

2021

Sales Pipeline Benchmarks Report

Executive Summary

ringDNA recently partnered with RevOps Squared to uncover exactly how companies around the globe are planning to drive revenue in 2021 and how they're measuring success. In our research, we uncovered several key pipeline benchmarks that offer deep insight into pipeline.

This report focuses on the most important pipeline benchmarks that we uncovered. Our goal is to empower revenue leaders as they're planning for 2021 by seeing how their peers are structuring pipeline creation. By reading this report, you'll know, on average, the percentage of pipeline and revenue marketing, sales development and sales teams are responsible for across dozens of companies.

Included:

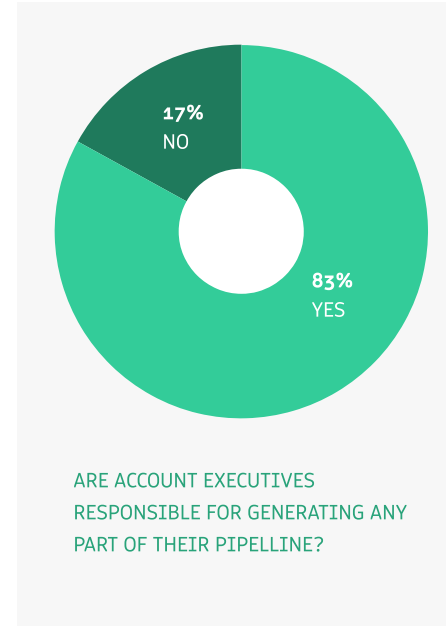
- How AEs, SDRs and marketers impact pipeline and revenue
- New pipeline by ACV by department
- New ARR by ACV by department
- The percentage of marketing teams that are using ARR growth as a key metric
- And more useful pipeline benchmarks

All enclosed information contained herein is proprietary and is not to be used for commercial benefit without explicit written consent of RevOps Squared or ringDNA.

The Impact of Sales Development & Account Executives on Pipeline

The data shows the continued blurring of the line between the prospecting and account management functions, as now over 83% of account executives are responsible for some amount of prospecting to fill the pipeline.

Over the next few pages of the report it is clear that the distribution of percentages of who contributes exactly how much of the pipeline varies greatly, but most notably over 71% of sales development teams contribute less than 50% of pipeline, and over half AE teams contribute less than 30% of the actual pipeline, with the difference in most organizations likely contributed from other departments, notably marketing or customer success.



83%

of Account Executives are responsible for some percentage of pipeline.



73%

of revenue organizations are employing Sales Development Teams.

To What Extent are Sales Development Representatives (SDRs) Responsible for Pipeline & Revenue?

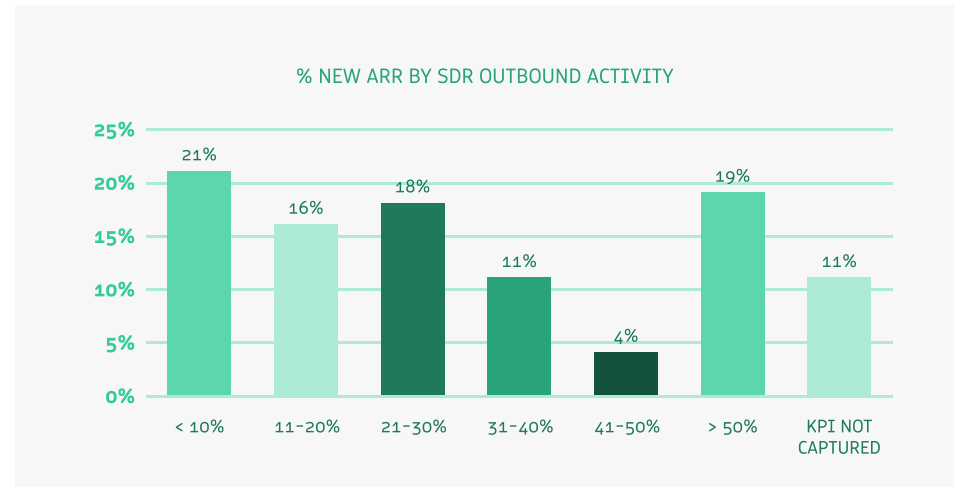
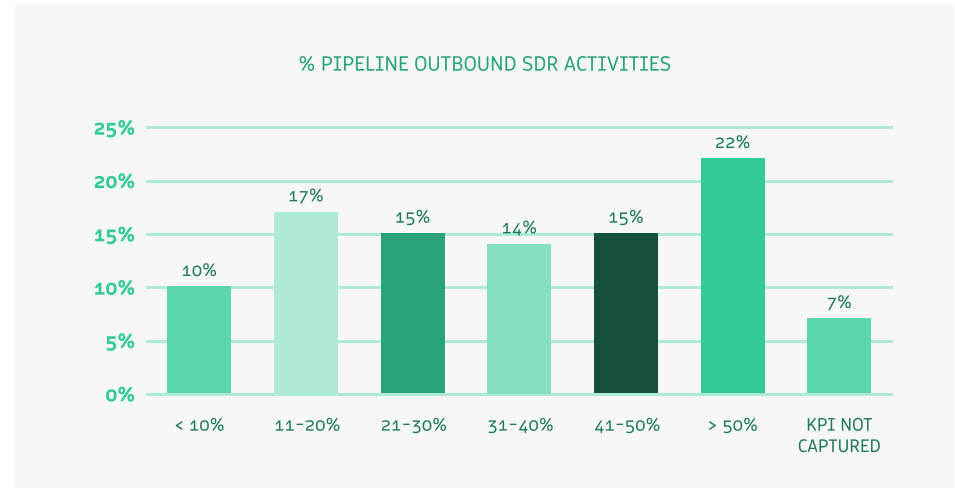
Only 22% of sales development teams deliver greater than 50% of pipeline.

