Hiring, training, and managing
BUSINESS DEVELOPMENT REPRESENTATIVES:
a data-driven approach

In 2018, The Predictive Index conducted a validity study of 125 of BAO's business development reps to understand the behavioral factors that are present in more successful business development professionals.

BAO **PI.** THE PREDICTIVE INDEX

As some CEOs put it, there are only two types of roles at a company: sales roles and sales support roles.

Indeed, revenue is the lifeblood of companies, and that revenue is generated through sales. For B2B organizations, the sales process generally begins with "business development," which functions as the company's front line, interacting with prospects and customers alike.

The Predictive Index (PI) and BAO Inc. teamed up to analyze the world of business development— by the numbers.

What The Predictive Index and BAO do.

Some context on our two companies helps here. PI has spent decades refining algorithms to generate powerful, easy-to-consume insights from behavioral and cognitive assessments. These assessments were designed specifically to evaluate workplace behavior, and 27 million people have gone through PI's behavioral assessment. BAO is the de facto partner for sales and marketing teams in the high-tech industry, developing powerful, profitable go-to-market strategies. BAO specializes in performance-based appointment setting, account intelligence, and lead generation services.

The marriage of PI's psychographic data and BAO's maniacal focus on sales metrics allowed us to uncover insights and trends in business development.

The findings of this report come from a number of sources:

- 127 validity studies that PI has conducted with different sales organizations. PI's validity studies aim to uncover statistically valid correlations between certain behavioral traits and performance.
- An extensive validity study PI conducted on BAO's sales team of 125 business development reps.
- BAO's extensive data set of sales metrics. BAO tracks everything associated with the outbound lead generation efforts they execute on behalf of clients. Examples include: number of calls to secure one meeting, talk time, and dials required to connect with contacts by state, industry, and role.
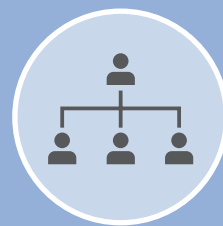- BAO's recent survey of 100+ inside sales leaders at high-tech companies.

We've broken our findings into three distinct groups:

Hiring business development reps, by the numbers.	**Onboarding/training business development reps, by the numbers.**	**Managing business development reps, by the numbers.**

Hiring business development reps, by the numbers:

The Predictive Index has done validity studies with more than 350 companies around the world. The PI science team conducts these validity studies by taking PI's behavioral and cognitive assessment data about a company's employees and using advanced statistical analysis to look for correlations between that employee data and the company's employee performance data.

It's important to note that PI's behavioral assessments measure four behavioral factors in people:

A **The A Factor: DOMINANCE**
The drive to have control over or make an impact on one's environment.

B **The B Factor: EXTROVERSION**
The drive for social interaction with other people.

C **The C Factor: PATIENCE**
The drive for consistency and stability.

D **The D Factor: FORMALITY**
The drive to conform to rules and structure.

PI is an "ipsative" behavioral assessment—meaning that people's behavioral drives are all relative to one another. Everyone will have some drives that are high and some that are low. Their "behavioral patterns" always balance out to the mid-point.

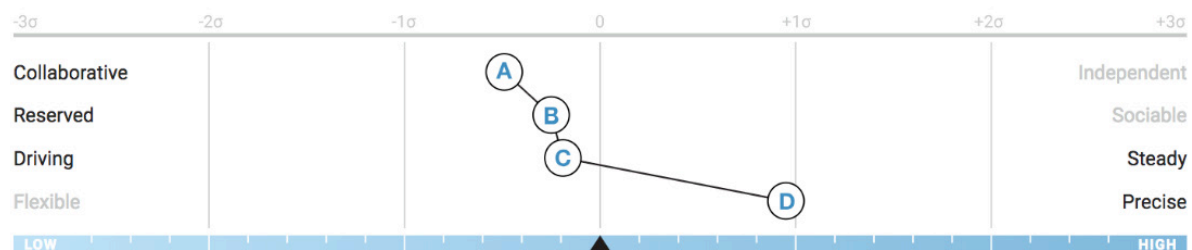**Here are a few examples of what behavioral patterns look like:**

BEHAVIORAL PATTERN #1
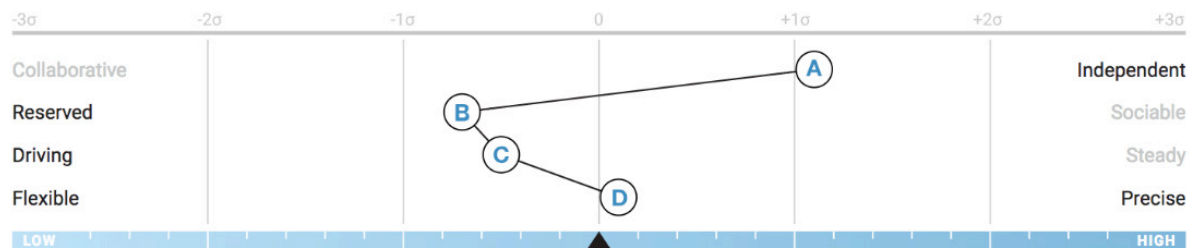
BEHAVIORAL PATTERN #2
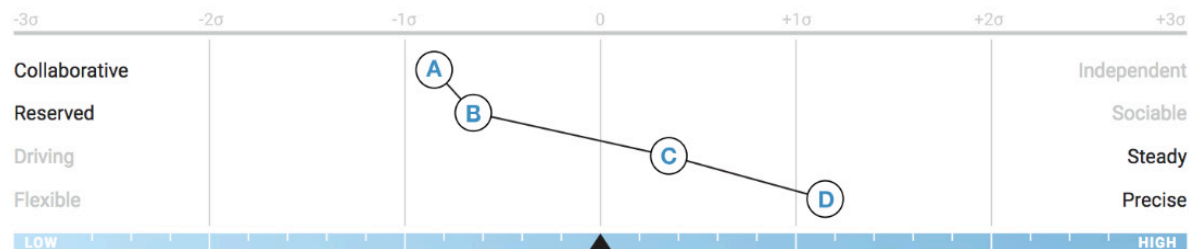
BEHAVIORAL PATTERN #3

