

The state of sales development for technology firms in Europe

How European technology firms view challenges and
opportunities and plan to accelerate expansion

Introduction

Sales Development has always been tough for technology firms. Companies invest to onboard new staff that will help them to crack new markets and deepen relationships with customers and prospects but are all too often disappointed with the return they see.



John Moran

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In this report we shine a light on Sales Development in Europe, based on unique research from surveying 101 respondents in IT firms across the region.

We found that companies currently struggle for key reasons:

- **Hiring is tough (and retention too)**
- **Staff require training and often don't know enough about the local market or the core technology area they are selling**
- **Technology systems are often suboptimal**

We also report back on how they are set up and how they are using outsourcing to help them improve.

We hope you can use the results as a benchmark to compare against your own experiences and thoughts.

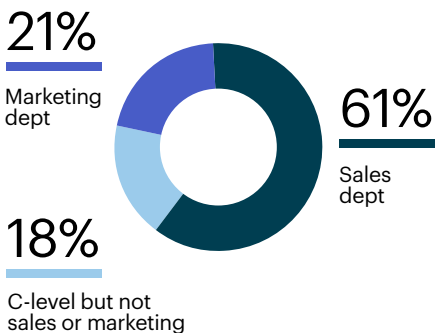
— John Moran

Chapter 1

What's happening in sales development today

Sales Development decision-makers don't necessarily work in sales

To whom does the Sales Development function report?

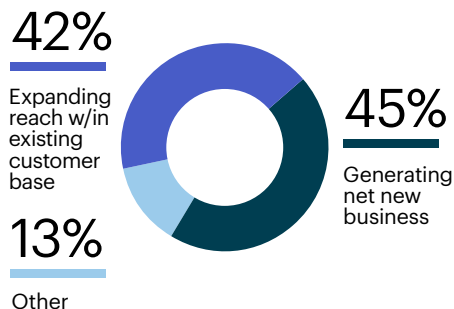


Who leads in Sales Development decision-making? You might assume the answer would be the sales department of course, but marketing plays a huge role today and this aspect of business is critical so company leaders also get involved.

So, while about six in ten reporting lines lead to sales, the remainder are almost evenly split between Marketing and C-suite executives. And, as marketing technology, account-based marketing (ABM) and account-based selling (ABS) continue to grow, we can logically expect even more blurring of the lines and to see Sales and Marketing working in lockstep.

Tech companies want new business but also more wallet share

What percentage of Sales Development resource is focused on the following areas?



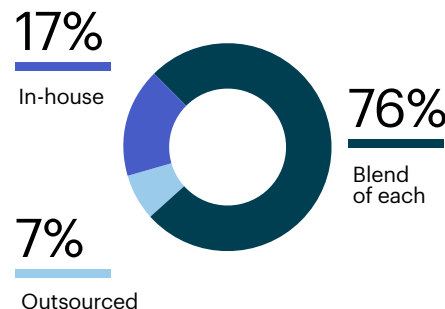
Companies running Sales Development programmes are mostly seeking two gains with equal levels of focus. These are winning net-new business and building greater 'wallet share' among current customers.

Focus will inevitably depend on the status of the technology company. Smaller companies often chase "new logos" while larger companies will do everything possible to keep big customers onside and to upsell and cross-sell.

Ultimately, growth is the goal and Sales Development exists to feed that hunger.

European Business Development can be both in-house and outsourced

How is your Sales Development function currently resourced?



Sales Development is very much a hybrid activity, especially in Europe where more than three-quarters of respondents said they use a blend of in-house and outsourced activity.

This shows high levels of acceptance and outsourcing in any sphere is often a good fit for areas of activity where there are high levels of complexity or frustration, requiring specialist input or another point of view.

Key take-away

Firms seek a combination of new business growth and expanded wallet share of existing customers from Sales Development but may also seek their help to bolster core Sales operations.

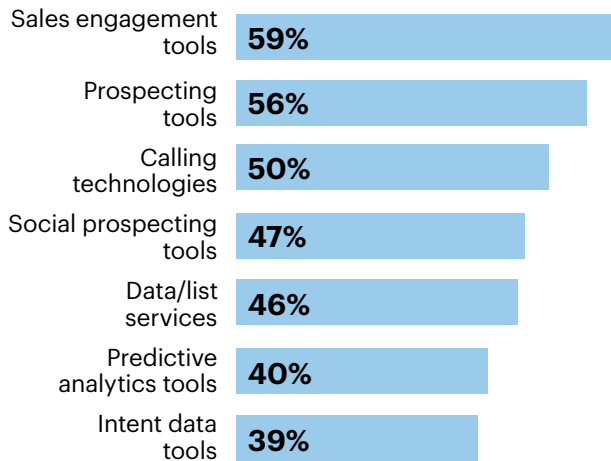
Chapter 2

Tools and challenges

As a generation born into social media and the internet grows up, they may well want to be sold and marketed to in very different ways

