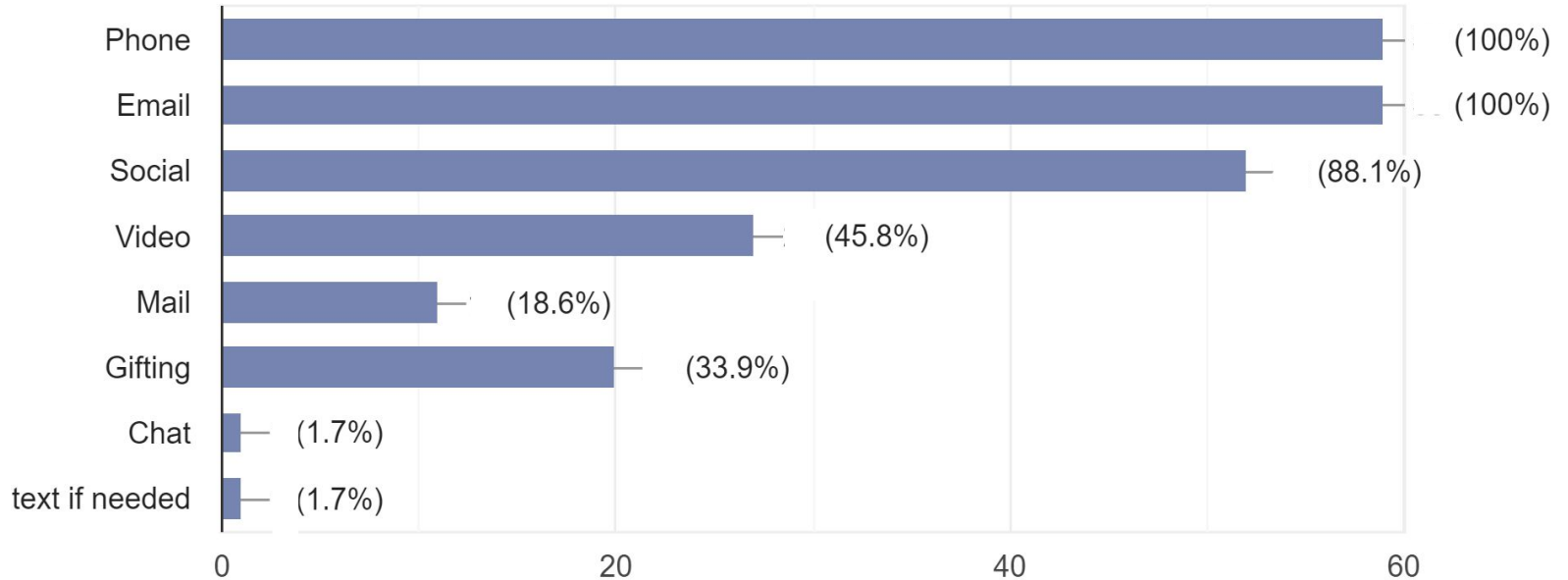
How do SDRs distribute opportunities?

- Round Robin (Not Based on Territories) — 21.3%
- Paired with an AE — 36.1%
- Distribute Among Pod of 2-3 AEs — 27.9%
- Territory/Geography — 6.6%
- Other — 4.9%
- Round Robin + Territories/Geography
- Geography + Industry for AE

Pavilion
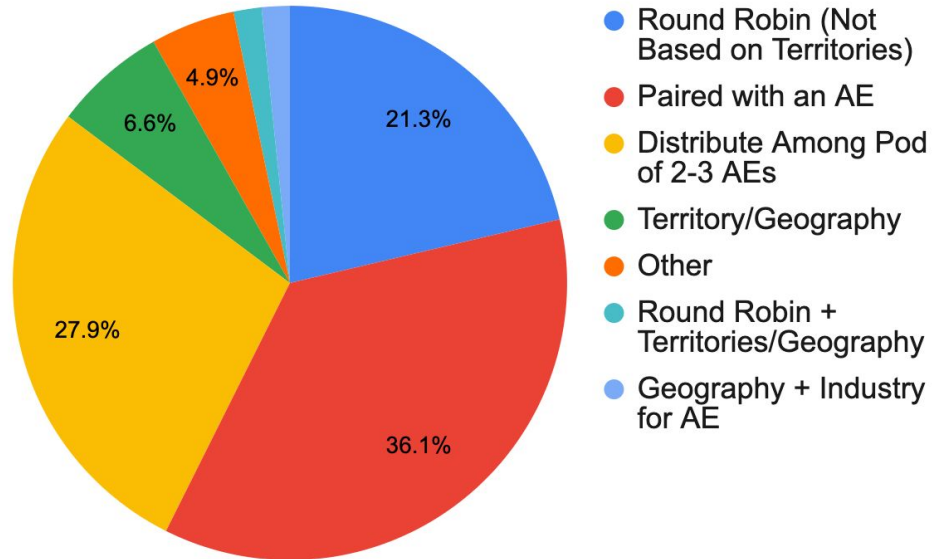
Key Takeaways

- Direct Mail is making a comeback (18% use direct mail and ⅓ use gifting)
- Over half of opportunity distribution is done in pod form
- Geography & account team (AE) is most common for opportunity distribution

Performance

What was your total outbound SDR quota attainment last year?

Legend:
- <60%
- 60% - 70%
- 70% - 80%
- 80% - 90%
- 90% - 100%
- 100% - 110%
- 110% - 120%
- 120% - 130%
- 130% - 140%
- 140% - 150%
- 150%+

Pie chart values: 10.2%, 11.9%, 16.9%, 20.3%, 16.9%, 15.3%

Pavilion
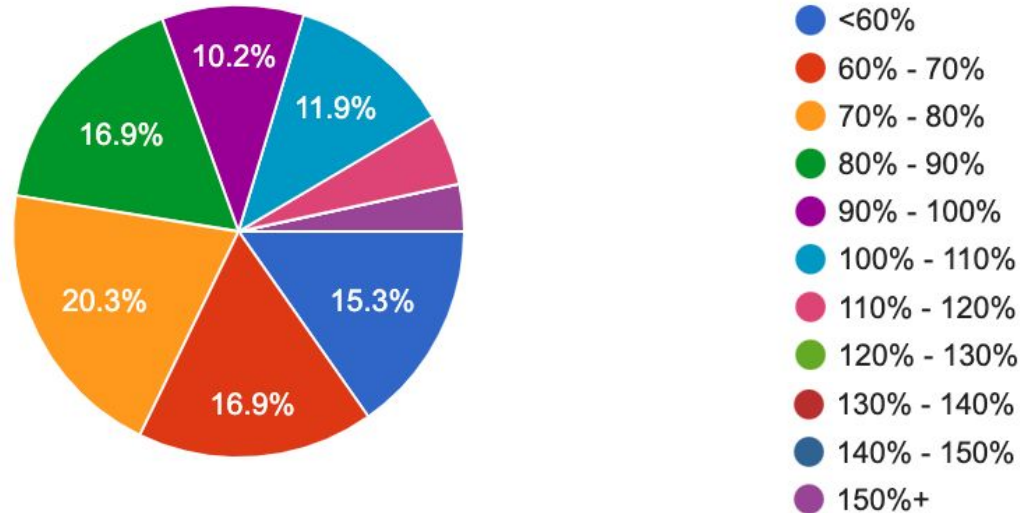
What are the primary Success Metrics of your Outbound SDR team? (select all that apply)

