

Bridging the B2B Sales Gap

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Introduction

This paper is about establishing and scaling a successful sales development operation. More specifically, it is about sales for Business-to-Business (B2B) companies. And while it holds obvious application for early, emerging ventures seeking to establish a sales department, it holds myriad lessons for more mature companies that lack satisfactory pipelines, processes or plain old predictability.

THE FOLLOWING PAGES
WILL ESTABLISH A VERY
SIMPLE PREMISE:

- 1** THE PROFESSIONAL discipline of sales has changed in ways that should affect how funders, boards and leaders think about it in general.
- 2** B2B COMPANIES are rarely founded by sales experts. Rather, they are founded by engineers, analysts, inventors and others with technical or specialized experience. Having produced a product or service, these founders fill out their organizations to address any number of business responsibilities, including sales. And sales is where they tend to make the biggest mistakes.

The following pages will explore this dilemma, its conventional solutions and, finally, offer a new possibility for B2B leaders. It will posit that successful sales development comes from the implementation of process, not merely the engagement of the right personality, and, furthermore, that its functioning should be transparent, trackable, scalable and sustainable.





A Brief History of Sales

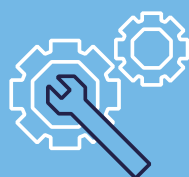
SOMEWHERE BETWEEN the dawn of time and the present day, the concept of sales was born from the need for role specialization. In the United States, this moment is first noted in late 18th-century private insurance records that included specialized terms for those who generated and followed up with new leads for coverage.¹

BY THE early 20th-century, that concept had advanced to the invention of a professional “sales force,” a phrase attributed to the early leadership at IBM, who went on to invent sales commissions, formal sales training and the notion an effective sales team must be educated, professional and well-trained.



From that time through the late 1980s, sales evolved with the advance of technology and the broader embrace and application of human psychology in commerce.

OVER THE years, sales had moved away from its original inspiration – role specialization to fulfill on unique and distinct tasks – into something of a cultural institution. Mass door-to-door sales and direct outreach campaigns mythologized the idea of the master salesman, the person who could sell anything to anyone, father of a thousand “he could sell a (object) to a (person who does not need said object)” jokes.



And then the internet changed everything.

WITH THE advent of unlimited pre-purchase research and the ascendance of the empowered customer, leverage shifted from salesperson to consumer and the industry entered a period of reorganization and reconsideration. Enter Salesforce, email service providers, marketing automation solutions, privacy protections and the concept of the perpetually connected prospect and the definition of sales changed yet again.²

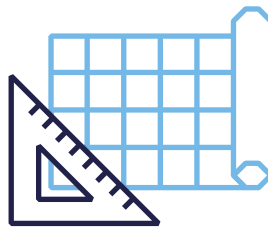
1 <https://predictablerevenue.com/blog/history-professional-sales-training>

2 <https://www.salesforce.com/blog/2013/10/the-biggest-shift-in-the-history-of-sales.html>



Today, sales is a fundamental discipline in the modern business landscape. And in many ways, it has returned to its roots – as a process and methodology of specialized activities that lead not only to revenue but also predictability, the notion that firms can calculate engagement, growth, risk and opportunity.

BUSINESS LEADERS, and particularly founders and funders of B2B firms, must embrace the specialization and coordination of modern sales. Scalability in the modern era is born from methodology and establishment of processes that integrate with technology and liberate CEOs from the necessity of pinning their hopes on the next SVP of sales.



Those who embrace this new reality will overcome the dilemma that faces almost every emerging B2B company.

WHAT IS THAT DILEMMA? →



The B2B Founder's Sales Dilemma

It is often observed that the success of a new venture is constrained by the weakest skill of the entrepreneur. In its earliest iteration, a company will succeed where its founder holds expertise and fail (or at best simply lag) where skill is lacking. This simple, universal truth of entrepreneurship sets the context for an immense risk that most B2B startups face.

Founded by someone with technical expertise, the company succeeds in product or platform development and utterly fails at sales.

Sound familiar?

THAT'S LIKELY due to the fact that B2B companies are most often founded by technologists and engineers, specialists with little or no sales experience.

THIS IS so commonplace, it has been declared a virtue – according to a recent study from Harvard Business Review, the startups most likely to succeed have technical founders who “quickly hire businesspeople.”³

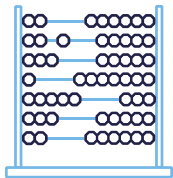
The thinking is obvious: technical founders are in possession of the specialized knowledge that exposes inefficiencies, discovers hidden value and reveals great new ideas.

