Stages of a Sales Assembly Line

The following description is the optimal breakdown of roles along a fictional software sales assembly line, along with a brief description of each assembly line worker's principal tasks.

Modern Business Models

Sales purists will immediately notice that marketing was given a role on the sales assembly line. In many traditional organizations, there is an artificial wall between marketing and sales. This separation is rooted in the fact that there is a natural tension between these two groups. Sales is always complaining that the leads that marketing provides are not "sales-ready," and on the flip side, marketing does not believe that the sales team follows up properly on the leads that they are given. To optimize the sales operation, it is important that the two groups learn to work together seamlessly. The best way to do this is to integrate marketing into the sales process.

The following are some of the roles that should be played by professionals within the marketing group.

Lead Manager

Typically, leads are kept in a CRM database. Most databases are organized around territories. When an SDR or an AE is given a territory, he/she is given access to the leads in the territory to cold-call and schedule sales appointments. In most sales organization, this lead database is given short shrift by everyone involved in the sales process, starting with the line professionals and up to and including sales management. This is somewhat surprising, since the health of this asset is one of the key factors in determining the success or failure of the overall sales organization.

In a traditional environment, the SDR or the AE is given responsibility for researching and entering leads into the system to call. Normally, a great deal of time is spent on this task, where the professional attempts to find the perfect lead that will generate an appointment. In some cases, it's not unusual for an SDR, for example, to spend 75% of their time searching for the ideal target to call. Of course, this is instead of dialing the phone and trying to reach prospects.

In a traditional manufacturing assembly line, one would never have the riveter go out and source his or her own supply of rivets. Instead, there would normally be a separate and distinct role for professionals who source the supplies necessary to keep the assembly line running smoothly. This should be the case in the web-meeting sales assembly line environment. Specifically, as sales professionals are not experts in lead management, this task should be removed from their purview and centralized under marketing.

Specifically, marketing should be responsible for the following:

Developing the Ideal Customer Profile so that the sales team is given names that are more likely to result in a demonstration. See white paper #X for a detailed description of building an ICP.

Buying lists of names, phone numbers and email addresses from suppliers. When performing this task, it is important to test the quality of each lead source before its leads are widely distributed to the entire sales team. Typically, this is done by distributing a small sample of names to the sales development staff and comparing its close rate to the historical close rate achieved by other vendors.

Supplementing bought list with original research. Often companies use off-shore specialists to perform this task.

When entering names into the CRM system, ensure that quality of the database remains pristine. Specifically, the professional must first keep the database clean by removing duplicates that were inadvertently added. Second, to reduce inefficiency, it is important that every lead's information is complete and accurate.

Distribute the leads as to ensuring that each professional has enough prospects to call to support the organization's goals. Remember, a web-meeting sales assembly line is an extremely high-volume operation, and as such, the database needs to be much larger than a database in an average inside sales environment. Specifically, research has found that, a sales development representative needs 160 new leads per week or 8,000 leads per year to be fully utilized.

Campaign Managers

To be successful, a sales organization cannot simply give a bunch of names to a SDR to call and hope for the best. Instead, it is critical that marketing play a big role is determining how the calls are going to be made. Specifically, before any calls are undertaken the following steps must be completed if the organization is going to have an successful outbound call operation.

Scripts must be written. Normally, they should be A/B tested to evaluate the impact of different wording and offers.

Objection handling guides must be produced.

Call cadences that supplement phone calls with emails and messages must be developed. Note, that it is critical to develop specific call cadences for each type of call being undertaken. Also, cadences should be regularly A/B tested as well.

Campaigns, which are calls that support an idea, product feature, etc., should be developed. Of course, cadences and supporting marketing material should be produced to supplement these campaigns. Tracking the results of each campaign is absolutely critical. It is important to calculate the overall reach rate, the positive reach rate, the negative reach rate, the callback rate, and of course the close rate of each campaign. With this information, the campaign manager will be in the position to determine how to employ similar campaigns in the future.

Outbound SDRs

If the lead database is the foundation of the web-meeting sales platform, then appointment generation is the oil that keeps a sales assembly line operating smoothly and hopefully growing. The only way that a seller can operate at an optimal level is to offload this task from the Account Executive to a dedicated resource called a Sales Development Representative/Business Development Representative. Only by separating this role from the sales function can the organization hope to generate enough qualified leads to keep the sales professional operating at an optimal level. You will note that this function is part of the marketing group rather than the sales group as many would expect. It has been found that placing the SDR function in the sales group actually lowers the appointment and sales volume.