As you can see, everyone has drives that are high and drives that are low. It's also critical to note that having low drives can be just as positive as having high drives. For example, people with a low C Factor (Patience) are usually hard-charging and eager for variety—a great trait for certain roles. When it comes to behavioral patterns, it's all about understanding what pattern the job requires and finding people with those patterns.

In 2018, PI conducted a validity study of 125 of BAO's business development reps to understand the behavioral factors that are present in more successful business development professionals.

BAO, a heavily metrics-focused organization, was able to provide data on:
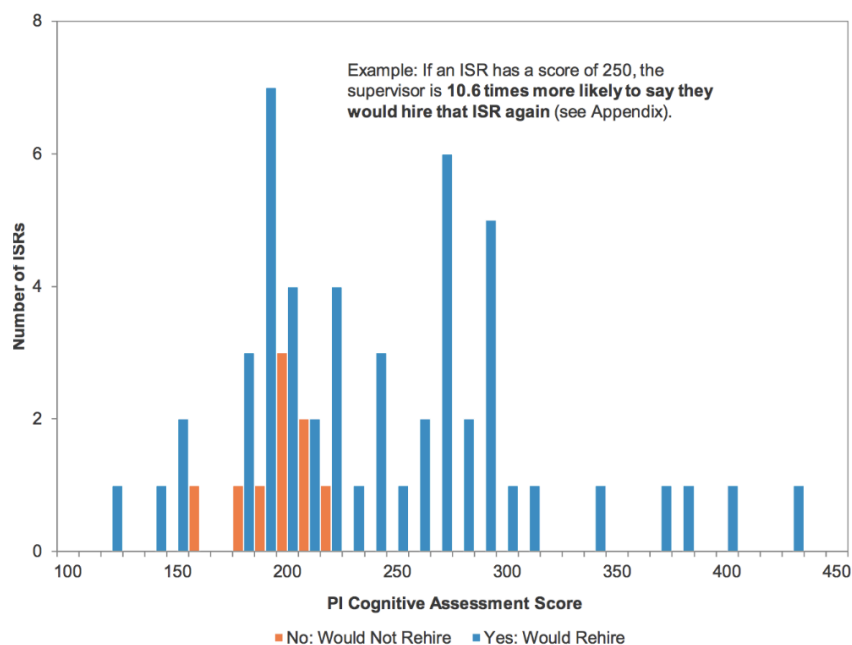
1 Attainment of average percent to goal.

2 Supervisor ratings for "good corporate citizen".

3 Supervisor ratings for "follows established process".

4 Supervisor ratings for "takes appropriate risks".

5 Whether or not supervisor would rehire employees.

High cognitive scores had an extremely high correlation with the likelihood of managers saying they'd rehire an employee.

We asked the entire BAO business development team to go through PI's 12-minute cognitive assessment. This assessment measures someone's general cognitive ability— their ability to quickly absorb new information. Scores from these assessments fall on a scale from 100-450. At BAO, the average ISR score was 235.

We compared individuals' scores with managers' ratings on whether or not they would rehire those people again. And the results couldn't be more clear. In fact, managers said they'd rehire every single sales rep with a score of 230 or above. But when making that evaluation on sales reps with scores lower than 230, it's a mixed bag.

Example: If an ISR has a score of 250, the supervisor is **10.6 times more likely to say they would hire that ISR again** (see Appendix).
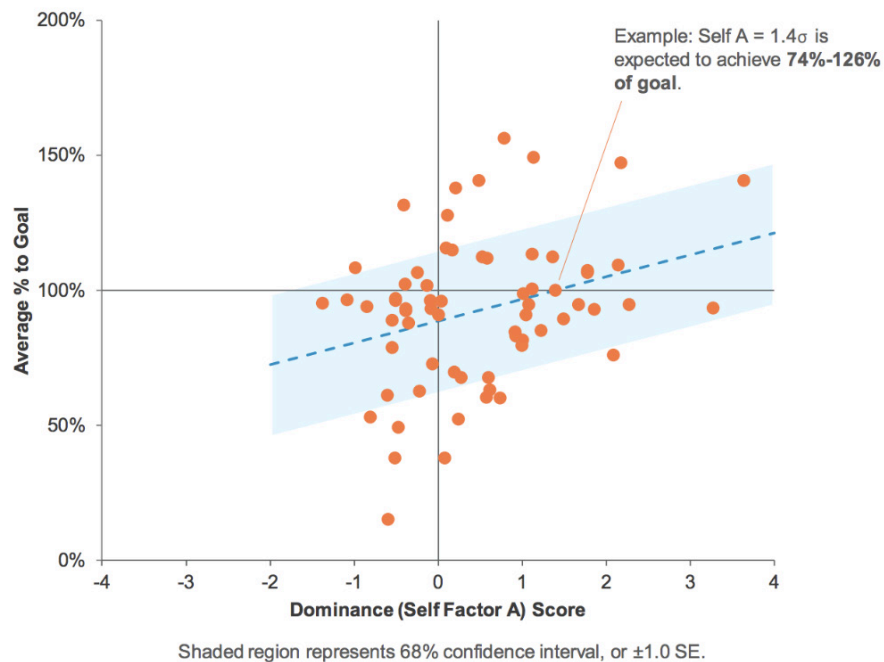
Many studies have shown that high cognitive abilities are the biggest predictor of job success. These findings would indicate that this clearly holds true for inside sales roles.

