**[Sales](https://hbr.org/topic/sales) Metrics**

**The Twelve Sales Metrics that Matter Most**

* [Steve W. Martin](https://hbr.org/search?term=steve+w.+martin)

December 09, 2013

Sales is both an art and a science. It is the skillful combination of emotion and logic, people and process, free-thinking and organization. I recently conducted an extensive research project involving more than one-hundred vice presidents of sales at top technology companies (software, cloud, computer hardware, and telecommunications) to better understand the art and science of managing a sales organization today.

While the study results provided detailed insights about [sales organization trends](https://hbr.org/2013/11/the-trend-that-is-changing-sales), it also yielded a wide range of statistics that reflect the strategies sales leaders are employing to overcome their top challenges. Below, you will find twelve of these key sales metrics that benchmark sales organization performance, structure, and effectiveness.

**1. Percent of Organization Achieving Quota**

The overall average for percentage of salespeople that achieved one hundred percent of quota last year was sixty percent. However, the number of salespeople who achieved one hundred percent of quota varied greatly by sales organization. Twenty-six percent of sales leaders reported that seventy percent or more of their salespeople made quota. Fifty-four percent of sales leaders reported that between fifty to six­ty-nine percent of their salespeople made quota. Twenty percent of sales leaders report that less than half of their salespeople made quota.

**2. Quota Attainment Average**

The average percentage of salespeople that achieved one hundred percent of annual quota last year varied by type of industry:

Software                                 52%

Computer hardware                60%

Cloud/SaaS                             61%

Telecommunications             66%

**3. Average Annual Quota for Field Salesperson**

The overall average annual quota for an outside field salesperson was $2.7 million. Quota for computer hardware salespeople was the highest at $4.2 million. Telecommunications salespeople averaged $3.3 million and software was $3.2 million. Cloud/SaaS salespeople had the lowest quota at $1.6 million.

**4. Average Annual Quota for Inside Salesperson**

The overall average annual quota for an inside field salesperson was $985,000. Annual quota for computer hardware inside salespeople was $1.35 million, for computer software it was $1.22 million, for Cloud/SaaS inside salespeople the average was $795,000 and telecommunications was $730,000.

**5. Average Annual On Target Earnings**

The average annual on target earnings including salary, commission, and bonuses for field and inside salespeople at one hundred percent of quota are shown by industry below.

Outside salesperson                           Inside salesperson

on target earnings                               on target earnings

Software                                 $240,000                                 $120,000

Cloud/SaaS                             $210,000                                 $100,000

Computer hardware                $180,000                                   $80,000

Telecommunications              $150,000                                   $85,000

**6. Average New Deal Size**

The average new deal size reported for field sales was $166,000 and new deal size for inside sales was $19,000.

**7. Sales Cycle Length**

Seventy percent reported an average sales cycle length of sixty days or less for inside sales while fifty-four percent reported an average sales cycle length of ninety days or more for outside sales. Twenty-four percent of inside sales cycles and twenty-three percent of outside sales cycles were between sixty-one and ninety days in length.

**8. Vertical Sales Adoption**

Sixty-four percent of study participants have vertical sales specialists on their sales force (calling on verticals such as public sector, finance, healthcare, manufacturing, etc.). Seventeen percent are planning to add vertical sales specialists in the future while nineteen percent do not have any plans to do so.

**9. SMB Specialization**

Sixty-three percent responded that they have specialized inside salespeople that are dedicated to SMB (small to medium business) or mid-market sales. Twenty percent of these inside sales representatives are allowed to make field sales calls when necessary.

**10. Field Sales Revenue Trends**

Trends for 2013 and 2014 projected annual revenue attributed to field sales as opposed to inside sales varied by industry. The overall trend is for the number of companies that derive more than ninety percent of their revenues from field-related sales to decrease dramatically. For example, twenty-eight percent of software companies will derive more than ninety-percent of their revenues from field sales in 2013 and this number is expected to decrease to zero in 2015. The number of computer hardware, Cloud/SaaS and telecommunications companies with more than ninety percent of their revenues from field sales in 2013 is also projected to drop by half in 2015.

**11. Inside Sales Roles**

Sixty-two percent of participants reported their outside field salespeople are assigned an inside salesperson. Seventy percent of inside salespeople carry a quota and fifty-five percent indicated that the revenue generated by the inside salesperson is applied to outside salesperson’s quota. Forty percent of inside salespeople schedule meetings for the outside salesperson. Seventy percent of inside salespeople perform lead generation and telemarketing activities.

**12. Sales Preparedness**

Eighty-three percent of participants thought their outside field sales teams were equipped with the sales strategies, tools, and skills to exceed their numbers, compared to fifty-seven percent for inside sales and forty percent for channel sales.

[Steve W. Martin](https://hbr.org/search?term=steve+w.+martin) [teaches](http://www.stevewmartin.com/) sales strategy at the University of Southern California Marshall School of Business. His new book is titled [*Heavy Hitter I.T. Sales Strategy: Competitive Insights from Interviews with 1,000+ Key Information Technology Decision Makers*](http://www.stevewmartin.com/).