Metric	Value
Meetings Booked	(44.1%)
Meetings Completed	(44.1%)
Opportunities Created	(33.9%)
Opportunities Qualified	(44.1%)
Pipeline Generated	(32.2%)
Contacts & Accounts created	(1.7%)

0   10   20   30

▲ Pavilion
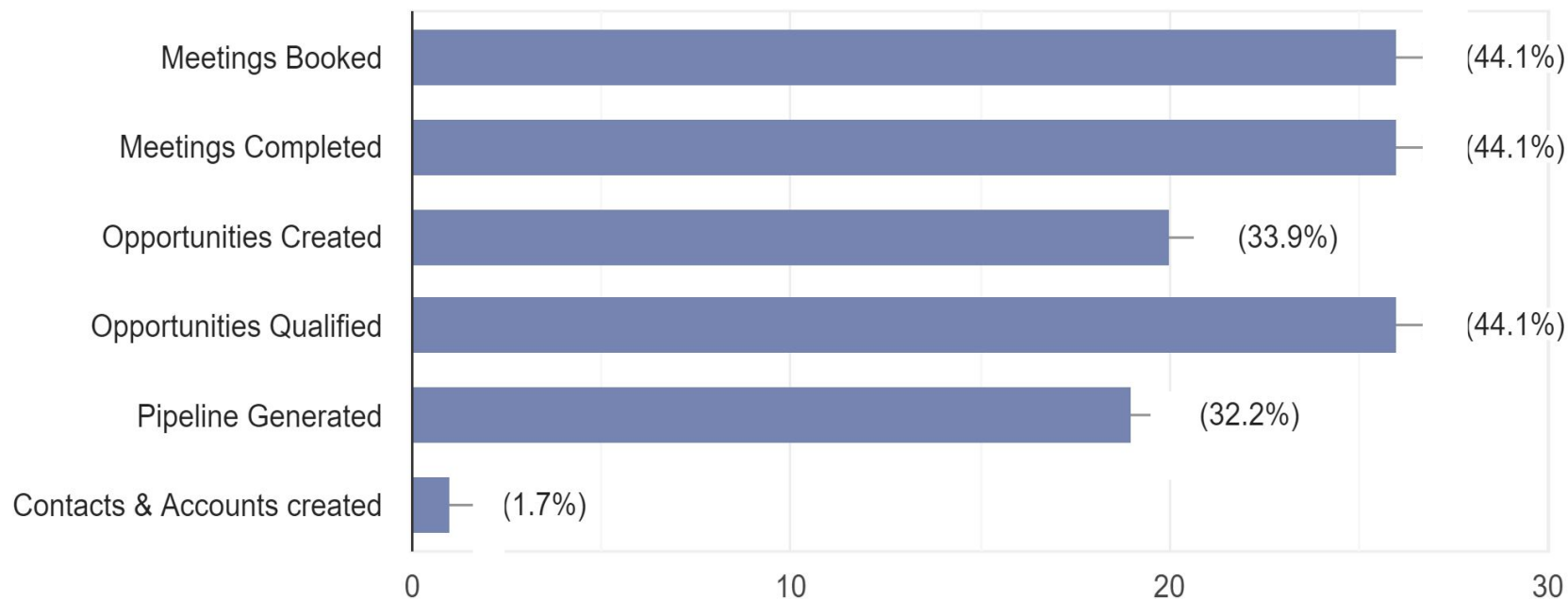
What are the targets?
(Ex. 10 meetings booked or 10 opportunities created)

- 50 outbound calls per day, 10 cold outreach emails per day

- 4 SAOs/month

- 5 meetings booked, $1m added to pipeline per quarter

- 6 opportunities accepted by Sales team.

- 25 meetings booked, 12 meetings completed

- 20 Sales Qualified Leads per SDR per month (@80% show rate)

- 12 outbound meetings booked per month for Enterprise

Pavilion

Are targets based on Monthly, Quarterly, or Annual?

Monthly
Quarterly
Annual

29.5%

65.6%

Pavilion
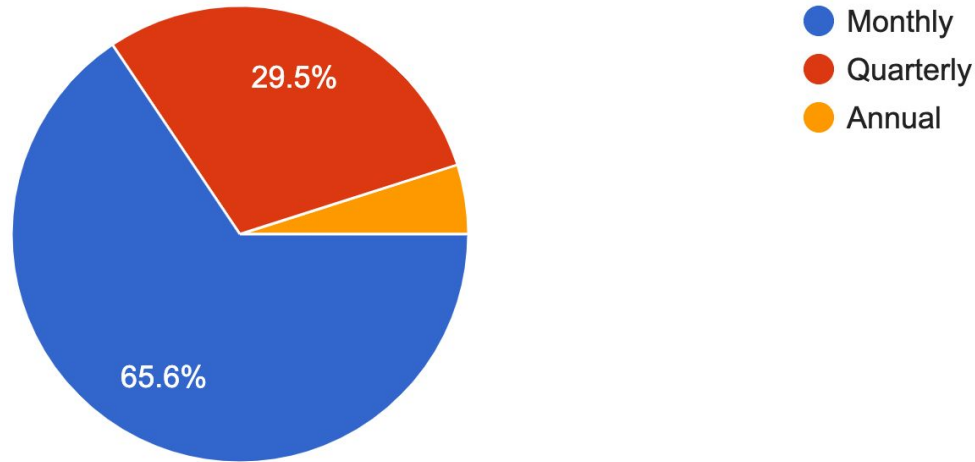
What is the number one skillset or trait you look for when hiring an SDR?

Top four answers:

1. Grit (11.1%)
2. Coachability (7.4%)
3. Intelligence (3.7%)
4. Curiosity (3.7%)

Pavilion

Do you require SDRs to have college degrees?

Yes — 32.8%
No — 67.2%

Pavilion

What is the average experience of a new-hire SDR? (in months)

Legend:
- None (blue)
- <6 (red)
- 6 - 12 (orange)
- 12 - 24 (green)
- 24+ (purple)

Pie chart values: 33.3%, 13.3%, 8.3%, 13.3%, 31.7%

Pavilion
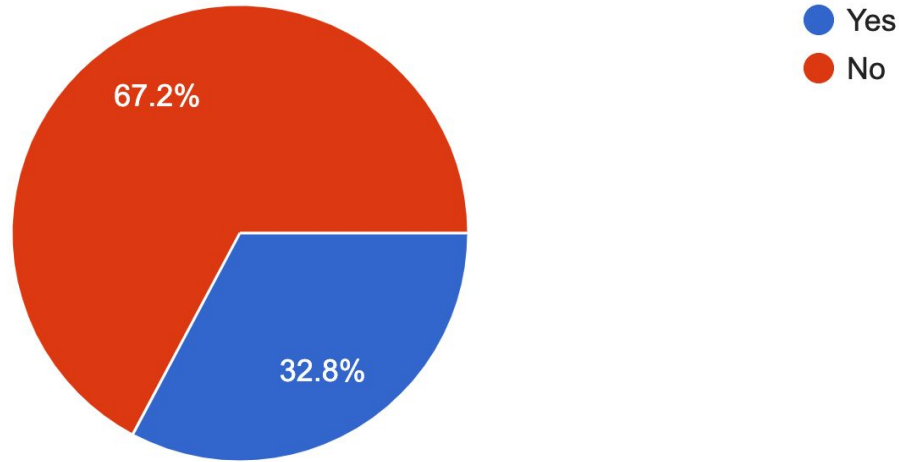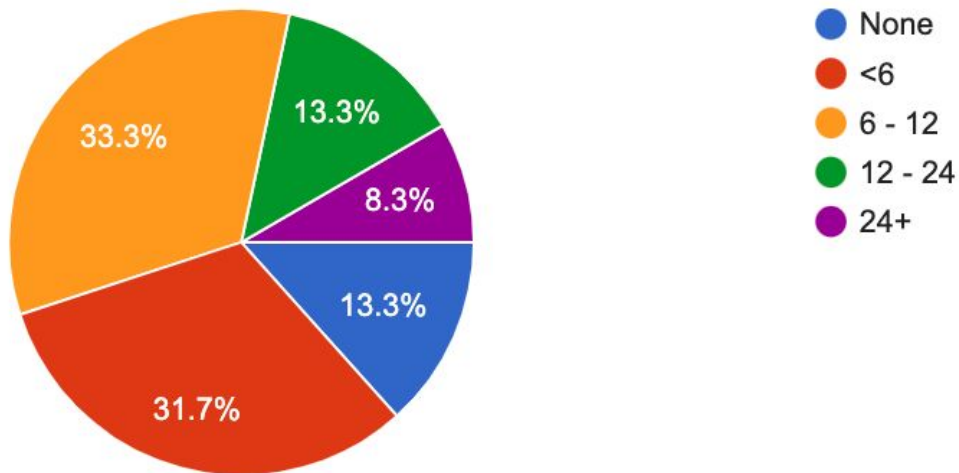
What is the average tenure of your SDRs? (in months)

