

A TELEVERDE SOLUTION GUIDE



# INSOURCING VS. OUTSOURCING

Making the Decision to Outsource  
Your Inside Sales Functions





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## Making the Decision to Outsource Your Inside Sales Functions

As the needs of the modern organization continue to evolve, the decision of outsourcing sales and marketing functions versus insourcing them continues to be widely discussed among leadership at organizations globally. Every company has different needs that affect their overall decisions on what stays in-house and where they are able to leverage skilled and knowledgeable partners and outside experts.

In conversations with our customers and prospects, we are deeply embedded in the dialogue weighing the options to outsource functions related to sales, marketing, lead generation, marketing automation and telemarketing. It's a growing practice in the industry showing no signs of slowing down.

In 2015, 63% of companies outsourced all or part of marketing automation strategy planning.  
-Ascend2 Marketing Automation Trends Survey

It's an important consideration and requires a significant amount of research and discovery. Whoever you choose to partner with becomes an extension of your own company, so it's crucial to ask questions, develop checklists and understand how they will fit into your existing organizational dynamic before making your final decision. We've organized this white paper into sections covering everything you should consider when deciding to outsource your sales function. They include:



We see a huge benefit to partnering with a provider for areas like outsourced sales, marketing and demand generation. However, you need to do some due diligence to navigate the decision. We've learned first hand how companies have turned over the heavy lifting of inside sales execution in order to spend more time on driving strategy and growth.



## Thinking about Outsourcing?

How do you know when you're ready or need to outsource? The question is equal parts objective and subjective, isn't it? But how do you really know that an outsourcing strategy will even work for your company? We find there are some common business considerations that lead people down the outsourcing path:

### List of Common Business Considerations for Outsourcing

- Resource constraints for timely lead qualification
- Need for rapid growth
- Geographic expansion into new territories
- Management and productivity challenges
- Free up staff for more strategic initiatives

Usually when a company checks the box next to one or more of the above areas, they are ready to consider an outsourced sales environment. Even if you have an internal inside sales team, you face the traditional challenges of cost and turnover as you build or expand it. The cost and employee turnover challenges of building and expanding internal inside sales teams can put undue risk on organizations that rely on continuous revenue growth. \*Typical inside sales reps spend only about 60% of their time making calls, and average sales rep turnover can exceed 80% annually. The need to constantly recruit and train new employees can easily result in lost sales amounting to more than 200% of the annual cost of each sales rep.

***Businesses like yours are constantly recruiting and training new employees, resulting in lost opportunities and sales that can amount to 200% of the annual cost of an employee.***

Inside sales positions are uniquely challenging to staff and maintain. Most employees see these roles as stepping stones to a broader sales or marketing role. As soon as they get trained and are performing well, they are looking for something new either inside or outside your firm. However, a good outsourcing partner has strong training and career paths for the professional inside sales reps.



## Building a Case for Outsourcing

When you're deciding to outsource, start with developing a list of goals you'd like to accomplish, the challenges you would like to solve and the concerns you may have with an outsourcing model. If you address each area directly and plan properly, you will anticipate any problems and ensure a smoother all around experience. A well-built case for outsourcing and setting clear expectations with stakeholders will set the foundation for success.

- How would you **measure success** and what do the specific **metrics** look like? Consider topics such as number of deliverables, average sale price, MQL-to-close ratios, sales pipeline value, revenue generated, and calling and productivity metrics.
- How long is it currently taking potential sales to hit your sales **pipeline** and begin to fill your **funnel**? How will outsourcing improve those timeframes?
- What kind of **data** will you need in order to run a campaign for inbound and outbound marketing? What will it cost?
- Can you **scale** up and down with the needs of the business? Can your partner accommodate an **increase** in call volume to support new marketing initiatives or the addition of a new geography? Can it **scale down** as needed, too?
- What will the **cost** look like from all angles? Consider things like staffing, management, training, benefits & incentives, overhead, software & enablement tools, data costs, analytics and reporting to be certain you get a complete pricing picture.
- What **resources** are necessary from your end to make the outsourcing successful?
- What's the **ROI**? Once you have enough time under your belt, how will you measure if the relationship making sense from an investment perspective?
- Who within your organization will need to be involved in the **decision making** and buy-in for success?