Despite the fact that the majority of tool spending is focused on sales development teams, a large majority of teams deliver less than 50% of sales pipeline.

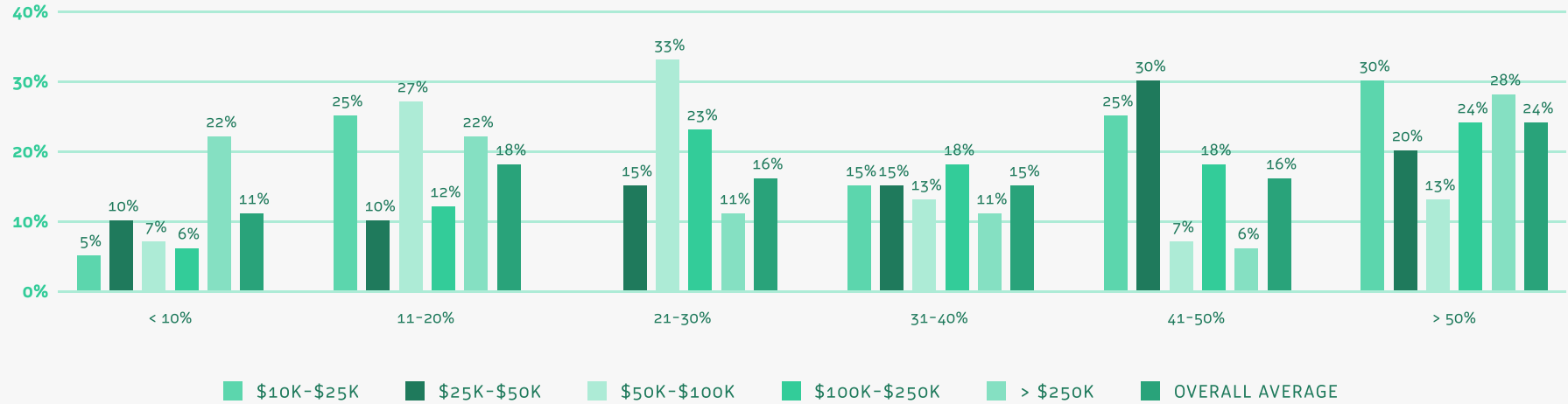
71% of sales development teams deliver 50% or less of sales pipeline.

21% of sales development teams deliver 10% or less of new ARR.

66% of sales development teams deliver 40% or less of new ARR.