Firms use tools old and new

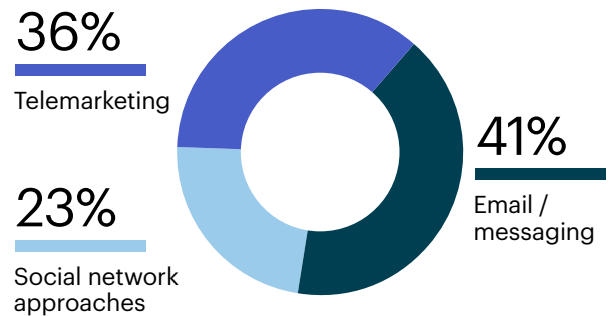
What technologies do you use to support your Sales Development function?
(Select as many as apply)



Sales tools have evolved from basic databases and spreadsheets used to record calls and visits to modern cloud CRM systems and an emerging new age of customer intent signalling and AI.

But cutting-edge technologies are only starting to approach the mainstream and traditional tools remain popular in Europe. Sales engagement tools such as CRM and prospecting tools remain at the heart of sales operations but calling technologies and tapping the power of social and predictive analytics are increasing in popularity.

Express as a percentage the focus you place on the following outreach approaches



As a generation born into social media and the internet grows up, they may well want to be sold and marketed to in very different and smarter ways to tap social networks and parse intent data will lead to a very different world. But for now, we are sitting somewhere between the old world and the new.

Key take-away

Success is measured in various ways depending on role, geography, size of company and other factors so all desired outcomes need to be catered for and made visible.

Time, money and expertise are all challenges

More than six in ten say they struggle with cost management but almost the same proportion cite the speed of change in the modern world, notably changing requirements on teams

The challenges of running a Sales Development team feature the familiar concerns of time and money but also expertise.

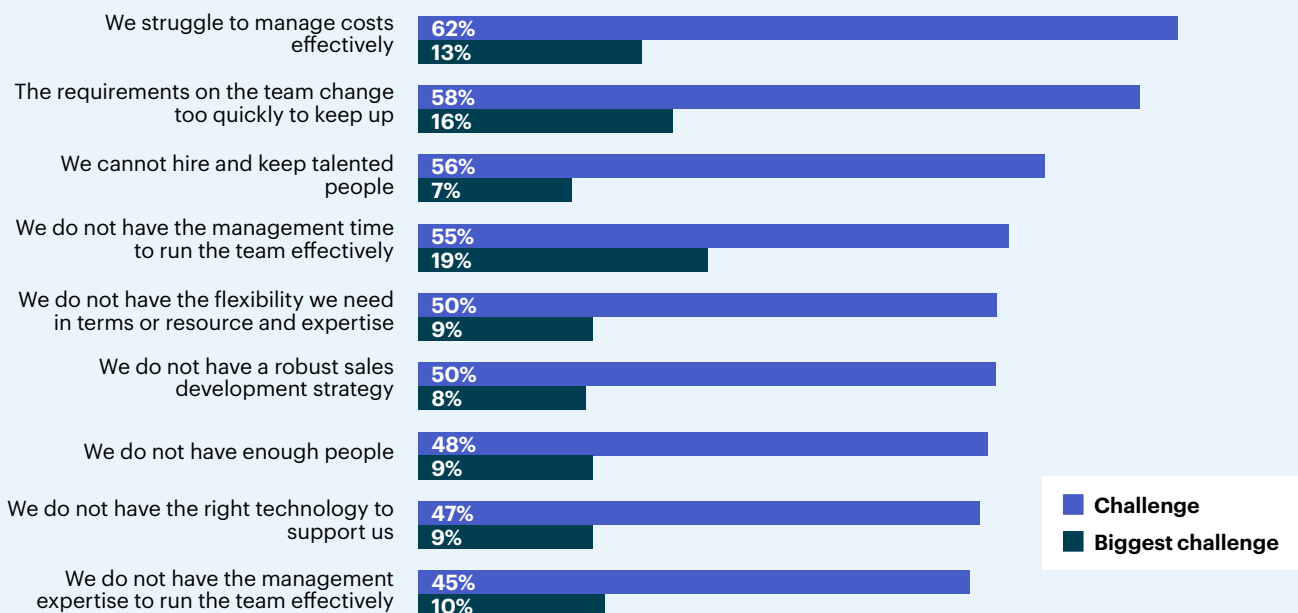
More than six in ten say they struggle with cost management but almost the same proportion cite the speed of change in the modern world, notably changing requirements on teams.

