THE SALES DEVELOPMENT PLAYBOOK

Build Repeatable Pipeline and Accelerate **GROWTH** with Inside Sales

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Praise for *The Sales Development Playbook*

"*The Sales Development Playbook* is chock-full of actionable ideas, tips, and real-life examples of creating a super high-performing SDR program. One of only a handful true experts, Trish shares a lifetime of knowledge and experience. It's a must-read for anyone who manages sales development teams."

—Bob Perkins
Founder and Chairman of AA-ISP

"People get hung up on the wrong questions around sales development: templates, tools, and tricks. *The Sales Development Playbook* asks and answers the right questions. If you're looking to increase qualified pipeline, read this book."

—Mark Roberge
Chief Revenue Officer, HubSpot
author of *The Sales Acceleration Formula*

"Finally, a single resource and starting point to build out a new sales development team or BOOST an existing one. Trish Bertuzzi makes it simple with *The Sales Development Playbook*. There's a reason for the rocket on the cover of the book – do these six things right and your team's revenues will take off!"

—Lori Richardson
Founder and CEO, Score More Sales

"If you want more revenue, read this book. Trish has managed to give away ALL of the secrets. Years of trial and error for sales development strategies all packed into one book. If you're looking for research, examples, and bold thinking, look no further."

—Steve Richard
Chief Revenue Officer, ExecVision.io

“Sales development continues to be the winning strategy for opening new accounts, building pipeline, and driving growth. Anyone - CEOs, VPs, and Front-Line Managers - trying to master sales development needs this smart, detailed book.”

—Natasha Sekkat
VP of Sales Development, VMTurbo

“There is no one more knowledgeable than Trish when it comes to the fundamentals of building Sales Development teams. Hands down. This book is a must-read for anyone who interested in building a productive, scalable, and highly successful SDR function.”

—Devon McDonald
Partner, OpenView Venture Partners

“If you're looking to lead Inside Sales or Sales Development, the very first thing you should do is read this book! Trish, the self-proclaimed Queen of Inside Sales, has earned her title.”

—Chad Burmeister
Senior Director, Global Sales Development, RingCentral

“To build new pipeline and accelerate growth, master the six elements outlined in this book. It truly is the Sales Development bible.”

—Jill Konrath
Author of *Agile Selling*,
SNAP Selling and *Selling to Big Companies*

“If you’re serious about building new pipeline and growing your company, this is the most detailed, honest, and useful book ever written.”

—Pete Gracey
CEO and Co-Founder, QuotaFactory

"*The Sales Development Playbook* just earned a spot on my bookshelf of must-read sales books! The SDR function has become critical in any sales organization and having a go-to book for Senior Leaders and Managers is a gift."

—Bridget Gleason
VP of Corporate Sales, Sumo Logic

"In *The Sales Development Playbook,* Trish Bertuzzi serves up, from soup to nuts, the critical components required to build and lead a winning sales development organization. It's a must-read and a must-reference work."

—Ralph Barsi
Senior Director, Global Demand Center, Service Now

"Selling has changed dramatically over the past decade, and the biggest innovation has been in sales development. Everything you need to know about sales development is articulated in this book. Nobody in the world has better distilled the critical, innovative, and engaging ways to accelerate revenue in your business than Trish Bertuzzi."

—Kyle Porter
CEO, SalesLoft

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TRISH BERTUZZI

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FOREWORD

This is the first successful thing I've written since my head-on collision with a big truck destroyed my Chevy pickup and put me in an ambulance on the 2nd day of September 2015. My previous attempt—on what is supposed to be my weekly column on Forbes—got taken down in four hours. It wasn't good.

Trish has been patient. Her kind but consistent follow-through, some coaching from my former Forbes editor Tom Post, and the patience of my family, staff, and friends have helped pull me back to the world of writing.

Thanks, Trish. That's what friends do. I have a long way to go, but at least I now have a bigger truck!

I've known Trish for a long time. In internet years, it's almost a lifetime. I "met" Trish years ago by hanging out in her Inside Sales Experts group on LinkedIn. I was very intrigued by her discussion topics, so I joined in and asked a few weighty questions and she responded. Pretty soon, we had a consistent interaction going and took our conversation offline . . . to the phone. I could tell immediately she was a master, while at the same time a warm, funny, fiery person who loves what she does.

We were soon both speaking at an event, and she was the first person I had to track down and meet face to face. She ran up and gave me such a big hug. Then I saw her present, and I knew she was world class. She completely owns the stage. The people love her.

That's Trish.