High dominance is correlated with high quota attainment.

This is what the regression analysis looks like:

Example: Self A = 1.4σ is expected to achieve **74%-126% of goal**.

Shaded region represents 68% confidence interval, or ±1.0 SE.

This is the simple way of describing the data: The Dominance scores explain 9.4 percent of the variance in percent to goal between the BAO ISRs. The bottom line is that high Dominance has a statistically relevant correlation with quota achievement. PI has seen this correlation frequently at other companies too (more on that in a bit).

Lower Formality is also correlated with higher goal attainment.

Remember, Formality in this context is the need for rules and structure (not the need to wear a suit to work). We found that those with lower formality had high quota attainment on average.

What PI has seen in other validity studies:

Over the years, PI has done validity studies with 127 different sales organizations. Among the key lessons learned from those studies is that each sales organization is unique. There's not a single behavioral pattern that works for every sales organization, but we are happy to share the trends we see in aggregate.

Of the 127 studies, 125 of them had findings that demonstrated a significant, impactful relationship between the PI Behavioral Assessment Factors and client-defined performance measures.

In PI's 127 validity studies, 299 sales performance metrics related to quotas and overall sales performance have been analyzed. The correlations found between these sales metrics and the PI Behavioral Assessment Factors are as follows:

PI Behavioral Factor	Positive correlations	Negative correlations
Dominance	58	20
Extroversion	28	23
Patience	15	40
Formality	17	24

To help unpack this for the uninitiated, if we look at the Patience Factor, we've seen 15 examples of a statistically relevant positive correlation between Patience and sales performance, and we've seen 40 examples of a statistically relevant negative correlation between Patience and sales performance. Said another way, it's more common for low patience employees to see better sales performance.

From our many validity studies findings, we can draw two conclusions:
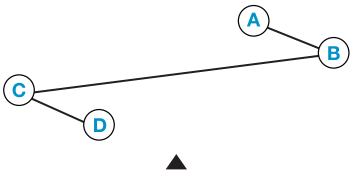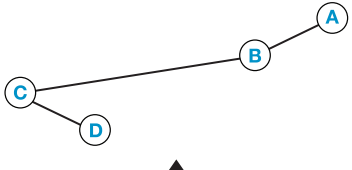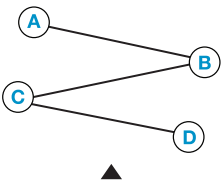
1

In the majority of sales positions, individuals with higher levels of Dominance and lower levels of Patience and Formality are more likely to have better sales performance. It's also worth noting that people with these Factor combinations are also less likely to have extended tenures, according to PI's analysis.

2

While it is evident that some Factors (B in particular) correlate with performance, the mixture of positive and negative correlations demonstrates that the need for a high or low Factor often depends on the specific company. This is most likely due to the fact that every company has its own goals, culture, work environment, etc.

PI has found sufficient correlations in 108 of its validity studies to recommend a behavioral pattern. The most frequently recommended patterns for sales roles are shown below.

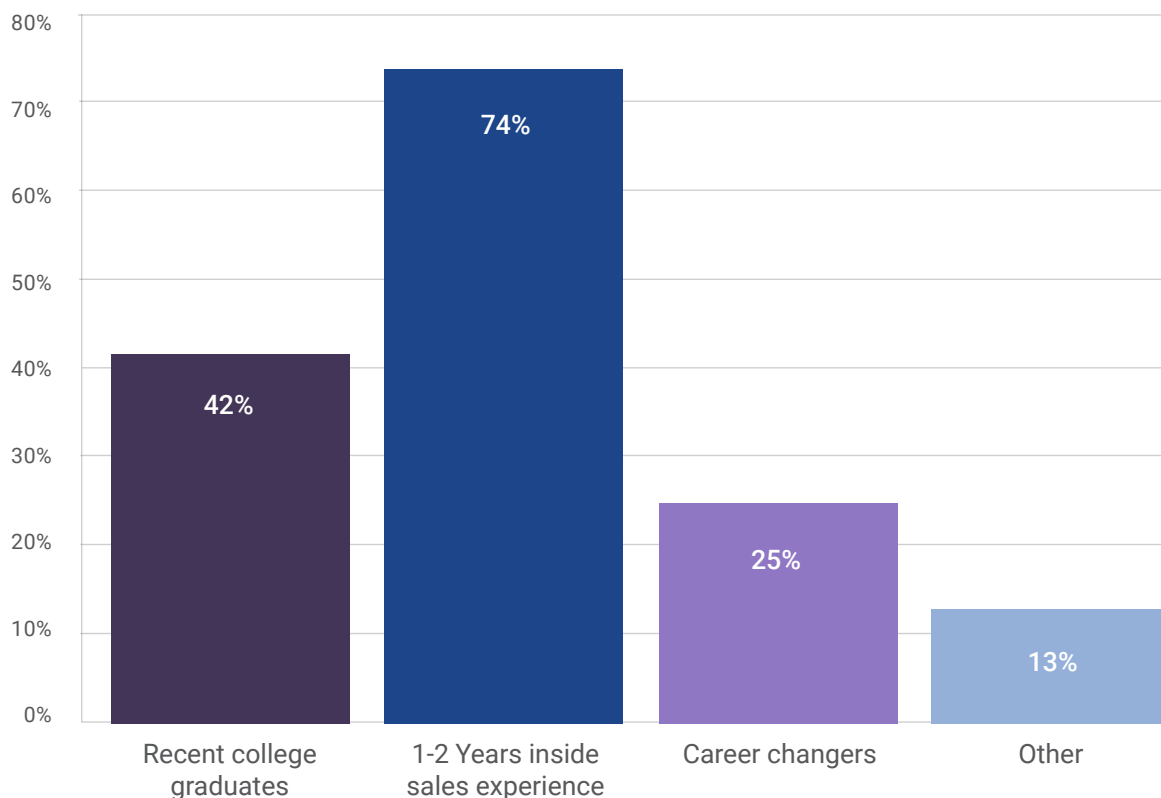| Reference Profiles most commonly recommended for sales roles	
	This is what The Predictive Index refers to as a **"Persuader"** Reference Profile. Forty-four percent of validity studies on sales teams point to this being the most desirable behavioral profile.
	This is what The Predictive Index refers to as a **"Captain"** Reference Profile. Twenty-one percent of validity studies on sales teams point to this being the most desirable behavioral profile.
	This is what The Predictive Index refers to as a **"Altruist"** Reference Profile. 19% of validity studies on sales teams point to this being the most desirable behavioral profile.

