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B2B Sales Benchmark Report

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INTRODUCTION

Leading a successful sales team requires total commitment to ongoing improvement. Yet with all the methodologies and metrics to track improvement, **it can be hard to know if you're really moving in the right direction.**



Sales benchmarks help you evaluate your team's performance by offering an objective standard of what's possible. The right data can tell you what your team is doing well or where they may need some work, making it easier to focus on the specific actions that have the biggest impact.

To help you get the most value from benchmarking, let's first look at how it relates to **Key Performance Indicators (KPIs) and other sales metrics.**

- **Benchmarks**
Measure the real-world activities and results of companies, departments, and individuals.
- **Sales metrics (conversion rate, email open rate)**
Help you track the specific results of your sales process.
- **KPIs**
A type of metric used to track performance against higher-level strategic goals (20% growth in annual sales is a KPI, while email open rate is just one metric you can improve to help achieve it).

20%

growth in annual sales
is a KPI

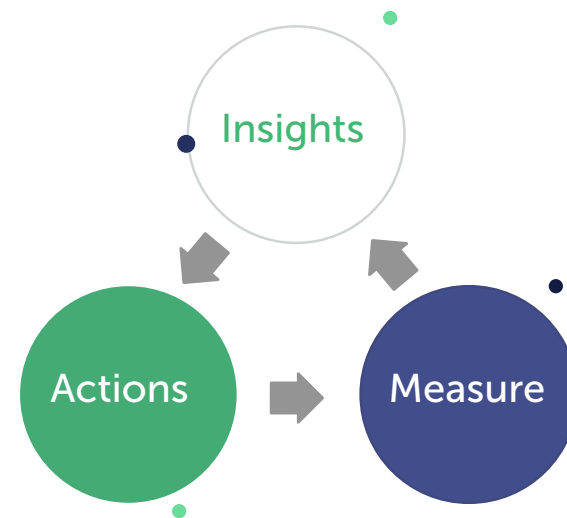
The challenge with benchmarking?

You're probably already overwhelmed with the endless barrage of stats and best practices being thrown your way on a daily basis.

Successful benchmarking isn't about gathering more data, but learning how to **separate the signal from the noise**. Benchmarking is most valuable when it helps you identify exactly where your deals are getting stuck, so you can then fix those weak spots in your sales funnel.

The best performing sales organizations are able to break their strategies into individual, measurable activities. They seek out the right information at the right time, and then interpret that data in a way that helps them take action on those insights.

To help you stay focused on achieving the goals that matter most to your company, we've compiled a list of metrics that can have the greatest impact on your sales team's performance. While the benchmark data represent a broad range of B2B industries, they offer a useful guideline to compare to the most relevant numbers—your own.





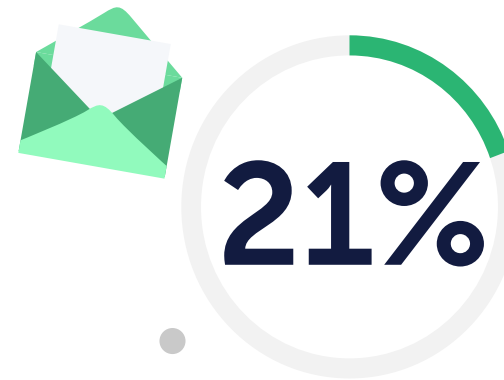
CONVERSION RATES

Sales funnel metrics help you keep an eye on the big picture. Measuring specific stage-to-stage conversions within your funnel—initial engagement, qualification, meetings, proposal, closing—makes it easier to **identify and remove the bottlenecks that slow down your sales cycle.**



Email Open rate

Knowing the percentage of people who open your emails helps you home in on exactly where to adjust your campaigns.



Average B2B Email Open Rate

*Source: MailChimp.



Marketing Qualified Lead (MQL)- to-Sales Qualified Lead (SQL) Rate

The percentage of marketing generated leads that have been accepted by the sales team helps identify how tightly the marketing and sales teams are aligned, as well as the overall quality of those leads.

Average Conversion
Rate from MQL to SQL.

