Outreach

SALES 2024

a revenue data analysis

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We've never been in favor of guesswork.

Outreach lives and dies by the data. It's what makes our sales execution platform so powerful. We're constantly digging into our unique collection of sales data and insights provided by the Outreach platform to maintain a pulse on customer health, platform effectiveness, and market vigor.

But we're a nosy bunch. For this extensive sales data analysis, we stepped outside of the Outreach oasis and into the GTM marketplace for the most complete picture of the state of sales execution – without the Outreach advantage. And it's mostly for selfish reasons: we want to build (and maintain) the best sales execution platform ever made. Yet, what we found is too important to keep to ourselves.

We gathered 500 respondents from across GTM positions, industries, and across the globe, and they're telling some uncomfortable truths:

- Revenue goals are lofty, but some are conquering them
- SDRs aren't going anywhere, and the pressure is on
- AEs are expected to do more with less, and they might be pulling it off
- Leaders are not as plugged in as they think they are, and they're risking a coaching disconnect
- Respondents may be more comfortable pointing the finger when it comes to top challenges to revenue growth
- Competition within mid-market and commercial segments is at a high
- Sales cycles are long – really long

… and that's just scratching the surface.

We're sharing the love and the data.

The sell-bot revolution may not be as imminent as anticipated…

Outreach
INSIGHTS GROUP

The Outreach Insight Group (OIG) delivers the latest findings from Outreach's proprietary research of Sales and Revenue organizations. By analyzing millions of buyer-seller interactions, deals, revenue workflows, and market trends, the OIG reports insights and best practices so every rep can sell like your best rep.

MEET THE 500

Outreach developed a proprietary anonymous, self-reporting survey in Q2 2024, distributed across the US, Canada, and the UK. The 500 participants self-identified as Front Line Sales Managers, Sales Enablement, Sales Development Management, Executive Sales Leadership, and Revenue & Sales Operations. Their respective revenue ranged from <$1M – >$1B, with average contract value (ACV) ranging from <$1k – >$1M, giving us a healthy perspective across the market. For the sake of brevity, we also took the liberty of rounding percentages to maintain whole numbers.

Now, we're digging into what they had to say.

SDRS AND AI: COMPLEMENTING, NOT REPLACING

Long live the SDR. Chatter across the GTM space, made rumors of SDR and XDR layoffs, lateral moves, and promotions hard to ignore, but they appear to maintain most of the responsibility for prospecting. With 74% of respondents reporting having at least 21 SDRs, the need for SDRs hasn't totally subsided, and they have considerable pipeline responsibility.
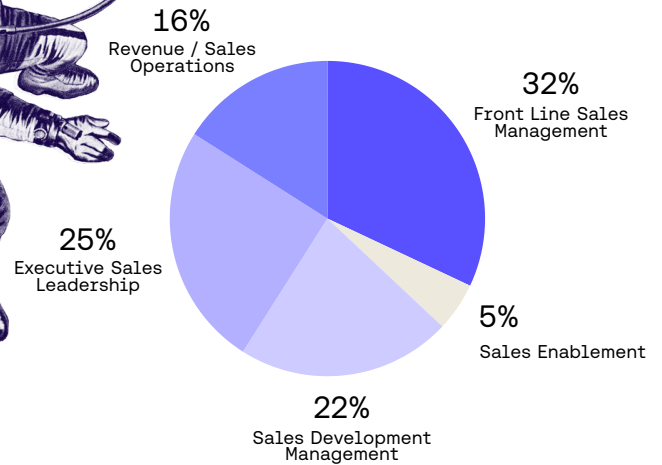
A lot of the talk surrounding the mysterious future of the SDR came as a result of booming AI tech, incorrectly assuming that standard gen AI could replace many SDR functions or at least save a considerable amount of time. But much of the market learned pretty quickly that general generative AI is not the same as sales AI, and that learning how to use it properly is truly learning a new skill.

The ramp time for AI skills combined with the Goldilocks nature of finding the right tech fit for sales teams hasn't necessarily destroyed or saved the SDR role, it just solidified AI as part of the gig. The best salespeople and SDRs won't be replaced by AI. But the best salespeople are already using AI, and forgoing the right AI tools will only leave sellers at a distinct disadvantage. No matter how many SDRs your organization maintains, perform an AI tech analysis to make sure they have the right tools to tackle their goals.

500 participants from across the UK, US, and Canada took part in our proprietary, anonymous survey. These participants self-identified and self-reported.
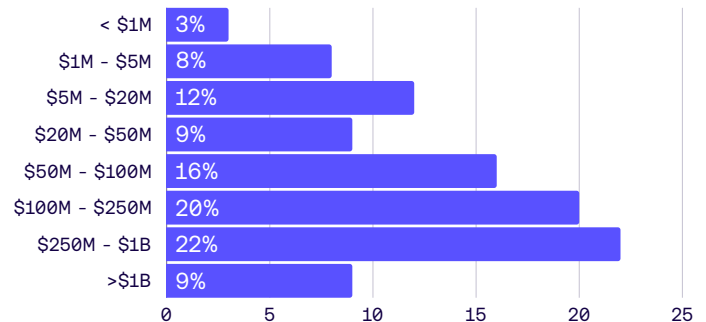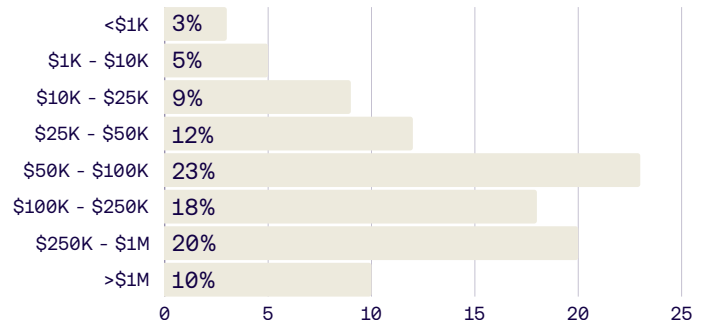
What is your specific job function?

- 16% Revenue / Sales Operations
- 32% Front Line Sales Management
- 25% Executive Sales Leadership
- 5% Sales Enablement
- 22% Sales Development Management

source: Outreach Insights Group

Select the total revenue for your company's last fiscal year

Revenue	Percentage
< $1M	3%
$1M – $5M	8%
$5M – $20M	12%
$20M – $50M	9%
$50M – $100M	16%
$100M – $250M	20%
$250M – $1B	22%
>$1B	9%

source: Outreach Insights Group

What was your company's ACV?

