

# The Predictable Revenue Guide To **TRIPLING YOUR SALES**



*\$1 Billion+ In Proven Simple Sales Truths That Will Help  
You Crush Your Growth Goals Year After Year.*

**By Aaron Ross & Jason Lemkin**

# You Can Crush Your Growth Goals

The world's filled with sales advice. Some great, some harmful, mostly outdated or 'nice'.

'Nice' is helpful if you want a 30% bump. But what if you want a 300% increase? It happens more often and more systematically than you may realize...

If you care about sales for your team or company, here are a few *PRACTICAL, REPEATABLE* ideas that have been proven to make a HUGE difference in sales.

**As in a \$100+ million difference.**

**Or going public & selling for \$1+ billion.**

**Or "only" doubling or tripling sales.**

At a minimum, this ebook can help give you more peace of mind, predictability and clarity in how to make next year the best yet.

## *These Ideas Helped...*

**Salesforce.com** almost double enterprise revenue and add \$1 billion to its topline revenues.

**EchoSign** and the Adobe Document Services grow from \$0 in revenue in 2006 to \$144 million in ARR in 2013.

**Responsys** transform from a slow-growth \$20 million business to rocketing 10x to \$200 million in revenue in 5 years, and being sold to Oracle for \$1.5 billion.

**Acquia** (a \$45 million company) to add an **extra** \$12-\$15 million this year AND make sure it is "when, not if" it will break \$100 million in revenue.

# 5 Ideas That Drive Big Growth



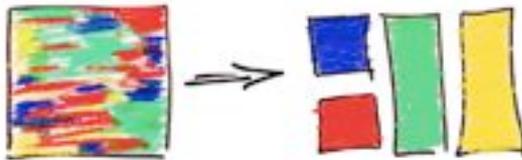
**LeadGen 1: Seeds**  
Customer Success



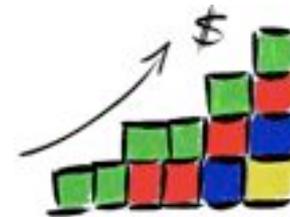
**LeadGen 2: Nets**  
Inbound Marketing  
Growth Hacking



**LeadGen 3: Spears**  
Outbound Prospecting



**Specialize Your Sales Team**  
How to do it, big or small



**Drop Sales Team Churn To <10%**  
Make your sales team scalable

# About The Authors



ROSS

Aaron Ross is the #1 best-selling author of [\*Predictable Revenue: Turn Your Business Into A Sales Machine With The \\$100 Million Best Practices Of Salesforce.com\*](#) (called by Inc.com the “Sales Bible of Silicon Valley”).

He built the outbound prospecting sales team at Salesforce.com, which has helped add an extra \$1 billion.

Aaron’s married with five children (growing to eight soon through adoption), lives in westside Los Angeles, loves motorcycles, and keeps his work to 25-35 hours a week.



LEMKIN

Jason is a Managing Director of Storm Ventures and writes the #1 Saas blog: [www.Saastr.com](http://www.Saastr.com).

Jason founded & was CEO of EchoSign, the web’s most popular electronic signature service. Jason led it from \$0 to

\$100 million+ in revenues and through a successful acquisition by Adobe, where he then served as VP Web Services.

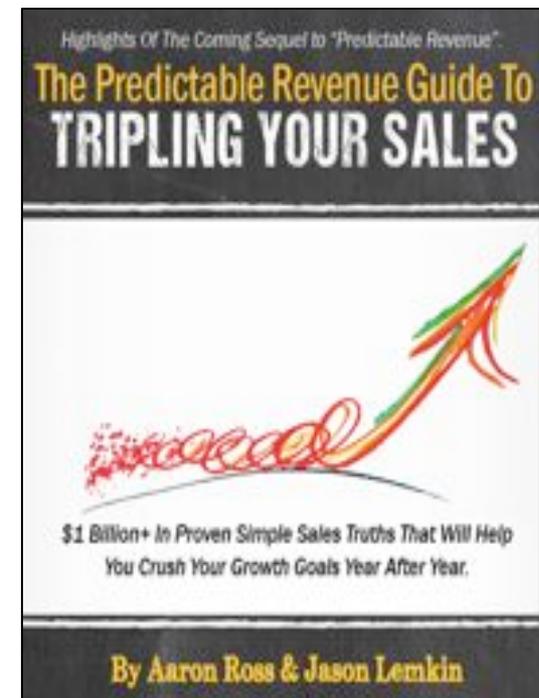
Jason’s married with two kids, lives in Palo Alto, and loves running every day without fail, and anything having to do with Hawaii.

# Bigger, Better

This ebook highlights powerful nuggets from the forthcoming sequel to the #1 best-seller *Predictable Revenue*.

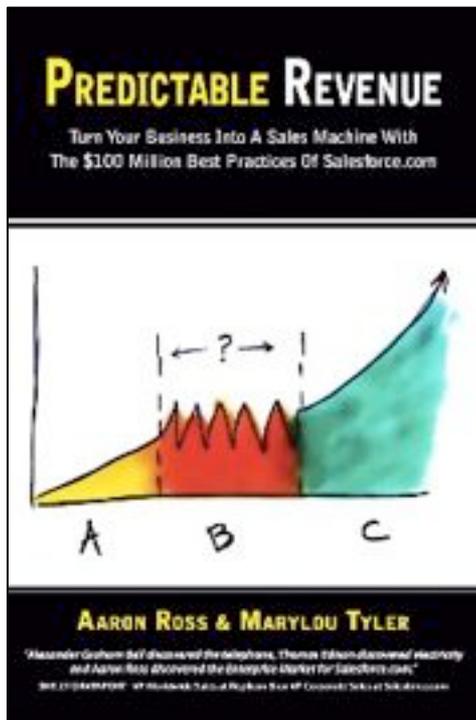
This ebook you hold contains highlights from the forthcoming full book, *"The Predictable Revenue Guide To Tripling Your Sales,"* a sequel to *Predictable Revenue*.

The *"Triple"* book builds on the original with more case studies, more details, more apps, and more ideas...as you'll be able to see here.



# Select Ideas From *Predictable Revenue* (1/3)

Lead generation drives fast growth, not the size of your sales team.



If you haven't read *Predictable Revenue* or it's been awhile, here's a short summary of select key ideas.

## What Drives Rapid Growth?

Thinking that adding salespeople and working them harder is what drives sales growth remains a common fatal mistake with executives & investors.

*Lead generation drives growth; salespeople fulfill it.*

If you have predictable, scalable lead generation, you can create predictable, scalable revenue.

**Salesforce.com added an extra \$100 million in revenue** in its early years (and by now \$1+ billion), almost doubling growth, by creating a *dedicated* prospecting team following a "Cold Calling 2.0" process.

## Why Salespeople Shouldn't Prospect

1. Experienced salespeople hate to prospect.
2. Experienced salespeople aren't any good at prospecting.
3. Even if a rare salesperson prospects successfully, they become busy closing, and stop prospecting consistently. It's not sustainable.

# Select Ideas From *Predictable Revenue* (2/3)

80% of the time, better & more predictable lead generation is the key to unlocking faster, predictable growth.

## Specialization Is Your Multiplier

*Prospectors should prospect, closers should close.*

*Specializing your sales roles is the single most important thing you can do to improve everything.*

### The Four Core Sales Roles:

1. Inbound Lead Qualifiers
2. Outbound Prospectors
3. Salespeople/Account Executives
4. Account Managers & Customer Success Managers

*This ebook will have more details on specialization in the section, "Your #1 Sales Multiplier: Specialization."*

## On Scalable Growth

"Work harder" and "make more calls" doesn't scale. Don't blindly do more of what's not working – fix the systems first, then put more energy into them after they're working correctly.

Great lead generation fixes **a lot** of sales problems.

Of course you only want to hire only great people, but the better your lead generation is, the less dependent you are on the quality of your salespeople and sales process.

You can have the most perfect sales process in the world, but if your lead generation lags, you will struggle.

Conversely, you can have a terrible sales process, but still do very well if you have great lead generation.

# Select Ideas From *Predictable Revenue* (3/3)

Want new salespeople to ramp FAST? Create pipeline/leads for them to walk into. And promote from within as much as possible.

By promoting from within using a farm team system to develop talent, you reduce your "hiring risk" of new people because your talent already knows your products and customers, your culture, your systems and they've already proven themselves - or at least you already know the truth about their strengths and weaknesses.

## **On Outbound Prospecting / Cold Calling 2.0**

The outbound prospecting role is often treated within a sales organization as a low-level, cheap job. If you treat it that way, you'll get low-level, cheap results.

A dedicated prospecting team with a successful process (which isn't "make 100 dials a day") is a very predictable way to create leads.

And if you can create predictable leads, you can create predictable revenue.

Traditional cold calls were ineffective at Salesforce. But an email-based approach, using simple text-based emails asking for referrals, generated 7-10% initial response rates & was wildly successful.

Hire hungry, coachable people (not too much sales experience), train them on your products and customers, and give them a *systematized process* and they can often generate all the appointments you need.

## **Sales Management**

A sales team can only grow to the extent that top leaders (CEO, VP Sales) aren't needed to bring in or close deals.

Give your sales team the option to help create team goals & systems – even helping design their own comp plans – and you can get better results & more buy-in.

# Which Apps Matter?

The original *Predictable Revenue* barely touched on useful sales & marketing apps.

Since the book came out, the number of neat sales & marketing apps has grown by one or two bazillion.

It can be overwhelming. There are hundreds and thousands of useful or interesting apps. And many individual sales reps have found some of them helpful.

But which ones can make a difference across your entire team in repeatable, scalable ways?

Well, there are a LOT of great apps that can work for you that way, but here are a few to start with...



# Which Apps Matter?

## Some apps mentioned in the coming case studies:

**Cirrus Insight:** If you use both Gmail & Salesforce.com, run - don't walk - to get this app that lets you update Salesforce from within Gmail.

**Gainsight:** A Customer Success Management application to help teams more easily track & increase revenue with higher retention and upselling.

**Hoopla:** The #1 sales motivation app making it easy to excite inside sales teams into scoring more wins.

**InsightSquared:** An easy-to-use Sales Analytics solution that offers actionable insights into your leadgen & sales metrics to improve decision-making on how to triple your sales.

**NewVoiceMedia:** Cloud contact center solution that a) accelerates lead follow-up for sales, and b) personalizes customer support & customer success in Salesforce.

**LeadGenius:** An innovative outsourced prospecting service that helps in a small number of focused ways (rather than trying to do too much).

**SalesLoft:** A fast-growing favorite app salespeople & prospectors use to build targeted, high-quality lists (with emails & phone #'s) from LinkedIn.

**Showpad:** A tablet / smartphone app for field salespeople, whether they're visiting enterprises, small businesses or manufacturing plants. Tablets change everything for the field!

**Yesware:** A sales acceleration tool that helps you understand what activities equal closed business by tracking and analyzing email communications across Gmail and Salesforce.com.

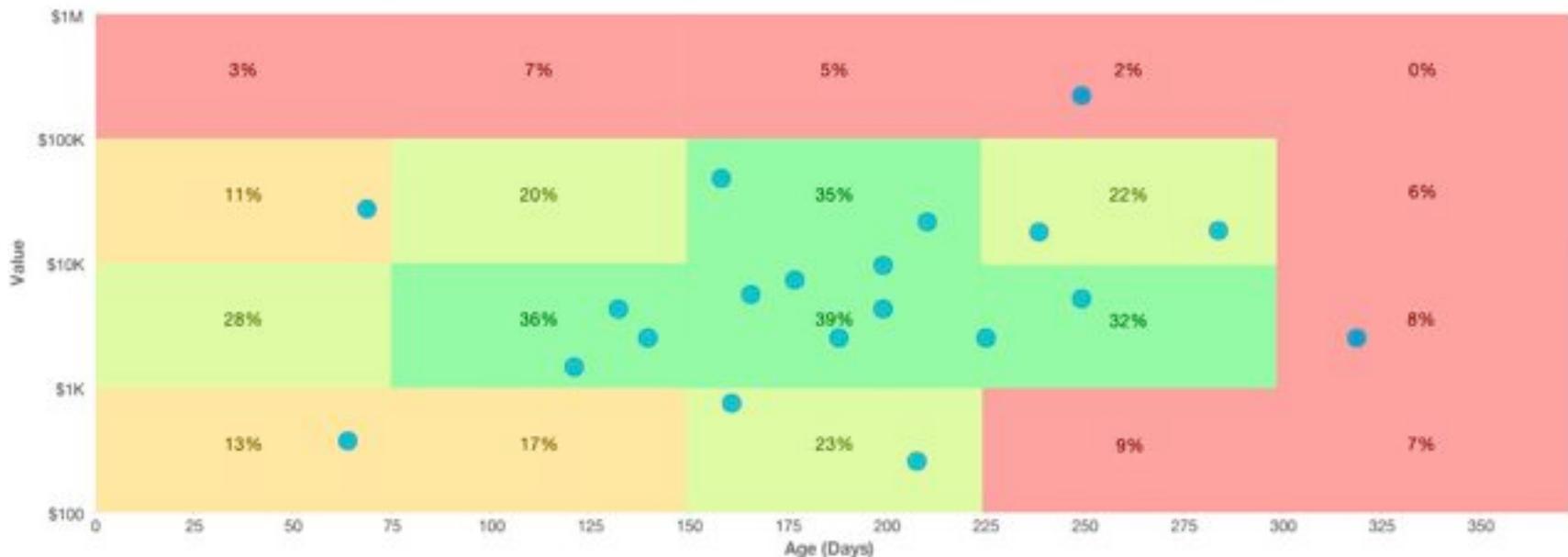
# To Grow Faster, Hope Must Die

How many reps or managers count “maybes” or longshots to get them to quota every period? You know, the deals that always “could” happen? **Hope can make you blind** to seeing what is and isn't working or not; you need a reality check to make good decisions.

For example, the app InsightSquared helps teams reach ‘the truth’ more easily and sell smarter with live charts. This “Sales Strikezone” chart makes it easy for a rep or manager to zero in on just a few of their best opportunities to focus their precious time as the month or quarter gets closer to the end.

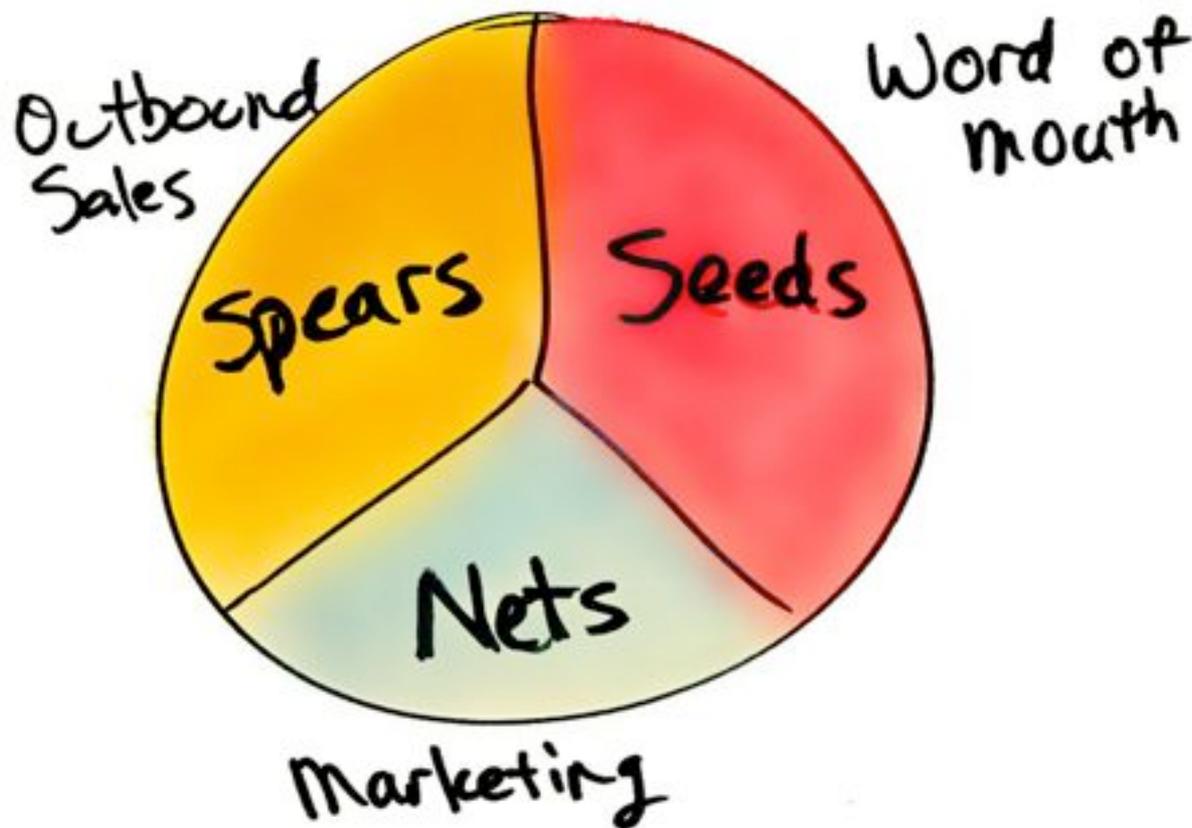
## Which opportunities am I most likely to win?

20 opportunities above average win rate of 20% in the next 90 days



## Introduction:

Lead Generation Is Your Gasoline For Growth:  
*“Seeds, Nets & Spears”*



# Lead Generation Absolves Many Sins

## Have any of these problems?

- More than 20% of your salespeople missing quota
- Sales turnover > 10%
- Low close rates
- Slow sales cycles
- Demotivated salespeople
- Missed 2+ quotas in a row
- Bad breath (just checking to see if you're still reading...)

Rather than chasing piecemeal solutions like trying to improve your demo process, hiring approach and Salesforce.com setup (though all are important), more often than not, **there is “one thing to rule them all” – better lead generation can solve a lot – or most - of your sales problems.**

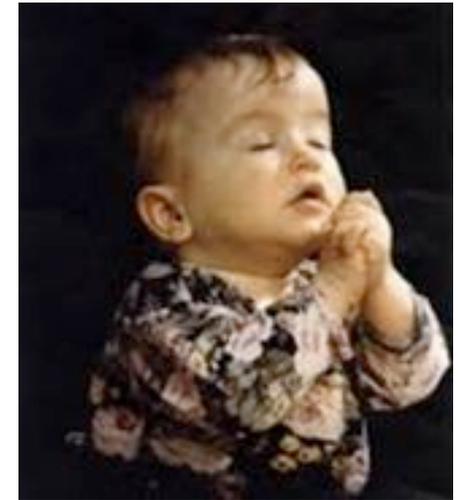
## When you struggle generating enough decent leads for your salespeople, everything else needs to be perfect.

You need perfect salespeople.  
You need a perfect sales process.  
You need a perfect product.

*Because you have no buffer to get anything wrong.*

A bigger, better lead generation machine (whether from inbound, outbound, whatever) gives you a lot of slack to get a lot of things wrong – and yet still crush your goals.

You can have a perfect sales process, but without scalable lead generation systems, **you can't help but struggle.**



(It's not just the amount of leads – you need *quality* leads.)

**With great lead generation, you can get pretty much everything else wrong, and still do really well.**

There are the three basic types of leads that you need to understand.

# Your Gasoline For Growth: “Seeds, Nets & Spears”

**The best way to triple new sales isn't by tripling your salespeople (the traditional method) – but by tripling your qualified leads.**

You can have a Ferrari car, but it doesn't move an inch without gas.

**LEAD GENERATION IS YOUR  
GASOLINE FOR GROWTH.**

Yes - you do need a great product or service and some happy customers, but that's not enough, **and none of that matters if you can't *proactively* drive leads from both new prospects and current customers.**

You can have the most amazing sales process in the world, but if you're not getting enough leads, you're going to struggle.

If you have a crummy sales process, but excellent lead generation, you're going to do well!

