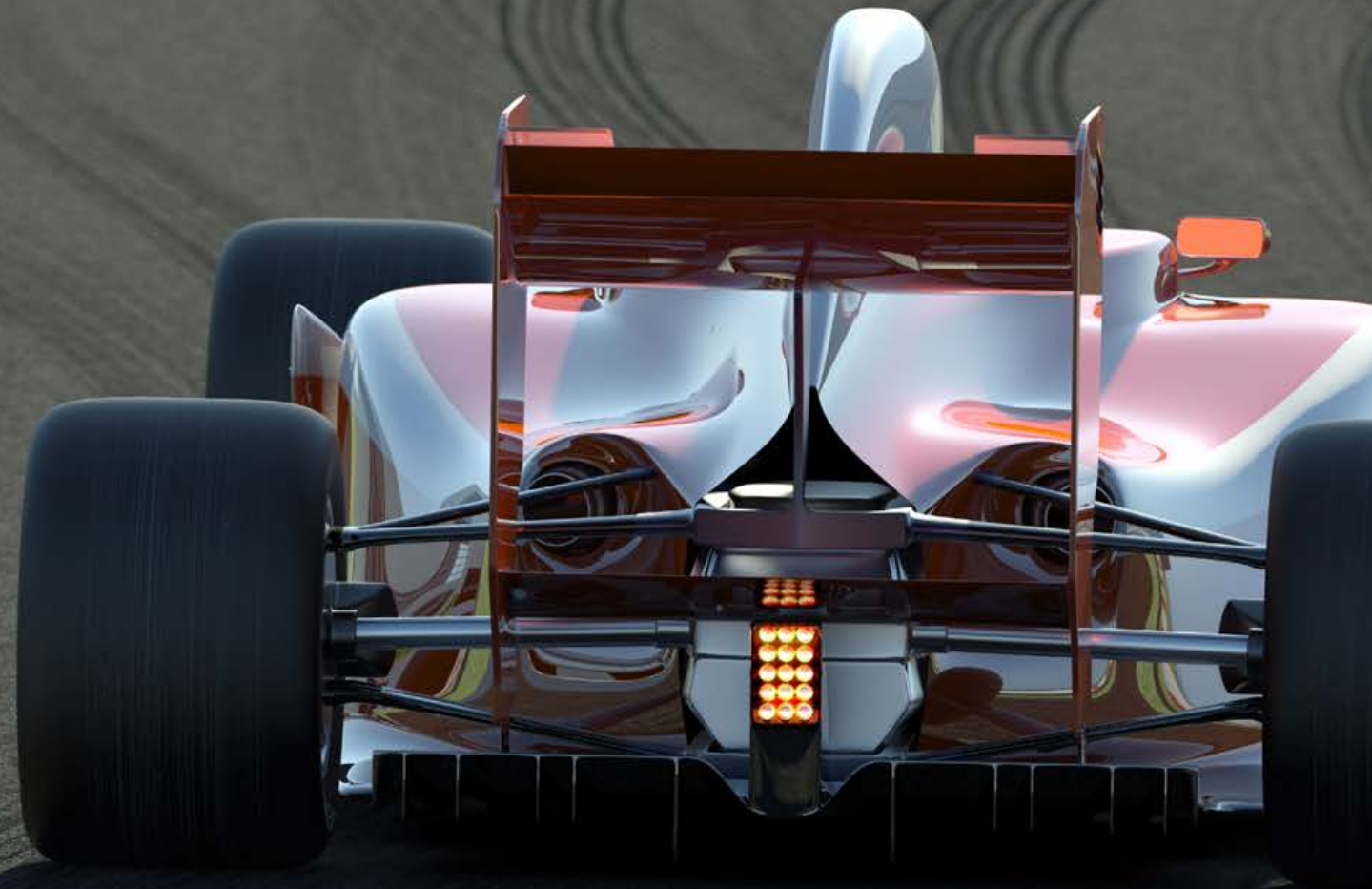


Gartner for Sales Leaders

4 Ways to Boost SDR Pipeline Generation

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Seventy percent of chief sales officers are investing or considering investments in the sales development function to generate pipeline. CSOs can accelerate SDR productivity by improving execution in specialized coverage, data sourcing, engagement playbook and data-driven call coaching.