13%



Website Leads

31.3%



Customer & Employee
Referrals

24.7%



Webinars

17.8%



Email campaigns

0.9%



Lead lists

2.5%



Events

4.2%



Call-to-Conversation Rate

The percentage of outbound prospecting calls that lead to a conversation reveals how effective your reps are at getting prospects to pick up the phone, as well as the need for trying a new approach—calling at different times of the day, calling back immediately after the initial dial, and leveraging email and social channels.

Conversation-to-Appointment Rate

The ratio of conversations to appointments indicates the effectiveness of your messaging and value proposition, as well as each rep's ability to earn a prospect's attention and move the conversation forward.



Average B2B Call-to-Conversation %

*Source: OpenView Venture Partners



Average B2B Conversation-to-Appointment %

*Source: OpenView Venture Partners

Appointment-to-Opportunity Rate

Knowing the number of appointments that convert to qualified opportunities helps you assess the quality of the meetings being scheduled, as well as the number of appointments your team needs in order to hit their sales target.

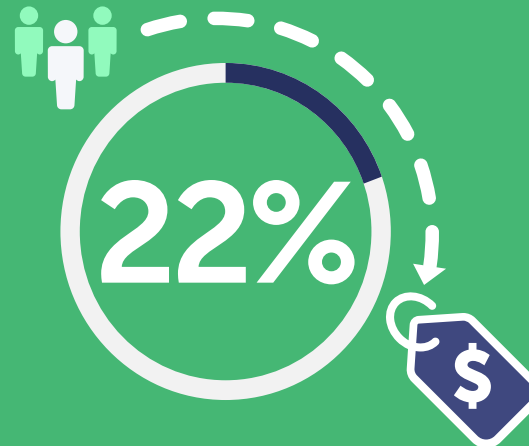
Lead-to-Close Rate

Knowing the percentage of SQLs that ultimately become customers helps you calculate how many leads you'll need to make your targets, and identifies the lead generation methods, offers, and messaging that have the greatest impact on revenue.



Average B2B Appointment-to-Opportunity Conversion Rate

*Source: OpenView Venture Partners



Average B2B Lead-to-Close Conversion Rate

*Source: foxtailmarketing.com

Opportunity-to-Close Rate

The percentage of qualified sales opportunities that convert into customers measures your sales team's ability to move deals through the middle of the funnel.

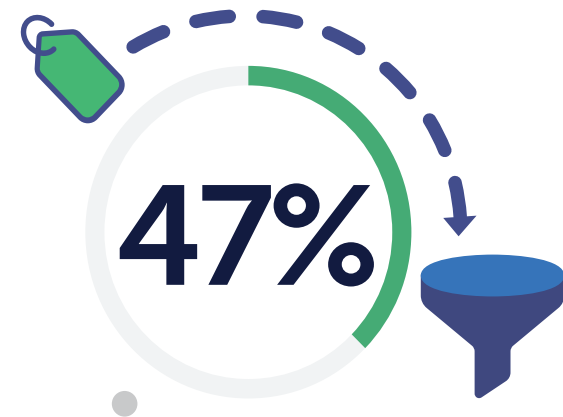
Quote-to-Close Rate

The number of proposals that convert to wins measures your team's effectiveness at moving deals through the bottom of the funnel, and uncovers the potential need for additional training to master this crucial stage.



Average B2B Opportunity-to-Close %

*Source: geckoboard.com



Average B2B Quote-to-Close %

*Source: RAIN Group Center for Sales Research

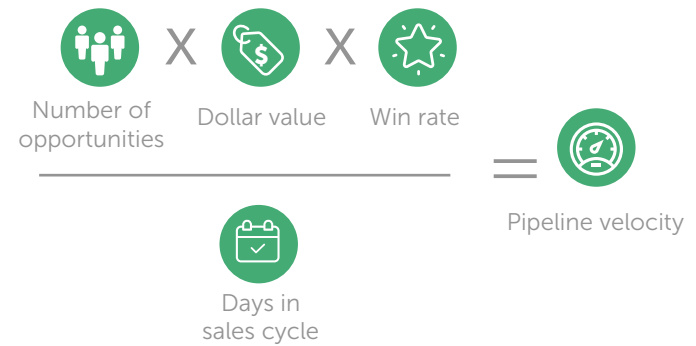
PRODUCTIVITY

Many factors influence the performance of individual sales reps. Productivity is measured by the outcome of their performance, from pipeline velocity to quota attainment. **But more importantly, we'll take a look at the influencing factors that affect productivity: easy-win areas of improvement.**