Then we became friends. We talked about blogging and how powerful it was, how it took a long time to have the impact we wanted. Like a flywheel slowly building momentum. Then our blogs took off as our budding profession became an industry that changed the landscape of business-to-business sales and marketing.

We would debate the rise and fall of trends. I saw the rise of sales 2.0 very early, and she called out the death of BANT as a qualification methodology. Trish covers BANT (budget, authority, need, and timing) and its replacement in detail in part 1. I remember she said that "putting budget first is like asking for W2 forms on the first date!" She set the stage for ANUM, the qualification model I built at my company InsideSales.com, and her trademark one liners once again led the way for industry change.

That's Trish.

I'm an old football coach. Sales, as a profession, is very closely aligned with competitive athletics. Really great coaches have a playbook that they continually refine and improve, but it's always based on a foundation, the blocking and tackling of success. That's what this book is. It gives you the system while it teaches you to test and improve through iteration.

My other hobby is military strategy. Throughout the centuries of warfare, taking the high ground first would win you the battle. Keep maneuvering to take the high ground first, and you win the war.

Sales development, or the art and science of finding leads and qualifying opportunities, is the high ground of sales. When it's all said and done, it's all about the leads. That's where you need to focus—where the most leverage is.

The Sales Development Playbook leads with strategy and then walks you through specialization, recruiting and retaining people, execution, and leadership. This is the playbook for how to succeed today.

Every time I've seen Trish for the last two to three years, I've looked her in the eye and said, "You need to write a book!" She would say, "I know, I know already! I'm getting that from all directions!" And every time she sees me, she coaches me on how to improve our organization and our playbook at InsideSales.com.

After reading this book, I know it will help you succeed, help your company grow, and change our industry.

And all I can say is it's about dang time! ☺

Ken Krogue
Founder & President, InsideSales.com
Provo, Utah

INTRODUCTION

RAISE YOUR HAND if your company needs more new customers. I suspect your hand is (figuratively) up. Every business wants to grow. Because you're reading this book, chances are you don't want to just grow. You want high growth, explosive growth, the kind of growth that weather satellites can see from space.

Now, raise your hand if prospects are falling over each other in a mad dash to enter the top of your sales funnel. If your account executives are already swigging Gatorade, taking orders, and closing six-figure deals with a sixty-second sales process, this probably isn't the book for you. If you want to build repeatable sales pipeline and have a make-it-happen mindset, then read on.

If you're a CEO or if you run a department of sales or marketing, you may be wondering how you can accelerate revenue growth from so-so to stellar. I'm sure you have a fantastic product and great sales team, but perhaps there just isn't enough activity at the top of the funnel.

You may already be running a sales development group but have a nagging suspicion that somewhere, lurking unseen, inefficiencies are dragging down productivity. Or maybe you've been handed the reins of a team and are overwhelmed at where to begin. In either case, this book is here to help.

The success of any company is directly linked to how effectively it acquires new pipeline. Account managers can't grow accounts and service reps can't support accounts without net new customers. Not to put too much pressure on you, but everyone at your company's livelihood depends on how well you build new pipeline. It's just that important. For you personally, success with sales development isn't just a stepping stone in your career; it's a giant leap forward.

To skyrocket growth, I believe *sales development* is the answer. This book encapsulates my three decades of practical, hands-on experience. At my sales consulting company, The Bridge Group, Inc., my team and I have designed and implemented hundreds of sales development teams. From startup, to scale-up, growth, and global enterprise, we've worked with more than 250 technology, life science, and service companies.

Here is how I define sales development:

> *A specialized role focused on the frontend of the sales process—qualifying inbound leads and/or conducting outbound prospecting—to generate sales pipeline*

I was compelled to write this book because of a major problem I'm seeing. There's a fundamental misunderstanding of how to "do" sales development. Again and again, I see Company B copying and pasting bits and pieces of what Company A is doing (or, more accurately, *what it appears it is doing*) and failing to maximize its own results. From the outside, it's easy to see that a given company (or competitor) has sales development. But it is next to impossible to see *why*, *how*, and *if* that approach is appropriate for you.

I've identified six elements for sales development success (see figure I.1).

Figure I.1 – The six elements

My decades of experience as seller, inside sales director, VP of sales, and business consultant have led me to these six elements. I wish I could tell you that one beautiful New England morning, looking out over the lake, I saw the pink light of dawn and inspiration struck. But it didn't happen like that. The six elements are the byproduct of years of trial and error, witnessing mistakes, decoding success, and working hard with hundreds of smart, hungry client companies. This is a proven system that I've deployed with companies you've heard of to refocus and redouble growth as well as with companies I'm confident you will be hearing about.

