

THE DEFINITIVE GUIDE TO **SALES DEVELOPMENT METRICS**

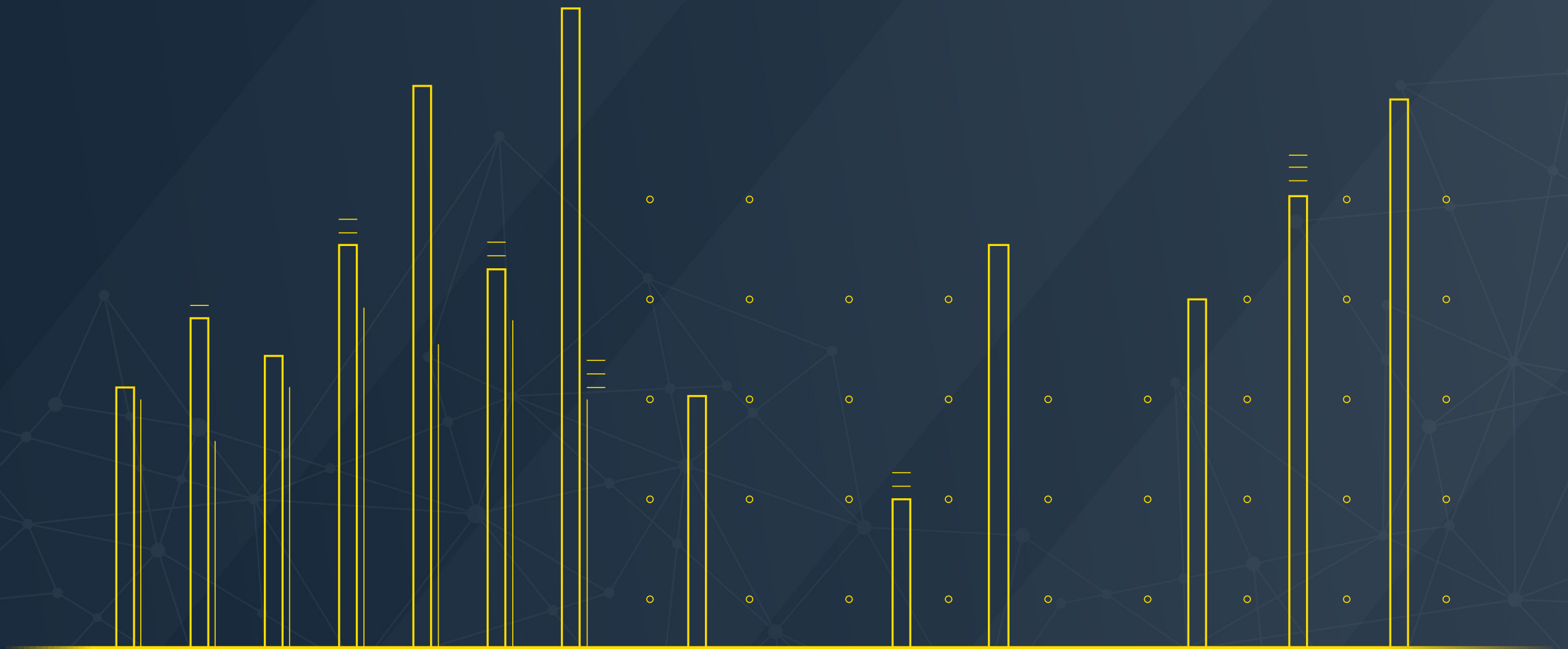


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The Definitive Guide to Sales Development Metrics

The efficiency and strategy of your sales development team are directly correlated to your selling success—the right combination of adopting technology, implementing processes, and training reps will translate to revenue growth.

Adoption of technology takes more than just going digital, it also means utilizing data in the right way. [“To be data-driven is to be effective.”](#) If you’re not monitoring the correct metrics and guiding them with deliberate strategy, your reps will do nothing more than take shots in the dark. They may even ramp up their productivity but without insight into metrics, it won’t translate to an impact on results.

Data removes the guesswork. High-performing sales development teams use metrics to identify repeatable successes and avoidable bottlenecks. They use metrics to measure how productive their teams are, what their reps are doing on a daily basis, what is leading to results. They enable them to make data-driven decisions that will produce success. Clear visibility into outcomes motivates performance and will further justify your investments in business development.