## **3 Types of Lead Generation: Seeds, Nets & Spears**

**1) “Seeds” are many-to-many campaigns; they're based on word-of-mouth and relationships.** For most companies, this mainly will be your happy customers who generate referrals, high renewal rates, and high upsell/cross-sell rates.

Salesforce.com pioneered the “Customer Success Management” services approach to systematize this. Happy customers beget more happy customers, and are your best source of long-term revenue growth and high profitability.



# Your Gasoline For Growth: “Seeds, Nets & Spears”

2) **“Nets”** are one-to-many marketing campaigns, with approaches like ‘inbound marketing’ and ‘growth hacking.’ Hubspot and Marketo are two companies that have pioneered the whole inbound marketing industry.



3) **“Spears”** are targeted outbound prospecting or business development, ideally by a *dedicated* prospector(s). The “Cold Calling 2.0” outbound team and process at Salesforce.com has added more than \$1 billion in recurring revenue to companies, including Salesforce.com and Responsys.

## One is not better than another

Too many companies obsess on a single form of lead generation and ignore the others.

*To build a house you need multiple tools: a hammer, a saw and a screwdriver. Know why, how and when to use each tool.*

Each type of lead can have *different* marketing funnels, conversion rates, sales cycles, average deal sizes, ideal target customers and methods of increasing them.

The important thing is knowing which type(s), and in what mix/balance, work best for your business.

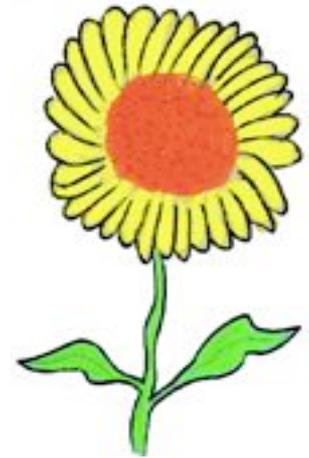
# Lead Generation Type #1: Seeds



# What You'll Learn In This Section

## Customer Success is NOT free help, glorified support or an afterthought!

- The pros & cons of “Seeds” (word of mouth) leads, and the best way to *systematize their growth*
- What it takes to make Customer Success a C-Level function (on par with sales & marketing)
- 6 keys to driving growth with Customer Success
- Why you're underestimating your Lifetime Customer Value by 50%
- How Gild dropped customer churn from 3-4% to <1% per month
- 5 Ways Topcon provides predictably excellent customer service



# Lead Generation Type #1: “Seeds” = Customer Success

Customer Success is not about increasing customer satisfaction, but creating revenue growth.

All the great work you do to help others succeed & build relationships is “planting seeds” – whether they’re employees, partners, investors or customers.

It’s getting what you want by helping get what they want. So you can succeed and feel good at the same time.

“Seeds” is word-of-mouth lead generation. **Which is not scalable or repeatable**, *except when you have a methodical way of making customers successful & documenting it (“Customer Success”)*.

## Pros & Cons of “Seeds”

**Pros:** Highly profitable, word of mouth leads are the fastest to close and have the highest win rates. There’s nothing better!

**Cons:** It’s almost impossible to proactively grow them.

## How To Grow Seeds - Predictably

The best way to methodically grow your Seeds is with a dedication to *Customer Success*, which reduces customer churn, increases upsells, increases referrals & improves marketing content.

## What “Customer Success” Isn’t

Customer Success is not free help. It isn’t glorified customer support. And like sales, it should be a revenue driver, not cost center.

Customer Success begins as a *mindset*, at the CEO level, on targeting, creating product for and servicing the kinds of customers that need your product.

The future standard for executive teams will include a head of Customer Success who’s on the same level as the heads of sales, marketing & demand generation.

# Lead Generation Type #1: “Seeds” = Customer Success

Turn your funnel into an hourglass – how does Customer Success create revenue?



Executives need to understand that Customer Success is not about increasing customer satisfaction, but creating *revenue growth*.

With an executive focus on Customer Success, you will see:

**Lower Churn:** The easiest revenue comes from keeping the customers you have.

**More Revenue (New Business & Upsells):** More referrals to new customers; more willingness to try & buy your other offerings = \$\$\$.

**Better Marketing:** You can improve *everything* in lead generation & sales with detailed *case studies and testimonials*.

# When Does 95% = Failure?

## *Your Goal: “Negative Revenue Churn”*

Do you retain 95% of your customers month-to-month?

That'd be something to be proud of, until you do the math.

That's 5% churn per month, or 60% *per year*. In other words, you have to replace 60% of your revenue every year just to break even.

What if you have monthly 98% retention / 2% churn? That's still 25% a year, or a quarter of your revenue.

The best-run companies can see up to -2% *churn per month* (on a revenue basis). **Yes, that's NEGATIVE 2%** which means they make *more* money every month.

HOW?

Because the customers who stay with them buy & spend more over time than the company loses from other customers leaving.

### *Rules of Thumb In Saas:*

**“Customer Churn” (or “Logo Churn”) of 15% or less per year** (just over 1% per month.) This is based on the *number* of customers who leave.

**“Revenue Churn” of 0% or less per year.** The customers who stay buy enough new licenses or product to cover revenue losses from the customers who left.

# 6 Keys To Driving Growth With Customer Success (1/3)

If you're a CEO, you need to take "Customer Success" as seriously as marketing, sales or product development.

## 1. Customer Success Is Your Core Growth Driver

All great companies' customers come from one main source – Word-of-Mouth...whether the lead comes via referral directly, or whether new customers are closed with case studies, references or testimonials.

This is much more measurable in recurring revenue models, where we can track renewal rates, upsell amounts & referrals.

## 2. Customer Success Is 5x More Important Than Sales

Yes – sales is *critical*. But sales is only there at the very start of the relationship. And to repeatedly close new customers, sales needs Customer Success resources – like references.

Generally, founders do a good job of doing whatever it takes to get a big deal closed – but often a poor job of everything after that, because they're off to help with the next fire, drama or Big Deal.

CEOs and founders – don't focus on getting new customers in so much that you ignore your current customers. *Get on planes to visit customers as well as prospects.*

## 3. Start Early, Hire Early

In SaaS companies, a rule of thumb is having one Customer Success Manager per \$2m in revenue – hired *in advance of that revenue*, not after you have it.

Silicon Valley companies with enough funding often now invest big at the beginning, with 2-4 people on the team right away.

Remember, a Customer Success person, like a salesperson or marketing budget, is an investment that should make you (a lot) of money, not just a cost to be put off as long as possible.

# 6 Keys To Driving Growth With Customer Success (2/3)



## 4. Visit Customers In Person

Unhappy customers don't (always) complain before they leave. In-person visits can make all the difference in surfacing problems and in changing their attitudes.

*Jason's 5+2 rule on this:*

- \* Every cofounder, the CEO, plus every Customer Success Manager,
- \* Must meet onsite with 5 customers a month (that's 60 per year), and
- \* Get 2 customer badges every year as a bonus (that is – you visit so often to warrant a badge.)

*A phone call is not a meeting.* By visiting in person, regularly, your company will learn more about what's really working and not, earn more trust, and those customers will (almost) never churn. It's much harder to tell a friend you're leaving them than some faceless company.

What if I have nothing to say? Just show them your roadmap, and ask for feedback on it, and on issues they are having today. That alone will fill the meeting.

## 5. Customer Success Needs Financial Responsibility & Metrics

When your Customer Success function doesn't have financial goals, its value can get muddled.

One bad assumption is that “*a great product will automatically create happy customers,*” and you won't need to hire people to actively work with your customers.

However easy or incredible your product is, *you need humans talking to select categories of your customers.*

*(Continued on the next page...)*

# 6 Keys To Driving Growth With Customer Success (3/3)

## 5. Customer Success Needs Financial Responsibility & Metrics (...continued from previous page)

... The whole point of Customer Success is to increase “*Net Negative Churn*,” so you need tools & processes to measure and improve the function, including how the people on your team perform.

To justify investment (such as in headcount or tools) by a company, plus create the hunger a Customer Success leader and team need to deliver *measurable results*, Customer Success needs to own some financial results: **usually at least a) retention rates & perhaps even b) upsell revenue.**



For example, at Gild (a case study coming on Page 27) Customer Success owns:

1. “90 Day Adoption”
2. Feeding usage data & customer feedback into the product roadmap
3. Renewals
4. Upsells

And it makes it easy for the executive team and board to see exactly how the Customer Success function’s contributing to Gild.

## 6. Evolve Customer Success Goals & Metrics As You Grow (Source: Gainsight)

**i. Traction (\$0-\$1m)** – What do customers want, and what do they do with our product?

**ii. Adoption (\$1m-\$5m)** – Why and how should customers include our product in their daily business?

**iii. Retention (\$5-\$20m)** – Why do customers need to keep on using our product after the honeymoon?

**iv. Expansion (\$20m-\$100m)** – Why should customers expand to more seats, more features?

**v. Optimization (\$100m+)** – Automation & improvements driven by data.

# Why You're Underinvesting In Customer Success (The Magic of Customer Success Revenue)

Everyone in SaaS talks about CLTV: Customer Lifetime Value; also known as LTV. (I try to avoid acronyms, but sometimes I just gotta use 'em).

*You can see a detailed analysis of how to calculate Lifetime Value by David Skok at [Saas Metrics 2.0](#).*

And then, everyone goes on to calculate some magic metric telling you how much to spend on Sales and Marketing, usually some fraction (1/3 or so) of your CLTV, or about the first year's worth of revenue from a customer. Sounds fine, so long as you have the money to fund it.

The problem is that this doesn't go far enough. Standard CLTV calculations don't account for virality and "second order" customers - the ones that come in later, from the first customer referring their friends.

In other words, your average CLTV should be higher because the first customer should get extra credit for helping bring in their friends to your company.

By underestimating the value of a customer, you may underinvest overall in acquiring them. Or - more commonly - you invest too much in Sales and Marketing and not enough in Customer Success.

## **Total Lifetime Revenue From A Single Average SaaS Customer:**

Ok Sales closes its average Enterprise Customer A for \$10,000 a year. Nice.

Then, in Year 2, average Enterprise Customer A adds \$2,500 in additional licenses, for \$12,500 total in Year 2.

Then in Year 3, they add another 25%, or \$15,625 total.

*So: direct revenue over the first three years = \$38,125 from that First Sale.*

Now most customers last longer than 3 years, but let's stop there for now...

# Why You're Underinvesting In Customer Success (The Magic of Customer Success Revenue)

## Now: Second Order Effects

\* At the end of Year 1, your champion quits Enterprise Customer A, but goes to Enterprise Customer B to do the Exact Same Job. And buys your product again. (This happens about 10% of the time.)

\* So that first sale is actually worth \$42,000 (that first \$38k above x 110%). But then it happens again in Year 2. So it's really \$46,000.

\* And at the end of Year 1, your champion tells three of her friends about your company. And one of them purchases. (About 30% of the time.)

So the first sale is actually worth \$60,000 with the second order revenue - *if you're making your customers super duper happy.*

So your "all-in" CLTV, including second-order revenues, could be **2x your current estimate.**

So sure, figure out the perfect ratio of Sales and Marketing costs to CLTV to share with your board.

Because the second order effects compound. This is where "Seeds" becomes a growth driver. They're *essential* to fast, profitable growth.

**Revenue From Initial Sale + Upgrades + Customer Success Revenue**



# 7 Common Customer Success Triggers To Watch

## Examples of Customer Success triggers & alerts...

### Use Data To Know Who To Reach Out To, When & Why

Most Customer Success efforts still use a lot of guesswork and manual reporting. But get your data act together, perhaps manually at first and later with a product like Gainsight, you can get a fuller look at each customer:

- *Contract data*: e.g., customers not expanding, stagnating, renewal or key dates coming up
- *Support interactions*: e.g., lots of low priority tickets or customers that have stopped calling

- *Billing / payment history*: e.g., delayed invoices due to frustration

- *Product and feature usage*: e.g., which features are sticky and who's using them

- *Marketing engagement*: unsubscribing to newsletters

- *Survey feedback*: e.g., bad input from key person

- *Sponsor changes*: e.g., exec contact leaves, new CMO

Now, data can't warn you of every problem. You will always need humans talking to humans to uncover & resolve issues.

But this data will help you:

**1. Develop triggers for when to intervene proactively** before bad stuff happens. Obviously it's easier to save a customer before they send you a canceling notice! First the team does this based upon intuition, and over time it can be based more and more on historical data and automatic triggers/alerts.

**2. Standardize interventions** so that each Customer Success Manager is using the same set of best interventions, and with this consistency you can better measure the effectiveness of each intervention or type of problem / solution.

# How Gild Dropped Monthly Churn From 4% To <1% (1/3)

Gild is helping companies better recruit engineers, by using data available on the web (including developers' actual code) to help measure their abilities.

Brad Warga's the SVP Customer Success there. He joined when there were just 5 people: CEO, CTO, CSO, head of sales & head of marketing (now there's 50+).

Brad had been in HR/recruiting for 20 years, including recently being the VP of Corporate Recruiting at Salesforce, helping organize & execute *thousands* of hires.

The team wasn't exactly sure what Brad would do at first, but they felt he could bring a lot of credibility, and he did. First, he helped bring in new customers.

## After The First Year Of Selling

During most of the first year of selling, Brad helped bring in new customers, until there were about 50. Churn was artificially low –as everyone was on annual contracts!

When the contracts began coming up for renewal, churn jumped to 3-4% a month, or 30%+ per year; 2-3x *their target*.

## Churn Goals: “15% & 0%”

SaaS companies want:

- 1) 15% or less churn per year on their total number of customers, &
- 2) 0% or negative revenue churn (upsell revenue from ongoing customers should exceed revenue lost from leaving customers).



Gild starting measuring and analyzing churn, and realized many of their assumptions were wrong.

For example, it turned out that how often people logged in wasn't a great way to tell who would stay or go. Gild actually needed to look at which parts of the product were being used, and how. How savvy were the users? What were their recruiting needs and methods?

# How Gild Dropped Monthly Churn From 4% To <1% (2/3)

What Gild assumed would help spot churn - such as how often users logged or didn't log in - was wrong.

By digging into these root causes of churn, Brad & Gild were able to systematize customer success and drop churn to <1% per month.

(And – it made Gild much smarter about targeting the right kinds of customers from the very beginning with lead generation.)

## The Three Methods That Dropped Churn:

### 1. “90 Day Adoption”

The Customer Success team's relationship with a customer starts when the customer purchases the product and it's turned on.

The team trains the new users how to use the product, what the best recruiting practices are, and re-sells / re-evangelizes Gild to the users to get them excited.

Gild found out that if there's successful usage of the product in the first 90 days, *then usage will be 3x higher for the rest of the year* compared to a customer who didn't adopt fast.

### 2. Quarterly Business Reviews

These “reviews” are formal and help hold the customer accountable to what they signed up for. Ideally, they're onsite with the right customers.

### 3. Using Predictive Tools

Gild's main Customer Success application is Gainsight, along with Zendesk (captures trouble tickets and feature requests), Salesforce.com, and Olark (chat).

**Brad: Don't Ignore Your Users**  
*Now more than ever it's the users who decide whether to renew a product or not. As a renewal comes up, decision makers will ask the team “Do you use this product? Get value from it? Should we use it another year?”*

# How Gild Dropped Monthly Churn From 4% To <1% (3/3)

Four functions Customer Success owns at Gild: a) 90 Day Adoption, b) roadmap feedback, c) renewals, & d) upsells.

## Team Composition

The Gild Customer Success (“CS”) team has about 10 people across three roles (out of 50 employees!):

- 1) *“Inside CS reps”* who train, monitor usage & run analytics. There’s one rep per 70 users.
- 2) *“Outside CS reps”* who handle & are measured on renewals. There is one rep per 30 users in their relevant customer segment.
- 3) *“Executive CS reps”* who are responsible for upselling, and who work mostly with the larger or fast-growing customer segment.

These teams’ main app is Gainsight, which also displays Salesforce.com & Zendesk data, so everything’s in one interface.

The Gainsight reports & dashboards make it easy to spot at-risk customers or customers who need more product, and gives reps a reason to call a customer to talk.

## C-Level Customer Success

A lot of companies treat customer success as an afterthought, or glorified customer support. Companies need to treat it (at least) as important as sales or marketing.

At Gild, Customer Success owns:

1. 90 Day Adoption
2. Feeding usage data & customer feedback into the product roadmap
3. Renewals
4. Upsells

By owning these and being able to clearly articulate them, it’s easy for the board to recognize the value of Customer Success there.



# Use Data To Know Who To Reach Out To, When & Why

Turn Customer Success metrics/alerts into Dashboards to cut guesswork  
(Source: Gainsight)

Customer ▾	Renewal Date	Overall Health	Support	Customer Satisfaction	Adoption
	m   d   yyyy				
<a href="#">Abacus Programming Corporation</a>	11/14/2014	40 ↓	60 +	34 ↓	76
<a href="#">Abberley Koolman</a>	11/12/2014	61 +	36 ↓	79	34
<a href="#">Abbott</a>	6/1/2014	40 ↓	78 +	20 ↓	61 +
<a href="#">Abbey Press Inc</a>	5/18/2014	53 +	80	37	74
<a href="#">Acme</a>	2/1/2014	61 +	10 ↓	76	68
<a href="#">Aero Precision</a>	12/2/2013	77 +	87	74	76
<a href="#">American Eagle</a>	2/6/2014	46 ↓	48	37 ↓	70
<a href="#">Arista</a>	10/3/2014	87 +	81	80	78
<a href="#">Ask.com</a>	1/21/2014	58 +	79	55	48
<a href="#">Asus</a>	1/22/2012	71 +	53	74	79
<a href="#">Bachman Information System Inc.</a>	11/14/2014	62 +	81	62	42

# Five Ways Topcon Delivers Predictably Excellent Service (1/3)

## Frustrated Customer Support agents Help create frustrated customers.

Customer Support (like sales or sales prospecting) doesn't have to be a burnout, boiler-room job.

Why are the two teams that interact with customers the most (sales, support), so commonly mistreated or unappreciated?

That needs to change, since frustrated agents (& salespeople) help create frustrated customers.

Topcon Positioning Systems (part of the \$1 billion / 4,000 employee global Topcon Corp.) is the world's largest developer & manufacturer of...yes, positioning systems.

Topcon's customers are in industries like civil engineering, surveying & agriculture – where mapping & positioning are vital.

Topcon has contact centers around the world. Angie Todd supervises the 18 USA agents in Columbus, Ohio and in Olathe, Kansas. Angie's spent four years as a support agent and four years as a supervisor.

The team handles handles 25,000 calls per year, which are all recorded and reported on.

Angie says their goal is to provide *predictably* excellent service.



## Support's Two Main Applications

It wasn't that long ago that the support team at Topcon used binders and paper to track cases and manage the team.

Needing better documentation and accountability/metrics, Topcon implemented:

a) Salesforce for their Global Case Management system, and

b) NewVoiceMedia's *ContactWorld* product (the #1-rated call center app on Salesforce.com's AppExchange) for telephony: call routing, recording & reporting.

# Five Ways Topcon Delivers Predictably Excellent Service (2/3)

## Angie's Expert Advice – 5 Tips

### 1. Get Agents Away From The Phone

Spending 40 hours a week on the phone and interacting directly with frustrated customers can be a recipe for agent burnout.

Get agents away from their desks regularly for product cross-training and to visit customers at their locations.

This will keep agents interested, fresher, and engaged. It will help develop more experienced and confident agents with better attitudes and a skilled ability to help customers, increasing first-call resolution rates.

In the past few years, it's finally easy with internet-based call center/telephony applications (like NewVoiceMedia) to route calls to any agents phone (mobile phones, home phones, etc.). Now agents don't have to be chained to desks, making the job friendlier and more flexible for them.

### 2. Use Technology To Help Customers As Well As Yourself

Don't forget that technology is also about improving the experience for customers as well as reducing your costs.

The last time you called a bank – how many times did you have to enter your credit card or account number before you got to the right person?

