

KPIs, Remuneration & Retention for B2B Telemarketers



“No matter how sophisticated your marketing, you will always need a human being to go the last mile and convert all of that investment into opportunities for your sales team.”

Henry Braithwaite | Managing Director, MarketMakers

**Telemarketing, Inside Sales, Business Development...
However you describe it, outbound calling is a key channel for many B2B marketers.**

Despite the prevalence of inbound marketing techniques, telemarketing is still the core go-to-market strategy for a large percentage of businesses.

As one client put it:

“More emphasis is being placed on inbound, but that’s a long game and the business wants quick results – which will always require telemarketers.”

But for the people making the calls, telemarketing isn’t always perceived as a long-term career choice. For some, it’s a stepping stone to a lucrative career in sales. For others, it’s a stop-gap while they gain experience in preparation for a role in their chosen field.

It takes a lot of money and resource to recruit and train new, talented agents. So what can businesses do to keep their telemarketers engaged, productive and more likely to stick around?

Part 1:

Which KPIs Should I Track?

New call centre technologies have made it easier to track the performance of your telemarketing agents. In fact, they have arguably made it too easy – there's now almost too much information available.

With such a wealth of statistics at your fingertips, it can be hard to decide on the Key Performance Indicators that demonstrate the value an agent really adds.

There are obvious and extremely useful stats that are simple to track: Decision-maker conversations, leads/appointments generated, completed dials, talk time etc. But there are others that, although harder to measure, offer a much clearer indication of the true performance of each agent.

Cost per customer acquisition

A commonly used metric in ecommerce and technology marketing, Customer Acquisition Cost (CAC) is a KPI that gets overlooked in the call centre. Often because it requires some effort to calculate.

But that effort is well worth it – and it's not as difficult as it might seem.

Typically, CAC is calculated by dividing the money spent acquiring new customers over a particular period by the number of customers acquired during the period the money was spent. That calculation won't work for measuring the CAC of an individual telemarketer, but you can measure something similar.

If you know how much an agent costs your business per month, how many customers are acquired from leads generated by that agent, and the average time taken for an appointment to convert, you can calculate a rough CAC-per-agent.

Simply divide the cost by the number of customers acquired, factoring in the time to convert. So if it takes three months for sales to convert a lead, you need to divide January's costs by March's customer acquisitions for your agent's January CAC.

It's only a ballpark figure (factors such as salesperson efficiency and seasonal fluctuations are not taken into account). But it offers a good way to compare each agent's performance and, to a lesser extent (due to those seasonal fluctuations), track an agent's performance over time.

On a departmental level, CAC is also a great statistic to use in leadership meetings when pitching to increase your budget.

Pipeline value

The core purpose of telemarketing is to generate a sales pipeline, so you should try take this into account when measuring agent performance.

Depending on what you're selling, this may not be feasible. But if your agents gather enough information during the qualification process to estimate a deal size, you should make sure this is recorded in your CRM system in a way that can be reported.

Passing the gatekeeper

Getting past gatekeepers is an essential skill for any telemarketer. Those that possess it are likely to help you hit both your efficiency and revenue targets.

You'll want to measure this ability, but you're likely to need to add an additional field to your CRM system (and ensure your agents complete it) in order to do so.

Data updaters

On the subject of completing CRM data, you should track how good your agents are at doing it.

The information in your CRM system is one of your most valuable assets. If your agents don't update it whenever they discover something new about a prospect, you are missing out on an opportunity to increase that value.

Ask your sales team for feedback on the quality and accuracy of the notes and updates each agent posts.

Closing the loop

It's also important to close the loop and see how the leads/appointments generated convert once they've been passed on to the sales team.

An agent may be hitting their numbers on paper, but the only way to truly measure the quality of a lead is to see how it performs further down the pipeline.

You should also ask sales about the warmth and the relevance of each lead, as well as the engagement level at the point it was handed over.

Of course, you'll need to take into account the performance of the salesperson handling the lead. The best lead in the world is still unlikely to convert if it has been passed to the wrong salesperson.

Part 2:

What's the Best Way to Structure a Bonus?

The average base salary of a B2B telemarketer in the UK is £18,000*, with an additional bonus of around £4,000*. With the bonus accounting for almost one fifth of the total package, it's important to structure it correctly.

* Source: [payscale.com](https://www.payscale.com), April 2017

Keep it simple

It makes sense to keep your bonus scheme as simple as possible. Over-complicating the rules just makes things harder for everybody.

For an agent to be incentivised, they need to be able to work out what they will earn.

Part of the bonus should relate to immediate results (usually the generation of leads or appointments) and part should relate to the end outcome (what happens to the leads/appointments generated once they have been passed onto the sales team). Typically, there will be a set bonus amount per lead, plus a small percentage of the value of the deal if and when it gets signed.