72.9%

27.1%

● <6
● 6 - 12
● 12 - 24
● 24+

▲ Pavilion
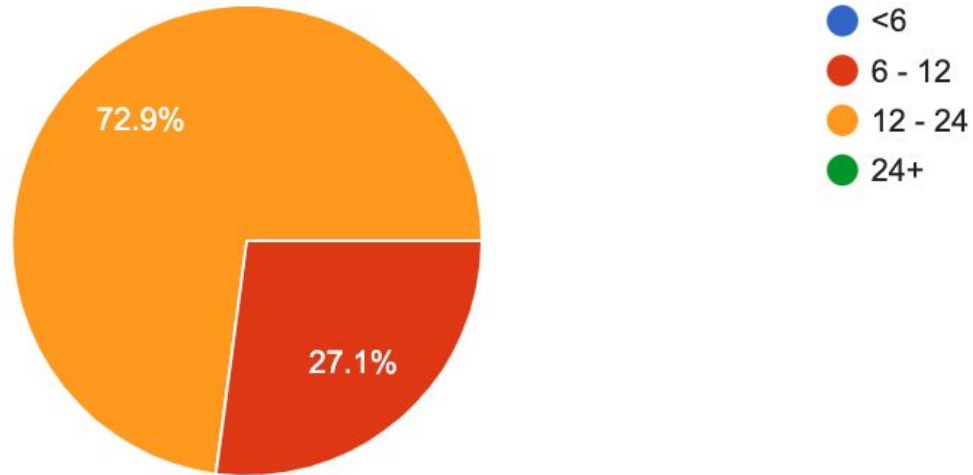
What is the amount of time you're expecting SDRs to stay in seat? (in months)
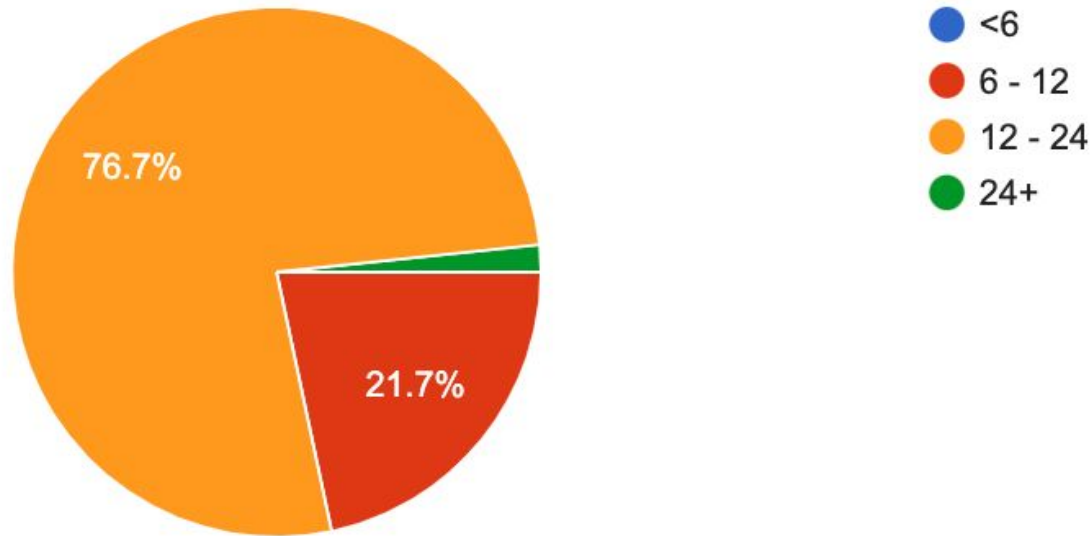
- <6
- 6 - 12
- 12 - 24
- 24+

76.7%

21.7%

Pavilion

What's the expected growth path for members of your SDR team?

Pie chart legend:
- AE
- SDR Team Lead / Manager
- AM
- AE or AM
- Partnerships/Channels
- Marketing
- Operations
- Has Path to Any Revenue Department

Pie chart values:
- 69.4%
- 12.9%
- 4.8%
- 6.5%

Pavilion

How many promoted SDRs have over 100% attainment in their next role?

Pavilion
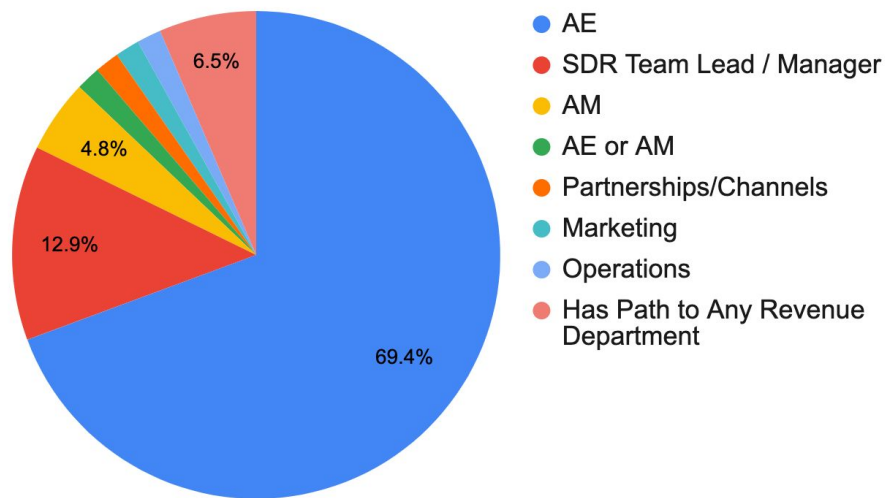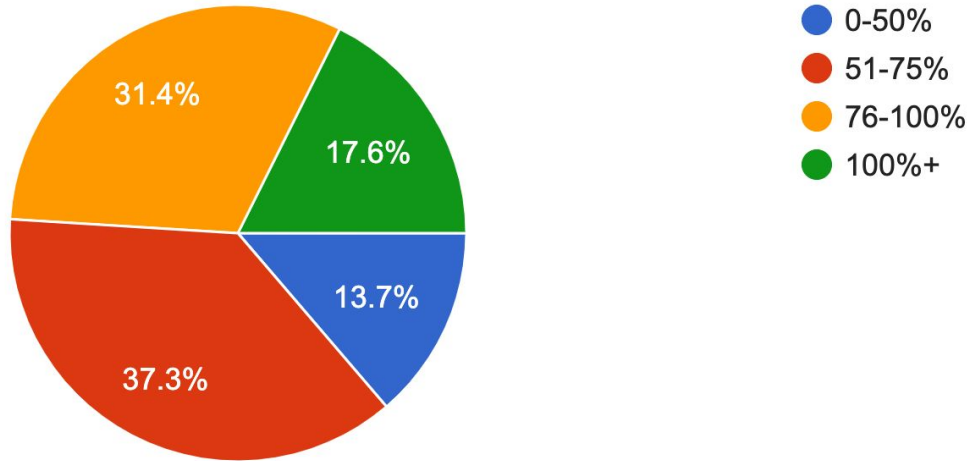
What is your expected ramp period for SDRs? (in months)

