

10 Metrics You need to Track to Boost your Sales Team's Efficiency

Imagine you're an NFL head coach. Your job is to lead your team to victory, and you're constantly looking for ways to improve your team's performance. What matters most is the numbers on the scoreboard, but you can't track how well your team is playing, areas where they are strong, or places where players can improve by simply looking at the scoreline.

Understanding core statistics like sprint times, passing accuracy, yards gained, interceptions, and touchdowns is the key! Monitoring these metrics will give you a clear picture of your team's performance and help you identify areas for improvement.

The same is true for a sales leader. Just like a football coach, a sales manager is responsible for developing a game plan and leading their team to victory. Both roles require strategy, and motivation. Both roles need the ability to adapt to changing circumstances.



[Yup. You gotta adapt THIS quick!](#)

Your job is to help your team hit their sales targets and boost their efficiency, and metrics or KPIs (key performance indicators) like churn rate, conversion rate, average deal size, sales cycle length, and more are key to measuring how well-oiled your team is.

Your job is to help your team hit their sales targets and boost their efficiency. In other words, you need game stats – metrics or KPIs (key performance indicators) like churn rate, conversion rate, average deal size, sales cycle length, and more are key to measuring how well-oiled your team is.

But before we get started, what exactly is sales team efficiency?

Your sales team's efficiency is its ability to generate leads, capitalize on opportunities, and convert prospects to customers.

To some extent, this also depends on the team's available resources. After all, you can't compare your local pee wee football team to the New England Patriots.



Size (of resources too!) does matter.

It's important to remember that the sales efficiency metric is different from your sales team's efficiency or effectiveness. Sales efficiency is a metric that measures how effectively a sales team is converting leads into customers. It's often referred to as the

"magic number" because it can provide invaluable insights into the performance of a sales team.

Overall, the sales efficiency metric is calculated by dividing the gross revenue by the cost of sales and marketing. Tracking the sales efficiency metric is critical, but if you want to pinpoint areas for improvement in the entire sales cycle, you'll have to go deeper than that.

Here are 10 metrics that will help track and boost your sales team's efficiency at every stage of the sales cycle.

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1. Lead response time

The lead response time is the average amount of time it takes to reach out to a prospect after identifying them. [According to the Harvard Business Review](#), firms with response times equal to or less than five minutes are 100 times more likely to connect.

Why track this: You cannot afford to wait too long to respond to potential customers. Immediately reaching out to prospects can help you build trust and establish credibility, and it can also help you stand out from your competitors.

By responding to leads quickly, you avoid turning leads cold and you get to show potential customers that you are attentive and available to help them. Not to mention you get to them before your competitors do!



Your sales team racing ahead of the competition.

2. Lead-to-customer conversion rate:

The lead conversion rate, also called as the sales conversion rate is calculated by dividing the leads that turn into prospects or sales by the number of qualified leads.

Why track this: The lead-to-customer conversion metric alone can help you gauge the effectiveness of your sales team's outreach and follow-up.

If a large number of leads aren't becoming customers or prospects, something isn't right with the lead generation process or customer experience journey – both of which you need in order to increase revenue and improve ROI.

3. Win rate



How many deals are a slam dunk for your team?

The win rate is the percentage of opportunities ending with a sale. For example, if you have 100 leads and make 10 sales, your conversion rate is 10%.

Why track this: The win rate is essential to determine how effective your sales reps are, identify where your sales managers can allocate time better, and how effective the current sales process is for closing deals.

Be careful not to confuse the win rate with the sales conversion rate that we discussed just before this. Where win rate measures the number of actual conversions, conversion rate measures the percentage of leads that move to the next stage of the sales funnel.

4. Average sales cycle length



Is your sales cycle going nowhere?

The average sales cycle length is calculated by dividing the total number of days it takes for a deal to close by the total number of closed deals on average. The shorter your average sales cycle length, the more efficient your sales process is.

Why track this: A long sales cycle isn't always bad, but it can indicate that there are efficiency bottlenecks in certain areas. Knowing how much time passes between when prospects enter the system to when they close (or don't close) as customers is important for understanding how quickly deals move through pipelines — thereby helping you identify ways to speed up lead conversion.