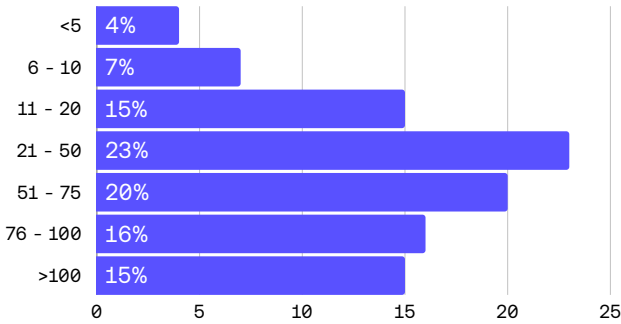| ACV	Percentage
<$1K	3%
$1K – $10K	5%
$10K – $25K	9%
$25K – $50K	12%
$50K – $100K	23%
$100K – $250K	18%
$250K – $1M	20%
>$1M	10%

*percentages have been rounded to the nearest whole number

source: Outreach Insights Group

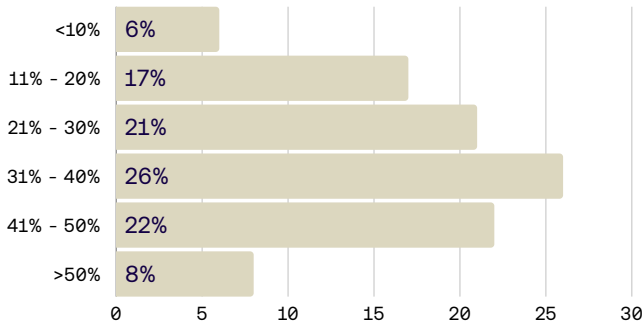## How many Sales Development Representatives are in your company?

Range	Percentage
<5	4%
6 - 10	7%
11 - 20	15%
21 - 50	23%
51 - 75	20%
76 - 100	16%
>100	15%

source: Outreach Insights Group

Which sales roles are responsible for pipeline generation in your company?

45% Account Executives

71% Sales Development Representatives
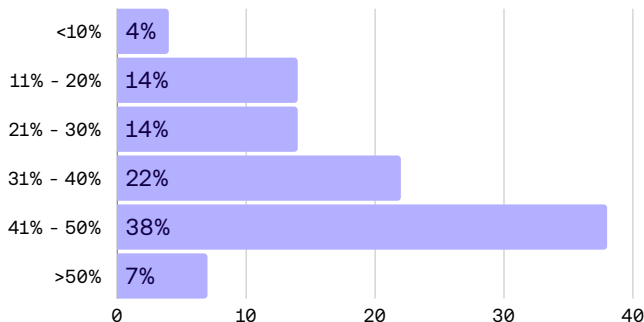
50% Account Managers
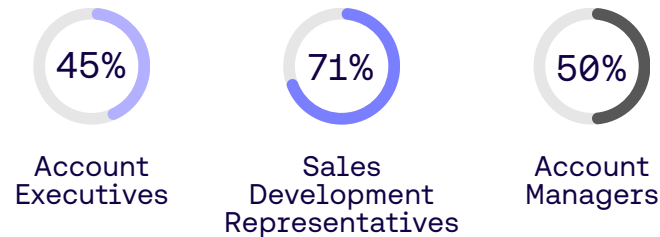
source: Outreach Insights Group

What percentage of your company's pipeline is from outbound Sales Development generated leads?

All respondents

Range	Percentage
<10%	6%
11% - 20%	17%
21% - 30%	21%
31% - 40%	26%
41% - 50%	22%
>50%	8%

$250M-$1B

Range	Percentage
<10%	4%
11% - 20%	14%
21% - 30%	14%
31% - 40%	22%
41% - 50%	38%
>50%	7%

source: Outreach Insights Group

# High ambitions require the right tools

SDRs have some serious work to do, especially in larger companies ($250M–$1B). Among the general audience survey, a plurality of respondents (26%) expect SDRs to generate 31%–40% of pipeline. And amongst our $250M–$1B companies, the highest percentage (38%) expect SDRs to generate 41%–50% of pipeline.

Spray and pray won't cut it to hit these numbers. We'll touch on appropriate coaching later in the report, but hitting these numbers will require support rom the right tools — because pipeline ambition is high.

Typically, 3.1x–4x is considered the pipeline coverage ratio sweet spot, and the largest subset of respondents fall within this range. But the next largest subset exists within the 4.1x–5x range, indicating larger pipelines or limited sales target value, narrowly squeaking out the 2.6x–3x subset by .4%. (Remember, we rounded these numbers for easier consumption) That's a lot of pavement for SDRs to pound without the right support.

What was your company's overall pipeline coverage ratio last year?

Range	Percentage
<2x	2%
2.0x - 2.5x	9%
2.6x - 3x	24%
3.1x - 4x	27%
4.1x - 5x	24%
>5x	7%
We do not measure	7%
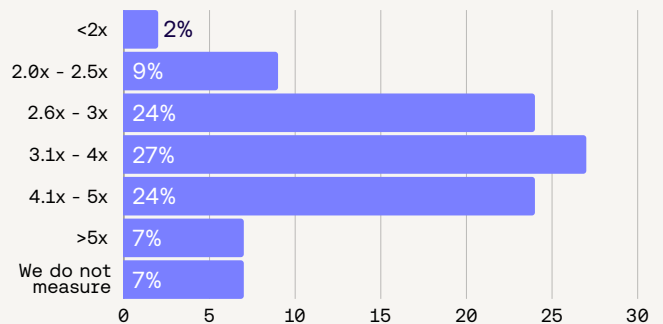
source: Outreach Insights Group

Pipeline Coverage ratio is typically calculated as the amount of total qualified pipeline at the beginning of a period divided by the new business plan number for the same period.

*percentages have been rounded to the nearest whole number

MAYBE SCHEDULE A MEETING WITH YOUR AES...

Luckily, and strategically, SDRs won't be prospecting alone. The high prospecting rates amongst AEs and AMs demonstrate that prospecting is a shared responsibility, but there may be a major disconnect between the C-suite and the sellers.

As a reminder, these numbers are self-reported — and perception is reality. Amongst overall respondents, 64% of C-level executives said AEs were responsible for pipeline generation, but only 29% of "sales staff" said AEs were responsible for pipeline generation. AEs are hard at work, but they could be chasing different goals than their C-suite expects. Everyone wants to go to president's club, and every leadership team wants to send them. Sellers and C-suite need to get on the same page asap — because expectations of AEs are high, especially in larger companies.