An SDR should be responsible for the following:

Call new leads to schedule appointments. When calling leads, it is important to use various tools to increase the close rate including spoofing and calling mobile numbers.

Call leads to remind them of an upcoming appointment.

Reschedule leads that have cancelled or no showed from an appointment.

Send emails/LinkedIn messages that contains marketing messages or materials to prospects as part of defined calling cadences/campaigns.

Work phone trees to ensure that the best name in a given organization is reached.

In an optimized environment, an outbound caller should be responsible for attempting to reach approximately 150-200 targets per day.

Inbound SDRs

The goal of any sales organization is to generate as many inbound leads as possible. An inbound lead is a prospect that has self-selected and contacted the seller for more information on the solution being sold. Since they are proactively reaching out, there is a much higher likelihood that they will seriously consider or even purchase the solution being sold. In fact, a recent study outlined in the article "The Short Life of Online Leads" in Harvard Business Review (March 2011) determined that inbound leads have a ten times higher close rate than leads generated through outbound calling. These are golden opportunities that must be handled with great care if the sales organization is to be successful.

Contacts Made From First Dials
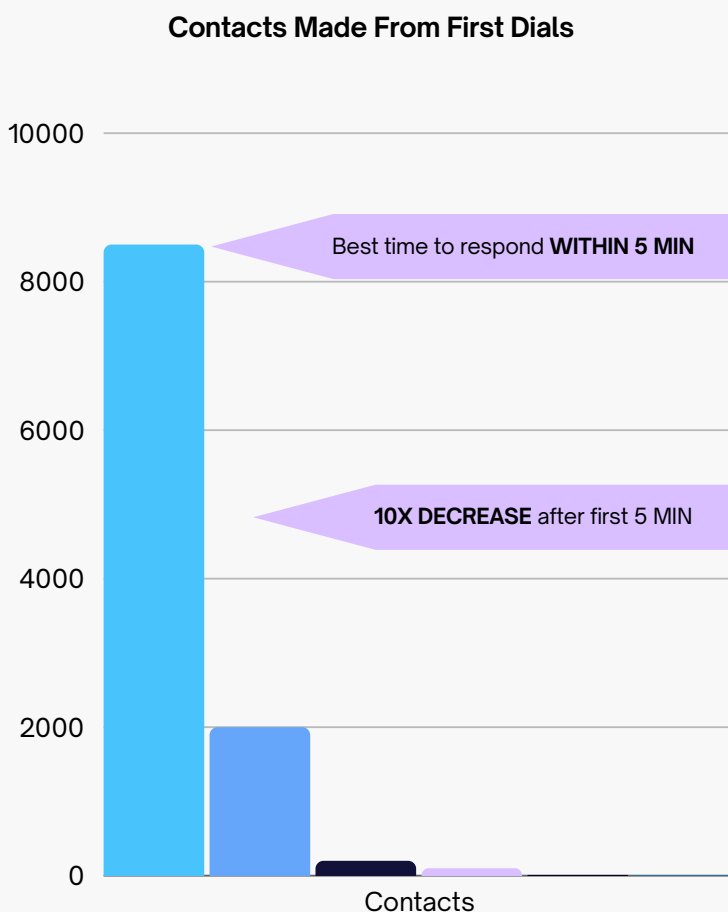
Surprisingly, the same survey found that most B2B sellers do not treat inbound leads with any sense of urgency. On average, it takes a seller at least two days to call back an inbound lead. Even more surprising was the fact that 20% of respondent companies never even attempted to follow up on an inbound opportunity. This is unfortunate. The longer the time frame between receiving the lead and responding to it, the lower the chance that it will result in a closed opportunity. The same study showed that if a seller reaches out to an inbound lead within five minutes of receipt, the contact rate is 100 times higher versus waiting even thirty minutes, and the chance of scheduling an appointment is twenty-one times more likely.

Based on this research, the system controlling the sales assembly line must ensure that inbound leads are reached, and if at all possible, within the five-minute window. The optimal way to accomplish this goal is to have a separate team of SDRs that just handle inbound leads.

