



THE

# SDR HANDBOOK:

Everything you need to  
know to build and  
manage a successful  
sales development team

SALES ACCELERATION  
**OPERATIX** ∞

# CONTENT

## chapter

- 01** **p. 04 | Finding Talent**  
Step one: Understanding the Traits of a Great SDR  
Step Two: Building a Recruitment Plan
- 02** **p. 13 | The Fundamentals of an SDR**  
Defining your ICP  
Target Personas  
Cold Calling & Script Writing Best Practices  
Email Cadences & Sequences best practices  
Social Selling best practices
- 03** **p. 21 | Tools**  
Customer Relationship Management  
Data Vendors  
Sales Engagement Tools  
LinkedIn Sales Navigator  
Telephony System/Dialer  
Conversational Intelligence  
Scheduling  
Direct Mail/Gifting Platforms  
Intent Data Platforms
- 04** **p. 27 | SDR Management**  
Goal Setting  
Day-to-day management  
SDR Scorecard  
Sales Coaching
- 05** **p. 32 | Compensation**  
Commission plans  
Incentives
- 06** **p. 38 | KPIs**  
SDR Metrics
- 07** **p. 43 | Team Structure**  
Inbound vs Outbound  
Reporting to Sales or Marketing  
Outsourcing or having an In-house Team
- 08** **p. 52 | Conclusion**  
About Operatix

## INTRODUCTION

Now more than ever, businesses are seeing the value in investing in building sales development teams. The benefits are clear - an increase in qualified leads, sales pipeline, increased revenue and better representation within the market, just to name a few.

While this may be the case, building a successful sales development team requires both financial and time investment. Parts of the process are often overlooked, yet are absolutely essential in reaping the rewards of having a motivated, high-performing SDR team. Everything from recruitment and training to tech stacks and team structure must be meticulously planned with purpose to see the aforementioned benefits.

In this eBook, sales development agency Operatix gives you all of the tricks of the trade so you can successfully implement and scale an SDR function. Enjoy an expert insight into essential tools you need, core competencies to look for in candidates, recommendations from industry leaders and steps to creating a sales development team that delivers a consistent flow of qualified sales pipeline.

As an outsourced SDR agency that's been trading since 2012, we've hired, on-boarded and developed over 1,000 SDRs over the past ten years and can share all the ins and outs of setting up a successful Sales development engine. In this ebook, you'll be getting a ton of practical tactics and strategies, shared by professionals that have been through every hurdle and learned what works and what doesn't.

If building a team in-house is too complex or your team doesn't have the capacity or bandwidth to do so, Operatix can work as an extension of your sales & marketing team and take away the heavy lifting for you, so you can focus on closing business, rather than generating pipeline.



## 1. FINDING TALENT



Recruitment is the very first step in building a successful SDR team, but many organizations fail to take into account the importance of having a methodical recruitment process.

It can be all too tempting to browse someone's LinkedIn profile and be lured in by promises of instant results, yet forgoing a structured recruitment process could be your downfall.

Before starting your search, you must first understand what characteristics and soft skills fit your team as well as how to actively seek them out. After all, a candidate will say what they think you want to hear, so you must be more tactical about your approach.

To understand how to build an iron-clad recruitment plan, we spoke to Kitti Toth, Head of Talent Acquisition at Operatix. She talks us through not only how to go about recruiting a first-class sales development professional, but also what core competencies to actively seek out in a candidate.

## Step one: Understanding the Traits of a Great SDR

When it comes to developing your hiring process, don't underestimate the importance of digging beyond results and data. A candidate may have impressive sales experience on paper, but do they have the right traits to work at your business? While they may have been top of the leaderboard at their previous company, do they have the skills and qualities necessary to successfully pitch to your specific target market?

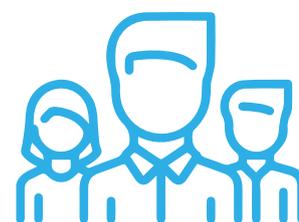
Training can develop the candidate's skill set and building their tech stack can give them all of the tools needed to get the job done, but igniting the natural passion, perseverance, and qualities needed in a successful salesperson is much harder. Cultural fit is also important, as you want the new candidate to thrive within their new team and environment.

"People make mistakes when it comes to cultural fit -if you hire someone who is not a right cultural fit for your team, they won't be comfortable and probably won't last very long within the business," Kitti says, "For example, someone who is very introverted or doesn't like a target-driven, high-pressure sales environment won't be a good fit. It's a crucial element. You need to find someone who doesn't mind picking up the phone dozens of times a day."

Another factor is defining how much experience you would like your candidates to have. Are you willing to pay more for representatives with a sales background, or are you willing to invest in training for those who don't have a previous track record? There are benefits to both options - less experienced candidates are more mouldable, but will take more help and time compared to those with a history in sales.

The exact traits you should look for will vary depending on not only the needs of your business but that of your clients. However, those seeking to build their sales team should consider the following:

**"PEOPLE MAKE MISTAKES WHEN IT COMES TO CULTURAL FIT -IF YOU HIRE SOMEONE WHO IS NOT A RIGHT CULTURAL FIT FOR YOUR TEAM, THEY WON'T BE COMFORTABLE AND PROBABLY WON'T LAST VERY LONG WITHIN THE BUSINESS"**



### Curiosity

Successful salespeople aren't stagnant - they have the initiative to question processes, adapt to market changes and develop their skills. Curiosity in a sales environment is more important than many realise, ensuring they have the desire to learn rather than becoming complacent and stuck in their ways.



### Coachability

It's not only important to look at the candidate from the perspective of what kind of salesperson they are now, but also what they have the ability to evolve into given the right training. They shouldn't shy away from change and challenges, reflecting a willingness to learn in order to grow as a professional.



### Drive for Success

It's no secret that while a career in sales is rewarding, it has its challenges - objections and rejections are an unavoidable part of the role, so finding someone who isn't afraid of either is vital. Those without a drive for success are more likely to give up at the first hurdle and accept these rejections, rather than manipulating the conversation to work in their favour.



Passion and drive are core values of most successful sales teams, ensuring that representatives stick around and get results when the going gets tough. They're driven by numbers and want to consistently raise the bar month on month, squeezing as much potential out of every lead as possible.

### Confidence

[Call reluctance](#) is a common occurrence in the world of cold calling, but it can have dire results on a salesperson's success. When interviewing candidates, ensure to tailor some questions to dig deeper into how confident they are with cold calling, objection handling and holding their own in a conversation - after all, these are all key qualities a salesperson must have in order to succeed.





## Assertiveness

From the outside looking in, many people would assume that a successful salesperson must be domineering, assertive and aggressive. In actuality, they must strike the right balance between these traits and being empathetic, understanding and, above all, a good listener.

An overly insistent approach will likely result in more resistance from the prospect. After all, nobody likes to feel as though they are being forced into making a decision, particularly when receiving an unexpected cold call. Equally, a salesperson can't be overly docile and submissive or they'll struggle to get past the initial 'no thank you' that prospects often give.

Only you can decide the level of assertiveness you desire in your sales team, but it's recommended to find someone who is optimistically persistent but not militantly pushy. Those overly aggressive with their tactics may find that the prospect will clam up, while those who use an empathetic ear to listen to their client's needs will gain a lot more from the conversation.



## Step Two: Building a Recruitment Plan

Once the desired traits of your ideal candidates have been identified, you can begin to tailor your recruitment process to target and appeal to them. Understanding the type of person is equally as beneficial to potential candidates as it is for you - after all, you don't want to drag someone through the entire interview process if they don't have the core values or qualities your team needs.

"As there is such a high demand for SDRs, sometimes people are more lenient and accept candidates that wouldn't normally fit the bill," Kitti says when asked about common mistakes, "They may have a gut feeling that the person is not a good fit, but they take the person on board because they need to fill the role. However, you shouldn't be hiring anyone who is not an ideal fit."

By building a detailed recruitment process, you can proactively and tactically ensure the candidate has the core competencies commonly seen in top performers.

It's not enough to simply have an idea of the type of person you're looking to hire - you must flesh this out and create a concrete recruitment plan to effectively discover them. Setting out interview guidelines is essential, framing each question so that they target the specific qualities your team needs.

