SALES METRICS THAT MATTER

Sales Metrics that Matter Most — and How to Guide Your Team with Them

All good sales managers seek to better their teams by finding root performance issues. If this isn't true for you, you might need to find a different job!

Far too often, sales management fixates on big picture items. Of course, it's necessary to establish and work toward these larger goals, but it's way too easy to lose track of the granular steps needed to accomplish them.

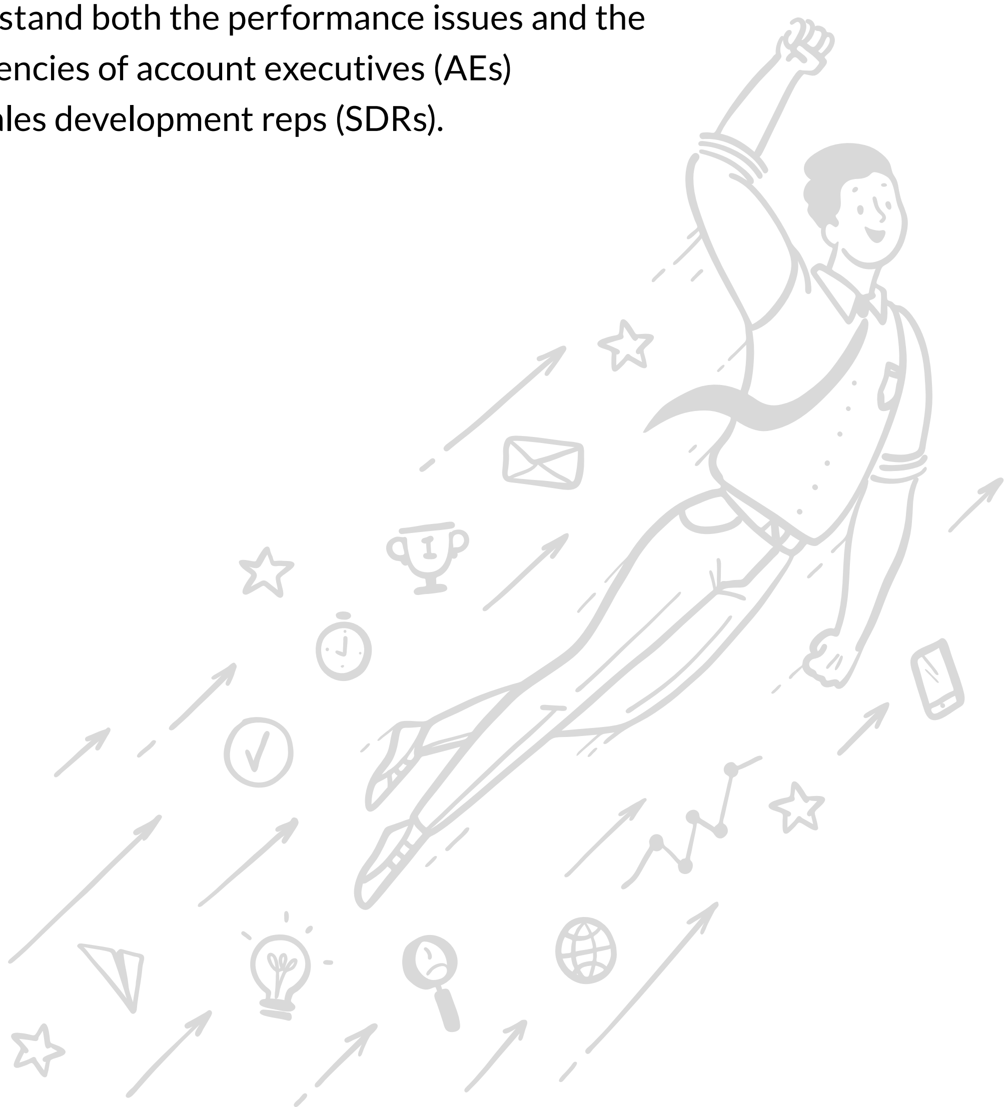
But how do you go about tracking those granular steps when there are so many of them? Simple answer: data. Well, not simple, but it's certainly the answer.