When a customer calls Topcon, NewVoiceMedia compares the phone number against data in Salesforce and can automatically route that person to the right agent. The customer doesn't have to type anything.

For example, if they are marked in Salesforce as a "Gold" level client with the best Service Level Agreement, that caller can be automatically bumped to the front of the phone line – with no wait!

# Five Ways Topcon Delivers Predictably Excellent Service (3/3)

Neat for customers: knowing whom to automatically route you based solely upon your phone number and some data in Salesforce.com.

### 3. Continuously Listen to Feedback

In most organizations, the Customer Support group interacts with the customer the most.

Unfortunately, some organizations overlook the support team and all that valuable knowledge. The support team is the voice of the customer.

### 4. Create A Career Path

Your best employees won't want to stay in the same job their whole lives, they'll want to grow.

At Topcon, agents know they will spend 2-4 years in support, learning everything about Topcon and its products, as a first step in their career path.

If you hire right, you can use support as a great training experience that develops experts to later transfer or promote throughout the rest of your company.

### 5. Specialize Agent Roles

Topcon has five "first level" agents with a basic understanding of all products; and 13 other agents that specialize in an application or industry.

With a variety of support specialists, customers can get better service and it creates different opportunities for reps to grow within support.



# Use Your Damn Brain

80% of ideas throughout this ebook you should “just do.”  
The other 20% you’ll need to mutate, customize or throw away.

So what if you’re not the CEO? **No matter what your title is, be an *entrepreneur*, not an *employee*.**

Don’t wait around for others to make something happen – take the initiative.

**Test lots of different things; run experiments.**

Have a plan, but hold it lightly.

Do more of what works. Stop doing or change what isn’t working. (It’s funny how often people don’t do this.)

**Stop talking and thinking about it and just DO IT or at least do *something*.**

Dig for the *truth* (not what you want to hear).

**Just try it.**

**DON’T GIVE UP.**

# Stay Tuned For Part 2

Thanks for reading Part 1. Part 2 will be about “Nets” lead generation, including inbound marketing & growth hacking.

To automatically receive each free chapter as soon as we release them, and to get additional case studies and other private freebies (like a separate ebook just on the metrics of Seeds, Nets & Spears), make sure you're on our mailing list at [www.PredictableRevenue.com/triple](http://www.PredictableRevenue.com/triple).



# The Predictable Revenue Guide To **TRIPLING YOUR SALES**

***PART 2: Inbound Marketing aka “Nets”***



**By Aaron Ross & Jason Lemkin**

# If You Missed Part 1

Welcome! This is Part 2 of the *Predictable Revenue Guide To Tripling Your Sales*. Part 1 covered “Seeds” lead generation, including...

- The pros & cons of “Seeds” (word of mouth) leads, and the best way to systematize their growth
- 6 keys to driving growth with Customer Success
- 7 Customer Success triggers to watch
- How Gild dropped customer churn from 3-4% to <1% per month
- 5 Ways Topcon provides predictably excellent customer service
- *And much more...*



To download Part 1, [\*\*CLICK HERE\*\*](#)



# Chapter 2: “Nets” Lead Generation (Inbound Marketing, Growth Hacking)



# What You'll Learn In This Section

Marketing's goal is to generate leads and revenue, not make you look pretty

- Our “Triple” 4-Step Marketing Framework (*Page 41*)
- Common Marketing Fails (*Page 42*)
- The most important growth metric in marketing (*Page 46*)
- The 15/85 Rule & Achieving “Market Escape Velocity” (*Page 50*)
- How Marketing Geniuses Jon Miller (Marketo) and Neil Patel (QuickSprout / KISSMetrics) Create Content (*Page 55*)
- How SalesLoft Grew Leads 5x In One Year (*Page 59*)
- Growth Hacking Tips From The Man Who Coined The Term (*Page 64*)



# Gasoline For Growth #2: “Nets”

## Cast a wide “Net” & attract inbound prospects right to you

In the prior chapter, we went into detail around the first type of leads, “Seeds” and how Customer Success Management helps systematize them.

“Nets” is a general term for all your marketing leads and 1-to-many programs, such as internet marketing, events, webinars, white papers, advertising, etc.

Because you’re casting a wide net, these leads are about “quantity over quality.” For example, if 50% of word-of-mouth (“seed”) leads may turn into customers, perhaps 5% of marketing-generated leads convert into customers...so you usually want **a lot** of them.

Out of a trillion ways to market, two popular and growing approaches are:

**#1) “Inbound Marketing,”** or “Content Marketing,” is still the most popular kid in school and focuses on creating marketing that customers love, and inspires them to want to learn more from you and buy your stuff.

**#2) “Growth Hacking”** is a newer term, and refers to – in our busy world - making it easier for prospects to become quickly acquainted with and in love with your product; to get to “Wow!” faster...increasing adoption, sales and word-of-mouth referrals.

### **Pros & Cons of Marketing Leads:**

**Pros:** Often easy to generate high volumes of leads; some kinds of marketing programs are scalable; content online can generate leads forever; highly measurable.

**Cons:** The leads aren’t “free” – there can be high fixed costs to generate leads (mainly time & salaries); low conversion rates since most leads aren’t a fit; works best generally with small/medium businesses and smaller order sizes, not as well with enterprises.

# Gasoline For Growth #2: “Nets”

How focused – or distracted – is your company & marketing?



Kids aren't the only entities subject to ADD / Attention Deficit Disorder. Companies suffer from it as well, but let's call it *MADD: Market Attention Deficit Disorder*.

When your marketing leads are frustrating you – either the quantity or quality - the most common problem is a lack of focus: usually by creating the right content for the wrong people, or the wrong content for the right ones.

## A “Triple” Framework For Growing Great Marketing Leads:

1. *Management*
2. *Market*
3. *Messages*
4. *Methods*

### #1) Management

Do you have the right person leading marketing? Do they have a quota or the right kinds of specific goals?

### #2) Market

Are you *focused* enough in your target market to cut through the clutter? Do you have a Needy Niche? Or are you trying to be all things to all people?

### #3) Messages

What ideas, content or words matter to your people? Are you communicating to your targets in *their* language or in *yours*?

### #4) Methods

Video, webinars, email newsletters, events, blogging, social media, landing pages, calls to action, marketing software, widgets and apps...there are infinite tactics & tools to choose from in creating & optimizing your marketing machine.

Focus on doing fewer, better, rather than doing them all not-so-well.

# First – Marketing Fails (1/2)

*“Build it & they will come”*: great movie quote, bad marketing strategy

**Inbound Marketing** has been a popular movement in b2b lead generation for the past 5+ years. There’s a 90% chance you’re either already doing it, thinking about doing it, or are feel guilty for not doing it.

But - if you really haven’t heard of it, the gist of it is **to create marketing that people love**.

So –publish educational or entertaining content online, then people will find it (and thus you), and they’ll want more and come register as leads and buy your stuff. (A great basics overview is [here at Hubspot](#).)

Because the practice is so common now, “inbound fails” are more interesting than ‘how to do it’...

## **Fail #1: “Post and pray”**

“OK, we’re blogging! Why don’t people care?” You have to work at getting the word out through *distribution*. The simplest effective solution is finding complementary partners who will share your stuff with their own relevant audience.

Action Tip: Make a list of relevant blogs/websites or complementary products, then reach out to get to know them & perhaps work together (*help them first before expecting them to help you*.)

## **Fail #2: Being Corporate (Boring & Jargony)**

Do you feel compelled to write like... *“this systemic ineffective activity obstructs sellers from achieving optimal close rates”*?

SNORE. People write this way because they are afraid of being rejected, or want to sound smart. But it just ends up being confusing and boring.

Whether it’s a controversial opinion, visuals, stories, your ‘voice’ or anything else, bringing a personal touch to content makes it more interesting and engaging to readers, so the ‘facts’ will stick.

# First – Marketing Fails (2/2)

## Don't make inbound your one-trick growth pony

Action Tip: When writing a newsletter, pretend you're emailing a single person, an "ideal reader." This makes your message more personal and engaging.

### Fail #3: Thinking It's Free

While posting blogs is free, content marketing can be a lot more expensive than you expect.

Whether it's the founders' time, or money to hire freelancers or a marketing team, there is a real cost. Even with 100% focus, building enough momentum to see returns takes **more than six months** (and often much longer).

### Fail #4: Unrealistic Lead Expectations

As many companies learned through experience, most of your "inbound leads" aren't from decision makers. 95% of the time they are from small companies or low-level people at bigger companies.

This isn't terrible, but be realistic about what you'll get.

You can target medium & large companies with inbound marketing can happen, but isn't easy and often takes a lot longer than you want (often, years – if it even works).

Action Tip: Outbound prospecting can be a great compliment to inbound marketing, *especially* when targeting big companies. Like peanut butter and chocolate, inbound and outbound taste great together.

### Fail #5: The One-Trick Pony

Today too many companies assume inbound marketing is the end-all-be-all that will take them to the moon. But at some point, inbound plateaus.

Combine inbound, different kinds of marketing methods, outbound prospecting or *anything* else that works to create a portfolio approach to growing your leads.

# Management: Your Marketing Leader Needs A “Lead Commit” (1/2)

## Your VP Sales has a quota; why doesn't your VP Marketing?

Your sales team has a quota. Your marketing team & leader has to have one too, as a “lead commit”.

Everyone hires marketing folks that have squishy goals. Half of startups get this wrong, and don't have any kind of lead commit at all. It's the “We get what we get and we don't get upset” approach.

Lead Commit goals forces also force marketers to focus on sustainable marketing practices, instead of “get rich quick” methods that spike leads, but only for a short period of time.

It's not easy – especially when you're creating it for the first time – but it is important.

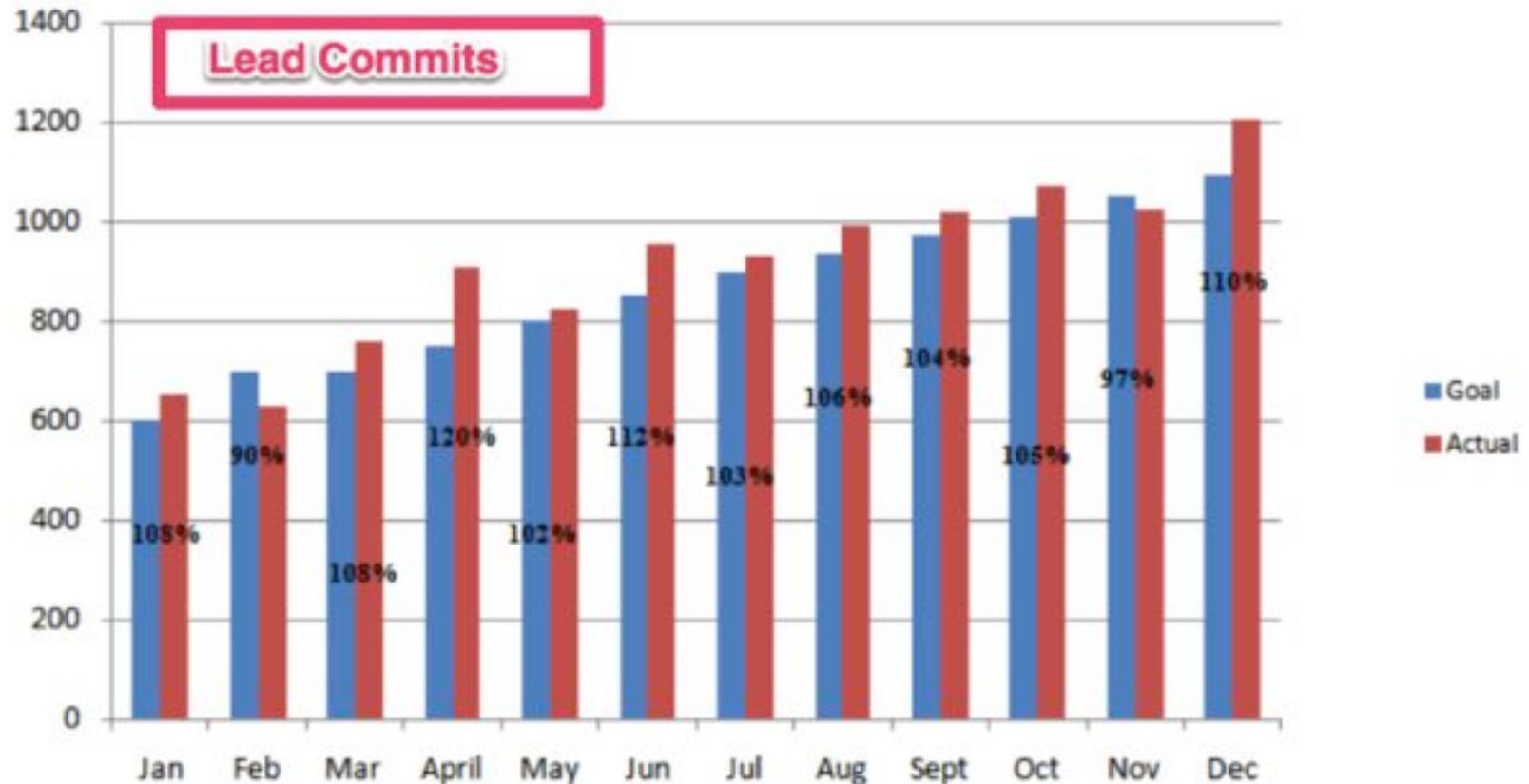
In the beginning, when you're so early there's little data, all you can do is start by taking your best estimate (aka “guess”). But having a guess is still better than nothing.

Once you get the ball rolling, you can begin to set more confident future targets (just as with sales quotas).



# Management: Your Marketing Leader Needs A “Lead Commit” (2/2)

EchoSign’s 2009 lead commits, goals (blue) vs. actual (red)...



# Management: Your #1 Key Growth Metric - “Lead Velocity Rate” (1/2)

If you and the executive team watch only one metric, this is it

One great thing about all the new ways to measure marketing and sales is being able to better see The Future (especially in SaaS businesses).

You’re trying to gauge whether your revenue will keep growing in the future, but sales results vary a lot monthly or quarterly, and sales pipelines have big quality issues.

And worse, **sales numbers are a lagging indicator of all the hard growth work you’ve done (right or wrong) in the prior 12+ months...they can’t predict anything.**

And what about pipelines? It’s fun to list out every possible company who could buy, but a pipeline report is cr\*p for predicting the future, since they are more often about hope than truth.

Pipeline for this month is useful, but still dependent on how various reps estimate (guess) at probability and close dates. Next quarter’s pipeline is only slightly better than a guess, even once you get pretty big.

But there’s a better metric, your Key Metric, you should track and score yourself to, and hold your VP Marketing and VP Demand Generation team(s) to...

**Your Key Metric: Qualified Lead Velocity Rate (LVR)**

LVR measures your *growth* in qualified leads & pipeline, measure month-over-month, every month.

LVR is real-time, not lagging, and it clearly predicts your future revenues and growth - and - even better, *your growth trend*.

So if you created \$1 million in new qualified pipeline this month, and created \$1.1 million in new qualified pipeline the following month, *you are growing LVR at 10% month-over-month*. So, your sales should grow 10% as well after a period of an average sales cycle length.

# Management: Your #1 Key Growth Metric - “Lead Velocity Rate” (2/2)

Sales (or a lack thereof) is a lagging indicator of what you’ve done right or wrong for the past 12 months – but tells you nothing of the future

Once EchoSign hit \$1 million in revenue run rate, we set a LVR growth target of 10 %per month. Once we hit about \$3 million in run rate, we dropped it to 8% growth per month.

The goal of 8% per month was to produce enough leads to grow the business at least 100% year-over-year.



We hit the lead generation growth goals, the LVR goals, just about every month, and certainly every quarter, and every year. And by hook or crook, enhanced with an ever-improving sales team and an ever- improving product — the revenue growth followed.

Not like clockwork every day. But clearly over time, ever quarter, every year.

One great thing about LVR is while sales can vary a lot by month and quarter, there’s no reason leads can’t grow every single month like clockwork. Every. Single. Month.

Follow other core business metrics of course — just understand they aren’t as good. Sales and pipeline lag. Monthly sales growth is important, but minor variations can lead to huge forecasting / modeling variances.

## Know You Will Grow

As long as you are using *Qualified Leads* (not raw or unqualified leads) with a consistent formula and process to qualify them, you can then See The Future. Hit your LVR goal every month and you’re golden. And with practice, you’ll see the future of your business 12+ months out, clear as can be.

# Management: How To Get Blue Logo Pens Instead Of Leads (1/2)

## Don't get blinded by a marketer's fancy resume

So many tech companies have hired a head of marketing with a strong resume, from a strong tech leader.

But they hired someone from **Corporate Marketing**, rather than **Demand Generation**.

So that hire fails, and you're left with nothing more to remember him/her by other than those nice blue pens with your logo on them that they ordered.

Traditionally, Corporate Marketing is the sexier of the two. With branding, positioning, logos and press releases, it's #1 at big companies.

Demand Generation has been unappreciated, left to junior folks in the backroom slaving away.

**And because of this, you'll find leading companies all spit out tons of senior Corporate Marketers.**

Corporate Marketing (like at Adobe, Google or Salesforce.com) is all about protecting and promoting the brand *after you're already big*.



# Management: How To Get Blue Logo Pens Instead Of Leads (2/2)

In the Fortune 500, Demand Generation (“DemandGen”) folks are usually second-class citizens. But in growing tech companies, these folks are the Lords of Marketing.

DemandGen folks are all about the numbers. Spend \$Y, create Z leads, which should be worth 5 x \$Y in revenue.

Great DemandGen marketers can handle the “squishy stuff” (logos, branding, press releases) well enough until you’re ready to get corporate.

Their blue pens may not be as pretty as the ones the Corporate Marketer gets you. But you’ll get *leads*.



So, for companies that need *leads*, brand marketing is very expensive in the early days — and frustratingly, generates zero leads.

For companies with > \$50 million, corporate marketing is a ‘nice to have,’ *after you’re already growing fast* because of your kick-butt DemandGen person.

You want someone who’s shown a passion for areas like inbound / web demand generation programs, lead nurturing and metrics - who will also work hand-in-hand with your sales team. And that’s *not* Corporate Marketing.

**DemandGen folks can figure out Corporate Marketing. Corporate Marketing cannot figure out Demand Gen. Ever.**

# Market: The 15/85 Rule & Achieving “Market Escape Velocity” (1/2)

## Has someone from Iowa bought your stuff yet?

While you want to *benefit* from things like referrals and risk-taking Early Adopters, you don't want to be *dependent* on them for growth.

No matter what kind of marketing you do – inbound / outbound / upside down... you need to pay special attention to a couple of key ideas if you fall into one of these scenarios:

**#1) You're an early stage company** trying to get to or past your first million in revenue.

**#2) You're been growing** through word of mouth and inbound marketing but **now you want to get more aggressive** in reaching out to colder prospects.

**#3) You're starting a new marketing initiative** – usually with a new product or target market.

### The 15/85 Rule & Early Adopters

When growing a company, there's a big milestone in getting your first 10-20 paying customers of a new product or target market.

*Usually these customers are part of the “15%” - the Early Adopters: the feedback from these Early Adopters and friends is more positive, and generally not reflective with the general masses (which is the other 85%). They're more likely to think like you, be like you and buy like you.*

These people are willing to jump through more hoops, and tend to be more tech savvy or risk-friendly, which can give you false positives about the market's reaction to your product.

Early Adopters aren't like the rest of the (much bigger) market, that 85% of the world who doesn't know you, aren't like you and don't like risk: the Regular Buyers.

Those Early Adopters & word of mouth often can get you to \$1-\$10 million in revenue before you plateau; when realize you haven't achieved Market Escape Velocity - which includes the ability to market & sell to Regular Buyers outside your networks.

# Market: The 15/85 Rule & Achieving “Market Escape Velocity” (2/2)

When you're selling-to-friends-of-friends or startups-selling-to-startups, you're still part of the incestuous 15% club. You haven't 'crossed over' until someone from Iowa buys your stuff.

