

State of Sales Development Survey

Fall 2022

***Raw data available exclusively for
Pavilion Executive Members***



Conducted by Benchmark Research Partners in partnership with Operatix

 Pavilion

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The State of Sales Development 2022

Nearly three years into a remote-first world, teams have a stronger understanding of digital sales development and have relaxed barriers to entry into the field, paving the way for highly effective talent who had been previously overlooked. This has made sales development efforts more effective overall.

However, large percentages of teams are still missing revenue targets and quota. With the rapid changes in the macroeconomic and geopolitical environment we've seen this year, revisiting forecasts more often can help give a more accurate picture of your business and better align growth targets with the market.

That's the key to success in this climate — alignment. Structuring teams around shared goals and metrics helps reduce friction, drive efficiency, and grow revenue. This includes alignment with your customers. The most effective channels for outreach are the ones your customers use. What works for some might not work for you. Multi-threading and connecting with prospects on the channels they use most is what's important.

On the whole, sales development is poised to be even more effective in 2023 so long as sales leaders continue to drive alignment, truly understand their customer needs in an uncertain economy, and remain adaptable.

About This Report

The State of Sales Development Survey was commissioned by [Pavilion](#) and conducted by [Benchmark Research Partners](#) with support from [Operatix](#) between October 13 and October 24, 2022, to understand the structure, strategy, performance and plans of sales development teams today.

230 leaders representing a cross-section of companies based in the North America, Europe, and Asia participated in the study.

Key Insights

#1: Sales Development Has Become More Effective Over The Past Year

Quota attainment is up 30% compared to our [survey last year](#) and 75% reported sales development was more effective this year. Seed, Series C, and Public companies reported the highest levels of effectiveness.

Those respondents were:

- More likely to **expect SDRs to qualify opportunities**
- More likely to **use texting and mail**
- More likely to have a fully distributed (remote) team
- Less likely to require SDRs to have a **college degree**

#2: But Teams Are Still Struggling to Hit Quota

73% still reported they were under 100% quota attainment YTD 2022 with respondents at Series C companies reporting the lowest quota attainment (27% are at <60% attainment).

This data aligns with findings from monthly Pavilion Pulse Surveys, where:

- 63% of respondents reporting their companies missed September 2022 revenue targets
- Just 27% feel somewhat to very likely they'll hit *original* revenue targets
- 34% don't feel confident in hitting *revised* targets (adjusted 10-19% below original goals)

“As the recession becomes a reality, it will be imperative that companies become obsessed at knowing, identifying, and targeting their ICP (Ideal Customer Profiles) to maximize the impact and success of their SDR program.”

#3: Team Structure Impacts Performance

In this economic climate, alignment is more important than ever. Structuring teams around shared goals and metrics helps reduce friction, drive efficiency, and grow revenue.

Fully remote teams were:

- More likely to ramp SDRs to **full productivity in 3 months or less**

Those with 80%+ total outbound SDR quota attainment were **more likely** to:

- Have SDRs **focused on both inbound and outbound** sales development
- Split target **accounts by geography**

Those with SDRs **focused exclusively on outbound** sales development were **less likely** to:

- Have attained 90%+ total outbound SDR quota attainment
- Say sales development has become more effective over the past year

#4: Video and Social Are Exciting, But Tried and True Methods Still Work

The debate on the most effective channel rages on, but the takeaway is to double down on the channels that work for your business and your customers.

- 75% say **phone calls and email** are the most effective channels for getting responses
- 50% are most excited about **social and video**
- Those who use video in prospecting are:
 - More likely to be selling to technology companies (77% vs 69%) and B2C/Ecommerce (39% vs 29%)
 - 29% more likely to incentivize Sales/AE-qualified opportunities sourced

“For sales development to become increasingly efficient, it needs to be better aligned with marketing and product growth strategies... it must be a centrally coordinated function that works as a well choreographed channel alongside product and marketing.”

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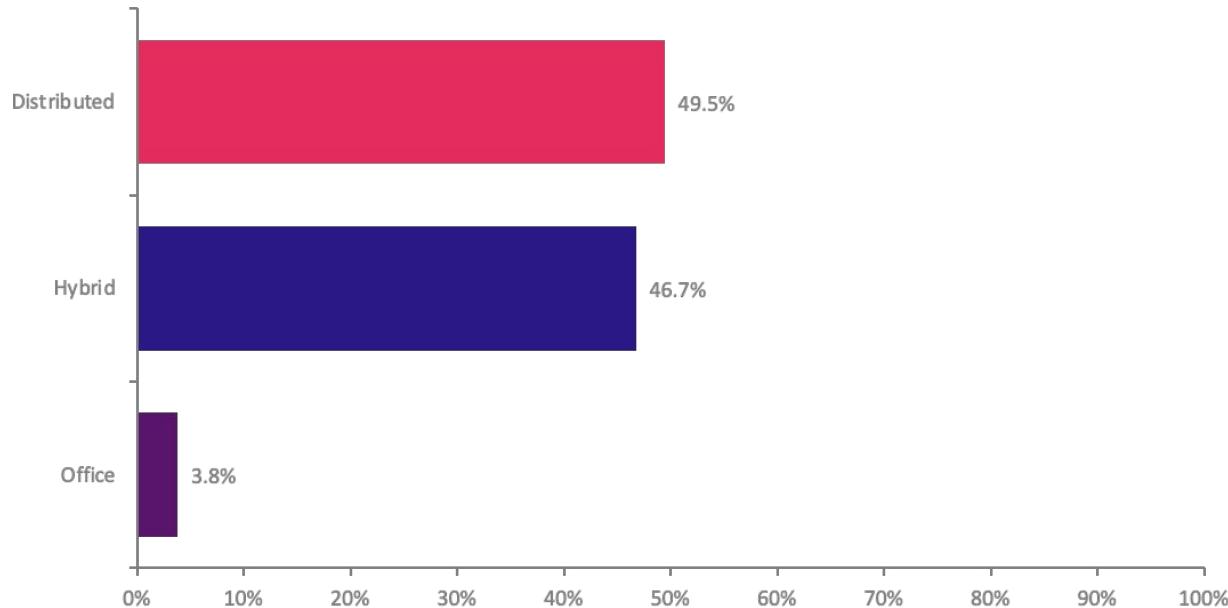
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Additional Insights

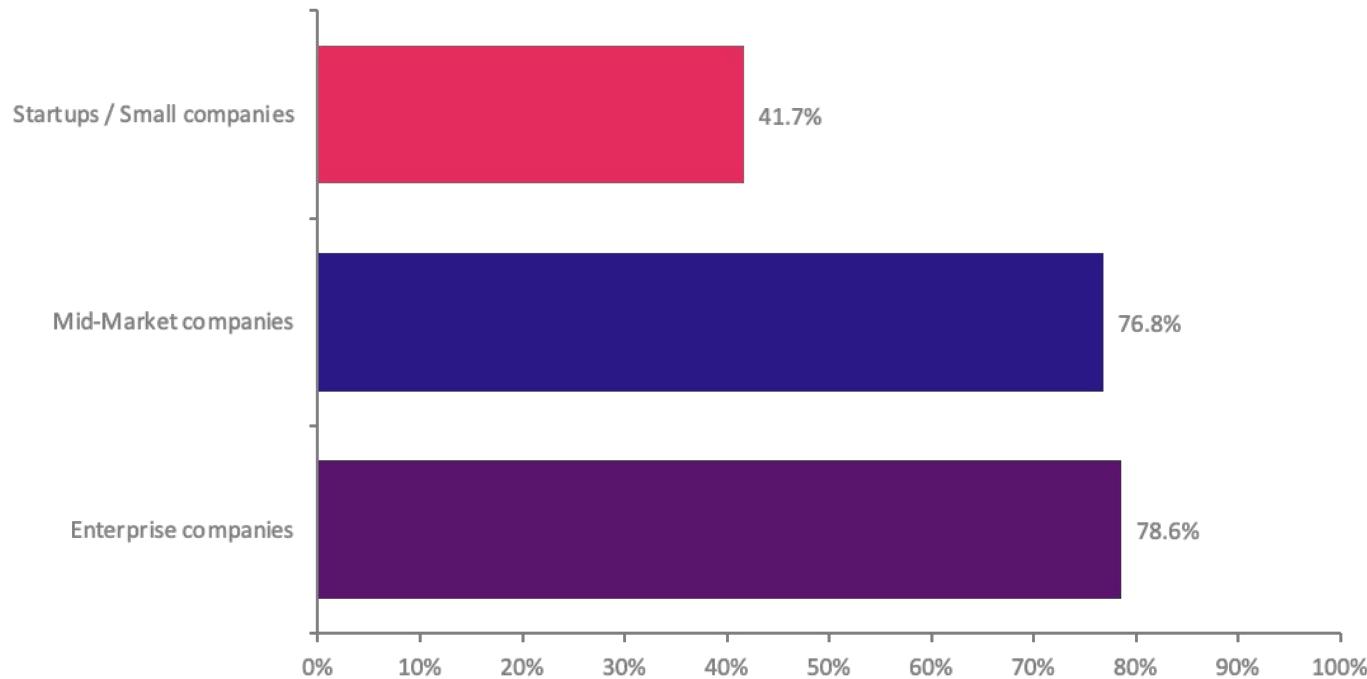
Company structure

Few teams operate full time in office



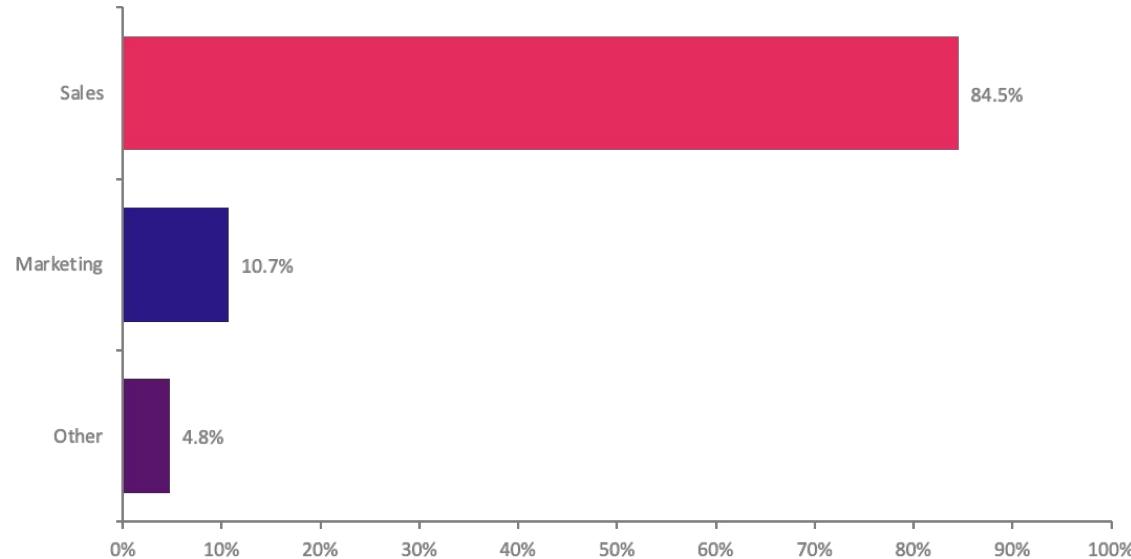
SDRs tend to target larger companies

Q: What size companies do your SDRs target?



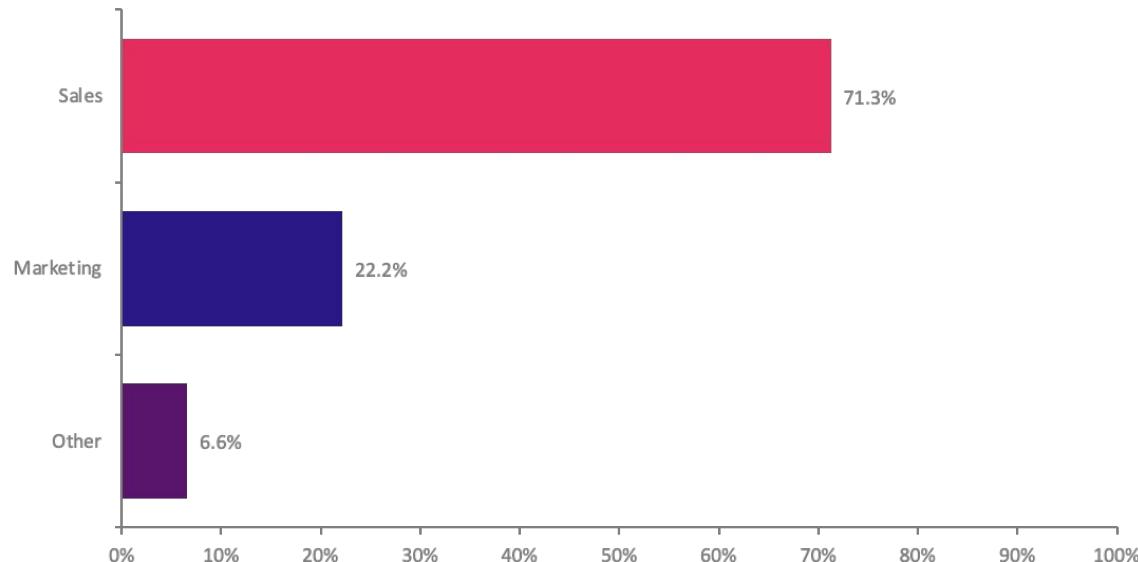
Most outbound SDR teams report into Sales

Q: Which organization does your outbound SDR team report into?



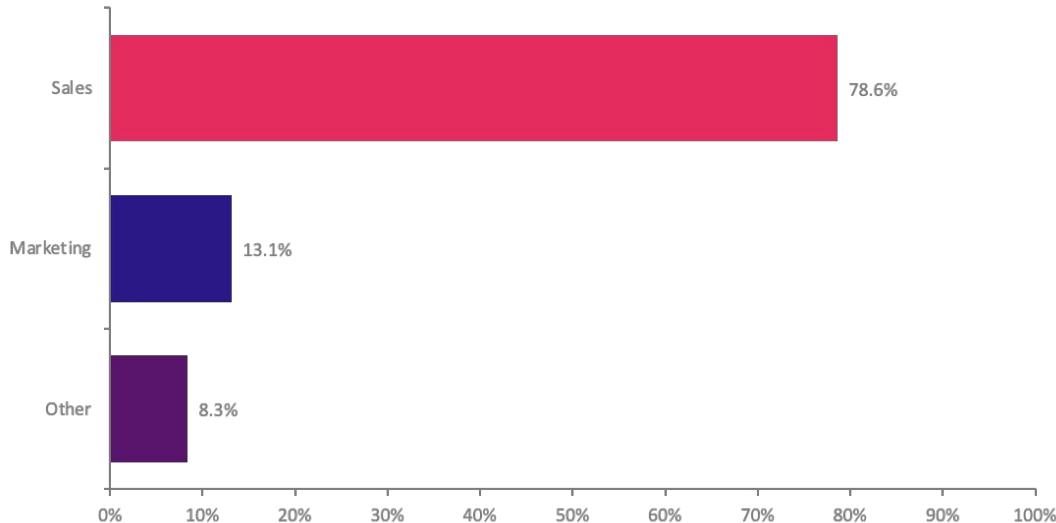
Most inbound SDR teams report into Sales, too

Q: Which organization does your inbound SDR team report into?