Perhaps you're already excelling at some of the six elements today. You can achieve lift-off if you execute one or two well. Good strategy and good recruiting, for instance, will deliver some return. You can even produce respectable results by excelling at three or four elements. But if you truly want to nail sales development—if you want to be a legend in building repeatable pipeline and leading a world-class team—all six elements need to be mastered.

Sales development is an "overnight sensation" thirty years in the making. And I'm thrilled that this day has finally arrived. My business card might say "President and Chief Strategist," but helping companies excel at reaching prospects and generating new pipeline is my passion. In my writing, speaking, and consulting, I've seen it time and time again: the companies that master each of the six elements are the ones that generate *truly* stellar results.

The strategies, stories, examples, and tools you'll encounter in these pages will take your ability to build pipeline to the next level. Thank *you* for making the time to take this journey with me.

Remember, your career, your culture, and everyone else's livelihood is depending on you. Let's not waste one more minute.

PART 6

LEADERSHIP

People leave managers, not companies.
MARCUS BUCKINGHAM and CURT COFFMAN

You mastered the first five elements. Now it's time to focus on day-to-day leadership.

In this section, I'll cover:

- ► Putting the right leader in charge
- ► Setting quotas, building processes, and measuring what matters
- ► The sales development technology stack

CHAPTER 30

CHOOSE THE RIGHT CAPTAIN

THE SIXTH AND FINAL ELEMENT for accelerating revenue growth with sales development is *leadership*. The book *First, Break All the Rules* gave us the great line "people leave managers, not companies." It has never been truer. No culture, no perks, and (next to) no amount of stock options can compel someone to follow a bad leader. A great leader is the glue that holds a team together.

Think about just how rare it is to find someone who combines vision, business acumen, and the ability to inspire others. But that is exactly what a sales development leader needs to possess. In the final part of this book, we'll focus on *day-to-day* leadership. We'll cover six key considerations:

1. Choosing the right captain
2. Equipping with a toolkit
3. Setting appropriate quotas
4. Architecting core processes
5. Using metrics to drive what matters
6. Implementing enablement technologies

These are the pillars of day-to-day leadership. Before we jump into these topics, let's turn our attention to a common question: *what exactly do leadership titles mean?*

Levels of Leadership

To set the stage, let me share my take on the levels of sales development leadership (see figure 30.1).

DIRECTOR	MANAGER	TEAM LEAD
THE VISIONARY AND GENERAL	**THE COACH, WARDEN, AND THERAPIST**	**THE PLAYER COACH**
Designs strategy	Optimizes execution	Executes process
Builds the ideal rep profile	Hires the ideal rep profile	Is the ideal rep profile
Seat at the executive table	Fantastic people motivator	Management-track potential
Great Strategist	**Great Coach**	**Great Role Model**

Figure 30.1 – Levels of leadership explained

I tend to think of it this way: managers *manage*, directors *direct*, and team leads . . . well, I'll share my opinion of that role a bit later. The level of your sales development leader isn't just about *title* or *compensation*. It's about the part you expect that individual to play in the team's success.

Director Level

Here's my rule of thumb: if your group is brand new (or evolving rapidly), you likely haven't yet 100 percent nailed down what repeatable and scalable success looks like. In that case, you need a director. You need someone who has created processes from scratch, knows when things are going awry, and (more importantly) has the skills to fix things.

Hiring an inexperienced leader (meaning someone in an SDR role and looking to move up) to do director-level work is a huge mistake. There's a time and a place for on-the-job learning, but it isn't when captaining a ship through a storm.

When you're building your team, it is all about experimentation. What's the right model? What process, messaging, and cadence work best? What are our ideal prospect types and qualification criteria? A *director* is someone who can interpret results and make course corrections—someone with experience who can take the overall goals delivered by the executive team and drive results. Directors have been here before. They've taken their lumps and are armed with the knowledge and experience that lets them hit the ground running.

Not sure of how to differentiate when you are in the heat of the hiring battle? Let me see if I can paint you a picture. One of my clients was interviewing for a director of sales development. His process included asking candidates to develop a 30-60-90-day plan—a fairly standard request for a hire at this level. One candidate, Ellie, didn't just go away and create it. She asked the hiring chief revenue officer (CRO) the following:

> In our second interview, you mentioned your 3-year plan. Can you share what has been communicated to the management team and the reps?
>
> Over the last 3-4 quarters, what challenges have been identified and what has been done to remove those obstacles?
>
> What career path/succession planning is outlined or implied at time of hire for the reps and managers?
>
> Please provide a review of current compensation model, implementation date and percent of reps exceeding, meeting and not meeting goal. Also, in your opinion, would a SDR be able to explain to their peer in less than 5 minutes how they get paid?