## “Regular Buyers” Are Different

The challenge: you've been selling to people who are extra-trusting in working with your new thing.

Then, when you try marketing to Regular Buyers, it's incredibly frustrating *because they buy differently from how your first customers do*.

For example, most Regular Buyers don't want to do a free trial or read all your blog posts to self-educate.

## “Just Show Me”

They often will go to your website and three others, submit “Contact Me” inquiries, and sit back to have you and the other companies educate them about the space. They want you to explain things to them with a demo over the phone.

They can't or won't unilaterally push a new project through – they want more approval and support from more people. They're less risk-tolerant. They work at more complicated organizations.

This isn't bad, just different. Don't fall into the ego trap of thinking, because they 'don't get it' as quickly as you that they're dumber or lazier – they aren't.

## Stop Bitching. Start Learning.

Rather than bemoaning “why don't they get it?”, start learning how to speak their language and learn how to help them buy. Especially at bigger companies, where *it can be hard to buy* and implement new ideas.

When you find ways to do this systematically, seeing 6 months of month-over-month growth in qualified leads (aka your “Lead Velocity Rate” keeps up) that's Market Escape Velocity.

You've found a niche in which customers need your products, and ways to *systematically generate qualified leads* with both Early Adopters & Regular Buyers.

# Market: What's Your Needy Niche? (1/2)

## Don't let the Fear Of Missing Out (FOMO) muddy your market & message

When your company is struggling to generate quality leads, first ask yourself if you've found a Needy Niche.

### What's A Needy Niche?

Of all the kinds of companies who *could* use you...and all the kinds of buyers who *should* want you... which ones *need* & *want* you so much that they're willing to expend their attention, energy & money to buy and use you?

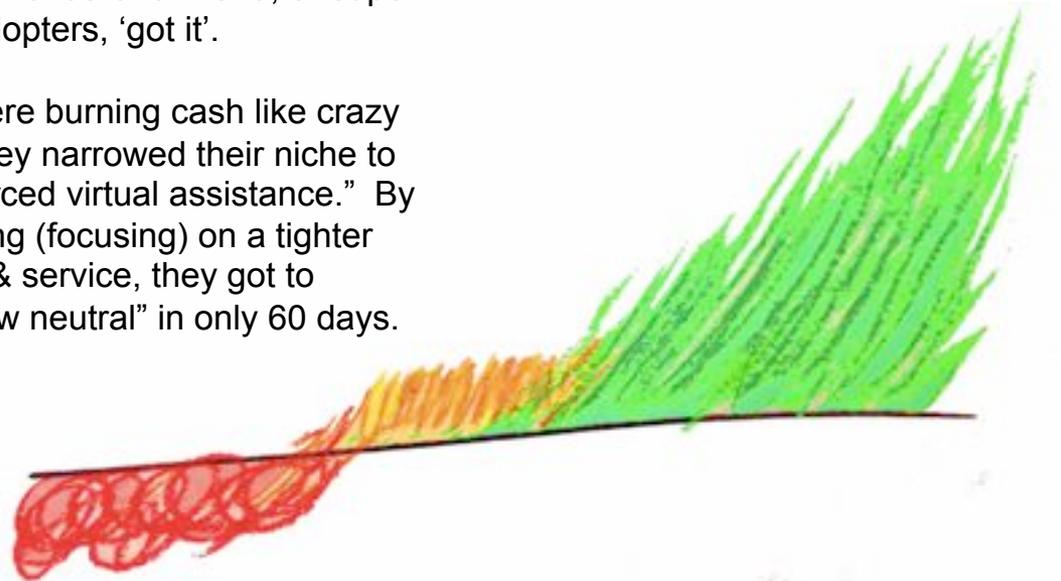
Finding a niche isn't about thinking smaller – it's *focusing*, making it possible to target & find the right people and more easily showing them how you can help.

### Example #1: LeadGenius

LeadGenius started out as a company called Mobileworks, who did crowdsourcing. What's that mean? Exactly – few people who weren't friends-of-a-friend, or super Early Adopters, 'got it'.

They were burning cash like crazy when they narrowed their niche to "outsourced virtual assistance." By narrowing (focusing) on a tighter market & service, they got to "cashflow neutral" in only 60 days.

Then they narrowed (focused) even more, to on-demand prospecting & lead generation...and sales took off! It became easy for companies to understand how they could help.



# Market: What's Your Needy Niche? (2/2)

## Don't let the Fear Of Missing Out (FOMO) muddy your market & message

### Example #2: Carburetor

Carburetor ([Carb.io](http://Carb.io)) started out as VoltageCRM, building sales forecasting tools for software companies.

People were interested...but not enough to buy anything. So they pivoted, into "Outbound Sales Automation," doing the outbound prospecting for companies (using the Predictable Revenue Cold Calling 2.0 methods & framework).

They found a Needy Niche: companies who wanted to generate leads from outbound prospecting, but either didn't want to do it themselves or struggled hiring & training prospectors.

And... sales took off. As VoltageCRM, they struggled signing any customers after almost two year. As Carburetor, they signed two dozen customers in months, and expect to hit a \$1 million run rate in less than a year.

*We'll get into more detail on LeadGenius & Carburetor in the next chapter on "Spears" lead generation: outbound prospecting.*

### For Bigger Companies

Commonly, when a big company who's done mostly inbound marketing starts outbound prospecting, or starts marketing a new product, they struggle.

Usually it's for the same reason – instead of focusing on 1-3 killer use cases, they're trying to speak to too many types of buyers.

That Fear Of Missing Out (a fear of leaving money on the table, of saying "no" to opportunities) has the opposite effect, by muddying your messaging so that no one understands what you can do for them.

### Learn To Say "No"

It takes courage to seemingly give up a bigger market to narrow your niche. But in order to become an easily-understandable "need" to your market, you have to.

# Messages: To Create Compelling Content, Know Your Buying Stages

## A beautifully simple way to think about what types of content buyers need

When you're creating content for marketing, make it useful to your ideal customers as they progress through their buying stages.

For example, we spoke to Jon Miller (CMO Marketo) who uses three simple buying stages: Early, Middle and Late. Using them simplifies sorting out which content you need where, and to spot gaps.

**#1) Early Stage: "Why?"** - These customers are actively learning, but not buying (yet). Why should they care about your category? Why change? Your content should be entertaining and useful whether people buy your stuff or not — don't make it about you, your product or features.

For example, Marketo created content that taught people how to become better marketers.

**#2) Middle Stage "How?"** - Your audience wants to learn more about how to implement what you do in their business. Your content should help educate them on their options and how to deliver promised results. It should help people thinking about a purchase to make better decisions.

Marketo created content such as "structured evaluations," to help marketers learn more about a category and the space, multiple "Definitive Guides" (such as the Definitive Guide To Marketing Automation), and analyst reports.

**#3) Late Stage "Which?"** - Your prospects are getting ready to buy, deciding "which path do we take?"

Now your content should be heavily about you, why you're better, different, how you can ensure results...including why you are better than the uber-competitor "do nothing."

### Where Marketers Go Wrong

By creating too much "me me me" content for these Middle Stage buyers, and little or no content for the Early Stage ones.

# Messages: How Neil Patel, Boy Marketing Genius, Creates Content

More than ever, people want step-by-step, detailed guidance

Neil Patel's the youngin' behind the QuickSprout internet marketing blog, and founder of KissMetrics, a marketing analytics company. Here are his content tips...

## #1) Write Content For Your Readers, Not For You

Try to create content that solves their biggest problems. Don't write to make your boss happy, write to make your audience happy.

## #2) Use Tools To Find Interests

Tools like Qualaroo surveys and drip email campaigns can help you get smarter about tuning into what your audience cares about.

## #3) Add More Details To Create More Desirable Content

The more helpful your content is, the better. Blog posts that lay out step by step instructions of how to do things like implement Salesforce.com, break down inbound marketing steps, create sales scripts, do growth hacking, etc. do really well.

This may be why you've seen a growth in things like "The Ultimate Guide To \_\_\_\_" and "The Definitive Guide To \_\_\_\_" – they work.

*Speaking of which, to see an example check out Neil's [Definitive Guide To Growth Hacking](#)*



## #4) You Don't Need To Blog Every Day Or Every Week

Make a plan and stick with it, whether that's posting daily, weekly or bimonthly. Start with less commitment and then increase as you go if it makes sense.

# Messages: How The Founder & CMO of Marketo Creates Content

“A lot of people think it must be easy for me because I create so much content, but it’s not.”



Jon Miller is the Chief Marketing Officer and cofounder of the marketing automation tool Marketo. Started in 2006, Marketo went public in 2013 at a billion dollar valuation. He started blogging for Marketo before they began coding.

## Jon’s Creation Process

“Slow and methodically” – he says - “my words don’t flow out quickly. I spend a lot of time reading and researching. I’ll copy and paste points I like into a big document with my notes. As I get my own ideas, I put them in there.

It takes me time to think and organize my material into an outline. The process is a slow slog, like pushing through molasses. My content is more of a synthesis than original content or thought leadership. Distilling ideas to be digestible is still very valuable content.”

## What helped Jon’s Writing After Marketo Had Money To Spend

“It didn’t really get easier for me; we just got more budget for me to work with a writer. I take my detailed notes and send it to a writer I trust to turn it into a draft and then edit into my voice, which is how I wrote most of my Definitive Guides for Marketo. I found that works much better for me than just doing a call with a writer.”

## Don’t Fight Your Weaknesses

It’s easy to avoid writing & creating content. Pay attention to your weakness, to find ways to work around them rather than fighting them.

# Messages: Make It Personal (1/2)

## People want to hear from people – not machines

At least in business-to-business marketing, it's still cool to make your newsletters very pretty with logos, images, colors and HTML.

But while it's fancy (like Blue Logo Pens), it's not the most effective way to write to your audience.

People respond better to other people – or what *seems* like another person. When newsletters look and feel more like an email coming from one person, your audience responds better.

This is something the best internet marketers in the world have known for a long time, but it's slowly trickling out to businesses.

### A Webinar Invitation A/B Test

Monica Girolami's the head of marketing for NewVoiceMedia, and she ran a test for a webinar. First she invited people with a fancy HTML email that read more like a mass update. Then she sent a newsletter that looked and read more like a personal email from her.

It was in plain text. It came from Monica, and "reply-to" went to Monica. She wrote it as if she was writing to a friend.

*Sample screenshots of the email are on the next page.*

### Monica Tripled Her Results

*HTML Email Invitation:*

- Open Rate: 13.2%
- Click-through rate: 1.8%
- New Registrants: 20

*"Personal" Email Invitation:*

- Open Rate: 15.3%
- Click-through rate: 4.1%
- New Registrants: 60

**Monica:** "Even more astonishing were all the personal replies I received – 'sorry I can't make that time but let me know about the next webcast'."

# Messages: Make It Personal (2/2)

## A/B test screenshots of “Personal Email” vs. “Mass Update”

### The HTML mass update:



### The personal email:

**Reply-To:** Monica Girolami <[monica.girolami@newvoice.com](mailto:monica.girolami@newvoice.com)>  
**Date:** Wednesday, June 25, 2014 at 5:48 PM  
**To:** Monica Girolami <[monica.girolami@newvoice.com](mailto:monica.girolami@newvoice.com)>  
**Subject:** TEST | 6 Tips to develop and drive pres

Hi

I'd like to invite you to our upcoming webcast on [6 Tips To Driving Revenue Growth With Customer Success](#)

We are lucky enough to have Aaron Ross present on [Revenue and CEOFlow](#). His knowledge and management enabled [salesforce.com](#) to build an incredibly productive “sales machine” from their inside sales teams, and then he wrote the book on how he did it!

As a sales and marketing expert, we are constantly challenged to keep our customers loyal and

# Methods: Putting It Together - How SalesLoft Grew Leads 5x In A Year (1/3)

## The power of partner / influencer marketing

SalesLoft was founded in fall 2011. They're a company who isn't falling victim to the common inbound marketing mistakes.

In their first full year, 2012, they had 2,400 leads. The following year, 2013, SalesLoft grew inbound leads 5x, ending up with:

12,000+ inbound leads  
191 sales opportunities  
110 customers  
\$400k+ in recurring revenue

### And in 2014...

That was 2013. In the first six months of 2014, from inbound leads SalesLoft is already at a \$2 million run rate.

### Lesson #1: Influencer Marketing

SalesLoft promoted the messages of related thought leaders, through:

- A Sales Leader Video Series (both Aaron & Jason interviewed for it)
- Infographics
- Book Reviews
- Webinars

SalesLoft gained credibility and sometimes experts promoted the content. Plus, SalesLoft builds relationships (how do you think they ended up here?)

### Lesson #2: Simple Lead Signups

SalesLoft made the free product SUPER simple to sign up for. *(More details in on page 65).*



### Lessons #3: Live Events Matter

Nothing beats 'in-person'! SalesLoft invented the B2BCamp conference and Ultimate Sales Conference to build community (1300+ total attendees).

**Tip:** Community events build recognition, loyalty, and helped solidify SalesLoft as a thought leader. Frequently, the outbound team gets VP responses like: "Oh, I've heard of you, you put on that event in December..."

# Methods: Putting It Together - How SalesLoft Grew Leads 5x In A Year (2/3)

## Lesson #4: Maintain a Drumbeat of 3-4 Weekly Blog Posts –

One of Kyle's favorite blogging strategies: make a list out the top 10 questions your prospects have about their market (either take your best guess or go ask them). Then answer those questions yourself, or use them as questions when interviewing other experts.

Action Tip: Use graphics and break up big paragraphs into small chunks to make it easier to scan or read.

*Many companies struggle to blog that often. It's more important to be consistent in your posting –once a week is common - than to post a lot.*

## Lesson #5: Use outbound techniques with inbound leads

A common complaint about inbound leads is that many of them end up being low-level people without any authority.

SalesLoft finds out who the boss(es) are for the leads coming in, and isn't afraid to go after them with outbound prospecting.

*"Mr. VP, 15 members of your team are using our product, a handful have attended our events, and they've downloaded 6 white papers. Could we set up a short call to learn about what you want & share more?"*



*Kyle Porter, CEO SalesLoft*

## Total Inbound Marketing Activities Over Two Years (2012 + 2013):

- 310 blog posts
- 3500+ tweets
- 31 videos
- 7 guest posts
- 5 hosted events

# Methods: Putting It Together - How SalesLoft Grew Leads 5x In A Year (3/3)

## You can build your own audience by tapping into other peoples' audiences

SalesLoft has done a lot of interviewing and writing about thought leaders, including ones with big audiences.

Thought leaders & experts won't always share your stuff with their audience, but when the right one does, with the right article, it can create a big impact.

This article SalesLoft wrote about Tony Robbins got 5,000 shares, once Tony Robbins shared it with his network!

The best marketing article for the original Predictable Revenue book was written by a popular Venture Capitalist blogger, David Skok.

David wrote it up as a book review, calling it "Why Salespeople Shouldn't Prospect" and shared it with his wide following, helping *Predictable Revenue* take off.

Bonus: we've found that doing interviews and partnering with experts also makes creating content easier and more enjoyable (aka more sustainable).

### 6 Tony Robbins Insights That Will Change Your Sales Game

May 29 2013 | By Kyle Porter | In Featured , Sales

Comments

9

Tweet

414

Like

2.8k

g+1

162

Share

1,919

Submit

When it comes to helping people improve their lives there is nobody in the game with stronger credentials than Tony Robbins. The "Michael Jordan" of thought leaders, Tony has affected



# Methods: Why Viral Videos Won't Solve Your Content Marketing Problems (1/2)

## Most of your videos should be for your existing audience

Chris Savage is the CEO of Wistia. They help businesses host & analyze amazing videos to improve customer engagement & conversion rates. Chris' video tips:

### #1) Sell Something Bigger Than Your Company or Product

Want to create endless content & be really effective with video? Sell a mission or an idea instead of a product, such as how video can be powerful to your business. *(Especially for early stage buyers - remember the Buying Stages on Page 57?)*

### #2) Make Education Interesting

Having experts from your company explain complicated things with white boards or visual aids works very well.

### #3) Don't Try to Surprise Your Audience or They'll Tune Out

Put your most important information early in the video and make it part of your title. Because your viewers might not watch the whole video and could miss the point you're trying to make.

### #4) Forget about "Going Viral"

In many cases, viral videos are a PR stunt, and require big budgets. Spikes in viral traffic don't last and are rarely repeatable. One time hits usually don't grow your audience much; they're just a small percentage in your total traffic. Focus on creating content that grows your existing audience. They'll love it and share it.



### #5) Use the Magic of Lighting to Instantly Improve Your Videos

The easiest way to dramatically improve your video quality is by paying attention to lighting. Wistia has [a blog post on some simple ways to do this for less than \\$100](#).

# Methods: How Wistia Got 2000 New Subscribers From One Video (2/2)

Wistia ran a video campaign about teaching people how to choose the right video music. [Here's the video.](#)

They showed examples of the good, the bad, and how to think about it.

They sent it to the 50,000 people on their email list.

## Results:

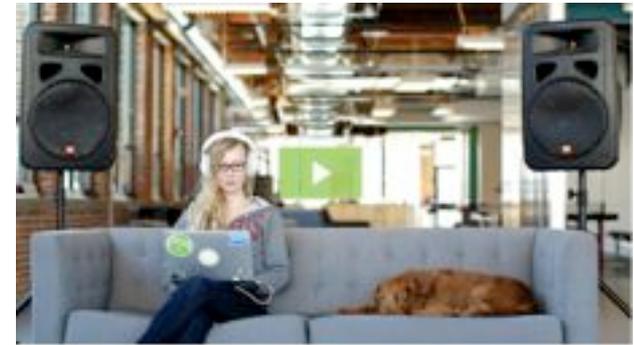
15,000 page views.  
10,000 plays.  
9800 unique visitors.  
125 comments.  
88% of people clicked play.  
500 hours watched.  
Viewers watched the video on average 1.5 times.  
2000 new email subscribers.

## Lesson #1: Even With Video, Have A Call To Action

Most business videos don't have a clear call to action. Wistia's video had a link to get free music tracks to download for video music if you entered an email. About 1/3 of viewers got the track. That meant 2600 email registrations, and 2,000 (80%) were brand new to Wistia.

## Lesson #2: Build For Your Existing Audience

Like we said on the prior page, don't try to build viral videos for the entire internet. You should be creating the right video content for your existing list to deepen the connection with that audience. You can expand your audience through them.



## Lessons #3: Video-Specific Metrics

\* **Engagement rate:** How many people are watching & what are they responding to? Where in the video are they dropping off?

\* **Re-watching areas:** What parts of the video are getting watched more than once? These areas are either confusing or really interesting.

\* **Play rate:** Like subjects lines do for email open rate, this indicates how well your thumbnail & description are doing to get plays.

# Methods: Growth Hacking Principles

with Sean Ellis of [GrowthHackers.com](http://GrowthHackers.com) (1/3)

If your business is struggling to find growth through typical marketing channels like paid Google ads, email marketing, affiliate programs and SEO, perhaps it's time to take a new tack with your marketing efforts.

As the market gets more crowded & prospects' attention spans shrink, companies are getting creative in **making it easier for prospects to become quickly acquainted with and in love with your product – to get to “Wow!” faster.**

The term for this in Silicon Valley is “Growth Hacking,” coined by Sean Ellis, CEO of Qualaroo and founder of the neat site [GrowthHackers.com](http://GrowthHackers.com).

Sean says, “by far, one of the most neglected opportunities is creating a *must-have* experience with your product from the start.”

This *must-have* experience is what takes a product from being a “nice to have,” to “*one that your customers absolutely can't live without.*”

When products hit this point, suddenly, users “get” the value proposition; they're excited to refer their friends, and happy to pay to keep using it.

Only after you've identified a group of people who passionately care about your product can you really start to scale your growth.