Most respondents (26%) expect their AEs to generate at least 21%–30% of their pipeline, but in $250M–$1B revenue companies, a plurality of respondents (37%) expect AEs to generate nearly half of their pipeline (41%–50%). This distinctly aligns with our recent examination of the evolution of the AE role. When sales teams are expected to be even more efficient, AEs can no longer solely rely on MQLs and opportunities sourced by SDRs. AEs are doing more of their own prospecting than they have in the past. With the added risk of miscommunication, AEs will need a recalibration of expectations and the right tools and time to achieve them — because they have even more responsibility.

AE double duty: Managing prospects and customers

AEs don't just have heightened prospecting expectations, their expansion expectations are also lofty.

When more AEs are coming in earlier and staying later in the sales cycle, they're managing prospects and customer relationships. When we asked respondents where they expected to drive most of their company's growth in 2024, the plurality (38%) said they anticipate a 50/50 split between net new and expansion, making AEs a tactical and fiscal choice.

Which sales roles are responsible for pipeline generation in your company?
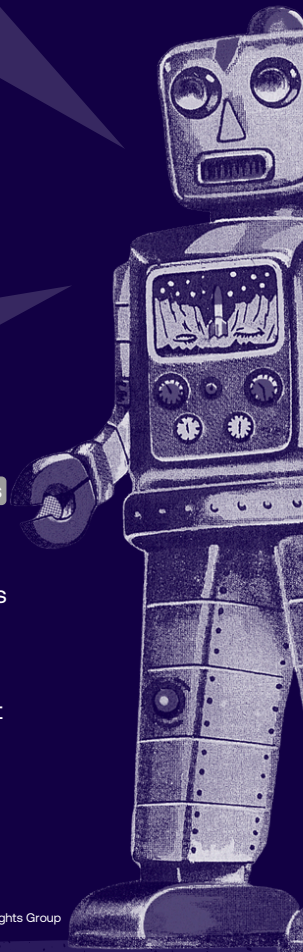
According to Sales Staff

- 29% Account Executives
- 61% Sales Development Representatives
- 42% Account Managers

According to C-level Executives

- 64% Account Executives
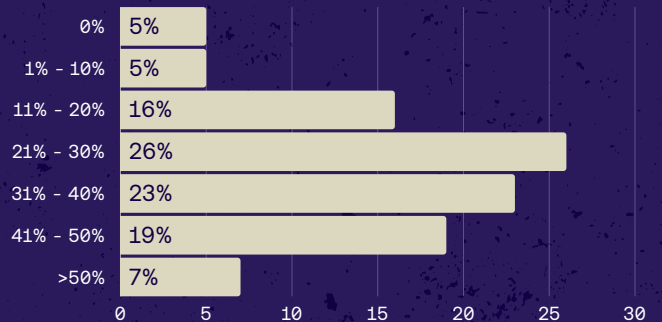- 74% Sales Development Representatives
- 48% Account Managers

source: Outreach Insights Group

At your company, what is the percentage goal of an AE's pipeline to be self-generated?

All respondents
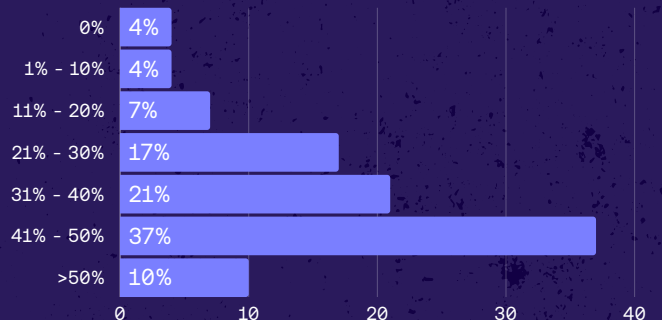
Range	%
0%	5%
1% - 10%	5%
11% - 20%	16%
21% - 30%	26%
31% - 40%	23%
41% - 50%	19%
>50%	7%

$250M-$1B

| Range	%
0%	4%
1% - 10%	4%
11% - 20%	7%
21% - 30%	17%
31% - 40%	21%
41% - 50%	37%
>50%	10%

source: Outreach Insights Group   *percentages have been rounded to the nearest whole number
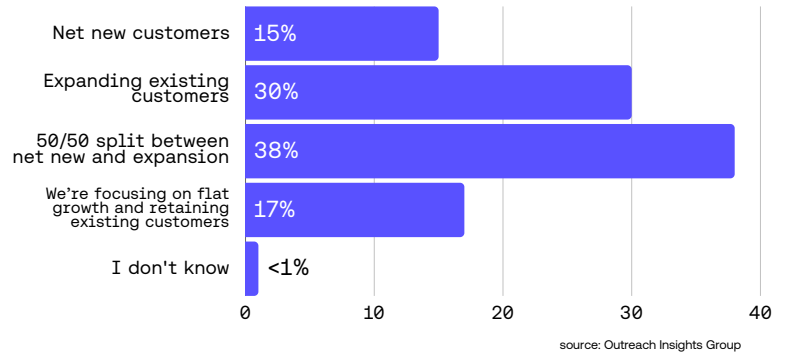
If AEs have differing prospecting expectations and a 50/50 net new and expansion split, that's a lot of AE-dependent growth. It's not impossible, but it does warrant review amongst your team to make sure expectations are consistent and attainable — especially with consideration of time constraints.
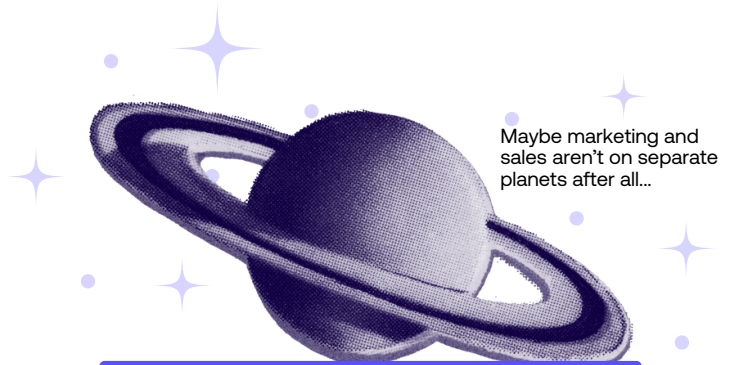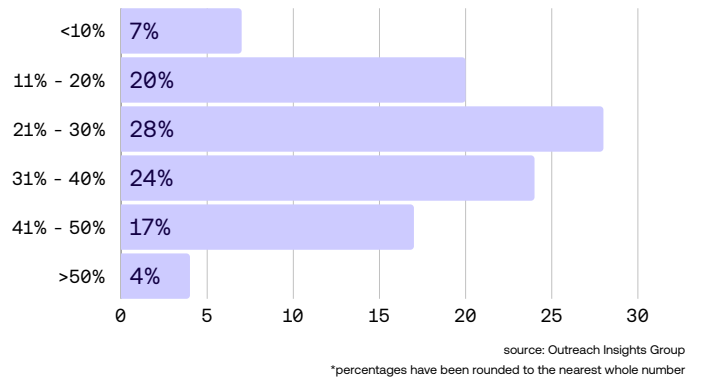
Love, Marketing: Marketing + sales success