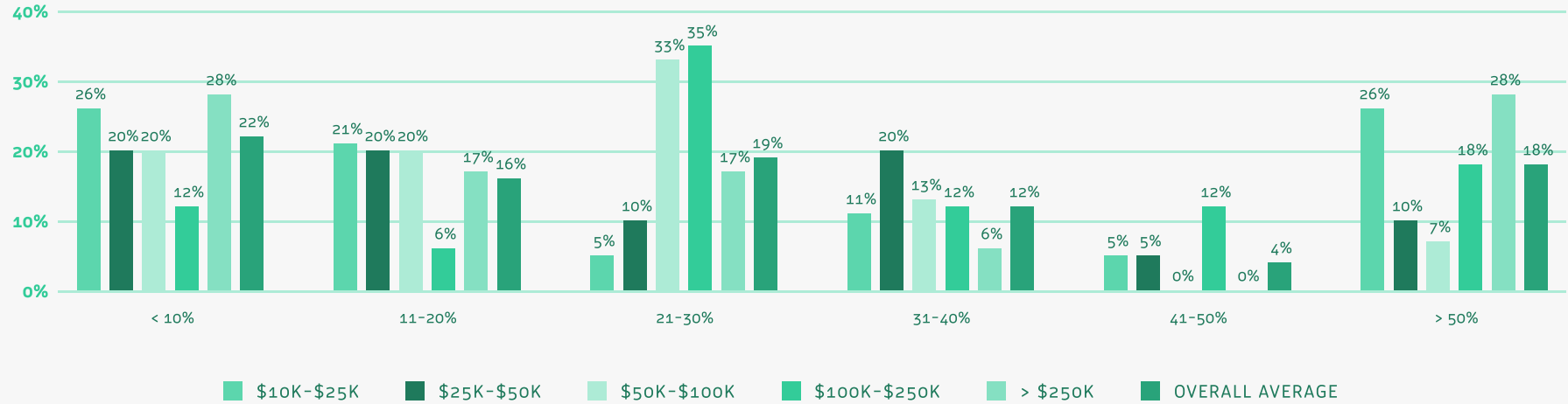
NEW PIPELINE BY ACV (SDR)



Sales development teams have the largest impact on pipeline when deal sizes with contract values are in the \$10K to \$50K range, with over 50% of teams contributing to 40% of pipeline or greater.

Sales development teams make an outsized contribution at the \$250K and up ACV level, contributing 50% or greater of the revenue and 50% or greater of the pipeline nearly one third (28%) of the time.

NEW ARR BY ACV (SDR)



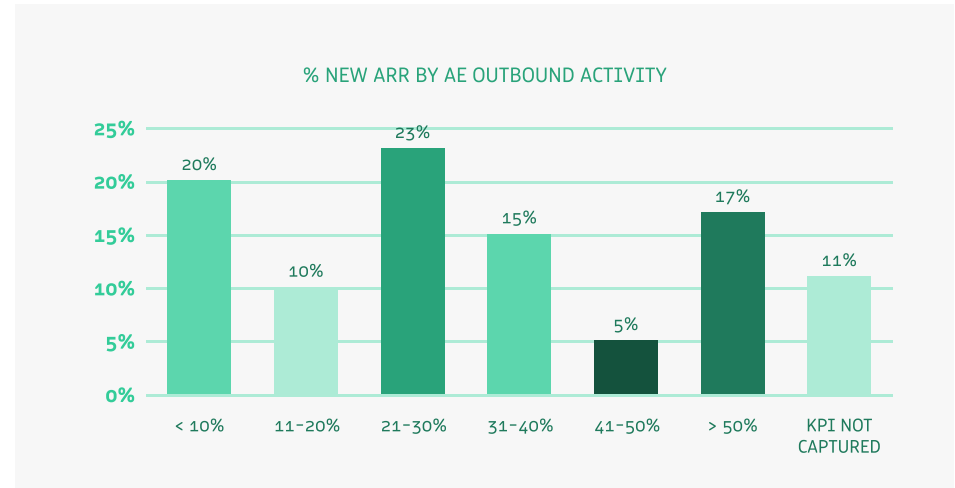
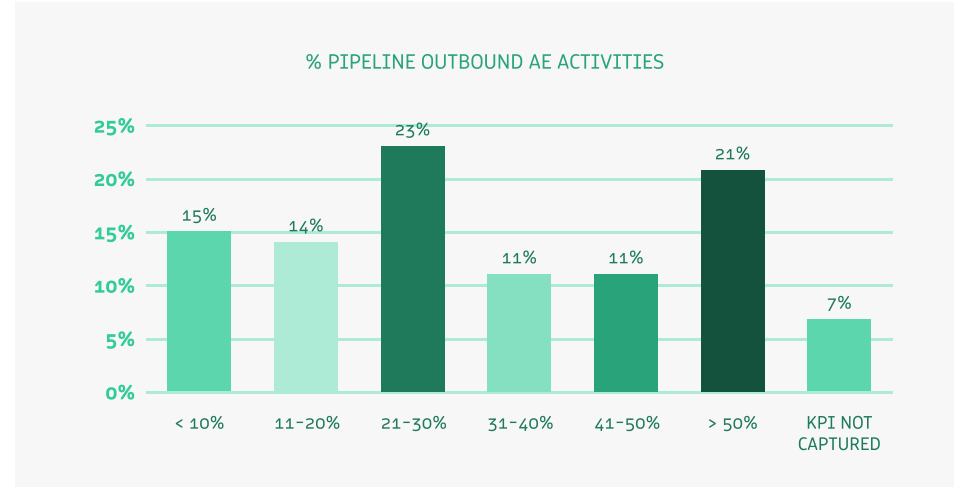
Sales development teams have become more common than ever, and their impact is being felt across the entirety of the revenue spectrum. The sales development team's impact on revenue seems to reflect a curve where they have significant effectiveness when focused on smaller deal sizes (\$10K-\$50K) and larger deals (\$100K or greater) and the least impact in the \$50K-\$100K ACV band.