## EXAMPLE: SalesLoft On Smart Signups

*“We made our free product SUPER simple to sign up for. And, when someone signs up we use oAuth (a tool that pings social networks like LinkedIn) to auto-populate their First & Last Names, so we only ask them to fill out two fields: 1) ‘Corporate Email Address’ (no gmail/yahoo/etc allowed), & 2) ‘What CRM they Use.’*

*Then, through oAuth we can also grab their Company, Title, Industry, social media URLs, geographic location, # of LinkedIn connections, etc (all behind the scenes without them having to do anything).*

*This allows us to run sophisticated, automated, lead grading/scoring too because we have a lot of data about signups.”*

# Methods: Growth Hacking Principles

with Sean Ellis of [GrowthHackers.com](http://GrowthHackers.com) (2/3)

## #1) Triple Down on What's

**Working**—This may sound too obvious, but do you have a marketing activity that works well or better than the others? (You may not have any idea!) Start by analyzing what works and how you can improve your best program.

## #2) Stop Doing What's Not

**Working**—Marketers spread themselves too thin. You probably are spending too much money on stuff that's just not working. Don't be afraid to just cut them to zero, if they aren't your top few programs.

Have Facebook ads or Google AdWords that aren't generating a positive ROI? **Turn them off.** Reinvest your time and money back into your best program.

*Example:* While at Dropbox we abandoned Google AdWords because it cost us \$300 each to acquire customers who only spent \$99. The faster we grew, the more money we lost.

So we shut off AdWords and built a customer referral program that gave existing users extra space (which cost us nothing) for inviting their friends. This hack helped Dropbox to grow to 4,000,000 users without spending any money on ads.

## #3) Identify the Customers that

**Love Your Product**—Who are the top 1-10% of your customers that can't live without what you sell? Get specific! *Then invest heavily in going after just that particular mini-slice of customers.*

Going after a broad market is great for raising money, but terrible for getting customers to sign on the line that is dotted.

*Example:* "Circle of Friends" was growing like a weed with viral Facebook invites, but saw a problem as usage started to wane. They discovered moms were their power users, with more frequent logins, writing longer and more engaging messages, and referring more friends.

They pivoted & refocused the entire company to become "Circle of Moms," which doubled their 2 million monthly active users to 4.5 million, and led to an acquisition by PopSugar.

# Methods: Growth Hacking Principles

with Sean Ellis of [GrowthHackers.com](http://GrowthHackers.com) (3/3)

**#4) Slow Down Now To Speed Up Later** — Growth hacking means coming up with hypotheses about what you think will improve your business and then testing them in reality. **You must think & work like a scientist.**

It will slow you down to set up tests, run, measure & analyze them – but it's worth it because you will get the insights you need to repeat results & scale.

*Example:* Sean tells this story: “At a former company, we found that the visitors from a particular channel were signing up, but weren't using the product. We ran a survey on the page to find out why. The answer floored us. The visitors didn't believe our claims that the product was actually free.

So we added a link to a paid product on the landing page and instantly saw a 3x improvement in conversions, and continuing to tweak the design, ended up improving that channel by 10 times.

Fast-moving entrepreneurs often forget to just ask customers what they want.”

**#5) Get Creative** — Yeah, Google Adwords worked like a charm for your cousin Benny and drinking buddy Tom, but that doesn't mean they will for you. Your customers aren't only found through Google Adwords, email or the AppExchange.

They're all over the place; reading blogs and forums, using services like eBay, Craigslist, and Facebook.

*Example:* AirBnB took a creative approach with Craigslist. AirBnB tapped into Craigslist's massive volume of traffic by developing a clever bit of code that allowed AirBnB users to cross-post to Craigslist.

This increased visibility for AirBnB listings with people looking for vacation rentals, and resulted in both more bookings for current AirBnB users, as well as tons of new AirBnB users. Many credit this as the main hack that helped turn AirBnB into a company valued at more than \$1 billion.

**For More:**

Sean Ellis' [GrowthHackers.com](http://GrowthHackers.com), plus he has an upcoming book: [Unlocking Growth](#)

# Methods: How Cirrus Insight Tripled Their Demos Per Day

## Cirrus Insight made demos much more efficient for Account Executives

Cirrus Insight's a useful app that integrates Salesforce.com and Gmail in a very neat way.

They creatively changed their free trial system & saw:

- Demos grow from 2-3 to 8-10 a day
- Conversions of people who start a trial then buy grow from 50% to 65% (even after a price increase)
- Churn dropped from 12% annually to less than 9%

### What They Did

As users start a free trial, Cirrus Insight uses Pardot (a marketing tool) and Salesforce to auto-assign them an Account Executive (AE) based on company size.

Cirrus sends a pre-defined series of 'drip' emails to the prospects; particularly personal emails from the salesperson that include invitations and links to schedule a demo on their calendar using ScheduleOnce.

Based on past data, they know if a user attends a demo, it's very likely that user will convert.

If a user clicks on the link inviting them to schedule a demo, they are taken to a page with the AE's calendar embedded in it, and lets them pick an available time that works.

The AE approves the meeting & drops GoToMeeting details in. Usually, the first time they speak to the customer is during the demo.

This allows AEs to keep their daily schedules booked with demos with little effort on their part.

### Note:

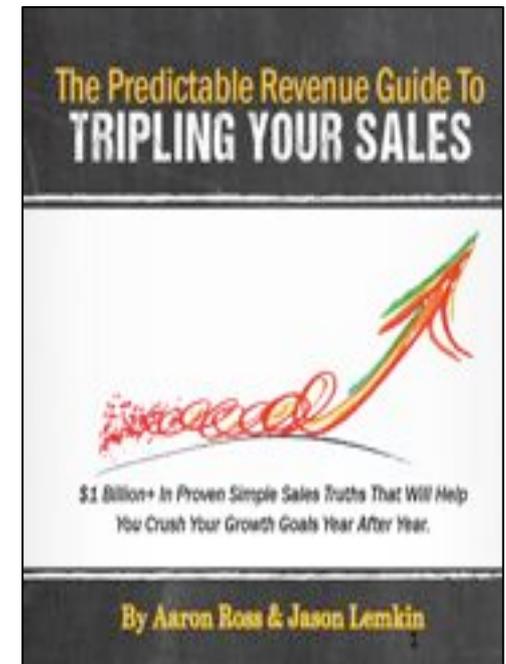
Normally we tell companies "don't send leads straight to salespeople!" But this is a great example of an exception, because the leads Cirrus Insight auto-magically passes to AEs are pre-qualified (they have started a trial), and have a very high historical close rate.

2015

Watch for it! This ebook is being expanded & published in 2015...

The expanded version of this ebook will be published (with Foundry Group Press / [www.FGPress.com](http://www.FGPress.com)) in 2015. Extra marketing-related content will include topics such as...

- **Meaningful Messaging**... simple ways to make your content and emails easier to understand and engaging with prospects
- **Social Media** & marketing
- More **Case Studies** on campaigns, finding your Needy Niche and metrics
- How are these ideas different for **Professional Services** companies than for **Product** companies?
- How do **Aaron & Jason create content?**
- And more!

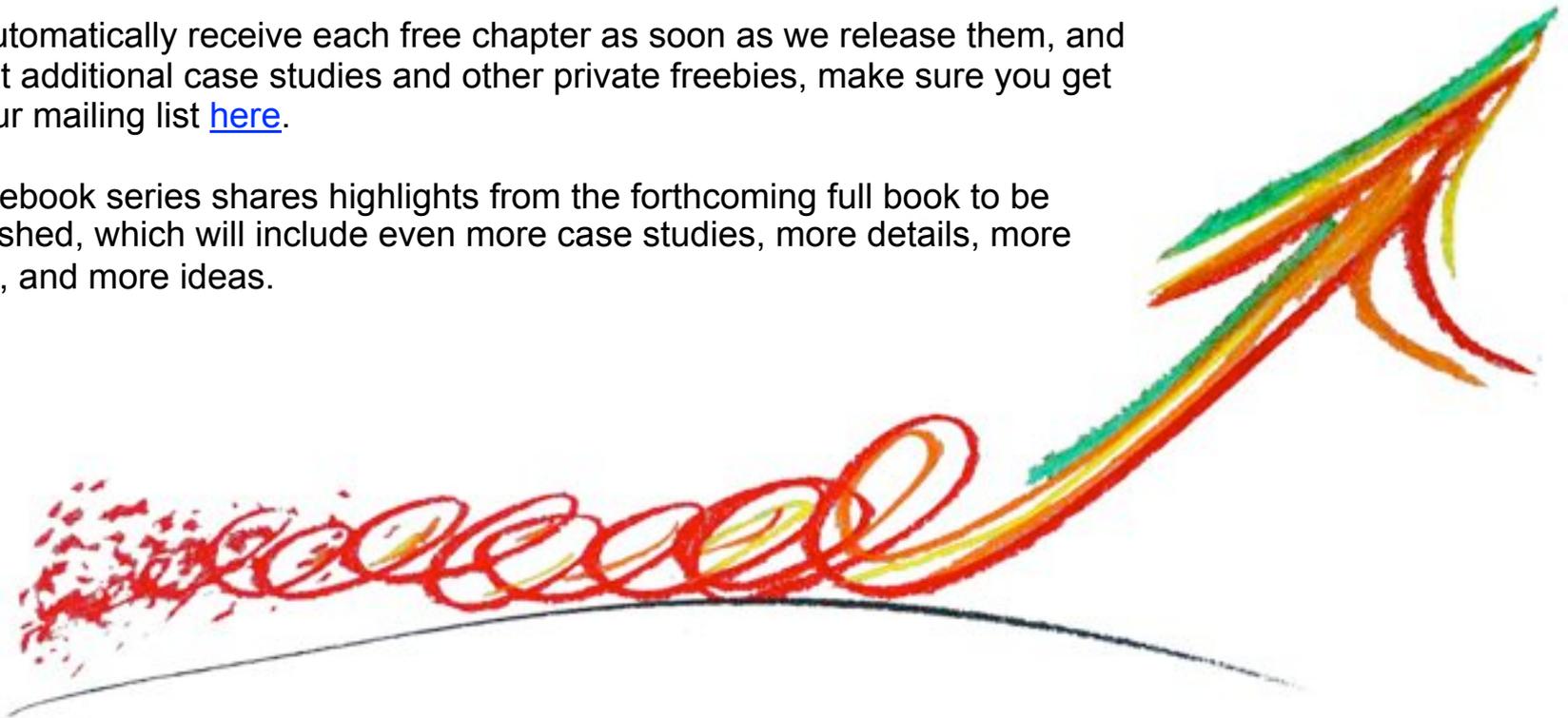


# Stay Tuned For Part 3: “Spears”

**Thanks for reading Part 2. Watch for Part 3, about “Spears” lead generation (outbound prospecting & Outbound Sales Automation).**

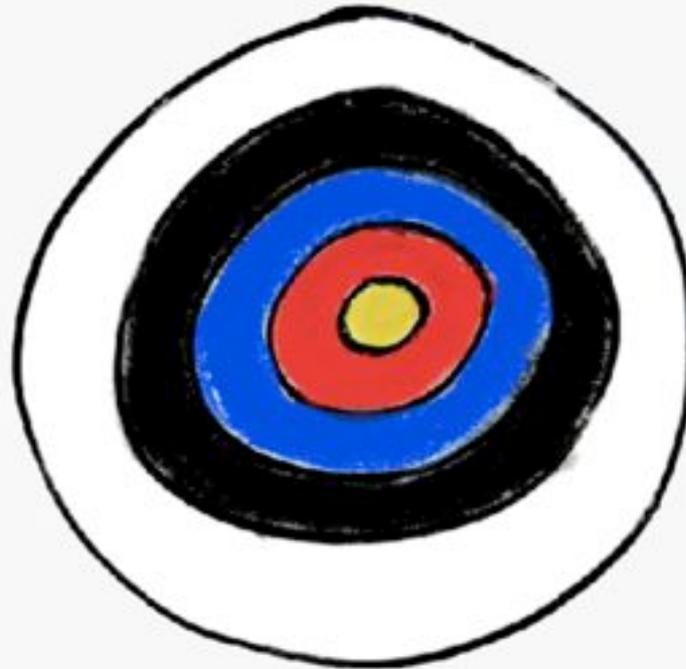
To automatically receive each free chapter as soon as we release them, and to get additional case studies and other private freebies, make sure you get on our mailing list [here](#).

This ebook series shares highlights from the forthcoming full book to be published, which will include even more case studies, more details, more apps, and more ideas.



# The Predictable Revenue Guide To **TRIPLING YOUR SALES**

*PART 3: Outbound Prospecting aka “Spears”*



**By Aaron Ross & Jason Lemkin**

# If You Missed Parts 1 or 2

This is Part 3 of the *Predictable Revenue Guide To Tripling Your Sales*. If you missed the prior parts...

## Part 1: “Seeds” & Customer Success

- An introduction + recap of the original *Predictable Revenue*
- The pros & cons of “Seeds” leads, and how to systematize their growth
- 6 keys to driving growth with Customer Success
- [Download Part 1](#)



## Part 2: “Nets” & Marketing

- Our “Triple” 4-Step Marketing Framework
- Common Marketing Fails
- The most important growth metric in marketing
- [Download Part 2](#)



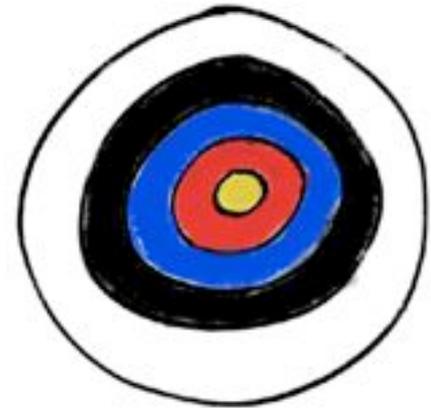
# Chapter 3: “Spears” Lead Generation (Outbound Prospecting)



# What You'll Learn In This Section

## Outbound Prospecting is sexy again

- The pros & cons of “Spears” - outbound prospecting (Page 74)
- Three outbound prospecting case studies with details on activity funnels, goals & favorite apps (Pages 76, 84, 86)
- The mistakes 95% of salespeople make with cold emails (Page 80)
- Why, even if you have more inbound leads than you can handle, you may still want to do outbound prospecting (Page 81)
- How well can outsourcing prospecting work? (Pages 83 & 90)
- Why Outbound Fails (Page 94)
- For Hardcore outbound teams & managers (Page 97)



# Lead Generation Type #3: “Spears”

Outbound prospecting was in the doghouse for years. Now it's hot (minus the brutal cold calling) – because it can supercharge sales growth

Inbound marketing is wonderful, but if you're dependent on it & waiting for the phone to ring, you don't have the ability to go out and have conversations with ideal prospects who aren't already calling you.

The original *Predictable Revenue* book outlined the “Cold Calling 2.0” outbound prospecting approach that helped Salesforce.com add an extra \$100 million in a few years (and by now, much more than that, more like \$1 billion in extra recurring revenue).

Likewise, Responsys used the same Predictable Revenue Cold Calling 2.0 prospecting system to drive sales 10x in 5 years, from \$20 million to \$200 million—until Oracle bought them for \$1.5 billion.

**That's what outbound prospecting or business development gives you, with your people reaching out to specific targets, lists or kinds of companies...the ability to go out and make revenue-generating conversations happen in a predictable way, on your terms.**

**Pros:** Generates predictable results once you have it up and running; a scalable way to grow leadgen; enables very targeted approach to ideal prospects at executive levels; fast is-it-working-or-not feedback cycle; a dedicated prospecting team creates a pool/farm team of future sales talent.

**Cons:** Not profitable for small deals or customers; much less effective for services companies than for product companies; hard for 'old school' sales cultures to avoid a “dials a day” or boiler-room approach; many execs still don't buying into the idea that salespeople shouldn't do the bulk of their own prospecting.

# When Should You Make Outbound Your Top Priority?

Inbound and outbound – two great tastes that taste great together...but for some businesses, one tastes better than the other

**Inbound & outbound totally complementary.** Inbound gets you (hopefully) lots of leads, and some will be wonderful... but many inbound leads are too low on the totem pole - they have no influence. With outbound, you can go talk to who *you* want to talk to.

If you want to go big with outbound sales, it works especially well if...

**#1) You have a product to sell (not services) that's expensive enough.** At least \$10k in lifetime value (and \$20k+ is better).

Yes, Outbound can work with smaller deals, but not *profitably*.

**#2) Your value proposition is very easy for a prospect to understand** and say “yes/no” to: “We help train & certify your people in \_\_\_ over the web, rather than in person – can you do that today?” If your proposition or messaging is too jargony or not relevant and *confuses* prospects, you're in trouble. (This is also a key reason marketing services is harder.)

**#3) You're different:** You can't have 100 competitors selling similar stuff and expect to have easy success with outbound. There's too much noise (i.e. confusion), and prospects can't easily tell why you're better than other options.

**#4) You're not trying to replace other people's stuff:** If you're trying to call in and compete with Dropbox, to getting a company to rip them out and replace it with your service, is HARD. You have to have a damn good reason for them to do it; a reason that you're 10x better.

It's MUCH easier to look for opportunities where the buyer doesn't need to replace or trash an entrenched system that works “well enough”. Whether you call this whitespace, green fields, blue oceans or magenta flowers, look for that kind of market or way to position yourself.

# Example: Acquia On The \$100M Track (1/2)



What does it take to become the fastest growing private software company in North America, as Deloitte named Acquia in 2013?

Acquia's sales leaders, including Tim Bertrand (VP WW Sales, pictured) decided that, to hit aggressive IPO-track / \$100 million goals, they couldn't depend solely on inbound leads, or on partners.

They discovered Predictable Revenue, and decided to build an outbound prospecting team to complement inbound leadgen.

## \$100 Million is “When”, Not “If”

One year after launching the prospecting team, *and growing new business sales by 75%*, they've proven the outbound team will help them break \$100 million with more certainty & faster, by adding \$30M+ in revenue within a couple of years.

## Outbound Results Year 1

- \* Created an extra \$6 million in Sales Qualified Leads
- \* Closed \$3 million in revenue
- \* Grew the prospecting team from an initial 3 people to 25 reps across the USA and UK
- \* The teams' adding an extra \$2m in pipeline *per ramped prospector per quarter*
- \* Prospecting went from generating 0% to then 40% of all new business sales pipeline, almost doubling it

## Prospectors' Activities Goals Each Month @ Acquia

Acquia expects each prospector to:

- \* Send 300-500 cold outbound emails a month
- \* Have 100 phone conversations of all types (including mapping calls & “are we a fit” calls)
- \* Schedule 20 longer Demo / Discovery Calls with key prospect influencers & Acquia salespeople
- \* Tally 15 Sales Qualified Leads passed to *and accepted* by salespeople



# Example: Acquia On The \$100M Track (2/2)

## **Funnel Math: Pipeline & Revenue Expectations**

With each prospector generating 15 Sales Qualified Leads (SQLs) a month, and an average outbound deal size of \$50,000 in Annual Recurring Revenue (ARR)...

Acquia expects each prospector to generate \$750k pipeline a month, and \$720,000+ in closed revenue per year.

Doing the math, and considering that many new hires on the team are still ramping, Acquia expects to add an incremental \$60 million in pipeline and 12-\$15 million in extra revenue in 2014, and to hit \$30 million in extra revenue within a year or two after.

## **Four Things That Made Acquia's Outbound Program Take Off**

**#1) The top management team, including CEO, was on board**

**#2). They 'just did it', avoiding analysis paralysis.** It only took VP WW Sales Tim Bertrand 37 days from the time he read about Predictable Revenue to having executive buy-in, prospector job recs approved, & a signed consulting agreement with Predictable Revenue.

**#3) Acquia initially hired three excellent dedicated prospectors** – two in the US, one in the UK – and their only job was to prospect. Not close deals. Not handle inbound leads. But PROSPECT.

**#4) They focused on bigger deals & opportunities:** Acquia has a big average outbound deal size, and the way the math works out with prospectors, the bigger the deals you can find, the more total sales you'll generate.