It might be helpful to include Marketing in the conversation. The infamous feud between these brother-and-sister teams demonstrates a decent level of harmony: 73% report at least 21% of their company's pipeline from inbound Marketing leads. This suggests that Marketing is hard at work and sales teams are running with those leads. However, if expectations are shifting or leveling, Marketing may need to pivot their own tactics and strategy to maintain this harmony and provide the right leads.

Selling headcount: An unexpected sweet spot?

So, what's the magic number for tackling such pipeline ambitions? In our largest subset of $250M - $1B of revenue, AEs and SDRs have higher expectations and higher pipeline coverage ratios. Among our $250M - $1B respondents, 28% are expecting to do so with more SDRs (76-100 SDRs) but a plurality (24%) are expecting to do it with the same number of AEs as our general respondents: 11-50. It is worth mentioning that the next largest subset (23%) have 251 - 500 AEs, a considerable increase. However, it is notable that most expect to conquer these goals with as few as 11 AEs.

We're in favor of hefty SDR representation to hit such lofty goals, but when the $250M - $1B subset has higher goals than our overall audience, they could benefit from more AEs. The oddest part? This formula may be working for some.

(Some) AEs are hitting target on big goals

This limited AE approach may be surprisingly effective. Most (27%) of $250M–$1B orgs report

Maybe marketing and sales aren't on separate planets after all...

Which source of revenue do you expect to drive the most of your company's growth in 2024?

Net new customers	15%
Expanding existing customers	30%
50/50 split between net new and expansion	38%
We're focusing on flat growth and retaining existing customers	17%
I don't know	<1%

source: Outreach Insights Group

What percentage of your company's pipeline is from Inbound Marketing leads?

<10%	7%
11% - 20%	20%
21% - 30%	28%
31% - 40%	24%
41% - 50%	17%
>50%	4%

source: Outreach Insights Group
*percentages have been rounded to the nearest whole number

76%–90% of their AEs are hitting goal, compared to our overall collection of respondents where the largest subset (26%) report just 61%–75% of their AEs hitting goal. This lower AE headcount may be working for larger orgs, but we'd still urgently recommend that previously mentioned AE meeting and AI tech evaluation to make sure that this approach is sustainable. One good year doesn't automatically create another.

MARKET REALITY CHECK: THE ECONOMIC IMPACT ON SALES
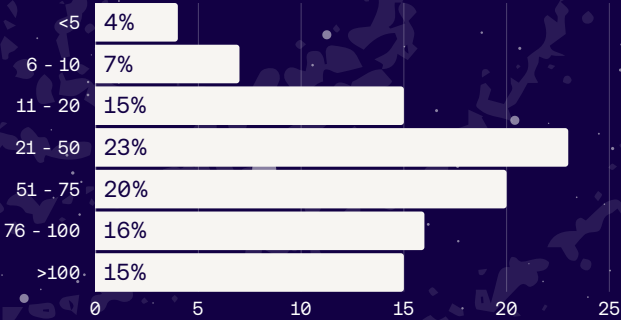
Goals can't, and shouldn't, exist independent of their market. And the global financial market has inspired some trepidation: a whopping 61% of respondents cite budget and economic uncertainty as a primary
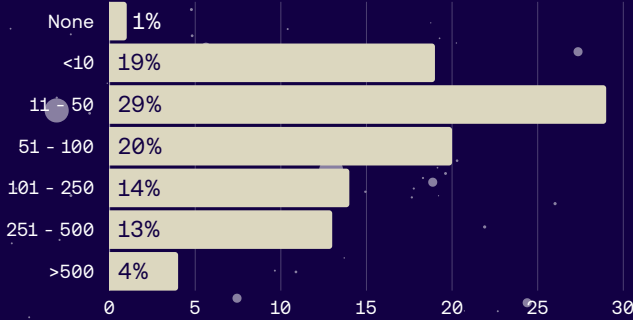
All respondents

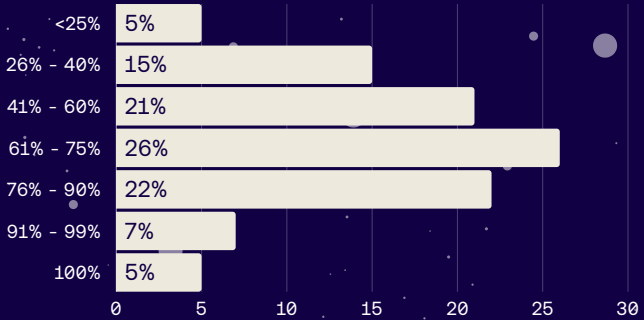### How many SDRs are in your company?

SDRs	%
<5	4%
6 - 10	7%
11 - 20	15%
21 - 50	23%
51 - 75	20%
76 - 100	16%
>100	15%

source: Outreach Insights Group

How many AEs are in your company?

AEs	%
None	1%
<10	19%
11 - 50	29%
51 - 100	20%
101 - 250	14%
251 - 500	13%
>500	4%

source: Outreach Insights Group

What percentage of AEs at your company made quota last year?