Legend:
- <1
- 2
- 3
- 4
- 5
- 6+

Pie chart values: 67.2%, 16.4%, 9.8%
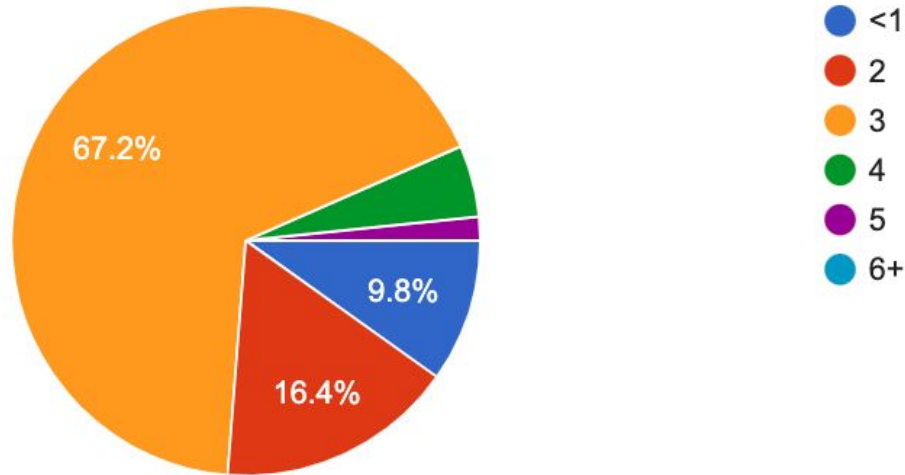
How long does it actually take to hit 100% quota? (in months)

Legend:
- <1
- 2
- 3
- 4
- 5
- 6+
- They do not hit quota

Pie chart values: 44.1%, 16.9%, 15.3%

Pavilion
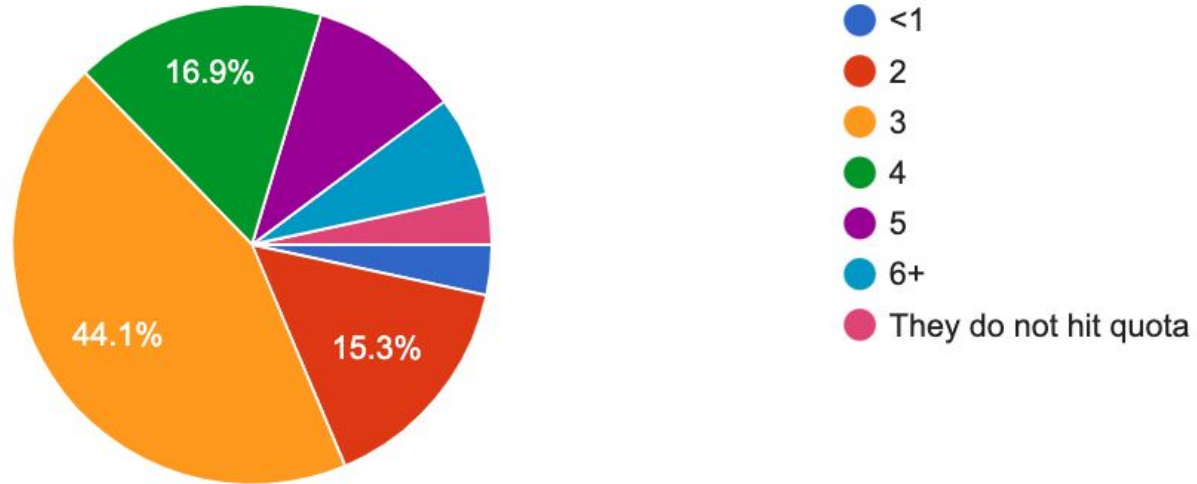
For the ex-SDRs who have moved into AE roles, what percentage are hitting quota?

Pie chart segments:
- 25% (90 - 100%)
- 15.9% (50 - 60%)
- 20.5% (60 - 70%)
- 27.3% (70 - 80%)
- 9.1% (80 - 90%)

Legend:
- <40%
- 40 - 50%
- 50 - 60%
- 60 - 70%
- 70 - 80%
- 80 - 90%
- 90 - 100%

Pavilion
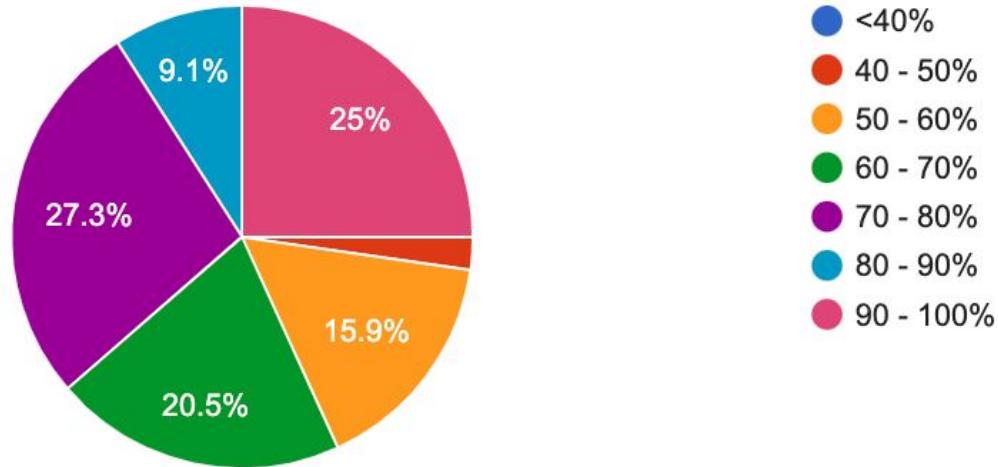
What outbound channel is currently the MOST successful for your SDR team?
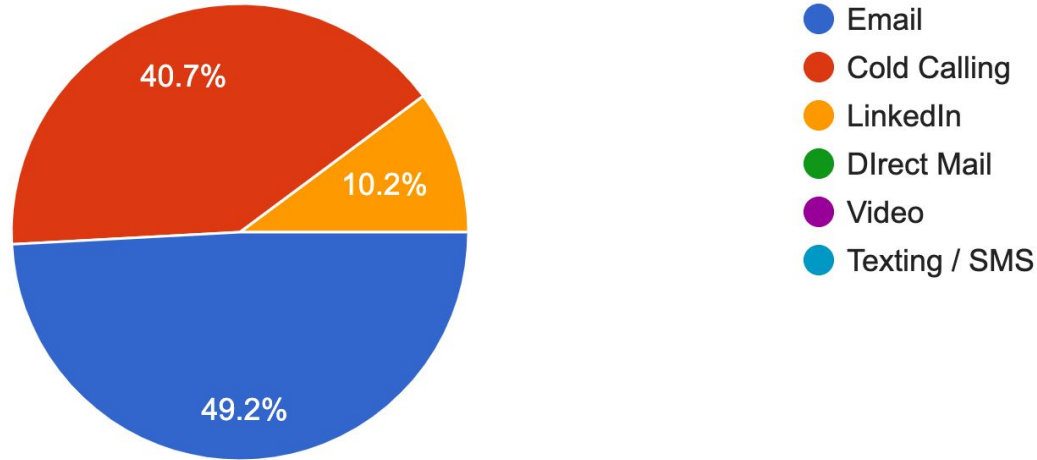
Have you experienced a change in the OVERALL effectiveness of *that specific channel* in the past 2 years?