HAVING DEVELOPED their idea, they must backfill the business expertise required to actually grow a company. Including someone who, in theory, knows not only how to sell the idea but also how to build a scalable sales development operation inside the company.

No small task.



NOT SURPRISINGLY, IT ISN'T GOING VERY WELL FOR A NUMBER OF B2B STARTUPS.



A recent survey of 159 firms with at least \$2.5 million in revenues found that almost 55 percent were spending more than a dollar to get a dollar in annual contract value.⁴

OF ALL the business needs a founder must fill, sales is often the most daunting. After all, it holds the most direct existential connection to the business itself. Its performance, or lack thereof, will determine the fate of the company. And it will do so in real time, against a ticking clock, and cannot be corrected later as one might be able to rearrange (or reset) human resources, accounting or operations management.

FACED WITH this dilemma, most founders select one of a few predictable solutions. These will be explored in detail in the following pages. Finally, a new option will be presented for consideration, one that has been developed specifically for emerging B2B firms that were not founded by experienced sales leaders.

Before exploring the possible solutions, a simple question:

Why would anyone expect an engineer to know how to sell?



If You Want It Done Right...



The experience of founding a company – or being tasked with fixing one – requires some selling just to get started. After all, someone had to raise capital, convince skeptical boards, lure talent and earn the first few customers. These are all a form of sales and all of them are difficult. Any leadership team of an active B2B firm with a credible product or service has navigated some (or all) these challenges.

Whether an emerging company looking to establish itself or an established company seeking to improve, there is always a strong temptation to let the person who “knows the product best” lead on sales.

AND WHILE IT CAN DELIVER SOME SUCCESS, IT BRINGS
SIGNIFICANT CHALLENGES ALONG WITH IT.



THE TWO MOST COMMON VARIETIES OF DIY SALES LEADERSHIP ARE:

1 Engage an appointment-setting service and compete on volume.

WHILE THESE service companies take great pains to name and position themselves as something else, most offer the same basic premise: they promise to get the CEO and/or her sales reps face-to-face with prospective customers. This is a tempting value proposition for a variety of reasons: it's relatively cheap, it holds the promise of quick returns and it gives the jack-of-all-trades founder an opportunity to sell inside of a very busy non-sales schedule.

THE DOWNSIDES are also obvious. Lead quality is a constant concern, ongoing dependence on the appointment-setting service is a long-term (or permanent) expense, the CEO's time is used inefficiently and, worst of all, it offers nothing whatsoever in the way of process development. While a leader and her team may indeed sell a few deals, they are no closer to becoming a scalable deal-closing team. It is an infinite loop of unpredictable results and, in time, a haven for bad habits and mixed messaging.

2 Attempt to implement a professional sales development process without the necessary experience or qualifications.

FOR THOSE who prefer to fail heroically, there is the attempt to take it all on and do it all right. This is commendable in the sense that it recognizes the need for process and infrastructure development. And yet it is very dangerous without the training and experience to do it well.

ON OCCASION, B2B founders and leaders devote themselves to the study and practice of sales and truly build successful, sustainable sales practices within their companies.

These instances are marked by extreme commitment to this task, to the exclusion of other responsibilities, a natural affinity for sales and a willingness to expose themselves to the risk of failure. While evidence is mixed on the character traits and circumstances that lead to success, research is clear that not all founders or CEOs offer the optimal likelihood of sales success. Moreover, even for those who lead sales with some results, a final challenge remains: Will they do it forever? How will they hand it off? And to whom?



Personality Over Process

AS AN alternative to the do-it-all founder or CEO, many companies make the very understandable pivot to hiring someone who seems to know what they are doing. This choice often takes one of two forms (these will be explored shortly) but regardless of the circumstance, leaders and the boards they serve have responsibility to hire wisely. Many of these searches begin with qualifications.

“OF THE 479 U.S. business programs accredited by the Association to Advance Collegiate Schools of Business,” Harvard Business Review reports, “only 101 have a sales curriculum, and a mere 15 offer either an MBA in sales or some sort of sales-oriented graduate curriculum.”⁵ Moreover, material taught in a classroom is taught in a vacuum – going stale without the rich context of sales development processes and tools.



A deeper exploration of the scarcity of professional academic sales training is not appropriate for this paper but suffice it to say, hiring sales leadership is very different than seeking out a CFO or lead product manager.

Searching for a person to lead sales is very much a bet on personality – a combination of one’s resume and charisma that imbues confidence in the choice. Very often, these are individuals who built careers as salespeople themselves, confident in closing and armed with a track record of deals and revenue growth.