One last note:

It's important to bear in mind that these more generalized findings from the validity studies PI has conducted are not specific to BDRs or inside sales roles.

Onboarding / training business development reps, by the numbers:

BAO recently conducted a market research study of more than 100 business development leaders at high-tech companies to better understand the function's role within companies and the processes these organizations have in place. BAO interviewed these leaders via telephone to assess onboarding, primary responsibilities, and team structure.

Business development is a common entry point at many companies and it often serves as a launching pad for careers. It's a role that lays the groundwork for future sales experiences, and as such, we asked business development leaders about the sort of individuals they are hiring.

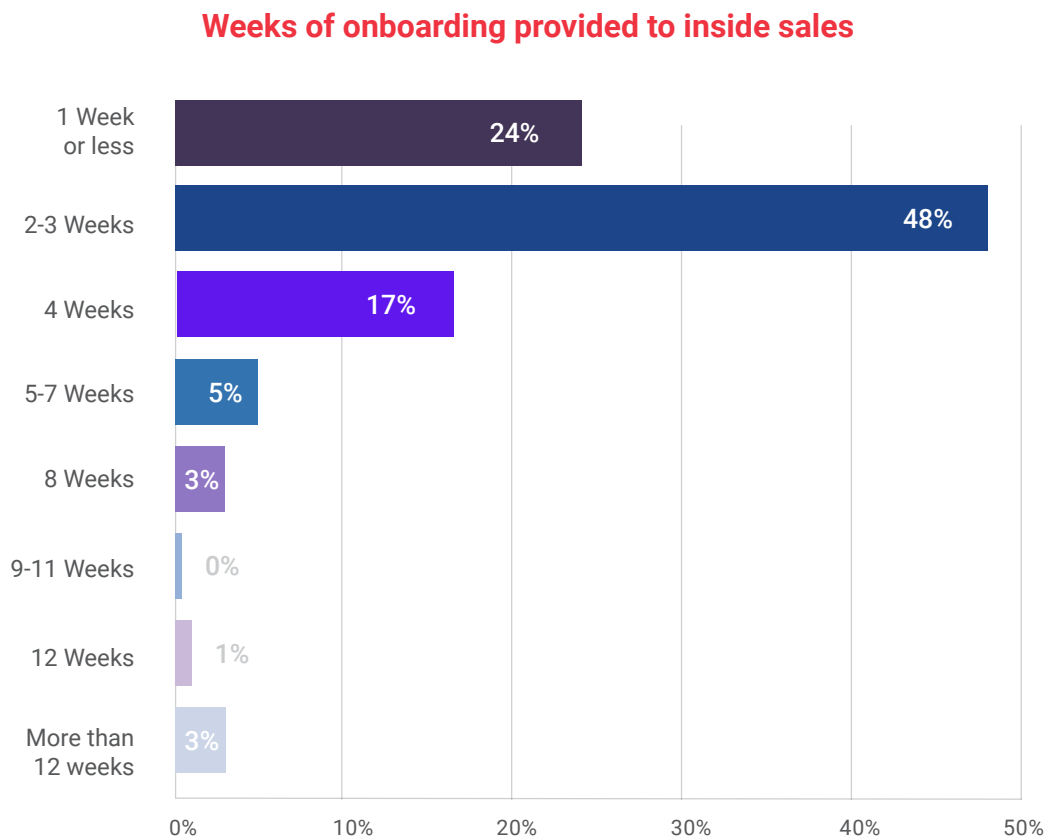## Hiring profiles: the types of candidates inside sales hires

Category	Percentage
Recent college graduates	42%
1-2 Years inside sales experience	74%
Career changers	25%
Other	13%

Hiring

The overwhelming majority of business development leaders indicate that they hire BDRs with one to two years of inside sales experience (74 percent). Another 41 percent hire recent college graduates, and 25 percent of sales leaders report that they hire candidates that fit a career-changer profile.

In all scenarios, business development leadership is hiring people with minimal sales experience, which underscores the importance of training and onboarding.

Weeks of onboarding provided to business development

Considering that most business development hiring skews toward junior individuals, we were curious how much time organizations are dedicating to onboarding.