- ● More Effective
- ● Less Effective
- ● No Change

27.6%

32.8%

39.7%

Pavilion
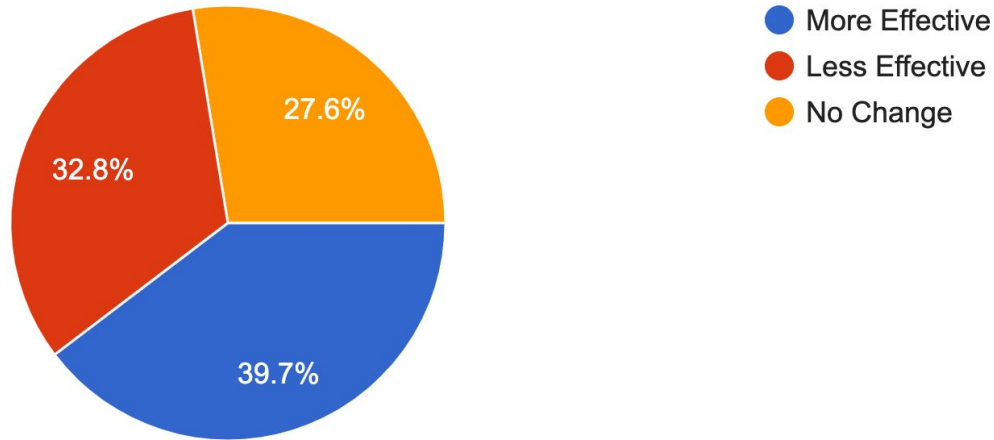
What outbound channel is current the *least* successful for your SDR team?

Pie chart:
- Email: 15.8%
- Cold Calling: 21.1%
- LinkedIn: 21.1%
- DIrect Mail: 22.8%
- Video: 12.3%
- Texting / SMS: 7%

Pavilion
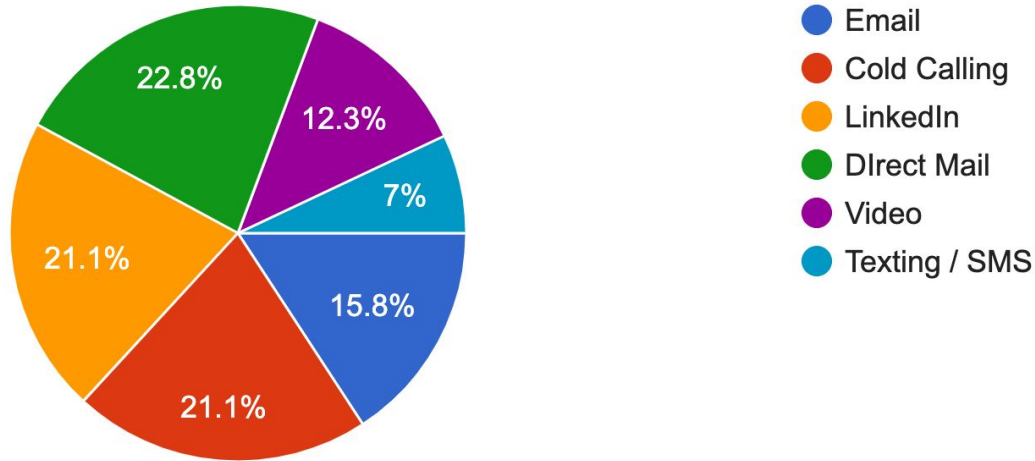
Have you experienced a changed in the overall effectiveness of *that specific channel* in the past 2 years?

● More Effective
● Less Effective
● No Change

41.8%

52.7%

Pavilion
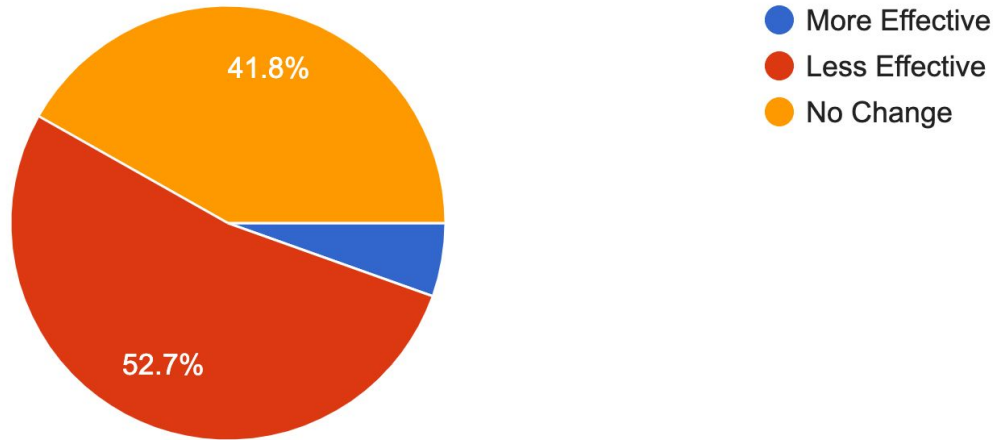
Have you experienced a change in the OVERALL effectiveness of *general outbound* in the past 2 years?

- 🔵 More Effective
- 🔴 Less Effective
- 🟠 No Change

50%

19.6%

30.4%

▲ Pavilion
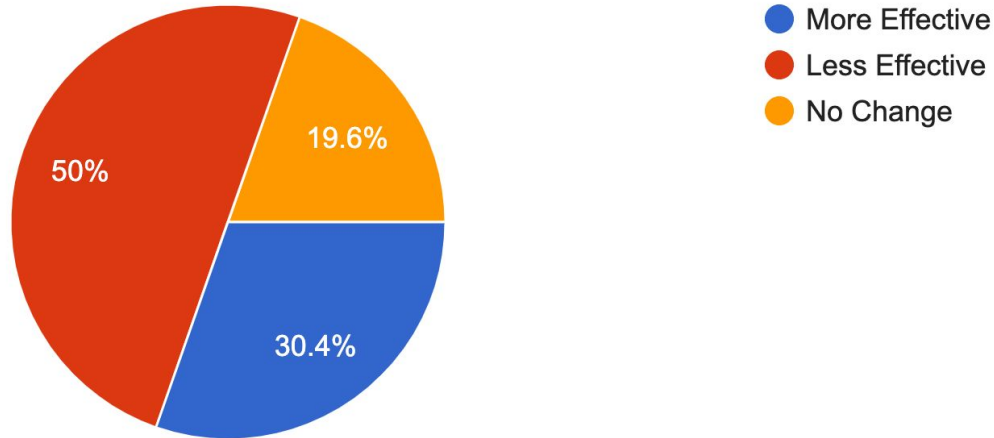
What channel are you currently most excited about?