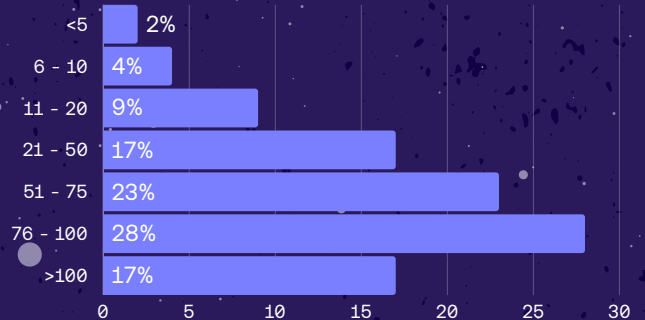| Quota	%
<25%	5%
26% - 40%	15%
41% - 60%	21%
61% - 75%	26%
76% - 90%	22%
91% - 99%	7%
100%	5%

source: Outreach Insights Group

*percentages have been rounded to the nearest whole number

$250M-$1B

How many SDRs are in your company?
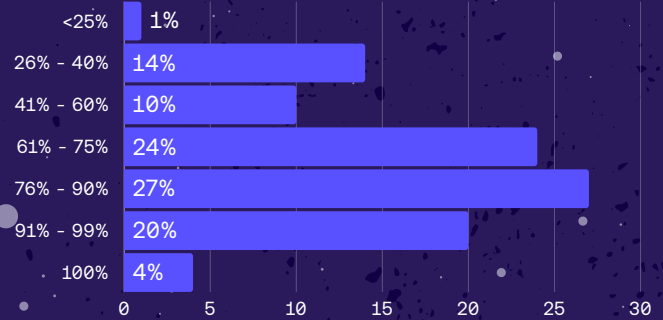
SDRs	%
<5	2%
6 - 10	4%
11 - 20	9%
21 - 50	17%
51 - 75	23%
76 - 100	28%
>100	17%

source: Outreach Insights Group

How many AEs are in your company?

AEs	%
None	0%
<10	10%
11 - 50	24%
51 - 100	18%
101 - 250	20%
251 - 500	23%
>500	5%

source: Outreach Insights Group

What percentage of AEs at your company made quota last year?

Quota	%
<25%	1%
26% - 40%	14%
41% - 60%	10%
61% - 75%	24%
76% - 90%	27%
91% - 99%	20%
100%	4%

source: Outreach Insights Group

$250M - $1B companies are more likely to have more SDRs, fewer AEs, and those AEs are more likely to hit quota. But this "less is more" mindset may not be sustainable.

concern, with competitive pressures (58%) as a close second.

These are valid concerns. The vague, yet looming, threat of recession combined with slowed growth, inflation, and demanding boards have turned up the financial heat. Unless you're in a highly niche industry, competitors seem to pop up overnight (and they're annoyingly persistent, aren't they?). But this immediate prioritization of external pressures over internal weaknesses makes us wonder, are orgs more comfortable pointing the finger rather than taking a look in the mirror?

When everyone appears to be targeting the same audience, sales teams will need to rise above the market to conquer their goals, and do it aggressively.
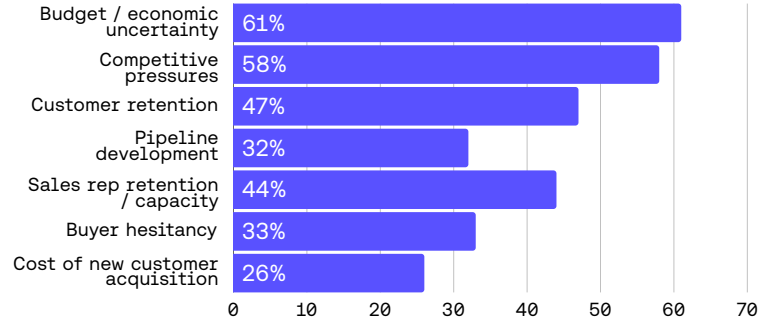
Cozy competition

This eye on the competition may not be unfounded. A majority of respondents are targeting the $10M - $100M Mid-market (41%) or the $100M - $1B Commercial (41%) segments, leaving very little love for Small Business or the gumption and resources to tackle Enterprise. The Mid-market and Commercial segments are bound to get crowded, especially when they have higher win rates.

When Small Business opp win rates are lower, while Commercial, Mid-Market, and Enterprise win rates are this juicy, it makes sense to go big or go home. More respondents reported higher win rates when targeting larger segments, Commercial and Enterprise in particular. More than half (60%) of respondents who cite Commercial as their company's primary segment report win rates of at least 31%. Meanwhile, among Enterprise respondents, 35% report win rates between 26% – 30%, and an additional 35% report win rates over 40%.

It's likely that small businesses are feeling the financial squeeze more than their larger counterparts, with steeper consequences for prioritizing resources that don't deliver prompt ROI. Meanwhile, Commercial and Enterprise may be the most eager (and have the most funds) to secure the right tools to get ahead.

Even though larger prospects may be more

What are the top challenges to revenue growth for your company?

Challenge	%
Budget / economic uncertainty	61%
Competitive pressures	58%
Customer retention	47%
Pipeline development	32%
Sales rep retention / capacity	44%
Buyer hesitancy	33%
Cost of new customer acquisition	26%

source: Outreach Insights Group

What is your company's primary target customer segment?

Segment	%
<$10M (Small business)	9%
$10M - $100M (Mid-Market)	41%
$100M - $1B (Commercial)	41%
>$1B (Enterprise)	9%
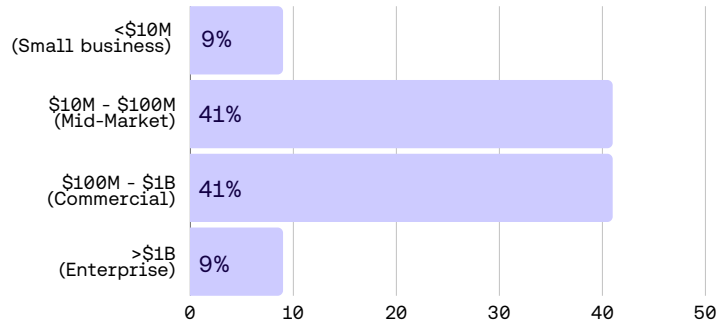
source: Outreach Insights Group

FROM THE TOUCHPOINT TANGO

new logo avg. sales cycle by deal size

opp amount	avg. days open	opp win rate
under $10k	85	31.3%
$10k - $50k	128	24.0%
$50k - $100k	182	19.6%
$100k+	198	18.7%

source: Outreach Insights Group

What is the average sales cycle (number of days) in your company's primary segment?