So, which SD metrics are the right metrics to track for the best results? Which questions do they answer? How do you utilize this data? Knowing the data and knowing how to capitalize on it are two different things. In this guide, we’ve broken down sales development metrics (and how to capitalize on them) into four categories: planning, activity, results, and effectiveness.

Planning

Utilizing metrics is the most reliable way to build a repeatable, winning sales strategy. According to grow.com, “Data helps you understand and improve business processes so you can reduce wasted money and time.” A recent [Deloitte survey](#) that found 49% of respondents said analytics helps them make better decisions, 16% said it better enables key strategic initiatives, and 10% said it helps them improve relationships with customers. To plan your effective sales strategy, pay attention to the metrics below:

How Leads Are Worked

Planning begins by defining your process and how reps work their leads. How much effort do reps apply to each lead? How much time is spent on each lead? When are the handoffs and are they known?

Why does it matter?

Figuring out what it takes to prospect will help you coach reps and optimize their time. Determine the right amount of touches for a lead and reinforce the processes reps should follow so you can structure their time around high yield activities, then set pipeline goals accordingly.

Sales Development Capacity

Monitor current output against targets, tracking leads worked each day, week, and month, and their impact on revenue. Determine pipeline, conversion, and revenue goals in order to back into how many sales development reps you need to meet capacity requirements.

Why does it matter?

Understanding current and future capacity needs based on broader revenue goals will allow you to forecast headcount and output more accurately. Know your team’s capacity needs so you can plan for realistic and attainable growth.





Lead Sources

Track performance and effort by campaign and lead source. Figure out if there are lead sources that outperform others and drill into individual rep and team performance by campaign and source.

Why does it matter?

You will optimize marketing and sales spend only when you know where you can yield a meaningful return. One sales development rep or one team may convert better with one set of lead sources while another rep or team performs better with an entirely different set of sources—you can improve performance by sending leads to where they have the highest chance of converting.

Sales Productivity

The total amount of revenue divided by the number of reps will give you an overall view of sales productivity per rep. Another option to calculate sales productivity would be to determine the average number of opportunities won per rep by dividing the total number of closed/won wins (for a specific time frame) by the number of sales reps.

Why does it matter?

Tracking sales productivity daily or over an entire quarter will give you an idea of high-level trends across your team, and how reps are performing on average. This baseline provides a foundation for knowing how to improve performance and what standard to hold reps to.

Activity

Activity metrics show you exactly how your reps are spending their time every day, compared to how reps think they're spending their time. Diving into activities will expose insights into contact attempts, lead response effectiveness, conversation and conversion effectiveness, which engagement strategies are working, the kinds of buyers you're able to successfully engage with, and which combination of tasks lead to results. With this information, you can determine the optimal cadence each rep should be following with each opportunity. You can also identify your top performers, what they are doing right, and determine compensation accordingly. Activity metrics that will give you insights into effectiveness include:

Contact Attempts

Track the number of touches on leads, contacts, accounts, and opportunities and how many attempts a rep or team makes in a day, week, or month. The numbers may surprise you. We've found in [our research](#) that reps make 75.2% fewer contacts attempts than they think they do. A XANT survey found that sales reps reported an average of 12.1 phone, email, and voicemail attempts per contact. Our observational study found these numbers to be incorrect—the average cadence included 3.0 phone, email, and voicemail attempts combined.

Track the following:

- Calls made vs. calls connected
- Emails sent vs. opened vs. emails responded to

- Links clicked
- The average number of touches per lead
- The number of calls, emails, and overall contact attempts per win

Why does it matter?

With better visibility, sales leaders will set better expectations with their team and will be in a position to offer guidance to generate more pipeline. Reps will know how many attempts to make on any given lead, and when to move on to the next one to optimize their time and efforts, rather than guessing or relying on intuition. A record of contact attempts also gives leaders an idea of capacity—how many leads a rep can work in a day and how many marketing should be delivering.



Engagement

Monitor the ways in which, and how often, certain prospects engage with your reps. Segment prospects by persona groups and determine which strategies lead to more responses, and ultimately to more closed-won deals.

Why does it matter?