"We have an interview guide with different topics and traits, as well as how to assess them by asking specific questions. This means the recruitment team are able to understand exactly how to seek out the core competencies you're looking for in a candidate." Kitti says.

### The Recruitment Process

Here at Operatix, every external hire begins with an initial screening call with the recruitment team. This initial screening shouldn't be overly in-depth, but rather answer the key questions laid out in the recruitment plan mentioned above.

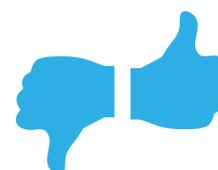
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"We begin by accessing the CV and look to see if it's a fit for what we're looking for," Kitti explains, "Then, the recruitment team would initiate a 30-minute conversation with the potential SDR to access basic things such as their general knowledge about Operatix, their previous experience, understanding of objection handling, core calling preferences and targets."

Following this, Kitti recommends the following steps:

- **Psychometric testing** - helps uncover a candidate's strengths, weaknesses and characteristics in a more tactical manner, allowing you to judge if they're a right fit for your business and role.
- **Call with the hiring manager** - if they pass the initial call with recruitment and the psychometric testing, you should pass the candidates along to the hiring manager to interview them. Ensure they are aware of the core competencies you're searching for, as well as guide the conversation by giving key questions to ask.
- **Role play with the hiring manager** - role-playing a cold call will allow the hiring manager to review the candidate's skills, confidence levels, objection handling skills and knowledge of sales. They don't have to be perfect at this stage, but you should look for their potential.



Each step should be planned meticulously, ensuring all of the recruitment team and hiring managers are aware of what makes a good candidate. While perfection isn't possible, there are key traits that are vital for success in sales.

**As for psychometric testing, you can find resources here:**  
[Criteria Corp](#), [testcandidates](#), [Thomas](#)

## Interview questions

Here are the key questions Kitti recommends asking during the interview process, and why they are important:

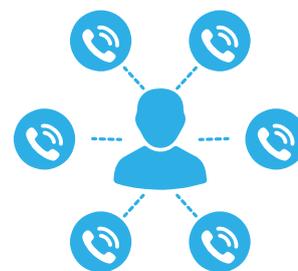
• **Tell me about yourself/previous roles/targets. What made you apply for this role, and what do you know about Operatix?** - Besides getting to know the candidate, you want to see how comfortable they are pitching themselves from the start. The ideal candidate would give you a short but detailed summary of their previous experiences.

• **What aspects do you most enjoy in a sales role? And least?** - Honesty is important, and sales is difficult. In their job, they are bound to deal with difficult people, roadblocks in the process, rejections and failed deals. When you get an initial answer, make sure to ask follow-up questions to uncover their approach when it comes to difficult moments. This question can also alert you to weak areas.

• **If you were hiring someone for this position, what qualities would you look for?** - We want to see if the candidate understands what it takes to be a successful salesperson, what they find important and what qualities they will strive to bring to the table. The ideal answer for this question would focus on the qualities relevant to the role not promoting themselves. We want to see people who consider being target-driven, a team player and having good communication.

• **How do you know you can sell?** - You want to hear a confident answer. The ideal candidate would be sure of their abilities and be happy to give you examples of their previous targets achieved. A good answer is one that reveals their unique way of moving a sale forward. Make sure to ask follow-up questions to learn more about their mindset throughout that success, as well as the way they dealt with any hurdles and even the way they celebrated this sale.

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• **What have you done that has beaten the odds?** - The candidate is forced to open up and be honest, whilst allowing the interviewer an opportunity to explore how the candidate handles challenges.

• **Tell me about a time you used your creativity to overcome an obstacle. What's your approach to handling objections?** - Objection handling is the main element of this role. You want to hire people who can think outside the box and are comfortable enough to not take no for answer. The ideal candidate would be able to give you a specific example of a time when they have overcome an objection. Avoid candidates who will answer this question like I would call them back another time, etc.



• **What are your development areas? What have you done to address these?** - This question mainly focuses on self-awareness. You want to hire a candidate that is honest about their weakness. Prompt them on what they have done to work on them. Candidates who will give you an answer which flatters them as a weakness is not a good sign (such as working too much, perfectionist). You want to see real weaknesses.

• **Tell me about a time you persuaded others to accept your idea** - The ideal candidate is someone who can solve problems and articulate a solution that can influence people to action. We don't want someone who can bully others to get their way, but rather someone who can think critically about problems and communicate their ideas well.

**Interviewee questions** - It is really important that the candidate has questions for you. Every candidate should come with pre-prepared questions for the interview. This shows their interest in this specific position.



Each question is designed to go under the surface of a candidate, uncovering their natural characteristics to ensure they are a good fit.

Once a candidate has been selected, it's important to set them up for success if they accept the position. Ensure they understand what their daily activities will be, as well as how many calls or touch points they are expected to make. Explain what other metrics their performance will be judged upon, as well as any behaviours they are expected to display during their time at the company.



It's important to do so in an understanding, supportive manner so they're left feeling excited and motivated. Give them the opportunity to ask questions in the lead up to them starting and beyond, giving them the contact information of their manager, as well as the HR department.

### Chapter one summary points:

- Understanding the traits and qualities of a great SDR is an essential part of hiring candidates that not only sell well to your ICP, but also gel with your current team and culture.
- Build a document that your recruitment team can refer back to when hiring candidates to ensure there is a clear and scalable process in place.
- There are multiple steps to take to test core competencies of candidates in a tactical manner, all of which are important.
- Steps include psychometric testing and role-play, both of which will allow you to see the qualities of the candidate as well as their potential for success.



Kitti Toth is the Head of Talent Acquisition at Operatix

## 2. THE FUNDAMENTALS OF AN SDR



There is more to being a master salesperson than picking up the phone day by day. While cold calling is, undoubtedly, a big part of being an effective SDR, there is much more that goes into the role. Understanding your target market and being clear on the value proposition of your company are fundamental parts of the process that need to be in place to set your sales development program up for success.

In this chapter, you'll gain expert advice regarding these fundamental elements from Head of Sales Enablement at Operatix, Joseph Grieves and CEO and Founder of Sales Enablement company [Growth Genie](#), Michael Hanson.

Joe talks us through cold calling and script writing best practices, while Michael gives his expert insight into email cadences. We'll also delve into the importance of defining both an ICP and a target persona, as well as how to use social media to increase sales activities.

## Defining your ICP

Creating an Ideal Customer Profile (ICP) can cement your team's understanding of the companies they should target. One of the first mistakes people make when creating an ICP is assuming they should define the buyer they want to target. In actuality, an ICP is a business profile. It outlines the core characteristics of the ideal business that would make them the ideal fit for the solution your company offers.

### When creating your ICP, consider the following:



INDUSTRY



BUDGET AND REVENUE



COMPANY SIZE



GEOGRAPHIC LOCATION  
Do you want to focus on  
or exclude any locations?



LEGALITIES  
any legal reasons that may limit  
your target customer base,  
such as government restrictions



PRODUCT OR SERVICE  
LIMITATIONS



NUMBER OF EMPLOYEES

Outlining an ICP allows for better alignment between the sales and marketing teams, not to mention more meaningful conversations.

## Target Personas

While an ICP is related to the type of company you want to target, a target persona relates more to the profile of the individual within the organization you are looking to target. This profile goes beyond just demographics, but rather sets out to envision the needs, pain points and buying process of your target customer, as well as how they make decisions.

### They typically include:

- Occupation and seniority level
- Business goals and motivations
- Responsibilities within the business
- Challenges and pain points
- Buyer processes and journey

Using a target persona will allow your SDRs to quickly identify which individuals in an account are a good fit or which need to be disqualified. Try to summarise both your ICP and target persona profiles into easy-to-digest paragraphs that can quickly be referred to whenever needed.

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## Cold Calling & Script Writing Best Practices

Teaching your SDRs to be expert communicators on the phone should always be a priority. This goes beyond following a strict script when picking up the phone, but rather having a high level of confidence and understanding of the prospective client's specific needs and challenges when doing so.

"It's not an easy thing to teach; you have to help people craft a solid message that will resonate with the person - a lot of it comes down to the performance of the pitch, too," explains Joe, "It's not only about teaching SDRs how to craft a good message but also how to deliver it in a way that is engaging.