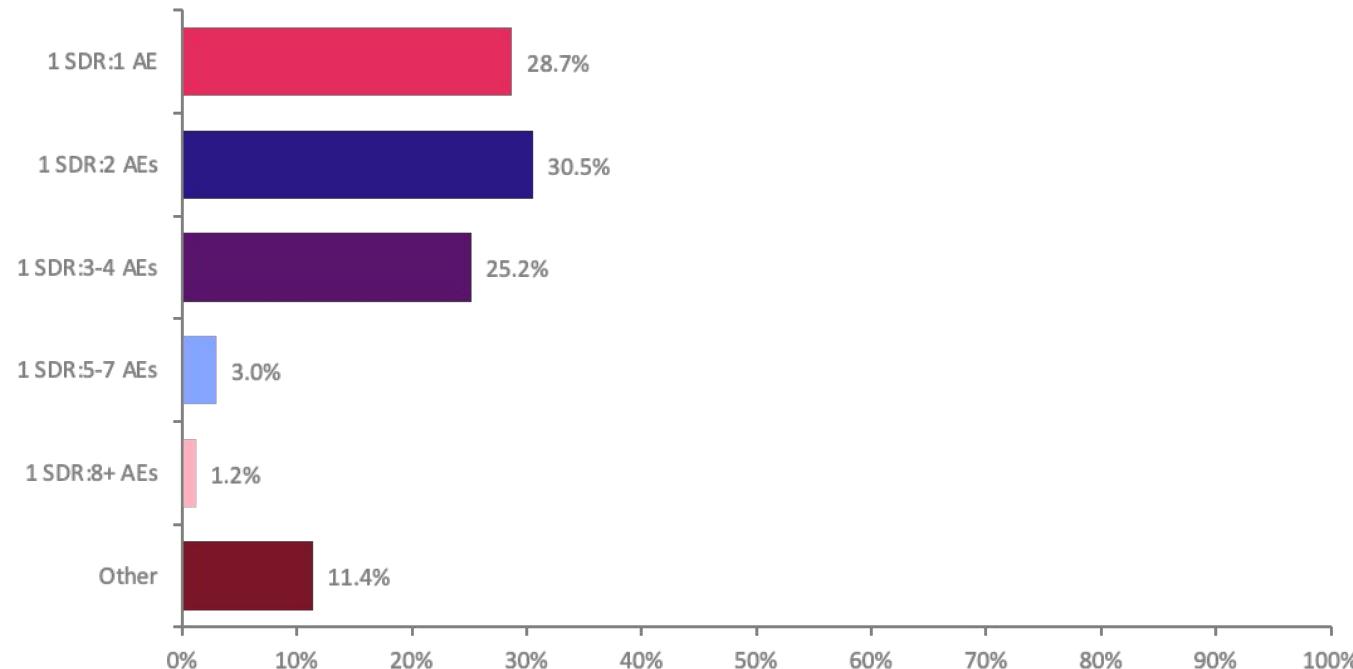
Most believe SDR teams should report to Sales

Q: In your opinion, which organization should SDR teams report into?



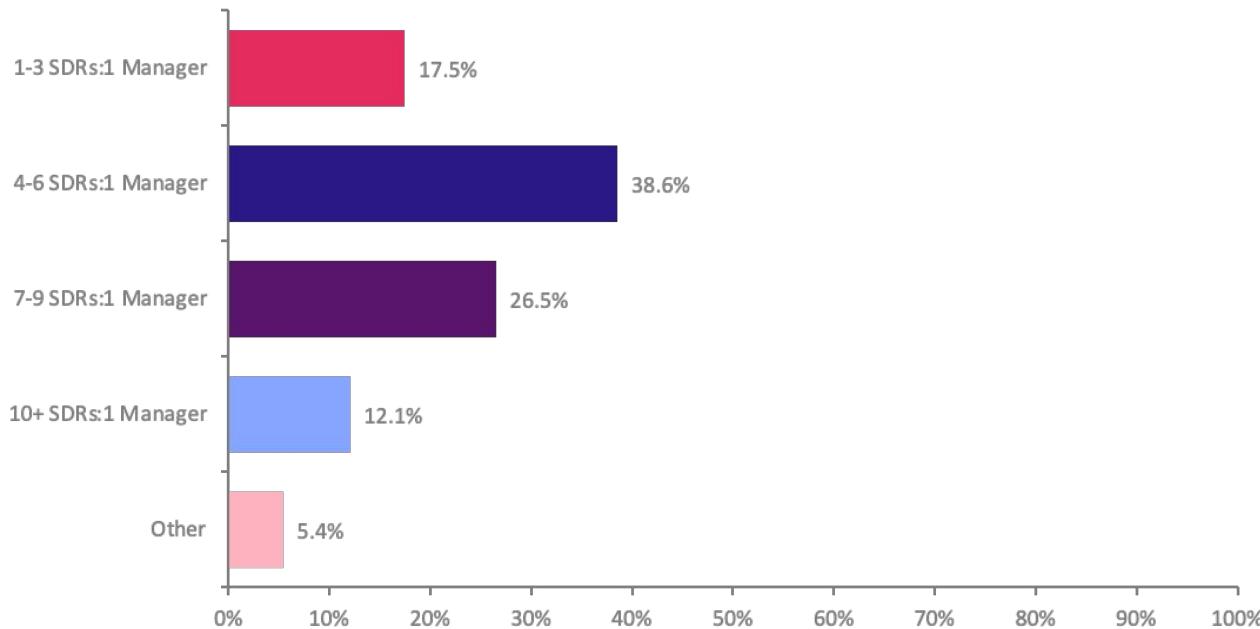
Most SDRs support more than one salesperson

Q: What is your SDR to AE ratio?



Most SDR managers support more than 4 SDRs

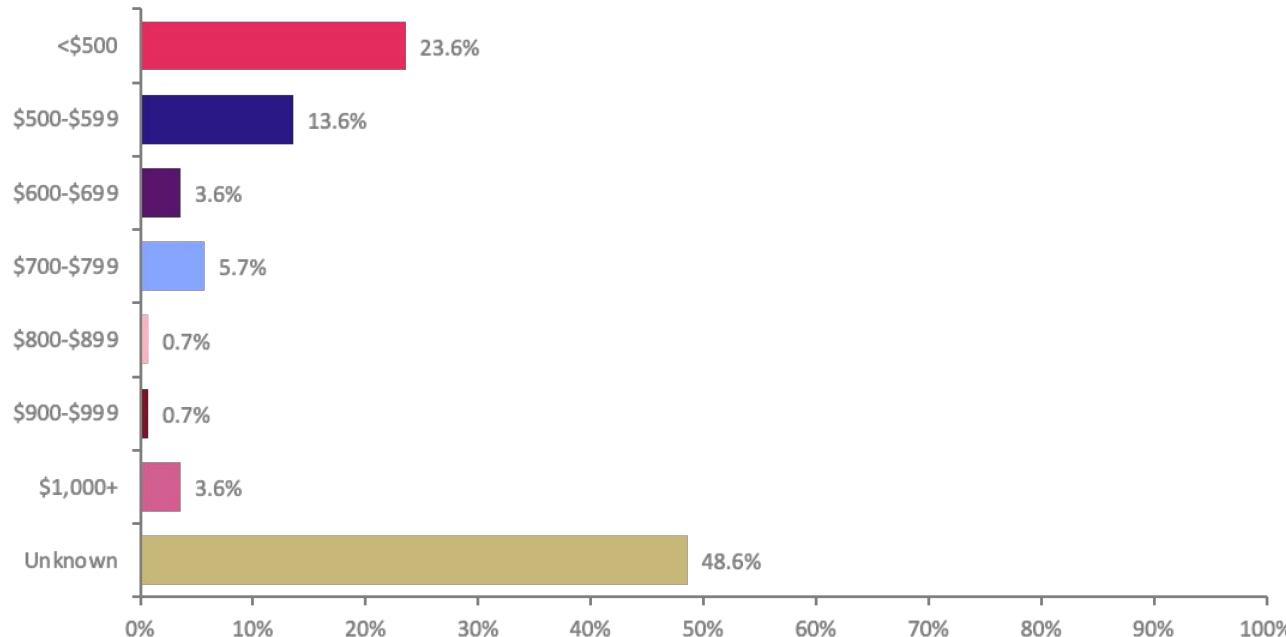
Q: What is your SDR to Manager ratio?



Acquisition & payback

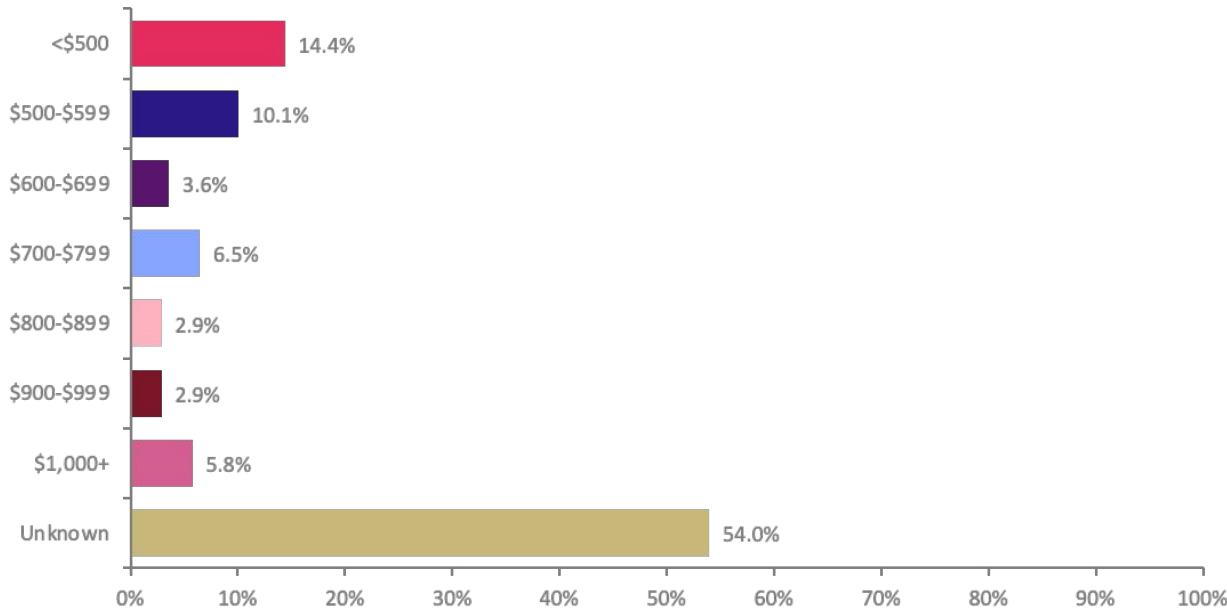
Most sales leaders don't know their target CPM

Q: What is your target average cost per meeting?



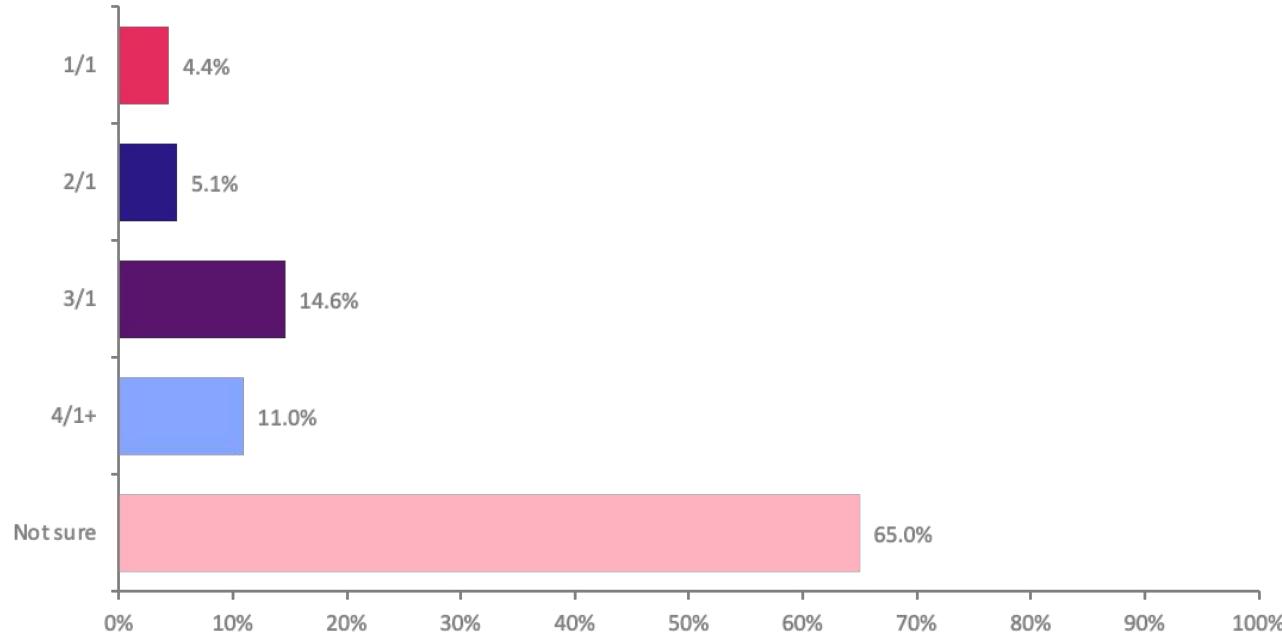
Most sales leaders don't know their actual CPM

Q: What is your actual average cost per meeting?