All respondents
120 DAYS
median

Mid-Market + Commercial
150 DAYS
median

Mid-Market + Commercial + $250M - $1B
408 DAYS
median

source: Outreach Insights Group
*percentages and days have been rounded to the nearest whole number

What is the average sales cycle (number of days) in your company's primary segment?

responses

number of days

source: Outreach Insights Group
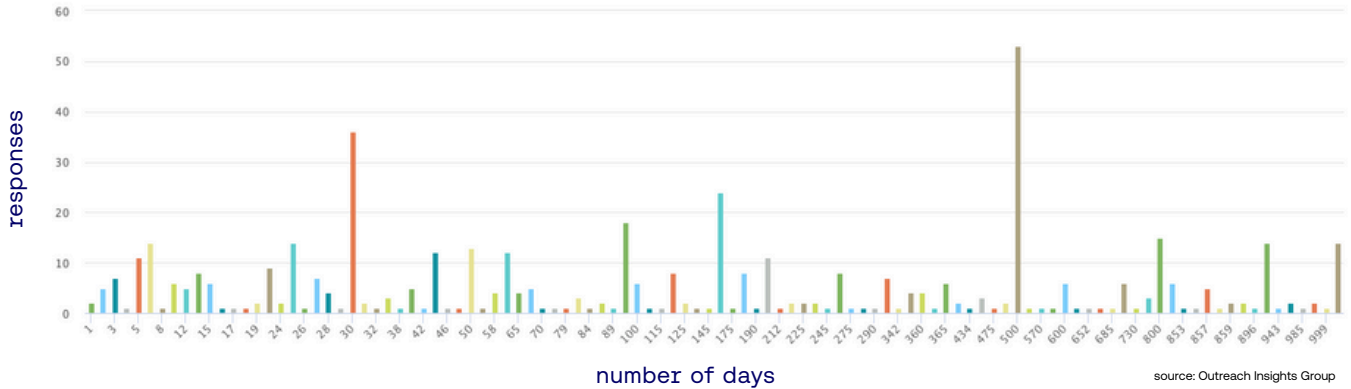
appealing, they could be favoring smaller deals. In our 2024 touchpoint analysis, Outreach data demonstrated that deals below $10k were the only group to experience a year-over-year decrease in average days open and an increase in win rate. The aversion to bigger deals and attraction to smaller deals indicates the market is willing to buy, but cost and risk have to be low enough to answer to their boards and bottom line.

The combination of wooing bigger customers with smaller deals could help boost numbers – especially if you find the Mid-Market and Commercial

segments a bit crowded. And, if you're feeling bold, Enterprise had the least competition and robust win rates.
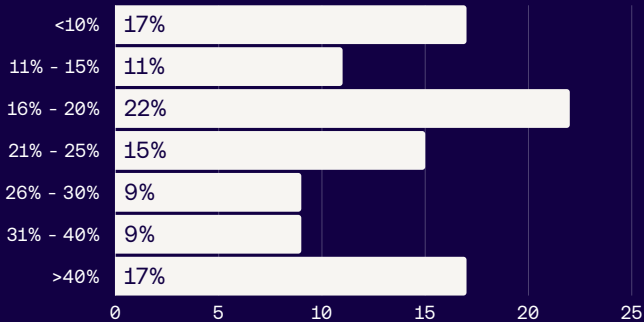
Lengthy sales cycles ahead, really lengthy

Speaking of sales cycle length... hunker down. This could take a while. Overall, global respondents reported a median sales cycle of 120 days. But amongst Mid-Market and Commercial accounts, the median sales cycle is 150 days. Even more
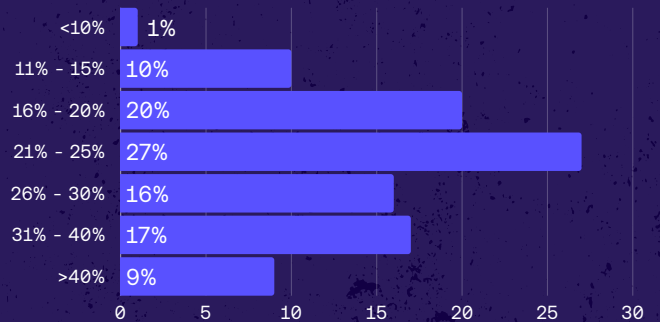
What is the opportunity win rate in your company's primary segment?

source: Outreach Insights Group
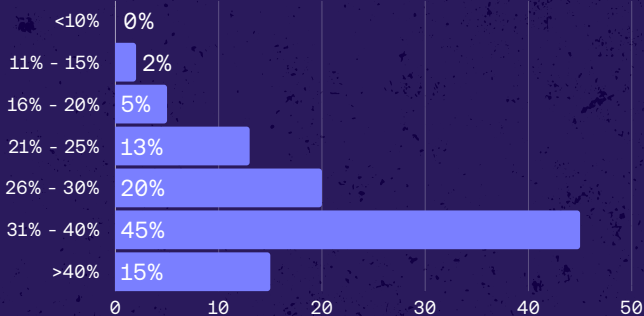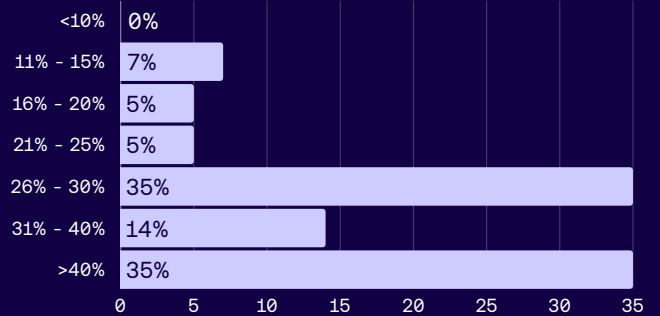*percentages have been rounded to the nearest whole number

<$10M (Small Business)
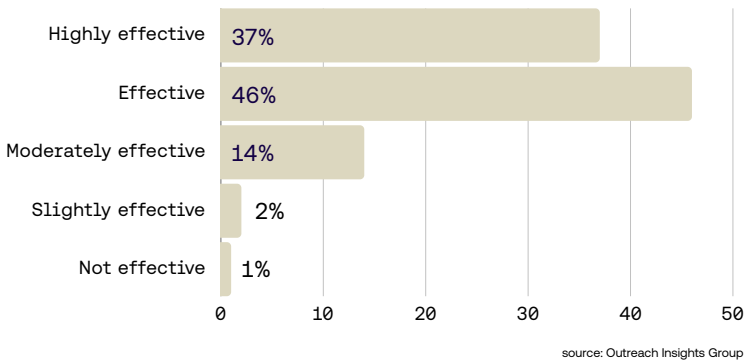
<10%	17%
11% - 15%	11%
16% - 20%	22%
21% - 25%	15%
26% - 30%	9%
31% - 40%	9%
>40%	17%

$10M - $100M (Mid-Market)

<10%	1%
11% - 15%	10%
16% - 20%	20%
21% - 25%	27%
26% - 30%	16%
31% - 40%	17%
>40%	9%

$100M - $1B (Commercial)

<10%	0%
11% - 15%	2%
16% - 20%	5%
21% - 25%	13%
26% - 30%	20%
31% - 40%	45%
>40%	15%

>$1B (Enterprise)

<10%	0%
11% - 15%	7%
16% - 20%	5%
21% - 25%	5%
26% - 30%	35%
31% - 40%	14%
>40%	35%

How effective are your company's front line sales managers at coaching reps?