Also, Europeans are disproportionately more likely to say that hiring and keeping people

and finding management time and expertise are chores. But just having enough people is also a bigger issue for Europeans than peers in other countries. Europe, with its multiple languages, currencies and differing laws arguably makes it a more difficult area to trade in than, say, North America.

Lack of high-class technology infrastructure is also a frequent challenge.

What challenges does running an in-house sales development team present? (Select as many as apply.) **And which of these is the biggest challenge?** (Select as many as apply.)



Chapter 3

Outsourcing is the strategic tool for growth

Firms want leads but ABM too

Which parts of your Sales Development function do you outsource?
(Select as many as apply)

43%

Converting enquiries
to sales-accepted
leads

38%

Account Based
Marketing/ Sales
(ABM/ ABS) activity

37%

Converting marketing
qualified leads to sales
accepted leads

36%

Handling inbound
leads

33%

Contract
renewals

32%

Creating upsell
opportunities from
existing customer base

32%

Before and after
face-to-face or
virtual event support

32%

Appointment
setting

31%

Prospecting and/
or data mining

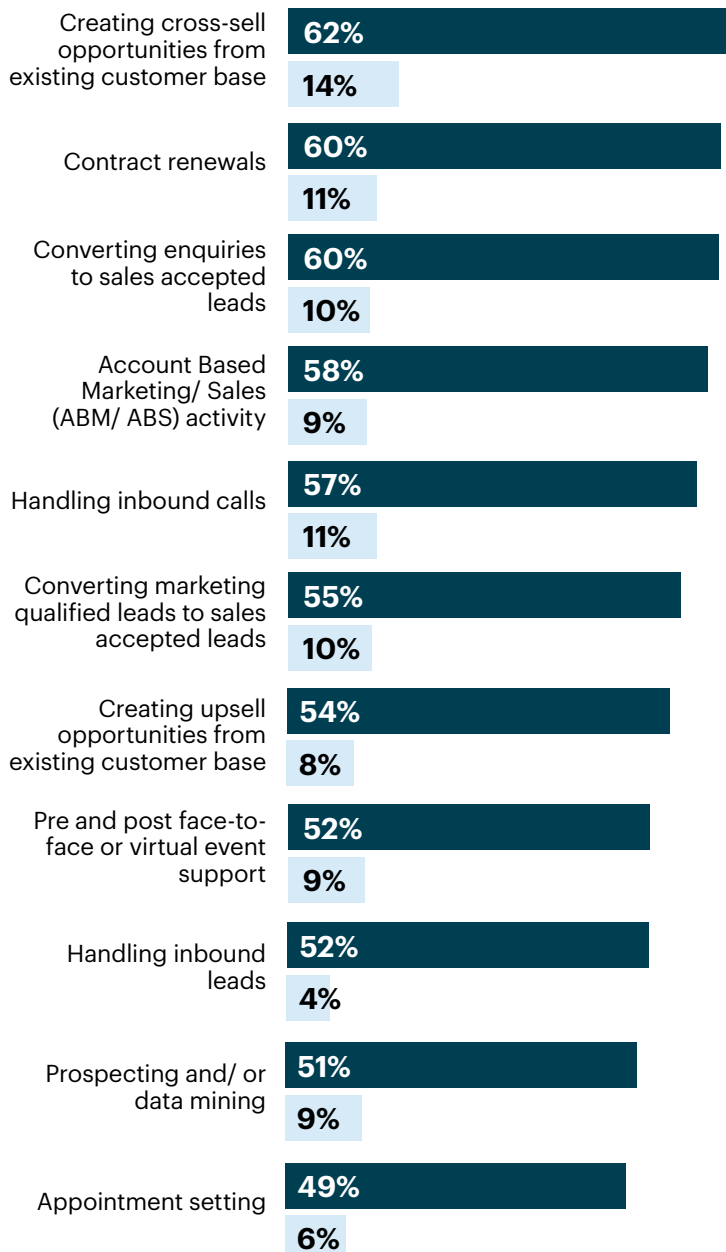
27%

Creating cross-sell
opportunities from
existing customer base

Demand for leads is the biggest spark for outsourcing

What is the current scope of work of your Sales Development function (Select as many as apply.) **And which of these will be most important in the next 12 months?** (Select one.)

■ **Current** | ■ **Most important**



Converting enquiries and marketing-qualified leads (MQLs) to SALs and creating cross-sell and upsell opportunities are all currently major outsourced activities but outsourcing isn't just about the leads.