Pipeline (sales) velocity

- Pipeline velocity measures the speed at which prospects and qualified opportunities move from one end of the funnel to the other, as well as how much value new customers create over a given period.
- There are four factors that affect velocity: the number of opportunities in your pipeline, average deal size (dollar value), win rate, and sales cycle length (days).
- To calculate your pipeline velocity, multiply the number of opportunities in your pipeline by the dollar value of your average deal size as well as your win rate. Divide that result by the number of days in your typical sales cycle.



For example, if you have 50 opportunities, an average win rate of 25%, an average deal size of \$10,000, and a sales cycle that typically lasts 60 days, your sales velocity would be \$2,083.33 in revenue per day.

A higher sales velocity (measured in daily revenue) means you're closing more deals and bringing in more revenue in less time. Tracking sales velocity allows you to evaluate changes at regular intervals, then use those internal benchmarks to identify the bottlenecks that slow down your sales process.

Since sales velocity involves multiple variables unique to each situation, external benchmarks (daily revenue earned by other companies) are far less valuable than your own internal benchmarks.

Number of opportunities



Dollar value



Win rate



Days in sales cycle



Pipeline velocity



$$(50 \times 0.25 \times \$10,000) / 60 = \$125,000 / 60 = \mathbf{\$2,083.33}$$

Quota Attainment

Knowing who's consistently meeting or exceeding quota helps determine whether your sales goals are realistic, as well as identify the reps who may need additional development.

When evaluated next to high ramp up costs for reps, additional coaching is often considered a better ROI than replacing



57%

B2B Sales reps that are not meeting their quota

*Source: Forbes

82%

82% of best-in-class B2B companies provide with additional coaching and evaluation to underperforming reps.

*Source: CallidusCloud report



Ramp Up Time & Cost

To accurately estimate future revenue, you need a realistic sense of how much development time new sales reps need before they can be expected to hit quota.

But revenue is just half of the picture. Time spent ramping up reps can cripple a business - especially when average turnover rates high as outlined on the next page.

Ramp Up Calculation

The right option will depend on your industry, growth rate, company size, and training systems. Whatever method you choose, be sure to stay consistent across the board. The more closely you track the variables that determine each rep's ramp up time, the more accurately you'll be able to predict your ROI for future hires.

2-3.8 months

Average Ramp Up Time for B2B Business Development Reps



4.9-6 months

Average Ramp Up Time for B2B Inside Sales Reps



Ramp up time can be calculated by:

- Length of sales cycle (the average length of your sales cycle + the number of days required to properly train a new rep).
- Training and experience (training period + length of sales cycle +/- time needed based on level of experience).
- Quota attainment (the average length of time it takes reps to meet 100% of quota).

The average cost of a fully ramped rep is \$97,960.

This is a significant up-front investment considering that the average ramp up time is between 2 months and 3.8 months for business development reps, and between 4.9 months and 6 months for inside sales reps. Yet the average turnover rate for salespeople is 28%, and typical sales development reps maintain full productivity for just 15 months.

Knowing your ramp up time gives you a clearer understanding of the profit or loss potential for each new rep.

\$97,960

Average cost of new B2B sales rep hires including in sourcing, recruiting, training, base salary, and other compensations

28%

Average B2B Sales Rep Turnover Rate



15 months

Typically B2B Sales Reps Maintain Full Productivity Just 15 Months

Lead Response Time

Knowing the amount of time it takes for your sales team to respond to leads helps you find and eliminate friction within the lead routing process.



35-50%

B2B Sales won by the vendor that responds first.