If engagement is low for a particular cadence, you can look at, and A/B test, the content, the templates, the messaging, and the times your reps are reaching out. Adjust these strategies to pinpoint issues, resolve them, and increase quality engagement.

Conversations and Talk Time

Talk time can be a helpful metric, but it can also be misleading. Reps may dial into company meetings or leave long voicemails, their talk time may not always be an accurate measure of quality interactions with leads.

Why does it matter?

Tracking conversations that last at least 2-5 minutes will tell you when they are talking to leads, if they are having quality conversations, and help you determine why they are or are not having success selling.

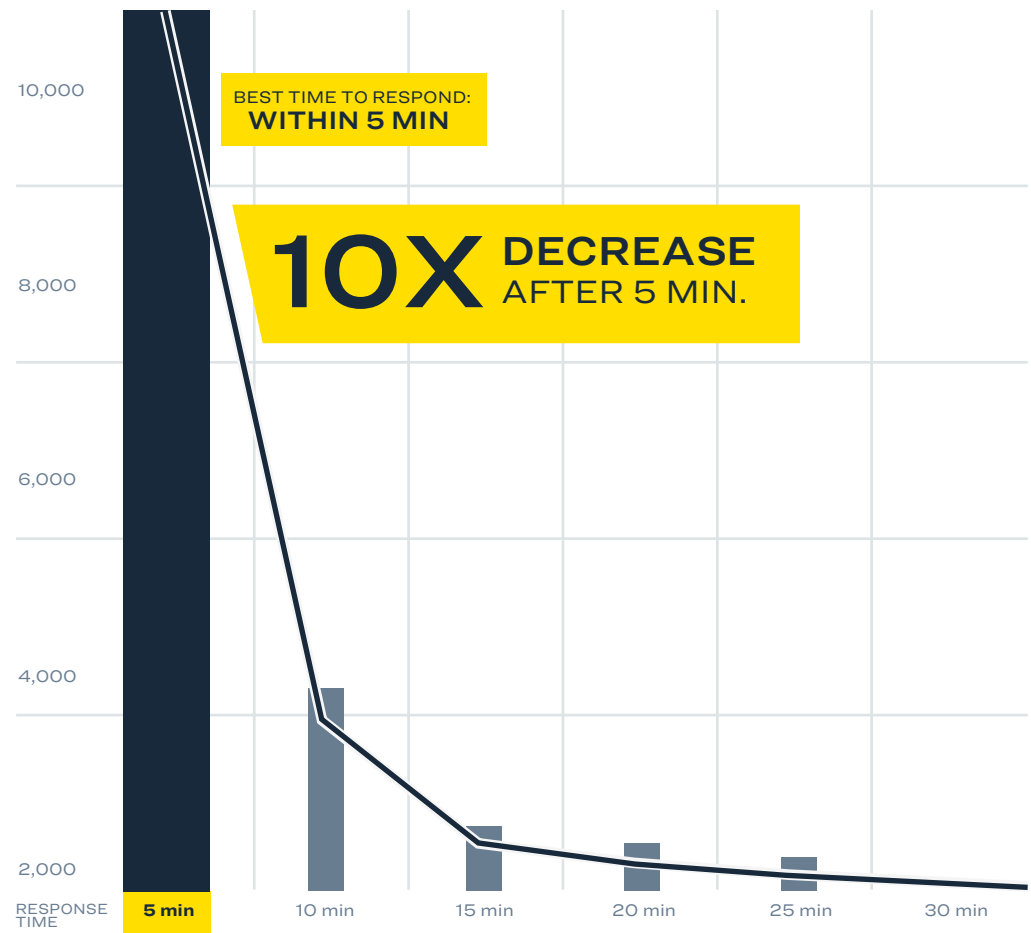
Lead Response Time

Track the number of leads actually worked and the response time. If a rep's response time is low but they are not working all of their leads, you may be over capacity. Monitor response time throughout every stage of the buying cycle to spot leaks in the funnel.

Why does it matter?

Our research has shown that following up in a five-minute time frame increases contact rates by 100x. Buying more leads may not be the answer, but optimizing response times can help you make more from the leads you already have.

