



Media Contact:
Marge Bieler
CEO, RareAgent
(678) 771-8010

Teleprospecting and Inside Sales: To Outsource or Not to Outsource?

Outsourcing is nothing new. In the mid-1980s, many forward-thinking companies took advantage of outsourcers for their prospecting needs.

But today, as salespeople have continued to be laid-off and leads have continued to dwindle, even more companies have turned to outsourcers to keep their pipelines full. Until enough sales close to justify taking on the expense of full-time employees, outsourcing can be a very cost-effective solution.

But is it the right solution for your organization?

Teleprospecting vs. Telesales

First, before looking at the benefits of outsourcing, it is important to differentiate between teleprospecting and telesales. Generally, the first time you talk to a prospect and get them interested in your offering, you are teleprospecting. In many companies, this is a specialized function. It is a front-end process before a salesperson responsible for a quota becomes involved with the customer. Teleprospecting generates leads. Telesales, or inside sales, takes that lead through to the end of the process.

“Though many companies outsource the teleprospecting function, few outsource their inside sales,” said Anneke Seley, CEO of Phone Works and author of Sales 2.0. “Most outsourcers focus on the front-end of the sale and then turn it over to the client company to close, but there is no reason why an experienced outsourcer with the right sales talent selling the right product couldn’t take a lead all the way to close.”

Why Outsource?

There are two main reasons companies choose to outsource their teleprospecting: experience and bandwidth.

Outbound calling requires a special skill set. Lots of seasoned salespeople are good closers, but actually picking up the phone, dialing, and connecting with a prospect requires a totally different skill set. Good closers aren’t necessarily comfortable starting a cold conversation with a prospect.

The other issue is bandwidth. There are only so many hours in a day and it is often more effective to have sales

reps focus on those opportunities already in the sales funnel and leave the front-end work to someone else.

“Outsourcing can be a quick and easy way to get a pipeline-building organization up-and-running,” said Seley. “It can be very costly and take a long time to build this kind-of prospecting organization internally. With the right outsourcers, you can often see results in weeks rather than months.”

“Even if you have an internal team, there are often peaks and valleys in their activity or open territories without anyone to cover them. In these cases, there is a great benefit to always having someone on the bench ready to go,” said Trish Bertuzzi, president and chief strategist of The Bridge Group.

Using outsourcers also allows more flexibility when it comes to staffing for individual campaigns. For example, with inbound marketing campaigns, it is difficult to predict what kind of response you will get, which makes it hard to adequately staff. Additionally, most salespeople responsible for quotas don’t have time to dedicate to programs created by product managers that don’t necessarily focus on where the big money is. When it comes to staffing for these campaigns, outsourcers enable salespeople to focus on closing deals already in the pipeline.

Outsourcers can also be used to conduct market research, test a new message, or determine what customers are saying about your products or services so that you can uncover what resonates with them and how to more effectively answer their questions and objections.

Is it cheaper to outsource?

Outsourcers are generally less expensive than hiring fully-burdened staff in-house, but whether it is a cost-effective solution for your business depends on what you are trying to accomplish.

“When a company is testing a new product or service and doesn’t want to spend a lot on infrastructure, using outsourcers for some piloting can be very cost effective,” Seley said. “Outsourcers are also a great resource for organizations decreasing headcount that need to keep their pipelines filled.”

In today’s economy, there is heavy turnover in the industry and everyone is a free agent. The cost of getting

a new-hire on board, educated and motivated is higher than contracting that work out to professionals who already understand the process, have the skill sets, and who are very comfortable with outbound calling. New hires generally experience a high level of call reluctance because many don't feel comfortable making outbound calls. Because of this, they spend a lot of time educating themselves on the process rather than picking up the phone and dialing.

On the other hand, you have to weigh the cost vs. the results when considering using outsourcers to ensure you get the intended return on your investment. In some cases, it may cost twice as much to build your own team in-house, but that may be what generates the right results for your organization.

Outsourcing: If yes, then who?

When evaluating outsourcers, experience matters. Teleprospecting requires a specific skill set that can be learned, but working with experienced outsourcers dramatically accelerates the results.

There is a perception in the market that the field of teleprospecting is deceptively simple and that anyone can do the job. But buyer beware! Often, a prospect's conversation with an outsourcer is their first interaction with your company. You don't want to blow it with someone right out of school who has no experience in the industry.