### **Main Apps Used:**

- \* Salesforce.com
- \* Yesware.com for email templates & tracking across the whole sales team (see the next page for details)
- \* Cirrus Insight –integrates Salesforce.com & Gmail
- \* SalesLoft for building clean target lists
- \* InsideView for general list-building data & phone #'s

# Acquia's Favorite Sales App: Yesware (1/2)

We interviewed Tom Murdock, manager of the US team of prospectors at Acquia, about their favorite sales app: [Yesware](#).

Yesware's an email add-on that helps salespeople do two critical things:

★ **Monitor Email Effectiveness** by tracking open rates (to identify subject lines that work) and reply rates (to identify email body content works), and...

★ **More Conversations:** Reps who called a prospect after the prospect opened an email, clicked a link, or opened an attachment connected with that prospect 34% of the time. Acquia improved reps' call connection rate by 29% with Yesware's insights.

Acquia's sales team first started using it with 3-4 people with free version, then rolled it out to all 20+ inside sales people, before completing a global purchase of almost a 100 licenses for every person across sales.

## Tom's Tips:

**#1) Prospectors use Yesware to measure different outbound email templates.** Small subject line changes can make big impacts. *For example:*

\* A subject line that got a 10% open rate: "2014 Digital Initiatives at ABC Company?" (Why not: too vague).

\* A subject line that doubled (20%) their open rate: "Drupal at ABC Company?" (Why: it was specific).



**#2) Closers use it to have more timely conversations,** answering questions like: "has their lawyer or signatory opened the email with the contract yet?"

**#3) The Renewals Team uses it to spot potential trouble early.** A warning sign to a renewal rep can be detected early on by seeing whether or not customer contacts engage with emails (opening, re-opening, sharing).

# Acquia's Favorite Sales App: Yesware (2/2)

Yesware has hundreds of thousands of active sales users, so they can measure some interesting things about email...

## #4) Sales Management uses it to get smarter about the operation.

For example: *"How many emails on average does it take for a prospector to get a response?"*

*Answer:* either they a) respond after an average of 3 emails, or b) they never respond, and a prospector needs to change tactics.

## #5) Salesforce.com Adoption/

**Use:** Acquia has Yesware automatically copying every email being sent & received into Salesforce.com, vastly reducing reps' admin work and making managers much happier with the system's data. 😊

### 5 Email Tips From Yesware

- **Sending to 2+ people increases your chance of opening**  
*"Is there someone you want me to copy on this?"*
- **Send emails on Friday afternoon**  
*Weekend open rates are highest*
- **Don't wait days for a reply**  
*After 24 hours, your email is all but done*
- **Only 12% of emails get forwarded**  
*Knowing which do helps in targeting efforts*
- **Email reading happens 24x7**  
*Schedule your sends for very early in the morning*

# Why No One's Responding To Your Cold Emails

Your new email mantra: **“Simple to understand, easy to answer”**

We've seen hundreds of thousands (if not millions) of cold emails sent, from all kinds of companies, from tiny startups to \$20 billion+ behemoths. Whether you're writing “direct” (straight to a decision maker) or “referral” email, or anything else...

## ★ Your Emails Are Too Long:

Try ones that are 300-500 characters, or 2-4 sentences.

## ★ Your Emails Are Confusing :

Don't list more than 1 or 2 features / offers / benefits / ways you can help. Avoid jargon – how SIMPLE can you make your language? *Try for 3<sup>rd</sup> grade reading comprehension.*

## ★ Your Questions Are Hard To Answer:

If they don't know you, people aren't going to give you much mental energy. They won't bother answering “too open-ended” questions like “what are your key marketing challenges this year?” Why should they?

The easier you make questions to answer (“How many salespeople do you have?”), the more responses you'll get. So – when you're getting to know someone, *cold questions should be open, but not too open.*

## ★ Your Calls To Action Are Vague:

“Let me know if I can help.” (Yeesh, what does that mean?) *Don't beat around the bush.* Be clear & direct about what you're asking for. Instead of “I'd love your feedback,” ask “When's a good day this week for a 15min call to discuss...?”

## ★ Don't Be Afraid To Followup On Your Followups:

*(Thanks Jessica Huang of SAP for that phrase!)* Are you telling yourself, “Oh, I already emailed them” or “I don't want to bother them.” *Don't be afraid to send more emails* – more often they will thank you for the reminder.

# What If You Already Have More Inbound Leads Than You Can Handle? (1/2)

Outbound & Inbound taste great together, like peanut butter & chocolate... even when you're overloaded with inbound leads

Just because you have a massive inbound lead operation...don't write off outbound prospecting.

Even Hubspot & Marketo, the companies that started the inbound movement, have big teams of outbound prospectors to speed up growth, increase market coverage, and to teach their sales teams vital skills.

When it makes sense for your business, adding outbound in as a complement can make your business grow faster & your sales team more capable & resilient.

**[Vital] Avoid "Inbound Dependence" & Reactive Teams**  
Sales people who only get inbound leads become dependent on them.

When inbound leads slow down (through fewer total leads coming in or if the sales team grows faster than the lead volume), they feel helpless and don't know what to do.

When salespeople have been trained as prospectors, they develop a proactive mindset & skills needed to be entrepreneurial, to go make things happen instead of waiting around for something to happen for them.

**Easier To Double**  
After you've figured out the messaging & steps, prospecting is a place where you can double your results by doubling the team.

**Increase Deal Sizes By 3-10x**  
The average outbound deal should be 3-10x larger...because you can specifically target bigger opportunities and avoid small ones.

**Increase Market Coverage**  
Say you have 10,000 companies in your target market. How long will it take before they all call you? With outbound, you can ensure filling in any gaps left by inbound.

# What If You Already Have More Inbound Leads Than You Can Handle? (2/2)

Do companies really do 80% of their buying research before contacting you? Not for outbound!

## Less Competition

There's a leadgen stat that gets thrown around a lot in the b2b space that goes something like "80% of the buying cycle's already done by the time they reach out to you." Usually to emphasize how important inbound marketing is, or social media use, etc.

That's true – *but only for inbound leads, not outbound-generated opportunities*. So while it's fantastic when someone calls you, they are also calling 5+ of your competitors at the same time.

Sometimes with outbound prospecting you'll run across an active project, but more often you're going in to help the prospect create a vision and plan for solving their pain.

More often than not, it will be much less competitive than if they start a project by researching the top 20 options in the space.

You'll still lose 70-80% of the time, but the lost deals will show "Lost - No Decision" rather than "Lost – Competitor" much more often than your inbound deals.



## Small Team, Big Gravy

You don't have to invest a ton and hire a huge team, even a small number of outbound reps can contribute another 10% to sales.

And even a 10% increase in recurring/SaaS sales per year time has a huge impact on your profit & valuation over time because of compounding growth.

# Example: How Tapstream Kickstarted Outbound w/Outside Help

## Starting from scratch, alone, can feel daunting



At the end of 2013 Tapstream was a hot startup to watch in the mobile analytics space. They had grown their mobile user acquisition platform to 2,000 users in under 2 years and had just raised a seed investment round in order to grow sales.

While they were growing, many of their new users were coming from small independent app developers and they needed a way to reach out to top app developers.

They had experimented with the Predictable Revenue outbound system (aka Cold Calling 2.0) internally the summer before they raised money, but didn't have much success.

### Their Outbound Problems

- 1) They didn't have a dedicated team member that could assume the prospecting role full time.
- 2) They struggled to consistently find accurate data on the people they wanted to reach.
- 3) They needed to increase low email response rates by simplifying their email messaging.

### They Found Experts Outside

While Tapstream wanted to build a prospecting team inhouse, it wasn't making sense at that time. They found Carburetor ([carb.io](http://carb.io)), who does outsourced *Predictable Revenue* prospecting.

**[Disclosure – Carburetor's a service of Predictable Revenue.]**

With Carburetor, Tapstream generated 84 appointments in the first 4 months, and after 7 had doubled the number of key customers.

Fast-growth companies should *usually* plan on building *internal* prospecting teams, but it can be easier to get there - launch, scale, or benchmark - with outside help.

# Example: How GuideSpark Tripled To \$10M With Outbound (1/2)

In 2013 at GuideSpark they took a less-traveled path focusing exclusively on outbound, phone-based sales.

*No free trials. No freemium.*

Almost zero inbound leads. No customer advocacy program. No SEO, no SEM. Passable website. Non-existent Public Relations. Limited investment money.

Despite bucking the generally accepted 'norms' for SaaS startups they *grew fast* – tripling revenue.

## CEO Keith Kitani's Tips

**1. Hire a Great VP Sales:** *We'll over this in the next Triple chapter, Part 4, on building scalable sales teams...*

**2. Hire Fast. Hire Right:** Growing outbound sales does require you to double your people to double sales, so you need to find the right hunters – competitive salespeople with *ambition*.

**3. Bring The Noise:** They created an open sales floor without high cubes or offices. It can be noisy, but they wanted their people to learn faster and push each other faster by hearing each other every single day. It helps ramp people fast.

**4. Break The Rules:** They had salespeople who did their own prospecting, breaking a cardinal *Predictable Revenue* rule – and figured out how to make it work, because it was a company priority, not a side practice.



**5. Use Metrics & Keep It Transparent:** Easily visible & understood metrics speak for themselves. Everyone knows what's expected and who's delivering. Novices know who to emulate, and veterans know who can help them develop even further.

# Example: How GuideSpark Tripled To \$10M With Outbound (2/2)

**6. Test + Iterate:** In your exploratory (<\$1-2M revenue) stages you're still figuring things out. Stay nimble and flexible. Try different messages until you find one that works and then hammer it. GuideSpark tried many messages during their first year of outbound, finding several that worked, & kept sharing across the team what worked & didn't.

**7. Avoid Travel Except When Critical:** GuideSpark found they could close six-figure deals over the phone. While nothing beats face-to-face for building relationships, it is expensive in time and money so make sure you travel wisely.

## Why Outbound Worked So Well For GuideSpark

★ **Fast Speed-To-Learning:** With outbound sales, you learn RIGHT AWAY if your messaging is resonating with prospects - like getting email responses (or not) or phone hang ups (or not)., and can change tactics that day or triple down on what's working.

★ **Focus:** Instead of chasing many different leadgen ideas, GuideSpark was laser-focused on one approach – and got very good at it.

★ **Cash Efficient.** Each salesperson was paid on performance – low performance = minimal expense. They were able to get very far without outside investment.

★ **Identifiable Prospects:** Their customers span every size and industry, but the buyer in each company spans only a few different titles. So they could know who to call in a huge sea of prospects.

## What's Next For GuideSpark

For Act II, GuideSpark's now investing in marketing to build on what they know works. They believe in marketing and want to generate lots of inbound leads, they just found that starting with an outbound model was more efficient, measurable and "immediate" in getting off the ground, and has prepared them to be much, much smarter about their marketing when they do begin spending money on it.

# Example: How WhatCounts Added An Extra 26% Sales Growth (1/3)

## Are your sales dependent on a single rainmaker?

WhatCounts, a \$20 million business, specializes in helping marketers (esp. in media / retail / e-commerce / travel & financial services) send personalized messages to increase engagement rates.

After depending on their CEO/ founder for years for almost all their leads, in mid-2012 they decided to follow the Predictable Revenue framework. To drive growth, they began building an outbound Cold Calling 2.0 prospecting approach, spearheaded by sales director JJ Imbeaux.

### Within months, growth sped up:

- \* “Sales Qualified Leads” grew from 37 in 2012 to 109 in 2013 (+294%)

- \* “Sales Qualified Leads” have been increasing by 30-70% quarter-over-quarter since beginning.

- \* Outbound is now sourcing 43% of the revenue from new customer sales.

More importantly, they finally have control over their growth. JJ says “we can mathematically predict what a new sales hire will do at a basic level, and map out their next 6 months.”



### What's Expected of a Prospecting Rep at WhatCounts

- \* Read Predictable Revenue within first two weeks at company
- \* 1000 outbound emails per month
- \* 52 Initial appointments per month
- \* 24 Discovery Calls with AEs with interested prospects
- \* 6 Sales Qualified Leads / month
- \* Average outbound deal size of \$27,000 Annual Recurring Revenue
- \* If the deal size is under \$4500 per year, they pass it to their Small Business sales team.

# Example: How WhatCounts Added An Extra 26% Sales Growth (2/3)

## And about their superpower...

### Superpower: “7 touches over 7 days”

*JJ says this approach greatly increased prospects' responses...*

Day 1 – AM: Short and sweet email. PM: afternoon – voicemail  
 Day 2 – Anytime: Call, don't leave a voicemail  
 Day 3 – AM: Call, no voicemail  
 Day 3 – PM: Leave a voicemail  
 Day 4 – Anytime: Send a funny email (re: farm animals in Latvia)  
 Day 5 – Nothing  
 Day 6 – Nothing  
 Day 7 – Send a “break up email”

*Note: the exact steps of this kind of series isn't as important as having a plan for consistent followup!*

### WhatCounts' Keys To Outbound Success

- \* The CEO and executives read Predictable Revenue and all bought-in.
- \* Hired inexperienced, hungry, competitive, and coachable reps that wanted to prove themselves and beat their own results quarter after quarter.
- \* Had a team-wide, consistent plan & approach among everyone in sales in making Predictable Revenue required reading.
- \* Identified and focused on a specific Ideal Customer Profile, rather than blindly trying to prospect any company willing to talk.

- \* They found some great apps (see next page) and figured out how best to get value from them.
- \* They have a well-defined path for prospectors to grow as Small & Medium Business Closers, then Mid-Market Closers and finally Major Accounts Closers.

### Main Sales Apps Used:

- \* Salesforce.com
- \* SalesLoft: primary list-building tool data (see next page)
- \* Insideview: for phone numbers
- \* Rivalry: for friendly sales competition

# Example: How WhatCounts Added An Extra 26% Sales Growth (3/3)

## Avoid these painful lessons

### A Painful Lesson Learned From A Six-Month Delay

WhatCounts lost six months with their first two prospecting hires, who had a lot of prospecting experience, but who were too set in their ways and didn't work out.

In hindsight, WhatCounts would have hired different people, who had less prospecting experience and were more ready to learn, were coachable and eager to prove themselves.

Be careful about hiring people with a lot of prospecting experience and who haven't moved up in sales.

Once in awhile there are people who love prospecting, but for most people it should be an interim job to do for a year or two while learning, before moving up or on.

[Click To View The Predictable Revenue "Hiring Guide"](#)

### JJ's Advice To You – "It Takes Time"

JJ says "Plan for several months, not several weeks to get this going."

If you're starting from scratch, you have the hiring cycle, training, ramping, sales cycle times.



It takes 4-6 months to have consistent, quality leads coming from your outbound team, and another 6+ months to see *regular* new deals coming in, depending on your average sales cycle length.

You can speed things up by beginning with an internal transfer(s) rather than brand-new hires, & sometimes outsourcing is also a way to speed things up, such as with [Carb.io](#) or [LeadGenius](#).

# WhatCounts Favorite App: SalesLoft

Data is always a pain in the butt to deal with in lead generation. JJ makes each prospector responsible for his or her own list: “Each of our reps build their own lists. They’re accountable, have an intimate knowledge of their territory, and can’t complain that way about the quality of the list.”

WhatCounts originally used Salesforce.com’s Data.com service (a respectable one) to get all their data. But they weren’t happy with the 30% bounce rate.

They tried out [SalesLoft](#)’s Prospector tool, which allows them to build a targeted list with contacts’ emails directly from LinkedIn (which has the most up-to-date data), & their email bounce rates dropped to single digits.

SalesLoft has become their primary prospecting contact-gathering tool, with InsideView as a complementary one used mostly for getting phone numbers.

They can use ‘google like’ search filters to find titles by regions or by industry verticals, building targeted lists for specific campaigns.

Then with a click they can pull the data into Salesforce.com.

It’s not a replacement (yet) for other data services like InsideView & Data.com, but a valuable complement to them.

SalesLoft has a lot of happy customers who love it – it’s a neat app and simple to start using.

The screenshot shows two LinkedIn profiles. The top profile is for Jim Nauen, VP of B2B SaaS Sales and Marketing at Opentext. The bottom profile is for Mike Fisher, Vice President at Software AG. In both profiles, the 'Connect' and '+ Prospect' buttons are circled in red. A red text overlay reads: **Just click and add from LinkedIn**

# How Well Can Outsourced Prospecting Work & Scale? (1/2)

## Outsourcing anything – including prospecting – can be tricky, here are tips on getting it right

While the idea of outsourcing prospecting (or anything) can be enticing, it's also tricky.

Why? Companies commonly *abdicate* their prospecting rather than *delegate* it to an outside firm.

And even more important - half the time projects fail because the outsourcing company isn't picky enough about the customers they take on (including many who aren't a great fit), and the other half fail because the "buyer" has unrealistic expectations or doesn't know what to do with the leads they get.

Here's a case study about a fast-growing, hot Silicon Valley company we can't name. Let's call them ACME.

### About "ACME"

ACME's ideal customers are companies being newly created, because it was much easier to sell them on their HR/Finance service than to replace competitors who were entrenched in established companies.

ACME found & hired outsourced prospecting company [LeadGenius](#), and found they could use them in two main ways:

**a) To build & filter the lists of targets**, identifying new companies as they were being formed in their target markets, using data from public corporation filings, Crunchbase, and AngelList (done by workers overseas) and...

**b) To make first contact**, sending prospecting emails and getting responses in coordinated campaigns to set up product demos (done by workers in the USA).

LeadGenius reaches out to 300 new people each week, gets 100 to reply and 30 eventually signing up for a demo. Then ACME's team takes over to qualify & close sales.

# How Well Can Outsourced Prospecting Work & Scale? (2/2)

Outsourcing is not a magic pill or silver bullet – it still takes work

## Keys To ACME's Outsourcing Success...

### 1) Fast (small) first success:

ACME started with a focused, tiny-scale project that let them evaluate LeadGenius before expanding, and got them some very fast results (<24 hours).

**2) Trust Building:** The two companies built up some momentum and trust over the first two months as ACME saw consistent results with campaigns going out, responses coming back, and demos getting set up. This made it easy for ACME to decide to invest bigger.

### 3) Never assuming "we're done":

LeadGenius and ACME continually worked together to understand the best way to use LeadGenius' people and services.

ACME stayed actively involved, never abdicating responsibility.

### 4) Leadership commitment:

ACME's head of marketing owned the project to ensure it stayed on track, even personally helping to manage both the project as well as those involved.

Remember – if you treat outbound prospecting as a cheap/low-level investment, you'll get cheap results.



### 5) Working together through bumps:

Even when outsourcing works right away, it's rarely a smooth ride (what is?), and LeadGenius helped smooth the first phases by giving ACME some control over swapping out workers and who was on the team.

Whether you build in-house or outsource, you will hit challenges. But there's always a solution!

# A Cold Email That Got 16 New B2B Customers

with Heather R. Morgan of Salesfolk (1/2)

## How to turn cold emails into conversations & clients

*Heather R. Morgan runs a B2B cold emailing consultancy, and these are some of her tips...*

What's the difference between the cold email template that no one opens and responds to and the one that generates leads from dozens of new customers?

Is it the subject line, the length, the way the copy was written, or the content (and the ideas in that content)? The answer is a combination of all of the above.

If you have a good targeted list and your response rate is less than 10% with personalized emails, then your emails could use some work.

### Great Company, Crappy Emails

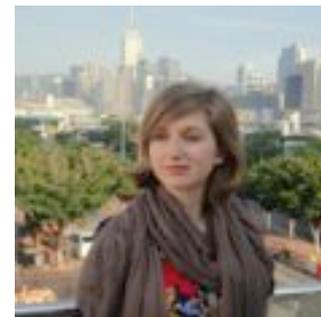
Earlier this year a B2B company came to me for help with their outbound emails. They offered an incredible service for SaaS companies, but weren't very successful with cold email: response rates were below 2%.

In about a month of working together I created a single email template that got them more than 16 new customers.