CONTACTS MADE FROM FIRST DIALS



Results

The ultimate goal for marketing and sales development teams is to make sales easier. Revenue results tied to activities and rep effort can help you measure overall team effectiveness as well as individual performance. They will also help you know what to expect from your team and from each rep through the funnel. Results metrics include:

Correct Contacts

Contact attempts will fall flat if they are not contacting the right prospects. Who are the right prospects and customers to engage? Are your reps making contact with the right people?

Why does it matter?

Tracking if reps are actually getting through to their intended recipient can tell you a lot. They may be calling at the wrong time, they may be calling the wrong number, they may be giving up too soon—there could be several reasons. Monitor correct contacts to determine which reps need coaching and how to coach them.

Meetings Scheduled and Meetings Held

Track the number of meetings scheduled versus the meetings held, which touchpoints are leading to appointments, and which reps are scheduling the most meetings.

Why does it matter?

Determine which conversations are effective, which strategies are working for your target audience, and which meetings are leading to wins. If your team discovery call to meeting rate is high, but these appointments are not leading to closed deals—[the quality of your meetings](#) may be the issue. If you have some reps scheduling more meetings than others, determine what they are doing differently to achieve their success.





Qualified Leads and Opportunities

Gauge the effectiveness of your team in part by tracking the conversation rates of qualified leads and opportunities. As your sales team and marketing team are pushing out these leads, are they leading to successes? If not, tracking these metrics can help you determine where there may be a bottleneck in the process. Determine what your team's output should be based on these metrics. See which reps are converting leads at a higher rate and the quality of those leads.

Track the following metrics:

- How many qualified opportunities being created vs actually closing?
- How many MQLs does your team need to create an opportunity?
- How many opportunities can a rep create in a week? Month? Quarter?

Why does it matter?

Tracking the percentage of MQLs that are accepted by SDRs to be worked and the quality of leads being pushed from marketing to the SDR team enables you to identify which lead sources are generating worse leads or are preferred by some SDRs. If MQLs are measured at the SDR level, you can determine if some reps are too picky or too generous.

If SQL closing rates are high, but the rate a rep is generating SQLs is low—reps may be disqualifying leads too quickly. If reps are generating a high rate of SQLs but the close rate is low—the quality of SQLs may be low. You may need to change your team's criteria for a qualified lead. This insight enables sales leaders to set attainable goals for their team and improve the quality of their leads.

Sales Effectiveness

How effective are your efforts? The answer is in the data. Determine what's working and what needs to be altered. Refine your sales strategy by tracking your conversion rates throughout every stage of the pipeline. Track the effectiveness of your sales efforts with the following metrics:

Conversion Rate

Calculate the average conversion for MQLs, SQLs, and opportunities. This is the percentage of all MQLs to SQLs, SQLs to opportunities, and opportunities to close.

You can also break this conversion percentage down by team or SDR.

Why does it matter?

Track leads as they advance through each stage (and the amount of time they spend in each stage) to determine where there may be bottlenecks or leaks. This information can help you factor how much you should be spending on MQLs as you determine how many you need to meet conversion goals. This can also tell you which SDRs are performing effectively.

Pipeline Contribution

Pipeline contribution is indicated in several ways. How much pipeline is being generated from SDR leads? What is the average deal size of the SDR generated pipeline? What is the ratio of total pipeline value compared to reps' quotas?

Why does it matter?

Determine the number of qualified leads a rep can funnel into the pipeline and set realistic expectations for growth. Monitor the relative contribution of each SDR to output and the average deal size to ensure your team maintains a healthy and consistent pipeline.

Deal Size

The average deal size can be calculated by dividing the total number of deals by the total revenue produced by those deals.

Why does it matter?

Tracking this metric monthly, quarterly, or yearly will help you determine the increase or decrease your team is seeing in revenue. Monitor pipeline contribution for each rep to determine which reps are closing, which are aggressively discounting, and which are adequately performing.

Conclusion

Utilizing the right metrics allows you to gauge the health of your pipeline, empower your team to have repeatable successes, and make data-driven decisions. Using metrics takes the guessing work out of sales management—[“you can’t manage what you don’t measure.”](#)

Successful metric tracking requires the right software. Playbooks™ by XANT automatically tracks and updates metrics in your CRM—giving you the information you need to develop a winning sales development strategy. [Demo Playbooks](#) to see how it can enable your sales development team to do more of the right things.

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