- Email
- Cold Calling
- LinkedIn
- Direct Mail
- Video
- Texting / SMS
- Marketing efforts w/Lead Scoring

27.1%
15.3%
18.6%
25.4%
10.2%

Pavilion
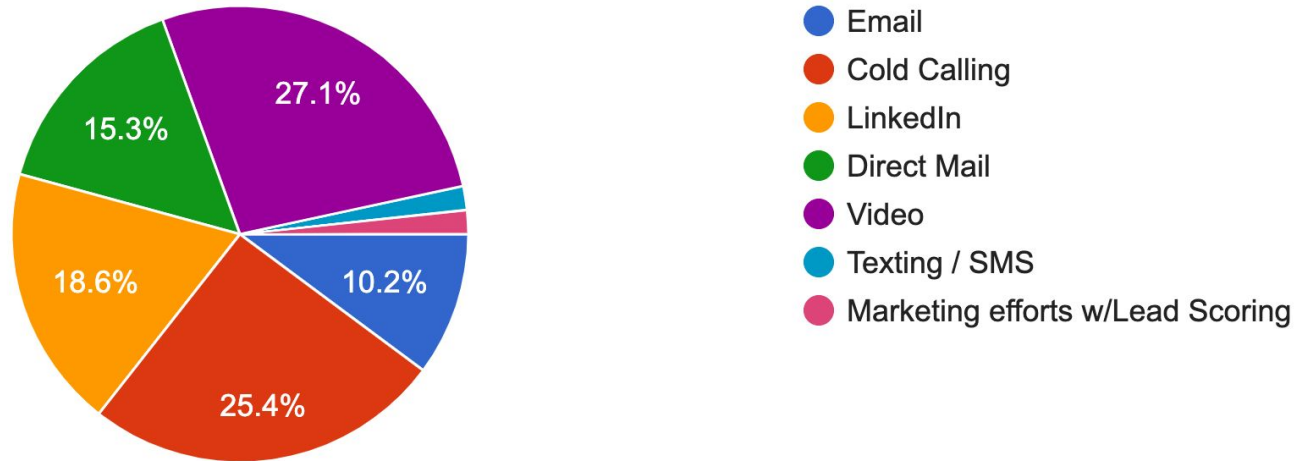
Key Takeaways

- Total performance decreased YoY
- While more teams hit their number this year (20.4% in '21 vs 17% in '20) over 50% (52.5) of SDR teams have performance under 80%

Budget / Compensation

How are SDRs compensated?

95.1%
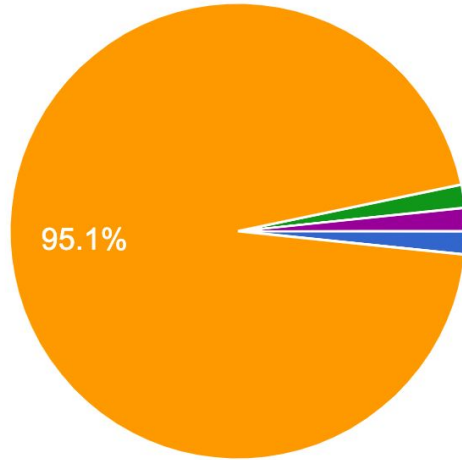
- ● Base only
- ● Commission only
- ● Base + Commission
- ● Base + Bonus
- ● Commission included base

▲ Pavilion

For base + commission, what is the expected base/commission breakdown?

Legend:
- 50% base/50% commission
- 60% base/40% commission
- 65% base/35%commission
- 70% base/30% commission
- 75% base/25% commission
- 80% base/20% commission

Pie chart values: 17.3%, 5.8%, 50.0%, 9.6%, 13.5%

Pavilion
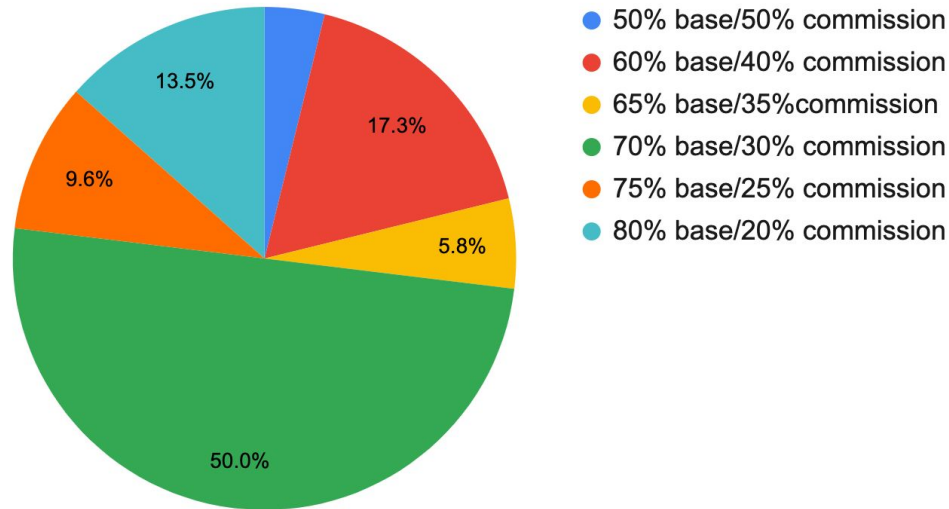
What are SDRs compensated on? (select all that apply)

- 🔵 Booked Meetings
- 🔴 Held Meetings
- 🟡 Qualified Meetings
- 🟢 Opportunities Created
- 🟠 Closed Won (ARR)
- 🔵 Closed Won (MRR)

17.5%
14.4%
20.6%
25.8%
14.4%
7.2%

▲ Pavilion
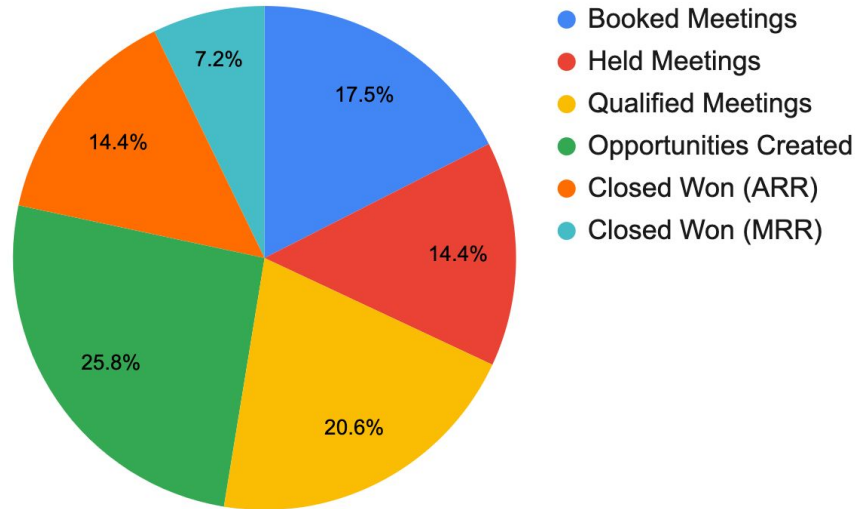
What is your average base salary for a SDR?