She asked damn good questions and demonstrated *director-level thinking*.

Manager Level

Once you've locked in on the strategy, built solid processes, and have metrics down, you're ready for a *manager*. Do a quick search on LinkedIn, and you'll find dozens of job descriptions for "sales development manager."

They all share these basic skillset requirements:

- ► Manage team to goals, objectives, and quota achievement
- ► Ongoing hiring, training, and coaching of reps
- ► Great communication and time management skills
- ► Provide detailed, weekly reporting
- ► Identify and make recommendations for improvement in the areas of process and productivity

These are table stakes when we're looking for a manager. If you're looking for a truly stand-out front-line manager, you need to search for attributes that aren't readily found by scanning résumés. To my mind, there are three key attributes:

1. **SKILL FOR SPOTTING TALENT:** Hiring reps in this competitive environment will be one of this person's greatest challenges. You need to hire a leader who, above all else, has the ability to spot great talent. In all likelihood, you're going to be hiring reps fresh out of college (or at a minimum early in their careers). Their résumés aren't going to tell the entire tale. Your leader has to be able to quickly figure out who will be able to do the job *tomorrow* (and be able to grow into the next role two levels up). Hiring for potential is no easy task, but finding a person who has the skill to identify potential is a huge win.

2. **HIGH MOTIVATIONAL ENERGY:** I don't know any other way to say this. Motivating a sales development team on a day-to-day basis is exhausting. Many reps are young and fairly inexperienced, and they suffer massive rejection daily. Your leader has to be able to keep the "happy" boat afloat. He or she has to have the endurance and the attitude to come to work every day and re-energize the team. Managers have to invest in engaging with reps, helping them see the bigger picture of how they fit into the corporate vision and reinforcing their value to the organization. That, combined with all

their other duties, makes motivational energy a must-have.

3. **ABILITY TO SIT AT THE TABLE:** A trend I am starting to notice is having sales development report directly to a C-level title (as do the leaders of sales and marketing). You should look for a candidate's ability to take a seat at the executive table (either now or in the future).

Team Lead Level

This brings us to our third and final level of leadership: *the team lead*. A team lead is a blended position—part day-to-day manager and part individual contributor with a personal quota. Let me be blunt: I'm not a fan of the team lead role (both in idea and in execution). Hiring an individual contributor with one foot in management and one foot as a rep can be a recipe for failure. If you've identified someone with the potential to be a fabulous leader, promote him or her. Asking someone to have one foot in the SDR world and one in the management realm is unfair and counterproductive.

Despite my vigorous objections, I know that some companies will head down this path. For those that do, here are three recommendations:

1. **GO SLOWLY:** We all know that there are no guarantees in hiring. Recall my earlier point about the 50 percent success rate for sales development hires? For a team lead, you want someone who will be an above-average *motivator and coach* as well as achieving his or her individual quota. If the team lead isn't able to do both and you have to let him or her go, now you're down a rep and your team is down a front-line manager. Not a great outcome.

2. **SET REALISTIC TIMEFRAMES:** Be direct about the realities of the role. What has to happen before the team lead can be promoted to full manager? What is your timeframe for transition? The worst-case scenario is your team lead thinking *months* and you thinking *quarters* for a promotion to full management timeframe.

3. **ASSIGN A FAIR QUOTA:** Let's say you expect your team leads to manage three reps at about 30 percent of their time. *How much quota relief should that give them*? My rule of thumb is to take the estimate for "time spent managing," add 20 percentage points, and reduce their quota by that amount. So if we suspect 30 percent spent on management, we should budget for a 50 percent reduction in quota. If you aren't willing to allow for that much quota relief, I strongly suggest you reconsider the role.

If you're a senior executive with other responsibilities, do yourself a favor and invest in hiring the level of leader you need. This is not the time to go cheap. Building a team from the ground up, including all the testing, experimentation, and changes it will require, is not something you want on your plate. Hand it over to someone who has the know-how and the passion for it. You won't regret the decision.

Promoting from Within

Here's a joke that has been around forever: What happens when you promote your top rep to manager? You lose your best producer and gain your worst leader.

To keep yourself honest, consider creating a first-line manager candidate profile. Jot down the skills and qualities you are most looking for in your first-line leader. Once, you have them down, reflect on which are *Must-Haves* (MHs) and which are *Nice-to-Haves* (NHs).

