

# Your Sales Team's Evolution

## Expanding your base & increasing net-new revenue

by: Jon Dunkelberger, Ricoh USA Inc.

The immediate aim for this article is to address a key business challenge for technology sales companies: expanding your account base and increasing net-new revenue. However, on a broader, Simon Sinek-inspired, more visionary level, I am aspiring to guide the evolution of your sales organization.

We will use Stephen Covey's Habit #2 and start with the end in mind. In sales, that is starting with the close for action. I recommend you: Plan, staff and continuously transform a team of business development representatives (BDRs) to align with and generate outbound, sales-qualified leads for your best field sales professionals.

There is much to unpack in that recommendation, so it will help to define some terms early on:

■ **Net New:** An account with which you are not currently doing business.

■ **Outbound:** The sales professional finds, contacts and engages the prospect, versus inbound — when the prospect contacts your company or digitally confirms interest.

■ **Sales Qualified:** The introductory meeting with the prospect is booked with its agenda set, interest in solving a specific business challenge is confirmed and an initial level of discovery questions are answered by the prospect.

■ **BDR:** Sales professional who generates net-new, outbound, sales-qualified leads. Different organizations use different titles for this role or a similar one, such as sales development rep (SDR) or lead development rep (LDR).

We focus on net new because that is where the growth of your business lies. New prospects rarely contact us unsolicited to place an order. What better way to initiate a net-new sales process than with a quality, qualified lead? Additionally, outbound lead development is a necessary accompaniment to your digital outreach and inbound lead-generation program. But why take on all the work and expense of forming a BDR team?



First, many successful, experienced reps do not like to initiate contact with prospects. Some are not good at it and most are focused on later steps in the sales process at which they excel. Consider that a sales process with all its steps is like a football team with all its positions — should we expect one player to be excellent at all positions?

Partial, one-person solutions are difficult to manage and lack the power of peer engagement. Additionally, if a partial approach works, why wouldn't a comprehensive team approach with increased capabilities, management and tools work even better?

Outsourcing the function is expensive and it can be challenging to consistently get your targeted ROI. SalesRoads says that the average sales-qualified technology lead will cost about \$200. The price can be higher depending on your requirements and level of interaction. I tested this with a friend who owns a services business. The business recently went through an outsourcing agency and happily paid \$1,200 for four high-quality leads.

However, more important than the financial debate on outsourcing is the goal to evolve your sales organization. If

sales is a core competency for your dealership, then outbound lead generation should be a core competency of your sales organization.

Let's look at the tangible benefit of having a BDR team at your dealership. A handful of organizations in our sector have done their math and implemented the strategy. Here is a theoretical version to get you started, which you can adjust for your assumptions:

- PayScale.com lists an average salary for a BDR at around \$50,000. Add 20% for incentives, a 40% burden rate and another 20% for management, tools, etc., to get a cost of roughly \$90,000 per year per BDR.

- Let's do better than the SalesRoads average and generate \$300 leads. At a steady-state rate of 1.2 leads per day per BDR, we are at breakeven.

- Or, working backward from the sales generated, we need two net-new sales per BDR per month to reach breakeven based on a \$12,000 average equipment sale with a 10% profit contribution and a three-year service contract of \$200 per month with a 40% profit contribution.

- I like the odds of getting at least two leads a day or two sales per month. Good hiring, development, process and management can get you levels that exceed the breakeven.

How about the intangible benefits? They are just as important — and maybe long-term, big-picture more important — than the tangible benefits. You will need to whiteboard with your leadership team to develop your own version of the extended value to your sales organization, but here are some potential intangible benefits to get you started:

- **Bench building:** As an alternative to your challenge of recruiting and hiring experienced sales professionals, you can create your own — with your training, your culture and your proven process. You will also have an alternative to our industry's common approach — “give ‘em a net-new territory and see if they can grind it out.”

- **Excitement:** Let's give your experienced (and maybe in a bit of a rut) sales professionals something that can get them excited — a mentoring role where they can witness new success, next-gen development and teaming that makes them more effective or increases their results.

- **Development Plan:** If you are already recruiting the next generation, you know that they want to see a progression plan for their development and success. BDR is a great step in that plan. I had a university sales graduate tell me about his tech employer's three-step plan — a solution implementation role (to learn the customer experience) to a BDR role (to learn prospecting and beyond) and then to the account executive role.

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- **Cognitive Diversity:** By hiring people with different ways of thinking, problem solving and decision making, we are expanding our sales capability and culture to excel with our customers' decision makers of the future.

Ricoh has an outbound lead-gen team that falls under the responsibility of my colleague, Kory Vannoy, senior director of digital customer engagement. He comes to this subject with a terrific level

of relevant experience and he shared the following: “We recognized that inbound lead generation wasn't enough to drive growth. We now have a balanced approach to support pipeline growth with both inbound and outbound tactics. The biggest challenge is mindset — outbound requires grit, creativity and resilience. Hire people who are hungry, energetic and passionate and show them a path to success. Equip them with training, tools, playbooks and scripts, and be patient. It takes time for a BDR to hit their stride, but the payoff is worth it.”