### Why Their Emails Were Bad Before

**#1) Too long:** No one wants to read a mini e-book in an email.

**#2) Tried to make too many points:** They have an amazing product, but highlighting too many value props confused people.



**#3) Too "Me Me Me":** Their emails talked way too much about why they were awesome, listing their company's features instead of putting it in terms of value for the customer.

**#4) Too Hipster:** They wanted to seem young and modern, but all their fancy marketing automation templates made their cold emails seem impersonal and spammy, even with custom inserts.

*No one thinks they're getting a personal email if it's too pretty.*

**Remember: Keep It Simple.**

# A Cold Email That Got 16 New B2B Customers

*with Heather R. Morgan of Salesfolk (2/2)*

## The example template

**SUBJECT:** 10x **{!Company}**'s traction in 10 minutes

Hello **{!First}**,

I have an idea that I can explain in 10 minutes that can get **{!Company}** its next 100 best customers.

I recently used this idea to help our client **{!SaaS Company/Competitor}** almost triple their monthly run rate.

**{!First}**, let's schedule a quick 10 minute call so I can share the idea with you. When works best for you?

### Results:

- 57% open rate
- 21% response rate
- End Outcome: 16 new customers

### Why It Worked:

**#1) Exciting subject line:** The subject line is your gate-keeper, so 50% of cold email work should be spent crafting and testing different subject lines. You want to create an exciting (but credible and not spammy or salesy) subject that intrigues recipients.

**#2) Enticing Offer:** Give your prospects a reason to respond, and a simple Call To Action. Mentioning your past success with another client they've heard of makes this offer seem more realistic and obtainable.

**#3) Personal Feel:** The email has the same basic format & tone of an email you'd send to your mom or best friend. When you're too formal, you sound stiff and like a sales-person rather than a person-person.

**#4) Social Proof:** One of your biggest barriers to selling is risk. No one wants to be the first customer and work with someone without credibility or experience. Mentioning one of your customers and the results you delivered to them makes you less of a risk to start talking to.

# Why Does Outbound Fail?

## Don't become road kill on the road to building a killer outbound team

On the flipside of some key areas that make outbound successful, here are the reason it fails...

Outbound prospecting isn't a fit for every company - here are some reasons not to do it, or signs you need to change your approach:

★ **It's not a real management priority:** Management hires an intern to dabble, then forgets about it, or are just too busy to give it time. Or they won't pay for even some basic data or apps you need. (Funny how companies will spend \$5000 a month on paying someone, but not \$50 a month on an app that person needs.)

★ **Unrealistic expectations:** "Hey guys, it's been 30 days – where are our closed deals?" It takes 4-6 months to go from scratch to consistent pipeline generation – and longer for revenue. Stick it out!

★ **The CEO believes all prospecting needs to be done only by salespeople,** & doesn't believe in dedicated prospectors.

★ **You're in a commoditized or saturated market,** and everyone you call on already has something in place that's "good enough."

★ **You don't have any way to sell deals bigger than \$10k - \$20k+** (lifetime value).

★ **You sell custom or commoditized professional services.** ProServices are harder than products to market and sell. You vastly improve your odds by going super-narrow with a niche.

★ **It's Boiler Room 101 there:** Your outbound strategy involves telling the team every day to "make more calls, send more emails."

★ **You don't know your Ideal Outbound Customer Profile,** and are spraying anyone and everyone with a pulse. Any buyers you run into is mostly through dumb luck (even a stopped clock is right twice a day).

# LinkedIn Prospecting – 3 Beginner Tips

*with Josh Turner (1/2)*

## LinkedIn's popularity keeps growing – don't miss out on the basics

*Almost anyone you're trying to get in touch with can now be found on LinkedIn. And there are consultants and companies who specialize only in generating leads from LinkedIn. Josh here is the CEO of LinkedSelling & has some tips...*

### **#1) First – Make Sure YOU Are Findable On LinkedIn**

Especially if you're in sales or an executive, make sure you have a profile that is reasonably up to date – it doesn't need to be fancy.

And ensure *your current work email* is attached to the account.

More and more people will check YOU out as well on LinkedIn (whether you're reaching out through LinkedIn or regular email), and frankly it'll look suspicious or questionable if they can't find you with your work email.

### **#2) Finding People With "Advanced People Search"**

Even with a free account, LinkedIn's advanced people search gives you lots of useful information.

Let's say you're looking for owners of IT companies in the San Francisco area.

One challenge is that these people often call themselves different things. President, Owner, CEO, Founder...the list goes on and on.

Fortunately, LinkedIn makes this easy on us. Using a search for "President OR CEO OR Owner OR Founder" you'll get results for anybody that has one of those words in their title currently.

If this search creates too much noise, then you can upgrade to a Premium account to get extra filters, such as on Company Size (very important) and Seniority Level.

# LinkedIn Prospecting – 3 Beginner Tips

*with Josh Turner (2/2)*

## An example LinkedIn outreach approach and message

### #3) A Sample First Message

You can prospect all day long, but if you don't have a process for actually reaching out and lining up calls/meetings with these prospects...what's the point?

In our experience, one of the best ways to approach prospects is to NOT initially talk about what you do. Don't lead with a salesy "pitch."

Think about it this way. For every 10 cold prospects that you hit up, how many are interested in your products/services? It's probably pretty low right?

Your response rate will go way up when you simply ask to connect, as opposed to pitching your services. Message them through a shared LinkedIn group BEFORE sending a connection request. Try this:

*"Hey Bob! I came across your profile here in the [insert group name] group and was really impressed by what your company's doing. I'd love to connect here on LinkedIn if you'd be open to it!*

*If that sounds good, let me know or feel free to send me a request here: <http://linkd.in/1p0htob>*

*Thanks very much! Josh"*

After that, then send a connect invitation. Once they connect, follow up a few days later to see if they're open to a call or other request.

### In Summary: Baby Steps

Don't blast people with cold pitches from the get go – take 2-3 baby steps:

- Message them through a shared group, then
- Send connection request, then
- Send your "prospecting" message

# For The Hardcore (And Managers)

A collection of detailed outbound tips and tactics, especially for managers & execs such as on...

**Management:**

*“How Lou Ciniglia of TheLadders Turns His Sales Team Around From Struggling To Self-Managing.”*

**Improving Appointment Quality:**

*“Too Many Appointments Our Prospectors Set Up Are No-Show Or Not A Fit...”*

**Territories:**

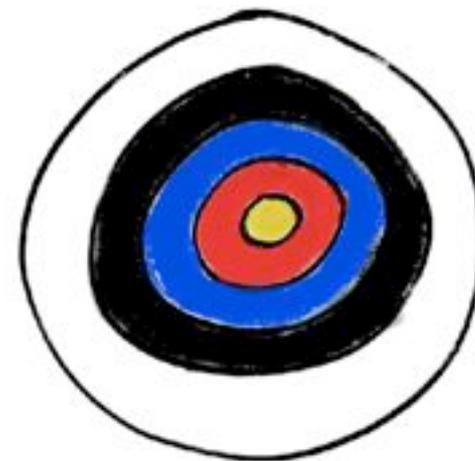
*“Why Your Salespeople & Prospectors Need Territories!”*

**Estimating ROI or Selling Outbound To Executives:**

*“Aaron, I Want To Copy What You Did At Salesforce.com, How Do I Do That?”*

**More Metrics:**

InsightSquared released an ebook (with our help) dedicated solely to *“Key Seeds, Nets & Spears Metrics.”*



***And More, At...***

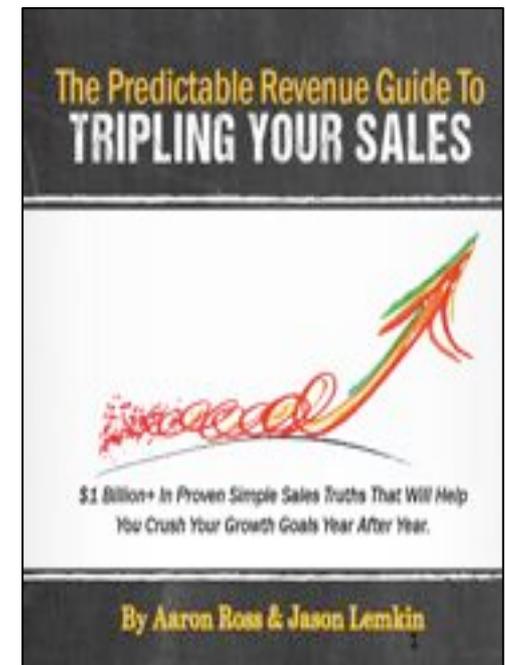
**[PredictableRevenue.com/Outbound](http://PredictableRevenue.com/Outbound)**

2015

Watch for it! This ebook is being expanded & published in 2015...

The expanded version of this ebook will be published (with Foundry Group Press / [www.FGPress.com](http://www.FGPress.com)) in 2015. Extra outbound-related content will include topics such as...

- Many more specific **Outbound email writing tips**
- **Outbound Messaging**... simple ways to make your content and emails easier to understand and engaging with prospects
- More outbound **Case Studies & examples**
- What do you do if you're a **Professional Services** company?
- And more!

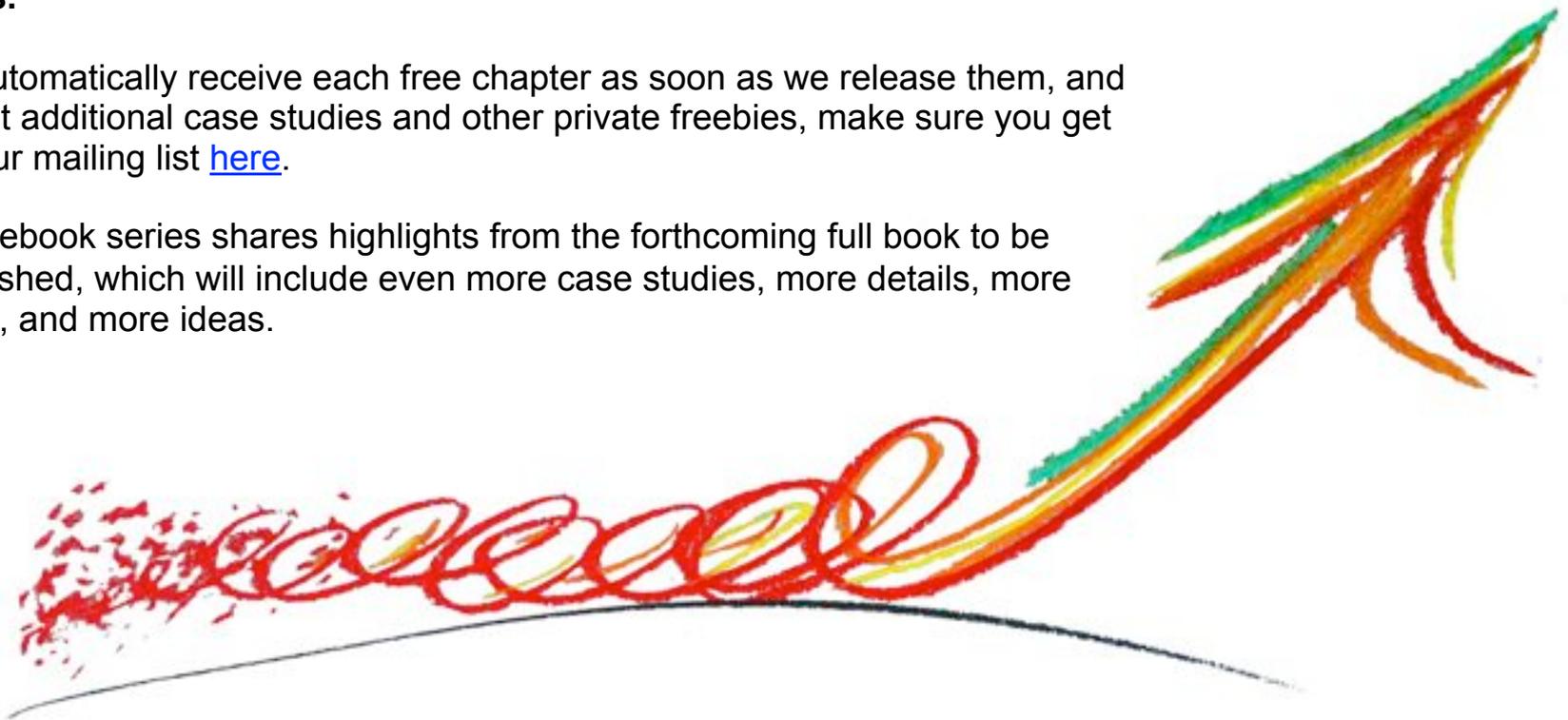


# Stay Tuned For Part 4: “Build A Scalable Sales Team (+ Specialization)”

**Thanks for reading Part 3. Watch for Part 4, about how to build a sales team that scales, including details on how to specialize your sales roles.**

To automatically receive each free chapter as soon as we release them, and to get additional case studies and other private freebies, make sure you get on our mailing list [here](#).

This ebook series shares highlights from the forthcoming full book to be published, which will include even more case studies, more details, more apps, and more ideas.



# The Predictable Revenue Guide To **TRIPLING YOUR SALES**

## *PART 4: Build An Epic, Scalable Sales Team*



**By Aaron Ross & Jason Lemkin**

# If You Missed Parts 1, 2 or 3

This is Part 4 of the *Predictable Revenue Guide To Tripling Your Sales*. If you missed the prior parts...

## **Part 1: “Seeds” & Customer Success**

- An introduction + recap of the original *Predictable Revenue*
- 6 keys to driving growth with “Seeds” leads & Customer Success
- [Download Part 1](#)



## **Part 2: “Nets” & Inbound Marketing**

- A 4-step marketing framework
- The most important growth metric in marketing
- [Download Part 2](#)



## **Part 3: “Spears” & Outbound Prospecting**

- 3 detailed outbound funnels & case studies
- Why no one’s responding to your cold emails
- [Download Part 3](#)



# Chapter 4: Build An Epic, Scalable Sales Team



# What You'll Learn In This Section

What makes a sales team that is scalable, resilient through ups & downs and creates for itself all the great sales talent you need?

- Why your sales team attrition is WAY too high (Page 105)
- Advice from the VP Sales of LinkedIn & EchoSign (Page 108)
- How to hire a great VP Sales (Page 111)
- Sales role specialization: why, how & why not (Page 120)
- 5 sales metrics that explain everything (Page 131)
- How tablets are changing field sales (Page 138)
- What makes sales contests fail or succeed? (Page 141)



# Overview

## What makes a team scalable? Leadership, leadgen & low attrition...

You want to be able to build your revenue & team as easily as stacking legos...here are 5 ideas to help you successfully scale an epic team...

#1 Why your **Sales Team Attrition** should be under 10% per year (including both people fired and who quit), rather than the Industry average of 27% (!) annual team churn.

There's a legacy assumption in the sales world that goes something like this: *"hire 10 and keep the half that make their quotas."* Some level of churn is natural and required...but 27% is horribly expensive & exhausting.

Scaling's hard when you're taking 1 step back for every 2 forward.

#2 You need **Systematic Lead Generation** for and with the team (which we've already discussed in the prior sections).

#3 What makes a **Great VP Sales (+ Recruiting)**, including why you should know within their first 30 days if they're great.

#4 We dig deeper into **Sales Role Specialization**. It's becoming a standard in Silicon Valley, but still controversial to most of the b2b sales world.

We expand on *how* to do it...

- \* Handling CEO/Board objections
- \* How to implement specialization if you're "really small" or "really big"
- \* Exceptions to this cardinal rule

#5 Some nuts & bolts sales topics: **Metrics, Mobile & Motivation**, such as key metrics, why reps who meet in person with customers should get tablets/iPads, and what makes sales contests fail or succeed.



# Are You Churning 10%+ Of Your Salespeople A Year?

“A bad system will beat a good person every time” – W. Edwards Deming

Imagine you work at a growing company that from the outside is doing great, and maybe you're still hitting your team-wide sales goals.

But internally the team's struggling with growing pains such as...

- **Missed Quotas:** 30%, 40% or more of the sales team is missing quota.

- **Team Attrition:** Salespeople just keep coming and going... 10%-50% of the sales team is leaving every year (whether voluntarily or involuntarily).

\* **Ramp Times** keep lengthening for new sales hires, such as going from 2-4 months when you were smaller to now 6-8+ months.

\* **Reps Are Growing Faster Than Leads:** as the team has gotten bigger, each rep is getting fewer leads passed to them. Lead generation isn't keeping up with sales team or goal growth.

*And despite all this and the other reasons, the board is still telling you to keep hiring more salespeople to drive growth!*

Pouring water faster into a leaky “sales team bucket” is wasting your time and money without solving the root problems.

## It's Not You, It's Me

Now, if say, 30% of a sales team is missing quota, is it the people - or the system? Was 30% of the team really mis-hired?

If you are losing 25% of your sales team a year (whether they leave or are fired) – is it the people, or is it your system?

If almost every new sales hire is taking twice as long now to ramp, is it them – or your system?

*See the pattern here?*

Who sets quotas & incentives?  
Who defines territories, roles & responsibilities? Who's ultimately responsible for hiring and training?  
Who promotes, hires and trains the sales managers on the front lines?

*it's not the salespeople.* Ultimately, it's the VP Sales & CEO's responsibility for ensuring sustainable sales success – not the individual salespeople.

# Are You Churning 10%+ Of Your Salespeople A Year?

## Why are you blaming salespeople for missing quota?

Your sales “system” and environment have enormous effects on salespeople – whether helpful or hurtful.

Until you fix the systems, you’re going to struggle getting repeatable, *resilient* success.

The average sales team attrition in the b2b world is 27% per year. That means out of 100 salespeople, 27 are lost per year – whether they quit or are fired. So you need to hire (and train, and ramp...) almost 30 salespeople per year just to tread water.

If you had 27% attrition on your engineering team, total employees or customers– *it’d be a board-level catastrophe.*

But 27% (or higher) is accepted as normal in sales?! That means you’d turn over your whole team in less than four years.

### **Losing People = System Defects**

Your ability to scale a sales team depends on making the whole thing a *system*. When salespeople leave for any reason – missed quotas, dissatisfied, bad apple – it means you have “defects” in your system.

Sales team attrition should be MUCH lower – say 10% or less per year overall (and with 0% voluntary attrition).

Not only is it incredibly expensive in time, money & lost opportunity – it also frustrates prospects & customers when their point people at a company keep changing.

A commonly accepted estimate of the cost of one lost salesperson is 1.5-2x their annual comp.

At 2x their comp, losing 5 salespeople with targets of \$150,000 is a cost of \$1.5M.

### **A \$200M Loss?**

In 2013, rumor had it that salesforce.com lost 750 of their 3000 people in sales (25% attrition).

If their average comp was \$125k (which is probably low), then this was a cool \$187.5 million lost.

That much turnover is just plain disruptive to *everything* in the sales team and with customers.

# Are You Churning 10%+ Of Your Salespeople A Year?

More companies need to *reduce sales attrition* than need to *increase it*

## Common Sales Attrition Causes

There can be a million underlying causes behind high-sales attrition, but three common ones are:

**1) Lead Generation:** the company isn't doing enough to support the reps with quality leads.

**2) Specialization:** the company isn't specializing at all, the right ways, or going far enough with it.

**3) Management:** Leadership (mostly the CEO & VP Sales) isn't connected with what's going on 'in the trenches', or is still very traditional or conservative. We loved this quote "people leave managers, not companies."

It's no coincidence that a big chunk of this *Triple Your Sales* ebook hits on these topics!

## Do Your Salespeople Have Tail-or Head-winds to Success?

You need to dig and find out what are the root problems that are making it so hard for people on the team to succeed. Is it that they need more leads? Maybe your products are weak, or are targeted to the wrong markets.

Maybe you're an early company with completely wacky sales expectations. Or don't have enough case studies, reference-able customers or "proof" to back up your promises.

Maybe some of your sales managers or leaders are doing more harm than good with their management style.