Inbound SDRs, cont'd

This makes a great deal of sense because in today's fast-paced environment, where attention spans are fleeting at best, reaching someone who is thinking about the solution while they are thinking about it is certainly better than calling someone after they have moved on to more pressing matters. If that is not a powerful enough reason to call someone back quickly, consider this final fact: Research has shown that the company that contacts the inbound lead first has an 80% higher chance of closing vis-à-vis other companies that are selling a comparable solution. Therefore, in an environment where most purchasers look at multiple solutions, reaching the buyer first is critical to sales success.

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Callers/Closers

One very effective way to dramatically increase the SDR close rate is to separate calling from the closing function. Under this approach, a caller is someone that simply dials the phone trying to reach a live person. When the live person is connected with the SDR, the call is immediately passed to an experienced SDR Closer who pitches the prospect and hopefully books an appointment. This way, the experienced caller, who has a proclivity to close deals, speaks to more people in a day because he or she is no longer wasting their valuable time dialing the phone and reaching voice mails. Only a very specialized CRM system can allow a sales team to perform this function.

SDR Managers

Being an SDR is an incredibly hard job. First and foremost, it is incredibly difficult to convince a random person over the phone to book an appointment with a company that they likely have never heard of. Making things harder is that most people are not thrilled to be reached by an SDR and because of this they are constantly hung up on at best and abused at worst. Managers play an incredibly important role in ensuring that an SDR team functions efficiently and effectively.

Responsibilities include:

Training SDRs on pitches and objection handling.

Listening to calls to provide on-going coaching.

Ensuring that KPIs are understood and met by the team.

Being a cheerleader and coach that keeps callers engaged and morale positive.

Ideally, the ratio of managers to SDRs is 1 manager for every 5-7 SDRs.

Sales

Once leads are scheduled by the sales development team, they should passed off to the sales team which is made up of Account Executives. Lead distribution can occur through many different methods. Many companies, due to the limitations of their internal systems, pair sales development representatives with sales professionals into sales pods. This often leads to less-than-optimal results, as this approach can penalize sales professionals who are not teamed with a competent caller. The sales professional can also be hurt if a sales development representative leaves. Finally, and perhaps most important, teaming callers with sales professionals makes it difficult to preserve statistical equality between sales professionals, which interferes with management's ability to objectively compare performance results.

Alternatively, other operations use a round-robin approach, which preserves statistical equality but makes it difficult to schedule appointments according to the needs of the prospect. The best approach is a more sophisticated solution that takes into account the needs of the prospect, but at the same time ensures that each sales professional receives the same number of appointments per month, thereby preserving statistical equality.

The sales group is responsible for converting these opportunities into sales. This group typically comprises five types of professionals.

01 Demo Gurus

For sales operations that are overwhelmed with new sales opportunities, it is sometimes beneficial to employ Demo Gurus. These are professionals whose only job is to perform the Discovery presentation (first demo), qualify the prospect and then if appropriate move the potential customer onto the next stage of the sales process. Typically, this professional is a junior sales-person and is often someone that used to be an SDR. The benefit of using a Demo Guru is that is allows the hunters (described below) to focus on closing deals. Typically, this professional can do 5 appointments per day. Because the demo gurus perform so many first appointments they become specialists in identifying paid and over-coming objections. However, care must be taken that these professionals are performing their job at an extremely high level. Their first appointments must constantly be reviewed and their KPIs, such as move forward rate, scrutinized. If this is not done on a regular basis and one of these professionals begin to fail, the top of the funnel pipeline can be quickly destroyed.

02 Hunters

The Hunter is an account executive who receives the opportunity from the sales development group or the Demo Guru. If a Demo Guru is not being used, It is his or her job to qualify the opportunity, perform the initial appointment, run the opportunity through the sales funnel, and close as many deals as possible. In an optimized sales assembly line environment, the Hunter should expect to perform two new appointments per day and be running approximately 120 to 150 deals at any given time, with the exact number based on average close rates and sales cycle. As this is a web-meeting sales environment, the Hunter will perform the first and any other appointments over the Internet, using web-meeting software. In this medium, it is best to keep all appointments to an hour or less if possible, as anything longer will cause the prospect to lose attention. When the Hunter is not engaging in first or follow-up online appointments, he or she should be spending most of the day following up with prospects over the phone and via email or social media. On average, the salesperson should have approximately twenty conversations per day with pipeline opportunities.

