

Go-To-Market

Mohit Pande

Agenda

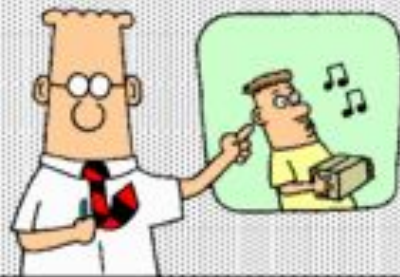
- Introductions
- The Start Up Journey
- Execution Excellence
- Q&A



**KEEP
CALM
AND**

**LETS GET TO KNOW
EACH OTHER**

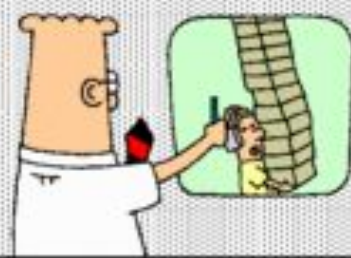
OUR TARGET MARKET
IS PEOPLE WHO DON'T
SHOP CAREFULLY.



OUR PRODUCT IS
DESIGNED TO ATTACK
THE USER AND FORCE
HIM TO REORDER.



WE ONLY HAVE ONE
CUSTOMER BUT WE'VE
SOLD 10,000 UNITS.

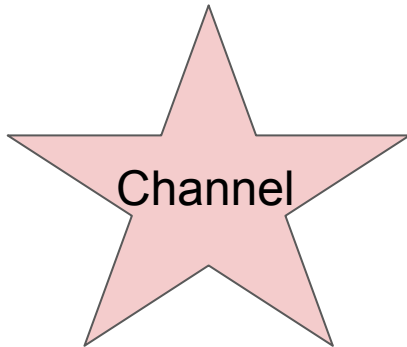
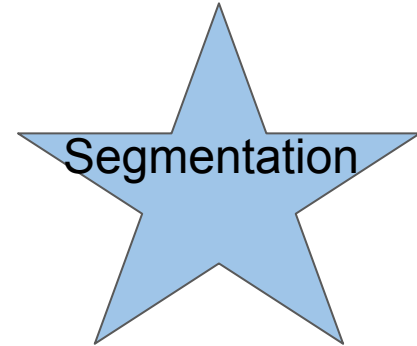


scottadams@aol.com

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What does GTM mean?



The Start-Up Journey

•The Beginning

- #1: “You” as the salesperson
- #2: Think Customer Success from the inception

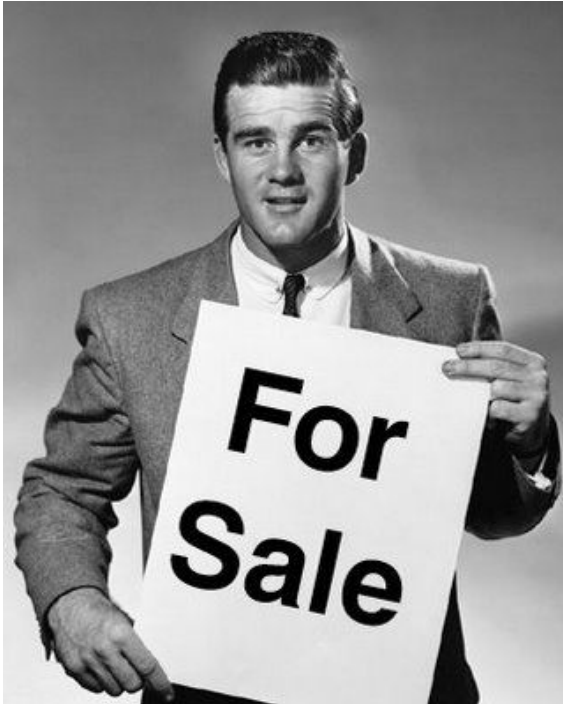
•The Scale

- #3: Segment your market smartly
- #4: Divide and Conquer
- #5: Plan Ahead of Time
- #6: Channel Sales
- #7: Building sales management
- #8: Operational excellence matters – Create Sales Operations

•The makings of a Global Company

- #9: Building out US Sales
- #10: Building multi-country sales

#1: “You” Are the First Sales Person



- **When:** First 10 customers
- **What:** You should be going and knocking the doors, delivering the sales pitch, closing the sales
- **Why:** First few customers are not necessarily about sales skills, they have to do with
 - Passion
 - Perseverance
 - Ability to get critical feedback early on to iterate/pivot
- **Where we go wrong**
 - Being in a rush to hire sales people because you feel that you have a great product and you just need a crackerjack enterprise sales guy for money-wheel to start churning