Let me try to frame this for you differently. You aren't just promoting your best rep as thanks for a job well done; you're evaluating him or her for an entirely different role requiring an entirely different skillset. The key is to be objective about what you're looking for and not view any candidate through rose-colored glasses. Your list might end up looking something like figure 30.2.

Creating a profile gives you a way to objectively evaluate both internal and external candidates based on what is *really* important.

	MUST-HAVE NICE-TO-HAVE OTHER
BUSINESS ACUMEN	
OPTIMISTIC	
ABILITY TO INSTIGATE CHANGE	
STUDENT OF THE GAME	
LEADERSHIP SKILLS AND MENTALITY	
PRODUCT, SOLUTION, MARKET KNOWLEDGE	
HISTORY OF SPOTTING GREAT CANDIDATES	
ENJOYS COACHING AND DEVELOPING	
OFFERS CONSTRUCTIVE CRITICISM	
BEEN SEEN BY PEERS AS A CAPTAIN (FORMALLY OR INFORMALLY)	
TAKES ON "EXTRA CREDIT" AND DELIVERS	

Figure 30.2 – Sample first-line manager candidate profile

Over my career, many of the best leaders I've worked with have made their way up from individual contributor roles. And many of the best reps I know have tried managing before realizing it wasn't for them. With internal candidates, you already know the following:

- Their work ethic and communication style
- The nature of their relationship with the team
- Their knowledge of market, buyers, product, and competition
- Their ability to navigate your internal systems and processes
- How well they are able to get things done in your organization

You can't underestimate the value of these factors. They will dramatically reduce the new manager's ramp time and significantly lighten the load on you. It all comes down to creating your *Must-Have* versus *Nice-to-Have* profile and being realistic about where each candidate falls against the ideal profile.

If you do promote from within, expect that a high degree of mentorship will be required. You'll have to assist your new manager as he or she navigates the transition from individual contributor to leader.

> *As an individual contributor, he or she was measured on one thing—achievement of quota. Now as a leader, he or she will be measured on ability to fill open slots, attrition rate, ability to motivate, and ability to effectively communicate both up and down. This is a very different landscape.*

Chris Snell, director of inside sales for Care.com, is someone who has successfully made the transition. Chris started his sales career as an SDR for an outsourced opportunity generation firm. He now leads a team of fifteen reps and two managers. Having once been given an opportunity himself, Chris is a firm believer in promoting from within. He shared that when looking for his next potential leader, a lack of prior management experience isn't a deal breaker. "I look for whether or not the rest of the team sees an individual as a leader. I want someone who's respected by their peers—someone who my reps go to when they have questions about selling, about our products, or about how to use the CRM. Those are the folks I'm looking at."

I think Chris summed it up beautifully. When promoting from within, the respect of the team is more important than a history of being a top rep. If you find someone who has both, put him or her on your shortlist. You also need to commit to being a mentor. I understand that a manager should be taking things off of your plate. But the candidate and the entire team need you to invest in making this person successful. The most important thing to remember is that the decision doesn't affect just you and the candidate. It affects your entire team.

CHAPTER 31

EQUIP THE TEAM

IF EVERY REP targeted your best prospects, told your best story, and ran your best process, how would that affect pipeline and revenue?

The reality for most teams is that one rep is the best at *choosing* prospects, another at *messaging*, and another still at *qualification*. But there isn't a single place where all that tribal knowledge and piecemeal excellence is collected and shared. Enter the sales development toolkit.

Your toolkit will give each and every rep the tools, tactics, and messaging to prospect like your best performers do. (These are often referred to as "binders," "playbooks," "handbooks," etc. For simplicity, I'll use toolkit.)A toolkit is the fastest way to get to repeatable and scalable sales development success. There shouldn't be any secret to your sales team's success. It should be spelled out in black and white.

Think about all the pieces you've included in onboarding new hires. If you're like most companies, all of that information is scattered across PowerPoints, PDFs, videos, Word documents, and ideas you've white boarded but never written down. Your SDR toolkit will take all that information and present it in a format that is concise, specific, visual, and actionable. In the toolkit, you'll ensure that

- ► A consistent message is being delivered
- ► What's working is being shared
- ► New hires ramp quickly

- Struggling reps have a map for what great "looks like"
- Reps are enabled, not left to hunt intranets, drives, and wikis

Kris Semb is responsible for worldwide sales development at IBM (which they call lead development). Just a decade ago, he was an SDR himself. In that short time, he worked his way up to manager, director, and then worldwide leader of more than five hundred reps. I asked Kris to share his philosophy on sales development toolkits. "The front lines of a sales organization have to be ready for just about anything. It's tremendously important for SDRs to rapidly find what they need to do their jobs. Over the years, I've found that an effective toolkit becomes a 'bible' of sorts. It's like the difference between manually combing through notes in a large notebook versus using Google to get ready, be ready, and find information on the fly."