"Cold calling is like an art form, it's teaching people how to be good storytellers. Training must involve bringing people out of their shells and bringing that performance to each and every conversation they have."

When helping SDRs hone their cold calling skills and writing their sales pitches, Joe recommends training them using the below six-step methodology:

- STEP 1:** why you're calling
- STEP 2:** who you are and what your business does
- STEP 3:** the relevant pain points your solution/service solves
- STEP 4:** the benefits your solution/service provides
- STEP 5:** offering validation, aka who else uses the solution or other evidence it works such as statistics
- STEP 6:** the close, tying up the conversation

By using this methodology and training SDRs to include the six steps when preparing their pitch, they'll have more meaningful conversations while ensuring the necessary information is included.

A pitch should cover the main talking points, potential objections and be a conversational structure rather than a word-for-word conversation. It should be a blueprint of the conversation; after all, SDRs can't predict everything the lead will say, so they should be prepared for every avenue of the conversation rather than what they hope will happen.

Rejection is a very common part of cold calling and something that should be anticipated. Objection handling should be a key part of sales training via roleplaying and practising answers to the common objections that are likely to come up.

During training, Joe recommends that you undergo roleplay sessions with new SDRs and listen in on calls, ensuring you can answer the following questions with a resounding 'yes':

- Do they sound **confident** in what they are selling?
- Are they delivering the message in a clear, easy-to-understand way?
- Are they **concise** rather than rambling?
- Is what they're saying **enticing**?

Joe calls this the [CCE Method: Confident, Concise and Enticing](#)

"If you want your sales reps to be successful, you've got to coach them, listen to their calls, do role plays and walk them through the admin they have to do," says Joe, "You need to engage with people and it should be an ongoing process."

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## Email Cadences & Sequences best practices

A multi-touch approach is where a sales person initiates contact with a prospective customer multiple times with multiple different platforms or methods. This typically includes LinkedIn, email campaigns and phone calls.

While your SDRs may prioritise cold calling, this doesn't mean you should neglect email campaigns. They can build brand awareness, particularly if your reps summarise the solution in a way that resonates with the lead's business goals.

"I never recommend email in isolation, it should be used in combination with phone calls, LinkedIn etc," Michael Hanson, CEO and Founder of Growth Genie, says, "Email is a tool that can build brand awareness - the good thing about email is that they can respond in their own time, whereas if you call someone and they don't answer, it's finished. That email is in their inbox forever, essentially, unless they delete it."

However, opening rates on emails are declining as more and more emails are filling a business person's inbox. Again, this doesn't mean avoiding sending emails to prospects but rather tailoring them to be as engaging as possible. Everything from the subject line to the content itself should be personalised to pique the interest of the recipient, otherwise, it'll get lost in the sea of unanswered emails.

"We recommend a 30-touch cadence, which is basically **seven emails, seven LinkedIn touchpoints, then around ten to 15 calls**. Each channel works together; LinkedIn is good for research, you can find out lots of information then send them an email about it," recommends Michael, "But maybe they don't respond to your email, which is where a phone call comes in or you reach out via LinkedIn. They all work together."



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ETC"**

"I know marketing leaders, and generally people are like 'oh yeah, email is dead. I get hundreds of emails a day. I never check email', but that's just one person. I know, like another CEO of a 300-person company. He only responds to emails. He never responds to LinkedIn or WhatsApp or anything. So you just have to work out where your buyer lives and make sure you reach them on their preferred channel."



### **Some tips for creating successful email cadences:**

- Rather than pitching straight away and going in for the hard sell, give them something for free to help build the relationship. This could be anything from eBooks and case studies to blog posts and podcasts, just ensure it has value to do them.
- You can then tie the above back to a sales conversation; if they engage with a certain topic, then you can assume this may be a pain point of theirs.
- Experimenting with what works with your intended audience is key - what works for one person may not work for the other. Include different types of content in each email and keep track of which type receives the most engagement.
- When structuring your email, include the trigger event (reason for contacting the prospect), the pain point of the business, how you can solve this pain point and a call to action.
- While you can use a template, you still need to personalize aspects of the email to ensure it targets the prospect's needs and pain points.
- Be careful when using links or attachments in the first email, as this can end up going straight to the spam folder. Instead, give them a brief summary of the content you'd like to send and ask them if it would be of interest.
- Ensure to follow up with emails with a 'bump' email, just in case they missed it the first time around. This can be automated.

"You can create a structure, but the most successful salespeople put their own personality, into selling and in their email," recommends Michael, "You don't want your SDRs to be robots."

## Social Selling best practices

As the role bridges the gap between sales and marketing, it should come as little surprise that social media platforms have become a big part of an SDR's toolkit, especially LinkedIn. Building a personal brand on LinkedIn can not only make it easier to find leads and contact names but also increase inbound leads.

Here are some social selling best practices:

- Portray yourself authentically and creatively - don't be afraid to show off your personality in posts
- Post relevant content that your audience will naturally engage with and find interesting, ensuring to do so regularly (consistency is key)
- Take advantage of the algorithm by keeping an eye on what is popular in your niche and industry - add your own flair and opinion, as well as interact with other pieces of content to offer your input
- People are more likely to buy from those they trust, so prioritize genuine interaction and build relationships
- Add a note that sparks conversation and introduces you when connecting with people
- Join relevant LinkedIn groups, ensuring to engage with posts
- Track engagement to see what type of content is a hit with your audience - just be careful not to become repetitive.

Don't overlook the power of social media and personal branding. It may not be a traditional tactic, but platforms like LinkedIn are revolutionizing sales and marketing.

### Chapter two toolkit

- [The CCE Method](#) by Joseph Grieves
- [How to Build a Personal Brand](#) by Daniel Disney
- [How to Get Outbound Sales Development Cadences Right](#) by Michael Hanson
- [Drive Sales by Investing in your Personal Brand](#) by Dale Dupree
- [Simplifying Sales Emails: Creating Compelling Campaigns](#) by Ollie Whitfield



Joseph Grieves is the Head of Sales Enablement at Operatix



Michael Hanson is the Founder and CEO at Growth Genie

### Chapter two summary:

- Your ICP and target personas need to be clearly defined to understand your audiences
- Not only should your SDRs understand how to craft a good message, but also how to deliver it in a way that is enticing
- Sales representatives should not just rely on cold calling, ensuring to spend time delivering creative email sequences and social media messaging
- A multi-touch approach, where an SDR initiates contact with a prospective customer multiple times on different platforms, is essential in getting the best from your leads

### 3. TOOLS

The need to invest in technology and tools is not optional - rather, building a tech stack is critical to staying competitive and enabling your team to be successful in their roles. There are several options on the market and the need for each of them depends on several factors:

- The stage of your company
- The size of your budget
- The size of the team
- The capacity the team has to implement and utilize the tools

Investing in tech will help automate parts of the process and maximize the productivity of the sales reps, but be careful not to let your reps 'hide' behind a fancy tech stack and blame the technology if they are underperforming.

In a study into the State of Sales Tech Stacks, [GetAccept](#) found that 97% of respondents in the sales and marketing industry use at least one digital selling tool, with the average falling between four and ten tools per tech stack. By investing in specialist software, your team will compete on a level playing field with other sales organizations.

However, it's important to ensure you're investing in the right areas. When prioritizing which tools to invest in first, weigh up your pain points and priorities. What does your team do well and, on the other hand, what do they need to improve on? The tech stack you choose should ease pain points within your team and shorten the sales cycle rather than make things more complicated. Don't just add processes for the sake of it.

Of course, if you're yet to start a team, go with the basics to give them the best start possible. Below, we've listed the top sales tools that'll help enable your sales teams to success and glide prospects through the sales cycle as efficiently as possible.



## Customer Relationship Management

Also known as a CRM system, Customer Relationship Management is often thought of as the most important tool for any sales team. While these systems vary per platform, they're designed to keep track of your team's communication with prospective and current customers as well as allow them to automate touchpoints and easily store contact information - you can also achieve that in a sales engagement platform, but they often are fully integrated and need to work in sync.