*Address concerns directly and plan properly, and you will diminish the hiccups and encourage a smoother experience all around.*



With your initial questions answered, and a focus on fostering sales and marketing alignment across all fronts, it's time to weigh the pros and cons of outsourcing. We often find that a client isn't entirely certain what their sales metrics should entail or what to consider in a pros and cons list. Consider the following when evaluating an outsourcing partner:

**Pros:**

- Expertise and talent to enhance or improve sales. Additionally, a partner comes with a fresh perspective, best practices and tried-and-true benchmarks.
- Agility for driving the sales pipeline and productivity in staffing and pipeline acceleration.
- Speed to market vs. developing the inside sales function in-house.
- Optimization of skilled sales talent for recruiting, management and retention costs while having a bench for maintaining momentum.
- Training that goes beyond product knowledge and focuses on top of the funnel nurturing and discovery.
- Technology, tools and data are provided. An outsourced partner is able to divide the costs across a host of clients, giving you access you may not be able to afford on your own.

*An outsourced partner brings expertise and talent to enhance or improve sales, as well as a fresh perspective, best practices and tried-and-true benchmarks.*

**Cons:**

- Outsourced talent may not be the same as yours and you miss out on a source for seeding your larger sales organization.
- Maintaining control can be challenging when you are giving some responsibilities to an outside party, requiring you to identify how you will mitigate and align on the initiative.
- Outsourcing is a significant budget line item that will need constant analysis and reporting to ensure ROI.

Once you take a deeper look at all of the benefits, challenges and everything involved, you will gain clarity on how outsourced sales can benefit your organization.



## Common Areas of Concern

Alignment between your sales organization and your inside sales outsourcing partner is a must-have requirement. An understanding of the roles, responsibilities and expected service level agreements are critical. From the executive leadership level to the individual sales reps, alignment must be an intentional part of the planning process and a constant gauge for success. If there is a disconnect between your internal sales team and your partner, it will ripple throughout every department. When prospects and customers are talking to your partner, it should feel the same as if they were talking to your internal teams.

We've already touched on the fact that when you are thinking about outsourced sales, you must be comfortable relinquishing some control. When hiring an outside team, there must be a level of trust rather than a relationship based on micromanagement. Hiring experts means you believe that an outside party can benefit your existing sales and marketing structure, which means stepping back a bit and letting them do what you hired them to do.

***Alignment between your sales organization and your inside sales outsourcing partner is a must-have requirement.***

That being said, it's wise to have open communication internally and with your partner, to discuss where you are comfortable loosening your grip and where you need to remain in the driver's seat. These decisions are unique to every business choosing to work with a partner.





## Pick Your Partner Carefully

Engaging in any relationship requires getting to know your partner and how they will fit into your company style and culture. Ask questions to get to know your potential partner. Find out what makes them unique or especially qualified to work with your business. While the list of potential questions can be quite long, here are some we find most meaningful:

- **Experience:** What experience does your partner have? Is it specific to your industry? If not, are the skills and knowledge transferable to avoid a huge learning curve?
- **Fit:** Are they a fit for your particular product/service and target audience? Do they know your buying personas and how to sell to them? Just because they can take on some of your internal responsibilities doesn't mean they are the right match for what you are selling/offering.
- **Style:** What's their standard operating procedure? Does it fit your culture? Is it flexible if necessary? Does it differ greatly from your established processes?
- **Feedback:** What's the feedback loop like? How consistent is the communication? What reports and analytics will be provided?
- **Logistics:** How will your contacts, lists, processes and other information be handled? What systems will you be working with?