As Kris suggests, a toolkit is a living and evolving document that's purpose built to make SDRs more effective. It's an integral part of your onboarding process as well as the gold standard your managers will coach against. Finally, it's one hell of a recruiting tool.

> *In this highly competitive market, wouldn't it be great to show a candidate your SDR toolkit and say, "Here is the roadmap for how the team executes. I look forward to you joining us and helping us to evolve this tool for future reps"?*

Trust me, every hiring manager is claiming fantastic onboarding, training, and coaching. Show (don't tell), and you'll stand out from all the other companies you're competing with for talent.

Building a Toolkit

My team and I have built somewhere around one hundred sales development toolkits for clients. There are three things that are universally true:

1. The project is a lot of work (think months, not days).
2. There's no "I" in toolkit (well *technically* there is, but it still takes a

village).

3. Each company's toolkit is somewhat unique, but there is a *blueprint*.

There are many reasons leaders skip building a toolkit. Primary among them is a lack of time, followed closely by getting buy-in from senior leadership around what it takes to make this project a reality. "You should begin by identifying a problem that stems from the lack of a toolkit," shared Ralph Barsi, Senior Director, Global Demand Center at ServiceNow. "You can then go to senior leaders and say that we have a lot of new hires coming onboard because we are growing like crazy. We also have great tribal knowledge residing in our tenured reps. If we had a toolkit to reinforce the way our best reps are being successful, ramp time would be expedited and total productivity raised."

Ralph makes a pretty compelling case to take up with senior leaders. Even if you are the mythical triple-threat "great writer" + "sales enabler" + "sales manager" (*a wrenableger*?), you still need buy-in to devote the appropriate time and attention to building a toolkit. Also, you're going to need help.

Remember the cross-functional team we pulled together to build outbound messaging back in part 5? The best, fastest, and most painless way to build your SDR toolkit is to continue down that path. It is easy to get overwhelmed when you consider sitting alone in your office, staring at a blank page, and typing up a toolkit. Remember, you don't have to build it all at once, and you shouldn't try to do it alone. In working with clients, my team and I have a process that involves the following:

- Wide-participation web surveys
- Limited-participation interviews
- A thorough review of existing sales collateral
- Several half-day workshops
- An assigned editor process
- Team rollout and exercises

- A "best practices" audio library
- Future-proofing through regular revision and evolution

Ralph added, "You need a champion to create a bubble around you while you work on this. If this is a priority, you need to buckle down and move other stuff back onto the shelf." In a lot of organizations, that's just not realistic and you need to bring in outside help. The cruel irony of sales development is that *the moment* your group begins firing on all cylinders and you ramp up hiring (a huge time commitment in itself) is *exactly when* an SDR toolkit is needed most (yet another huge time commitment).

To help you along the way, I want to share the key sections of any SDR toolkit. Below, you'll find the blueprint I use with my clients. You are more than welcome to follow this flow in your toolkit (you can also see a sample table of contents at http://sdrbook.io/SAMPLETOC).

Section 1: Understand/Target

I can't reiterate strongly enough how critical it is that you teach your reps about your prospects and market before you teach them about your product. *Them before us* should be your mantra. In this section, you should include pieces such as a visual representation of your ideal customer profile, your "with us/without us" vision, and a cheat sheet for value propositions aligned to prospect personas. This section is all about understanding your prospects and using language that will resonate with them. It is the foundation for how your SDR team will communicate with your buyers in their conversations as well as in voicemail and email.

Section 2: Strategize/Plan

In this section of the toolkit, you will detail your processes for inbound lead qualification and/or outbound prospecting. Here is where you'll share a framework for effective pre-call planning: what information should reps capture, where do they put it for speedy future reference, and how do they use it in messaging?

Also, you'll map out your qualification criteria and sample questions. As you'll remember from part 1, that might be "*right profile, right person, right pain*," "PACT: *Pain, Authority, Consequence*," and "*Target Profile*," or in certain rare cases BANT. Finally, you should define and document the entire process of scheduling, passing, and executing the meeting and/or the passing of a qualified opportunity to an account executive.

Section 3: Contact

In this section, you'll detail your multi-touch cadence and multimedia approach. You might have several cadences based on lead source, lead score, inbound versus outbound, etc. Knowing that each buyer type requires its own story, you'll lay out messaging themes by persona.