To What Extent are Account Executives (AEs) Responsible for Pipeline & Revenue?

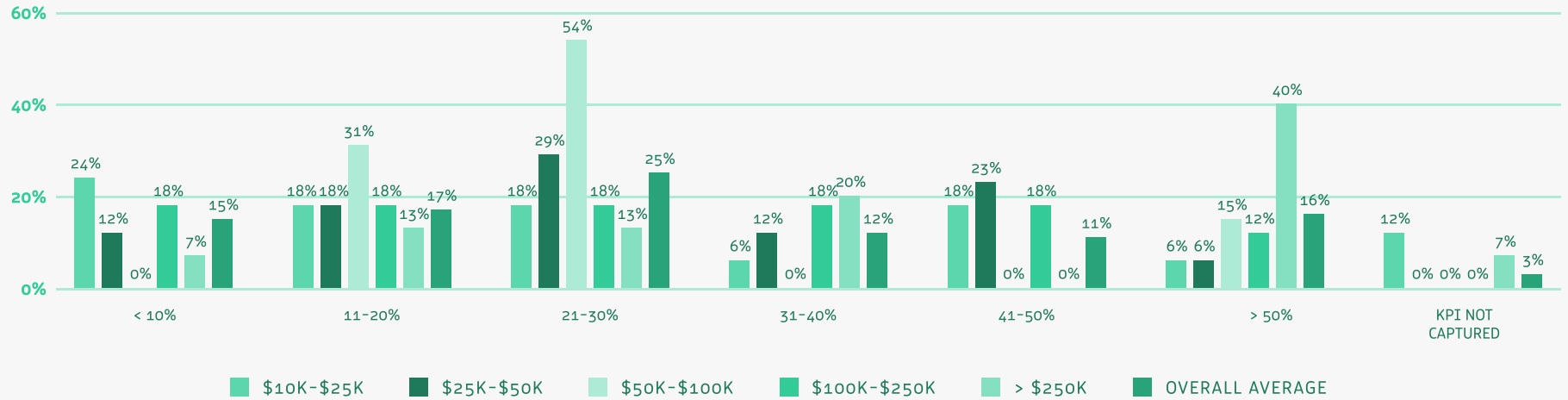
Although the account executive team is traditionally thought of as the closing function for revenue generation, they also end up being responsible for a sizable portion of the outbound prospecting, with over 83% of respondents reporting that their AEs own some degree of the outbound efforts. These efforts are clearly having an impact on the overall pipeline and revenue.

Less than one quarter (22%) of AE teams generate greater than 40% of new ARR.

52% of account executive teams' outbound activity delivers 30% or less of the sales pipeline and 53% deliver less than 30% of ARR.



