Qualtrics – Scaling Inside Sales
Quick review where are in the course

- Making a sales call
- Basic sales management
- Advanced sales management
- Startup tool kit
- Tying together with sales learning curve
Sales Channels

Your Company

“Direct” Sales Force

OEMs

Distributors (Distis)

Value-Added Resellers (VARs)

Target Customers

Target Customers

Target Customers

Target Customers
The Facts of the Case

- Survey software
- Cash strapped
- Growing nicely
- Taking on series A round
- Hired new VP WW Sales
- Transitioning to new target markets
- Going international
- Need to decide sales choreography
What’s your decision?

- Scale the inside organization?
- Hire a large field team?
What is ‘inside sales’?
What is ‘field sales?’
Inside sales

Pros
- Tight control over activities and message
- Low cost of sale
- Fully scalable
- Enter all information into CRM system

cons
- Hard to crack large enterprises
- High turnover
- Not as professional as field sales
- No face to face selling
- High training costs
Field Sales

Pros
- In person selling
- Great managing complex accounts
- Scalable into major markets
- People with proven track records

Cons
- Expensive
- Hard to control message
- Hate to enter data
- Harder to understand activity levels
- Removed from office
- Lone wolf
Coverage vs. Cost to Serve

- Global Accounts
  - 10s, $100M+
- Large Enterprise Accounts
  - 100s, $10M+
- Enterprise
  - 1,000s, $1M+
- Small and Medium Business (SMB)
  - Ms, $10k+
- Small Office/Home Office (SOHO)
  - 10Ms, $100+
Conventional wisdom

- Inside sales is a sweatshop
- Inside sales won’t work with the enterprise
- Inside sales won’t work internationally
- Inside sales can’t close big deals
Inside sales models

- Traditional
- Large companies
- Marketing 2.0
Traditional

- Inside reps qualify leads for field reps
  - Keep field reps focused only on large deals
  - Requires SLA between inside rep and field rep
  - Tightly coupled with marketing campaigns
    - Butts in seats at events
    - Follow up on marketing mailers
  - Field reps clearly senior to inside reps
Big Company models

- Inside reps sell to current customers
  - Upsells of new products
  - Upsells of add-on products
  - Maintenance contracts for existing customers

- Inside reps sell to SMB market but not to enterprise
Sales and marketing 2.0

- Inside team carries quota
- Sells into all markets
  - SMB
  - Enterprise
    - Land and expand
- Scale ‘buses’ of reps
- Low cost of customer acquisition and rising ASP
Economics of inside sales

- No salary and commission
- Low salary and commission
## LTV to CAC ratio

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<td>Customer Lifetime Value (CLTV)</td>
<td>$517,000</td>
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<td>1.9</td>
<td>1.7</td>
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<td>2.4</td>
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Introducing the hybrid rep

- Lives with inside
- Closes deals on phone
- Flies to big accounts when necessary
- Knows your culture
- Scales your culture when you move him to management
Inside Sales & the Sales Learning Curve

- Sales yield
- Revenue Gap
- Standard Quota
- Time
Ramping inside sales

- **Initiation**
- **Transition**
- **Execution**

- **Break-even point** (1x)
- **Traction point** (2-3x)

Sales yield vs. Time
One way to organize

Commercial Team
- MQLs
- BDR
- Geo ISR

Enterprise Team
- Outbound Prospecting
- EIT ADR*
- Tech ADR*
- Geo FSR

Where Lead Comes From
- Creates The SQL
- Creates SQO and Closes

MQLs in Target Accounts
Transfer of opportunity if needed, based on potential account ACV

*Further vertical separation over time; to start, separate tech and EIT ADR teams will prospect specifically into those verticals; the positioning and personas are different in each segment

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Committing to Inside Sales

- Need the right leadership
- Commit to extensive training
  - Sales training
  - Product training
- Measure, measure, measure
  - Calls
  - Connects
  - Demos
  - Opportunity creation
- Combine sales and marketing goals
Sample companies with inside only model

- SolarWinds
- New Relic
- VM Turbo
- AppDynamics
15.387 Entrepreneurial Sales
Spring 2015

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