To effectively speak to executives about high-level business topics such as strategy, tactics and vision, outsourcers must understand the difference between strategy, tactics and vision to remain credible. Time and age brings wisdom and they have to be able to speak the language.

“You want people who can talk to executives about their business problems and to do that, they have to understand the business problems,” said Bertuzzi. “Outsourcers have to have a high level of experience because they are making the first impression. When considering outsourcers, ask yourself if you would hire this person to do the job if you were hiring internally.”

Additionally, it is critically important to establish specific metrics with your outsourcers. Be clear on what you expect. To maximize your program's effectiveness and get the most out of your relationship, clients must



Media Contact:
Marge Bieler
CEO, RareAgent
(678) 771-8010

manage the lead generation function and serve as a good partner with outsourcers. Clearly articulate your goals and be available to communicate and provide feedback. It is also important to have the right supportive technology in place.

When is it not a good idea to outsource?

Objections to outsourcing teleprospecting and inside sales typically fall into the same camp: you don't understand our products and services well enough to sell them.

Though outsourcers are not the domain experts, this doesn't inhibit them from getting prospects on the phone interested in learning more from your experts. As long as the outsourcer understands the industry and business pains, they are generally able to gain enough interest from a prospect to set up an appointment with a domain expert, getting your foot in the proverbial door.

“Outsourcers don't have to talk to the technology – they talk to the business pain,” said Seley. “Though they may not understand your products as well as you do, they often have a better understanding of the selling process. You supply the product knowledge and outsourcers provide the functional expertise. They set the appointment – you sell the product. It's a partnership.”

This said, there are situations in which outsourcers are not always the best fit. Though many outsourcers are very strong on lead qualification and engaging with prospects, most do not take the client through the sales funnel to the close.

When dealing with high-level strategic initiatives, enterprise deals, or large, established customers that already have a relationship with the inside sales organization and expect a certain level of customer service, outsourcers may not be the best choice. These customers are used to being served by a field sales organization and have established a long-term relationship with the sales organization that has, in many cases, become an integral part of their business.

“If you view inside sales and teleprospecting as an integral part of how you message to prospects, you should do it inside,” said Bertuzzi. “But outsourced agents often provide soft value as well. When you have a bullpen

of people on the phones all day, engaging with your customers, you can really see what's resonating.”

Why do sales leaders struggle with the idea of teleprospecting?

Despite the proven benefits of outsourcing, many still feel that salespeople should “eat what they kill” and generate their own leads. This traditional thinking – the self-reliant, carry-a-bag sales mentality – is still very prevalent in many sales organizations today.

But with Sales 2.0, there is more of a focus on effectiveness and efficiency and the truth is, a lot of salespeople are not effective at teleprospecting.

“It makes sense to outsource this function to an experienced group focused on generating qualified leads and leave the closing to the salespeople,” said Seley. “This allows you to work both ends of the machine. Ask yourself: Do you want your high-priced salespeople closing deals or do you want them starting conversations with prospects even though you can effectively do that function with another group?”

About Anneke Seley

Anneke Seley is the founder and CEO of Phone Works and author of Sales 2.0. As founder of Oracle's telephone sales group, Anneke is an expert at helping companies achieve revenue acceleration through designing and implementing successful inside sales teams. Phone Works, a professional services company, has helped over 250 clients maximize productivity, accelerate results and increase revenues. For more information, visit www.phoneworks.com

About Trish Bertuzzi

Trish Bertuzzi founded The Bridge Group with a mission to help technology companies build, evolve or validate inside sales strategies. Trish and her team are experts in the integration of people, process and technology and deliver results that impact the bottom line. TBC focuses on the technology space and has worked with over 130 clients. For more information, visit www.bridgegroupinc.com



Media Contact:
Marge Bieler
CEO, RareAgent
(678) 771-8010

About RareAgent

RareAgent converts expired or unworked sales leads into revenue and profit for your business. Our seasoned sales professionals have decades of experience in a broad range of industries and know how to qualify leads, navigate a prospect's organizational chart, overcome gatekeepers, and research past behavior to drive relevant conversations. RareAgent's research-driven, qualitative marketing feedback and sales coaching provides a high degree of value beyond setting appointments, generating leads and filling your sales pipeline. With RareAgent on your team, salespeople can focus on what they do best – closing business – while RareAgent keeps your pipeline stocked. For more information, visit www.rareagent.com