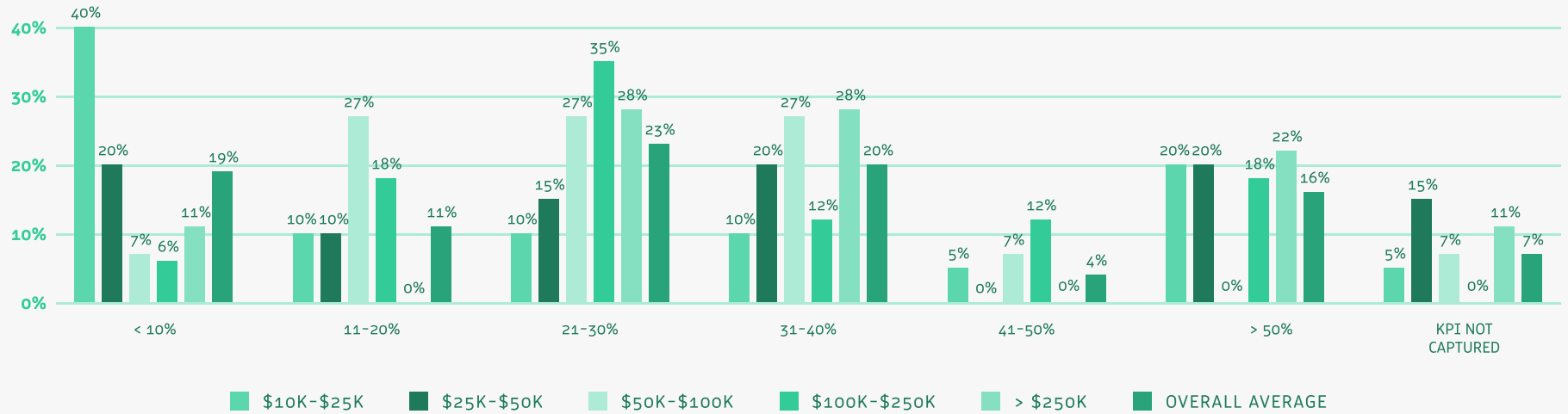
NEW PIPELINE BY ACV (AE)



For companies targeting smaller markets, account executives are less effective at closing new revenue. Over 50% of AEs targeting the \$10k-25k ACV and over 45% of AEs targeting the \$25k-50k ACV are responsible for less than \$30% of ARR.

AEs tend to be most effective when working with accounts over \$250K ACV, with over 50% being responsible for 30% or greater in this segment, and over \$22% being responsible for greater than 50%.

NEW ARR BY ACV (AE)



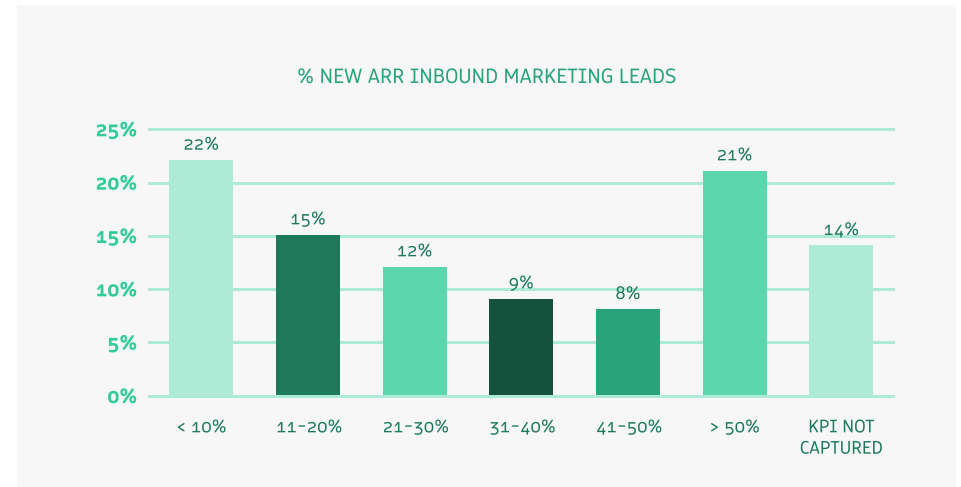
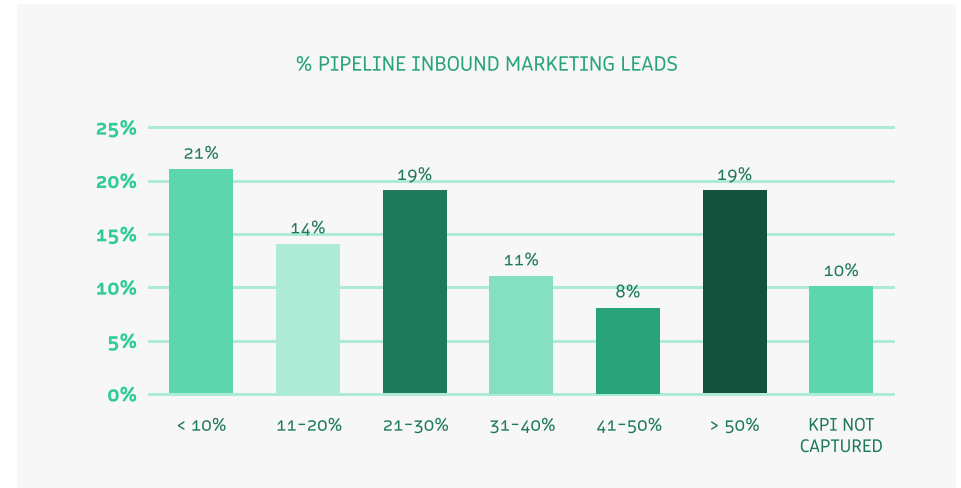
Account executives are mainly thought as responsible for holding and maintaining the customer relationship, at least throughout the course of the later stages of the sale. The data shows them having the most significant impact on pipeline at the largest ACV segment (40% of \$250K for greater than 50% of pipeline). The revenue results do show them being influential in that segment from a revenue standpoint as well.