Weeks of onboarding provided to inside sales

Category	Percentage
1 Week or less	24%
2-3 Weeks	48%
4 Weeks	17%
5-7 Weeks	5%
8 Weeks	3%
9-11 Weeks	0%
12 Weeks	1%
More than 12 weeks	3%

Most organizations dedicate three weeks or less to training and onboarding before new reps hit the phones. Forty-eight percent of respondents indicated that their organization offers 2-3 weeks of training, while a 24 percent offer one week or less. Seventeen percent offer four weeks, and 12 percent offer five or more weeks of training and onboarding.

While training and onboarding skews toward periods of three weeks or less, the data shows that making early investments drives results.

Median average quota attainment

Training Period	Median average quota attainment
1 Week	55
2-3 Weeks	55
4+ Weeks	65
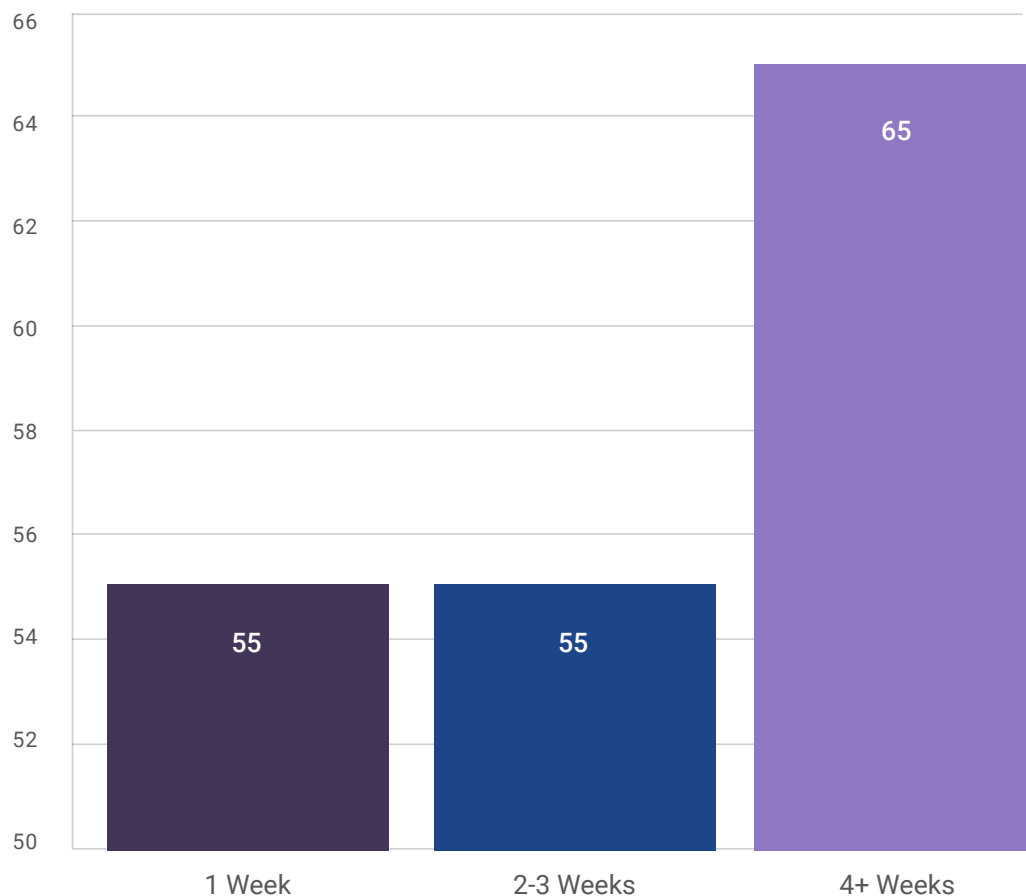
Training topics and technique:

Bringing new business development reps up to speed on best practices is crucial to team success and employee retention. When asking business development leaders the sort of training and onboarding resources their organization provides to new hires, 80 percent of leaders reported offering training on the sales process and core tools like CRM. Seventy-eight percent provide training on specific solutions and products.

Training topics & techniques utilized for inside sales
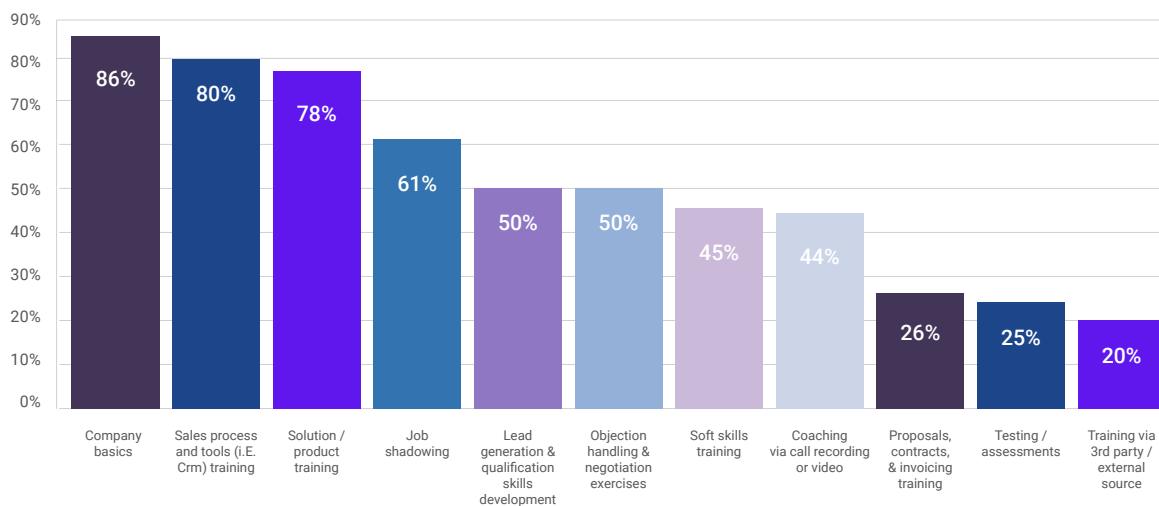
Sixty-one percent of leaders report that their company provides job shadowing, while half of companies take it a step further, providing specific training on objection handling and negotiation.