Here is where you should lay out those stories and tie them into your cadence and media strategy. For example, say you sell an applicant-tracking software system. You might sell to both staffing agencies and in-house hiring managers. Obviously, you wouldn't message to both the same way. Further, even within a company, you might target the VP of human resources, the director of recruiting, and the IT (information technology) director. For each of these, you'll want to provide a visual representation of how the story flows and how each touch your team delivers tells a different chapter of the story.

Section 4: Message

In previous sections of the toolkit, you've shared your "with us/without us" vision and value propositions by prospect persona. In this section, you want to give the team a framework for how to take all those things and create messaging that resonates.

You should include messaging samples as well as a framework for customizing and creating new emails and voicemails. The best way to illustrate this for the team is to take one of your prospect types and create the entire messaging story or cadence you will be executing. By creating a sample of the voicemails and emails this prospect will receive, you are providing a roadmap for the team to create their other prospect stories.

You'll also want to include customer stories. Teach the team to create and present them in a phone-ready format vs. a case study format (think *actionable sound bites*).

Section 5: Overcome

This section contains the ammunition your team needs to address common prospect objections as well as ready responses for the competition. You want to identify your most common objections and develop the responses you want your team to use. You want to share a framework to knock out objections but not knock the buyer. The same holds true for competitive situations. You'll want to create battle cards that allow your reps to knock out, but not knock, competitors.

Section 6: Execute

This is the final section in your toolkit. Here is where all the detail goes regarding how to leverage the technologies at the reps' disposal, what a perfect day looks like, how to effectively use the toolkit, you name it. Anything that relates to the tactical execution of the job will reside here. You'll also want to share baseline metrics (and expectations) that tell the story of how activity leads to results.

So there you have it. As I said earlier, each company's toolkit is slightly different and takes on the personality of the team itself. But this blueprint should serve as a good guide. There are a lot of other pieces that my team and I add to SDR toolkits for our clients (visuals, integrated video/audio, inspirational quotes, CRM integration, certifications), and they are important. But they are additive (not a replacement) for the sections outlined here. Give your group this roadmap to success. I've never met a sales development leader who regretted making this investment.

CHAPTER 32

SET APPROPRIATE QUOTAS

STATUS CHECK. Over the last few chapters, I've covered two of the six key considerations for leadership. Time for number three: *quotas*. Let me ask you, how do you know if you've set quotas appropriately?

Let's say it's the final week of December. You're looking back at your team's results this year. Which of the following is better, in your view?

OPTION 1: The team goal is made, 10% of reps hit quota, 90% miss
OPTION 2: The team goal is made, 90% of reps hit quota, 10% miss
OPTION 3: The team goal is made, 65% of reps hit quota, 35% miss

Almost no one would choose option one—although it is the cheapest option in terms of incentive compensation. Many would choose option two, the most expensive option. But for me, option three is the fingerprint of a well-set quota.

Before you object that one-third of reps missing quota is horrible, hear me out. When it comes to right-sizing quotas, everyone is looking for a magic formula that keeps the CEO, the CFO, the board, the leader, and the reps happy. Much like the unicorn, it just does not exist.

Setting fair quotas is about balancing interests—specifically:

- **CFO**: Cost of sales
- **CEO**: Productivity

- **Leader**: Team morale and retention
- **Reps**: Earnings potential and culture/climate

The first step in setting quotas is to admit that *quota* is a line in the sand, not the only marker of a good rep. I don't believe that *hitting quota* separates a good rep from a lousy one.

Think about it. Do you really believe that a rep who ends the year at 101 percent of goal is qualitatively better than one at 99 percent? I know I don't. That's a rounding error, not a marker of virtue or vice. The question we are left with is *how many reps should we expect to hit quota?*

Since 2007, the average percentage of reps at/above quota (in my research) has bounced between 63 percent and 74 percent. That feels about right to me. I know from analyzing more than eighty sales development teams that a group ending the year with 65 percent of reps at quota is fairly representative of the norm (http://sdrbook.io/SDRGRADER).

Quota Considerations

Okay. Now that we've agreed on what quota should actually mean (the level of performance that roughly 65 percent of reps will meet or exceed), we can turn our attention to quota setting. In figure 32.1, I've shared average quota benchmarks from my latest SDR Metrics research (http://sdrbook.io/SDRCOMP).

	INTRODUCTORY APPOINTMENTS	QUALIFIED OPPORTUNITIES
"PASSED" QUOTA	21	13

Figure 32.1 – Quota benchmarks by model

These numbers are averages, and (not surprisingly) actual quotas range widely. Unfortunately, companies sell into complex markets, not neat and tidy theoretical models. Here are two examples that show you the disparity.

