



Five Ways to Justify Outsourced Teleprospecting --and Cost Isn't One of Them

By Brian Berlin

Outsourced prospecting—specifically *teleprospecting*—is gaining popularity with B2B technology firms as the marketing and sales managers try to close gaps in their business development processes that they can't address internally.

Teleprospecting is the act of phoning profiled, targeted individuals with the intent to engage them in a business conversation, ascertain their level of interest and commit them to take a meeting to learn more (classic *push* marketing).

Telemarketing, on the other hand, is quantitative, characterized by the use of contact centers and primarily focused on creating interest, not commitment.

Lead generation is traditional *pull* marketing—an act of capturing contact info of interested individuals within organizations that have responded to outbound marketing activities. Technology marketers currently employ a variety of pull marketing programs, including trade shows, advertising, webinars and email.

Outsourcing teleprospecting and appointment-setting activities can help equalize “pull and push” marketing programs, provide better market coverage, manage costs more effectively and gain speed in the pursuit of revenue generation.

Pull marketing and other 2.0 strategies and tactics are important, but are limited in the types of respondents that are captured. High level decision makers and buyers with real power must be researched, identified and contacted in real time in order to determine if fit and timing are present. Teleprospecting is highly suitable for generating the live conversation that can lead to a critical first meeting.

The difference between a lead and a meeting is not to be underestimated, particularly in a complex technology. Identifying decision makers and influencers is very challenging because it’s difficult to identify a true economic buyer while building consensus among the many influencers. In the complex B2B sale, there may be a lot of people involved, but few decision makers.

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One issue my clients consistently identify is the lack of time and resources needed to create sales opportunities by obtaining critical first meetings. These managers are discovering that lead development and appointment-setting are best outsourced, freeing sales personnel to focus on selling and closing deals.

Handing off the cold-canvassing activities to a 3rd party firm that specializes in tracking down and committing prospects may make sense for your organization. This article is intended for technology firms and the chief executives and their sales and marketing leaders who want to learn more about how others have justified this choice. The five key justifications are improved productivity, faster on-boarding, better data, speed, and risk reduction. I’ll examine each of these ideas in detail.

I. Improved Productivity

The biggest gain can be measured in selling opportunities. Let’s say each of a sales manager’s individual contributors is currently holding 2 key meetings per week. What if you could double that number of meetings? Would that not have a significant impact on your pipeline?

The number of selling days in a month is precious. What if you could gain back those six days of selling normally lost to prospecting or non-selling activities? This would give your sales reps almost another month of selling each quarter.



Is your inside sales team unproductive because they're tasked with both inbound and outbound sales activity? Why not reallocate your insides sales reps to provide additional sales coverage? Maybe your go-to-market plan is missing a market segment your territory-based reps can't hit. Take the prospecting and appointment-setting duties away from these reps and aim them at generating new sales opportunities and you've now increased your market coverage without adding head count.

II. Faster On-boarding

On-boarding is a term used to describe the ramp up period of a new sales representative. The faster a manager can ramp up a new rep the sooner new revenues will be generated.

Sales organizations constantly grapple with sales rep ramp time. Studies have shown that on-boarding is taking longer. One report indicates it takes seven months to get a new sales person up to productive levels (Trailer & Dickie, "Understanding What Your Sales Manager is Up Against", Harvard Business Review) due in large part to product-line breadth and complexity.

What if you could reduce on-boarding to three months from seven? That's a 57% decrease in on-boarding time. Imagine what that could do for your forecasts!

Here's how you can do it.

Historically, new sales employees have to first go through intensive, repetitive and frequent product training. They're schooled in the organization's processes and policies. They may take a sales training course or do role-playing exercises with the sales manager. A lot of theory, not much practice.

Sales reps learn the most by being in front of live prospects accompanied by their manager. Seeing, hearing and watching an experienced employee interact with a prospect is a better teaching tool than theory alone.

But you can't expect an inexperienced new sales rep to be able to handle the tsunami of new product and company information, and start producing opportunities in a timely fashion. By outsourcing the appointment-setting, you can tee up key first meetings for sales rep and manager. You'd be surprised how quickly reps learn how to sell the solution when they're in a real situation, accompanied by a manager.

