

Score More Wins With the **Math of Sales**[™]

**THE CRITICAL FORMULA TO HELP YOU MAKE CRUCIAL
DECISIONS AND GET MORE CUSTOMERS**



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INTRODUCTION

With so many moving parts and pieces, sales teams need real-time, actionable insights that can inform their pipeline decisions to grow prospects and customers. Salesvue's Math of Sales™ was created to help organizations prospect more effectively and build a pipeline that aligns with their sales and marketing strategy.

More often than not, companies are lacking the visibility needed to know how many activities their sales representatives manage on a daily basis for prospecting and how many activities it takes to connect with a new potential buyer.

In this guide, we'll show you how you can use the Math of Sales™ to consistently win more.

Let's get started.



1+1=3

ADDRESSING FAULTY ASSUMPTIONS

Faulty Assumption #1: The more activity our sales team engages in, the more sales we will close.

This is a common misperception. Many front-line sales managers regularly receive activity reports on their sales teams' productivity based on total conversations. While, they may be seeing great numbers on their people as a whole, what do they really know about each salesperson's performance? Do they know which conversations make the most sales?

Faulty Assumption #2: More conversions happen by spending more money on the campaign that had the highest call-to-conversation percentage, or the most total conversions.

Sounds logical at first blush, but it doesn't always work that way. Measuring the results of different variables like campaigns or lead sources to achieve a desired result (e.g. an appointment, opportunity, or closed deal) makes sense. Unfortunately, you may actually be going down the wrong path, spending money on the wrong campaigns, if you don't look deeper into the metrics.

Whether you're basing your sales decisions on activity metrics, results metrics, or both, the Math of Sales™ will help you distinguish the true value of your metrics.





WHAT IS THE MATH OF SALES™?

We've all heard that sales is a numbers game, so every company's goal should be to win the game by working smarter, not harder.

THE MATH OF SALES™ DEFINED

THE NOT-SO-SECRET FORMULA

“MATH OF SALES” is the name we’ve given to the most valuable component of our Salesvue reports. It helps you optimize sales activities to achieve more successful outcomes by providing you insight into every phase of your sales cycle.

The Math of Sales™ is a ratio that explains the level of effort it takes your team to get one conversion. You define what counts as a conversion. It may be an appointment, an opportunity, a closed deal, or any other result.

THE MATH OF SALES™ FORMULA



The Math of Sales™ is the ratio of *touches* (e.g. phone calls, emails, etc.) to *conversations* to *conversions*.

Touches

to

Conversations

to

Conversions



:



:



WHAT DOES THE MATH OF SALES™ TELL YOU?

USEFUL RATES AND RATIO

Let's say on average, your sales team makes **125** touches (calls) to get **10** conversations that turn into **1** conversion (sale). They call, on average, **25** prospects to get there. With this knowledge, you have at your fingertips some very important data that can inform your decisions. Here is what the Math of Sales™ can tell you:

Math of Sales™ Ratio

125:10:1

touches:conversations:conversions

Touch rate

$\frac{125 \text{ touches}}{25 \text{ prospects}} = 5 \text{ touches per prospect}$

Conversation rate

$\frac{10 \text{ conversations}}{125 \text{ touches}} = 0.08 \text{ (8\%)}$

Conversion rate:

$\frac{1 \text{ conversion}}{10 \text{ conversations}} = 0.10 \text{ (10\%)}$



With these rates and the Math of Sales™ ratio, you can evaluate your sales team's performance and capacity, and do data modeling so your team can do more, close more and improve more. In the next section, we'll show you how.



INFORMING SALES DECISIONS WITH THE MATH OF SALES™

WHAT KINDS OF DECISIONS CAN I MAKE WITH THE MATH OF SALES™?

The Math of Sales™ can inform your decisions on your sales team's performance, their capacity and effectiveness as well as the effectiveness of campaigns. It can tell you which industries and job titles you should target, and so much more.

In this section, we'll show you some insightful examples of how you can use the Math of Sales™ to make decisions based on your data.