Fifty percent provide lead generation and qualification skills development, and 44 percent provide coaching through call recording technology or videos.

Career path opportunities offered to business development

As business development often serves as the starting point of an individual's career, defining a career path is one way to enable new hires' growth and development.

More than half (57 percent) of respondents report that their company has a loosely-defined, flexible career path outlined for business development. Seven percent provide a career path within inside sales, while an additional 5 percent offer a path to outside sales. Twenty-nine percent don't offer a career path strategy.

Career path opportunities offered to inside sales
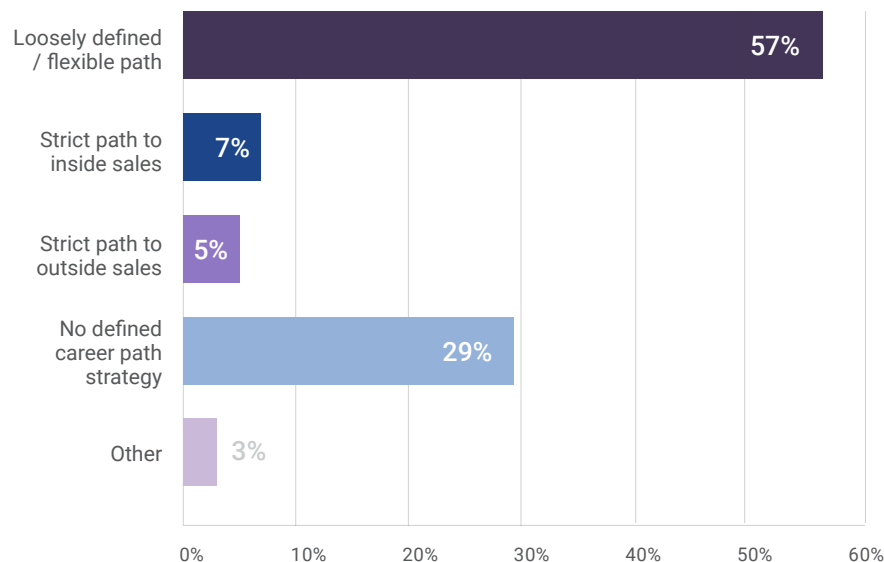
82 percent of respondents from the most successful inside teams (those where 70-100 percent of inside team attaining their quota) offer a career path option, whether it be loosely defined or more rigid in its structure.

For organizations that offer some kind of career path opportunity to their BDRs, the median quota attainment range is 61-70%. Among organizations that do not offer a career path strategy, the median quota attainment is 51-60%.

The metrics of managing a business/sales development team:

At its core, sales is a game of numbers. From activity levels to connect rates to conversion figures, to be successful in sales, leaders must be comfortable managing through metrics.

Compensation

Money is often the best motivator. An effective BDR compensation plan will drive the activities that align both an individual BDR's quota attainment and the achievement of organizational goals.