In my role at Ricoh with our RFG dealers, I have had the pleasure of meeting Adrian Lopez, director of sales development at Applied Innovation. He leads Applied's SDR team and is an excellent strategic thinker who provided the following insight: “Our SDRs come from a variety of backgrounds and skill levels, but teaching them what it takes to be successful at prospecting and seeing them connecting the dots is always fun! The team is located in a sales bullpen and works on-site. We feel this is a critical part of real-time feedback and team camaraderie.

“How to get started? Just start. Exactly how it's going to work is going to change hundreds of times. I would also caution that at first there will be resistance from the field sales reps, and change management is an important part of the process. But SDR roles are an excellent way to recruit talent into your sales organization. Our SDRs get educated on all of our lines of business and are integrated into our culture from day one. SDRs who are able to last 15 months or more are often recruited into full-cycle sales roles, so we get the benefit of having internal candidates who already know our business.”

For a look at the availability and readiness of your future BDRs, let's go to the Office Technology archives. In the September 2024 issue of this magazine, I discussed a strategy for sourcing your next generation of sales professionals in my article, “At a University Near You.” (Visit <https://www.bta.org/assets/pdf/Sept24Dunkelberger>). To further test the theory, I did a quick study of a couple hundred students who graduated from university sales programs. I found more than 50 who are now in sales roles. Many are currently in or have passed through BDR-type roles in their

employers' career progression. In corresponding with some of them over recent weeks, I found the following:

■ The experiential learning theme was pervasive — starting a relationship with a prospect and then seeing the progression to a sale with a mentoring, capable, tenured sales professional.

A typical example: "It's been great spending time with experienced professionals and learning firsthand — some things you can only pick up by watching in person. I've noticed that everyone has their own style on sales calls, and seeing different approaches is really helping me find what works best for me."

■ Here is my favorite comment from a grad who started as a BDR and is now an account executive who is teaming up with a BDR: "My AEs were great for memorable advice. From one I got, 'Comparison is the thief of joy.' And I'm lucky to be able to replicate that to my BDR now."

If you don't recognize the quote, it is Theodore Roosevelt — so that's a next-gen account executive quoting an early 20th-century president based on what he learned from a sales mentor. I love it.

■ Granted, there may be a bit of my bias involved, but I got consistent feedback on how the university sales program prepared them with sales skills, process understanding, and the necessary curiosity and desire to succeed.

Doing my follow-up with the students was a next-step enlightenment for me and I owe much to my mentor in sales student engagement, Beth Renninger, who gave me the opportunity to lead a sales strategy class. She is the executive director of the Center for Sales Success at the Darla Moore School of Business at the University of South Carolina, and told me: "Experiential learning is the key to preparing undergrads. The 'reps' of practicing challenging sales conversations in the classroom strengthens communication skills, builds competency and creates confidence in the new sales professional. Those foundational skills help a sales grad to realize success faster and practice patience through challenging times."

Skeptical? In reading about processes for overcoming skepticism, I found two techniques to try. First, education and communication, which we are contributing to with these articles thanks to the Business Technology Association (BTA) and Ricoh. And, second, addressing misconceptions. Following are some of the skeptical responses I get on this topic and some fresh perspectives on each:

■ "A first sales job must be a grind. That is the way we have always done it to see their commitment." Maybe it is time for a new or additional way to look at it.

■ "We can just dabble with a single person." Maybe, but

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work on the plan to do it in a bigger way. True organizational advancement rarely comes from dabbling.

■ "We can't afford it — the money, the management, the distraction and so forth." Work the numbers — your net-new revenue, your hiring and retention, and your field rep productivity versus the benchmarks or your aspirational goals. Can you afford not to do it?

■ "I'm not comfortable trusting a recent grad with my prospects." Work on it, read about it, discuss with those who are and try it (you could form a BDR intern team to get started).

■ "We'll keep hoping that the tenured field reps will do it because they should." As they say: "Hope is not a strategy."

In my September article, we met Sally Stevens from the Sales Education Foundation (SEF), who recently introduced me to Joan Rogala, CEO of Pi Sigma Epsilon (PSE), the fraternity for university sales students. SEF supports the university sales programs and PSE supports the university sales students. When discussing the mindset progression, Rogala told me: "Employers that want to work with the next generation need to rethink what an entry-level sales job should and shouldn't be. It's not about making it hard for the new sales professionals; we need to get past that outdated view. A best practice is a one-pager that maps their progression — here's entry level and then what's next after that and after that — competencies, development, responsibilities and compensation."

If this article has been successful in the last eight-plus minutes, you are going to give this strategy some serious consideration and you may now be wondering about your future processes for sourcing, developing and managing your BDR team members to success. If so, keep reading Office Technology magazine; in a future issue I will dig into those topics with more from dealer and Ricoh experiences, academics to partner with and, especially, those in the next generation who have lived it. And remember the words of George Bernard Shaw: "Progress is impossible without change, and those who cannot change their minds cannot change anything." ■

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