You and your team will be able to access real-time updates and the history of communication with each prospective client, making it much easier to keep track of the sales cycle.

By consolidating all the information into one area and automating areas of communication, you can expect increased productivity, organisation, and customer satisfaction. Simply put, it simplifies yet optimises the way sales development representatives manage client relationships and get the best out of each touchpoint.

If you're going to prioritise investing in any piece of technology, it should be a quality CRM system. In fact, [a study](#) found that CRM systems were found to increase conversion rates by up to 300%.

**Examples of CRM systems:** [Salesforce](#), [HubSpot CRM](#), [Zoho CRM](#)



## Data Vendors

Equipping your sales team with the correct data is essential in getting the most out of connections, allowing them to target the right people at the right time. Utilising data vendors will allow them to discover new connections, ensure contact information is correct, capture lead information and enhance conversation rates. This will save time both in terms of prospecting and calling the wrong number.

Examples of data vendors: [Zoominfo](#), [Lusha](#), [Seamless](#)



## Sales Engagement Tools

Sales engagement tools ensure your sales representatives communicate effectively with prospects by streamlining processes and optimizing workflows with automation. Beneficial for both account-based sales and marketing teams, these platforms offer an array of tools to drive communication, track results and generate reports to help ensure you're interacting with the right people at the right time using their preferred means of communication.

Helping you create multi-touch campaigns, sales engagement tools are an essential part of any sales tech stack. They'll automate actions such as sending emails, keeping track of tasks, phone calls and connections requests, as well as generate reports to oversee your team's productivity and performance.

Examples of sales engagement tools: [Salesloft](#), [Outreach](#), [Apollo](#), [Cognism](#)



## LinkedIn Sales Navigator

[LinkedIn Sales Navigator](#) is an incredibly helpful tool, and deserves a section of its own. It's designed to give sales reps everything they need to identify and build relationships with target accounts, using a host of data to do so. You can track key developments, such as key decision makers changing their jobs and indicators of buyer intent, prompting conversations when it matters most.



## Telephony System/Dialer

Calling prospects by hand becomes a thing of the past with a sales dialer. These tools automatically dial phone numbers for sales representatives, minimising errors and giving them back some of their valuable time.

Often, they have other features such as conversation recording, tracking, call analysis and transcribing, as well as integration with your CRM.

A telephony system, on the other hand, involves using a phone network that is hosted in the cloud. This means that sales representatives can call from anywhere at any time, as they can use their work mobile number on their personal phone or computer.

**Examples of dialer systems:** [8X8](#), [Aircall](#), [3CX](#), [Twilio](#), [Ring Central](#)

## Conversational Intelligence

Conversational intelligence tools refer to technology that use AI to record and analyze sales calls, saving the time it would take for a manager to trawl through hours of conversation themselves. They allow for a better understanding of what works in a pitch and what may need to be improved on, understand team performance and identify areas that your team may need to develop.



**Examples of conversational intelligence tools:** [Gong](#), [Chorus.ai](#), [Jiminny](#), [Allego](#)



## Scheduling

Imagine this: your SDR has piqued a lead's interest via email and needs to follow up with a phone call. Excellent, right? That is until they waste precious time going back and forth trying to decide on a time that works well for the prospect.

Avoid this by investing in a scheduling tool; this will allow SDRs to send a link that allows prospects to see your availability and book a meeting that works for you both. According to research by [Yocale](#), online booking software reduces an average of seven hours of administrative tasks per week.

**Examples of scheduling and email optimization tools:**

[Chili Piper](#), [Calendly](#), [HubSpot Meetings Tools](#)



## Direct Mail/Gifting Platforms

Direct mailing and gifting platforms aren't a necessity but can be beneficial for some sales teams to make a buyer's experience more special. As the name suggests, direct mail marketing is where you send physical mail, gifts or merchandise to a prospect's address.

There are a number of platforms that are designed to streamline this process, with common features including gift selection, shipping, tracking and metrics to measure ROI. Not only will this make the strategy more efficient, but also help you decide if it's worth investing in.

**Example of direct mail platforms:** [Alyce](#), [Sendoso](#), [Postal](#), [Reachdesk](#)



## Intent Data Platforms

Intent data platforms collect metrics regarding your target audience's purchasing behaviour and intent. This data will enable your SDRs in determining if a prospect is ready to purchase your solution, or are in the consideration stage. In turn, this will help them alter their messaging depending on the prospect's needs, as well as nurturing leads in the consideration stage.

Examples of data platforms: [Bombora](#), [6Sense](#), [TechTarget](#), [Demandbase](#)

### Chapter three summary points:

- In this chapter we covered the types of technology available in the market to make SDR teams more productive.
- Deciding what solutions should be part of your tech stack depend on the size of your team and your budget.
- If you are just getting started with your Sales Development team, we suggest the starter combo: CRM + Sales Navigator + Data Provider + Telephony system + Sales Engagement Tool.
- A more advanced tech stack for larger teams and bigger budgets would typically include:  
CRM + Sales Navigator + Data Provider + Telephony system + Sales Engagement Tool + Scheduling Tool + Conversational Intelligence + Intent Data + Gifting Platform.

## 4. SDR MANAGEMENT



Effective SDR management is essential in instilling the key characteristics needed to build a performance-driven, motivated team. After all, you want your employees to evolve and grow just as the market does, otherwise, they'll likely end up staying stagnant in their abilities.

Management is one of the most crucial aspects of building and maintaining not only a successful team but a company culture that helps them thrive. Bad management can result in a high turnover rate - something that management should aim to combat from the get-go.

### **Goal Setting**

Setting goals is critical to success in any business department, but it's particularly important for sales teams. Clarifying expectations is vital in ensuring your team knows exactly what their daily activities are, as well as the productivity levels they should aim for. Likewise, it helps managers keep track of high-performers, areas of improvement and accurately predict revenue.

Goals vary per business, but it's wise to provide clarity around the following:

- Number of meetings booked and sat
- Activity levels: A target number of dials to be made and tailored emails to be sent out daily
- Number of opportunities created
- Pipeline & Revenue



However, goals should not just surround the business. Setting personal and career goals can be a huge motivator for team members, as well as creating a better company culture. Ensure that managers sit down with their SDRs regularly to discuss beyond salary and conversion rates.

## **Day-to-day management**

Don't forget the importance of excellent management skills - even the best SDRs can only excel if management enables them to. They should have expert communication and coaching skills, as well as an analytical mind. More often than not, the best managers are those who strived in the SDR role themselves as they have an understanding of just how difficult the job can be.

Below are things that all great SDR managers should prioritise to get the very best results out of their teams.

### **Hold regular meetings**

Communication is key to maintaining a healthy team relationship, as well as ensuring management is aware of any issues that may be affecting performance.

While these meetings don't have to be daily, scheduling both one-to-one and team meetings regularly will help build trust, relay expectations and help your team grow. Only holding meetings when an issue has occurred will have the opposite effect, with your team starting to dread them rather than seeing it as a time to communicate openly.

**“THEY SHOULD  
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### Listen in to calls

Regularly listening to conversations will allow you to identify areas of improvement, as well as tactics worth sharing with the rest of the team. Provide actionable feedback with both positives and negatives to help your SDR continuously improve.



The tone and language used are important here; new SDRs will likely feel nervous to have their calls listened to, which is why it should be constructive feedback rather than overly negative. Difficult conversations are to be handled with care, such as if an employee is not performing to standards or if they are making mistakes throughout their calls.

### Keeping motivation high

The sales floor is fast-paced and often stressful; if you aren't careful, your employees may start to experience burnout. It should be part of the SDR management team to understand what motivates the team and keeps morale high. This is why setting both personal and professional goals is important.



## SDR Scorecard

Having a daily, weekly or monthly SDR scorecard can improve the productivity of your team and optimize how they manage their time. Not only this, but it will allow the management team to see what areas the team may need to improve upon and what team members may need further coaching.

This scorecard should revolve around the SDR's main activities: prospecting, outreach and opportunity creation. Each step should be worth a different amount of points based on importance, with opportunities created/meetings sat being the most rewarding. Keep the scorecard simple, clear and easy to understand at a glance.

Your scorecard could look something like this:



Ensure to set a target to reach based on average conversion rates (see chapter six regarding KPIs).