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Overview

Key Findings

- Sales development representatives (SDRs) responsible for covering high-volumes of both inbound and outbound prospects suffer productivity issues due to limited prioritization guidance and constant context switching.
- Thirty-four percent of SDRs cite “too many nonsales activities” as a top challenge in hitting quota, according to the Sales Sentiment Index Report H2 2019. This challenge is mainly attributed to expectations of SDRs manually sourcing and updating prospect data.
- Forty-one percent of SDR leaders cited “messaging” as their top challenge in 2020, according to the 2020 Sales Development Representative Benchmark Survey, indicating insufficient support from marketing and enablement teams. This leaves SDRs to create their own messaging that often yields low connect, reply and meeting conversion rates.
- The benchmark survey also found that a short SDR tenure of 15.5 months coupled with average ramp times of three months leaves less than a year at full productivity. This puts a significant burden on frontline managers for ramp and continuous coaching to maximize the ROI of the function.

Recommendations

CSOs focused on driving pipeline growth via sales development teams should do the following to improve productivity:

- Create specialist SDR roles to focus sellers on a narrower scope of sales execution responsibilities within similar account types.
- Set up a non-SDR resource, typically operations or marketing, responsible for sourcing external prospecting data, along with ongoing data quality management, to reduce SDR administrative time and increase time spent engaging prospects.
- Design a sales engagement playbook that provides guidance on multichannel messaging and multitouch prospecting behaviors to improve SDR connect, reply and meeting conversion rates.
- Develop an ongoing coaching motion, leveraging conversation analytics, focused on the behaviors that improve meeting conversion rates.

Strategic Planning Assumptions

By 2025, 60% of B2B sales organizations will transition from experience- and intuition-based selling to data-driven selling, merging their sales process, sales applications, sales data and sales analytics into a single operational practice.

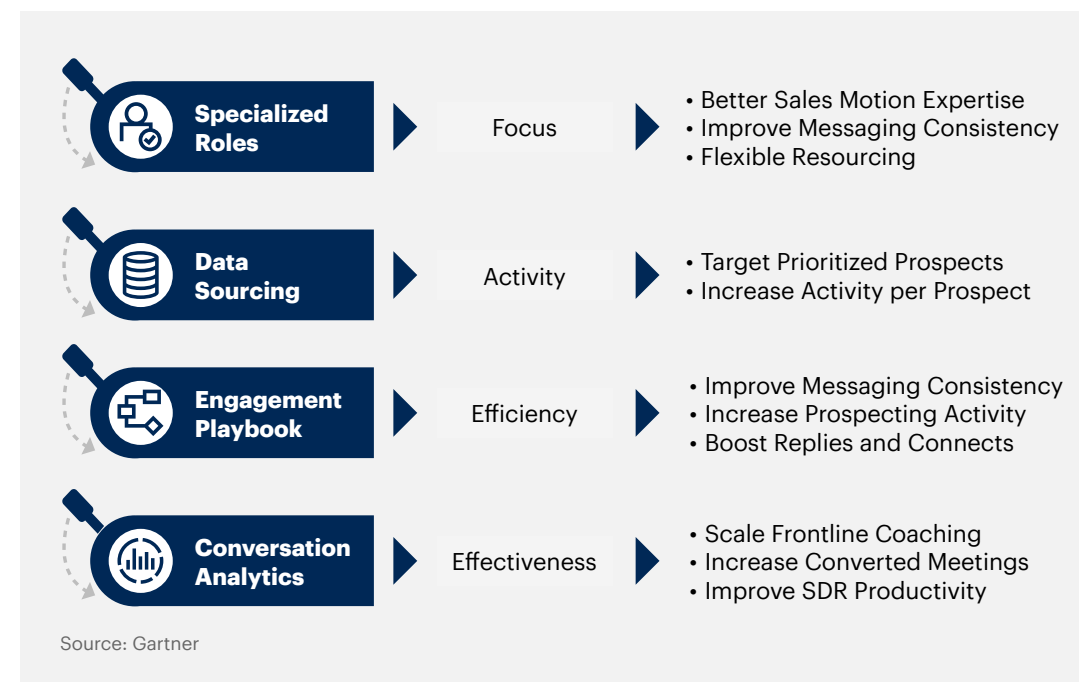
By 2025, 50% of CSOs will shift their focus from being leaders of sellers to being leaders of selling.

Introduction

Concerns over a lack of adequate pipeline and faced with the transition to virtual or hybrid selling organizations, 70% of CSOs are implementing or considering investments in SDRs to generate pipeline. However, only 48% of SDR teams consistently hit their quota. It's no longer sufficient to hire SDRs and expect consistent productivity; SDR goal attainment struggles are often attributed to a combination of unrealistic quota setting and limited operational guidance.