Company A has an average selling price (ASP) of $115K.Quota for its outbound reps was just two qualified opportunities per month. Compare that to Company B, with an ASP of $5K. The quota for its inbound reps was forty-four introductory meetings per month. To give you a sense of what's at play, here are four variables you should take into consideration:

1. **ACTIVITY FOCUS:** Is your team qualifying inbound leads or conducting outbound prospecting? If inbound, how many leads will marketing generate? What is your historical conversion rate from *lead* to *SDR qualified*? If outbound, how well recognized is your brand in the market? This may seem like a strange question, but it matters. When your prospects hear your company name, does it make them more or less likely to take the call?

2. **MODEL:** Are you closing on interest? Or qualifying for need? Closing on an introductory meeting is much easier than fully qualifying an opportunity. As we discussed in part 1, you've already made the decision as to which model to implement. Obviously, you can't mix and match model and quota assumptions (e.g., require high-qualification and use low-qualification benchmarks).

3. **SIZE OF ACCOUNTS:** What size of company and what level within an organization are you targeting? Scheduling a call with the director of sales operations at a $20M software company and the director of sales operations at LinkedIn are two very different animals—even if an SDR is trying to introduce the exact same product or service. Similarly, it is much easier to reach the SVP of marketing at a $50M manufacturer than a marketing director of Amazon.com.

4. **MARKET MATURITY:** Are you selling into a mature market (where the need is understood) or immature (where the concept itself is new)? Just this week, I received an email from a rep at an electronic signature technology company. She asked about my availability to discuss our "esignature needs." The fact that I knew she meant *the sharing, tracking, signing, and storing of documents*

from any device means that the esignature is mature. The rep was able to use shorthand to orient me to what she was asking. If you're selling something that is not yet mainstream, your reps are going to have to work harder to hook those buyers. That needs to translate to lower quotas.

There is no way around it. Setting quotas is tough work. You can use the meeting setting (21) and qualified opportunity (13) numbers as benchmarks. Adjust up or down based on the four factors I've highlighted. Whether or not making quota is an achievable goal sets the tone for your culture. Make it attainable, and you'll have a group of competitive reps with a positive attitude. Make it too much of a stretch, and you'll have miserable reps and a high attrition rate.

You should also make use of ramped quotas for new reps. Let's say you determined that quota will be twelve qualified opportunities per rep per month. A ramp-up plan might look like this (see figure 32.2):

	MONTH 1	MONTH 2	MONTH 3	MONTH 4
NEW SDR RAMP	4	7	10	12

Figure 32.2 – Sample four-month ramping quota

Pipeline Expectation

The overwhelming majority of companies do not source 100 percent of sales pipeline from sales development. Based on my research, on average, 49 percent of company revenues are sourced by sales development groups. This is a number I've been tracking since 2009, and it has remained remarkably consistent. As you might expect, the smaller the company, the larger the share of revenue sourced by sales development (see figure 32.3).

It is tempting to build headcount assumptions from the ground up. And you should feel free to do so. But, again, keep in mind that V-E-R-Y few companies source 100 percent of pipeline from sales development. Your team, your account executives, and your CEO need to understand this fact and plan accordingly.

COMPANY REVENUE	% OF TOTAL REVENUE SOURCED BY SALES DEVELOPMENT
<$5M	61%
$5–19M	62%
$20–99M	53%
$100–249M	49%
$250M+	40%

Figure 32.3– SDR-sourced pipeline by company revenue

CHAPTER 33

BUILD YOUR PROCESS

I DISCUSSED THE IMPORTANCE of effective process with Nick Hedges, the CEO of Velocify who in part 3 shared his approach for screening for passion. Nick and I agreed that a mindset of hiring reps straight out of college, feeding them leads, and leaving them to figure out the rest needs to be weeded out. Nick shared that, in his research, "high-performing organizations are twice as likely as underperforming ones to be process-driven."

Great process is the foundation for repeatable, scalable success. Our reps bring passion, a competitive spirit, and curiosity to their jobs every day. It is up to us, as leaders, to engineer processes that channel their drive and maximize the return on effort.

To my mind, the four processes that sales development leaders should obsess over are the following:

- Cadence and media
- Speed-to-contact
- Account-centric prospecting
- The SDR-to-account executive handoff

I covered cadence and media in great detail in part 5. In this chapter and the next, I'll turn my attention to the remaining three.

Thank you for reading this sample. I hope it has whetted your appetite.

I look forwarding to hearing your success stories as you put these ideas into action!

Trish Bertuzzi, Author
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