

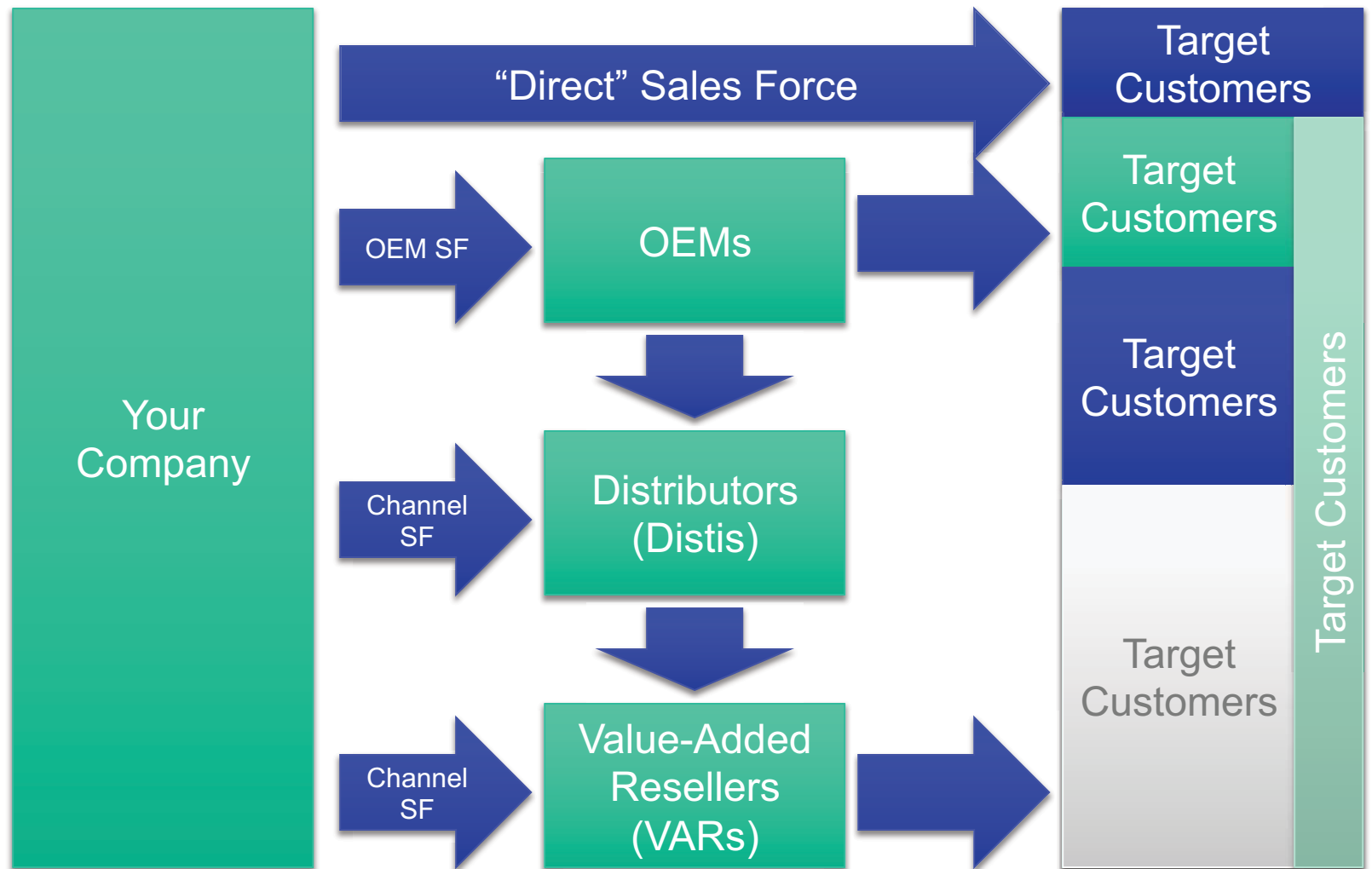
Qualtrics – Scaling Inside Sales



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



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

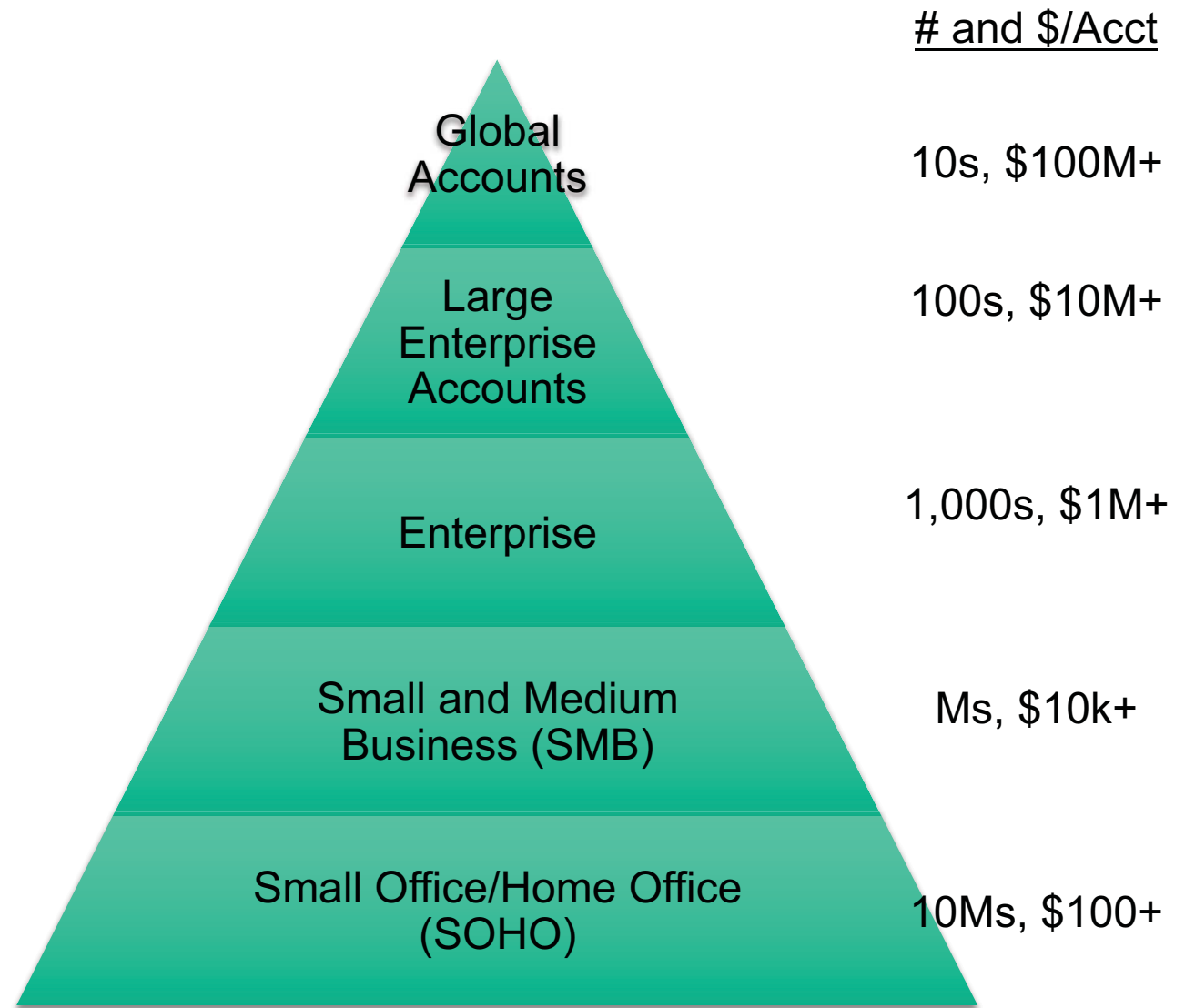
Pros