#2: Think Customer Success from the inception

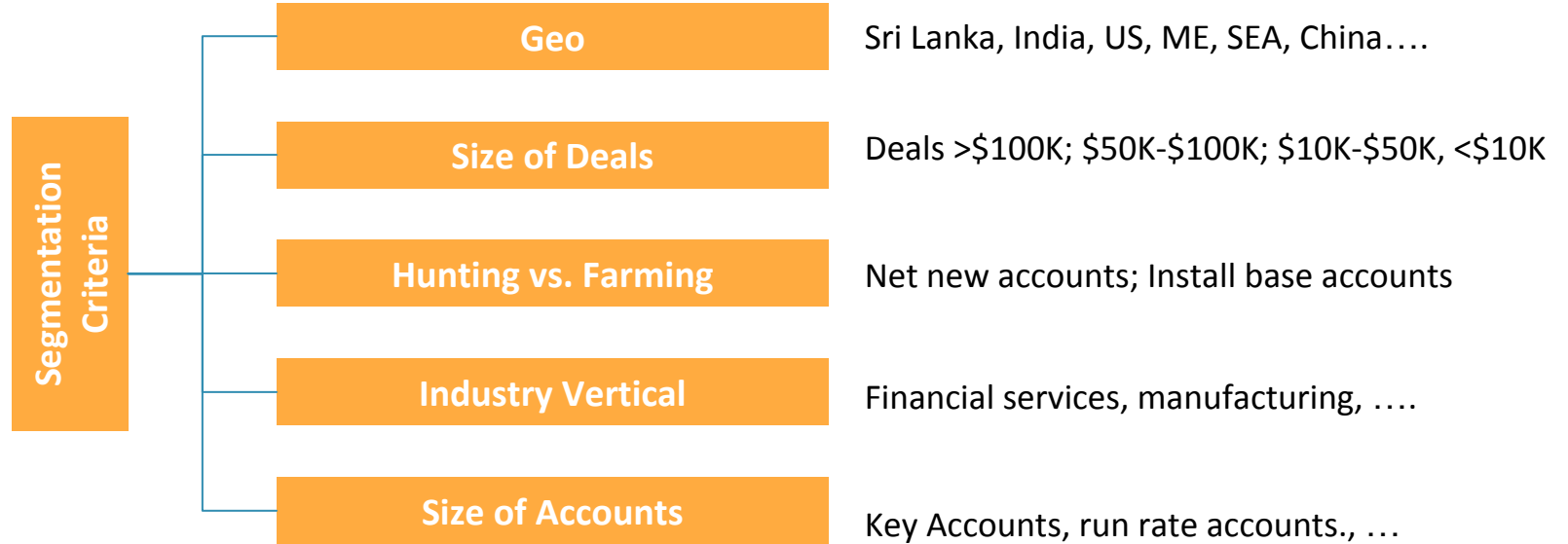
Up to \$1-2M

- Start when you sell to the first customer
- CEO/ Product co-founder is ideally the first customer success person
- Align the function to the product organization until you establish product market fit

Later Stages

- Align to sales as you begin to scale
- In addition to NPS, key metric should be additional sales from existing accounts

#3: Segment Smartly



Suggestion: (1) Keep it simple, (2) Avoid overlays, (3) Segment farmers/ hunters, and (4) Evolve it every year

#4: Divide and Conquer



- **Need generalists in the beginning** – you do not know what you need, and scale does not allow you to hire specialists; At this stage you want experimenting/ thinking/ evangelist sales people
- **Different roles have very different skills** – “Horses for courses” as and when scale allows you
 - Sales vs. Pre-sales
 - Lead generation vs. qualification vs. sales
 - Hunters vs. farmers
 - Big ticket sales vs run rate sales
- **Continuously divide territories** even if skills are not different – important to stretch the sales team, and get them to be creative on how to draw out more from their territories

#5: Planning Sales Capacity



Example

3 months to hire

6 months to full productivity

1 out of 2 success rate

\$250K new ACV per year

@5M ARR currently, growing at 25% per quarter → in 3 quarters from now, need to add @~\$5M ACV in 3 quarters → 40 new sales people!

#6: Channel Sales

When Not to Do?

- Find channel partners when you are not able to sell your product
- Before you have product market fit
- Before you have figured out the playbook for selling – who to sell to, how to sell
- Before you have strong reference accounts

How to Do?

