

How Should Inside Sales Fit in Your Revenue Growth Model?

Tuesday, April 27, 2021 - Written by: [Jeff Kalter](#)



In 2017, inside sales reps in the United States represented not quite half (47.4% to 52.8%) of the sales force, with a modest 5% growth projected for 2018 and 2019.

And then COVID-19 hit.

Face-to-face meetings were out, but inside sales could work remotely and connect with buyers virtually. And 64% of B2B vendors using a remote sales model in 2020 achieved or even surpassed their revenue expectations. [Read more.](#)

Now, in 2021, as the world slowly opens up and returns to some form of “normal,” business leaders have important decisions to make regarding how to approach revenue growth. It’s not as simple as either going back to the way things were or accepting that we will all work remotely and do business in a virtual, digital world.

It's time to take a considered assessment of your options.

Your ideal revenue growth model must consider many variables, including buyer preferences, the required capital investment in technology, the cost of doing business digitally compared with using face-to-face meetings, and the estimated ROI of hiring inside sales versus field reps.

The State of B2B Sales

For several years, businesses had been moving toward parity between inside sales reps and field reps. While inside reps often played a subordinate role to the outside reps, sales managers noted two distinct advantages inside sales had over field reps:

- **Increased Productivity:** Inside sales reps can reach many more buyers and prospects in a day than a field rep meeting customers face-to-face. On average, an inside sales rep spends 71% of the day selling, while an outside rep can spend roughly 41% of the time selling and the rest traveling.
- **Reduced Costs:** The cost of setting up an inside rep with desk space, computer, and phone pales in comparison to the expense of keeping a field rep on the road—with automobile, airfare, accommodations, and meals. The Harvard Business Review estimated that the costs associated with inside sales were between 40% and 90% less than outside sales. Similarly, PointClear calculated that the average inside sales call costs \$50, compared to \$308 for an outside sales call.

Inside sales reps were usually considered ideal for handling simple transactions, such as low-dollar purchases or returning customers. However, most sales managers doubted that inside sales agents could close complex, high-dollar deals.

It took the 2020 lockdowns to change the opinions of both sales leaders and B2B buyers. There's no doubt that post-pandemic remote, virtual, digital business is here to stay. And yet, in terms of your revenue growth model, a holistic changeover to inside sales may not make sense.

That's because both field and inside sales functions have their unique strengths. And from the standpoint of products, services, and expectations of buyers, every business is different. For this reason, modeling your revenue growth and determining how inside sales fits in that model requires you to assess several

variables.

What Are Your Customers' Preferences for Buying?

Sales reps weren't the only people working remotely and virtually in 2020. Customers needed to adjust work and buying habits. They discovered that not only did they like educating themselves and running comparisons of products and services on their own, but they also have high expectations based on their experiences. Specifically, they expect customer-facing tools, including interactive calculators, chatbots, self-service product customizers, and click-to-call.

As for working directly with a sales rep, 76% of customers want to talk with a rep when buying a new product or service. However, only 52% need to speak with a rep when purchasing from a vendor again but with different specifications. Finally, only 15% need to talk with someone when buying the same product or service they've purchased before.

Can You Close High-Dollar Deals Remotely?

If you do many smaller, simpler transactions, you probably have already adopted a self-service or inside sales model. But don't rule out inside sales for those complex, high-dollar deals.

In 2013, there was a clear distinction. The average new face-to-face deal was \$166,000, while inside sales averaged around \$19,000. Today, that's changed: 27% of buyers report they are willing to spend \$500,000 to more than \$1 million using a self-service site or working remotely with a rep.

What's the Cost of Doing Business?

The differences in overhead and cost of doing business between an inside and outside rep remain significant. Given the increasing dollar-size of the deals that can be closed remotely, the cost of face-to-face meetings is harder to justify. According to McKinsey, companies that use digital tools that enable their sales reps to interact with customers virtually are successful and reduce their costs by 40 to 60%.

What Technology Is Required for Selling Virtually?

In addition to the basic CRM and sales and marketing automation tools, vendors need to think about what kinds of technology are needed to:

- Enable buyers to make the best decisions in a self-service model
- Help reps deliver the human touch while working remotely

B2C companies provide the best example of customer-facing tools, especially their use of live chat and platforms that enable customers to compare products by features and benefits. Technology that simulates personalized, face-to-face meetings is key to the success of inside salespeople. Video, live Zoom and webinars are all practical tools for today's sales call.

What's the Role of Inside vs. Outside Reps?

Before determining your sales model, you need to assess the value of both inside and outside reps. Can inside reps provide enough value selling virtually? Can outside reps do the volume of transactions you need? And what can inside sales learn from seasoned field reps ... and vice versa?

Before settling on a revenue growth model, sales managers need to rethink their preconceptions about everything. And one more thing: Sales cycles, deal size, and even quotas are not the determining factors they once were. But it's still true that as much as 50% of new sales go to the vendor that responds first. So, whether inside sales or traditional field reps, everyone needs the training and tools to sell remotely.

While inside sales likely will be a critical component of your sales strategy going forward, let your customers' needs and business objectives determine precisely how this sales function should fit into your revenue growth model.

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