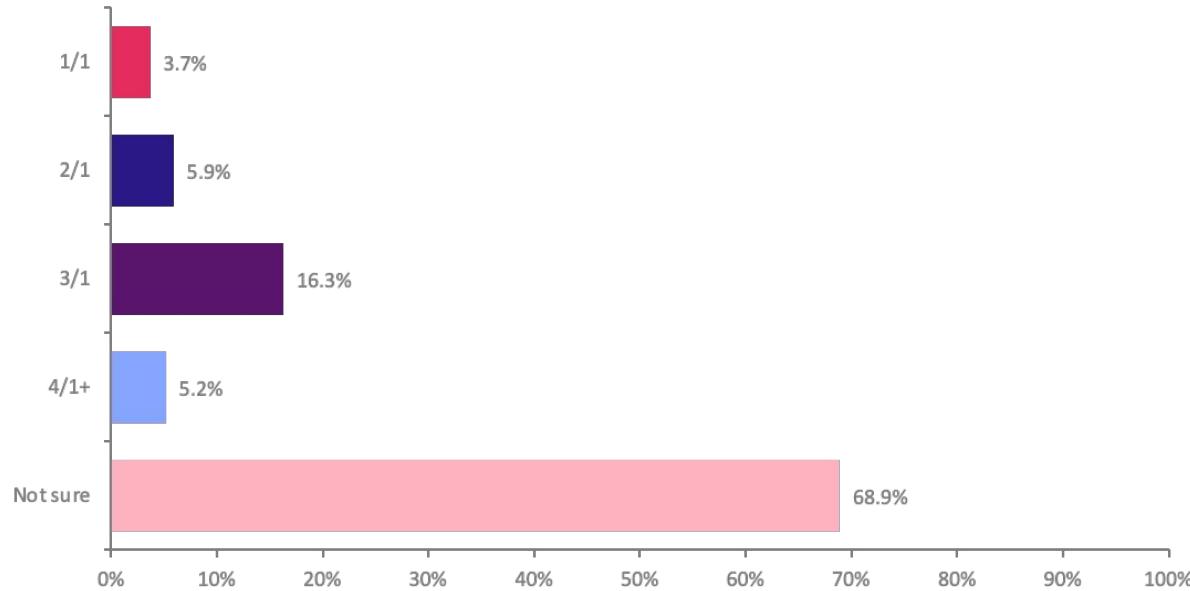
Most sales leaders don't know their target LTV/CAC

Q: What is your target LTV/CAC on Outbound SDRs?



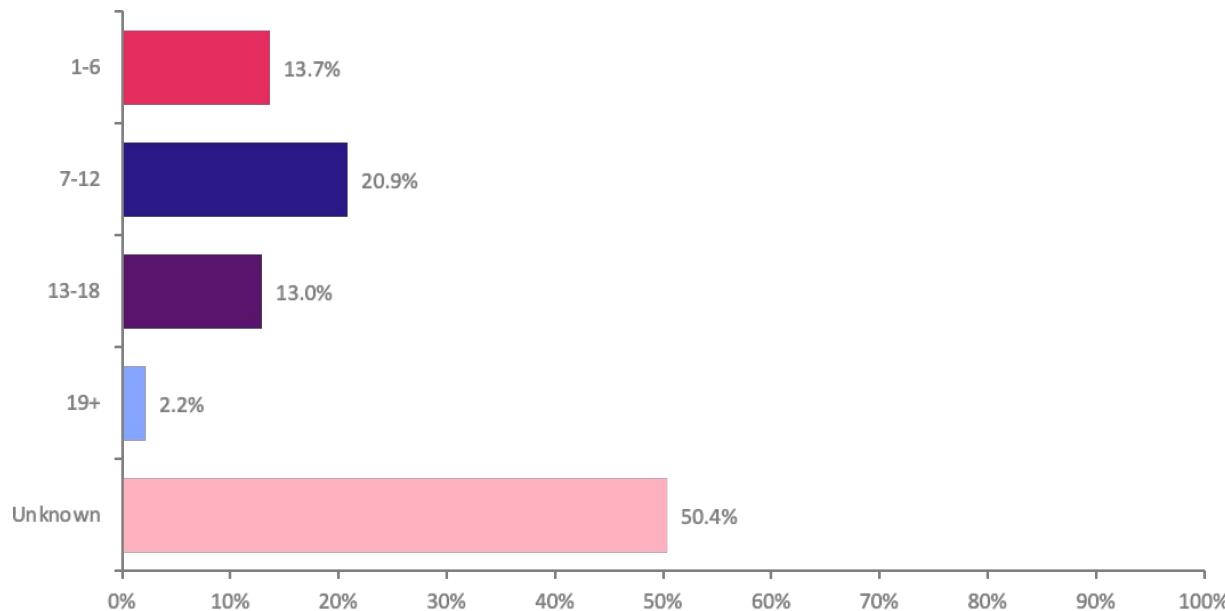
Most sales leaders don't know their actual LTV/CAC

Q: What is your actual LTV/CAC on Outbound SDRs?



Sales leaders also don't know CAC payback periods for SDR efforts

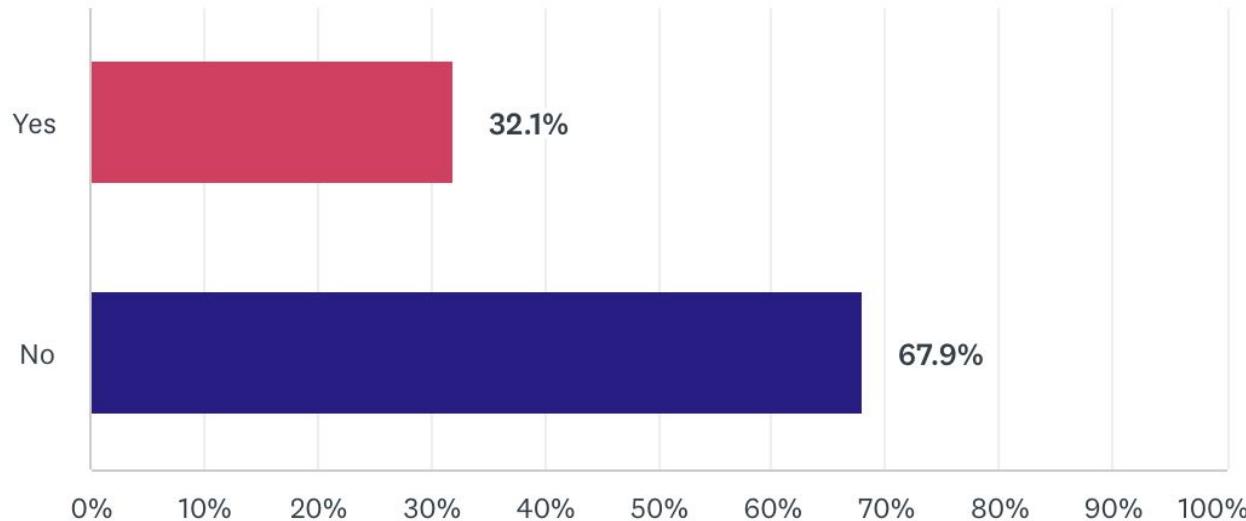
Q: What is your CAC Payback Period on Outbound SDRs (in months)?



Process

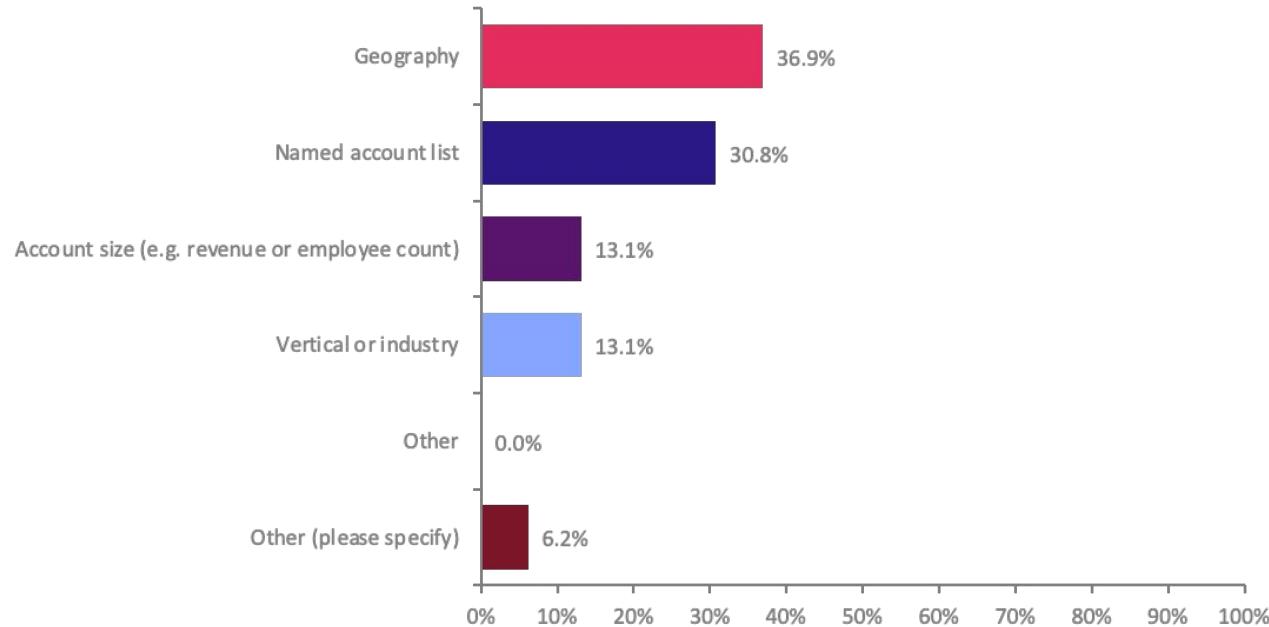
About a third of sales leaders have tried outsourcing SDRs

Q: Have you ever utilized an outsourced SDR/BDR company?



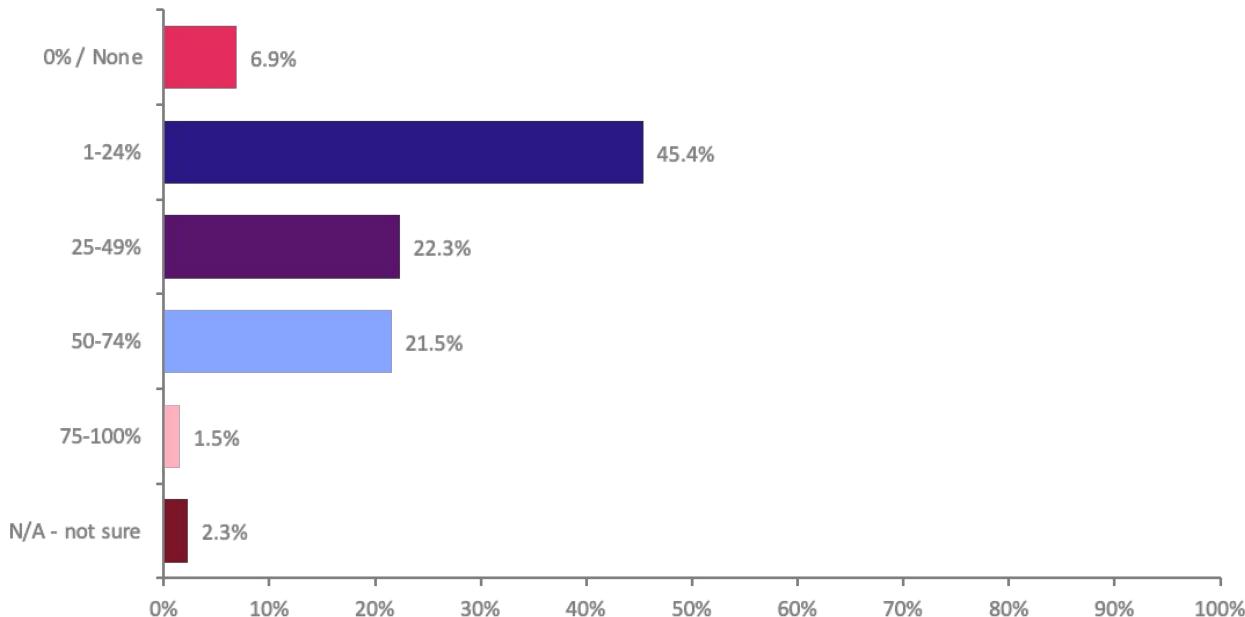
Sales leaders split accounts based on geography or named accounts

Q: How are your accounts split/managed?



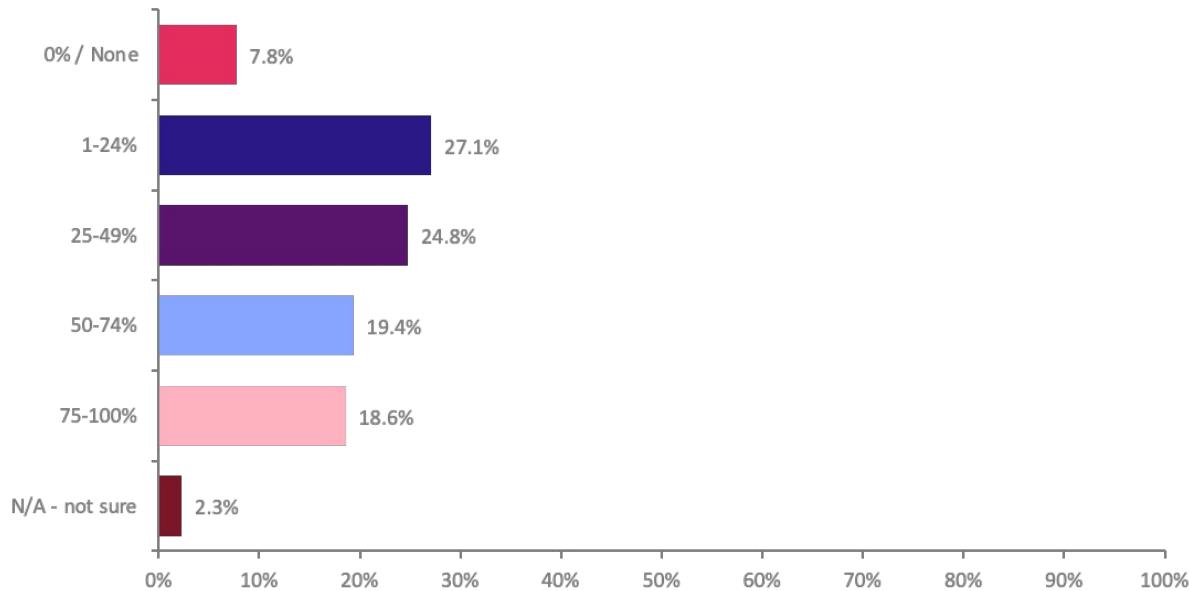
Less than a quarter of leads come from marketing

Q: What percent of leads come from marketing?



