

CYBER THEORY

WHITE PAPER

HOW TO ACCELERATE SALES IN CYBERSECURITY

The background of the page is a dark, almost black, color. It is decorated with numerous small, light teal dots of varying sizes. Some of these dots are arranged in vertical lines, creating a digital or data-like aesthetic. The overall effect is modern and tech-oriented.

THE SIMPLE MATHEMATICS OF SALES ACCELERATION IN CYBERSECURITY

The question of whether to accelerate the top and middle of your sales funnel should not be a complicated decision. Simple mathematics will immediately show you that if you don't accelerate, you will never make your sales goals in today's ultra-noisy marketplace.

Too Much Noise

3,800 cybersecurity vendors make a lot of noise. In 2018, there were only 360, and most folks had 4-5 competitors. Here in 2021, most have 24-25 competitors, only a few of which are legitimate; the rest are competitors through messaging.

Everyone is in the zero-trust business.

Simplifying the Equation

The decision to accelerate should have nothing to do with personnel, headcount, organizational issues, training or development. It doesn't matter whether you have a sales development team or not. It doesn't matter whether your existing sales team is trying to manage both ends of the sales funnel or not.

It simply comes down to a question of how many active leads are required for your sales team to deliver their quota.

Do the Math

Whether you have a separate SD team or only a direct sales team, here's how the math works:

If your reps carry an \$800,000 quota with an annual contract value (ACV) of \$40,000, they will each need to close 20 deals a year.

If your win rate is 20%, each rep will need 100 qualified opportunities. Opportunities are defined as qualified and interested leads who are primed and scheduled for a presentation, demo or meeting where your rep can convert the lead to a sale.

If your meeting to opportunity rate is 20%, each rep will have to create 500 meetings and if your conversation to meeting rate is 30%, each rep will have to have 1,665 conversations.

As the industry averages indicate, only 70% of those scheduled meetings show, so instead of 1,665 conversations, your reps will need 2,380 conversations.

A really good SDR does around 120 dials, social contacts and emails (sales activities) per day. An average SDR does 100 and the average field sales rep does around 50 per day.

The average dial-to-connect rate is around 3% and the average email/social response rate is maybe 5%. So to be generous, let's say the combined connect rate from all sales activities is 4%.

In order to get those 2,380 conversations, each rep will have to make around 60,000 dials (4%).

There are 261 business days in a calendar year, but with vacation, holiday and PTO averages, there remain only 235 days available to sell. This means that your sales reps will have to average 255 dials/emails/socials per day.

The Impossible Truth

And therein lies the unfortunate mathematical truth: No sales rep can do 255 sales activities per day.

All of these stats are industry averages and can be verified through the Bridge Group and/or Vorsight Benchmark data, but your product/market/message/targets may be more or less efficient than these, so you should analyze your own data and use it instead. You can create a simple little spreadsheet.

You may find that your conversion rate is 50% so your reps will need fewer conversations. Or you may have a better or poorer show rate than 70%, so you can adjust appropriately.

Three Ways Out

But regardless of your unique data, there is no getting around the inevitable conclusion that for you to make your target number, you will have to do one of three things:

1. Hire additional SDRs, or
2. Outsource the top of funnel work to a company that uses a sales acceleration platform, or
3. Bring a sales acceleration platform like ConnectAndSell into your sales environment and leverage that to increase your activity rate.

The ConnectAndSell Solution

ConnectAndSell can make thousands of calls a day for each rep and because of their unique and patented technology which combines a smart dialer with human orchestration, ConnectAndSell can distinguish between a voice mail and a live voice, and then transfer the call in under 200 microseconds. Voice mails don't count as real sales activities and don't lead to closed business.

Only live conversations do that.

Your sales team can be up and running immediately, poised to receive calls all day long at a rate of 8-12 per hour.

Focus on What You Do Best

Alternatively, if you have a small team, and/or don't want your reps to be engaged in cold prospecting, an outsourced top-of-funnel service that uses an acceleration platform can do it all for you, so your sales team can concentrate on what it does best – sell and close.

The Inside SDR Pool Option

If you need to build your own team for one of many reasons, you can still solve the sales math problem, but it will cost you significantly more than the other alternatives.

Some companies believe that an SDR pool is a great way to groom future sales reps and have built a sort of minor league feeder system that promotes the best SDRs after 9-12 months of cold-calling. This makes sense to many and the only situations that render it difficult are those where the SDR churn rate is so large that the expense of onboarding, training and coaching replacement SDRs exceeds the value gained, or the market opportunity for new customer acquisition limits the advancement cycle.

In the latter case, what happens is that a company becomes so successful with its primary product or service that the market saturation limits the expansion of the sales rep model to a degree that thwarts any opportunities for high performing SDRs to climb into a field sales role.

Without field sales turnover, there is just no place to go.

Five Problems with Inside Sales

In the former case, many companies find that the challenges of managing a functional SDR team outweigh the benefits. Inside sales data¹ indicates the average churn rate is 1.5 years which given the ramp (4.7 months), management costs (\$147K OTE) and performance (6.3 conversations per day) is enough for many companies to consider alternatives. And if those challenges weren't compelling enough, that same inside sales data tells us that the top five problems with inside sales are:

1. Productivity and performance
2. Recruiting and hiring
3. Forecast accuracy
4. Ramping new hires
5. Coaching and development

The Definition of Insanity

So, whichever solution you prefer, the one that will NOT solve your current problem is the one that ignores the sales acceleration component and wants instead to continue as is.

As Einstein famously reminds us, doing the same thing over and over again yet expecting different results is indeed the definition of insanity

CYBER THEORY

We are a full-service cybersecurity marketing advisory firm. We constantly collect and analyze the latest customer data segmented by security practitioner, industry, and region. Our extensive knowledge model allows us personalized targeting of each and every cybersecurity buyer persona. With strategic insights from global education services, media providers, intelligence analysts, journalists, and executive leaders, we're always adapting to the latest industry trends. Our network of relationships encompass all aspects of cybersecurity as well as the related fields of fraud, audit, compliance, and risk management.

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