

7 Steps to B2B Inside Sales Success – Part 1: Planning

By Mary Gospe

Inside sales has come into its own over the past few years. **Technology** for selling via phone/Web has become mainstream. **Prospects** are comfortable with conducting their buying process via phone/email/Web. And **companies** continue to look for ways to boost revenue while decreasing the cost of sales. Whether you are starting an inside sales team for the first time or re-building one, here are several field-tested steps to help you architect and manage a winning organization.

Step 1: Set the strategy

First and foremost, determine the function of the organization and the reporting structure. If you are building a team to follow up on leads and qualify prospects for field sales or the channel, then this function is called “sales development.” The term “inside sales” refers to quota-carrying sales reps who sell via phone/email/Web.

Next, determine how the function will fit into your sales model. Sales development reps are partnered up with field reps in a 1:3 ratio. Inside sales teams may cover house accounts, accounts under a certain revenue threshold (i.e. SMBs), territories without field or channel coverage, service renewals, particular products or industry verticals.

In addition to determining the function of the team, it’s important to establish the reporting structure. Inside sales teams should report into the sales organization, while sales development teams can be found reporting into either marketing or sales. Often times a HQ-based corporate marketing director or VP in charge of demand generation will manage sales development since they are not traveling as often as sales execs and they can better integrate marketing campaigns with qualifying activities.

Step 2: Define roles and responsibilities

Document the roles and responsibilities of the sales development and/or inside sales teams. Do the same for field marketing and field and channel sales reps. Communicate this information to the marketing and sales teams so everyone understands what each function does and, equally important, what it does not. For instance, sales development reps are not to become admins for their assigned field reps. Nor should they follow-up on leads from outside the company’s target focus. Sales and marketing alignment begins with clear communication about who does what and how hand-offs should occur between functions.

Step 3: Determine how you will measure and reward success

There are two types of metrics to consider to measure performance: results-based and activity-based.

- **Results-based metrics:** For inside sales teams, success is measured by revenue quota attainment just like field sales. For sales development teams, success is often measured by the number of meetings set (and held) with qualified prospects as well as shared revenue attainment with assigned field reps. If you are starting the organization for the first time, you will not have historical benchmarking metrics to guide you. In this case, you can use benchmarking statistics from like-sized companies in your industry. [Phone Works](#), a Silicon Valley-based inside sales consultancy, publishes a yearly inside sales compensation survey with benchmarks and compensation averages for both sales development and inside sales reps, managers and VPs.
- **Activity-based metrics:** In addition to results-based metrics, many companies measure activity metrics, especially for sales development teams. These may include the number of completed calls per day, average follow-up time for marketing-generated leads, and expanding contacts at target accounts. But before you go down this path, make sure you can accurately track and report on these activities. My preference is to use results-based metrics and make sure the compensation plan reinforces the behavior and results you desire.

In summary, the planning phase for Sales Development and Inside Sales can be summarized in the following matrix:

	Sales Development	Inside Sales
Strategy	Shorten the sales cycle by filling the sales pipeline with qualified opportunities	Reduce cost of sales by selling without travel costs
Roles	Qualify prospects for field or channel sales reps	Sell assigned products/services via phone/Web
Metrics	No. of qualified meetings held and shared revenue targets within territory	Achieve/exceed revenue quota

In the next article, **7 Steps to B2B Inside Sales Success – Part 2: Implementation** we'll look at implementation factors for inside sales success: creating a sales playbook; recruiting, hiring and training; procuring tools and management tips.

About the Author:

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