Plus, these meetings will also generate follow up activities and more coaching opportunities for the manager.

III. Better Data

Want to know how many calls it actually takes to reach the right prospect, and then get a meeting with that prospect? Once you outsource teleprospecting (if you hire the right firm),

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you'll have access to data to continuously support your decision. Having these kinds of numbers help managers understand how extensive the prospecting effort really is. It may take as many as 20 calls to land a meeting with a good prospect. The teleprospector has to bypass or woo gatekeepers in order to catch the prospect. This takes a focused, repetitive effort.

Connect-to-meeting ratios will tell you how well the prospect comprehends the message and the call to action. A high number of connects and a low output of meetings may indicate the message is misunderstood, or low acceptance rates on the solution. Analyzing these ratios allows managers to calibrate on-the-fly and improve appointment numbers.

The data will also paint other pictures. Let's say the meeting volume is very high, but the meeting quality is low. This could be due to poor prospect profiling at the beginning of the engagement, or lack of discipline on the part of the teleprospector. With the right data, adjustments can be made very quickly. The higher level the target, the more calls it will take, showing a higher number of calls and lower number of meetings. This is to be expected.

You can also expect to get better CRM input. Quota-carrying sales reps are notoriously bad at updating CRM information. A good teleprospecting firm will capture contact and interaction data, leaving an easy trail to follow.

Once a teleprospecting campaign gains traction, front line sales managers can analyze individual performance on both qualitative and quantitative measures.

If your sales reps are getting more meetings and making more pitches, you should see an increase in near-term opportunities. When there's an equal number of selling opportunities across your organization but a few individuals are lagging behind, you have a better idea where gaps are and what kind of coaching to apply.

Analyzing meeting-to-close ratios across the entire sales organization will present a clearer picture on selling skills based on the critical ability to move a deal forward. By removing cold-cannassing from the performance metric set, managers can focus their coaching on product, presentation and closing competencies.

IV. Speed

Want to gauge market receptivity to a new product launch or initiative? A teleprospecting campaign to the targeted buyers will help you get traction faster.

A lot of the success of a new product or service launch relies on sales' ability to not only introduce the new solution but target the best targets in their patch. This consumes precious time when the window of opportunity is small.

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important meetings based on the new solution. This enables the sales team to hone their pitches and gain critical time-to-market.

Companies that have grown through acquisition have the additional challenge of integrating the newly acquired solutions into the current selling system. If a company goes on an acquisition binge, sales will have a tough time dedicating time to the new solutions.

To achieve critical mass in a host of new product introductions, a teleprospecting campaign can focus on the individual solutions and find new prospects for them. This makes it easy for sales to prioritize on new introductions by calling on the prospects who have indicated a willingness to meet to discuss the solution.

Same applies to reseller recruitment and enablement. Some of my clients have developed strategies to reach new buyers via indirect sales channels. In order to achieve faster time-to-revenue, it's important to not only recruit resellers but help them build the business. Teleprospecting can be applied to both recruitment and enablement (a.k.a. ramp up), setting meetings with prospective resellers and at the same time setting meetings with prospective end user customers.

V. Risk Reduction

Outsourcing allows companies to make buy or build decisions more effectively. Considering that the fully-loaded cost of an employee is 1.5 times the base salary (after you add in benefits and overhead), outsourced teleprospecting comes with a lot less risk. Uncoupling from a 3rd party engagement is straightforward. There are no phones to move, office cubes to clear or emails to disconnect. Before you build, consider buying.

Outsourcing also provides a pilot phase for companies who are unsure of the risks associated with their plans or the potential market readiness of their solution. This is ideal for startups that need to build case studies before going into a full launch. Identifying potential beta sites can be handed off to a 3rd party firm. It's a great way to test the market hypotheses.

Startups will sometimes discover the market they originally targeted will not support the growth projections. If you hire a half-dozen sales people and deploy them across the country, and then find that they're unsuitable for the true market, it's a huge setback. Utilizing teleprospecting to identify the ideal customers will enable you to hire the right type and number of sales reps.

SUMMARY

One of the common remarks I hear in the course of providing this service comes from a client's sales representative who tells his manager "we should have done this a long time ago!" While outsourcing cost is always a consideration, creating a motivated sales team may be all the justification needed.

About the Author

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