memoryBlue

Scaling SDRs for PE-Backed Growth

A portfolio leader's playbook for building the SDR function that drives predictable pipeline and growth

For PE-backed companies, growth targets are ambitious and timelines are compressed. Sales development functions (SDR/BDR) sit at the center of this challenge: done well, they generate predictable pipeline, accelerate entry into new markets, and free account executives to focus on closing. Done poorly, they drain capital, delay go-to-market execution, and weaken valuation potential.

This guide is designed to help operators, CROs, and marketing leaders cut through the noise with practical, stage-by-stage guidance. Whether you are standing up your first SDRs, weighing in-house versus outsourced models, or planning global expansion, the goal is to give you clear trade-offs, highlight hidden complexities, and help you make investor-aligned decisions with confidence.

STAGE 1

Setting up the SDR Function

At what stage of company growth does it make sense to build an SDR team?

Companies add SDR teams when they're exploring new markets, proving product-market fit, fine-tuning messaging, or driving faster pipeline growth. The trigger shouldn't be your funding round. It should be having a clear ICP and validated message. When you're roughly 70–80% confident in both, you're ready. Start too soon and you'll burn resources and patience.

What readiness is required before day one?

Marketing readiness

Your digital presence must be sufficiently established. Prospects will often search online immediately to validate your organization after hearing from SDRs. Without a well-structured website, clear use cases, customer stories, and supporting assets like short videos or case studies, SDRs will struggle to build trust.

Business model readiness

SDR programs only work when you can make the math work. The question isn't whether your ACV fits a specific range, but whether lifetime value can justify consistent outbound investment. Evaluate ACV, win rates, sales cycle length, and renewal strength to pressure-test the model. A healthy structure creates a 5-10x ROI buffer that absorbs ramp time, iteration, and market testing while still generating durable, scalable pipeline.

How many SDRs should I start with?

When launching an SDR program, two to three SDRs is recommended. This allows benchmarking, healthy competition, and coverage across time zones and regions. One SDR per two account executives (AEs) is a good ratio, stretched to 1:3 only with strong inbound volume. Fewer than two SDRs limits learning; more than three can overwhelm early management capacity.

What are the cost expectations for an SDR team?

Internal costs include:

- **Recruitment**: $5–12K per SDR
- **Benefits**: ~20% of base salary
- **Payroll taxes**: 4–7% of base salary
- **Technology stack and data**: ~$2.7K per SDR annually
- **Management cost**: ~$13K per year best case scenario (1 dedicated manager for 10 SDRs)

Fully loaded, internal SDRs can cost ~$140K each annually. Outsourced models often save $7–15K annually per SDR in years 1–2 and reduce risk by providing pre-ramped talent, management, and technology.

These are average figures based on U.S. benchmarks and may vary depending on where SDRs are located.

How should we recruit and manage SDRs?

Hiring SDRs is tricky - most are new to the role. Focus on traits:

- **Coachability** – How well do they take feedback and put it into action?
- **Curiosity** – Do they relentlessly ask questions to understand the role and commission structure during the recruitment process?
- **Social intelligence** – Do they adapt to the audience in front of them / do they match the pace or tone of the person interviewing them?
- **Intellectual curiosity** – Can they quickly grasp new concepts, connect dots, and show genuine interest in how the business and industry work?
- **Communication & executive presence** – Can they communicate clearly and confidently with senior stakeholders, even early in their career?
- **Competitiveness** – Do they have a natural drive to win, hit targets, and push themselves beyond the minimum? Look for evidence in work, sports, academics, or other pursuits.
- **Work ethic** – What's their daily routine at work / outside of work?
- **Resilience** – Run them through role plays, give tough feedback and see how they respond when you ask them to try again. If they stay composed, attempt to action your feedback, and fight for the role, have them start on Monday.

Once you have identified SDRs who possess the traits above, use structured onboarding that involves executives, AEs and marketing so SDRs quickly learn the ten-second, one-minute, and five-minute pitches.

Managers must act as player-coaches early, joining calls, coaching live and teaching basic workplace skills. Incentivize managers on pipeline quality and conversion, not raw activity.

How to create a motivating, high performance SDR culture?

A strong SDR team is shaped as much by culture as by process or metrics. Organizations that invest in a supportive environment see more resilient and productive reps who stay longer and grow faster. Set clear expectations, provide consistent coaching, and recognize progress to build confidence and momentum. Encourage open communication so people feel heard and offer development paths that help them see a future in sales. When teams feel psychologically safe to experiment and learn from mistakes, performance and pipeline improve naturally.