- 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



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

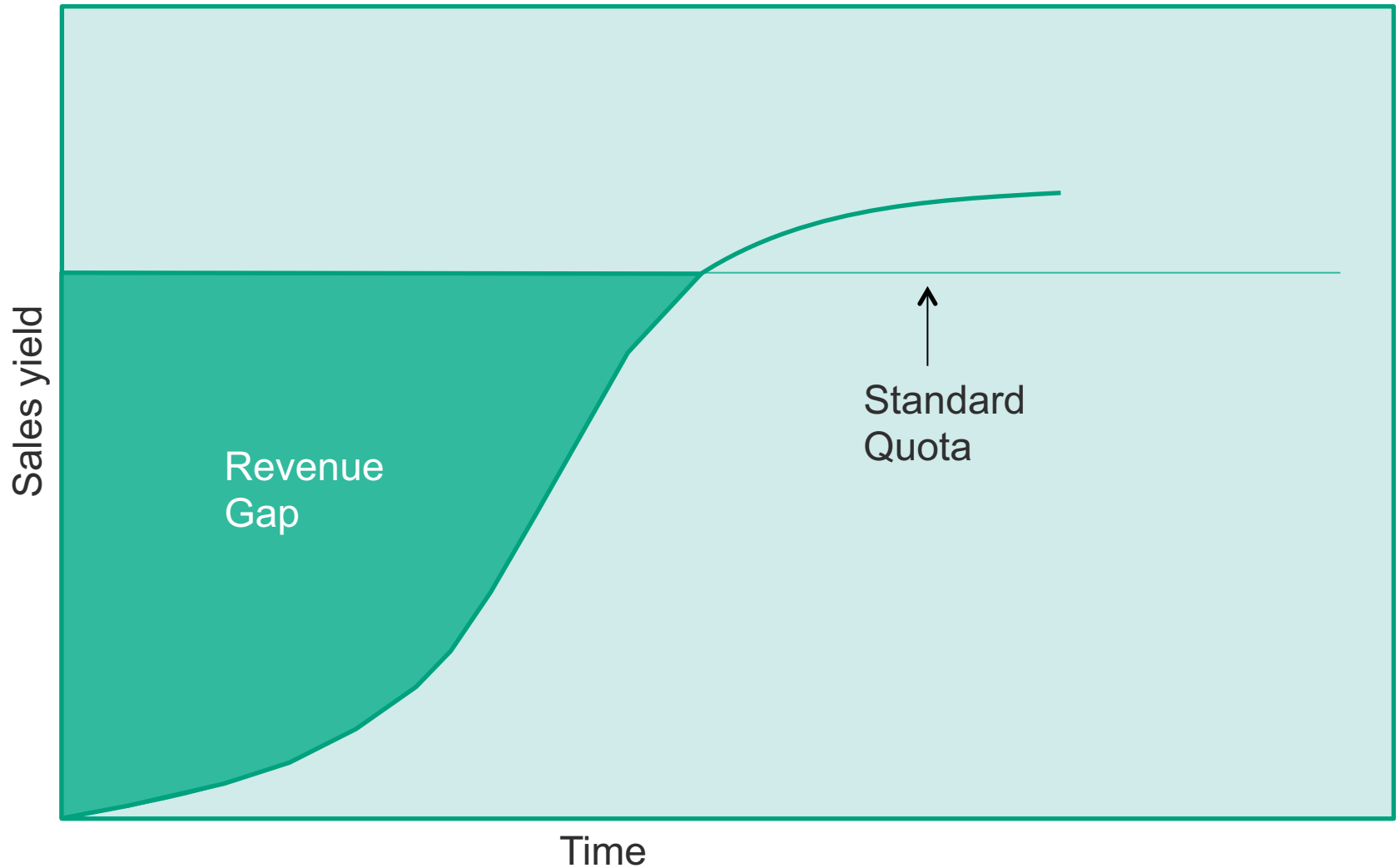
LTV to CAC ratio

	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
Customer Lifetime Value (CLTV)	\$517,000	\$539,200	\$542,486	\$388,537	\$355,244	\$346,988	\$331,423	\$529,259
Client Acquisition Cost (CAC)	\$169,385	\$165,254	\$173,062	\$185,219	\$188,494	\$209,235	\$229,780	\$222,684
CLTV/CAC	3.1	3.3	3.1	2.1	1.9	1.7	1.4	2.4