To What Extent are Marketing Teams Responsible for Pipeline & Revenue?

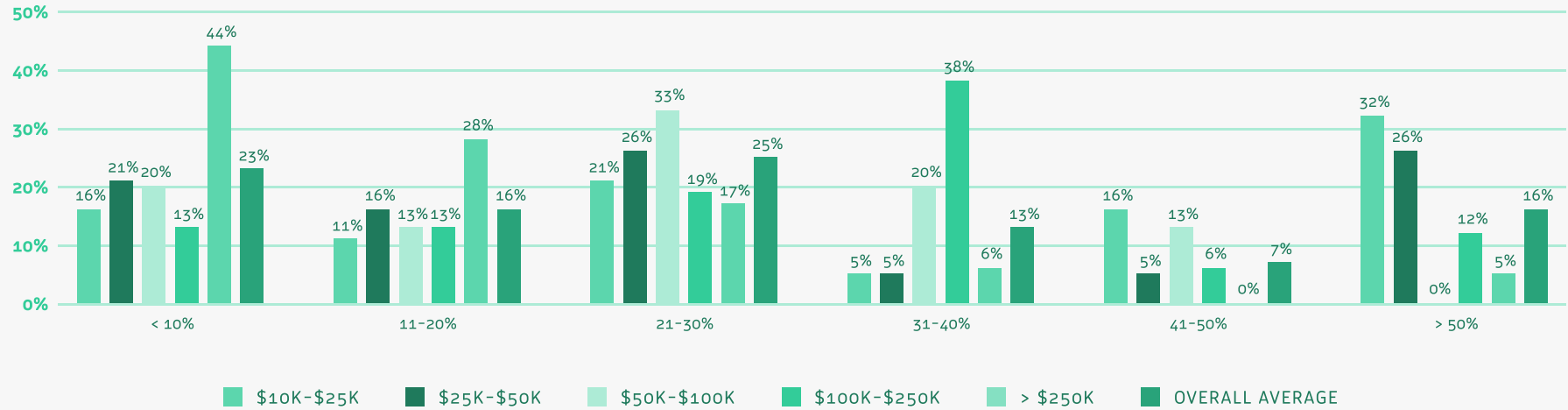
Marketing teams' contributions to revenue are a consistent source of discussion, especially in light of businesses adopting a revenue operations model. One of the interesting insights from this research is that marketing teams either contribute a little to revenue or they contribute an outsized portion of the revenue.

14% of respondents do not measure the impact of marketing on ARR growth.

21% of sales development teams deliver 10% or less of new ARR.