Should SDRs source their own data or should we provide lists?

Provide a vetted account list and initial contacts to ensure quality and focus. Supplement with marketing intelligence (event/webinar attendees, engaged contacts, lead scoring, intent).

Enrich with third-party tools (ZoomInfo, Cognism, Apollo, HGInsights) but coach reps not to over-rely on them...data is imperfect. The SDR role is prospecting: engaging, validating and uncovering the right personas (this is particularly true when you work with intent data). A contact engagement tool like LinkedIn Sales Navigator (or local equivalents like Xing in Germany) is essential for social selling, engaging the correct ICP and validating your data.

What does a best-in-class cadence look like?

Cadences must be multi-channel and feedback-driven. Best practice is 7–12 touches over 2–4 weeks:

50%
calls (including voicemails – leaving voicemails is critical)

25% emails

25% social (mainly LinkedIn – use video and audio messaging to stand out)

Calls matter most. Conversations yield feedback and context that email/social alone don't. Combat call reluctance, especially with less experienced reps who default to text or social channels.

Cold calling will likely yield the best conversions, but it's important that reps still use a multitouch approach to build trust and brand familiarity with prospects prior to their outreach.

What performance metrics should be tracked from day one?

- **Activity:** 50–100 outbound touches/day, 5–10 personalized social engagements/day, personalization rate >70%
- **Engagement:** Connect rates, reply rates, meetings held, conversion to pipeline
- **Pipeline impact:** SALs, SQLs, pipeline created per SDR, segmented by region/industry/company size

Avoid rewarding only meetings booked. Tie compensation to meetings held and opportunities created, tangible outcomes the SDR can track and influence.

Where should SDRs sit in the org?

Most SDRs report into sales, but close alignment with marketing is essential. BDRs handling inbound often report into marketing. What matters is tight collaboration and shared accountability.

If we were to recommend a specific approach:

For inbound-only motions

We recommend that SDRs report to Marketing, with deliverables focused on qualified meetings.

For outbound-only motions

We recommend that SDRs report to Sales, with deliverables focused on percentage of persona engagement per account, volume of qualified contacts entering the nurturing stage, and number of qualified meetings. In organizations where Marketing runs strong account-based programs, there is also a case for SDRs to report to Marketing.

For mixed inbound/ outbound motions

We recommend that SDRs report to a dedicated SDR leader, who in turn reports to the person responsible for all revenue (typically the CRO). In very large organizations, we recommend separating inbound efforts (LDRs – Lead Development Representatives) from outbound efforts (SDRs), with an SDR leader who has dotted-line reporting to both the CRO and CMO.

What tech and enablement are required?

A modern sales and marketing stack blends data, automation, intelligence, and enablement to drive predictable growth. The operations layer is especially critical - it connects systems, ensures data accuracy, and turns insights into measurable outcomes across the funnel.

CRM – Salesforce / HubSpot

Both Salesforce and HubSpot provide customer relationship management systems that centralize contact data, track interactions, and support pipeline management. HubSpot offers a more intuitive interface for smaller or fast-growing teams, while Salesforce is highly customizable and often preferred by larger enterprises.

Data and intent – ZoomInfo /Apollo/ Cognism / HG Insights / 6sense / Demandbase

These platforms provide contact, firmographic and intent data that fuel targeted prospecting and account prioritization. ZoomInfo, Apollo and Cognism excel in accurate contact and company records. HG Insights delivers deep firmographic data and high-quality intent signals. 6sense and Demandbase extend intent analysis further -- combining predictive analytics, behavioral scoring, and buying-stage insights to help teams engage the right accounts at the right time.

Sales automation – FrontSpin / SalesLoft / Outreach

These tools streamline outbound engagement through automated sequencing, email tracking, and call management. FrontSpin stands out for its focused feature set and cost efficiency, making it ideal for lean, performance-driven teams. SalesLoft and Outreach are strong options for organizations needing deep analytics and enterprise-grade integrations.

Rep development, conversational analytics, and scoring – Allego / Mindtickle

Unlike tools such as Gong that focus primarily on conversation analytics, Allego and Mindtickle are complete sales readiness platforms. They combine learning, coaching, skill certification, content management and digital sales rooms...helping teams not only analyze what's happening in calls but also act on insights to improve performance.