Highly effective	37%
Effective	46%
Moderately effective	14%
Slightly effective	2%
Not effective	1%

source: Outreach Insights Group

What are the most effective coaching techniques or tools at your company?

Call recording & review	59%
Weekly one-on-ones	62%
Call shadowing	33%
Sales enablement / training	80%
Team meetings	65%

source: Outreach Insights Group
*percentages have been rounded to the nearest whole number

Coach your team, even when you're not around.

Kaia provides real-time support during phone calls and video meetings, moving deals 19% faster and boosting win rates by 41%.

Discover Kaia

Tune into what reps really need so you can kick coaching into high gear.

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frightening, when we further focus on $250M-$1B companies who target Mid-Market and Commercial accounts, they report a median sales cycle of 408 days. You read that right: four hundred and eight days.

Every industry and product has its quirks, but these numbers should still be a cautionary tale.

These prolonged sales cycles aren't one-off. In that same 2024 touchpoint analysis of the Outreach sales database, sales cycles were 21% longer than in 2020. But these robust sales cycles are going to require diligent attention and action to navigate comfortably.

A COACHING DISCONNECT

With goals this lofty and sales cycles this treacherous, sellers are going to need the right coaching. Despite leaders' optimism, their coaching efforts may be coming up short.

The majority of respondents perceive their coaching efforts to be effective or highly effective. This struck us as odd given that nearly half of respondents (44%) cited "Sales rep retention / capacity" as a top challenge to revenue growth.

If reps are leaving, being let go, or don't have the capacity, and (according to this same data study) 88% of reps reached less than 90% of their quota, coaching may not be as effective as leaders are assuming. This is just another example of leaders having very different expectations apart from the sellers they support.
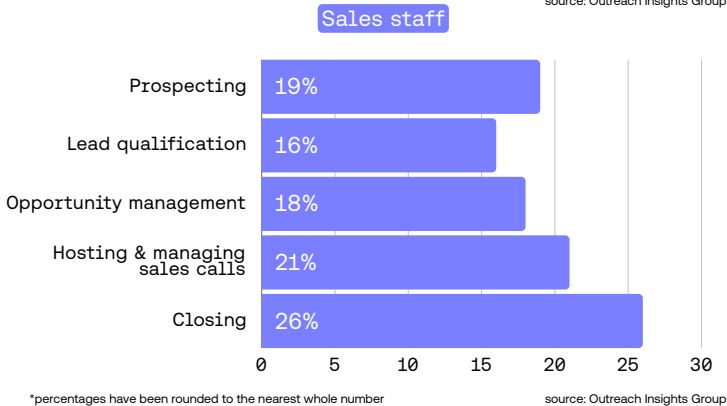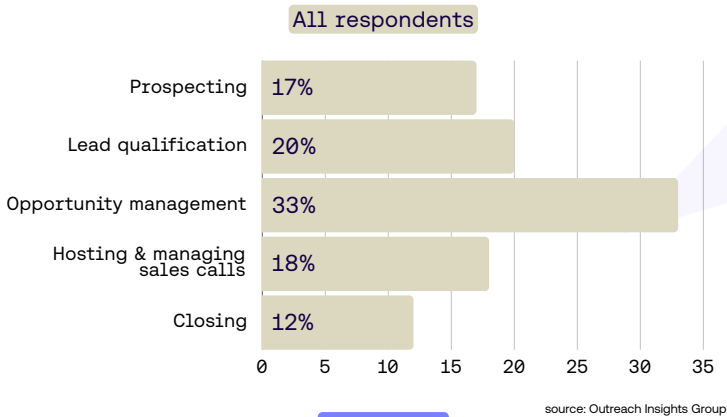
Comprehensive seller coaching

When we dig deeper into coaching techniques, we see a lot of variety, and we love it. In spite of that, we're also seeing an overwhelming reliance on the basics: Sales enablement / training (80%), team meetings (65%), and weekly one-on-ones (62%). We're very happy to see call recording and review close behind (59%) but given the heightened challenge of rep retention and capacity, we'd recommend digging in and working more closely with reps to confront the variables haunting the industry.
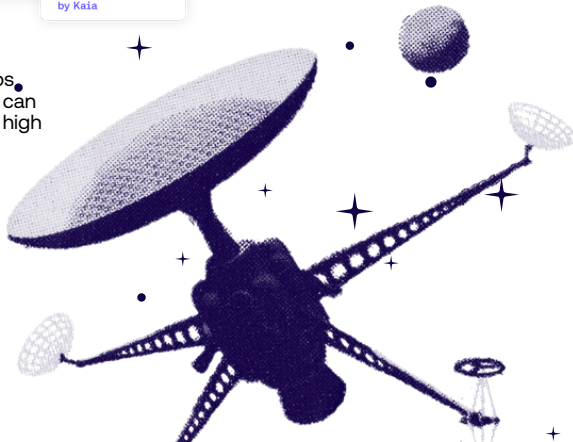
Coaching focus: Closing and opp management

You can't coach without a game plan. Overall, most of our respondents (33%) report reps struggling with opportunity management — an excellent place to start when coaching. But this is also just something to add to the list of disconnects. When we zero in on just sales staff, they cite closing (26%) and hosting & managing sales calls (21%) as their top concerns. Opportunity management (18%) is much less concerning for sellers.

Where are sales representatives struggling the most at your company?

All respondents

Prospecting	17%
Lead qualification	20%
Opportunity management	33%
Hosting & managing sales calls	18%
Closing	12%

source: Outreach Insights Group

Sales staff

Prospecting	19%
Lead qualification	16%
Opportunity management	18%
Hosting & managing sales calls	21%
Closing	26%

*percentages have been rounded to the nearest whole number

source: Outreach Insights Group

Before we get ahead of ourselves, we must also acknowledge differing priorities. C-levels, directors, and middle management consistently cited opportunity management as the area where reps are struggling most. Generally, opportunity management is where leaders and boards are monitoring success. And if opp management isn't getting the attention required, it's creating some difficult board conversations for C-levels, directors, and middle management.