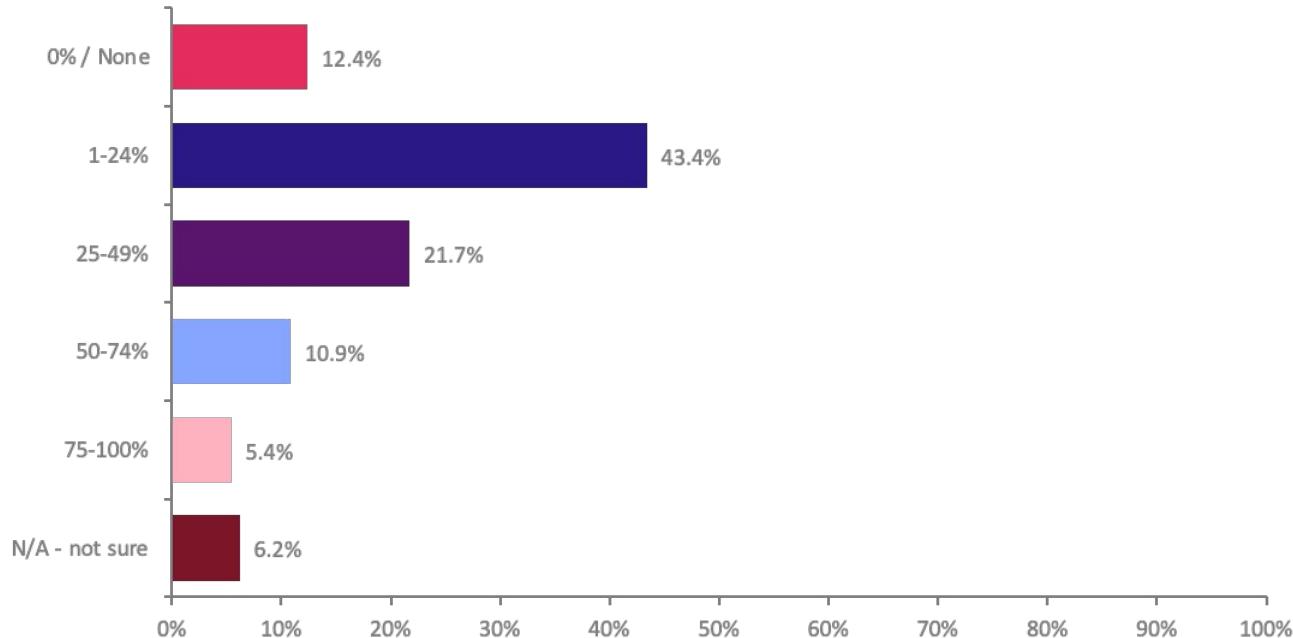
Most SDR teams are self-sourcing leads

Q: What percent of leads are self-sourced by your SDR team?



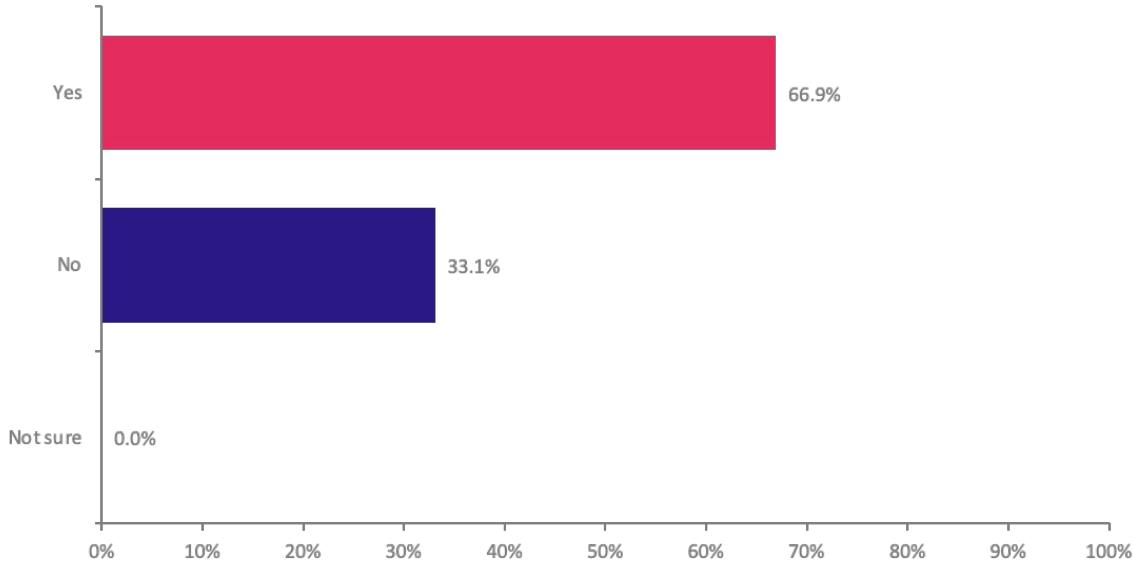
There is an untapped opportunity to source leads from existing customers

Q: What percent of leads come from your database or existing customers?



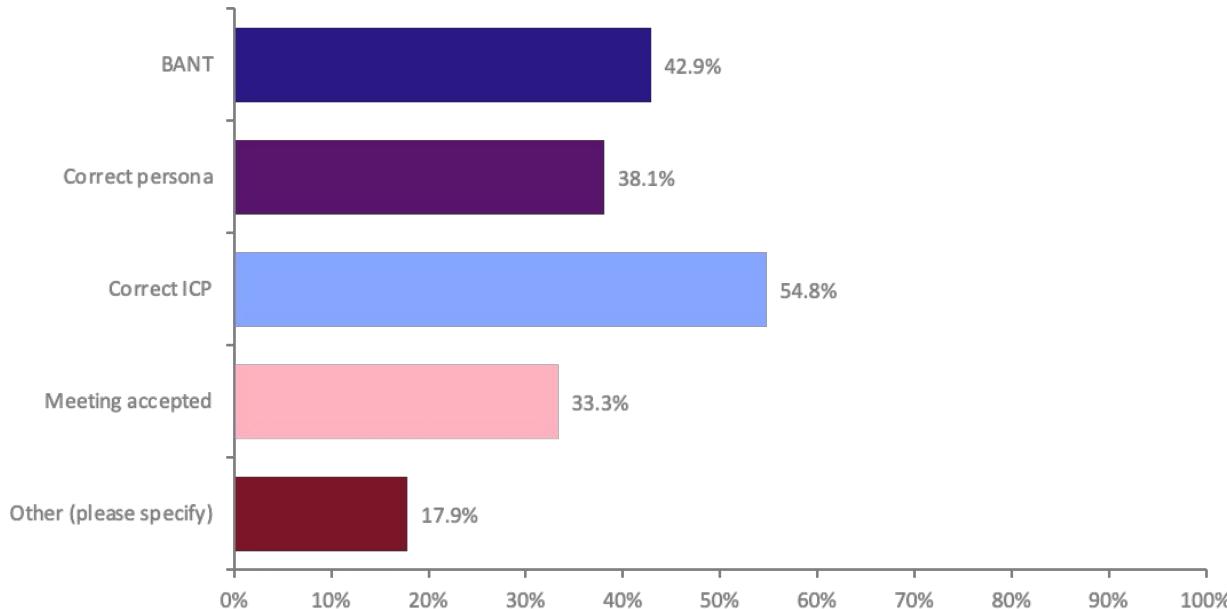
Most SDRs are qualifying their own leads

Q: Do you expect SDRs to qualify opportunities?



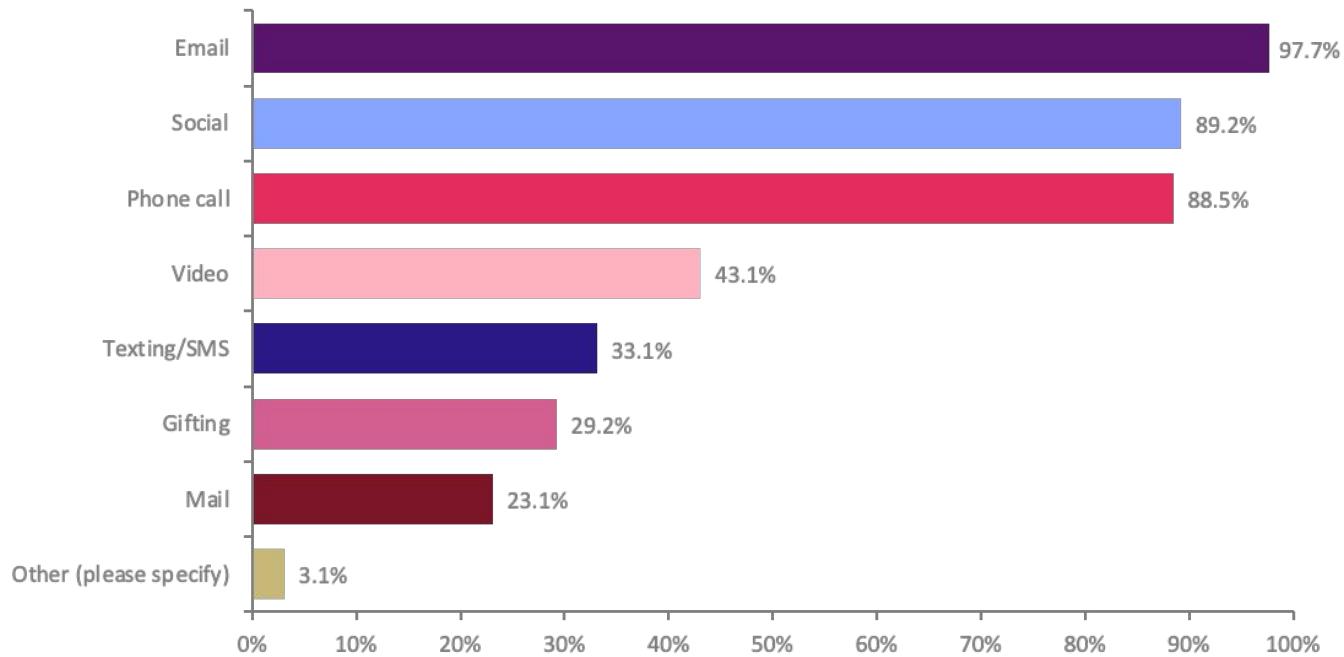
Defining your ICP is crucial for SDR efforts

Q: How does your SDR team qualify opportunities? (Select all that apply)

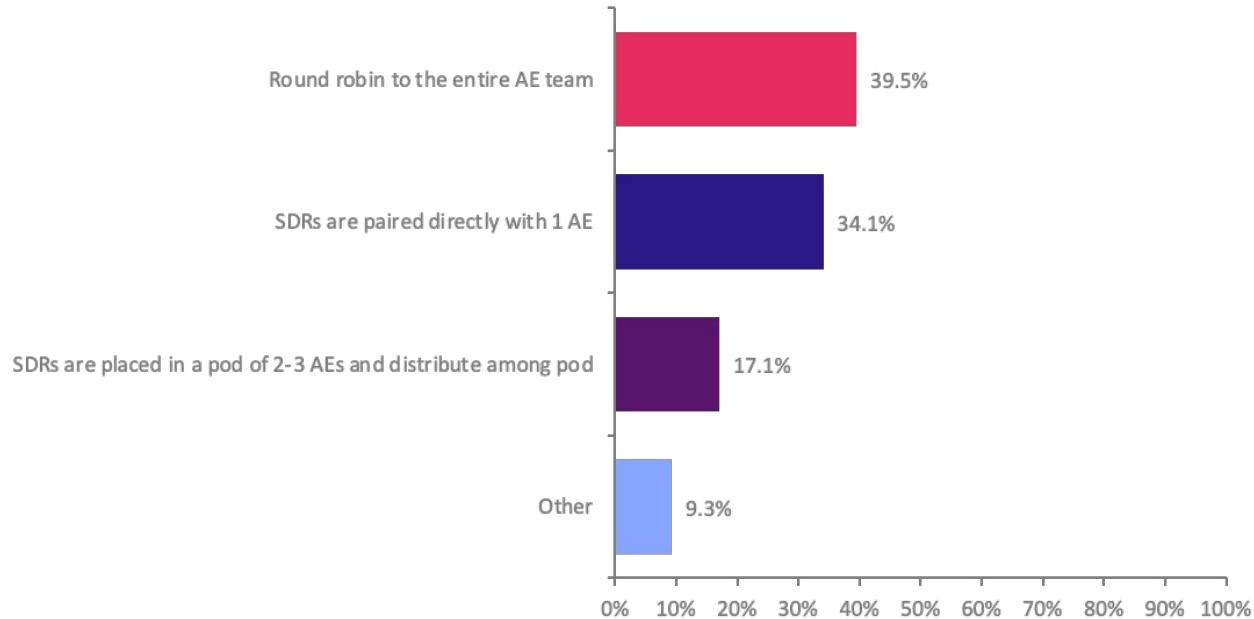


Social is surpassing traditional channels

Q: Which outreach strategies do your SDRs use?



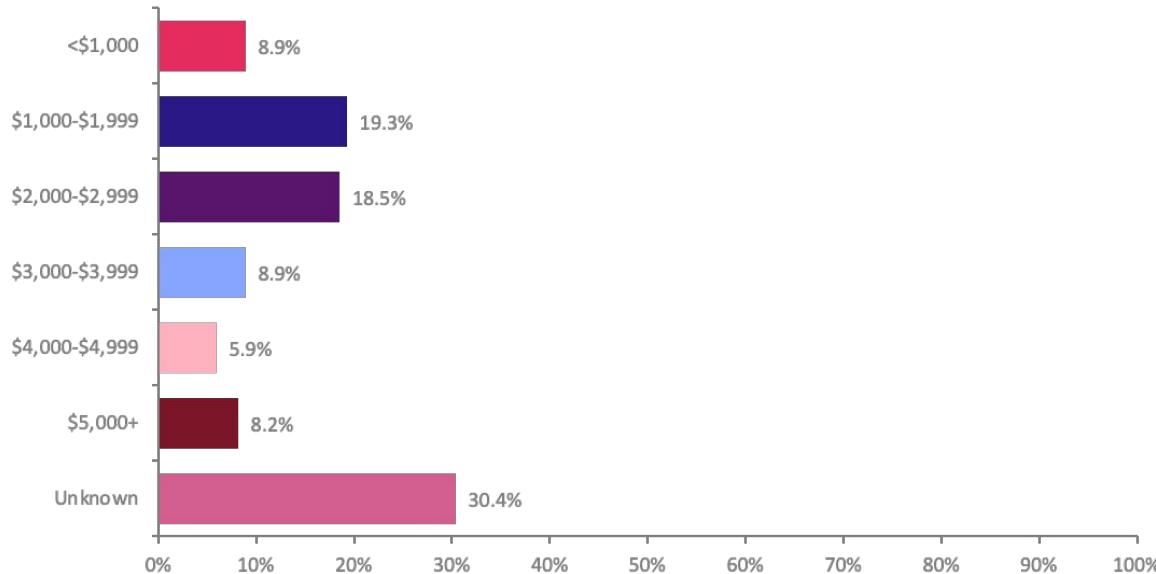
Q: How do you distribute leads from your SDRs to AEs?