Pipeline intelligence and forecasting – Kluster

Kluster brings clarity to the revenue process by analyzing every deal, stage, and rep to surface insights on pipeline health, conversion rates and forecast accuracy. It helps leaders identify the leading indicators of success, diagnose gaps early, and align Sales and Marketing around a shared view of predictable growth.

AI tools

SDRs can leverage AI tools to work more efficiently and deliver more personalized outreach at scale. Tools like ChatGPT and Claude help reps quickly research target accounts, summarize company news, and generate tailored messaging. Dedicated sales tools such as Lavender, Regie.ai, and Jasper further enhance outreach by optimizing email copy, creating sequences, and improving response rates. Together, these tools help SDRs spend less time on research and writing, and more time engaging the right prospects.

At minimum: CRM, sales engagement platform, call recording/coaching and compliant data sources. Provide playbooks with cadences, messaging, objection handling and pitch frameworks (10s/1m/5m). Advanced teams use AI-driven call coaching, analytics and role-play tools to accelerate onboarding and skill development.

STAGE 2

Evaluating In-house vs Outsourced

What is the real cost difference?

Everyone has heard the myth: in-house sales teams are always cheaper to find, hire, and retain. The reality: there are hidden costs with that model: recruiting, benefits, turnover, management, overhead, tech-stack investments, and compliance. Outsourcing consolidates these into predictable expenses. In years 2+, outsourcing is often cost neutral or cheaper, while reducing risk. At scale (30+ SDRs globally), in-house can become more efficient if supported by strong enablement, RevOps, managers, tech infrastructure, and career path.

Which is faster to market?

Internal teams often take months to recruit, ramp, and iterate. Outsourced providers already have teams, playbooks, and management in place, reducing ramp to weeks. Internal teams can match speed if you have playbooks, leadership and tuned tech, but that is often rare in early stages.

When expanding into new markets such as EMEA or APAC, outsourcing can remove the complexity of navigating local employment laws and operational setup. It also provides access to teams that understand the nuances of each region and can offer flexible models with reps covering multiple markets in their native languages.

Caveat: if you choose to outsource, pick a partner with proven experience in your space.

How should we think about scalability?

Outsourcing provides elasticity - teams can scale up/down quickly. In-house requires building, recruiting, enablement and management capacity first. Many PE-backed companies adopt hybrid models: maintain a core in-house team for knowledge retention and outsource to flex capacity, test new segments or expand globally.

Does geography change the equation?

Yes. In your home market, in-house is more straightforward. For new regions (APAC, EMEA), outsourcing accelerates entry and reduces risk given compliance, language and cultural hurdles. Outsourced partners often already operate regional hubs - Dublin, London, Singapore...with multilingual teams.

How does tech stack readiness affect the choice?

If your CRM/workflows aren't optimized for SDRs, reps lose productivity to admin. Either fix the stack with RevOps support or let a partner run campaigns in their system while you upgrade yours.

The goal is for your SDRs to spend time on quality conversations...not administrative tasks.

Inbound vs outbound: where do each fit best?

Inbound-heavy motions are easier in-house, as they require deep product knowledge and immediate responsiveness. Outbound or mixed motions work best with the outsourcing model because partners bring market intelligence, competitive context and account history across multiple clients.

Is there a middle path?

Yes: build-operate-transfer. Some organizations create an intentional path to outsource first, prove the model and then transition the most effective reps and processes in-house. This approach de-risks hiring and accelerates productivity.

What should we look for in a partner?

- Defined roles (inbound, outbound, ABM, deal acceleration)
- Talent acquisition and training frameworks
- Experienced managers and coaches
- Mature tech stack and compliance processes
- Cultural alignment and market experience
- Hybrid or build-operate-transfer options
- Transparency in processes to feel like an extension of your team
- Knowledge and experience in your category

How do we measure ROI?

From a lead generation perspective, attribution can get tricky. For example, if an SDR has four separate conversations with an account that later converts through a partner, is it considered SDR-generated or partner-generated?

The key is to align early. Define meeting quality standards, SAL/SQL criteria, and conversion targets upfront. Review call recordings weekly and use those insights to refine ICPs, offers and cadences…grounding adjustments in actual conversations, not just email metrics.

For longer or more complex sales cycles, expand measurement beyond meetings. Track engagement depth per account, total interactions, and the number of personas involved in nurturing.

Ultimately, ROI should tie back to revenue from closed deals. We recommend tracking all SDR touches and including both deals generated directly from SDR meetings and those influenced by SDR outreach. For the latter, focus on meaningful interactions (actual conversations rather than logged calls or automated emails) to accurately reflect impact.