## Sales Coaching

Once the initial onboarding process is complete, many sales leaders make the mistake of leaving training there. However, incorporating regular sales coaching into your team's calendar ensures they are continuously improving and honing their skills as salespeople.

The world of sales and marketing is constantly evolving, with new trends and techniques appearing regularly. Keeping up with the market is undoubtedly important in staying competitive, not to mention improving internal sales processes.

Start by determining which areas your team need to focus on by looking at their track record, results and listening to feedback. After all, you want the coaching to be beneficial to your SDRs, and thus evaluating their performance regularly is an essential part of providing coaching that resonates.

There are numerous different ways to provide effective sales coaching, such as online courses, video coaching tools, in-person talks from industry experts, one-to-one training with managers, role-playing and cold call analysis.

### Summary points:

- Goal setting is an important part of maintaining a productive, high-performing team
- Personal and career goals should be discussed
- SDRs must be nurtured and be provided with constructive feedback regularly
- Regular sales coaching ensures your team stay competitive, as well as helping to hone their skillset and evolve with the market

### Listen to more SDR Management advice below:

[SDR Manager Effectiveness](#) with Kyle Coleman | Clari

[Identifying and Managing SDR Teams](#) with Dave Sherry | Gong

[Ramping up SDRs: the first 90 Days](#) with Sam Nelson

## 5. COMPENSATION

You've hired a team of talented SDRs, trained them to a high standard and given them all the tools needed to enable their success. Yet there is another problem that will creep up on you - the high rate of SDR churn. Demand for experienced sales representatives is at an all-time high and continues to grow, making it more difficult than ever to retain top-performing reps.

If you don't offer your SDRs a competitive compensation plan and reward outstanding performance, there's no doubt they may be tempted to look elsewhere - and they won't have to look far. While employee retention doesn't just boil down to compensation, an attractive incentive scheme and commission plan is the first step in creating a motivating sales environment. Not to mention the fact they will help you stand out from the competition and attract more experienced representatives.

The most basic part of compensating an SDR is via their base salary. While the average base salary is undoubtedly increasing along with the demand for representatives, it is estimated to be around £35,000 in London and \$58,000 in San Francisco as of March 2022 according to [Glassdoor](#). However, an average base salary will attract an average SDR; if you're looking to hire sales representatives with a track record of high performance, you can expect to pay more.

Once you've figured out the base salary, you can turn your attention to creating both an incentive and commission structure, both of which often go hand-in-hand.

## Commission plans

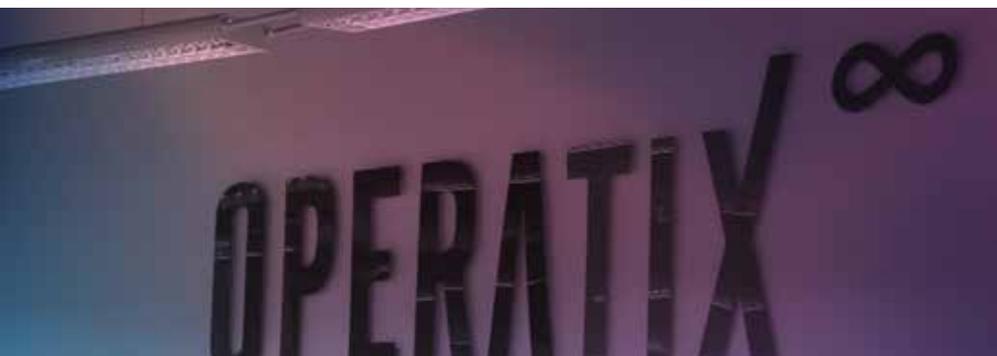
A commission plan is a type of long-term monetary incentive that acts as an add-on to the employee's base salary and is awarded based on the number of meetings booked or sat, pipeline generated or deals a representative closes or another set performance variable.



Most experienced SDRs seek a handsome commission plan, and it's equally as beneficial for the business as it is for the rep. A tiered commission structure rewards employees for hitting above their quota, boosting morale and productivity. The more deals they close, the more money they'll have on their paycheck, encouraging reps to go above and beyond the bottom line.

When building a commission plan, consider:

- What is the key objective, and how is it going to be tracked? - be clear about what commission is awarded for, such as meetings booked, deals closed, calls made or opportunities created.
- What is your budget? - clarifying this ensures you aren't making promises you can't keep, as well helping to decide upon if and where to cap commission, commission rate, and what type of structure to go with.
- What are competitors paying their SDR teams? - be sure you're using an appropriate rate by researching the market. In order to retain your salespeople, you will need an enticing commission program. If you pay below the going market rate for your industry, you risk losing your best-performing reps.



There are multiple commission scheme structures to consider, all of which bring their own benefits. Below are the most common commission structures used in a sales environment:

### **Base salary and commission**

As the name suggests, this structure is where the salesperson enjoys a base salary with commission on top, and is the most common type. It provides security to sales reps as they're guaranteed a minimum payment every month, yet boosts both motivation and morale as it rewards hard work. The [average salary to commission rate](#) is around 70:30.

### **Tiered commission plan**

A tiered commission plan is another common structure used in a sales environment and is similar to the base salary and commission structure. With a tiered commission structure, however, there are tiers with increased expectations/goals and commission rates rather than a flat rate of commission. As they reach the different benchmarks, they will make a higher percentage on each deal. This adds an element of competition and motivation, as well as rewarding reps as they make their way up the tiers.

### **Straight commission plan**

Also known as a full commission plan, this is when the sales reps don't have a base salary and instead have an income based on commission alone. This attracts experienced, high-performing sales reps, but is only suitable for businesses with short sales cycles. While highly motivating, the lack of stability and high rate of commission means this plan comes with a level of risk. However, this model may be an option for start-ups that don't have the resources to pay representatives who aren't performing.



## Incentives

While you've likely seen them pop up on LinkedIn as of late, gamification and incentivising aren't just buzzwords. Rather, they've become a tool to not only motivate and engage employees but give them that all-important job satisfaction that will keep them on board.

Incentives are more important than you may think; a study by [Glassdoor](#) showed that 57% of candidates reported them as being one of their top considerations before accepting a job offer. Another [study](#) found that 85% of the workers were more motivated to do their best when there was an incentive scheme in place.

In short, incentives are a reward for outstanding performance and reaching pre-agreed goals. Gamification, on the other hand, is adding an element of game playing or competition into the work environment. We know both to improve productivity, increase team performance and boost employee morale, proving to be an important part of getting the best results out of your team.



**“INCENTIVES ARE  
MORE  
IMPORTANT  
THAN YOU MAY  
THINK”**

## Putting an incentive scheme in place

When launching a new incentive scheme, ensure to answer the following questions:

- **What are the goals and objectives of the incentive scheme?** - ensure they are measurable as well as motivating yet achievable. Consider your team's pain points and the areas where you believe they need extra motivation.
- **What incentives work best for your team?** - some employees may prefer a financial bonus, while others are more motivated by a paid experience day. If your SDRs do not want the prizes, it will not motivate them to work harder and achieve the target. Survey your employees to see what motivates them to ensure your incentive scheme is successful.
- **How are you going to measure performance and results?** What are the key performance indicators (KPIs)? - both you and your team should be able to track their progress towards the end goal, so identify KPIs in advance. Doing so will allow them to increase their productivity and performance, giving them an additional push if they fall behind. Set up your own automated tracker, such as an Excel spreadsheet, or invest in incentive software.
- **What is the budget?** - you don't want to promise extravagant gifts in return for results if you can't keep up your end of the bargain.
- **How long should the incentive be in place?** - there are benefits for having both long-term and short-term incentive plans, so consider having a mixture of both. Short-term goals create a sense of competitive urgency, causing a spike in performance and motivation. Long-term goals improve company culture and more consistent productivity.



A successful incentive program is one that is well thought out, measurable and uses a reward system that motivates employees. Sending out a survey that allows your SDRs to rank what type of incentives would be attractive to them is a sure-fire way of making sure your scheme yields the results you want.

The most popular types of incentives include:

- One-off monetary bonuses
- Apparel and merchandise
- Entertainment such as concert tickets and experience days
- Gift cards and subscriptions
- Technology and electronics

As well as surveying your SDR team, monitor what incentives drive the KPIs and have the most influential impact on team performance.