- A/B testing of channel partner type is important early on
- Channel needs to be enabled much the same way as sales does
- Don't spread yourselves too thin - volume is not as important as having a few good partners
- Channel recruitment/ enablement role is very different from channel sales
- Give real quotas to channel sales managers

#7: Building Sales Management

- **Span Issues** – It is hard for anyone to have a span of more than 10 direct reports, ideal is 7-8 direct reports
- **Temptation to promote from within** – One often promotes people from within, which should be an exception rather than the rule as sales coaching/ pipeline management for a team is a very different role than an IC role
 - Try out as a small team lead with an individual quota as well before you give them a full fledged manager role
- **Enable the role** – First time managers need a lot of coaching
 - How to hire, when to fire, how to be the enabler vs doer, when to push vs when to back off
 - Measure them for % of team achieving quota in addition to measuring them just for their quota achieved
 - Keep a 5-10% buffer between their quota and allocated quota
- **Large Deal Sales** - In large deal sales, think about compensating the IC enough so that they do not want to be managers just because of compensation

#8: Think Sales Operations very early

Quota Carrying Sales

- Hunters & farmers
- Inside sales and Field Sales
- Direct sales managers
- Channel sales

Pre-Sales

- Discovery, solutioning, demo teams
- Product and industry specialists
- Value-sales

Sales Operations

- CRM hygiene
- Pipeline analytics and insights
- Forecasting
- Territory setting and quotas
- Territory transitions
- Incentive compensation
- References
- Sales capacity planning

- Most start-ups ignore this function for too long
- For sales centric companies, this is as important as marketing analytics is for B2C companies
- Need to ideally find someone who understands sales well (for credibility), but is highly analytical
- Set it up the moment you have more than 40-50 names in your pipeline

#9: What Makes it Hard to Build US Sales?

What Makes it Hard?

- Lack of credibility when you start – no US references, lack of network
- Adverse selection issue with hiring
- Expensive – each sales person costs \$250K/ year
- Founders find it hard to move to US if they have to leave the existing business with someone else

How to Do?

- Rethink if you want to
- One of the founders must move – no choice!
- Go sell yourself first
- Find 2-3 advisors with small equity to help open initial doors
- Refine product rapidly if PM fit is an issue
- Before hiring sales people, ensure that you have a few good references and a robust pipe generation capability
- Do not discount local sales team

#10: How to Think About Multi Country Sales?

What Makes it Hard?

- Each country may have its own nuances of selling – language, regulation, product requirements
- Sub-scale markets – costs initially may not justify a full sales team – vicious cycle
- Sales support teams not on the ground

How to Do?

- Make geo choices very carefully – establish 1-2 successes before going head long
- Go for scale markets – India, Singapore, Indonesia, ME and possibly China
- Existing customers may be the best ones to decide for you
- Relocate existing rock stars who can be experimental sales guys for the first 6-12 months
- Once there is track record, new geos can be built through partners

DOGBERT THE CEO

WE'LL EXECUTE
OUR STRATEGY IN
THE USUAL WAY.

THE POWERFUL WILL
DELEGATE TO THE
UNTALENTED UNTIL
FAILURE IS ACHIEVED.

HOW LONG
WILL THAT
TAKE?

WE
JUST
FINISHED.

Execution

- Excellent**
- Good**
- Average**
- Poor**

It all starts with the culture !!

Key Questions

- Do you have a weekly revenue & forecast meeting?
- Who all attend ?
- What do you measure there?

- Start a pipeline cadence
- Discipline and Consistency are key
- What gets measured is what gets done
- Everyone has accountability
- Pipeline management is not just revenue forecast

Quota Setting

Key Questions

- How many sales reps met quota last year / last quarter?
- How you buffer ? (Sales v/s Finance Quotas?)
- Which other teams, apart from Sales Reps are on quota ?
- Which problem are you solving with the accelerators?

- 1M? 3M? 5M?
- Focus on the segment you are selling to
- The complexity of the solution
- Decide your philosophy
 - Eg: Quota = $[(\text{Exit MRR} * 12) * 1.5] + \text{New Business v/s Territory}$
- Annual v/s Quarterly
 - Analyze typical sales cycle
 - Which revenue problem are you solving for ?
- Building Buffers: Walking the thin line
 - Salesperson \Rightarrow Sales Leader \Rightarrow Company \Rightarrow Board

Compensation

Key Questions

- Do you have most people getting 100% of variable pay?
- Are you losing people for salary?
- Are your high performers making the most money?