How does outsourcing impact exit strategy or valuation?

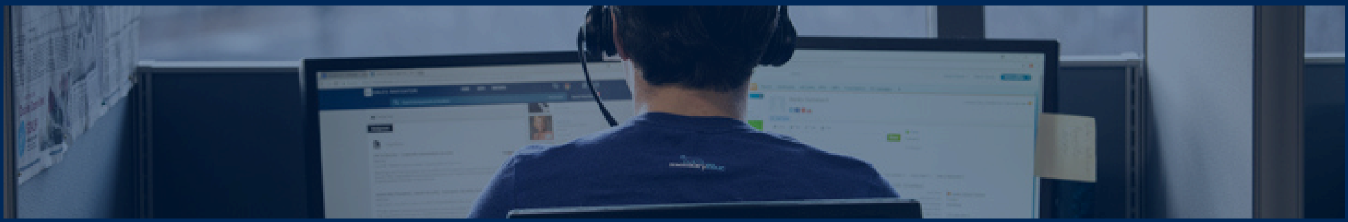
Outsourced SDR models can strengthen valuation when executed intentionally, but they also introduce trade-offs that investors will weigh carefully. The net impact depends on how the model is governed, how much control the company retains, and whether it enables sustained growth versus short-term savings.

1. Operating margin and EBITDA

Outsourcing shifts SDR costs from fixed overhead (salaries, benefits, management) to variable operating expenses. This improves operating leverage and flexibility, allowing teams to scale up or down without long-term commitments. Higher EBITDA margins typically support stronger valuation multiples. However, the benefit is only realized when outsourced performance matches internal productivity benchmarks.

2. Revenue efficiency and growth

A well-run outsourced program can accelerate pipeline without expanding SG&A at the same pace, improving CAC efficiency and “Rule of 40” metrics. On the other hand, inconsistent partner performance or misalignment with internal processes can dilute these gains. The best outcomes come from blended models where core enablement and strategy remain in-house while partners provide elasticity.



3. Control and dependency

Reliance on third-party providers introduces perceived risk around data ownership, brand control, and continuity. Investors may discount valuation if they believe essential GTM capability sits outside the business. This risk is mitigated when the company retains ownership of key processes, reporting, and playbooks, ensuring the motion can be transitioned or replicated internally if needed.

4. Capital efficiency and cash flow

Outsourcing converts upfront hiring and infrastructure costs into monthly OpEx, improving cash-flow timing and capital efficiency - an advantage for PE buyers focused on IRR and cash generation. Still, short contract terms or partner churn can create volatility if not managed through clear SLAs and performance oversight.

5. Strategic positioning

When deliberate and data-driven, outsourcing signals operational maturity and scalable GTM execution. It enables internal teams to focus on higher-value activities such as closing, product innovation, and customer success. If used as a stopgap or purely cost-cutting measure, the perceived benefit diminishes and can raise questions about long-term capability building.

6. Illustrative example

An in-house SDR team costing $1.2M per year versus an outsourced model at $900K yields a $300K improvement (roughly two EBITDA points). At a 10× multiple, that could lift valuation by ~$3M, excluding any growth impact. These gains, however, are sustainable only when performance and process ownership remain strong.

Summary

Outsourcing can enhance valuation by improving margins, scalability, and capital efficiency - but only when paired with disciplined oversight and clear ownership of GTM strategy and data. The most attractive models to investors are those that balance efficiency with control: leveraging partners for flexibility while ensuring the company's ability to sustain growth independently post-exit.

Ideally select an outsourcing partner that would allow you to transfer the SDR team to your organization. This is a great way to counter on point 3 above about dependency – this may impact cash flow for a month or so (cost of transfer), but bringing a proven team onboard reduces risk and would reduce the OpEx expenditure for the same output on an ongoing basis.

STAGE 3

Scaling the Model

When should we split inbound and outbound?

- When inbound volume exceeds 100–150 leads per SDR each month - or when outbound motions require heavy personalization - specialization becomes essential. It improves efficiency, focus and coaching.

- Roughly 100–150 leads per month justifies one full-time SDR dedicated to inbound follow-up.

- In larger organizations, it often makes sense to separate the functions: an inbound SDR team reporting to Marketing and responsible for delivering qualified meetings, and an outbound SDR team reporting to Sales or Marketing, focused on account-based selling and proactive engagement with net-new accounts.

When do we add SDR leadership?