Many respondents are also seeing value in recruiting assistance for ABM/ABS activity, requiring the conversion of a marketing qualified account to one or more sales-accepted leads. As companies develop more sophisticated approaches to selling and marketing, we can expect this to rise even further.

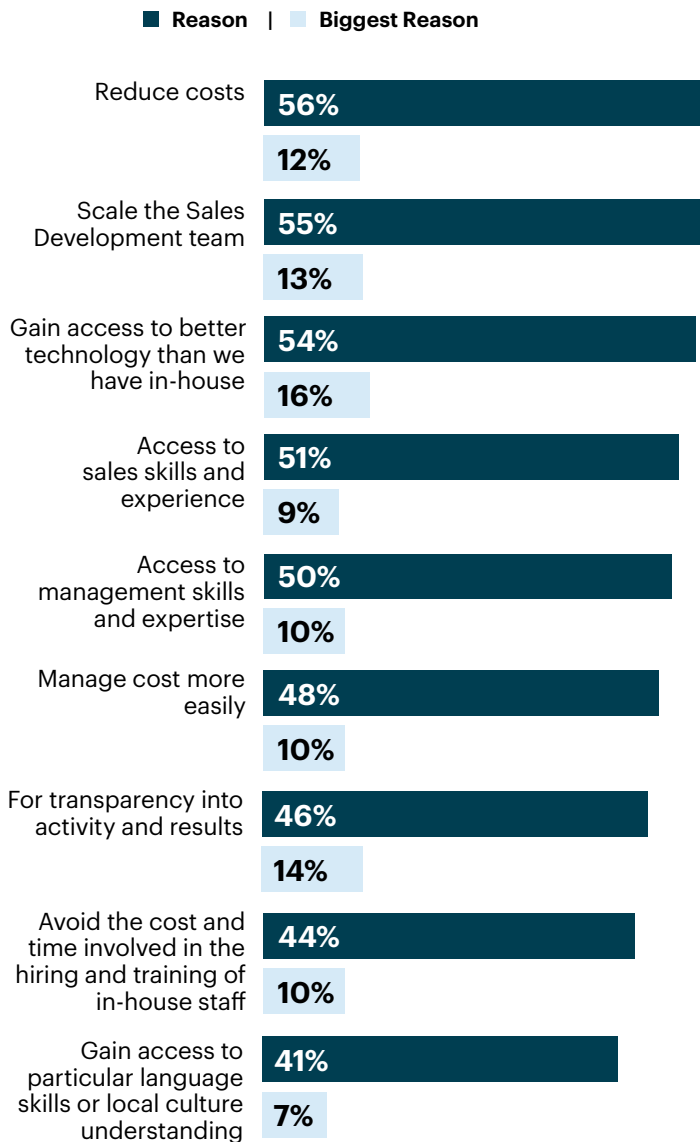
However, more traditional tasks such as contract renewals, handling inbound calls, event management and prospecting also continue to be in demand.

Key take-away

Lead conversion is critical but there are myriad activities/reasons for Sales Development outsourcing.

Savings, scalability and access to better tech lead reasons to outsource

If you are not considering Sales Development outsourcing, what are your reasons? (Select as many as apply.) And which of these is the biggest? (Select one.)



Outsourcing is a well-trodden path to realise cost savings and to scale up and, sure enough, Europeans said these were significant. But access to better technology was the single biggest reason given, indicating the challenges of gearing up systems when companies are entering new markets, perhaps renting space and don't have specialist tools. Outsourcers that specialise in Sales Development may have superior infrastructure, however.