*Ask questions to get to know your potential partner. Find out what makes them unique or especially qualified to work with your business.*

Additionally, a good partner will be able to make you feel at ease and a clear part of the process. At the end of the day, it's still very much your business, and you should be able to view your partner as someone that brings measureable and tangible value and serves as an extension of your team, not a replacement. The more dialogue you have about expectations around this aspect, the more connected your internal and external teams will feel. Remember, you are not turning over your business, you're simply enhancing your strategies and strengthening your team by bringing on experts who can help you achieve the success you want.



## Setting the Foundation for Success

In any transition, communication is a key component to success. If all lines of communication are not open and functional, the opportunity for detrimental disconnects increases greatly. The more open the feedback loop, the better informed and knowledgeable everyone involved is.

### **Build Rapport**

The most important first step you can take with your partner is to build a rapport and establish that you are on the same side working toward the same goals. Remember that you have an existing sales team that is probably on edge thinking about the “new guys”. It’s your responsibility to make them feel comfortable and confident. Help the sales team understand that this new relationship is meant to benefit them.

### **Get Buy-In**

To make this new arrangement work, you need buy-in, not resistance. Either sentiment is contagious so the more buy-in you have, the more your two teams will gel and start delivering results instead of pitting themselves against each other. We have found a sales and marketing alignment workshop can foster collaboration from the start.

### **Set Transparency Expectations**

Ensure that you and your partner have the same goals and metrics in mind. Discuss the reporting process. What do the reports look like and how often will you receive them? Does the timing and content give you what you need for your management reports? Think about how the insights you get from the reports will enable you and your partner to take action on your metrics.

### **Align on Goals & Reporting**

Discuss the reporting process with your partner. What can you expect from them? What do the reports look like and how often will you receive them? Does the timing and the content give you what you need to report to your superiors? Think about how you can take the information you get and make it actionable with your team where possible.

### **Create a Project Plan and Checklist**

You’ve invested valuable time, effort and resources in this partnership, so take a calculated approach to executing it. Create a project plan and checklist that will help keep everyone focused. If all parties involved are working from the same list, it will create a cohesive and aligned environment. Here’s an example of a checklist you can start with. Use it as is or change it to better reflect your business. Either way, make certain you have a checklist that keeps all parties focused on the same goals and deliverables.



## Outsourcing Implementation Checklist

-  Map out and share your goals, including SLAs
-  Ensure your stakeholders are onboard
-  Hold quarterly business reviews (QBR) to share details of partnership with your company
-  Identify or create product and solutions collateral and make all training materials available so the partner can assess the information and secure answers to pending questions
-  Outline detailed reporting processes and decide how they fit into your existing processes
-  Share breakdown of responsibilities internally so everyone understands how the partnership affects their roles and responsibilities
-  Hold kickoff meeting (either in person or virtually depending on partner team locations) for teams to “meet” and begin to build a rapport
-  Hold regular check-ins either departmentally or company-wide to gauge how everyone is doing and if there are any questions/areas that need to be addressed
-  **ALWAYS** maintain open lines of communication, making everyone feel safe sharing concerns, questions, failures and successes, allowing you to tweak the program if necessary

Outsourcing your inside sales is a major decision. You are bringing someone into your inner circle, meshing them with your existing team, and expecting them to passionately and successfully sell your product or service.

We get it. And we've seen how the right partner and the right preparation can help you achieve your short and long term revenue goals with an outsourced sales model.



## Resources:

In addition to all of the information we have provided here, there are also some resources that may help in your decision. Check these out and contact us if you'd like to chat further.

- Case Study: Televerde Enriches Client's Database, Accelerates Its Pipeline, Generates \$334k in Net New Revenue
- Case Study: Outsourced Pilot Program Results in Increased Revenue Stream and Sales Opportunities
- Webinar: A Clearer View of Marketing & Sales Pipeline Management

At Televerde, we are fortunate to have a team of industry experts, ready to help drive your sales and marketing efforts even further and are always open to serving as a resource in your journey regarding outsourced sales.

Learn more about Televerde today and how we can help.  
Ring us at **888-787-2829** or visit **televerde.com**.

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