1

DO WE NEED MORE LEADS IN THE FUNNEL, OR DO WE NEED BETTER LEAD SOURCES?

Using the Math of Sales™ report, determine conversion rates and compare which campaigns are performing best. Drop the campaigns with the lowest conversion rates and check back in 30-90 days.



Conversion rate: conversions/conversations

Data Table											
Display Options		Optional Columns (1) Math of Sales ▼									
Lead Source (Picklist)	Categories						Math of Sales				
	No Touch	%	Touch	%	Conversation	%	Conversion	%	Total	Touches ▲	Conversations
LinkedIn Ad	11	(18%)	18	(30%)	5	(8%)	27	(44%)	61	2	1
Google Ad	397	(42%)	375	(40%)	78	(8%)	91	(10%)	941	6	2
Event 1	2,296	(34%)	4,284	(63%)	242	(4%)	31	(0%)	6,853	147	9
Event 2	1,050	(33%)	1,976	(62%)	173	(5%)	12	(0%)	3,211	180	15
List Provider 1	1,355	(40%)	2,029	(60%)	11	(0%)	2	(0%)	3,397	1,021	7
List Provider 2	546	(34%)	970	(61%)	69	(4%)	1	(0%)	1,586	1,040	70
Total	5,655	(35%)	9,652	(60%)	578	(4%)	164	(1%)	16,049	n/a	n/a
Average	943	(34%)	1,609	(53%)	96	(5%)	27	(9%)	2,675	399	17

According to this report, the LinkedIn ad took the lowest effort per conversion, while List Provider 2 took the highest amount of effort to get a conversion.

2

WHICH INDUSTRY (OR INDUSTRIES) SHOULD WE TARGET?

Using the Math of Sales™, calculate your conversion rates for all the industries you target. Focus your efforts on those with the highest conversion rates.



Conversion rate: conversions/conversations

Data Table													
Display Options		Optional Columns (1) Math of Sales ▼											
Categories										Math of Sales			
Account Industry (String)	No Touch	%	Touch	%	Conversation	%	Conversion ▼	%	Total	Entity Count	Touches	Conversations	Conversions
Financial Services	1,407	(37%)	2,180	(58%)	155	(4%)	20	(1%)	3,762	572	118	9	1
Computer Software	704	(34%)	1,268	(61%)	82	(4%)	8	(0%)	2,062	301	170	11	1
Business Services	172	(31%)	360	(64%)	24	(4%)	6	(1%)	562	64	65	5	1
Manufacturing	190	(32%)	371	(62%)	32	(5%)	6	(1%)	599	73	68	6	1
IT Services	383	(35%)	682	(62%)	30	(3%)	5	(0%)	1,100	147	143	7	1
Healthcare	46	(33%)	82	(58%)	9	(6%)	4	(3%)	141	26	24	3	1
Total	2,902	(35%)	4,943	(60%)	332	(4%)	49	(1%)	8,226	n/a	n/a	n/a	n/a
Average	484	(34%)	824	(61%)	55	(4%)	8	(1%)	1,371	n/a	98	7	1

This Math of Sales™ report indicates that we should prioritize the healthcare industry, then manufacturing and business services because it takes fewer conversations to get a conversion in these industries.

3

WITH WHICH JOB FUNCTION DO WE HAVE THE MOST SUCCESS GETTING AN APPOINTMENT?

Using the Math of Sales™ report, determine conversion rates and compare which job titles have the highest conversion rates. Focus on expanding your prospect list with contacts who have these job titles.



Conversion rate: conversions/conversations

Data Table										
Display Options		Optional Columns (1) Math of Sales ▼								
Role (Picklist)	Categories						Math of Sales			
	No Touch	%	Touch	%	Conversation	%	Conversion	%	Total	Touches ▼
Director of Inside Sales	63	(24%)	192	(73%)	5	(2%)	2	(1%)	262	100
Vice President of Sales	34	(28%)	87	(71%)	1	(1%)	1	(1%)	123	89
President/CEO	100	(42%)	87	(37%)	21	(9%)	26	(12%)	236	5
Sales Manager/Director	60	(37%)	65	(40%)	18	(11%)	21	(13%)	164	5
Total	257	(33%)	431	(55%)	45	(6%)	52	(7%)	785	n/a
Average	64	(33%)	108	(55%)	11	(6%)	13	(7%)	196	50

We can see in this Math of Sales™ report that our conversations with the Sales Manager/Director give us the most success, but the President/CEO role is a close second.