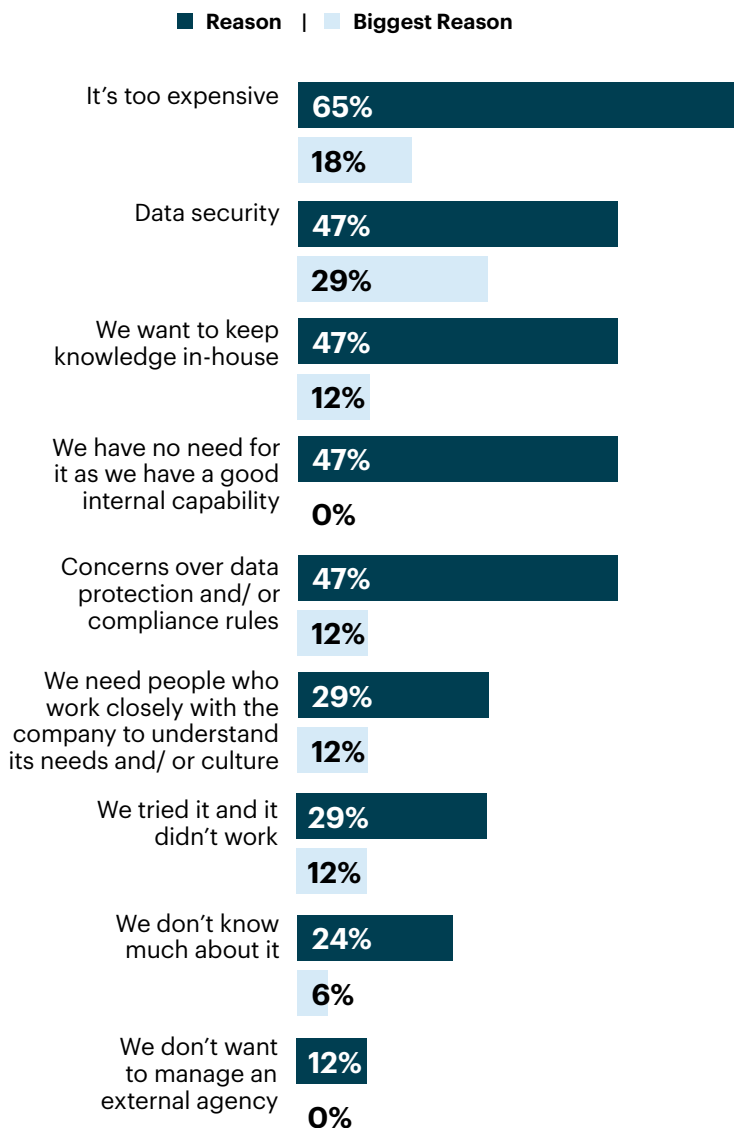
Gaining access to skills as well as local language or cultural knowledge are also key and transparency of costs, activities and results are also important to the panel. In a globalising economy, having people on the ground with linguistic skills but also an understanding of local nuances and culture is invaluable.

Key take-away

Firms see various reasons to outsource, all of them compelling and enabling them to focus on their core strengths whilst increasing the team's flexibility and maintaining high performance.

Security and governance are blockers

If you are not considering Sales Development outsourcing, what are your reasons? (Select as many as apply.) And which of these is the biggest? (Select one.)



For companies who don't want to outsource, data security and governance are big blockers in a landscape that's changing all the time and where GDPR has hit hard. However, outsourcers will very often have superior knowledge and processes here, so this attitude may change over time.

Many companies also are wary of cultural factors and want to keep skills in-house or they feel that their internal capability is good enough. But a lot also still admit to being fairly ignorant on the market.

Key take-away

The 'Not Invented Here' syndrome and a desire to bond as an organisation prevent some from leaping but they may be missing out on the potential to build seamless vendor-partner relationships and to build in assurances on data governance.

Chapter 4

Conclusion

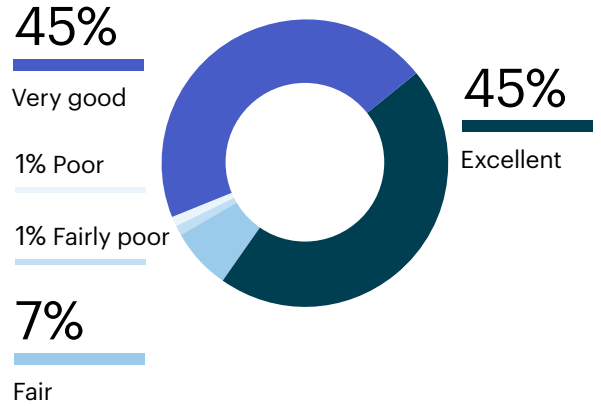
Conclusion and plans for 2021

Of those respondents that have tried Sales Development outsourcing, the experience has been significantly positive for nine in ten and poor for almost nobody in our panel. Europe was well ahead of peers on this score and this and our other findings in this report suggest that the future for Sales Development outsourcing is bright.

Going forward, however, an equal number plan to relax their outsourcing investments as those who want to grow it. This could be related to the pandemic though and it will be interesting to see numbers over the coming years in what we hope will be a more stable environment.

50% of companies with over 25,000 staff plan to increase spending but 25% of all respondents said they didn't have clear sight of plans at the time the survey was conducted

What has been your experience of outsourced Sales Development?



How do you expect Sales Development outsourcing to change for you over the next year?



Key take-away

'Business As Usual' has been massively disrupted but outsourcing makes sense at a time when challenges are many and tech firms need to regroup.

For more information

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