What are the practical programs CSOs must invest in for their SDR teams to yield repeatable positive pipeline contributions? This research examines four key levers CSOs can use to increase the number of qualified meetings and opportunities coming through their SDRs (see Figure 1).

Figure 1: Four Productivity Levers to Generate More Pipeline With Sales Development



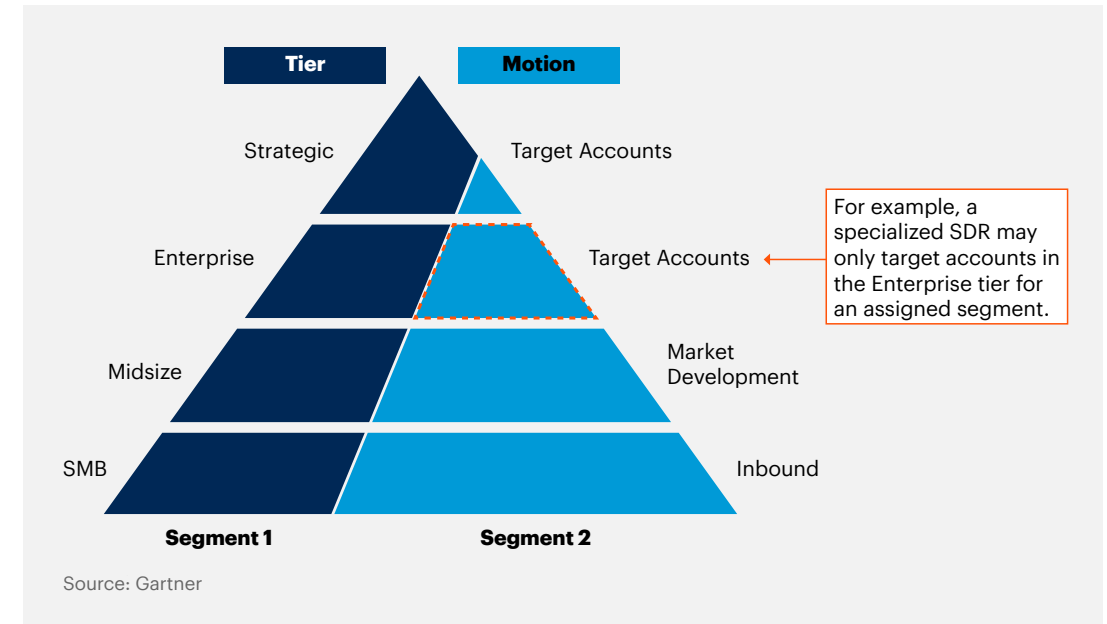
Analysis

1. Create Specialized SDR Roles to Narrow Scope

Specialize SDRs to focus their prospecting efforts and improve overall productivity. Specialization enables flexible resource allocation, where SDRs can be deployed against a specific audience to proactively address pipeline coverage gaps. Additionally, a repeat focus increases both messaging and motion expertise.

Figure 2 examines three potential ways to specialize the SDR role: segment, account tier and sales motion.

Figure 2: SDR Specialization Model



By focusing on a narrower scope of sales motion, industry vertical or account type, SDRs can develop deeper messaging expertise to make their prospecting efforts more effective. For example, if your business is dependent on revenue from a combination of financial corporations, healthcare companies and government agencies, organize individual SDRs to cover only one specific market segment to attain understanding faster and maintain visibility. Use Gartner's Foundations of Customer Segmentation for additional segmentation guidance.

A tiered-coverage model, based on the organization's ideal customer profile (ICP), provides SDRs with data-driven guidance to prioritize a list of target accounts for prospecting. Tiering with ICP data allows SDRs to focus on groups of prospect accounts that have a higher likelihood to close, larger deal sizes or faster sales cycles. Tiering can also focus SDRs on prospect targets that are strategically important for the company, may have lower win rates and are harder to open doors to. Use Gartner's Customer Segmentation and Tiering for Account Growth and Retention research for more guidance.

Specialize SDRs First by Sales Motion, and Then by Account Tier or Segment

Based on how leads are sourced and the approach to account targeting within a given market segment, specialize SDRs into one of these three types: inbound, market development and target account (see Table 1). When SDRs are tasked with executing multiple motions at a time, productivity suffers due to constant context switching, a lack of consistency in approach and mixed messaging. Any organization can specialize by motion if they receive enough inbound demand to warrant it; approximately 300 leads per month can support one full-time inbound SDR.