BETTING ON A PERSONALITY,
EVEN A WINNING ONE,
LEADS YOU DOWN ONE OF
TWO PATHS.





FRAMED ACCORDINGLY, THE CHOICE TO HIRE SALES LEADERSHIP OFTEN TAKES ONE OF TWO FORMS:

1 Hire an experienced in-house sales lead.

THIS INDIVIDUAL will be tasked with sales leadership and the construction of a high-functioning sales department. With this hire, leadership shifts ownership of the sales pipeline from someone solely motivated by overall company success (founder or CEO)

to an individual who must keep individual career aspirations in mind. While this is true across all non-equity hires, sales is unique in its adjacency to company valuation and vulnerability to blame when things don't go as planned.

CONSIDER THIS:

The average vice president of sales spends all of 19 months on average with a company, down from 26 months just a few years ago.⁶ With turnover at all-time highs, sales leaders are naturally incentivized to seek near-term returns at the expense of long-term process development.

2 Hire an experienced sales consultant.

ACCEPTING THAT sales leadership is a revolving door leads some to outsource the role altogether to a consultant. Counterintuitively, this can sometimes lead to longer tenure and greater stability within the department.

THE DOWNSIDE is the obvious incentive to withhold process. In these relationships, sales methodology is the “secret sauce” that companies must rent or relinquish, trapped in a perpetual cycle of expensive dependency.



A New Paradigm

Faced with the founder's dilemma, many choose some variation or combination of the solutions listed previously. They all boil down to the same fundamental choice – bet on the unqualified founder or the unverified hire.

IN MANY WAYS, IT'S A FALSE DISTINCTION.

As established in this paper, sales has moved past the era of all-knowing individual leadership into a future dictated by organizational methodology. With that in mind, a new choice emerges.

Implementing a scalable sales development process begins with research, advances through the creation of an actionable growth plan, is refined with testing and matures into a professional sales department. It is accessible via a new kind of company whose model defies the constraints of the conventional options and is purpose-built to aid B2B founders with a critical vulnerability.

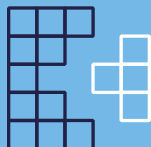


SCALEUP OFFERS a consultative path to developing sales as a scalable organizational strength. It does so by virtue of its unique model that prioritizes implementation of sales planning and process instead of individual salesperson roles or commissions.



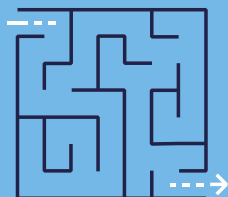
ScaleUp Methodology

Complete Five-Part Prospecting Setup



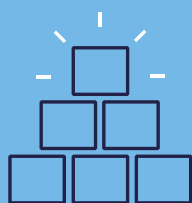
- Build revenue-aligned sales development and operations roadmap based on 38-point scalability assessment
- Set up sales stack and internal and board reporting structure
- Build target account / contact lists
- Create omni-channel prospecting messaging strategy and campaign calendar
- Source and train SDRs

Execute Prospecting Strategy



- Hone value propositions, objection handling and how to create urgency
- Validate product roadmap via feedback loop between sales and product development teams
- Determine predictability of pipeline-generating team
- Build CRM, reporting and process docs for scalability
- Develop predictors of SDR success

Transition and ScaleUp



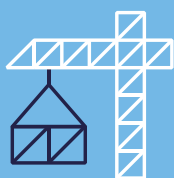
- Re-focus acquisition strategy on segments with highest prospecting and sales velocities
- Update comp plans and quotas, hiring plans and job descriptions to reflect real experiences
- Manage and coach SDRs through review of 13 daily / weekly metrics
- Interview, onboard and scale SDR team



Conclusion

Over the years, countless B2B platforms, products and services have failed because they didn't build or scale effective sales operations.

SOME WERE led by visionary founders, others were funded by savvy investors and all of them make the same fatal mistake: They didn't get serious about sales development in time to give the company a fighting chance.



ScaleUp was founded from the knowledge that B2B sales development is an identifiable and solvable challenge. The answer is evidence-based, trainable processes that can be understood and implemented through our unique partnership model.

Working with ScaleUp bridges the sales expertise gap that threatens to silence great ideas before they've created the revenue they need to prove themselves. ScaleUp sees sales as an organizational discipline that can be understood, embraced and implemented in a way that grows (and grows with) any B2B company.

ScaleUp deploys experienced, trained personnel to work in-house with every client. Throughout the engagement, ScaleUp team members leverage the collective resources and talent of the firm to ensure success.

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