Legend:
- $25,000-$34,999
- $35,000-$44,999
- $45,000-$54,999
- $55,000-$64,999
- $65,000+

Pie chart values:
- 13.2%
- 13.2%
- 30.2%
- 39.6%

Pavilion
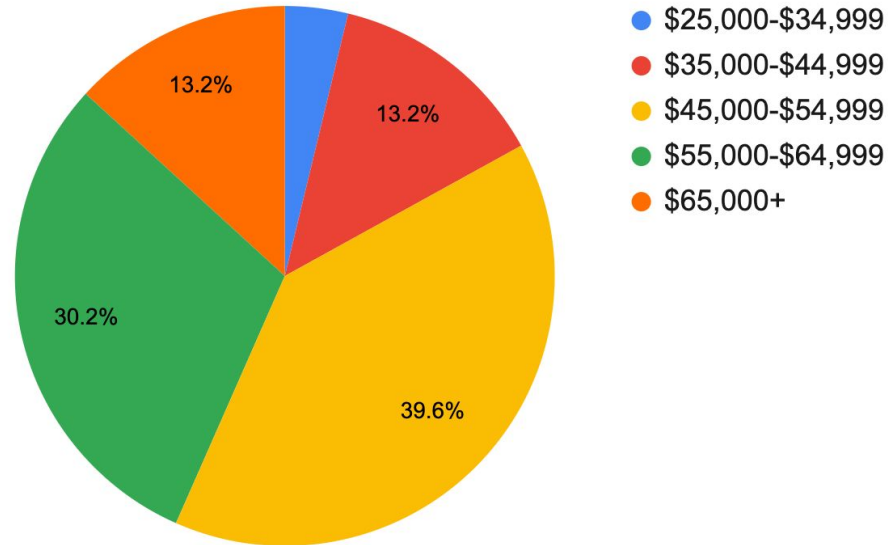
What is your TARGET average cost per meeting?

- $0-$99
- $100-$199
- $200-$299
- $300-$399
- $400+
- Unknown

6.5%

12.9%

9.7%

38.7%

29.0%

Pavilion
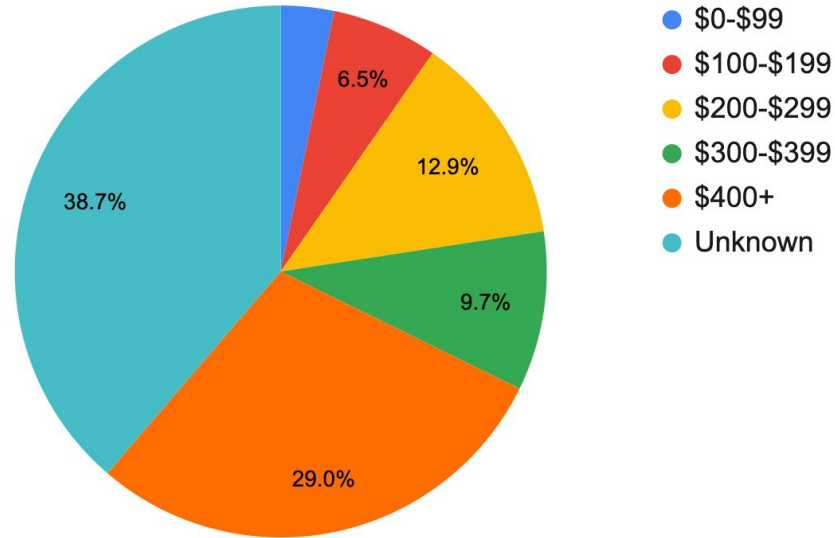
What is your TRUE average cost per meeting?

Legend:
- <$300 — 6.7%
- $300-$499 — 13.3%
- $500-$699 — 6.7%
- $600-$799 — 3.3%
- $800-$999 — 23.3%
- $1000+ — 10.0%
- Not Sure — 36.7%

Pavilion
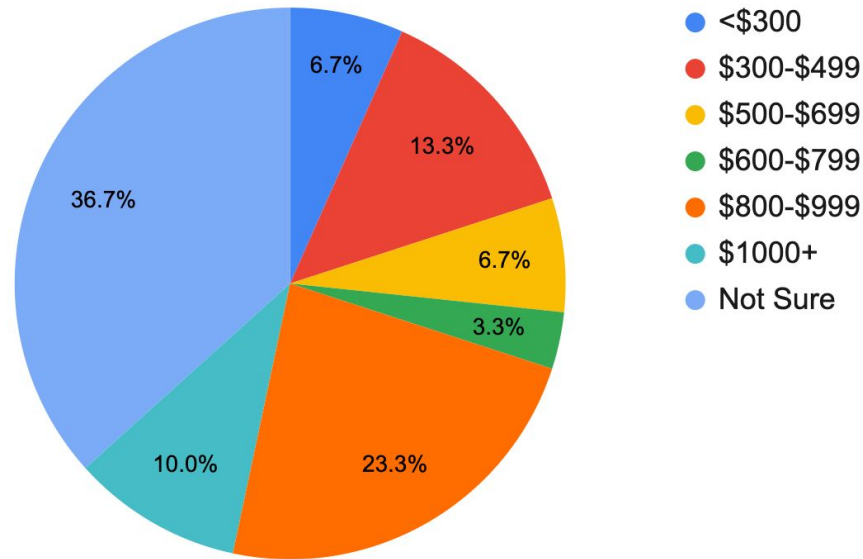
What is your CAC Payback Period on Outbound SDRs? (in months)

Legend:
- 1 - 6
- 7 - 12
- 13 - 18
- 19+

19.4%

55.6%

19.4%

Pavilion
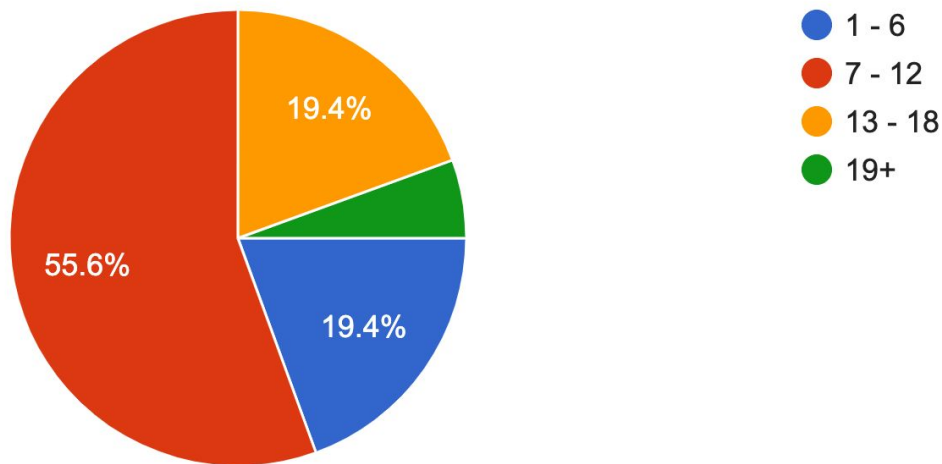
What is your TARGET LTV/CAC on Outbound SDRs?

- 1/1
- 2/1
- 3/1
- 4/1+
- Unknown

44.1%
23.5%
14.7%
11.8%

Pavilion
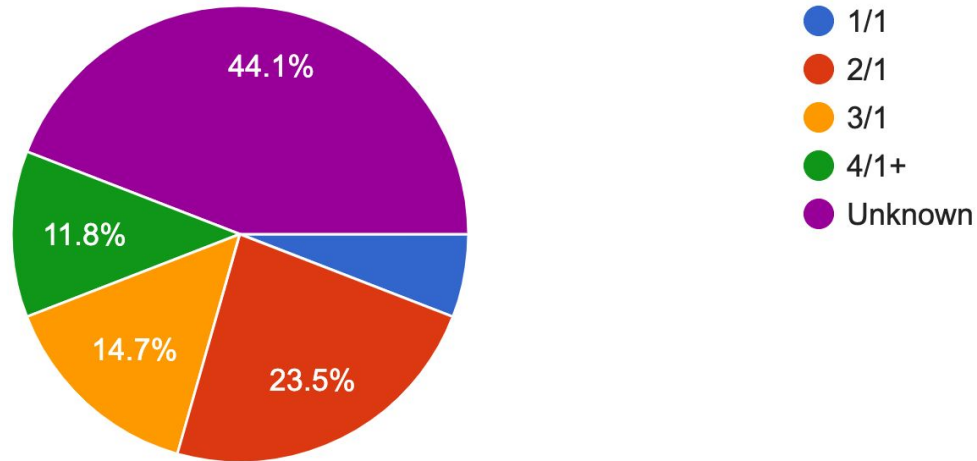
What is your ACTUAL LTV/CAC on Outbound SDRs?