This helps balance out behaviours, so while agents push for more opportunities, they also think about the quality of those opportunities and the eventual outcome.

Make it fair

The bonus should account for a reasonable percentage of an agent's earnings, but not so much that they can't afford to live if they have a bad month (at some point everybody will, and it may not be their fault).

Your role is to enable your agents to make money – so that you make money. Avoid putting blockers such as minimum thresholds in their way. If an agent is a few days from month end and they are unlikely to hit their minimum, are you really going to get the best out of them?

Pay for results, not activity

You should be tracking KPIs such as talk time and completed dials, but you should never structure a bonus around them. Always pay for results, rather than activities. Your business makes money when your agents generate leads or sales appointments. They should make money on the same basis.

If you pay for activities rather than results, you'll end up chasing the wrong things and your agents will do activity for activity's sake. They'll stop thinking about what's really important – the outcome of their calls.

Consider call quality

If you review call recordings to ensure best practice is being adhered to, it's a good idea to factor this into your bonus scheme.

An agent could be generating a lot of leads or appointments, but may be going about it the wrong way. And while they are achieving great short-term results, what they are saying may damage your brand in the longer term.

Go weekly

One unusual technique, which has worked particularly well for telemarketing agency MarketMakers, is to make lead/appointment bonus payments on a weekly basis. There's something very satisfying about generating an appointment on Monday morning that results in more money in your pocket on Friday night – particularly for younger agents.

Psychologically, the further away an incentive is, the less value is attached to it. So, even if you can't pay bonuses weekly, try to do so at least monthly. Avoid quarterly bonuses wherever possible (other than for longer-term outcomes such as closed deals or renewals).

Weed out underperformers

You want your most successful agents to earn more than the less successful ones, but they also need to be seen to earn more.

It's fine if they let slip how much they're earning – or at least what they're spending it on. Less successful agents will realise they are earning far less than they ought to, and will either up their game or move on. This helps motivate agents to try harder and weeds out underperformers.

Avoid 'over-spiffing'

Consider running occasional contests to keep things interesting. It's great for short-term business goals such as a year-end sales push or clearing soon-to-expire stock. But they must run alongside the main bonus scheme, rather than replace it.

The key word here is 'occasional'. Contests can be motivational for some agents, but they can also be divisive – particularly if one or two of your best agents always end up winning. If you offer too many 'spiffs', your team will start to expect them, successful agents will think of them as part of their regular earnings and the rest will become jaded and opt out.

Part 3:

How Can I Retain My Best Agents?

There is no such thing as a 'job for life' any more, particularly in a high-churn profession such as telemarketing.

But while there's no secret formula to prevent employee churn, there are things you can do to make your agents want to stick around longer than they otherwise would have done.

Hire the right people

It seems obvious, but the best way to prevent churn is to hire the right people to begin with. A candidate might have a good telephone manner or sales technique, but can they deal with the stress of the job? Can they handle rejection on a daily basis?

Many former telemarketers were great at the job, but left because the pressure was too much for them. Ask candidates how they deal with stress and rejection and consider their answers carefully.

Long-term career prospects

Some of your agents may not want a long-term career in telemarketing, but it's still important to emphasise that there are long-term career prospects – both within the team and the wider business.

It's human nature to want to progress, so ensure your agents don't have to leave in order to do so. There should be a clear career path within the telemarketing team (Agent, Senior Agent, Team Lead etc). At MarketMakers, there's an eight-tier career path for telemarketers, with high-performing agents able to progress every six to twelve months.

Once an agent has worked their way to the top, make sure there's a role for them elsewhere in the business. Work with your counterparts in sales and HR to ensure that telemarketing is seen as a key recruitment source for new salespeople. You may not want to lose your best agents, but you are much better off if they move to another part of your organisation than if they go to a competitor.

Part of the wider team

It's important for agents to feel that they are an important part of the wider team, and for them to understand how their work affects the wider business goals.

Encourage your agents to mix with other departments. If possible, get them to spend time shadowing their sales and marketing colleagues, to get a feel for what they do.

Ask the leadership team to talk to them about financial results and where the business is going – a breakfast briefing from the CEO can work wonders for morale.

A major UK supermarket chain has a policy whereby every senior leader has to spend one day each year working on 'the shop floor' at one of its stores. This gives both the leaders and the store employees valuable insight into how other parts of the business work. Why not suggest the leaders in your organisation spend a day with the telemarketing team?

Flexibility

Your agents have personal lives and – while you must ensure the phones are manned – some may prefer a particular shift.

Be as flexible as you can in allowing your agents to create schedules that work for them. The better their work-life balance, the longer they are likely to stay.

A good age range

We all know that age shouldn't be a factor when it comes to hiring. But to many people, telemarketing is still very much seen as a 'young person's game'.