Each motion has a different charter based on market dynamics. The common market dynamics that affect prospecting sales motions include market maturity, size of the target account list (TAL), average sales price (ASP), length of sales cycles and buyer profile complexity.

Table 1: SDR Sales Motions

Sales Motion	Charter	Market Dynamics	SDR Capacity
Inbound	Respond to engaged leads generated from marketing activities	<ul style="list-style-type: none"> • Lower ASP • Shorter sales cycles • Less complex buyers 	<ul style="list-style-type: none"> • 300-400 leads/month/SDR • < 1 hour response times
Market Development	Generate outbound activities into a list of target accounts; respond to demand within just those accounts	<ul style="list-style-type: none"> • Low-medium ASP • Medium sales cycles • Less complex buyers • Established markets • Large TAL 	<ul style="list-style-type: none"> • 300-500 contacts/month/SDR • 75-150 accounts/month/SDR • Only leads in named accounts
Target Account	Partner with marketing and sales to orchestrate activities into a small list of strategic accounts	<ul style="list-style-type: none"> • Higher ASP • Longer sales cycles • More complex buyers • Nascent market • Small TAL 	<ul style="list-style-type: none"> • 200-300 contacts/month/SDR • 25-50 accounts/month/SDR • Only leads in named accounts

Source: Gartner (April 2021)

2. Shift Data Responsibilities to More Cost-Effective Roles

Using SDRs to perform large volumes of manual data entry is an inefficient use of selling resources. CSOs can redirect SDRs' time to high-impact sales engagement tasks by dedicating demand generation or operations resources to streamline the data management process for SDRs. This requires resources to periodically calculate data coverage needs, source new data from third parties and then load the data into the CRM. For existing CRM data, this requires continuously evaluating depth and quality, appending/enriching data with data intelligence, and, if necessary, orchestrating low-cost resources such as interns to scrub and append the CRM with updated data. CSOs who want immediate productivity gains from their sales development team must enlist help from their operations and/or marketing partners to adopt the process outlined in Figure 3.

Figure 3: SDR Data Sourcing Process



3. Design a Prescriptive Sales Engagement Playbook Aligned to Workflows

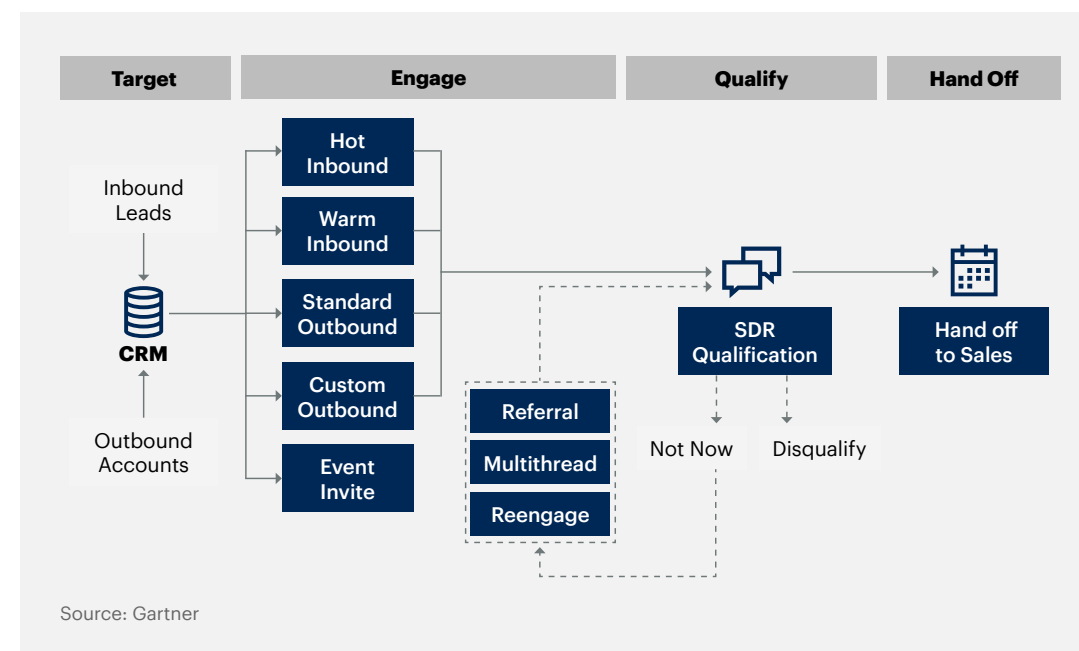
An effective sales engagement playbook simplifies SDR decision making with prospecting workflow guidance rooted in data-driven best practices. Figure 4 visualizes the components of an effective sales engagement playbook. The repeatable plays across a prospecting process, represented in orange, are target, engage, qualify and hand off. Touch patterns represented in the navy blue boxes are a progression of messages distributed across multiple channels over a set number of days. The playbook provides prescriptive guidance on how to decide, tailor and execute messaging based on guidance provided within the touch pattern.