Technology

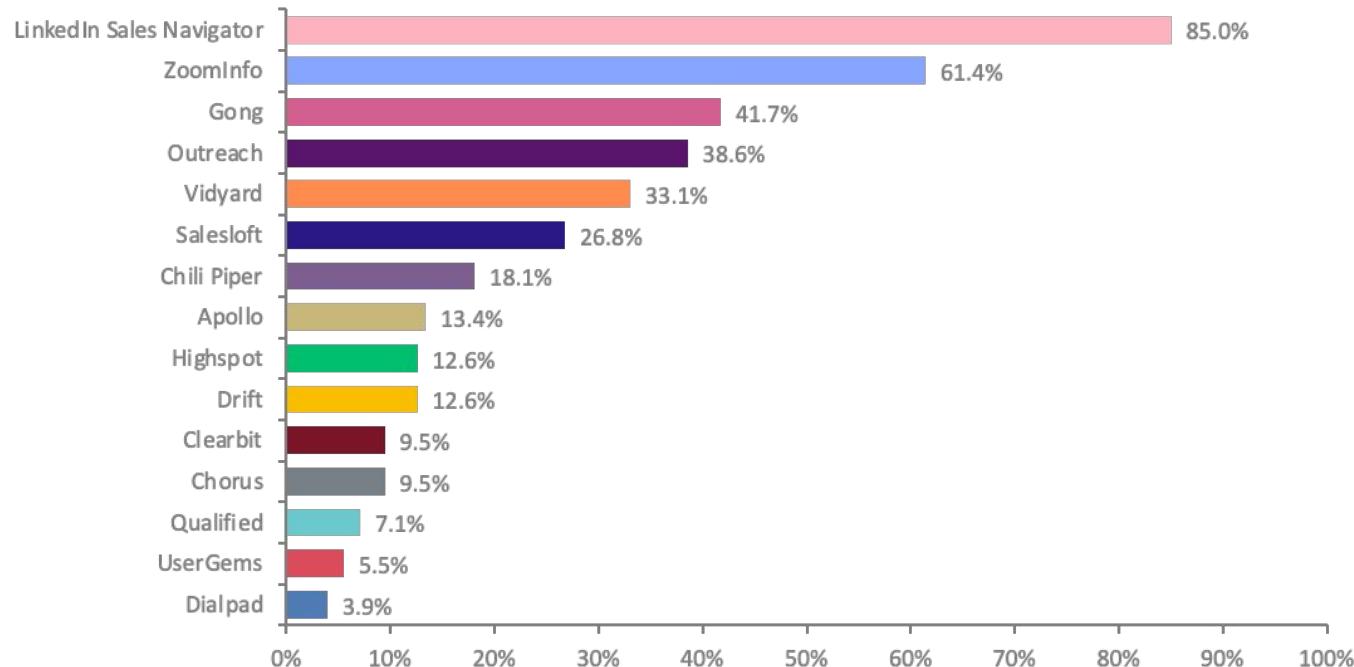
Sales leaders need to be involved in budgeting to optimize tech spend on SDR efforts

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



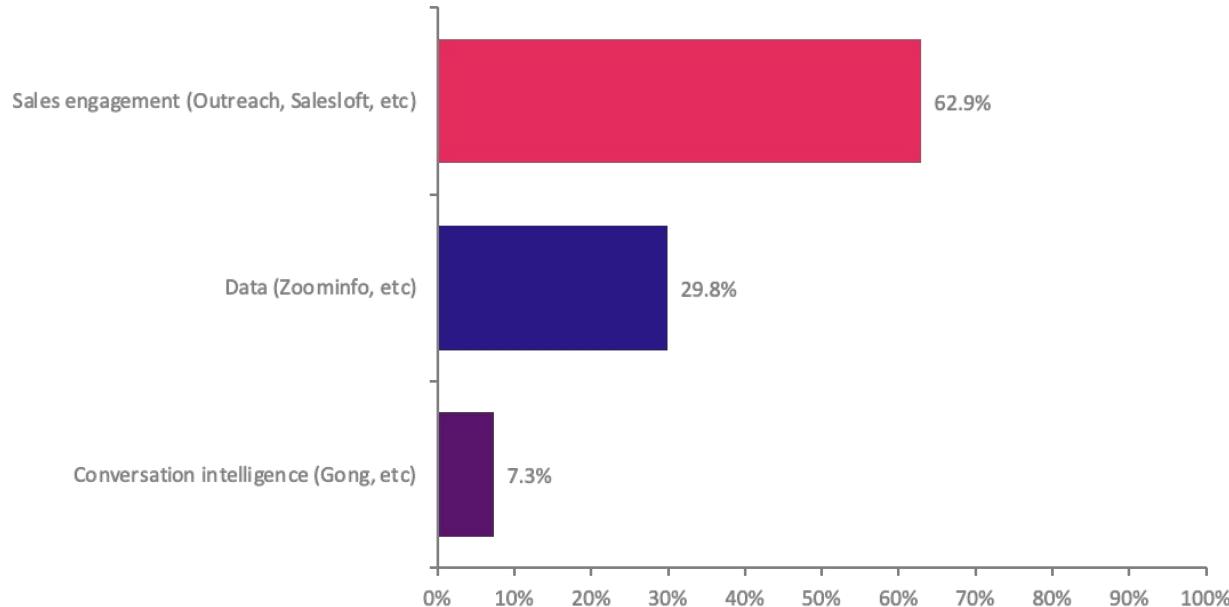
LinkedIn reigns supreme for SDR tech

Q: What's in your SDR tech stack? (select all that apply)



Sales leaders value sales engagement tools

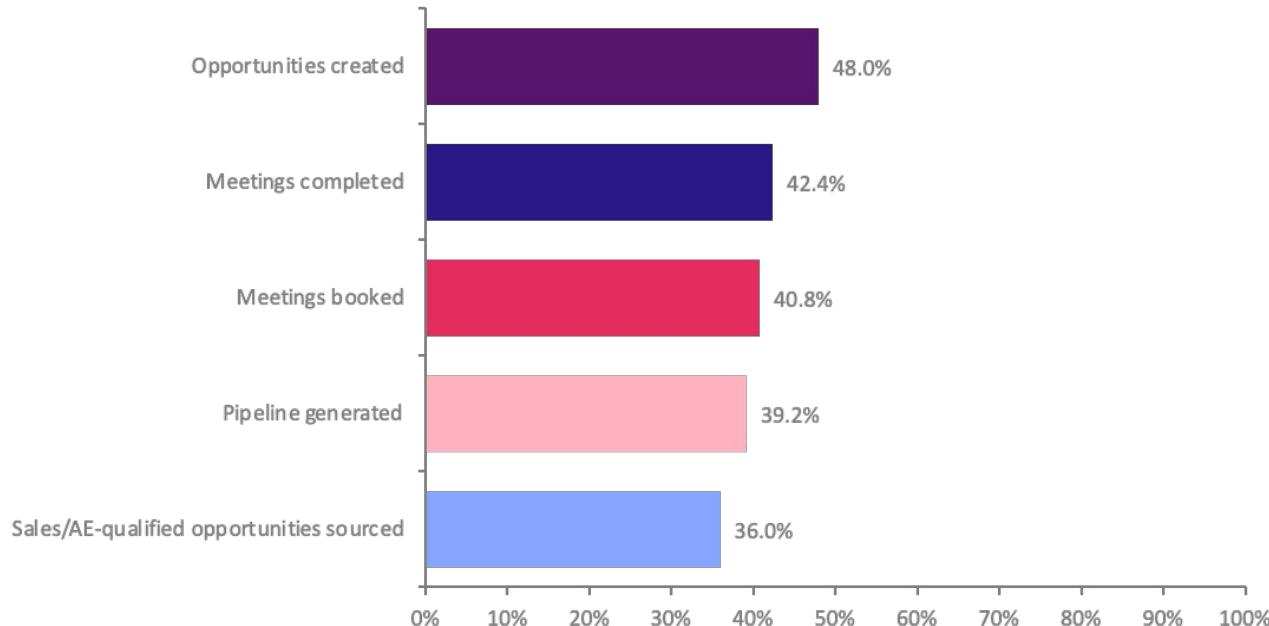
Q: What's the most important technology in your SDR tech stack? (choose one)



Performance

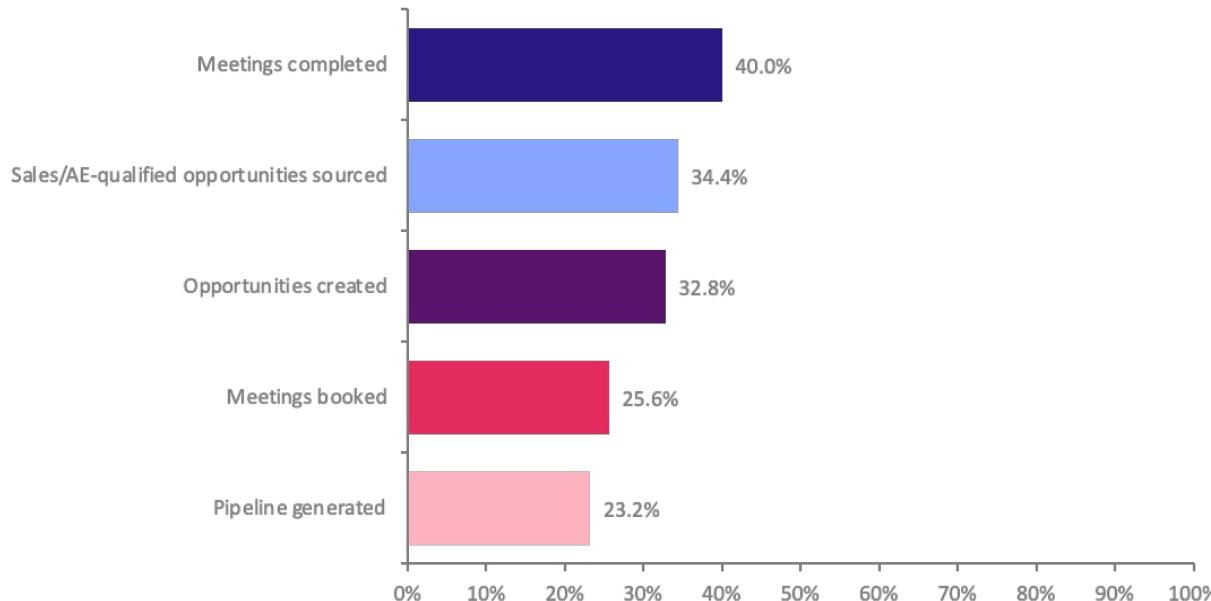
Successful SDRs open doors for the sales team

Q: How do you measure the success of your SDR team? (Select all that apply)



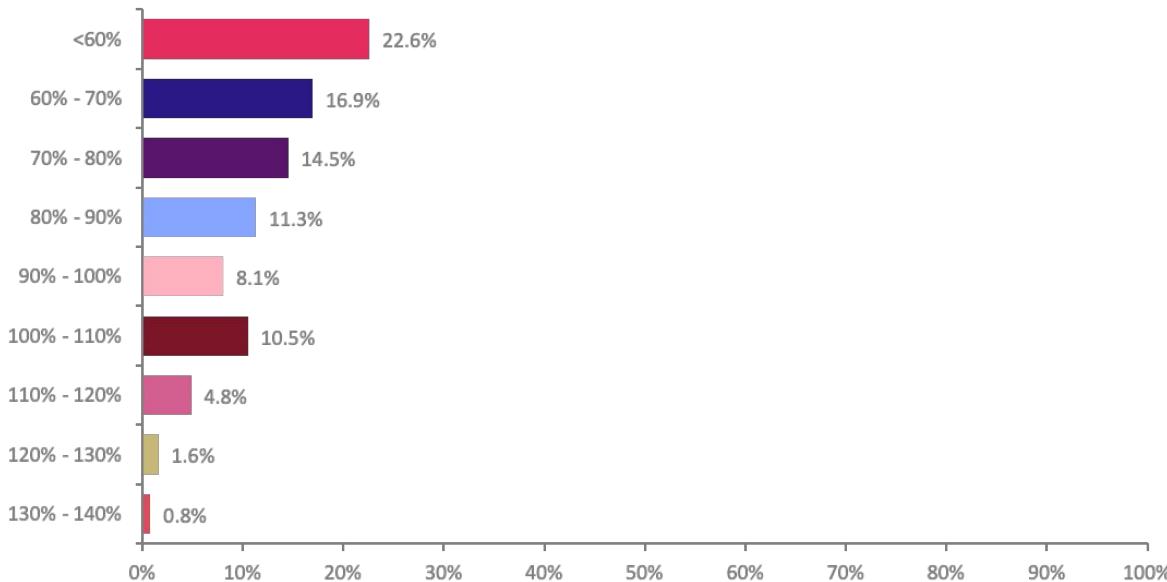
But, it's not enough for SDRs to just book meetings, the sales team needs to complete the call

Q: Which metrics do you incentivize for your SDR team? (Select all that apply)



73% of SDR teams were under quota

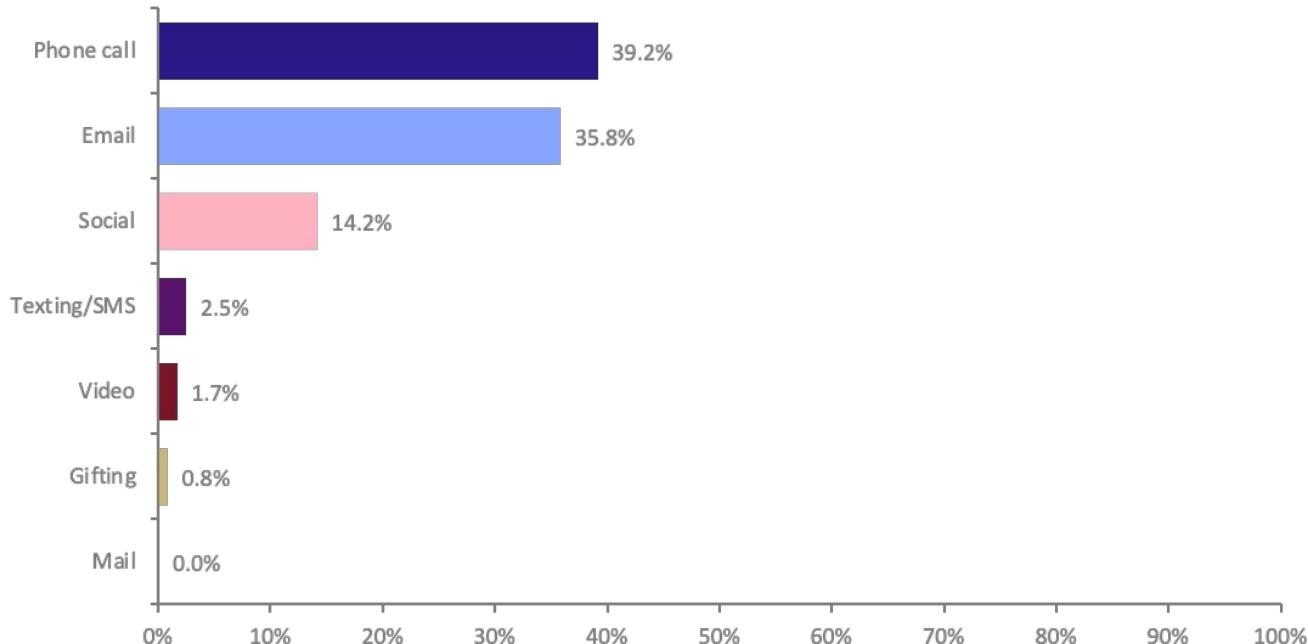
Q: As your company measures it, what was your total outbound SDR quota attainment between January-September 2022?