In fact, you are much better off with a good age range. A mixed-age team makes you less susceptible to churn. Younger people can be more eager to move on to their next role (particularly when they see their peers doing so). Older people can be more steady, and having them in the team sends a strong signal that telemarketing is OK as a longer-term career choice.

Younger agents can also learn a lot from their older, more experienced colleagues. To make the most of this, consider putting an informal mentoring programme in place. The mentor will feel valued and the mentee will benefit from the mentor's experience.

Team culture

Telemarketing can be quite isolating, with agents often feeling that they are competing (particularly at businesses that offer frequent 'spiffs').

Encourage a team culture, with agents divided into groups with particular goals and incentives. Move team members around from time-to-time, to avoid cliques from forming.

Take the teams outside of the office as well, for fun activities such as sporting events, bowling nights and pub quizzes.

Bonus Content:

How to Identify Your Best Prospects



How can you be sure your telemarketers are calling the right prospects? Tom Gatten, GrowthIntel's CEO, explains how data science can improve the efficiency of your telemarketing campaigns.

Imagine if your telemarketing agents knew there was a statistical likelihood that the companies they were about to call had a genuine requirement for what they were selling. What a great motivator!

One of the toughest challenges in telemarketing is knowing who to call. Businesses typically try to find more companies that look similar to their current customer base. Companies in the same sector, or offering similar products. But the real defining characteristic of your best customers is unlikely to be so clean cut.

Whatever it is that makes a company similar to your best customers, it's going to be hard to see, harder to measure and nigh on impossible to segment on. Because, despite what some data vendors may tell you, that kind of structured information about companies just doesn't exist.

The lack of accurate, up-to-date, detailed company information is a huge problem. It's a key reason why well-researched sales calls can come across as cold and annoying.

Businesses waste huge amounts of money targeting people who are never going to buy from them. Because there's simply no way of knowing who's going to be interested before you contact them. Or is there?

Almost every company has an online presence in the form of text-based data about them. Advances in processing power have made it possible to collect and mine that unstructured data for specific buying signals. If you know what the signals are and who's exhibiting them, you can start targeting those companies – and ignoring the rest.

This may sound like a lot of work (it is), but predictive marketing tools can help.

Businesses such as American Express, BT and FedEx are using predictive marketing to surface buying signals and identify high-converting prospects. And they've all achieved a minimum 1,000% return on their investment.

With that kind of ROI, predictive marketing may be something you should consider too.



GrowthIntel is a predictive marketing platform that can identify every company with a requirement for your product or service, and prioritise them according to the strength of that requirement.

Our technology helps B2B marketers identify their best prospects – increasing revenue and reducing wasted sales and marketing effort.

For further information, or to request a pilot with results-based pricing, visit growthintel.com

Bonus Content:

How to Find a Good Telemarketing Agency



Thinking of outsourcing your telemarketing? Henry Braithwaite, Managing Director of MarketMakers, shares some tips on what to look for when hiring a telemarketing agency.

Trusting the reputation of your business to a company you've never worked with before is a daunting prospect. But that's exactly what you're doing when you hire a new telemarketing agency.

Most agencies will talk a good talk. They should do, selling is at the very heart of what they do. But before you allow a room full of strangers to start calling your prospects on your behalf, there are a few signs to look for to ensure you're making the right decision.

First of all, look at their capabilities around data, technology and people.

If they are providing the call lists, question them on the quality. How do they know the contacts fit your buying profile?

Do they have the right technology to work efficiently on your behalf? Is it all properly integrated?

Who's making the calls? Are they smart, professional and personable? These people need to leave a great first impression of your business.

A good agency should be invested in its clients' success and good at building long-term relationships. Ask how long their clients have been with them, and whether repeat business is factored into their agents' bonus scheme.

Don't assume pay-per-lead is the best business model – this can shift agency interest to lead quantity rather than lead quality. You want to partner with an agency where the benefits are balanced. When a client is more profitable for the agency, it will always be in their best interest to provide the best possible results in order to retain that client.

And no matter how good an agency seems, walk away if they don't have solid experience within your industry. The learning curve will rarely be worth the effort.

Finally, I strongly recommend a site visit. Get in the call centre and feel the atmosphere. Speak with some agents and listen in on their calls. You'll soon get a sense of whether they are the kind of people you want representing you.



MarketMakers is a business built on brilliant people. From ambitious start-ups to blue-chip industry leaders, we work closely with our clients to deliver world class results.

Companies come to us because they know that B2B telemarketing isn't a numbers game. It's about engaging, intelligent phone dialogue that takes unqualified business prospects and converts them into high quality sales opportunities.

For further information or a no obligation quotation, visit www.marketmakers.co.uk



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