Legend:
- 1/1
- 2/1
- 3/1
- 4/1+
- Unknown

Pie chart values: 42.9% (Unknown), 11.4% (1/1), 11.4% (2/1), 22.9% (3/1), 11.4% (4/1+)

Pavilion
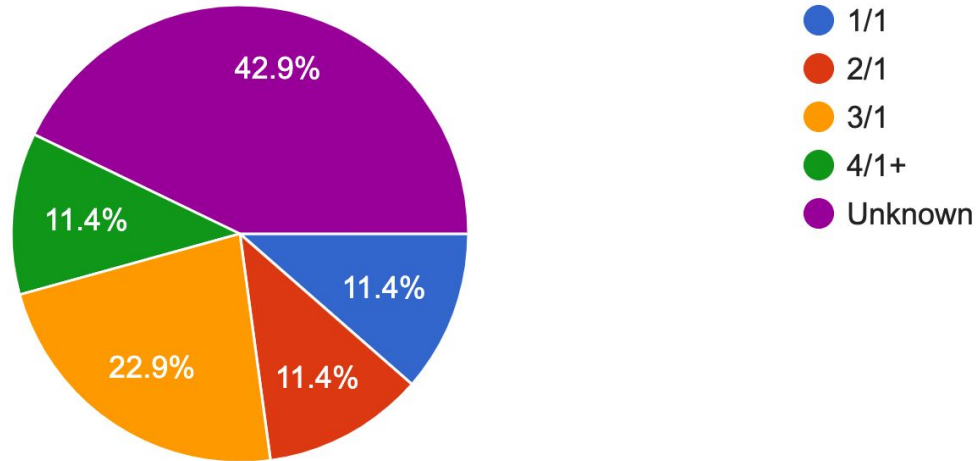
What is your annual SDR tech spend/budget per rep?

Legend:
- Not sure
- <$1,000
- $1,001 - $2,000
- $2,001 - $3,000
- $4,001 - $5,000
- $5,001 +

Pie chart values:
- 44.8%
- 13.0%
- 9.7%
- 9.7%
- 16.3%
- 6.5%

Pavilion
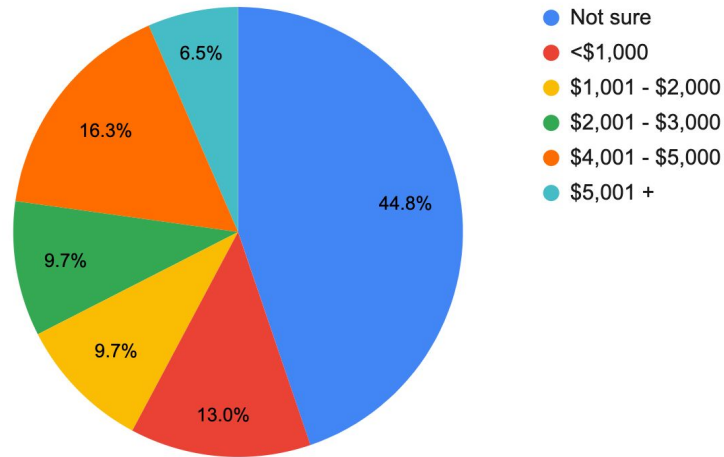
General Thoughts and Inferences

The Current State of Sales Development

- In general it's too slow and over complicated

- Lots of different models can work or not work for lots of different companies. Measuring everything is important and continuously tweaking.

- It's a struggle.

- I feel like SDR world is constantly changing depending on the stage of the organization making it difficult to grow the team.

The Current State of Sales Development (cont.)

- Our market is unique in that we sell to a static market. The sports landscape doesn't continuously add new customers. SDRs are less relevant to our market.

- Positive; 2020 and 2021 both had challenges, particularly with hiring. We've seen an uptick as we close out this year and I hope we see that continue into 2022.

- I need SDRs and salespeople, but we are not hiring right now.

- Sales Development is great if you have smart, hard workers

The Current State of Sales Development (cont.)

- Trying to figure out the right recipe for coming back into office.

- Necessary

- It's always been an important role, now its getting a lot more credit. Hence the rise in pay for SDRs.

- Too spammy, not personalized enough

- Hiring has gotten MUCH harder - my belief is that many people who used to want SDR roles are getting AE roles and more of my applicants just want 'to work in SaaS' over actually be in sales.

The Current State of Sales Development (cont.)

- outbound only is less effective as time goes on, needs a blended marketing / growth strategy especially for larger / strategic accounts.
- Overall, I'm very excited that the field is maturing, and that it is being seen as a specialization. That said, there are too many businesses that still treat SDR like a cost center, and run it like a "program" rather than a part of the sales org that generates revenue. There are too many non-specialists running SDR teams, orgs (I've seen SDR teams get put under someone whose last role was a consultant at Deloitte for example), so there's a lot more work to be done.
- Good, if you're focused on data driven insights

The Current State of Sales Development (cont.)

- As it grows it feels like its turning into glorified telemarketing, especially with the rise of all the cold calling gurus and cold outreach thought leaders.
- Never been as much data to work with, but still a lot of commonality in engagement e.g. it's easy for someone to tell that they are being "sequenced".
- Level of Effort has increased over past 18 months. Reliance on intent and inbound traffic has become critical. Expectations of how and what success looks like from outbound has not rightsized with how the market has evolved.

The Current State of Sales Development (cont.)

- Encouraged by the amount of resources and tech solutions available. Finding the right people and keeping them in this environment is (as we like to say in Massachusetts) wicked hahd, guy.
- Harder than ever and more needed than ever.
- Needs improvement, I need to know how to help this happen.
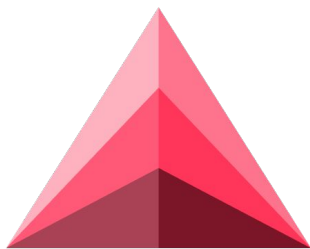- Growing, but getting harder at the same time

The Current State of Sales Development (cont.)

- It's a very important function but the job has become increasingly difficult from the rep and management perspective.
- costs are rising quickly
- Too much automation of bad content, bad understanding of the basics. The key is to focus on the people actually picking up the phone and bucketing leads through their journey.
- Growing fast and gaining traction!

The Current State of Sales Development (cont.)

- It requires more effort, time, tools, and creativity to secure qualified meetings
- Sales Development remains a need for any SaaS organization. Qualified marketing leads are decreasing and the importance of outbound performance is growing. Dependent on the marketplace, the effects of the pandemic have shifted the mindset of buyers and how they prioritize
- overinflated salaries for reps and too little managerial coaching
- Outbound has become much more difficult. The new way to generate sales is inbound led by Capterra and multi channel marketing. Also, in person networking and conferences are another good way to get leads.

Key Takeaways & Overall Thoughts

Thank you