Typically around five SDRs. Beyond that point, dedicated management becomes critical for coaching, metrics discipline, and morale. The role isn't just administrative, it establishes the operating rhythm, data hygiene, and performance culture that determine scalability. A strong SDR leader frees executives to focus on strategy while ensuring predictable, high-quality pipeline generation.

When do we add SDR leadership?

- Sales process is documented and consistently followed
- Conversion metrics are predictable across reps and segments
- Onboarding is structured and repeatable, with similar time-to-productivity
- KPIs are met consistently across teams and markets
- New SDRs can ramp quickly with minimal disruption
- Strong retention and career progression within the SDR team
- Coaching, enablement, and feedback loops are built into daily routines

Should we keep a hybrid model as we grow?

Yes. Fully in-house builds add complexity and risk, especially across regions. A hybrid model maintains core knowledge internally while leveraging partners to test new markets, flex capacity, and support global expansion. For PE-backed companies under time and capital pressure, it offers the right balance of control, speed and risk mitigation.

How should the tech stack evolve?

As the team grows, it’s time to evolve beyond basic CRM and engagement tools. Layer in intent data, conversational intelligence, analytics, AI-driven coaching, and richer data sources. RevOps maturity becomes critical to support internal models. Even without major new tools, new lead-generation channels and greater reporting and attribution complexity will emerge.

STAGE 4

International Expansion

How does international expansion affect the in-house vs outsourced decision?

Global expansion adds complexity: compliance, payroll, HR laws, benefits, culture and language. In-house builds face hidden costs and delays. Outsourcing provides ready-made infrastructure, regional expertise and multilingual teams. This reduces cost, risk and time-to-market.

Are some regions better suited for outsourcing?

Yes. In regions with complex employment law and strict compliance (Germany, France, Japan), outsourcing is especially effective. Outsourced partners mitigate compliance risk and cultural missteps, ensuring quicker traction.

Can a US-based leader manage an international team?

Technically possible, but usually inefficient. Time zones, culture and compliance issues quickly overwhelm managers. Local management or outsourcing improves effectiveness and responsiveness.

Should we centralize or localize in Europe?

A hub-and-spoke model is common: central hubs (e.g., London, Dublin, Amsterdam) plus local support in priority markets. Outsourced partners often already operate in these hubs.

How do we handle HR laws and compliance?

Local HR and legal requirements are complex and costly (e.g., pensions in the UK, worker protections in Germany, consultations in France). Partners with local expertise simplify compliance and reduce risk.

How do we ensure GDPR and outreach compliance?

Treat GDPR, E-privacy and local laws as non-negotiable. Outsourcing vendors often already have frameworks, tools and processes to stay compliant. Make sure you have a Data Protection Agreement with your partners, reducing exposure and protecting valuation.

Quick Answers to Common Debates

Should SDRs pick any contact they find?

No. Provide them with an ICP (ideal company profile) - even better, specific target accounts and titles, personas, roles. Then coach them to prospect within that addressable market.

Why push phone calls?

Conversations reveal objections, timing, and intent, improving conversion. Emails/social alone don't. Email response rates are the lowest they have been and the trend is likely to continue with the use of AI (mainly sending emails). Let your SDRs do at least 50% of their activities over the phone and use voicemails / LinkedIn video messages.

Are third-party data tools enough?

No. They are starting points. Always validate via conversations and LinkedIn.

When does in-house become more efficient?

Around 20–30 SDRs with experienced leadership, processes and RevOps.

What breaks most first-year programs?

Weak coaching, call reluctance, messy tech stacks, poor value proposition and unclear meeting definitions.

Implementation checklist

- Define ICP and message to ~80% clarity
- Ensure marketing and business model readiness
- Provide day-one playbooks, messaging and coaching
- Align on meeting quality, SAL and SQL definitions
- Optimize CRM and sales engagement workflows
- Build vetted account lists enriched with intent and marketing data
- Set a phone-forward cadence and coach against call reluctance
- Inspect calls weekly and adjust based on feedback
- Choose hybrid models to balance speed, control and risk

Conclusion

Building and scaling a high-impact SDR function is one of the most critical levers for PE-backed growth. The right balance of in-house, outsourced, or hybrid resources can accelerate pipeline, reduce execution risk and preserve capital during the investment horizon. **Success depends on clarity around your ICP, strong management and coaching, disciplined cadences and a tech stack that supports productivity.**

Whether you are standing up your first team or expanding globally, approaching SDR strategy with intentional trade-offs ensures you hit growth targets while protecting efficiency and investor confidence.

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