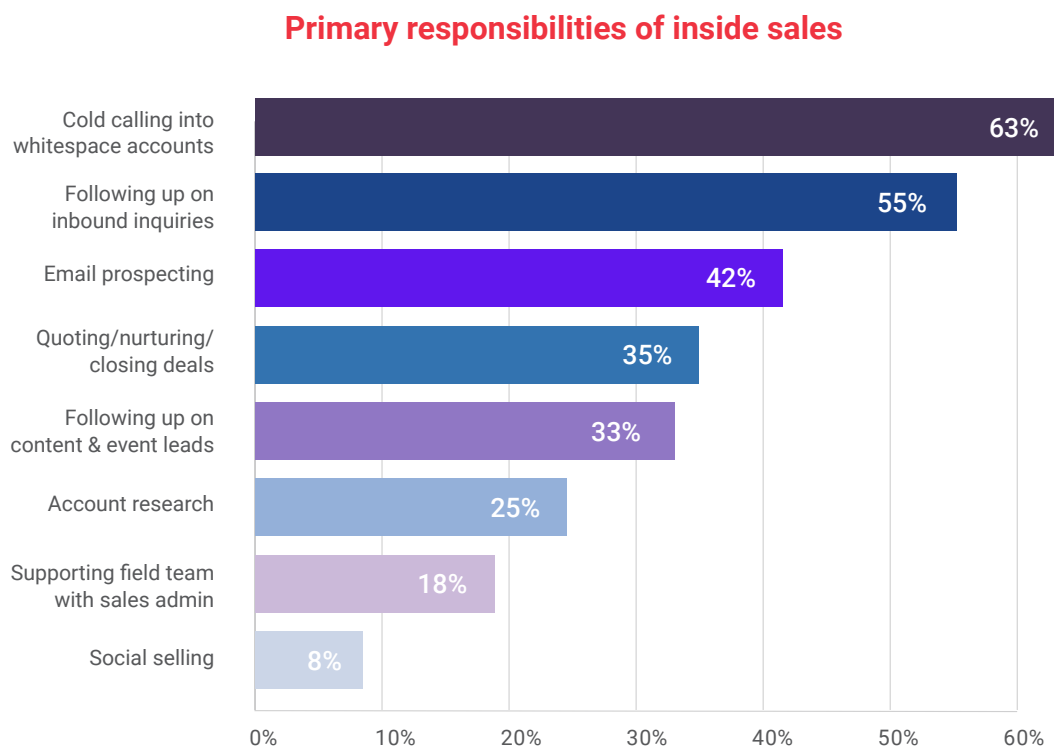**Compensation for inside sales**
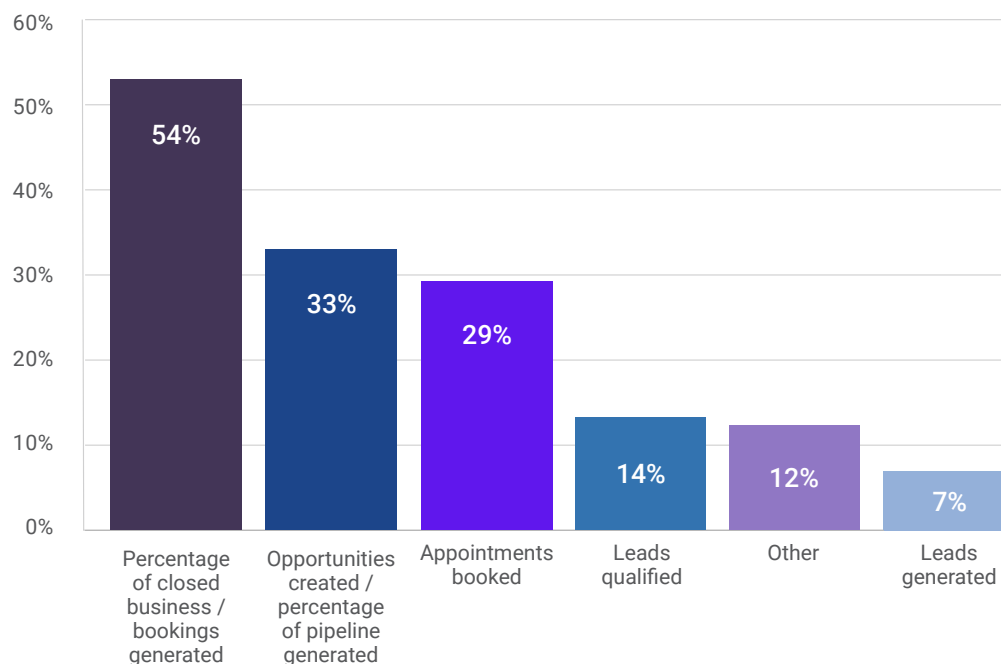
According to 54 percent of respondents, BDRs are compensated based on the percentage of closed business they generate. Alternatively, one-third (33 percent) of reps are compensated based on opportunities created or percentage of pipeline generated. Another 29 percent report their BDRs are compensated solely based on appointments booked.

Primary responsibilities

Among the most fundamental choices an organization will make is deciding on the business/sales development rep's primary responsibilities. Clearly defining the role ensures that the team's activities align with the behaviors that drive the attainment of the organization's overall goals and objectives.

Primary responsibilities of inside sales

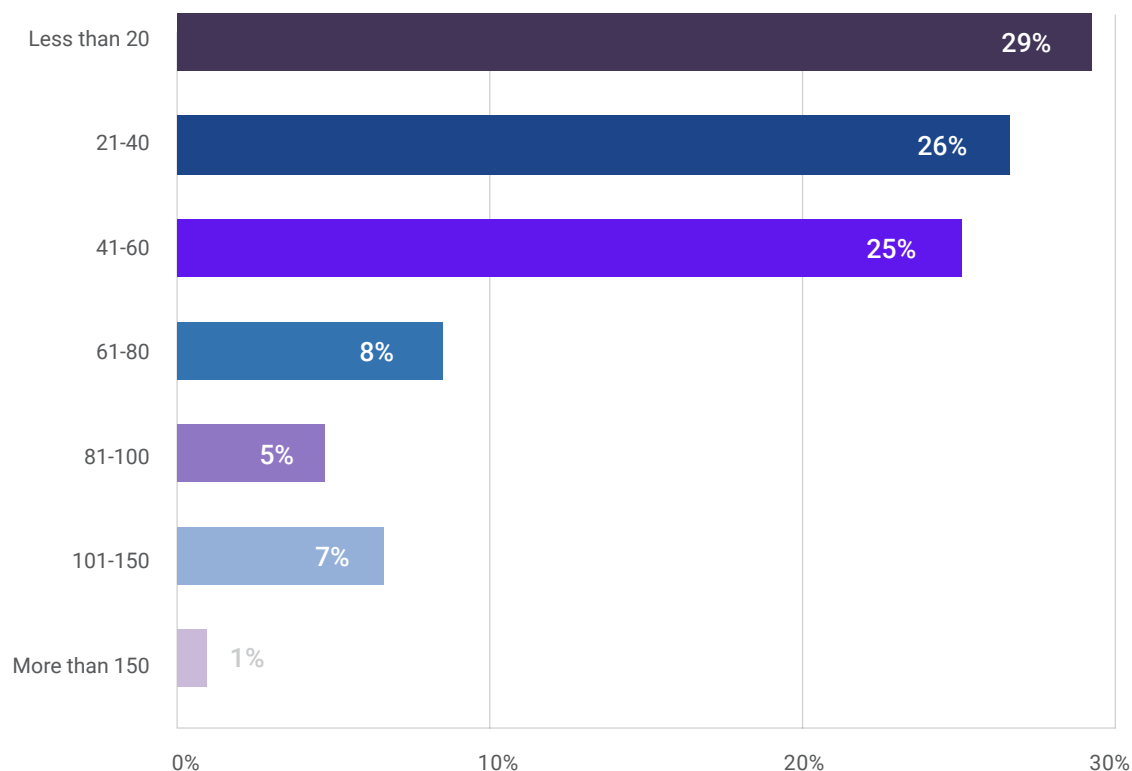| Category	Percentage
Cold calling into whitespace accounts	63%
Following up on inbound inquiries	55%
Email prospecting	42%
Quoting/nurturing/closing deals	35%
Following up on content & event leads	33%
Account research	25%
Supporting field team with sales admin	18%
Social selling	8%

