

Outsourced Teleprospecting

When introducing outsourced lead generation, qualification and nurturing services to prospective clients, the Prospect-Experience sales team often hears “we can do what you do, in-house.”


In fact, it’s harder, and more expensive, than most could imagine. This paper presents the hard numbers that show that whatever you call it—teleprospecting, business development, inside sales or something else—outsourcing is your better bet.

The misconception that building an internal team gives you more control and costs less too is widespread. In reality, in-house teleprospecting costs more than outsourcing the same (or superior) services.

What marketing and sales executives who object to partnering with a specialized firm fail to add up are all the costs of establishing an inside team. They account for labor, commissions and benefits, certainly. But usually they aren’t considering the bigger picture, one that’s chock full of hidden expenses.

Equipment, overhead, management and administration need their space on the spreadsheet. So too do the costs associated with turnover, including rehiring, retraining, and lack of productivity when a position remains vacant.

Let’s look at the numbers.



COST
In-house teleprospecting costs close to 40% more than outsourcing the same (or superior) services.

Cost Item	Inside*	Outsourced
Salary	\$46,000	
Hiring, Training, Retaining	\$6,440	
Benefit Load	\$7,820	
Incentives	\$30,360	
Management	\$19,286	
Rent	\$3,559	
Computer, Sales, Tools, Data	\$4,600	
G&A	\$9,200	
Phone	\$2,760	
Total	\$130,025	
# of Hours Worked/Year	1960	1960
COST PER HOUR	\$86.34	\$62.50

**Based on compiled, aggregate data from a variety of third-party sources.*

The information above shows that it is more cost effective to outsource teleprospecting. However, just in case there’s a naysayer or two out there to argue that an inside team might do a better job, and that only bonafide employees can represent their company, a comparison based on results is in order.

(See next page)

LET'S CONSIDER RESULTS TOO

See the box at right for an analysis of the productivity of internal versus outsourced lead generation, qualification and nurturing—on average, an outsourced approach generates 92.35% more revenue. So, not only are you saving when you outsource, but you almost double your organization's sales productivity.



RESULTS

An outsourced approach to teleprospecting generates 92.35% more revenue than an internal approach.

Deliverables	Inside*	Outsourced
Dials	12,740	19,600
Completed Contacts	1,019	1,960
% Leads	5%	5%
Qualified Leads	51	98
% Closed	20%	20%
# Completed Deals	10.19	19.60
Average Deal	\$50,000	\$50,000
TOTAL REVENUE GENERATED	\$509,500	\$980,000
REVENUE INCREASE		92.35%

*Based on compiled, aggregate data from a variety of third-party sources.

HOW CAN THIS BE?

How can the outsourced approach cost less and deliver more? There are a variety of reasons:

Stability is inherent in an outsourced situation, where the calling associates are part of the firm's core competency with opportunity to advance and excel. When turnover does occur, it's transparent to the client: There's no gap in services—or in lead flow. On the other hand, turnover in an internal organization will be high among both individual contributors as well as management. Generally their objective is to get out of the call center.

Best practices are an integral part of the process at an outsourced teleprospecting firm, with continuous improvement initiatives built in. An outside firm with heavy outbound volume is able to apply known best practices efficiently and more quickly identify new ones. Internally, it's expensive and time consuming to uncover and implement at a smaller scale.

Professionalism levels are higher with an outsourced partner that is focused on delivering leads to its B2B clients. Using rigorous hiring and training practices they're able to attract the seasoned, degreed, sales-trained professionals who are able to engage in the meaningful dialogue with c-level decision makers that advances the sale.

MORE REASONS TO OUTSOURCE

Effective managers understand the importance of delegation. So do high-growth companies. They've experienced first-hand the unparalleled benefits—especially when it comes to outsourcing sales functions:

- Access to world-class capabilities.
- Reduced operating costs.
- Increased control of quality and productivity.
- Improved ability to focus on core business.
- Minimized risk.



ABOUT PROSPECT-EXPERIENCE

Too many companies make it too easy to leave the funnel. The average business closes a small fraction of sales-qualified leads. It's a broken process, but it doesn't have to be. The percentage of prospects that convert should be higher. Reach out to me, and I'll share the numbers with you.

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