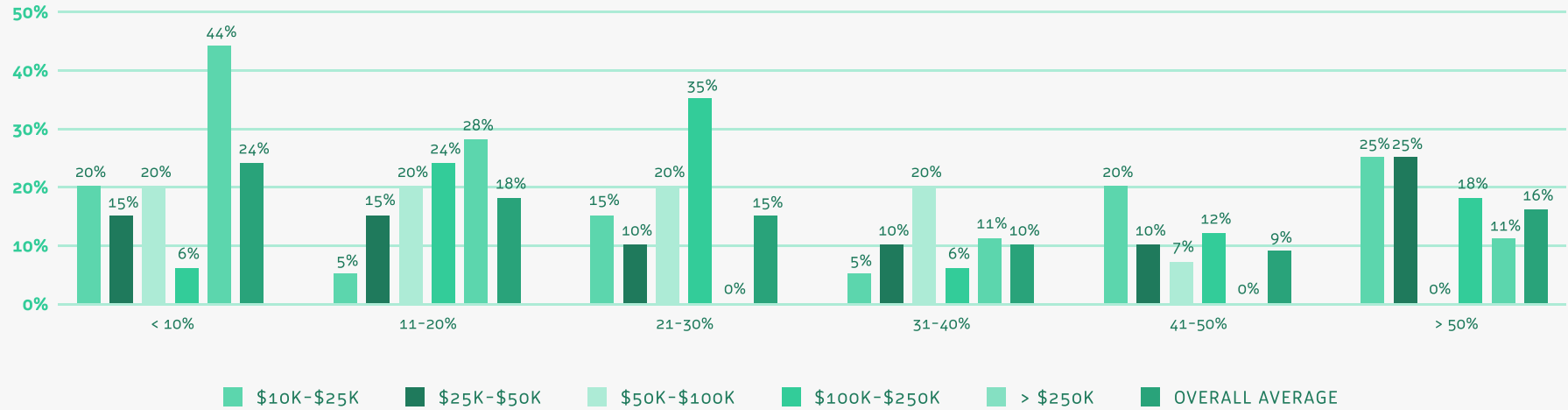
NEW PIPELINE BY ACV (MARKETING)



At the enterprise opportunity level (\$250K ACV and above) marketing's direct impact pipeline and revenue appears to be significantly diminished, with over 72% contributing less than 20% of sales pipeline and revenue.

Marketing makes a strong contribution to revenue growth in the \$100K-\$250K ACV segment, with over 30% contributing above 41% of revenue.

NEW ARR BY ACV (MARKETING)



As stereotypes go, one might expect that marketing has a significant impact on SMB revenue and reduced impact on larger deal sizes. This couldn't be farther from the truth, and looking at the data, it is clear that the marketing impact on revenue and pipeline is diverse.

Timeframe & Research Sample

During the period of September 14, 2020 through October 16, 2020, RevOps Squared and ringDNA conducted research with hundreds of revenue leaders to better understand customer acquisition benchmark performance metrics, the rise of revenue operations, technology adoption and the organization structure and tactics that revenue teams are adopting to gain alignment across the customer acquisition process. In total, more than 240 revenue leaders participated in this research effort.

Methodology

Research was conducted primarily via online survey to an email sample of thousands of revenue leaders from sales, operations, marketing and revops. Participants were offered a small gift card as an incentive to complete the survey. Statistical analysis was conducted once the research was concluded and only statistically significant results were included in this report.

Permissions

RevOps Squared and ringDNA has conducted direct Industry Benchmark research on Key Performance Indicators with the explicit permission and approval by all survey and research participants. RevOps Squared has worked with multiple partners to syndicate our research. The material contained herein is based on sources considered to be reliable; however, RevOps Squared does not guarantee or warrant the accuracy or completeness of information. This document is for informational purposes only.

This communication is intended solely for the use by the recipient. The recipient agrees not to forward or copy the information to any other person outside of their organization without the express written consent of RevOps Squared LLC.

If you would like to request additional information regarding this research and available additional data and/or advisory services as to how this information can be captured, utilized and/or evaluated in any other manner please send all inquiries to info@revopsquared.com or marketing@ringdna.com

Thank you



To learn more about ringDNA's performance analytics, visit ringdna.com to book a demo today.

Check out more free resources at ringdna.com/sales-strategy