CSOs can scale prospecting best practices through touch patterns in two ways:

- The primary way is to guide on best messaging and channels to use based on which lead source the prospect originated from, such as inbound or outbound, represented in the blue boxes on the left side of the graphic.
- The secondary way, represented by the blue boxes in the lower central part of the graphic, is to guide SDRs on the smartest ways to take advantage of insight gained from an initial conversation with a not-yet-qualified prospect, such as follow up a referral, find new prospects to multithread or reengage the prospect at a later date.

Because an effective engagement playbook requires repeatable processes and execution of messaging for both early and middle stages of a buying journey, it should be jointly developed by a cross-functional team composed of sales, marketing and sales enablement. Use the Touch Pattern Dashboard for Sales Development Representatives for additional guidance.

Figure 4: Sales Engagement Playbook

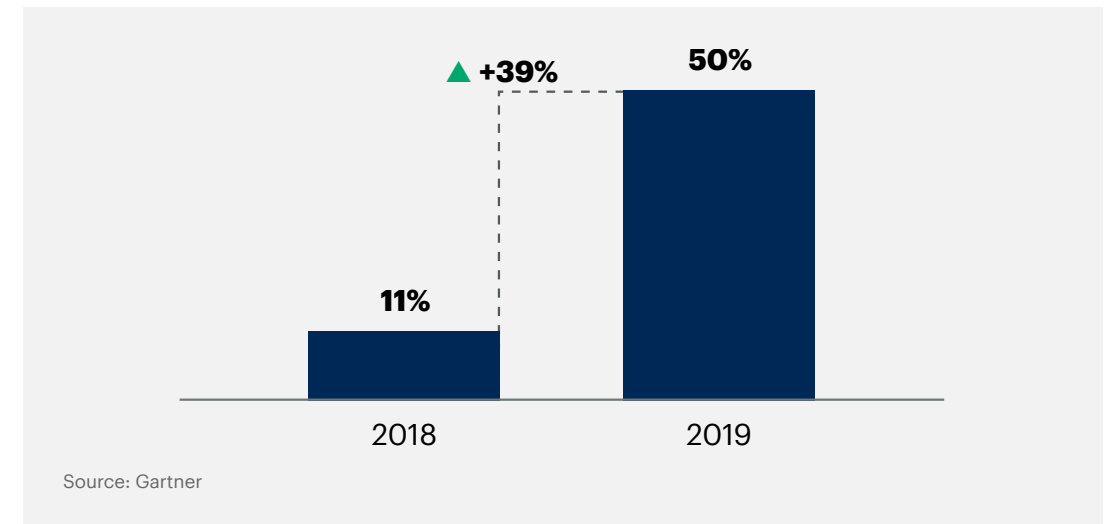


4. Scale Frontline Manager Coaching With Conversation Analytics

To compound the impact of the first three levers, combine frontline best practices with conversation analytics to accelerate the impact of call coaching. SDRs require approximately four to six hours of 1:1 coaching per month. To scale impact, provide frontline managers with guidance on which behaviors to coach, then use artificial intelligence (AI) to help managers determine which calls to prioritize addressing. This critical practice results in coaching conversations focused on high-impact behaviors. SDRs receive customized coaching experiences based on what their managers hear in the calls and what the data indicates are top priorities. Figure 5 depicts the impact before and after implementing conversation analytics.

Case Study: Analytics-Enhanced SDR Call Coaching for vAuto details how a team of 50 SDRs, divided between five managers, increased SDR appointment booking rates by five times after deploying conversation analytics, making SDRs one of the organization's most cost-effective lead generation channels.

Figure 5: SDR Appointment Booking Rates After Deploying Conversation Analytics



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