*Source: InsideSales.com

Reps who responded to leads within an hour of the first touch were 7x more likely to qualify the lead and create an opportunity.

*Source: Harvard Study



Attempt-to-Connect Rate

Knowing how many connect attempts your reps make helps you evaluate the quality of their outreach messaging as well as their commitment to doing what it takes to reach prospects.

80%

80% of B2B sales require at least 5 contact attempts before they convert to opportunities.

*Source: intelemark.com

And yet...

44%

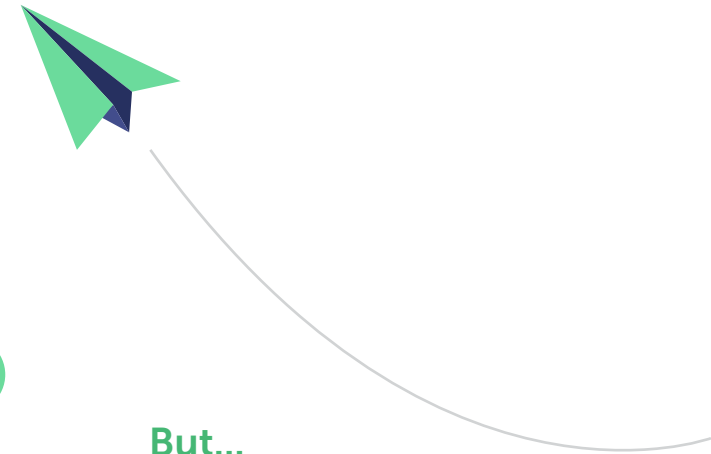
44% of B2B sales reps give up after the first unsuccessful contact.

*Source: intelemark.com



40%

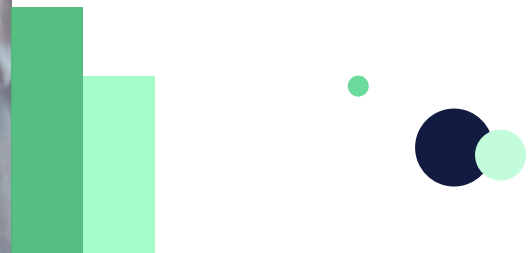
B2B sales reps that claim live call execution is the deciding factor in their success.



But...

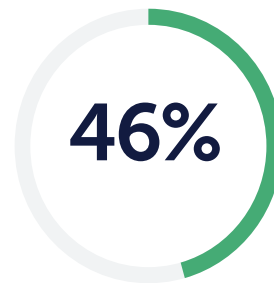
36%

Sales development leaders stating that live call execution is a top challenge, as reps have relied on sales email automation to hit quota.

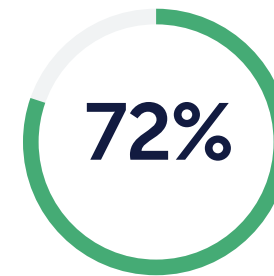


*Source: PRNewswire

The most successful reps were also better listeners while on the calls...



Average talking time of high-performing B2B sales reps in conversation with prospects



Average talking time of low-performing B2B sales reps in conversation with prospects

Discovery and Research

Understanding the true impact of a prospect's business challenge is critical for keeping deals moving smoothly throughout the sales cycle.

20%

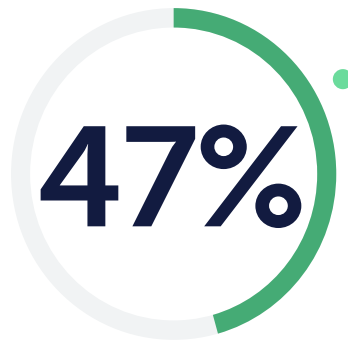
Average time spent by best in class B2B sales reps searching for sales Intelligence.

*Source: CallidusCloud



MARKETING AND SALES ALIGNMENT

Nurturing a close relationship between sales and marketing teams should be **a core focus for any growing B2B company.**



56% of best-in-class B2B organizations reported ongoing, two-way feedback between marketing and sales leaders to identify the most effective sales messaging, with 47% reporting a process for sales employees to rate or comment on marketing and sales collateral.