There are many benefits to a data-driven sales approach. A recent McKinsey & Company study found that B2B leaders gain a 2–5 percent bump in sales by implementing data-driven decision-making. But you don't want to just talk the talk. A true data-driven sales culture looks a bit like this:

- **The right performance metrics** are measured.
- **Real-time visibility into these metrics** is provided to every salesperson at every opportunity.
- All team members understand how utilizing proactive, goal-tracking analytics can show **why they are pacing above or below goals.**
- Sales reps can **pivot based on root causes of performance issues** to make improvements and avoid missing their key performance indicators (KPIs).
- **More effective actions for repeatability** are implemented based on metric data.
- **Consistent messaging** reinforces why these reports and metrics are important and what impact they can have on performance.

Although there are many steps in creating an effective, data-driven sales approach, we will specifically be diving into collecting **the relevant sales team performance metrics.** These metrics measure a team's tasks and activities, and it is essential to know how to distribute them effectively across the entire team.

This can be an overwhelming process, but with the proper data-driven sales management tool, data becomes simple to view and comprehend. This allows managers and operations staff to easily understand both the performance issues and the excellencies of account executives (AEs) and sales development reps (SDRs).



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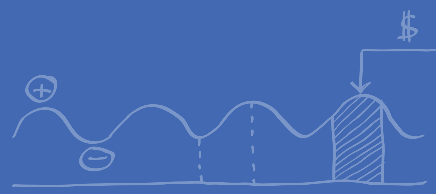

CHAPTER 1

Why Sales Performance Metrics Are Important

So you have chosen the data-driven sales approach, but how do you go about choosing the right metrics? First, it is essential to understand why the right metrics are important.

Say you are a baseball coach. Your ultimate goal during every game is to win by scoring more runs than your opponent. However, those runs don't simply appear on the scoreboard. They are your team's number of hits, walks, stolen bases, extra-base hits, and home runs. **They are the culmination of all the granular steps of the process.** As the coach, you can collect data on each of these metrics to determine where players need improvement and where they remain consistently optimized.

Over time, you are likely to see where the changes occur. Metrics that need improvement could increase, but optimized metrics could decrease. The point is, you can monitor these metrics and pivot based on the data.

When it comes to a sales team, selecting the right metrics—and the quantity and quality of the metrics—allows you to see in real time where a rep needs to improve performance. When sales leadership focuses on optimizing these metrics, runs are the guaranteed result.

So metrics are your granular steps, but where do those steps lead? The right selection of metrics can:

- Improve rep performance.
- Establish clear goals for individual reps.
- Provide leading indicators to achieve sales KPIs.
- Create data-driven, one-on-one coaching sessions.

Although every team is different and requires a different set of metrics, here is a tip: **Keep it simple.** Data can be overwhelming, and your team will need to learn how to read the dashboards, interpret the metrics, and utilize the data to adjust their tactics.

So, keep the metrics simple to avoid data fatigue. To start, choose no more than five sales KPIs and one or two leading indicator metrics that demonstrate how your team will achieve those sales KPIs.

Who are you establishing metrics for?

To establish metrics, clearly define outcomes that a culmination of optimized metrics will lead to. Keep in mind that not all outcomes apply to every type of sales rep.

In the following chapters, we focus on two primary sales roles—**AEs and SDRs**—and their respective outcomes:

- AEs close deals.
- SDRs create opportunities for deals.

To accomplish these outcomes, different performance metrics need to be established and measured. Let's dive into how to select metrics for AEs and SDRs.

CHAPTER 2

How to Select an AE's Metrics

An AE's overall goal is to continuously improve their booking rate. To get there, the AE has several outputs that are determined by the success of the inputs.