Effectiveness

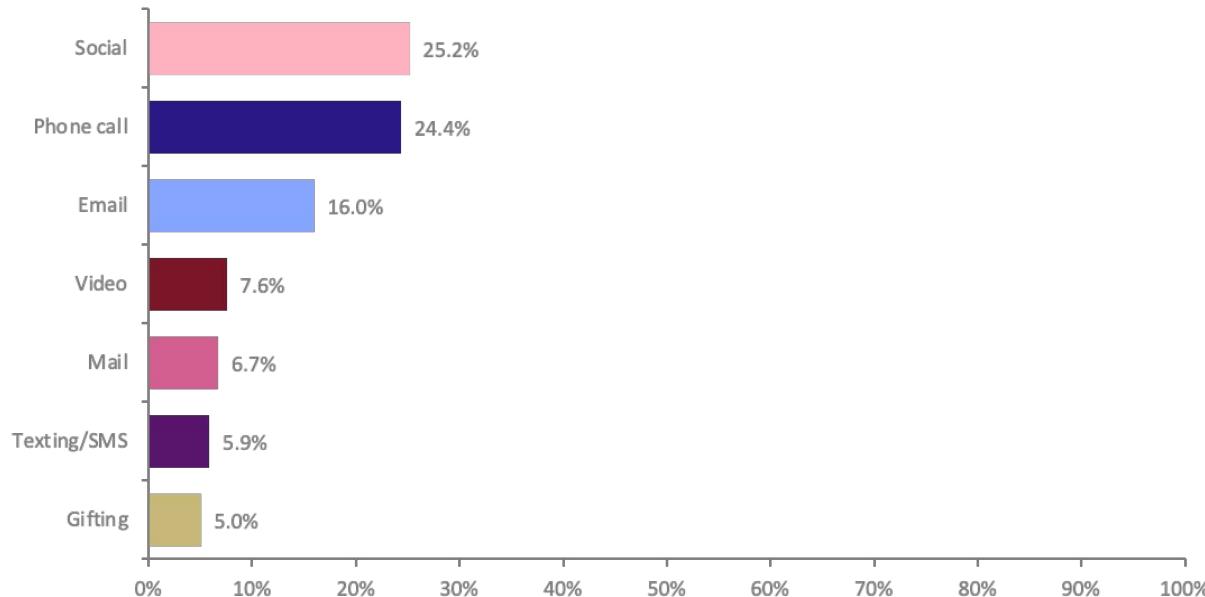
Phone calls most successful in getting responses

Q: What outbound channel is currently the most successful in getting responses for your SDR team?



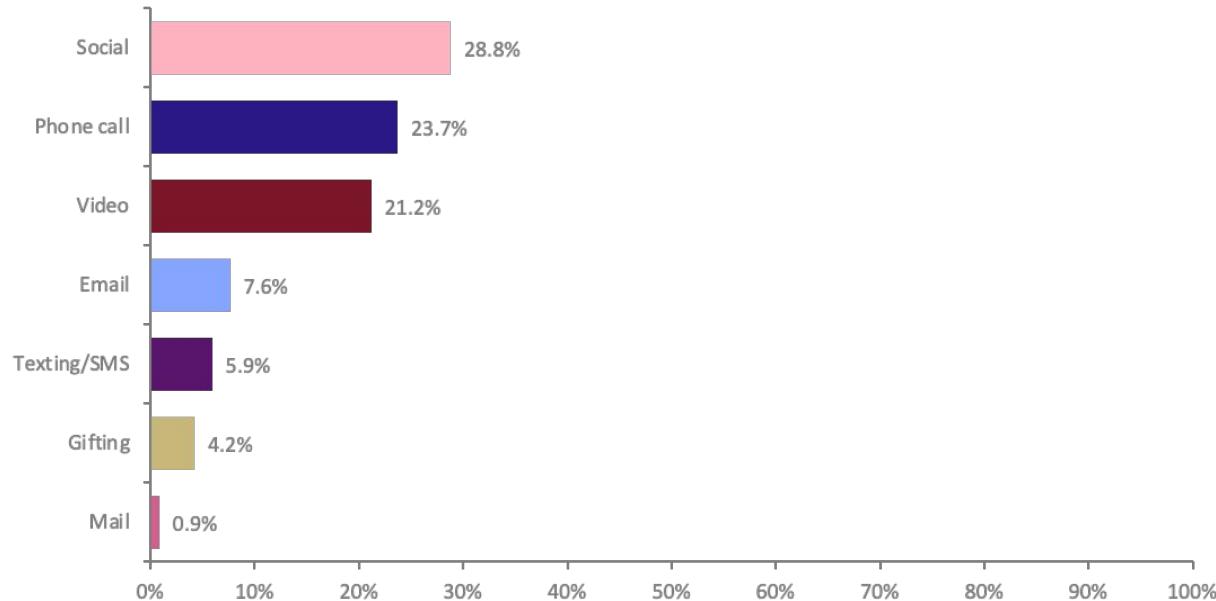
..but phone calls are also close to the top of ineffective channels for getting responses

Q: What outbound channel is currently the least successful in getting responses for your SDR team?



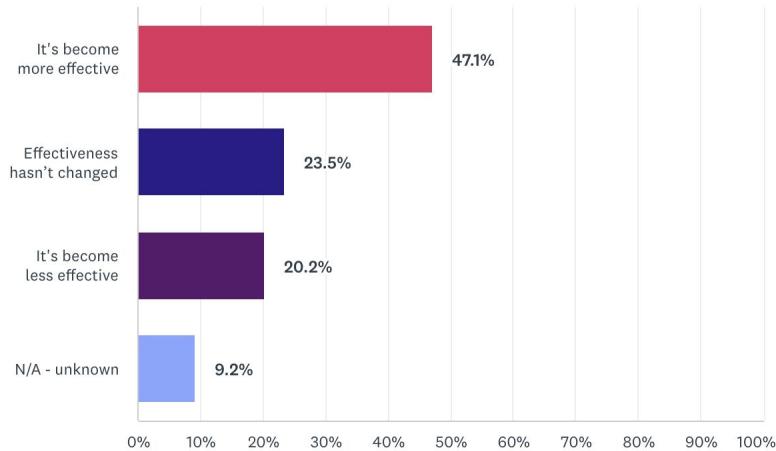
SDR teams are optimistic on the future of social

Q: What channel are you currently most excited about?



Many have found sales development effectiveness has increased over the past year

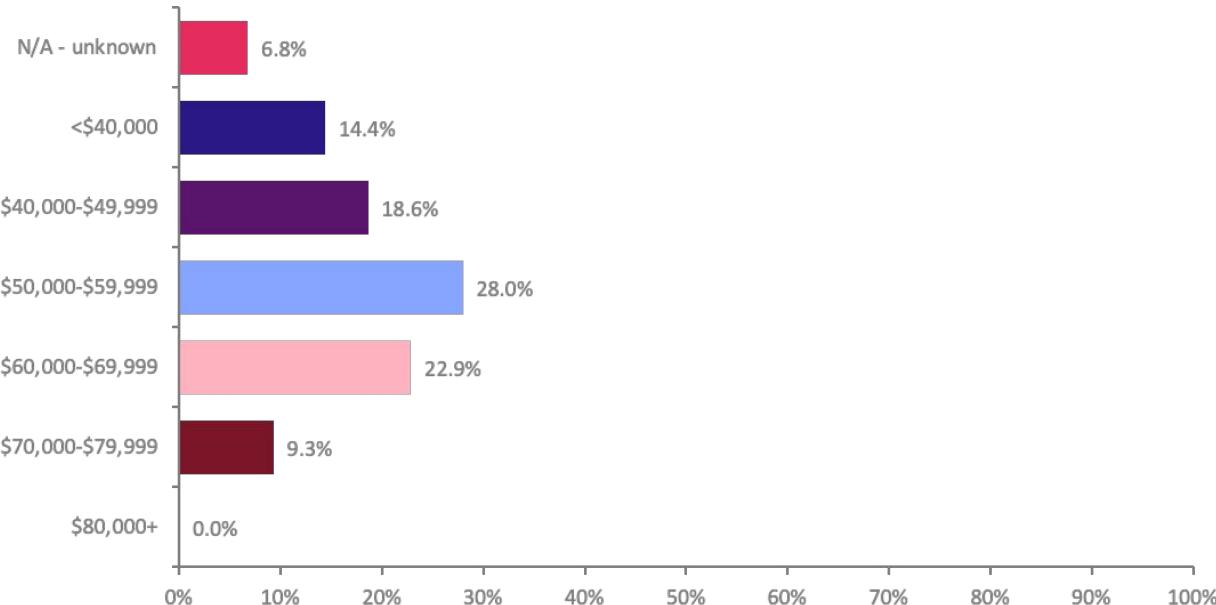
Overall, how would you describe the effectiveness of outbound sales development over the past year?



Compensation

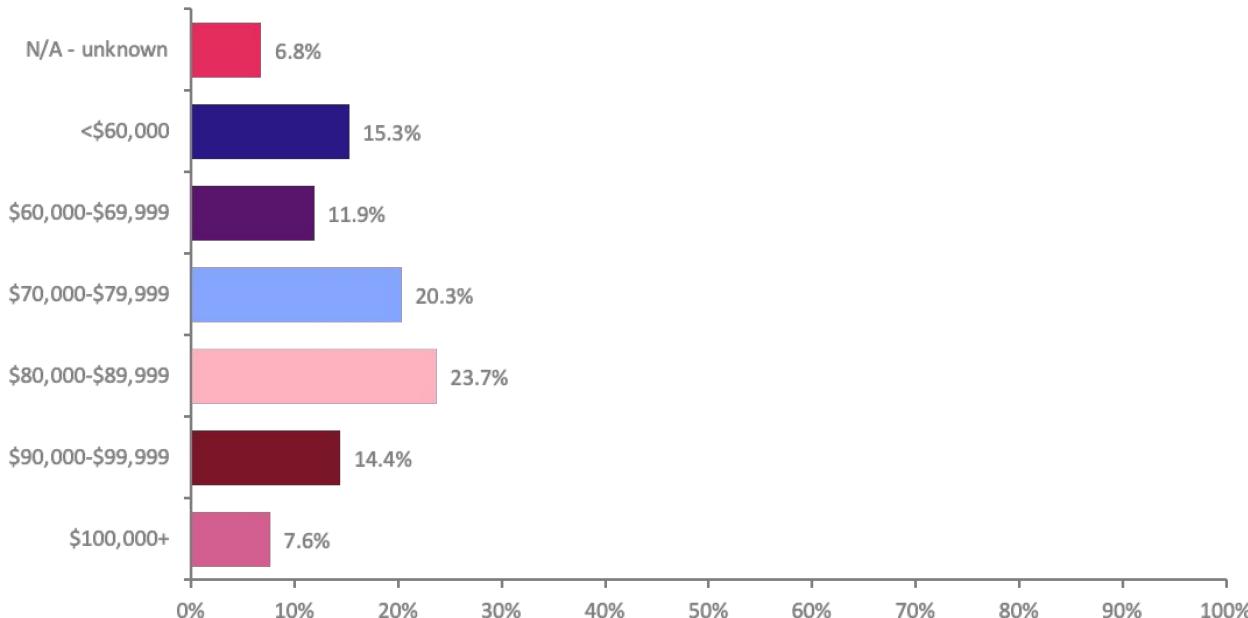
Most SDRs have a base salary between \$50–70K

Q: What is your average base salary for an SDR?



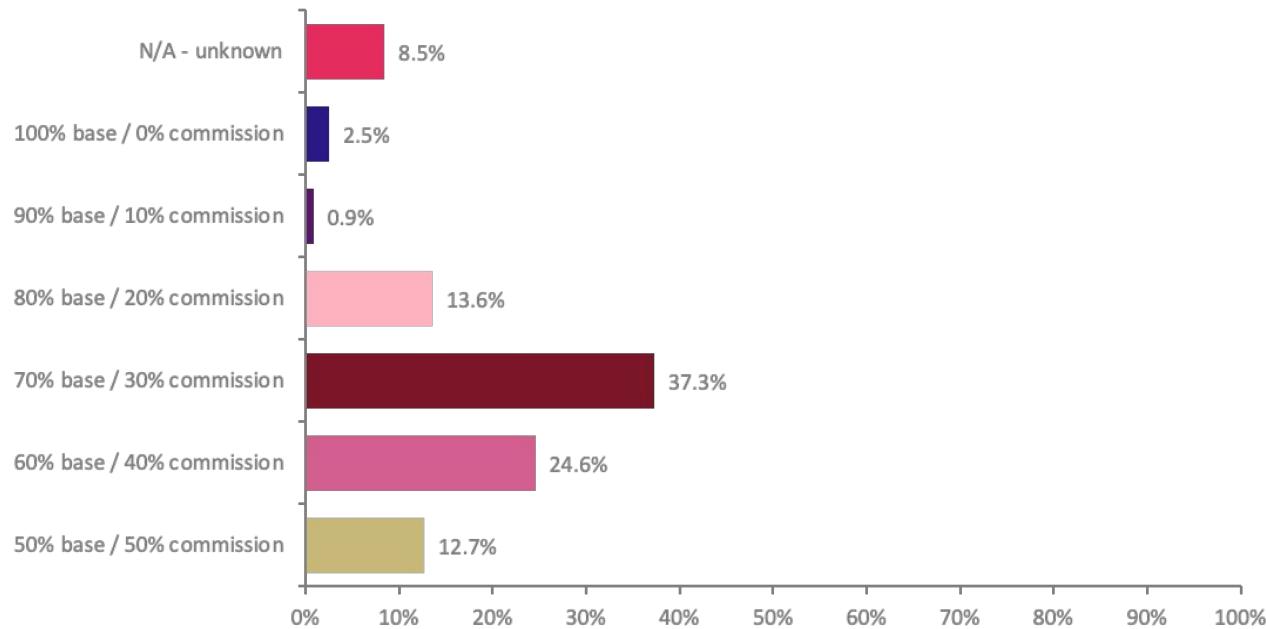
44% of SDRs make between \$70-89K OTE

Q: What is the total on-target earnings (OTE) for a fully ramped SDR?



