

12/20/2016

A toxicology lab case study on inside sales lead generation

Summary:

Through the deployment of 2 inside sales team members and an inside sales manager for a total annual compensation equivalent of one and a half field reps, the inside sales team was able to set 298 appointments for the field team to follow up on and close within the first 6 months of deployment. These appointments led to 46 active new accounts within the first 7 months of tracking which generated 17,490 new urine specimens. Taking into account assumptions on revenue per accession historical data, this volume will lead to an estimated revenue of \$2.6M during the same time period with an annual run rate at over \$6M.

Background:

As is probably typical for tenured sales teams across all industries, the reps within this organization continued to be successful in maintaining a profitable book of business throughout the years, however new client acquisition had stalled. The time it took to maintain the current client base was eating into the available bandwidth of the team leaving very little time to beat the bushes for new business. Additionally, the fear of losing a current client overpowered their desire to spend time making cold calls. In executive meetings, there were discussions of bringing in account managers to take the load off of the existing team, but transferring the relationship is always a tough obstacle to overcome, not to mention the difficulty in getting experienced, successful reps to cold call. That is never a venture that anyone is typically excited about undertaking.

This was the problem faced by an organization, pushed by stretch goals set by the board, but up against a wall of limited bandwidth and resources.

The solutions:

Deploy an inside sales team; but not in a typical way.

As it turns out, the solution was relatively simple: Allow the current, successful, and knowledgeable team to continue to do what they do, but deploy an inside sales team to schedule the appointments for them. Typically, when a company thinks of an inside sales team, they imagine a team of reps being put into place to manage the sales cycle from the beginning to the end. Thoughts about how a person, sitting at a desk, hundreds of miles away from the client, will be able to get a contract signed fill leaders' minds with doubt, and the team is very rarely put into place. While this is possible in some business models, others still require the face to face interaction to get the signature at the end of the day.

However, what we deployed was different. This wasn't a team with a goal of new business; at least not to them. This was an inside team with the goal of supporting the existing field team with the opportunities to make sales. That is all. And that slight adjustment was all that was needed to find a gold mine of success.

This strategy accomplished two immediate goals and one, very large back end goal.

First, by utilizing an inside sales team to do nothing but cold calling for appointment setting, we had a driven, motivated team to do nothing but get appointments. By specializing their message and formalizing their script based on what worked and what didn't. With this very specific goal, not to sell, but to schedule an appointment for a team member, they became very efficient at performing this duty; so efficient in fact that they doubled their appointment setting rate/call within the first 2 months.

The second is obviously growth. The business, which had been stagnant for the previous six months, grew by \$2.6M in additional revenue in the next 6 months. This growth was accomplished through 298 appointments qualified as potential opportunities by the field team. Those appointments turned into 46 new clients across the nation with an average forecasted annual revenue of 6 month revenue of \$112,000 per client.

Almost as importantly though, a predictable revenue model had been developed. With six months of historical data to pull from, the formula was now laid out to leverage into accurate forecasting. It was known that 30, well researched calls a day (1260/month total) was now leading to 60 "qualified" appointments a month (5% conversion rate). We had established roughly 15% success rate with appointments being held towards samples in the door. And with an estimated revenue per sample rate based on in network status, geography and historical trends, we could now predict the revenue. As call volume increases, forecast increases accordingly.

Conclusion:

For the cost of one field rep, a team of inside sales professional focused solely on the appointment setting process was able to improve the efficiency if a field team that was thought to be strained and had stalled. The field team was able to continue to maintain their current book of business, as well as grow their new client pipeline. In the end, the field team was excited to have the additional support and field team leadership started using this resource as a recruiting tool when discussing potential opportunities with new candidates. Finally, executive leadership had a formula to follow to provide predictable revenue forecasting up the chain. The guessing game of forecasted revenue assumptions was a thing of the past.

To learn how I could help you employ such a strategy, contact me at jconstantine618@gmail.com or 317-538-5093