4

WHICH REPS COULD WE USE TO HELP TRAIN NEW AND LOWER PERFORMING REPS?

Using the Math of Sales™, calculate your conversion rates for each rep. Ask the reps with the highest conversion rates to help with training.



Conversion rate: conversions/conversations
Conversation rate: conversations/touches

Data Table										
Display Options		Optional Columns (1) Math of Sales ▼								
Users	Categories						Math of Sales			
	No Touch	%	Touch	%	Conversation	%	Conversion	%	Total	
Joe M.	6,037	(32%)	11,031	(58%)	1,536	(8%)	203	(1%)	18,607	
Kate H.	23,595	(35%)	40,177	(59%)	3,394	(5%)	546	(1%)	67,812	
Jack E.	23,817	(26%)	62,096	(66%)	3,750	(4%)	497	(1%)	90,160	
Total	53,449	(30%)	113,304	(64%)	8,680	(5%)	1,346	(1%)	176,779	
Average	17,816	(31%)	37,768	(62%)	2,893	(6%)	449	(1%)	58,926	

This report shows close conversion rates among our representatives, so let's take a look at conversation rates to get some more insight. Here, we see that Joe has a better conversation rate, meaning he converts his touches into conversations at a higher rate.

5

DO WE TRULY NEED TO HIRE MORE REPS, OR ARE OUR CURRENT PROCESSES UNPRODUCTIVE?

Compare conversation and conversion rates over time. If conversion and conversation rates are not improving for reps that have been around awhile, some processes likely need to change.



Conversation rate: conversations/touches
Conversion rate: conversions/conversations

Data Table

Display Options Optional Columns (1) Math of Sales ▼

Categories										Math of Sales		
Quarter ▲	No Touch	%	Touch	%	Conversion	%	Conversion	%	Total	Touches	Conversations	Conversions
Q1 2019	1,122	(36%)	1,886	(60%)	94	(3%)	16	(1%)	3,118	125	7	1
Q2 2019	1,158	(34%)	2,016	(60%)	164	(5%)	36	(1%)	3,374	62	6	1
Q3 2019	1,528	(36%)	2,483	(58%)	211	(5%)	43	(1%)	4,265	64	6	1
Q4 2019	1,298	(38%)	2,010	(58%)	116	(3%)	37	(1%)	3,461	58	4	1
Q1 2020	1,876	(28%)	4,660	(60%)	200	(3%)	26	(0%)	6,762	188	9	1
Q2 2020	1,406	(37%)	2,345	(62%)	23	(1%)	14	(0%)	3,788	170	3	1
Total	8,388	(34%)	15,400	(62%)	808	(3%)	172	(1%)	24,768	n/a	n/a	n/a
Average	1,398	(35%)	2,567	(61%)	135	(3%)	29	(1%)	4,128	111	6	1

This representative demonstrates lower conversion rates in the last two quarters, and the conversation rate from the first to the second quarter dropped significantly. It's a good idea to dig into what factors may be contributing to the rep's ineffectiveness and see if we can turn it around.

6

HERE'S A FOLLOW-UP TO QUESTION 5, IF OUR REPS PERFORMANCE HAS BEEN IMPROVING, BUT WE STILL AREN'T REACHING OUR CONVERSION GOAL, HOW MANY REPS DO WE NEED TO MAKE OUR GOAL?



Conversation rate: conversations/touches

Conversion rate: conversions/conversations

Our target is 25 conversions per month, but we are only getting 20 conversions. We have 4 sales reps who can make 500 touches per month. As a team, it takes 10 touches to get a conversation (.10 conversation rate), and we get one conversion for every 10 conversations (.10 conversion rate).