Meanwhile, sellers are in the field, encountering more tactical challenges – and more barriers to their commission. This is a fantastic opportunity to remind

your teams that opportunity management is more than just updating CRM fields, it's identifying potential risk in the deal, managing it accordingly, and adjusting when things aren't going as expected.

This is still a disconnect, and seller needs should be prioritized. But we're all chasing our bonuses, so coaching should be hands-on and comprehensive, so everyone can win.

Forecast with precision, your pipeline could depend on it.
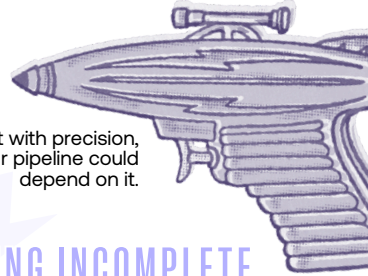
FUZZY FUTURE: ADDRESSING INCOMPLETE FORECASTING

With so much uncertainty and confusion, all eyes are on the future, but organizations may not be positioned for a clear picture of what's coming next.

We were relieved to see that only 7% of respondents don't forecast at all, and content to see that folks seem to be relatively confident in their forecasts, with a majority reporting a less than 10% (positive or negative) margin of error in forecasting.

But we were surprised to see that most respondents (74%) forecast expansion revenue, but only 58% forecast new logo revenue. Expansion data should be more readily available for forecasting purposes, but when a majority of respondents anticipate a 50/50 split between net new and expansion, this gap in forecasting could hinder conquering those goals.

Forecasting isn't just about seeing around corners, it allows you to better prepare your team. If your team is matching this report's calculated ambition (and confusion), your team needs the right insights to meet their goals.
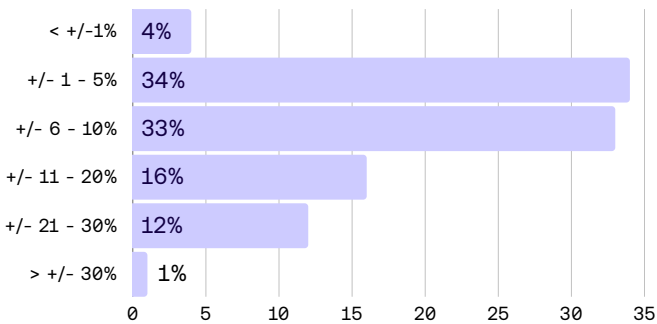
$22M $25M **Forecasting**

Forecast probability

$25M
113% to target
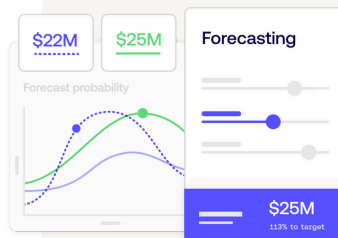
Better than a crystal ball.

See how Outreach forecasts with up to 98% accuracy.

Schedule a Demo

"DID YOU UPDATE CRM?" JAR

What is the margin of error for your company's forecast

Range	Value
< +/-1%	4%
+/- 1 - 5%	34%
+/- 6 - 10%	33%
+/- 11 - 20%	16%
+/- 21 - 30%	12%
> +/- 30%	1%

source: Outreach Insights Group

Who all is involved in the forecasting process at your company?

Role	Value
CRO	29%
CFO	42%
SVP / VP Sales	58%
RevOps	19%
Front Line Sales Management	67%
AEs	26%
CSMs	22%
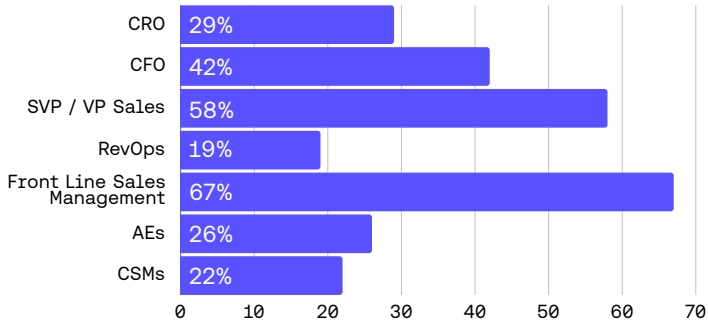
source: Outreach Insights Group

Which of the following revenue categories does your company forecast?
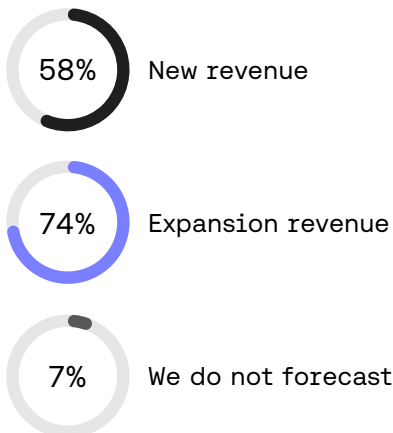
58% New revenue

74% Expansion revenue

7% We do not forecast

*percentages have been rounded to the nearest whole number

source: Outreach Insights Group

It can also be a big time suck, especially for managers and senior leaders. This is another place where AI can make a big difference. While most teams are not leveraging AI to help with forecasting, those who do see promising results: 41% report a major improvement in forecast accuracy, while 43% report a moderate improvement (Salesforce). Remember, the best sellers aren't being replaced by AI, but they are already using it to their advantage.

Sales is a lot of things, but boring isn't one of them. The market is bound to ebb and flow, and we're grateful for the right data tools, both within and outside of Outreach, to keep up and ride the wave.

Long sales cycles, economic uncertainty, and increasing expectations for SDR and AE roles… There are clear opportunities for improvement and growth. By integrating AI effectively, aligning goals between leadership and sales teams, and enhancing sales coaching strategies, organizations navigate these complexities and conquer those ambitious pipeline goals. Now is the time to act, adapt, and embrace these insights to stay ahead in the competitive market.

We believe in you, and we're here to help.

HOW OUTREACH CAN HELP

Outreach is the first and only Sales Execution Platform built for intelligent revenue workflows. Built on the world's largest foundation of customer interactions and go-to-market team data, Outreach gives teams the tools they need to design, execute, and continuously improve a revenue strategy that is disciplined, achievable, and optimized for every stage of the customer journey — especially when the market ebbs and flows.

See Outreach's AI features, coaching tools, forecasting capabilities, and more.

Schedule a Demo