As in any sales environment, the principal way that a Hunter should be evaluated is by his or her ability to meet a defined quota. When using a sales assembly line, it is often beneficial to use a monthly quota system rather than a quarterly or yearly system, as a monthly version better aligns with a high volume operation and helps ensure that issues are identified in real-time. However, there are other factors to consider. First and foremost is the salesperson's close rate, as defined by the ratio of closed sales to opportunities that were provided to the professional. This performance indicator gauges whether the sales professional is working every lead to its fullest extent and not cherry-picking, or even worse, "big-game" hunting. This is critical since the company likely spent a significant amount of money, time, and effort generating every single opportunity. Second, the sales professional's appointment-perform rate should be constantly monitored. A low percentage might mean that the sales professional is "sandbagging" appointments. Not only will this result in lower overall sales, but it also wastes valuable resources. Finally, management should look at the demo move forward rate, the deal-failure rate, the daily-conversation rate, and the amount of time each deal spends in each sales bucket.

03 Sales Engineers

In the sales assembly line environment, the sales engineer is a product or industry expert who can help build trust in the solution being offered. One of the benefits of web-meeting sales is that a sales engineer can cost-effectively join any online meeting, which has been shown to raise the close rate significantly. This type of professional should join as many web meetings as possible and should also be considered when scheduling appointments. During the actual appointment, due to the sales engineer's industry and product experience, the best result is often achieved when the sales engineer conducts most of the meeting. This approach turns the conversation into a discussion rather than a sales call, which builds a great deal of comfort in the solution being sold. In these cases, the sales professional's role is typically limited to the introduction and the close. Of course, the sales engineer might also be responsible for crafting the solution and even drafting the proposal. When the sales engineer takes on these functions, the sales professional has more time to do what he or she does best—close deals! It is critical to track the close rates associated with each engineer, as this number is an indication of his or her level of sophistication and prowess.

04 Sales Assistants

If a salesperson is going to run deals a high number of deals per month successfully, there is apt to be a fair amount of written communication going back and forth with each individual prospect. To keep deals moving quickly, it is important that this communication be accomplished in a timely manner. In the sales assembly line environment, where the prospect never meets with the seller face-to-face, the image associated with the selling company takes on even greater importance. This means that the quality of any correspondence that is sent can play an outsize role in influencing the outcome of the sales process. Therefore, a professional whose full-time job is to handle these responsibilities is a critical position in this environment.

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05 Huggers

Account Executives should not be allowed to hold prospects indefinitely, as this can clog their pipeline and make it difficult to focus on the "live" opportunities. Prospects, who are qualified but are not yet ready to buy, should be sent be returned to huggers who are a professional whose job is to stay in touch and nurture the prospect with specialized campaigns such as inviting them to webinars, sending relevant information etc.When the prospect is ready to more seriously consider moving forward, the lead is sent back to the original AE who then attempts to close the deal.

It should be noted that huggers should only work with clients that have a hope in closing in a defined period of time eg 1 year.Other leads should be sent back to the lead databasewhere they will be recycled and called again by the sales development specialists. Depending on the reason behind the sales failure, campaigns can be established for targeting these leads with specialized offers down the road.

Customer Success

In many direct and inside sales situations, once a deal closes, the salesperson remains responsible for the client. While the salesperson might not provide actual technical support, he or she often retains ownership of the customer and is ultimately accountable for success or failure. In this type of situation, the sales professional typically is the client's liaison to the rest of the organization. Due to the continuing relationship, this professional would also handle any upsell and renewal opportunities. In many ways, this makes sense.

1. First and foremost, the post-sales relationship is built on a successful presale relationship, which should enable the seller to achieve a higher renewal rate and upsell additional products and services.

2. Second, it helps prevent the salesperson from overpromising and underdelivering, as he or she will have to deal with the consequences personally.

3. Third, if a territory structure is being used, it makes sense to continue this relationship with the resource who is responsible for the territory where the customer is located.

While these reasons are valid, they hold less sway in a sales assembly line. For a number of important reasons, the customer success function should always be separate and apart from the sales function. Maintaining customer relationships is often very time-consuming. Spending time on existing clients will greatly detract from the number of new leads that the Account Executive can handle. In addition, a true Hunter, someone who is naturally aggressive, is often not the best person equipped to coddle and "cuddle" customers. Customer-success professionals are typically more junior and therefore less expensive than the sales professionals, so using them in these roles will improve operating margins.