*Source: CallidusCloud



Sales Content ROI

75% of sales reps believe sales content is highly important to closing sales—pitch books, case studies, presentations, product literature, videos

Average B2B sales reps use an average of **6.7 types of content**, with 19% using 10 or more.

Most used content types:
(% of the time sales content is used by sales reps in opportunities)

- Presentations 75%**
- Emails 74%**
- Social media/blog posts 66%**
- Customer testimonials 60%**
- Video 50%**

76% believed that video had helped them increase sales

65% that had not yet used video stated that they were planning to start in 2019

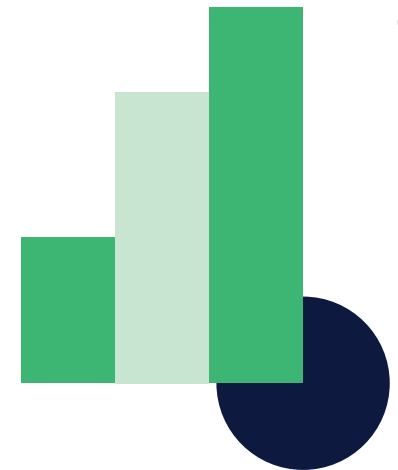
57% of sales content is created by the marketing or content marketing team.

20% is created jointly between the marketing and sales teams.

7% of sales content is created solely by the sales team.

Highest rated content is created jointly between the marketing and sales teams.

Less than **40% of content created solely by marketing gets good or excellent feedback** on sales content effectiveness.



*Source: DemandMetrics Report

*Source: Wyzol's State of Video Marketing Survey

*Source: BombBomb's Salesperson's Guide to Video

Account Based Marketing

90% of B2B employees stated that ABM efforts improved aligned KPIs between sales and marketing
86% cited improved win rate
76% saw improvement in ROI

ABM spending is expanding rapidly, **increasing by 41% in 2019**, and represents more than **20% of marketing budget** across all segments.

Companies with more than **5,000 target accounts only actively pursue 16% of them at any given time.**
Top performers across every deal-size tier target an average of **33% more contacts per account.**

68%

B2B revenue teams that developed a strong Ideal Customer Profile (ICP) **averaged a 68% higher account win rate.**

*Source: TOPO ABM Report



*Source: TOPO ABM Report

NEXT STEPS

Keep it simple and focus on a short, targeted list of the **metrics that matter most.**

It can be tempting to dive right in and try to use every possible metric all at once, only to find yourself overwhelmed and bogged down in endless analysis. The more time you spend gathering and analyzing data, the less time you'll have left to take action on what you've learned.

Accurately tracking just a few metrics is far better than trying to keep up with so many data points that they fall through the cracks and don't contribute to actionable insights. By keeping it simple and focusing on a short, targeted list of the metrics that matter most, you'll have a much easier time integrating benchmarks into your own sales process.

01 Get Clear

How much time and energy do you and your sales team have to spare? Be honest with yourself about the resources you have available to commit to tracking performance.

02 Start Small

Pick one KPI to start with, then choose a manageable number of actionable metrics to help you achieve it.

Remember, a KPI like "20% growth in annual sales" measures performance against higher-level strategic goals, while metrics like "email open rate" help you track the specific results.

03 Get Specific

As you continue to add and track metrics, keep looking for benchmarks from within your industry. The more similar another company is to your own, the more relevant their performance and activity benchmarks may be to your goals and situation.

For example, a benchmark of “30% opportunity-to-close rate” for all B2B companies is not as relevant as the same benchmark from companies with a similar product, team size, and sales cycle length. This second benchmark would be a better estimate of what’s possible to achieve in your specific situation.

04 Pivot

As you track your results, consider shifting from external to internal benchmarks based on your top performers. If they exceed the starting goal of 23% conversation-to-appointment conversion rate based on a broad average, capture that higher number as your new benchmark from which to grow.

05 Repeat & Iterate

Slowly add new KPIs and metrics as you build your process, constantly refining your list and focusing more effort on the measurements that make the biggest difference.





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