- **Inputs:** Opps owned, pipes owned, number of meetings, accounts touched, number of emails
- **Outputs:** Wins, opps advanced, expected revenue by a determined date, pipe by a determined close date
- **Quality, quantity, or tempo:** Determined by the performance of the inputs

Let's take a look at an example. Say you want to increase the win rate (output) of an AE. You might want to select the following drivers as metrics:

- Opp conversion rate
- Email engagement rate
- Follow up meeting ratio

From there, you want to establish the interval and range of the input. For example, you might want to measure the number of emails sent to potential opps. In this case, the setup looks like this:

- **Metric** = Email
- **Interval** = Per week
- **Range** = 7–15

In doing so, you have created a goal distributed across your AE team. Every week, each AE is expected to send 7–15 emails.

The same goal-setting approach can be established at higher intervals, such as new opps created every month or bookings every quarter.

Ultimately, the metrics you select are based on the approach you have established for your AE team. If phone calls generate pipeline, this might be a metric you choose to measure over email, or vice versa. Regardless, the most successful management teams focus on the proper drivers that, when optimized, lead to the desired outcomes.

CHAPTER 3

How to Select an SDR's Metrics

An SDR's overall goal is pipeline generation. To measure the success of pipeline generation, choose several inputs, outputs, and measurements of pipeline, just as we did for the AE.

- **Inputs:** Emails, calls, unique contacts touched, unique accounts touched, new accounts touched, new contacts touched
- **Outputs:** Meetings created, opps created, pipeline created, bookings sourced
- **Quality, quantity, or tempo:** Email response rate, touches per account, number of contacts touched per account, activities per opp created

You may have noticed a bit of overlap in metrics between AEs and SDRs. For example, both AEs and SDRs need to send a certain number of emails to prospective customers. However, an email input for an SDR might look like this:

- **Metric** = Email
- **Interval** = Per week
- **Range** = 150-300

By establishing the interval and range, managers can create a measurable goal for the SDR. Plus, input and input efficiency rates serve as coaching points for the SDR manager to assist them in achieving the primary goal of pipeline generation.

CHAPTER 4

Glowing Insights Provided by Metrics

Now you have the perfect measurable metrics for your AEs and SDRs, and the data is coming in. What should management do with all this data?

There are **two important goals** to accomplish with metrics:

- Set goals for reps.
- Conduct data-driven conversations.

To help illustrate these goals, let's imagine a scenario in which an AE has a problem moving a deal forward.

- During a one-on-one meeting, management inspects the dashboard displaying the rep's performance metrics and finds that the rep is limiting their engagement to a single contact rather than multithreading.
- At the end of the data-driven conversation, management establishes a goal for the AE: They are to send out 30 emails to high-priority targets every week.
- This leads to a number of phone calls, resulting in deals created and opps that convert into closed revenue.

In this scenario, management has a **successful conversation backed up by data to provide better coaching and goals**. The manager used the data from the metrics to hold the rep accountable.

It is also important to remember that **metrics will need to be adjusted and improved**. Even sales KPIs that have worked for years can suddenly become irrelevant. When this happens, you will need to do the following:

- Determine new baselines.
- Establish new quotas.
- Create new goals.

Luckily, with powerful sales performance monitoring tools in place, you can track how your team operates under the new approach. From there, you can use the information to inform your new sales KPIs and measure performance against the right metrics.

CHAPTER 5

Don’t Drown in Data

Let’s be real: We are drowning in data. According to an IDC report, 59 zettabytes of data were created and shared in 2020. That number is expected to grow through 2024 at a compound annual growth rate of 26 percent.

To us, this means the world needs intelligence tools to make informed decisions with all that data.

In the sales world, if you want your team to live and breathe data, you need to consistently display and distribute it across all channels. That means email, Slack, any other information-sharing platforms, and giant screens for in-person meetings.

By shining a light on the data for everyone to see, it becomes the driving force of your sales organization, making it easy for everyone to keep it at the forefront of their minds every day.

Atrium provides this opportunity for its clients. Through this data-driven platform, sales managers can use real-time reports to engage with data gathered from highly useful metrics. Ultimately, by using Atrium, sales managers can make smarter decisions in coaching and sales forecasting.

Plus, we promise not to throw indecipherable charts of data in your face!

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