Finally, and perhaps most important, as the sales truism goes, a sales professional will work the deals that will make him or her the most money. As new sales are normally harder to make than upsells and renewals, the Hunter salesperson should be compensated for these at a higher rate. In a combined environment, this will naturally cause the sales professional to spend more time and effort on new sales to the detriment of renewal sales. Therefore, the only way to ensure that the renewals and upsells are both properly handled is to pay the salesperson the same commission rate on renewals that they receive on new sales. This can become incredibly expensive and negatively impact the profitability of each customer. By splitting the sales roles, the seller can pay different commission rates while ensuring that each type of deal is appropriately worked.

One remaining issue is whether the customer success professionals should report to the sales group or if they should have their own separate reporting structure in the sales assembly line environment. As customer success should be staffed with specialized professionals who perform different tasks than the sales professionals, it makes a good deal of sense to separate the two groups. Even more important, completely separating the two revenue streams makes sense from a risk-management perspective. In this case, if the professional in charge of the sales group leaves, the revenue stream associated with renewals will not be impacted, and vice versa.

In the sales assembly line environment, the customer success function has a number of specialized roles that should ideally be performed by different professionals, including the following.

Customer Management

Once an opportunity becomes a client, it moves from the sales department into the customer success group, where it should be distributed to a customer management professional. Customer management professionals "own" the client in the organization and ensure that the client is successful. To accomplish this, customer management professionals play multiple roles. First, they typically are the liaison to the rest of the organization. Second, if it is an optional product, and the renewal is not guaranteed, this professional should "cuddle" the customer by reaching out and speaking with the customer at regular intervals. How often the client is reached depends greatly on how automatic the renewal is for the seller. If a product has a low degree of stickiness, the client will need more hugs more often. Finally, the customer management professional should be responsible for managing the sales funnel that the client will go through as they move through the renewal process together. In regard to the latter two roles, web meetings should be employed as often as possible, as they will help the professional develop the necessary relationship with the client.

In the average sales assembly line organization, customer management professionals normally handle 100 to 150 clients per year. Typically, they are evaluated on key performance indicators, such as the number of dials, reaches, and conversations; close rates; and overall renewal rates. Compensation is based on these indicators and a quota system. Since renewals are easier to make than a new sale, base compensation and commission rates should be significantly less than what is paid to the sales professional. Typically, customer managers[[AU: OK?]] are paid a base salary and receive a commission that is substantially less than what a new sales account executive receives.

02   Customer Support/Onboarding

Depending on the volume of renewal clients, it often makes sense to hand off the customer support and onboarding function to an employee who is separate and apart from the customer management professional. This allows the latter to focus on building the overall client relationship and generating a healthy renewal rate. These professionals would normally be paid at a much lower rate and would not receive a commission on the renewal.

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03   Business Development

When there are substantial upselling opportunities (e.g., product and service add-ons or new products), some sellers hire an employee who is a hybrid between a sales and a customer management professional. This person should be less aggressive than the typical Hunter but more aggressive than the customer management professional, who needs to maintain a positive relationship to secure the renewal. As with the account executives, web meetings and sales engineers should be used to improve the throughput of the team as well as its close rate. As this is an in-between position, these professionals are often paid more than customer success professionals but less than the Hunter salesperson.

Sales Operations

The sales assembly line is an operation with many moving parts. Adding to its complexity is the fact that it spans many different divisions, each with their own goals and priorities, within the organization. While the CEO's involvement is critical to the successful implementation of the approach, it is unlikely that he or she has the time to ensure that the operation is optimized daily. Similarly, although the active involvement of the VP of sales, VP of customer success, and VP of marketing is similarly important, placing the day-to-day responsibility of how the assembly line functions in their purview is discouraged, due to interdepartmental rivalries and an overall lack of bandwidth. To solve this dilemma, many enterprises rely on a director of sales operations. This professional works closely with all the stakeholders to drive sales results.

The key to operating a successful, high-velocity sales assembly line is to continually examine and streamline each sales process. This is especially the case as the team scales to meet the growing demand that is a hallmark of this sales approach. Typically reporting to the CEO or VP of sales, the Director of Sales Operations/Sales Enablement is the glue that holds the assembly line together.

While developing the processes that make the line über-efficient is certainly important, a big part of this job is to carefully examine and interpret the data that the line continually generates to ensure that it is operating in an optimal manner. Typically, another responsibility is to train the team in the various processes and to make sure that each team member is complying with the established standards.