5. Annual recurring revenue

The annual recurring revenue (ARR) is commonly used to measure the predictable revenue you can expect to receive from its customers on a recurring basis.



That's how you want recurring revenue to go

Why track this: ARR is particularly useful for companies that offer subscription-based services, such as software-as-a-service (SaaS) businesses. By measuring the ARR, you can get a better sense of the health and stability of your revenue streams and then use this information to make more informed business decisions about your marketing and sales strategy.

6. Customer acquisition cost

Simply put, the customer acquisition cost or CAC is the amount of money your spent on acquiring a new customer. The CAC is calculated by dividing the sales and marketing expenses by the number of new customers. Not to be confused with CAC payback period that we're about to look at.

The CAC will help you determine whether your marketing and sales efforts are effective and profitable.

7. Payback period

This measures how much time your customer spends getting revenge on your company after they talk to customer service.



[Source](#)

Just kidding! Usually referred to as the CAC (customer acquisition costs) payback period, it is a measure of the time it takes for a company to recoup its initial investment in a project or venture.

The payback period is calculated by dividing the total amount spent on sales and marketing efforts by the new monthly recurring revenue (MRR) generated from those efforts, multiplied by the gross margin.

Here's an example: let's say you spent \$10,000 on sales and marketing efforts to acquire new customers, and those efforts resulted in \$2,000 in new MRR with a gross margin of 50%. In that case, your payback period would be calculated like this:

$$\text{Payback period} = \$10,000 / (\$2,000 \times 0.50) = 5 \text{ months}$$

Why track this: This metric will help you understand how much you're earning from your customers – and whether that spending is sustainable with your marketing expenses. However, it's not ideal for comparing different businesses or even different teams.

8. Customer lifetime value

Your sales team is generating leads, they're constantly creating opportunities and converting prospects, but what's the longer term value of these efforts? One way to measure this value is through the concept of customer lifetime value (CLV), which is a prediction of the total revenue that a customer will generate for your business during the entire time they remain a customer.

For example, if a customer spends an average of \$50 per purchase, makes an average of 2 purchases per year, and has an average customer lifespan of 5 years, their CLV would be \$500 ($\$50 \times 2 \times 5$).

Why track this: This calculation can help businesses understand the true value of their customer relationships and make more informed decisions about marketing and sales strategies.

Take your sales team productivity to the next level with Wingman

Whether it's helping your sales managers decide where to allocate resources, or understanding changes in customer behavior, having a full understanding of these metrics can help your sales team win.

Tracking these metrics will give you a clear picture of how your sales team is performing and where you can make improvements. Just like Tony Stark had Jarvis to constantly monitor his suit's performance and provide tactical support in order to defeat his enemies, you need your own intelligence software that'll give your sales team the boost they need.



Wingman is [the Jarvis to the Iron Men & Women](#) on your salesforce

That wraps up all the key metrics to track your sales team's efficiency. We've also similarly rounded up [sales pipeline metrics](#) that you mustn't miss.

Now that you have a better understanding of the metrics that can improve your sales team's efficiency, it's time to take action. One way to do this is by using a conversation intelligence tool like Wingman.

Get better insights with Wingman

Wingman is a powerful conversational intelligence tool that can help your sales team increase your profit margins, optimize your sales process, and finetune your team's sales performance by providing real-time analysis of sales calls. With Wingman, you can identify areas for improvement and coach your sales team on the fly. Real-time coaching will help your sales reps close more deals and constantly improve their overall efficiency.

In addition to providing valuable insights, Wingman can also help your team save time by automating your pre and post-call actions. It also streamlines and eases your sales

processes by integrating with your existing CRM systems. This frees up your team to focus on what they do best: selling.

As a sales manager, you have access to all KPIs and metrics in the form of interactive dashboards, activity metrics, and reports so they can make informed data-driven decisions.

With the right strategy and steady tracking, you'll be able to keep your players sharp and help them transform their own performances. All thanks to your Wingman.



[Source](#)

References:

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