#### **Chapter Five Take Away Points:**

- The average base salary for an SDR is around £35,000 in London and \$58,000 in San Francisco.
- Incentivising your sales function can increase motivation, performance and job satisfaction, helping to retain your top performers.
- A study has found that 85% of the workers were more motivated to do their best when there was an incentive scheme in place.
- There are multiple types of compensation plans, including base salary and commission, tiered and a straight commission plan.

For more insights into SDR Commission Plans, check out slides 51 – 56 on the [Pavilion State of Sales Development Report 2022](#)

## 6. KPIs



You can ensure that your team is performing in line with industry standards by keeping track of SDR metrics and key performance indicators (KPIs). Being aware of average benchmarks set by experienced teams not only indicates when your teams are underperforming but also what specific areas need improvement.

Having an understanding of the activity level, results and performance expectations is not only beneficial for management but the SDRs themselves. Relaying such targets can be motivating, particularly if there is an element of gamification involved when they're met.



## SDR Metrics

The below statistics are based on Operatix's ten years of experience in the field, having worked on over 500 campaigns. Using these numbers as a benchmark will be helpful in ensuring your teams are up to standard, or if you need to invest in further training.

### Inbound SDR Metrics

In our experience, an individual inbound-focused SDR can handle around 15 leads a day. These leads typically come from marketing and brand awareness, including e-book downloads, newsletter registrations, direct website enquires, demo requests, event attendees, webinar registrants and social media contact.

You may think your SDRs will have time to deal with more than 15 leads, as it doesn't sound like a particularly difficult number to reach. However, this ensures they have enough time to qualify each lead effectively rather than wasting time approaching the wrong company or person within the business.

After all, they must identify a need for the service, ensure the prospect is of decision-making level and that the company is of the right size and in a Geographical location you can serve. This isn't to mention the other activities they must undertake.

While all of the aforementioned leads count as inbound, the average conversation rate of each varies. Demo requests, direct meeting enquiries will, unsurprisingly, have a much higher success rate from lead to meeting. This is anywhere from 75 to 85%.

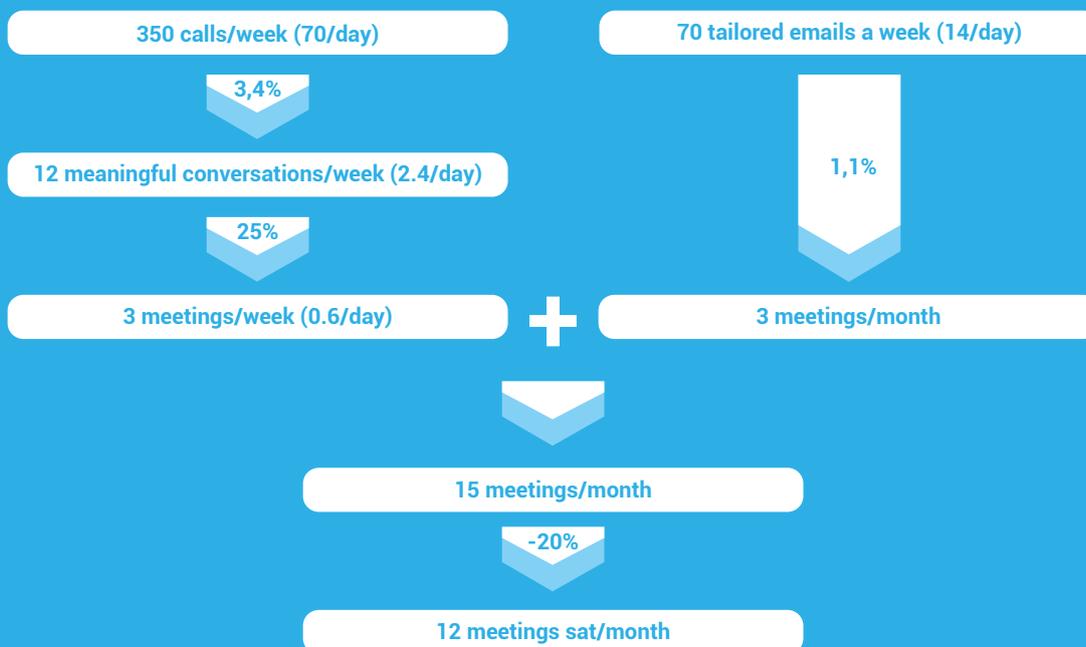
The likes of content downloads (eBooks, case studies etc), social media interaction and event attendees are less favourable. While still valuable, they have a lower conversion rate of around 5 to 10%.

### Outbound SDR Metrics

The approach of an outbound SDR is very different from that of an inbound focused SDR, so they should be expected to produce an average of 15 meetings a month from proactive outreach. This, however, doesn't include the average meeting drop-out rate of 20%, so the actual number is more around the 12 meetings a month mark.



To achieve this, outbound SDRs typically must undergo the following productivity pattern:



All of the above results in the aforementioned goal of 12 meetings sat a month. However, it's important to note that these numbers are an industry average and can vary according to the verticals that are targeted, the regions, the size of companies, etc. SDRs also must be properly enabled in order to reach these goals; this means receiving thorough training, being provided with the necessary tools, level of understanding of the subject and experience in outbound sales.

The productivity of each rep will depend on multiple factors, such as:

- Data quality
- Tools
- Resonance of the message
- Seniority level of decision-makers your company is trying to sell into
- Brand awareness
- Rep experience
- Level of qualification expected from each lead.

We dive deeper into each of those elements on the next page:



**Data quality:** a clear set of data with validated email addresses, pre-opted in data and direct dials means your rep will spend less time profiling contacts and trying to find phone numbers & e-mail addresses, which directly impacts their level of productivity.

**Tools:** Sales automation tools such as [Hubspot](#), [Frontspin](#), [Outreach](#), [SalesLoft](#), [Apollo](#), etc can help automate the outreach process, decreasing the time reps will be spending in sending manual emails and dialling.

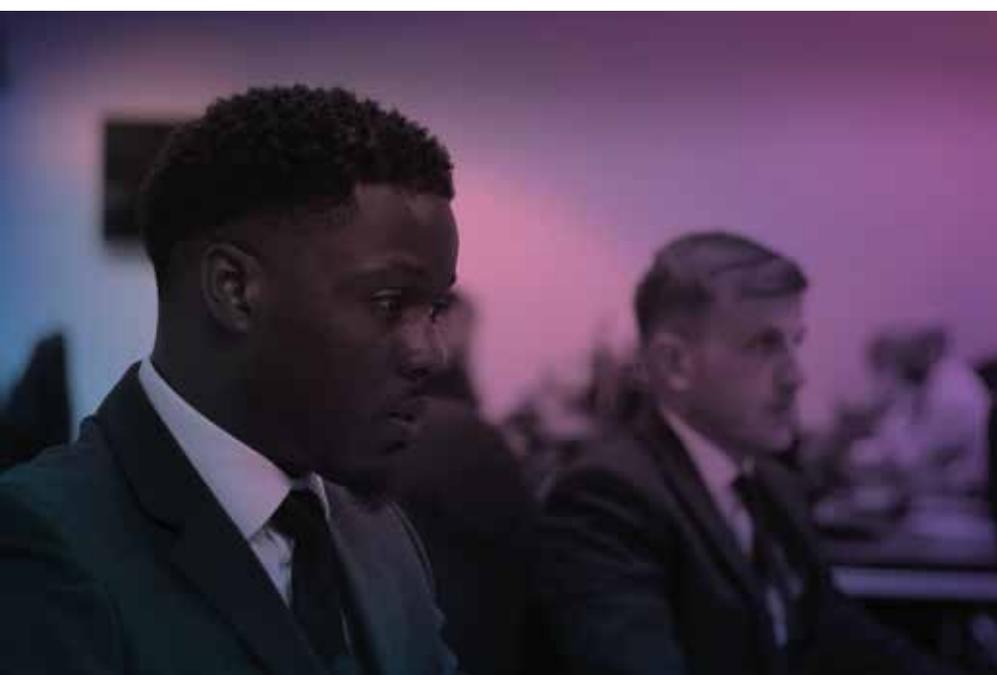
**Resonance of the message:** some companies utilize SDRs to assess Product-market-fit rather than as a pipeline source. Especially early-stage start-ups and less established vendors with a disruptive message will take more time to refine their message to the market, which will ultimately impact the productivity of the rep.