- Think about Compensation Philosophy
 - 50/50, 60/40, 70/30, 80/20
- Motivators and Hurdles
- Salesperson v/s Sales Teams
- Differentiate high performers
- Incentives, SPIFFs and contests
 - Focus on a problem to be solved
 - Team / Individual goals
 - Short term and Long term
- Recognition is a big motivator
- Equity
-

Forecasting

Key Questions

- Does everyone understand your sales process & stages?
- Do you know revenue forecast for this Qtr, and pipeline for next 2 Qtrs?
- Do you have a culture of “commit means a commit”?

- Define your sales process
 - The stages of a deal in your selling framework
 - Success Metrics at each stage / accountability
- Single version of the truth
 - Use a simple tool
 - Everyone has the same understanding
 - Accountabilities are clear
- Be consistent on the format
 - Revenue forecast
 - Deal Review
 - Pipeline progression
 - Other metrics
- Commit: Say what you will do, Do what you say
 - Hold people accountable to commits
 - Double click on quota misses
 - Dive deep with chronic “missers”

How do you qualify a deal?

Key Questions

- Do you have optimists & pessimists?
- Watch out for trends:
 - Deals drop last min
 - Always a request for price discount
 - Losing on features
- Do you always meet your biggest prospects / customers?

Large Deals

- Large deals can make or break the quarter
- Deal review is the most important for forecast
- Go deep
 - Is there a compelling event
 - Has the final decision maker been met with and the "look in the eye" conversation happened
 - Do we know exactly what the negotiation/ contracting process will look like with individual steps
 - Do we have a back channel for the negotiation process
- Be involved personally
- Check for consistency and credibility of sales teams over time

Building Capacity

Key Questions

- Relook at conversion criterion
- Evaluate increasing capacity in previous stage
- Hire ahead: Assume 3 months of hiring, and six months of onboarding

Examples

Pipeline	Leads	Stage 1	Stage 2	Stage 3	Close
# of Deals	1000	700	500	400	200
Deals Conversion		70%	71%	80%	50%
Revenue		\$7,000,000	\$4,000,000	\$2,000,000	\$1,500,000
Revenue Conversion			57%	50%	75%
Average Deal Size		\$10,000	\$8,000	\$5,000	\$7,500

Sales Growth	Q4	Q1	Q2	Q3	Q4
ARR	\$5,000,000	\$6,250,000	\$7,812,500	\$9,765,625	\$12,207,031
Growth	25%	25%	25%	25%	
New Biz	\$1,000,000	\$1,250,000	\$1,562,500	\$1,953,125	\$2,441,406
Sales People @ 250K NB	4	5	6	7	9
AM @ 1M ARR	4	5	6	8	10
Total	8	10	12	15	19

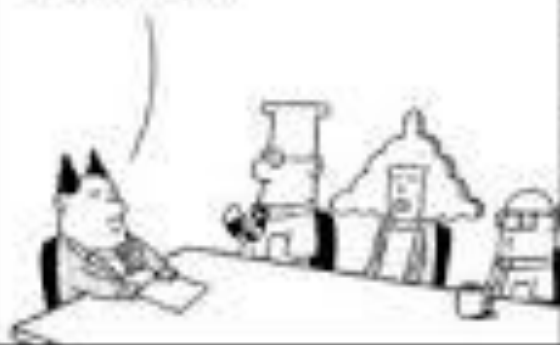
Execution Excellence

Key Questions

- Do you have a weighted pipeline review ?
- Have you mapped the territory, segment to sales teams?
- Do you regularly review sales roadblocks: pricing, licensing, prod features?
- Is every salesperson telling the same story?

- Consistency
- Clarity of process, role and performance
- Keep it simple
- Focus on both:
 - Output metrics
 - Revenue forecast, Key Deals
 - Pipeline volume, velocity and health
 - Future pipeline: Q+1, Q+2
 - Existing cust revenue v/s new cust revenue
 - ARR v/s Actual billed revenue
 - Input Metrics
 - Demand engines & marketing campaigns
 - Selling metrics:
 - How many customers are you meeting ?
 - Who are you meeting in these customers ? How many times
 - What are you talking to them?
 - Coverage and productivity parameters

WE CAN'T
COMPETE
ON PRICE.



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WE ALSO CAN'T
COMPETE ON QUALITY,
FEATURES OR SERVICE.



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THAT LEAVES FRAUD,
WHICH I'D LIKE YOU
TO CALL MARKETING.



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LET'S

TALK