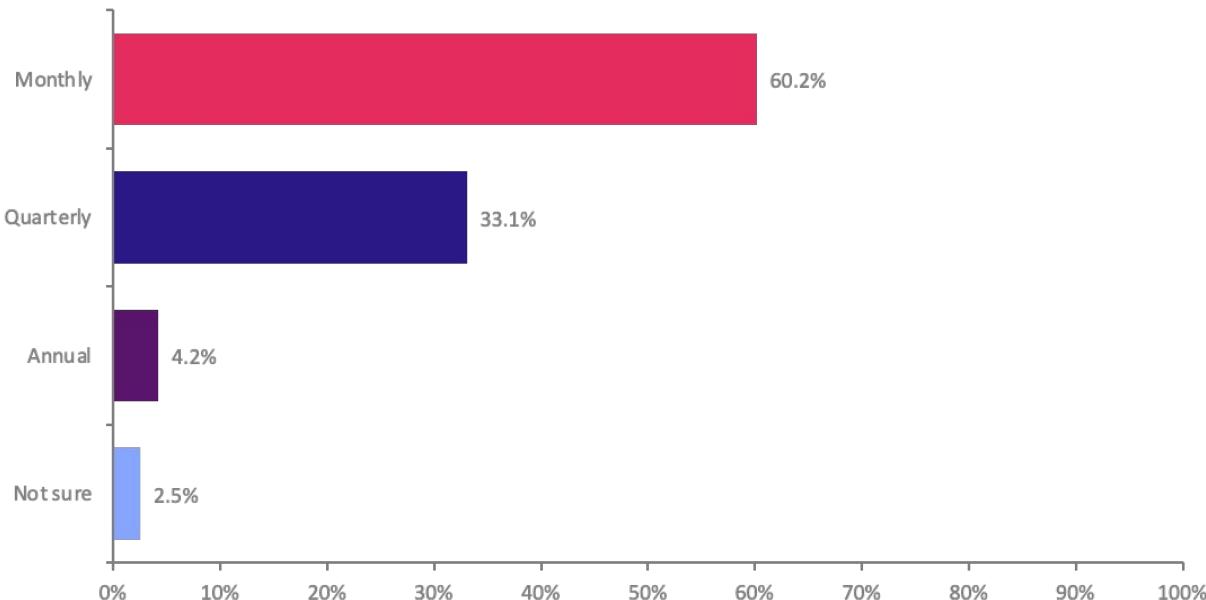
70/30 base to commission ratio is most common

Q: For on-target earnings, what is the expected base/commission breakdown for your SDRs?



The majority of SDRs are compensated based on monthly goals

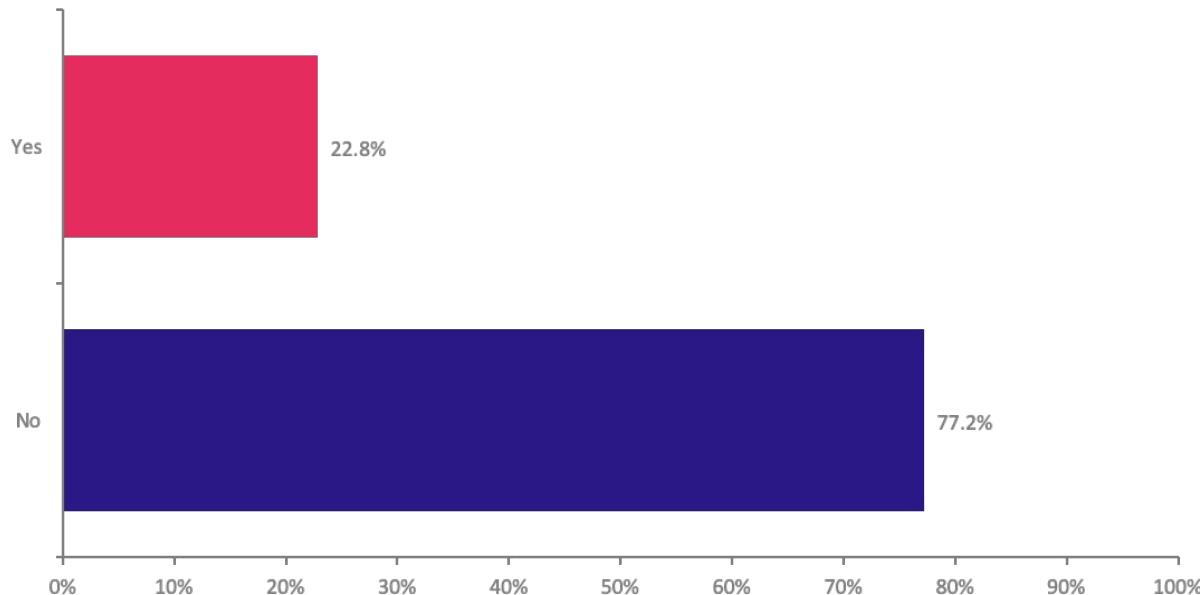
Q: Is compensation based on Monthly, Quarterly, or Annual attainment?



Hiring, Onboarding & Career Paths

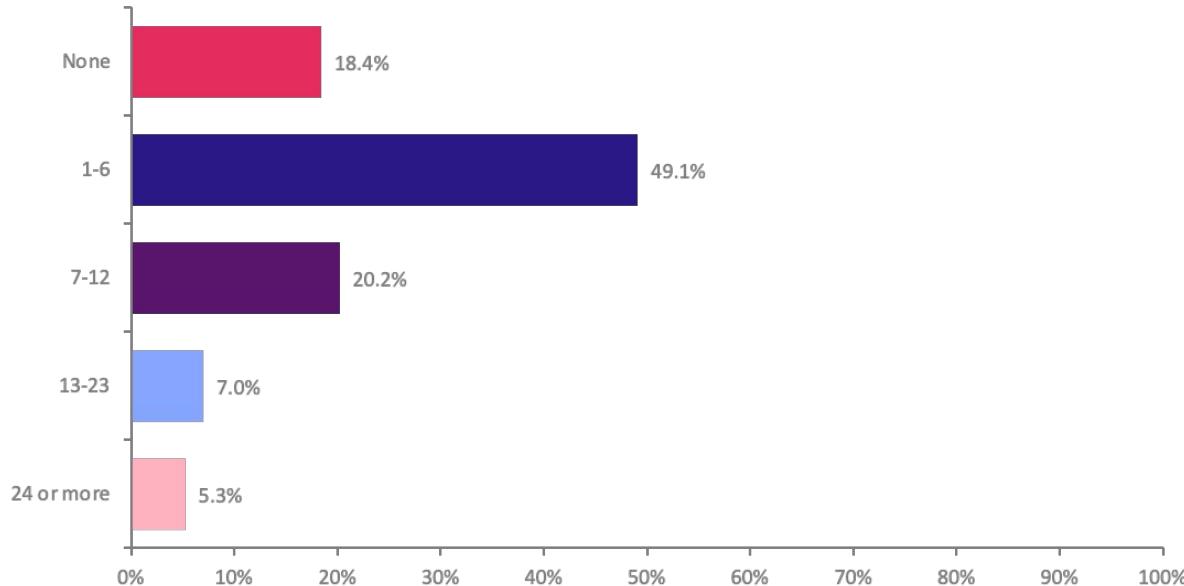
Respondents requiring a college degree for SDR roles has decreased 47% since 2020

Q: Do you require your SDRs to have a college degree?



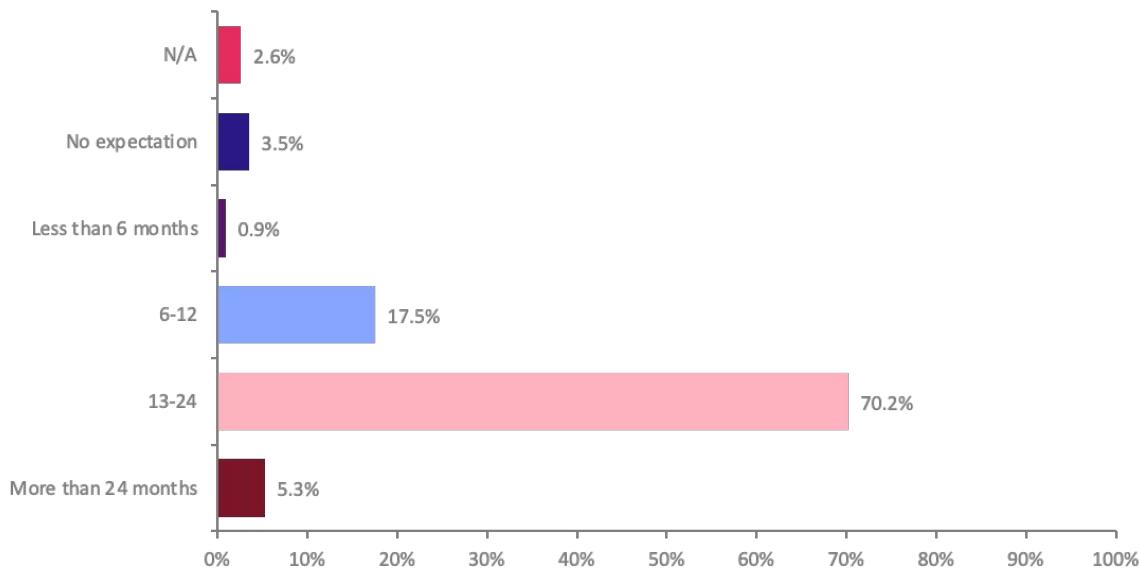
SDR roles are a common entry point to sales

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



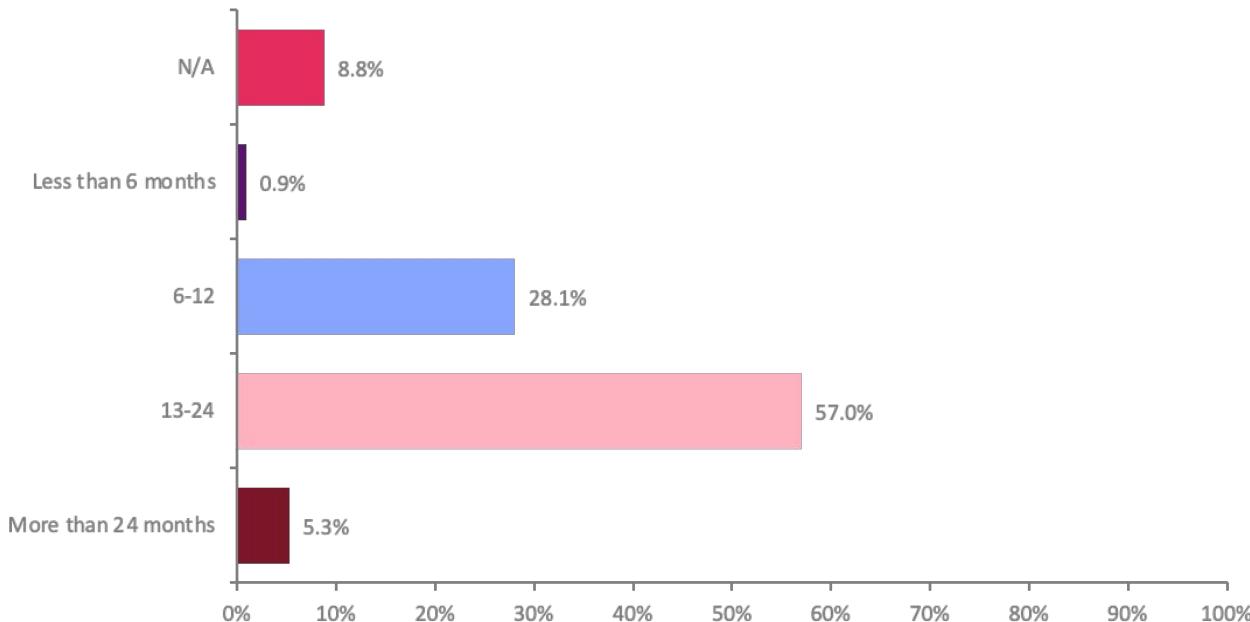
Most expect SDRs to have a short tenure

Q: How long are you expecting SDRs to stay in their role? (in months)



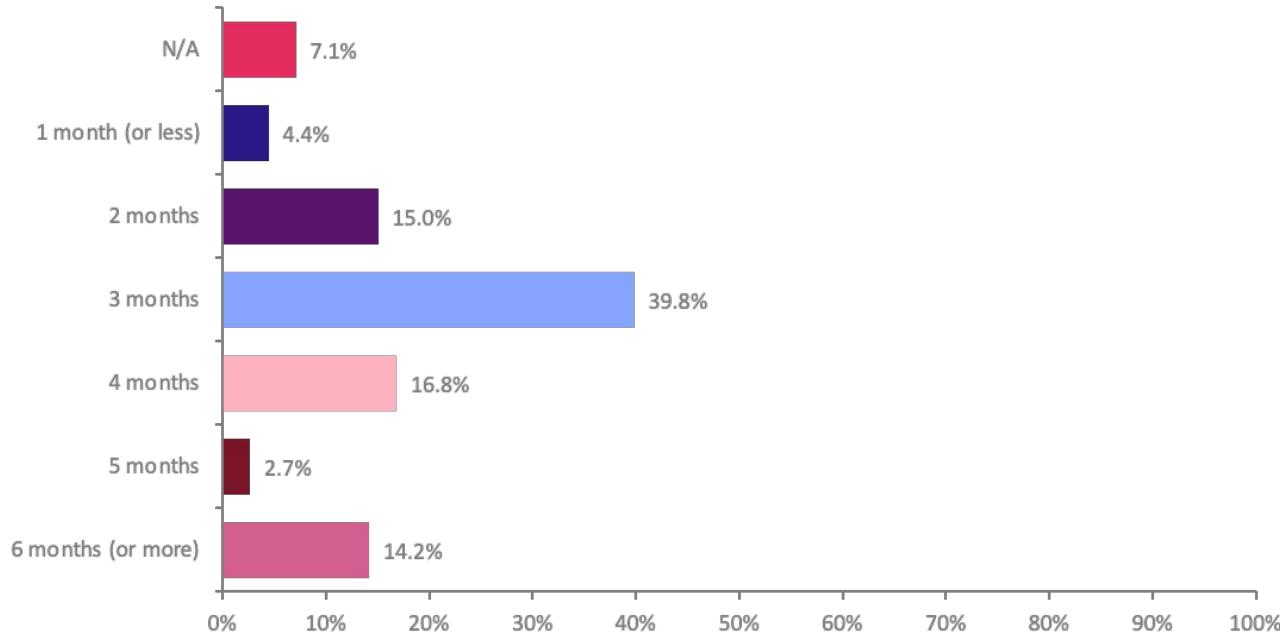
Most SDRs move on to other roles in <2 years

Q: How long do your SDRs typically stay in their role? (in months)



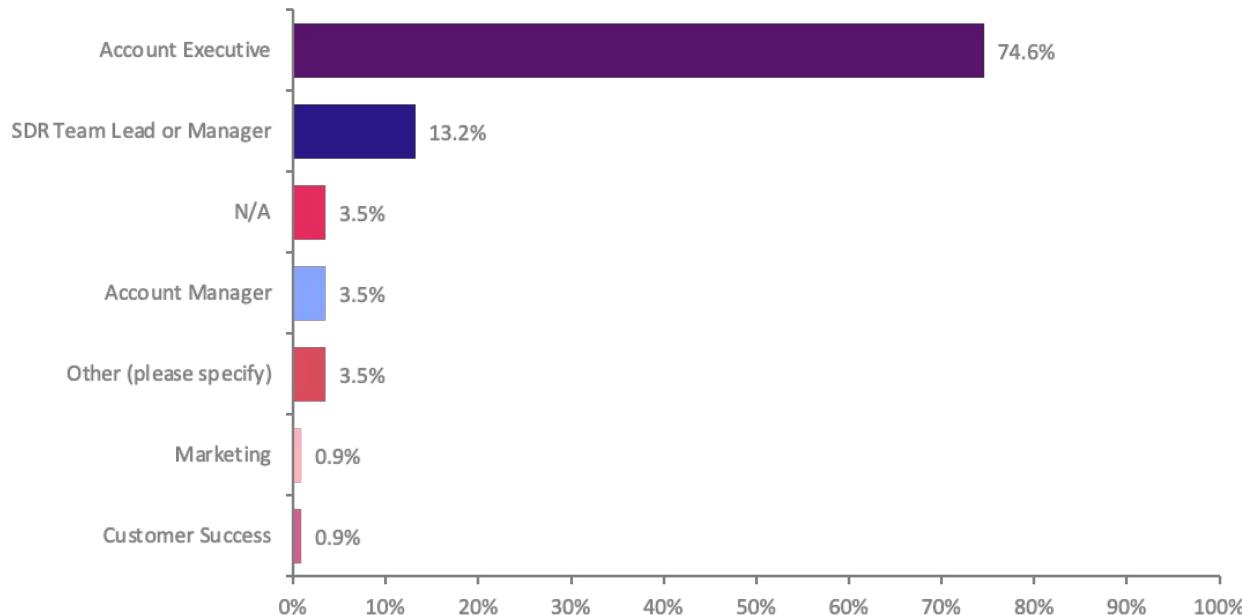
Three-month ramp time is most common

Q: On average, how long does it take to ramp your SDRs to full productivity?