**Seniority level:** Depending on the personas your company is targeting, it may be 'easier' or 'harder' to convert them. Typically, C-Level decision-makers are seen as being harder to get hold of (although there are some contrary believe in this theory – See '[Land Bigger Deals Faster by Selling Straight to the C-Suite](#)')

**Brand awareness:** If your company is a more established B2B SaaS vendor with a well-known brand, the SDR will need to spend less time explaining the value your company can bring as there will already be awareness of what your company does.

**Rep experience:** More experienced reps tend to show higher productivity levels due to their confidence with the message & familiarity with tools.

**Level of qualification:** If a company expects BANT-qualified leads from their SDRs, the lead quality will increase while the lead quantity decreases.



## Conversion Rates - SAL to SQL

In our ten years of experience in the remit, we've found that the average conversion rate from sales accepted lead (SAL) to sales qualified lead (SQL) is around 52.7%. This means that for every ten SALs secured, five of these will progress into the next step of the sales cycle.

What is defined as the next step can vary from having a proposal accepted, securing a demo, having a clear next step in the sales process or even a sale.

There are a number of reasons why your sales team may not be hitting this conversion rate, many of which are easily fixed. This includes:

- **Uncertainties around handover** - the SDR and sales teams need to communicate clearly so that the Account Executive can set the right expectations for the meeting and be prepared for the Sales call.
- **Little or unclear definition about what a qualified lead is** - this should be defined in advance to ensure all leads are properly qualified and the right expectations are set.
- **Issues with productivity due to lack of training or tools** - it's vital to ensure your SDRs receive thorough training and management, as well as ensuring they are supplied with the tools necessary to sell effectively.

Having an understanding of the average conversion rate in the industry can assist in identifying if your team is underperforming and if processes need to be aligned further.

**“HAVING AN UNDERSTANDING OF THE AVERAGE CONVERSION RATE IN THE INDUSTRY CAN ASSIST IN IDENTIFYING IF YOUR TEAM IS UNDERPERFORMING AND IF PROCESSES NEED TO BE ALIGNED FURTHER.”**

### Summary points:

- Inbound SDRs can handle an average of 15 leads a day
- The conversion rate from an inbound lead to a meeting varies depending on the quality of those leads, ranging from 5 - 10% for low intent leads and 75 - 80% for high intent leads
- Outbound SDRs, on the other hand, should be able to produce 12 meetings sat a month when the 20% drop-out rate is factored in
- The average conversion rate from a sales accepted lead (SAL) to a sales qualified lead (SQL) is 52.7%

## 7. TEAM STRUCTURE



Recruitment of SDRs also involves identifying the best team structure, another area that is largely overlooked. Assigning them to the wrong department results in bad management and misalignment, particularly if the department doesn't have the resources or expertise to nurture the sales development role.

In this chapter, you'll get an insight into the differences between inbound and outbound sales and the benefits and drawbacks of reporting to either the sales or marketing team. Lastly, a conclusion will be drawn about outsourcing sales versus building an internal sales department.



## Inbound vs Outbound

Both inbound and outbound sales have their benefits and complement each other, which is why a hybrid approach is key. Prioritizing one may yield some success, but you'll be missing out on the opportunities the other approach tends to bring about. Below are some of the key differences between the two strategies that will affect their daily activities and goals.

### Inbound

In short, inbound sales are those in which the prospect initiates contact with the company first. This may be by interacting with a piece of content, contacting the sales team via the website, attending a tradeshow or webinar, submitting their information in exchange for content, and so forth.

Inbound sales is a much more natural approach to sales, as the lead will have prior knowledge of the services you're selling and likely expect you to reach out. They may already be interested in having a meeting and are open to being pitched to, leading to warmer conversations.

However, it's worth noting that marketing and branding are essential when it comes to inbound sales, both of which can take a while to take effect. This is why having an element of outbound sales rather than relying solely on inbound is fundamental, especially for less established companies.



## Outbound

Outbound sales, on the other hand, require the representative to reach out to the prospect first. They initiate the first point of contact, typically using cold calling, email or platforms such as LinkedIn. The representative must first qualify the prospect, ensuring they're a good fit from a ICP perspective, as well as seniority level.



Unlike inbound where it can take months for the marketing efforts to see results, outbound sales tend to yield quicker results. You can start selling from the get-go, allowing for more predictable revenue and target decision-makers in key-target accounts. Not only that, but parts of outbound sales such as email sequences and follow-ups can be automated, making it an efficient and reliable way of getting your company in front of prospects.

## Reporting to Sales or Marketing

While the SDR role traditionally aligns with the sales team, there has been an increasing debate in regards to if they should instead be reporting to the marketing department. Given that an SDR uses both sales and marketing tactics in their approaches, it's easy to see where the debate arises. After all, the role bridges the gap between sales and marketing.

The recent [Tenbound Sales Development Report 2022](#) revealed that 55% of business leaders have their SDR function fall under the sales department, while 35% report to marketing. However, it isn't always right to follow along with the majority.

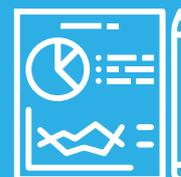
If you decide to have a primary focus on inbound sales and account-based marketing, it may be best to have your SDRs report to the marketing department. On the other hand, those who want their representatives to utilise outbound sales could have them report to the sales team. Aligning your representatives with the primary part of the sales funnel and method is always going to yield better results.

**“THE RECENT  
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SALES  
DEVELOPMENT  
REPORT 2022  
REVEALED THAT  
55% OF  
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FUNCTION FALL  
UNDER THE  
SALES  
DEPARTMENT,  
WHILE 35%  
REPORT TO  
MARKETING”**

You may want to answer questions regarding who will have time to manage the team, track KPIs, coach the reps and help nurture their growth. The best SDRs are the ones that are nurtured and coached throughout their career, not to mention the fact that their manager should have time to analyse results and ensure they're living up to expectations.

Likewise, if you decide to build an internal career path for SDRs, you should consider which remit they will be able to develop into.

Larger organizations tend to have a separate Sales Development Department, often led by a Head of Sales Development/VP or Chief Sales Development Officer. The department will still work very much aligned with Sales & Marketing but will have its own infrastructure and leadership team.



## Outsourcing or Having an In-House Team

Outsourcing your sales development team can often be seen as a costly option for businesses, but when you take a closer look at the investment that goes into building an internal SDR team, you may be surprised by the results. All things considered, outsourcing sales development can save you a significant amount of money, not to mention the time it takes to build a successful team.

In this chapter, we break down the true cost of building an in-house SDR team, including all the hidden costs beyond the SDR's salary, which may not be obvious at a first glance.

### Where to start

A great way to start defining how big your SDR team should be is to identify how many inbound leads your marketing team is producing. As a guideline, we suggest that a single sales resource should be working through 300 marketing-qualified leads every month based on 20 working days at a disposition rate of 15 leads per day. Anything less than this and the resource will most likely be making up the rest of the available time doing hybrid activities, which can be difficult to manage.

It's also worth considering the territories that your inbound leads are coming from. If you have 150 coming from the US, 50 from the UK, 50 from Spain, and 50 from Germany, hiring a sales rep will only be worthwhile if you can pull off the minor miracle of finding a trilingual salesperson.



You may also find that if you've hired a full-time resource that is dedicating a large amount of his or her time to proactive sales activity due to a lack of inbound activity in their native tongue, it can be very difficult to motivate and manage this element of their role.

The bottom line is if inbound demand is very clearly demonstrable for your company and manageable in terms of language restrictions: go ahead and build your own sales team. If you are lacking inbound demand, then you'd better hope you have an extremely strong, disciplined, and consistent management system overlooking your sales team. Otherwise, outsourcing your sales development is likely a more beneficial and efficient choice.



