SALES

Predictable Revenue

by Aaron Ross and Marylou Tyler

How Salesforce built a sales machine that makes new revenue predictable instead of lucky.

BEST POINTS FROM THE BOOK

01 **Do not cold call. Send short, plain emails that ask for a referral to the right person.**

Ross calls it Cold Calling 2.0. In his Salesforce test, pitch emails to executives got a 0% response; short emails asking for directions got about 10% — and turned cold outreach into warm introductions.

02 **Salespeople do not cause growth. They fulfill it. Lead generation causes growth.**

The book's core claim: boards set revenue targets and hire more closers, but growth is capped by lead flow. Build predictable lead generation first, and closers finally have something to close.

03 **Split sales into four specialized jobs: qualify inbound leads, prospect outbound, close deals, grow accounts.**

Market Response Reps qualify, Sales Development Reps prospect, Account Executives close, Customer Success Managers keep and expand. When one person does everything, prospecting is always what gets dropped.

04 **Closers should almost never prospect. Keep it under 20% of their time.**

One of the book's seven fatal mistakes is making Account Executives jacks-of-all-trades: they dislike prospecting, they're not great at it, and it's a waste of your most expensive people. Dedicated prospectors own the rest.

05 **Leads come in three kinds — seeds, nets, and spears — and each needs its own funnel.**

Seeds are word of mouth and referrals: slowest to grow, but they close best. Nets are wide marketing that catches many at mixed quality. Spears are targeted outbound at exact accounts — the most controllable of the three.

06 **Run outbound in batches and judge it by the book's benchmarks.**

A prospector sends 50-100 short emails a day, a few days a week. Referral emails done right earn roughly 8-12% response rates, and one fully ramped prospector creates 10-20 qualified opportunities a month — enough pipeline for two to five closers.

07 **Predictable revenue comes from a repeatable system, not hero salespeople.**

The outbound process Ross built at Salesforce created $100 million in new recurring revenue because any trained rep running the process got results. Systems scale; heroes burn out and take the pipeline with them.

08 **On the first real call, sell the dream — work customer-in, not product-out.**

Dig under the stated request to the root business problem, then paint the future fixing it makes possible. Thinking 'product-out' instead of 'customer-in' is one of the book's seven fatal mistakes.

09 **Manage sales by five numbers, not by raw activity.**

Track new leads each month by source, the lead-to-opportunity conversion rate, the number and dollar value of qualified opportunities created, the opportunity-to-close rate, and booked revenue split into new, add-on, and renewal. Everything else is mostly noise.

10 **This quarter's revenue was decided months ago. Never let the pipeline go hungry.**

Prospecting takes weeks to create an opportunity and sales cycles take months to close, so a quiet month now is an empty quarter later. Steady weekly lead flow — not end-of-quarter heroics — is what makes revenue predictable.

11 **Happy customers are a lead source, not just revenue.**

Ross calls it 'happy customers create extraordinary growth,' and under-investing in customer success is his bonus fatal mistake. Delighted clients become champions who refer, testify, and plant the seeds that close easiest.

12 **The CEO cannot delegate understanding how sales and lead generation work.**

Fatal Mistake #1. A CEO who doesn't understand lead flow sets arbitrary targets and can't diagnose a miss. Ross learned it the hard way: he made exactly this mistake running his own failed startup before Salesforce.

THE BOOK, IN SHORT

Aaron Ross learned sales the hard way: as CEO of LeaseExchange, he delegated sales without understanding it, and the company failed. He then took a sales job at Salesforce.com in the early 2000s, when it was still a roughly $25 million company selling mainly to small businesses, and built the outbound prospecting team whose process created $100 million in new recurring revenue. This book, written with outbound specialist Marylou Tyler and first published in 2011, is that playbook. Its central claim: revenue becomes predictable only when lead generation does — because salespeople don't cause growth, they fulfill it.

The heart of the book is Cold Calling 2.0, and despite the name it involves no cold calls. Ross discovered that mass emails pitching executives got zero responses, while very short, plain emails

asking to be pointed to the right person got about 10%. Prospectors work from an ideal customer profile, send 50-100 of these referral emails a day in batches a few days a week, and follow up by phone only with people who respond. Benchmarks from the book: referral campaigns earn roughly 8-12% response rates, and one fully ramped prospector creates 10-20 qualified opportunities a month. Because the first conversation comes through an internal referral, no call is ever truly cold.

The second big idea is specialization. Ross splits sales into four core functions: Market Response Reps qualify inbound leads, Sales Development Reps do only outbound prospecting, Account Executives only run deals and close, and Customer Success Managers onboard, renew, and expand accounts. Making closers prospect is one of the book's seven fatal mistakes — they dislike it, they're mediocre at it, and it wastes your most expensive talent. The roles also form a career ladder, so the prospecting team doubles as the training ground for future closers.

Ross also sorts every lead into seeds, nets, and spears. Seeds are referrals and word of mouth — slow and hard to control, but they close at the highest rates. Nets are one-to-many marketing programs that catch a lot of fish at mixed quality. Spears are targeted outbound strikes at a short list of ideal accounts, and the most controllable source of the three. Each type moves through the same lifecycle — prospect, lead, opportunity, client, and finally champion — but each needs its own funnel, its own expectations, and its own math.

The final chapters are about management. Ross lists seven fatal mistakes CEOs and sales VPs make — not understanding lead generation, making closers prospect, assuming channels will sell for you, fumbling talent, thinking product-out instead of customer-in, sloppy measurement, and command-and-control management — plus a bonus eighth: under-investing in customer success. His fix is to run the machine on five metrics (new leads by source, lead-to-opportunity conversion, qualified opportunities and their value, close rate, and revenue split by new, add-on, and renewal) and to treat happy customers as a growth engine in their own right. When every stage has a number and every role has one job, growth stops being luck and becomes a process you can tune.

DO THIS WEEK

This week, build a list of 25 dream accounts that match your ideal customer profile. Write one short, plain email — no pitch, no links — asking a senior person there to point you to whoever owns the problem you solve. Send the batch, follow up by phone with anyone who replies, and measure your response rate: the book's benchmark for this exact email is around 10%.

By Aaron Ross and Marylou Tyler, first published 2011. Read it if you run or work in B2B sales and want a steady pipeline instead of feast-or-famine months.