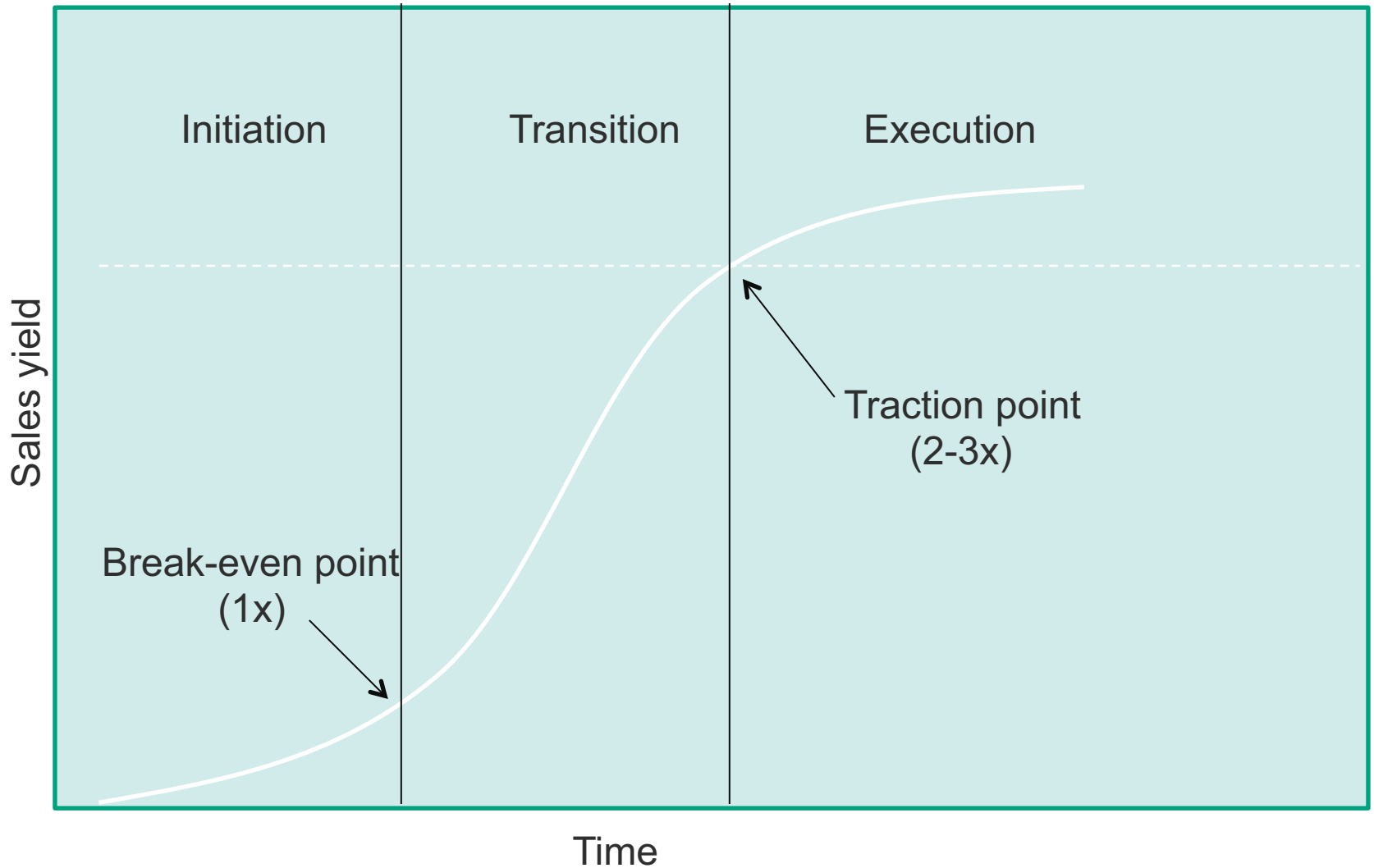
Introducing the hybrid rep

- 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

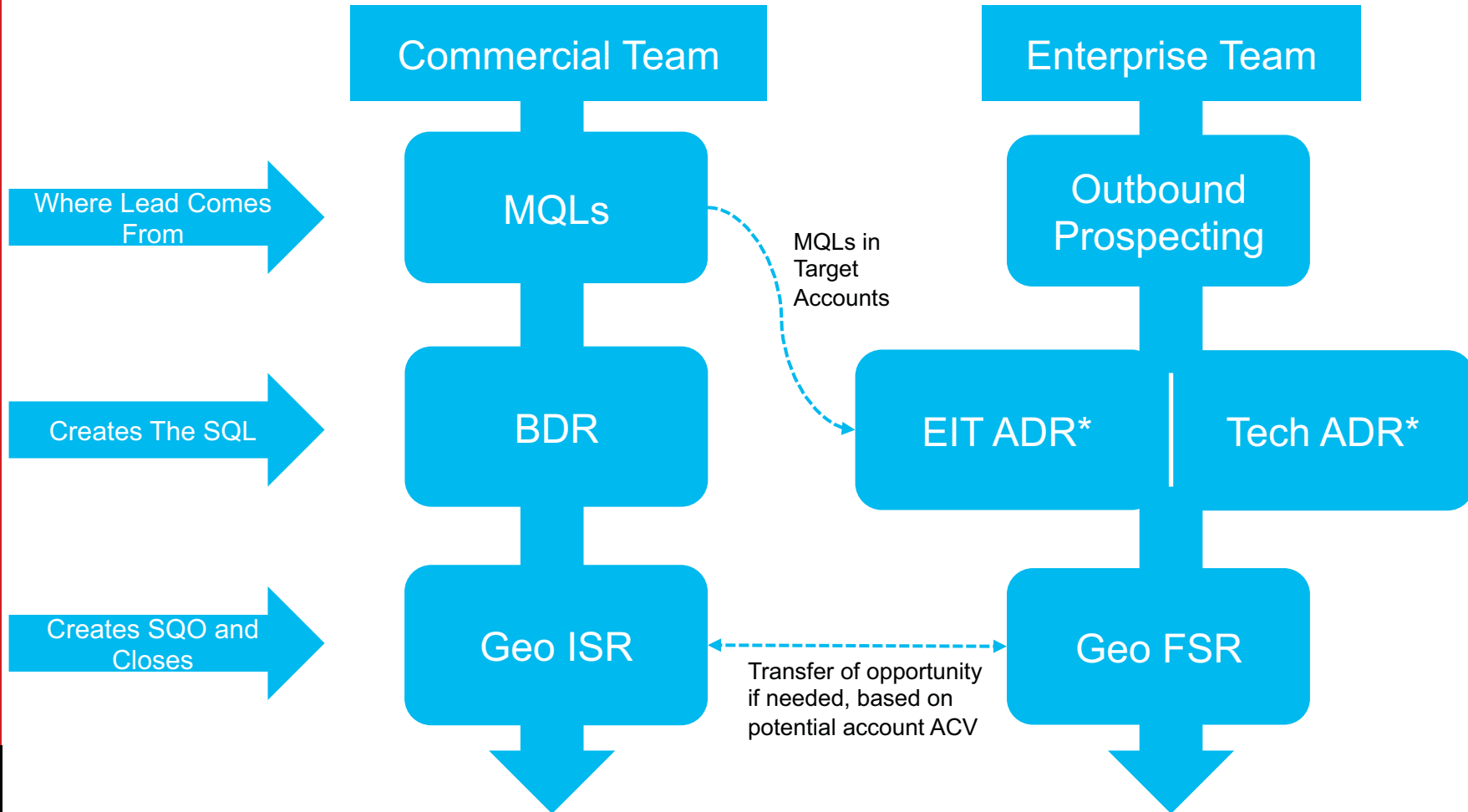
Inside Sales & the Sales Learning Curve



Ramping inside sales



One way to organize



*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

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



MIT OpenCourseWare
<http://ocw.mit.edu>

15.387 Entrepreneurial Sales
Spring 2015

For information about citing these materials or our Terms of Use, visit: <http://ocw.mit.edu/terms>.