1. Divide your target number of conversions by your conversion rate to get the number of conversations needed.

$$\frac{25 \text{ conversions (goal)}}{.1 \text{ conversion rate}} = 250 \text{ conversations needed}$$

2. Next, divide the conversations needed by conversation rate to get the number of touches needed.

$$\frac{250 \text{ conversations needed}}{.1 \text{ conversation rate}} = 2,500 \text{ touches needed}$$

3. Now divide the number of touches needed by how many touches one rep does per month (100 touches divided by 4 reps is 25 touches each).

$$\frac{2,500 \text{ touches needed}}{500 \text{ touches per rep}} = 5 \text{ reps needed}$$

7

HOW MANY PROSPECTS WILL MY TEAM NEED TO HIT OUR CONVERSATION GOAL NEXT MONTH?



Conversation rate: conversations/touches

Touch rate: touches/prospects

On average, my team makes 100 calls (touches) to 200 prospects each month to get 10 conversations. Next month's goal is 15 conversations.

1. Determine your team's conversation rate.

$$\frac{10 \text{ conversations}}{100 \text{ touches}} = .10 \text{ conversations/touch}$$

2. Divide your goal number of conversations by your conversation rate so you can get the goal number of total touches.

$$\frac{15 \text{ conversations}}{.10 \text{ conversations per touch}} = 150 \text{ total touches needed}$$

3. Next, determine your average touch rate.

$$\frac{100 \text{ touches}}{200 \text{ prospects}} = .5 \text{ touches per prospect}$$

4. Last, take your total touches needed and divide by your touch rate to see how many prospects you need in your funnel to hit next month's goal.

$$\frac{150 \text{ total touches}}{.5 \text{ touches per prospect}} = 300 \text{ prospects needed}$$

8

HOW MANY TOUCHES, PRECISELY, DOES IT TAKE FOR MY TEAM TO SET ONE APPOINTMENT?



Math of Sales ratio:
touches:conversations:conversions

Let's say our team averages 1000 touches for every 10 conversations turning into 2 appointments (1000:10:2).

We have all the numbers we need to find out what one appointment (conversion) would be. We can divide all our numbers by the average number of appointments to get the Math of Sales ratio. The number of touches in that formula is your answer.

$$\frac{1000 \text{ touches} : 10 \text{ conversations} : 2 \text{ appointments}}{2 \text{ appointments}} = 500 : 5 : 1$$

500 touches

9

USING THE EXAMPLE ABOVE, LET'S SAY WE CLOSE 25% OF OUR APPOINTMENTS (CONVERSIONS), HOW MANY TOUCHES DOES IT TAKE FOR MY TEAM TO CLOSE ONE DEAL?

This is quite simply the number of touches from our Math of Sales ratio multiplied by 25%

$$500 \text{ touches} * \frac{25\%}{1 \text{ closed deal}} = 125 \text{ touches/closed deal}$$

10

HOW MANY CONVERSIONS WILL WE LOSE DUE TO A VACATION, HOLIDAY, LAYOFF, ETC.?



Math of Sales ratio:
touches:conversations:conversions

Let's say our team averages 1000 touches for every 10 conversations turning into 1 appointment (1000:10:1). The team also makes, on average, 100 touches per day.

We multiply our days lost by number of reps taking off by touches per day.

$$2 \text{ days lost} * 5 \text{ reps} * \frac{100 \text{ touches}}{1 \text{ day}} = 1000 \text{ touches lost which equals one conversion}$$

CONCLUSION

We've walked you through some common examples for how the Math of Sales can help you inform your sales decisions to achieve business growth.

But there's more! Because Salesvue is a Salesforce-native platform, your Salesforce data never leaves the system. That means you can securely use all your Salesforce data to create a robust analytics engine, so you can:

- Report on any entity type: Lead, Contact, Account, Opportunity
- Choose touch types: for example, Call, Email, or custom
- Use any Salesforce field as custom criteria
- Report on inbound or outbound activities
- Analyze data by day, week, month, quarter, or year

If you would like to see how firsthand how Salesvue can help with you grow through our platform and the Math of Sales™, **request a demo today.**