We asked business/sales development leaders to define their team's primary responsibilities. Sixty-three percent of respondents indicated that cold calling into white space accounts is a primary responsibility, the most common answer.

In addition, 55 percent of leaders report that following up on inbound inquiries is a priority for their teams. Following up on leads from content and events also checks in as key responsibility for 33 percent of teams. Forty-two percent of respondents state that email prospecting is one of the top priorities, and quoting, nurturing, and closing deals checks in as a primary duty for 35 percent of BDR & SDR teams.

Average phone calls per day

With cold calling checking in as the most common primary responsibility for BDR/SDR teams, it begs the question, how often do BDRs/SDRs at high-tech companies dial the phone?

Average number of phone calls inside sales makes in a day

Calls per day	Percentage
Less than 20	29%
21-40	26%
41-60	25%
61-80	8%
81-100	5%
101-150	7%
More than 150	1%

Shockingly, 55 percent of leaders report that their BDRs/SDRs make fewer than 40 calls a day. Twenty-five percent of teams make 41-60 calls a day on average. Thirteen percent of teams are making 61-100 calls a day, and only 8 percent of reps are reportedly making more than 100 calls per day.

This is shocking because on average, it takes 115 dials to secure one single meeting. This is according to BAO benchmark metrics from 2017. As the appointment setting leaders, with over 20 years experience, (BAO is an acronym for "By Appointment Only"), the ability to track and measure every piece of the appointment setting process is hard-wired throughout the organization. BAO continuously analyzes and benchmarks the time and energy it takes to set meetings with key decision-makers. In 2017, for example, it took an average of 27 dials to connect with a single prospect and deliver a pitch (a pitch consists of presenting a value proposition associated with a solution in an effort to secure a future appointment to discuss further).

Average number of outbound dials to secure one meeting:

115

Average number of outbound dials to deliver one pitch:

27

Calling metrics and quota attainment

The average number of calls an inside sales rep makes in a single day has a major effect on quota attainment:

Among respondents who indicate that their reps make fewer than 40 calls a day, the median quota attainment is somewhere between 51-60 percent.

For reps calling more than 40 times per day, the median quota attainment significantly increases to 70-100 percent.

People are often surprised to hear what it actually takes to secure one appointment. Cold calling is one of the most difficult tasks placed upon BDR & SDR teams. For those leading BDR/SDR teams, knowing ahead of time what it takes to succeed goes a long way.

Calling metrics by line of business

Prospects in some functional areas are harder to call into than others. To help paint the full picture, below are some metrics for average dials to deliver one pitch and secure one meeting across lines of business that business development commonly calls into:

Functional area	Average dials per pitch	Average dials per meeting
Marketing	30	201
HR	24	192
IT	28	147
Finance	18	130
Operations	20	104

Calling metrics by industry

Just as some functional areas are easier to target than others, cold calling into all industries is not equal. Below are metrics for average number of calls it takes to deliver one pitch and secure one appointment across common industries.

Industry	Average dials per pitch	Average dials per meeting
Retail	32	217
Pharmaceuticals	35	199
Manufacturing	29	183
Insurance	30	144
Financial services	26	118
Transportation/ utilities	27	114
Services	26	111

It's not just who you're calling. Where you're calling into also matters very much. Below are 2017 metrics for some of the most difficult and easiest states to cold call into.

MOST DIFFICULT

State	Average dials per pitch	Average dials per meeting
Massachusetts	32	161
Pennsylvania	30	144
California	32	141
Illinois	29	137
New Jersey	30	125
Texas	27	118

EASIEST

State	Average dials per pitch	Average dials per meeting
Hawaii	24	57
New Mexico	26	65
Arkansas	18	67
Louisiana	19	67
Virginia	22	75
Maryland	23	82

Conclusion

For B2B companies, revenue is king and that revenue is generated through sales. By taking a metrics-driven approach to hiring, onboarding, and managing business development reps, leaders gain an increasingly nuanced and powerful view of the organization's revenue-generating engine.

Key takeaways

Hiring: When hiring for most positions, evaluating for behavioral drives and cognitive ability will increase the odds of more sales success. Two of the most common indicators of sales success are high cognitive ability and high Dominance. But key behavioral drives vary from one company to another.

Onboarding: While typical onboarding skews toward periods of three weeks or less for most BDR teams, investing in a solid onboarding program drives results. Of the business development leaders who said that 70-100 percent of their direct reports attain quota, 32 percent offer four weeks or more of training.

Managing: Metrics provide valuable depth and insights around managing BDRs. Sixty-three percent of business development leaders indicated that cold calling into white space accounts is a primary responsibility for their teams, but 55 percent of teams are making fewer than 40 phone call a day.