

# 7 SALES PERFORMANCE METRICS THAT MATTER MOST

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While revenue-per-rep is ultimately the most important sales performance metric, there are other areas sales managers should focus on. Some managers fall into the trap of becoming too focused on quota and “making the number” that they lose track of some vital performance metrics.

Managers can exercise a greater degree of control over sales performance and activity metrics. By focusing on these key areas within their control, sales managers can bring about an improvement in sales performance and grow revenue.

To help you improve the performance of your sales reps, we have outlined a number of important sales metrics and KPIs that you should focus on.

## 1. TIME SPENT SELLING

Take the time to measure how much time your reps actually spend selling. This step can help you identify any issues that are hampering sales performance. Time, after all, is the most precious commodity of the sales rep.

Look to eliminate sales roadblocks. For example, many reps today struggle to locate relevant content. It is estimated that sales reps spend between [6.5](#) and [8.8 hours per week](#) searching for information.

If content retrieval issues are holding your sales team back, think about introducing [sales enablement software](#) that eliminates this inefficiency and improves sales performance.

## **2. LEAD RESPONSE TIME**

Business today is moving at an increasingly rapid pace. The rise of inbound marketing means companies are becoming more focused on online tactics to generate leads.

However, [research](#) has shown that the life span of an online lead can be quite short.

Speed of response is key.

Companies that try to contact a lead within an hour of the initial query are seven times more likely to qualify the lead than those companies that waited even an hour longer.

Companies that wait a full 24 hours before contacting the lead are 60 times less likely to qualify the lead than those who responded within the first hour.

Quick response time can boost the performance of your sales team considerably.

Chances are your company is making a considerable investment in marketing to build an online presence, and develop collateral to drum up leads. Ensure this investment pays off by responding to leads quickly and efficiently.

## **3. MARKETING COLLATERAL USAGE**

According to the AMA (American Marketing Association), 90% of marketing content goes unused by sales. At the same time investment in content marketing continues to rise and now counts for 16% of overall budget according to according to the Information Technology Services Marketing Association. This kind of inefficiency can have a major impact on your team's sales performance.

Implementing next generation sales content management software is one way to boost the performance levels of both sales and marketing. Prioritize software that closes the sales marketing loop and allows you to measure marketing collateral usage. Think about introducing systems and processes that allow marketing leaders to push relevant content directly to sales reps.

#### **4. OPPORTUNITY WIN RATE**

Keeping track of opportunity win rate gives you some insight into the ability of your reps to close a deal. Closing ability is quite a large part of sales performance. Some of your reps might be great at networking and working a deal through the pipeline only to consistently fail when it comes to closing.

By keeping an eye on this metric you can work with reps who consistently post low opportunity rates. Sometimes sitting in with these reps on a call, or providing coaching can make all the difference. If the rep's performance continues to suffer due to low opportunity win rates, you could think about transferring the rep to a new role as a sales development representative (SDR) where they can use their strengths to move leads through the pipeline.

#### **5. AVERAGE DEAL SIZE**

The average size of closed won deals is a metric which can quickly flag deals that may not be worth pursuing. One of your priorities as a sales manager is to ensure your reps are spending their time as wisely as possible. You might also learn that reps are veering towards smaller deals because they are easier to close instead of pursuing the most important opportunities.

If your average deal size is smaller than you would like, take some time to assess your company's lead generation efforts and why they are producing leads that end up in smaller deals. Liaise with marketing about ways lead generation can be tweaked to boost sales performance.

## 6. SALES CYCLE METRICS

The average length of time it takes your reps to close a deal is another key metric when it comes to measuring the performance of your sales reps. You should also look to measure the average time it takes a deal to pass through each stage of the sales pipeline. With this metric, you will quickly be able to flag deals that are less likely to close by the amount of time they are taking to progress.

You will also be able to identify sales bottlenecks and take action. Perhaps your reps need some expert coaching, or if the deal looks like it could amount to a huge time investment but the likelihood (based on average sales cycle duration) of a win is quite low, it might be time for your rep to invest their time in deals that are statistically more likely to convert. By arming yourself with this important sales cycle information, you can quickly eliminate sales bottlenecks and give direction to your team on how they should invest their time.

## 7. COST OF SALES TO REVENUE RATIO

This sales performance metric reflects the overall efficiency of the sales division. Total costs include salaries, commissions, expenses for your sales organization. Over time this metric can help you gauge the level of investment needed to reach a certain performance level. You will be able to tell how much of an investment it took your company to reach annual revenue. Measure your cost of sales to revenue ratio against the industry average to see how your levels of [sales productivity](#) stack up