### **The Cost of an Internal SDR team vs Outsourcing SDRs**

At face value, it can easily look as though recruiting your own sales development team makes far more sense than outsourcing this function. Why pay a premium to outsource, when it can seemingly be done so much cheaper in-house? It's a very good question and one that yields a surprising answer.

The true cost of hiring a sales representative is easily overlooked, as there are many factors that businesses can fail to take into consideration when weighing up building an internal team vs outsourcing.



The average base salary of a Sales Development Representative in San Francisco is estimated at \$58,000 according to Glassdoor (2022). At this rate, we can expect that with commission factored in, the total cost of one resource would be \$80,000. In London, the same resource would cost around £50,000 (£ 35,000 being salary + £ 15,000 commission). However, the average cost of an inside salesperson is for exactly that – an average salesperson. To hire a top-performing salesperson, at least 10% of the salary should be added on top. This puts the salary at \$88,000 in The Bay Area and £55,000 in London.

Other various employer charges such as benefits, pension, and medical care all add up as well, and we can assume that these costs will add another 15% of the sales rep's salary to the employer's outlay. We're now looking at salaries of \$101,200 in San Francisco and £63,250 in London.

	London	San Francisco	OPERATIX <sup>∞</sup>
SDR Salary	£35,000.00	\$58,000.00	✓
Commission	£15,000.00	\$22,000.00	✓
Bonus for High Performer	£5,000.00	\$8,000.00	✓
Pension & Benefits	£8,250.00	\$13,200.00	✓
SDR Management	£7,500.00	\$12,100.00	✓
Data & Tech Stack	£4,200.00	\$6,000.00	✓
Equipment & Expenses	£1,000.00	\$2,000.00	✓
Recruitment Fee	£4,800.00	\$7,920.00	✓
Replacement Fee (Churn)	£3,200.00	\$5,280.00	✓
<b>TOTAL</b>	<b>£83,950.00</b>	<b>\$134,500.00</b>	

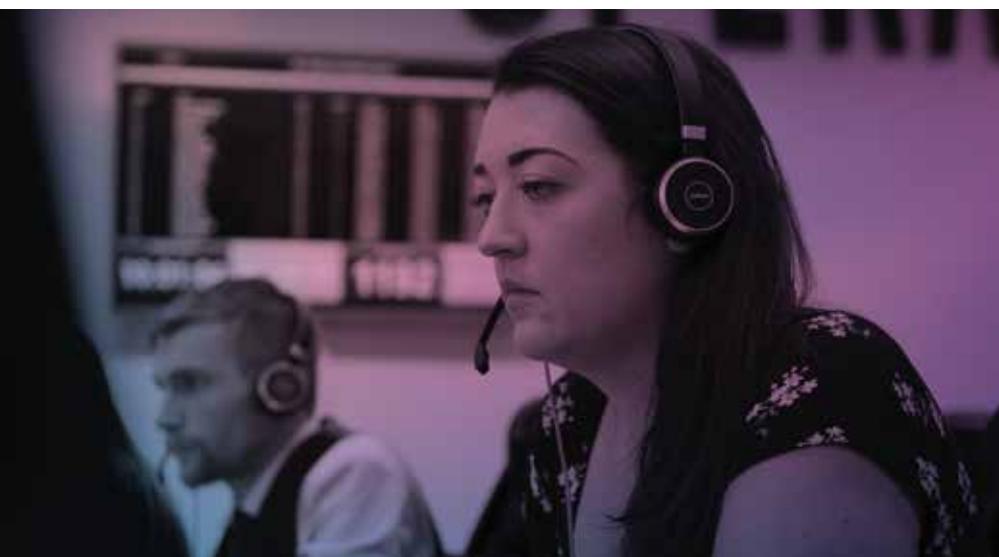
**SALES ACCELERATION**  
**OPERATIX**<sup>∞</sup>

Management of the resource is another cost often overlooked. If your sales manager is looking after seven to nine resources in total, it's fair to allocate 12.5% of the manager's salary as an added cost to each salesperson. On the basis that your sales development manager is earning at least 10% more than the sales rep, the sales rep's total cost per annum is now at \$113,300 in San Francisco and £70,750 in London.

Technical expenses for an inside sales representative such as database systems and software license fees are another unavoidable yet often unconsidered cost. For this expense, we can expect to add around \$500 per month in San Francisco or £350 per month in London. With licensing and data expenses added in, the annual cost of an inside salesperson is \$119,300 in San Francisco and £74,950 in London.

Miscellaneous expenses such as the cost of seats, essential office equipment, and bills are a relatively meagre addition, so we can assume that they add around \$2000 annually in San Francisco and £1000 in the UK. This now leaves us with a figure of \$121,300 per annum for an inside sales representative in The Bay Area, or £75,950 in London.

Already these figures are considerably higher than the \$89,000 and £50,000 OTE salaries of a sales development representative. And that's not even factoring in the costs of recruitment and replacement.



The cost of initial recruitment is anywhere between 12% and 22% of the salary according to recruitment experts at Quarsh. Utilizing the minimum 12% cost of recruitment, the total cost of a sales rep is, so far, at \$129,220 in The Bay Area, or £80,750 in London.

The cost of replacement comes into play when your salesperson is either: promoted, poached or moved on. On average, a salesperson stays in their job for around 2 years, according to Sales Readiness Group statistics. A Center for American Progress study found that it costs, on average, 16% of the yearly salary to replace an employee. If you're paying 16% of the salesperson's salary every two years to replace them, you can average that cost out to 8% of the salary per year. With the cost of replacement factored in, the total figure for an inside sales representative's yearly cost comes to an estimated \$134,500 in San Francisco and £83,950 in London.

These numbers aren't even taking into account the cost of training, development, sales playbook, and the ramp-up period expected until an SDR is fully delivering results.

Reputable Outsourced SDR companies will charge anything between \$10,000 to \$15,000 per month for a program, so if you're struggling with pipeline generation, then take these total figures and think again. Is outsourcing sales development really more expensive than setting up an in-house team?

#### **Summary points:**

- There is a big difference between inbound and outbound sales, so differentiating the approach you want your SDRs to take is important
- SDRs bridge the gap between marketing and sales, which is why there is debate as to with department they report to
- The majority of SDRs report to the sales department
- While building a sales team of your own may seem like the more cost-effective option, this is unlikely to be the case due to the amount of hidden costs
- There are a number of benefits of outsourcing sales, even if you do decide to build an internal team simultaneously.

## 8. CONCLUSION

If you reached the end of this eBook and read through all chapters, well done. You now have a good understanding of the complexities involved in building and managing SDR teams.

Building a team from the ground up requires significant financial backing, nurturing, and tailoring to be successful. Funding is only part of the equation; time and commitment are also required at all levels of the organization.

Rather than just being operational, many teams must be involved with the setup, training, and management of an effective SDR team. From recruitment to management, every employee must be clear about what the new team is expected to accomplish, as well as their role in the successful implementation of this new initiative.

You must be meticulous in the preparation and planning; take your time to outline the type of person you want to recruit, expectations around the role, and how they should be managed. Don't underestimate the importance of their tech stack, tools, and training beyond the onboarding. If you wish to reap the benefits of a successful SDR team, you cannot compromise on any aspect of its development.

Deciding whether to build a team from scratch or outsource your sales development to a trusted partner is a key element and shouldn't be overlooked - both options have pros and cons and all aspects need to be considered.

So, now you understand what it takes to build and manage a team, it's up to you to make the best decision and action your plan.

**For any additional questions or sales development support, make sure to check out the resources below:**

 **Operatix Blog**

 **B2B Revenue Acceleration Podcast**

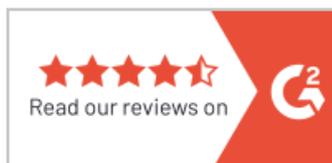
 **eBooks**

## About Operatix:

Operatix is an Outsourced SDR agency specialized in helping B2B Software vendors generate pipeline and revenue across the globe.

Trusted by over 500 B2B Software vendors globally, Operatix has a strong track record in working with some of the biggest tech players worldwide as well as a multitude of emerging software vendors and scale-ups.

With offices in London, San Jose and Dallas, Operatix's 300+ team of SDRs speaks 17 different languages, delivering campaigns across North America, EMEA, LATAM and APAC.





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