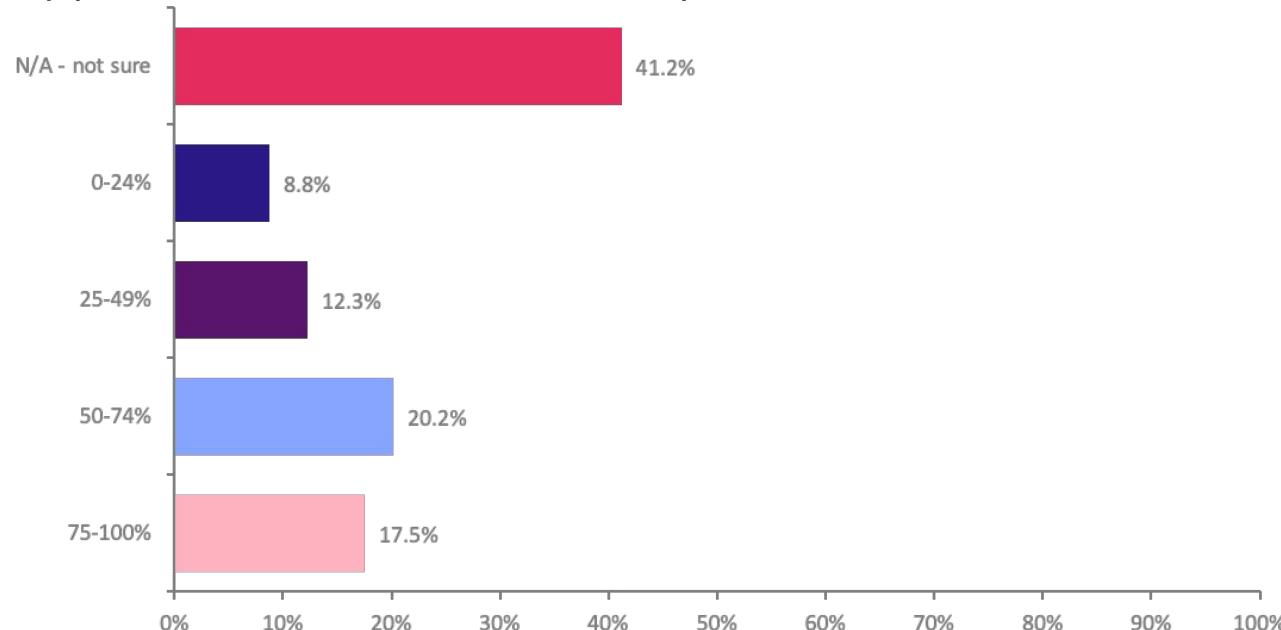
The majority of SDRs go on to AE roles

Q: What is the most common next step in the career path when promoting SDRs?



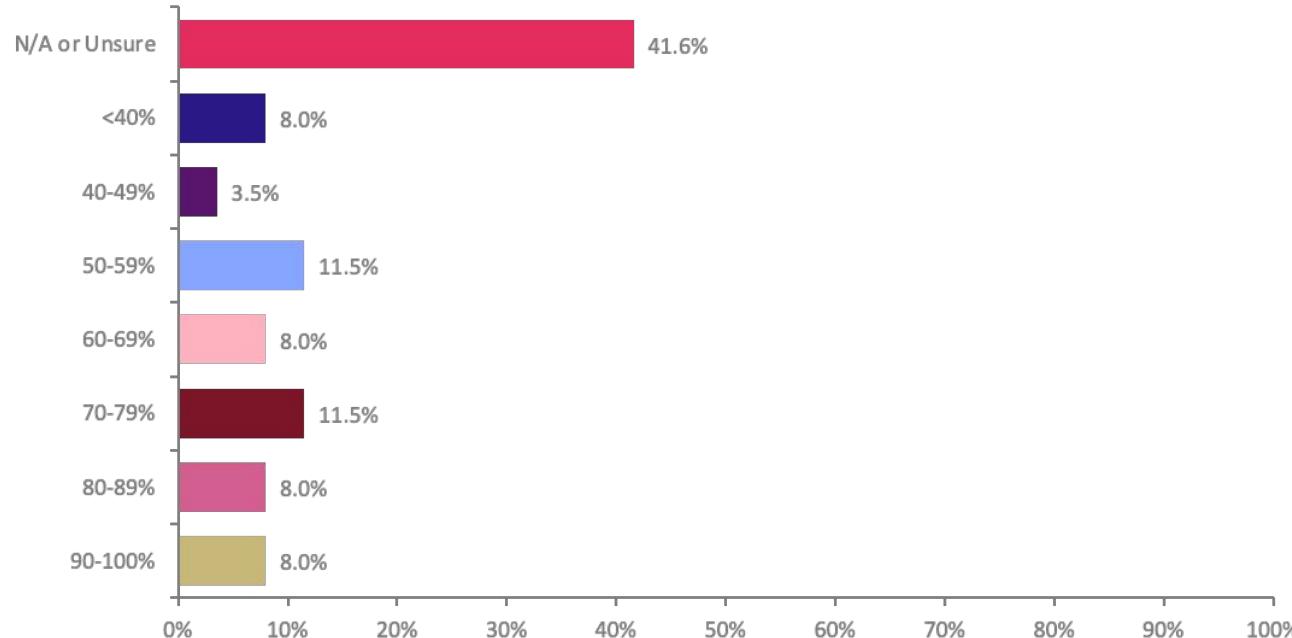
After promotion, former managers do not have as much visibility into performance

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



After promotion, former managers do not have as much visibility into performance

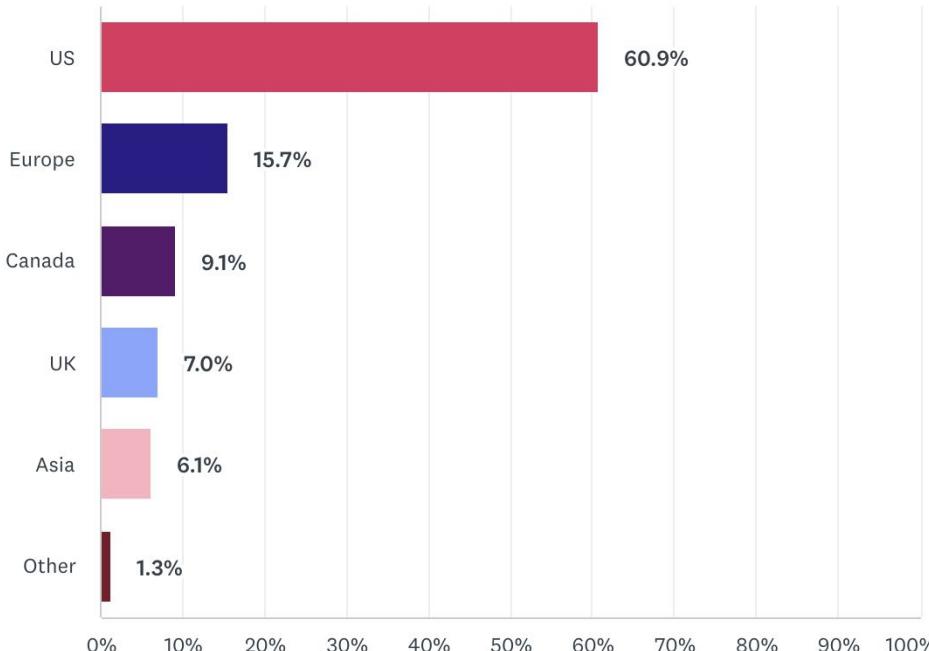
Q: For SDRs who have been promoted into AE roles specifically, what percent are hitting quota?



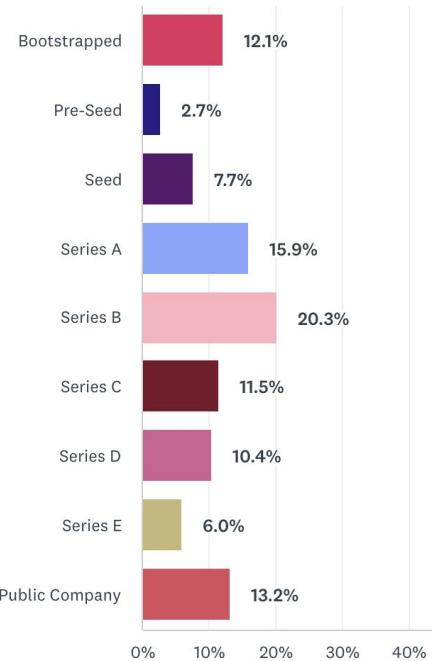
About the Participants

Where are you based?

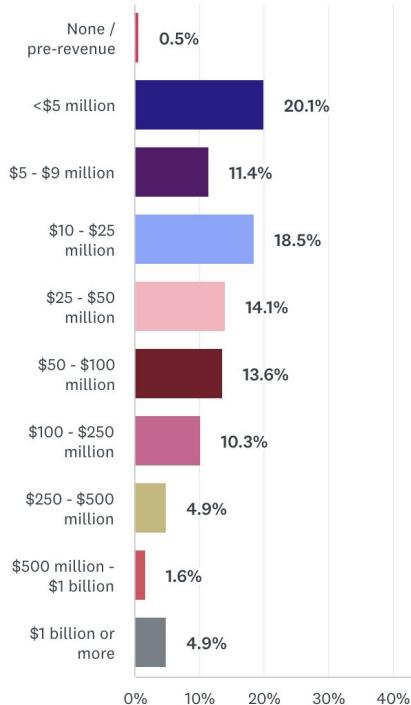
Participants: 231



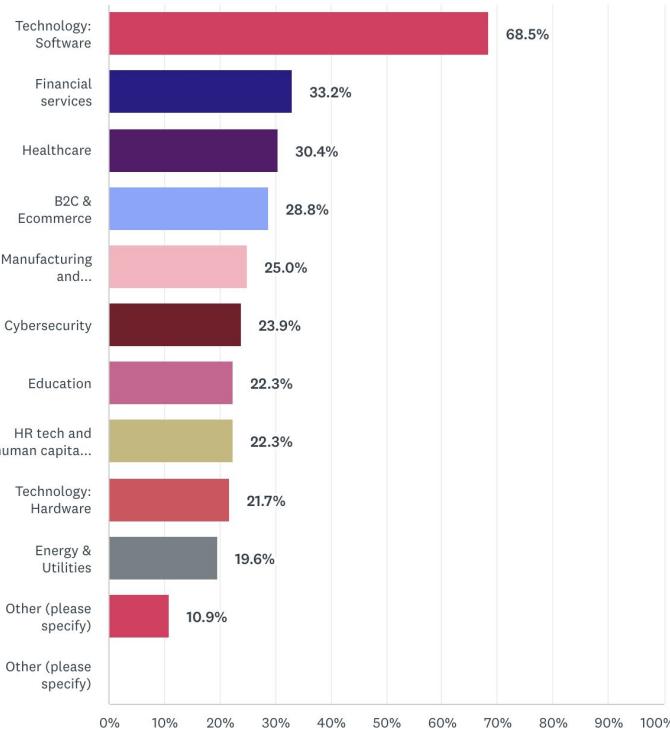
What is your company's funding stage?



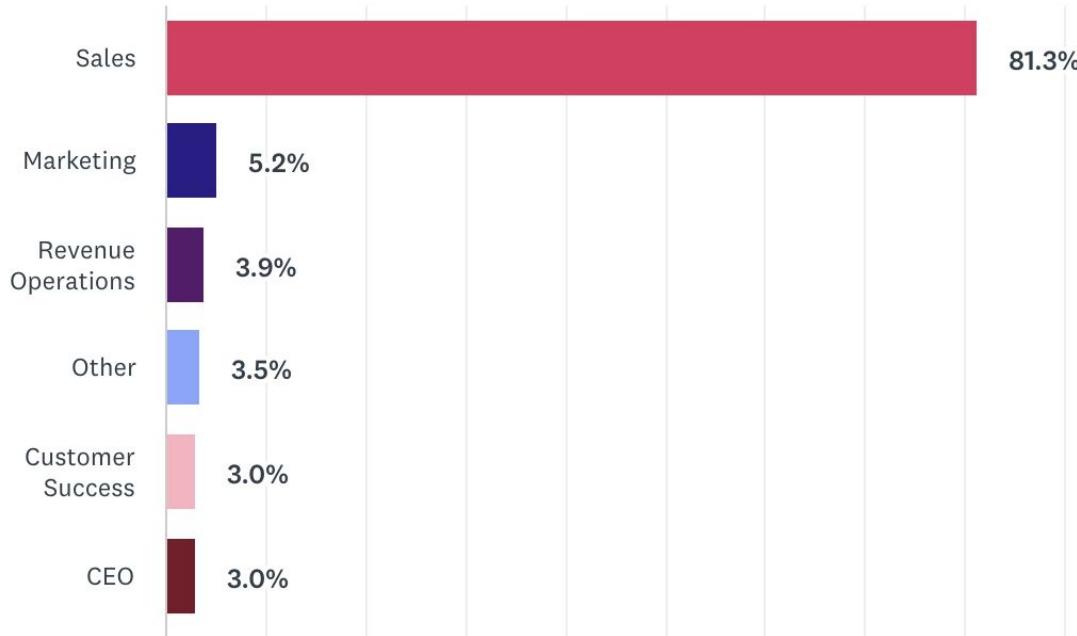
What is your company's ARR range?



What is your company's primary sales focus?



What is your primary function?



Additional Resources

Additional Resources

Pavilion Pulse Survey October 2022 (further data available to Pavilion members)

State of Sales Development 2021

State of Sales Development 2020

State of Sales Development and Pulse Survey

raw data available exclusively to

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