Maybe your VP Sales is a bit crazy and is just hiring a bunch of random people into a disorganized system (it happens), and you gotta rebuild it before even leadgen matters.

## Don't Make Assumptions

In addition to looking at those areas of LeadGen, Specialization & Sales Management, **go talk to your people, one by one**, and look for patterns that lead you to discover the main one or two problems causing high attrition.

# Advice From The VP Sales Who Built LinkedIn, EchoSign & TalkDesk (1/3)

## 3x repeat VP Sales Brendon Cassidy on advice to sales leaders

*Brendon Cassidy was one of the first 25 employees at LinkedIn, building their corporate sales team from scratch, and the 8<sup>th</sup> employee at EchoSign, taking them from \$1 million to \$50 million in ARR and an acquisition by Adobe. He's now VP Sales at fast-growing TalkDesk. Here are lessons he learned from both his success & failures.*

It's easier to learn from failure. Because what went wrong is obvious & leaves a resounding impression you can't ignore.

Learning from success is harder, because success covers up mistakes.

### **#1) Stop Blaming Others.**

Nobody wants to hear "can't" or "it's not my fault". Stop blaming others. It's not Marketing. It's not Product. It's not your salespeople. It's on you.

There is always a solution, even if it's not obvious. You need to help drive the organization to the solution to the problem.

If you are facing disaster, and you tell your CEO what needs to happen and he refuses to do it, then quit. Just don't whine about it. Next time do better due diligence on the CEO before agreeing to work for them.

### **#2) Build For The Present, Not The Past.**

A common theme: you hire a person who won before at Company X, then he/she comes in and implements the exact same methodology in your company that worked before. But nothing is ever the same.

Sometimes changing one thing (lead velocity, Average Sales Price, sales cycle, pricing model, target buyer/market, competition, stage, etc) may mean you need to take a totally different approach to generating leads and selling.

# Advice From The VP Sales Who Built LinkedIn, EchoSign & TalkDesk (2/3)

## If you didn't get a fancy title, would you still work for that CEO?

Step back before you copy down the prior playbook, and look at the numbers and funnel. What should work the same? What might need to be changed or adapted or re-created?

Be objective and honest with yourself, because it's hard to admit you might be wrong, need to change your plan/playbook, or even admit that you don't know what to do or sometimes feel lost!

### **#3) Hire The Best. Period.**

Surrounding yourself with superstar talent should be a

constant goal. Early in my career I hired the best people I could...but who were just a little bit less better or smart than me. That's inexperience and insecurity and makes scaling sales much harder.

The reality is that any hiring shortcut you take now, means you are going to have to work 10x more later to compensate for any shortfalls, such as running too many of your reps deals because they can't close them themselves, having to coach too much, having high sales team turnover or missed goals.

### **#4) Pay Well For Success.**

I don't get CEOs or VPs of Sales who are cheap as it relates to paying their sales people. It's incredibly hard to find great sales talent, much less hire and retain it. Pay them well. Trust me, they can go elsewhere, while the B & C players stay.

### **#5) Make Sure The CEO Fits.**

Don't take a job just for the title, investors or company. Pick the wrong CEO to work with and you'll be miserable. Be honest about what works for you before you make a decision.

# Advice From The VP Sales Who Built LinkedIn, EchoSign & TalkDesk (3/3)

## 5 to-do's for great sales leaders

### **(1) Drive Deal Size Up As Quickly As Possible.**

Small deals pay the bills, big deals drive growth. Small deals are a fantastic way to get started, get fast feedback, and build testimonials and word of mouth. But fast revenue growth is usually in bigger deals.

### **(2) Great Reps Perform In 30 Days.**

At Talkdesk, our first rep closed \$150k his first 30 days. That's not luck. You won't always see sales numbers that fast, but if your gut tells you that person was a mishire, your gut is probably right.

### **(3) Honesty From Top To Bottom.**

There's a bias towards being dishonest in sales. You and your reps are too optimistic about deals, and this clouds the truth.

Not knowing where reps and managers honestly stand – with deals, pipelines, or each other – creates uncertainty and anxiety. You can't forecast without coaching reps to be brutally honest about deals.

You can't solve problems if you are too busy or nervous to dig into the sometimes-painful or embarrassing truth of your situation – and share it with the team and CEO.

### **(4) Great Sales Teams Stay Together.**

Again and again. Folks that know how to make a lot of money together want to continue to do so.

You should see very little churn amongst your top sales team members and managers -- if any. If you see material churn, there's a real problem somewhere.

### **(5) Outbound & Inbound Aren't Either/Or, They Are "Yes".**

Always be doing both. The question is just the relative ratio, and when to begin or expand each.

# VP Sales – The #1 Mishire

## *5 Things A Great VP Sales Actually Does*

Early stage companies are painfully “misfiring by mishiring” the most important role on the sales team. Don’t hire one until...

### **In Tech, #1 Most Common Mishire is the VP/Head of Sales**

In fact, there’s a venture capitalist saying we hate that goes something like “You’ve Got to Get Past Your First VP of Sales’ Carcass” or “With The Second VP of Sales Is When You Really Start Selling” or variants thereof.

It especially bugs us because we’re firm believers in hiring & training fewer, more committed people rather than taking a ‘churn and burn’ approach.

But...but...those VCs are right. Because in start-ups - especially Software-As-A-Service (SaaS)/tech, it seems like the majority of first VP Sales fail. They don’t even make it 12 months. (We’ve heard that the average tenure for VP Sales of early companies in the valley *averages* 18 months – so that includes the winners – *ouch*.)

Let’s look at what those VP Sales should do. Because most founder/CEOs are looking for the wrong things – especially the first –time founders, or founders who haven’t spent much time in or with sales.

### **Top 5 Things a Great VP of Sales Does At An Early, Growing Company (In Order Of Priority)**

#### **#1) Recruiting**

You hire a VP Sales not to sell, but to recruit, train and coach other people to sell. So recruiting is 20% + of their time, because you’re going to need a team to sell. And recruiting great reps and making them successful is the #1 most important thing your VP Sales will do. And great VPs of Sales know this.

# VP Sales – The #1 Mishire

## *5 Things A Great VP Sales Actually Does*

If any one key person (such as the VP Sales or CEO) is doing a lot of the actual selling, you're bottlenecked

### **#2) Backfilling and Helping His/Her Sales Team**

Helping coach reps to close deals (not doing it for them). Getting hands-on when needed, or in big deals. Spotting issues before they blow up. Seeing opportunities ahead of the horizon.

### **#3) Sales Tactics**

Training, onboarding. Territories (you need them). Quotas, comp. How to compete. Pitch scripts. Coordinating FUD and anti-FUD. Segmenting customers. Reports. Ensuring they and the team can get what they need from the sales / CRM system. Etc.

### **#4) Sales Strategy**

What markets should we expand into? What's our main bottleneck? Where should our time & money go? What few key metrics do tell us the most about the health of our team & growth?

### **#5) Creating and Selling Deals Him/Herself**

This is last of the Top 5. Important, yes *for select deals*. But last on the list because *if your VP Sales (or CEO, for that matter) is doing the closing rather than their team – you're bottlenecked*. No scaling for you, sir.

**SO: don't hire a VP Sales until you are ready to scale and build and fund a small, growing sales team.**

And any VP of Sales that doesn't see this themselves — probably isn't a great long-term VP of Sales for you. Instead, he/she is either just a great individual contributor, a great builder ... or a simply a flawed or desperate candidate.

One challenge in hiring salespeople is that they're often extra good at "selling" themselves too...whether or not they're actually a good fit!

# The Right VP Sales For Your Stage

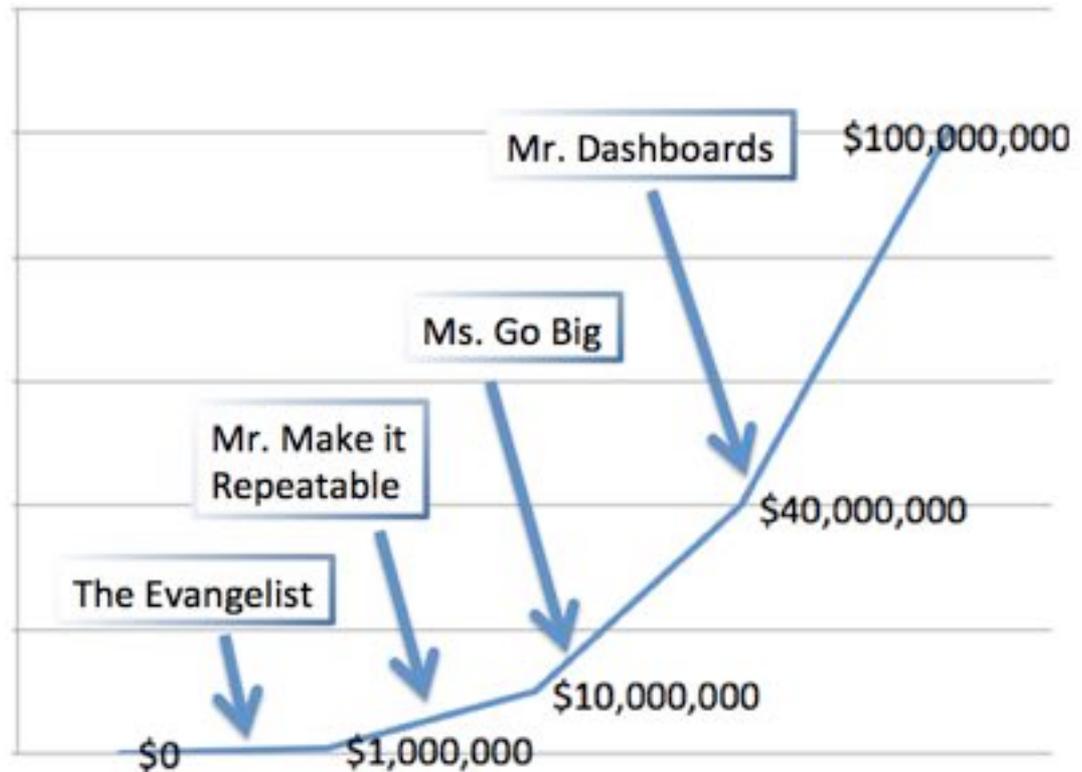
Where you are in your growth curve affects what kind of VP Sales to hire

## What Kind Of VP Sales Do You Need?

### Type 1. “The Evangelist” (gets you from nothing to \$1-\$2m).

The Evangelist is someone that is smart and passionate about your product from Day 1. They Get It. The Evangelist can immediately go out and just start selling from Day 2, and deals will happen simply because of their *passion*.

The Evangelist can seem like just what you need to hire, if you’ve never hired a VP Sales. You’ll like the Evangelist. A lot.



# The Right VP Sales For Your Stage

## The elusive “Mr-Make-It-Repeatable” unicorn is a valuable find...

*The problem with The Evangelist?* They’ve never actually built or *scaled* or *systematized* sales. They know how to think creatively and cross-functionally. They’re fun to work with. But 9 times out of 10, this is a waste of a hire and your time. *Why? Because the founder/CEO has to be the evangelist, along with the first 1-2 reps you hire.*

### **Type 2. “Mr Make-it-Repeatable” (gets you from from \$1m to \$10m)**

In this phase, you have some customers. Not a ton, but some. You have some in-bound leads.

You’ve hired 1-4 reps on your own. But you have no idea or ability how to scale & make it *predictable*.

This job is about taking “something is happening here-and-there and we’re not always sure why” to “something is happening over-and-over-again and we know why”.

This VP Sales has to make it happen. He can’t pretend or hide behind Powerpoint presentations or “pipeline” dashboards.

This is the unicorn that every early company ready to grow needs. The problem is most VP Sales struggle in this phase, because most got

their titles by successfully growing something *that was already regularly working* systematically – not by being the one who systematized it.

*Here’s what happens with Mr. Make-it-Repeatable:* Everything seems much simpler and clearer. Almost immediately, revenue goes up. Because they know how to close, recruit, hire and coach. And they know how to build the basic processes you need to make it predictable.

# The Right VP Sales For Your Stage

## Interlude: Be careful hiring VPs Sales from Big (Or Hot) Companies...

These prior two stages were about getting off the ground to having “Something”, and then turning that into a repeatable system.

It’s extremely unlikely that any VP Sales candidate from salesforce.com, SuccessFactors, Oracle or whatever currently Hot or Big company can possibly fill either of these early stage roles.

They will all almost certainly fail.

Why?

They never even remotely did it.

Joining salesforce.com when it was at \$1 billion in revenue, even as a manager? Yes, it’s SaaS ... but the sales processes & challenges at \$1 billion+ just are so different from an early company.

When someone has only worked for a Big (or Hot) Company with a Big (or Hot) Brand, they have an unfair advantage in everything they’ve done there. How much was it them, versus the Big (or Hot) Brand? Rising tides and all.

Plus, oftentimes they are unknowingly dependent on all the free gifts they got before...

Easier meetings with executives or investors. Easier hiring. More manpower & budget support for: everything. A “real” marketing team & budget, admin support and lots of inbound leads. Someone who’d write sales collateral for them.

It’s not their fault — but often they just won’t understand how to do either of these early phases. It doesn’t mean they CANT do it, just be very, very careful in hiring them and *don’t let the resume blind you – or your investors.*

**Now for VP Sales Types 3 & Type 4...**

# The Right VP Sales For Your Stage

## **Type 3: “Ms. Go Big” (go from \$10m to \$40m)**

Now we’re talking about pouring it on. When a VP Sales comes into a decently funded company with \$10-\$20m in annual revenue... it’s mostly a process already. The main pieces are working, so you mostly do the same things, but more.

Hire the right people. Increase junior hires to further specialize and develop a big talent pool. Make field sales work. Tune your Customer Success programs. Grow outbound prospecting. Get the lead generation engine cranking with the VP Marketing.

It’s hard to find these candidates but you can find them. Get them from a company that just went through this phase.

But don’t expect 95% of these candidates to be able to do the earlier phase (getting from \$1-\$10m), if they didn’t do it before.

## **Type 4: Mr. Dashboards**

This is unfortunately what you get a lot of when you try to recruit out of the Big Cos. This guy really understands how to sell up. How to make an internal presentation. And he often looks pretty good in a suit. Your board will probably love him. But really, all he does all day is look at and think about Dashboards and meet with his Managers.

What changes can I make to the team to get the dashboards up? How do I get more resources? More budget? Who can I hire, and who can I fire? How do I get rid of the bottom 10%? Where should the Sales Kickoff be this year, and what sort of suite can I get? What events can I do behind a secret rope for my Top 50 prospects?

Look, at some point, you may need Mr. Dashboard. That’s fine. A manager of managers of managers. But whatever you do, don’t hire them until you are past Unstoppable. Because unless he or she did it for real before they were Mr. Dashboard — they have no idea how to get you to and past \$5m, or \$10m, or \$20m.

# The Hubspot Sales Machine: Recruiting & Coaching Essentials

## Mark Roberge & Hubspot built a \$0-to-\$90M sales machine in 6 years

Mark Roberge is the Chief Revenue Officer of Hubspot, and an active speaker/writer on the science of scaling a sales team.

He describes his mission as “Predictable, scalable revenue growth.” (We can’t argue with that.)

### Mark’s 4-Part Strategy:

- 1) Hire the same type of successful sales person.
- 2) Consistently train them the same way.
- 3) Provide each salesperson with the same quantity & quality of leads.
- 4) Have the salespeople work the leads using the same process.

If those four things happen, then they’ll be successful in achieving their mission...and it’s been working so far. Here are more details on how Mark’s sales machine hires & trains...

### **\*\* It’s All About Recruiting \*\***

Especially for small teams looking to scale is to put the effort into hiring, and make it your top priority. Mark spent 40% of his time on recruiting in his first couple years.

**Interview Strategically** - Mark developed criteria for hiring for sales success – even if people didn’t have a sales background.



He wanted to hire people who’d shown past sales success as well as people with untapped potential.

After hundreds of interviews and hires, they found 5 indicators of future success:

- Coachability (#1!)
- Prior success
- Work ethic
- Curiosity
- Intelligence

# The Hubspot Sales Machine: Recruiting & Coaching Essentials

## How can you put your reps into customers' shoes, to create empathy?

Their prior success doesn't have to be in sales. Hubspot's got an Olympic gold medalist & a guy who's a professional comic who made it to Comedy Central. These are people who went after something and achieved it. That's what you're looking for.

### **\*\* A "Real" Training Program \*\***

Too many companies have a training plan of "go shadow some people."

Hubspot's salespeople spend their 1<sup>st</sup> month in a classroom-style setting. To gain an understanding of the product, they create a blog and a website from scratch.

They experience the actual pains and successes of Hubspot's primary customers: professional marketers who need to generate leads online...so salespeople are able to connect on a far deeper level with prospects and leads.

After a month, new hires pass a 150-question exam + six different certification tests on the HubSpot product, sales methodology, and the concept of inbound marketing.

### **\*\* Take Coaching Seriously \*\***

The biggest impact on sales productivity comes from how effective your managers are at coaching their people.

Hubspot uses a matrix-driven sales coaching model. On the 2<sup>nd</sup> day of each month Mark meets with the sales directors, who each oversee a few managers and have about 40 sales reps underneath them.

Because Mark takes coaching seriously, these meetings force a coaching culture to the whole organization.

Good coaching is both caring for your reps' success and trying to find out the one thing (not 10 things) at a time to work on that's going to make the biggest difference.

# More Simple Hiring Tricks

## Builders vs. growers, hiring 2x, and slowing down...

### Do you want a “Builder” or a “Grower” for the role?

We find most personality tests too complicated to be of everyday practical use. But the idea of “Builders vs. Growers” can be useful anytime. When you’re in an Exploration phase of figuring out how something should work such as with a new company, sales function or program - look for people that like to figure things out: *Builders*.

When you have a system all figured out and just need to hire more people into it, look for people who are great at following a pre-defined system: *Growers*.

Both builders and growers are valuable: growers struggle when the systems aren’t defined, and builders struggle when there’s “nothing to figure out anymore.” Know what you need and look appropriately.

### “When You Do Something New, Hire 2”

Because if one person’s doing it, you can’t tell if what is / is not working is them or the process.

Your first sales rep is crushing it? Your first outbound prospector is failing? You can’t tell if it’s that person...or not.

### You Want Reps Who Are “Business People That Can Sell” Not “Salespeople”

When a salesperson is an *expert* around how your product can help customers – and when it’s not a fit – they will build trust and relationships quickly with prospects.

There’s no better way to quickly ramp a salesperson than to find ways to rotate your new hires around your company, giving them hands-on experience with support, product or account management.

Slowing down their start of full-time selling will speed up their ramp time.

# Your #1 Sales Multiplier: Specialization

## Prospectors should prospect, closers should close

We don't care if you have the most amazing lead generation ideas in the world, they won't work without the right team structure in place!

Why do you think so many people complain about the "sales & marketing" divide? *Bridge it with the right people/jobs*, in addition to the right process.

Exactly how you do it is up to you, in making it work for your specific situation. The principle is about helping your people **focus & do fewer things better** – because when *salespeople multi-task they're doing many things poorly*.

### Your People Need Focused Dedication

For example, to have a successful, durable prospecting team, the prospectors need to *prospect*. They shouldn't close, respond to inbound leads, or act as part-time telemarketers when marketing's trying to fill events.

OK...and when you do need prospectors to juggle tasks, try to have the non-prospecting work fill up less than 10-20% of their time.

The same's true of new-business closers...other kinds of work should be a small percentage of their time.

### When Not To Specialize...

because exceptions exist for every rule, such as:

- \* You have a very simple sales process, like a one- or two--call-close product.
- \* You're in a business or segment currently succeeding with generalized salespeople (like financial services advisors). Don't fix what ain't broken...but also don't be afraid to try new ideas.
- \* Common sense (not tradition, blind assumptions or what your investors tell you) says it just isn't right for you.

# Your #1 Sales Multiplier: Specialization

## Review: the four core roles...

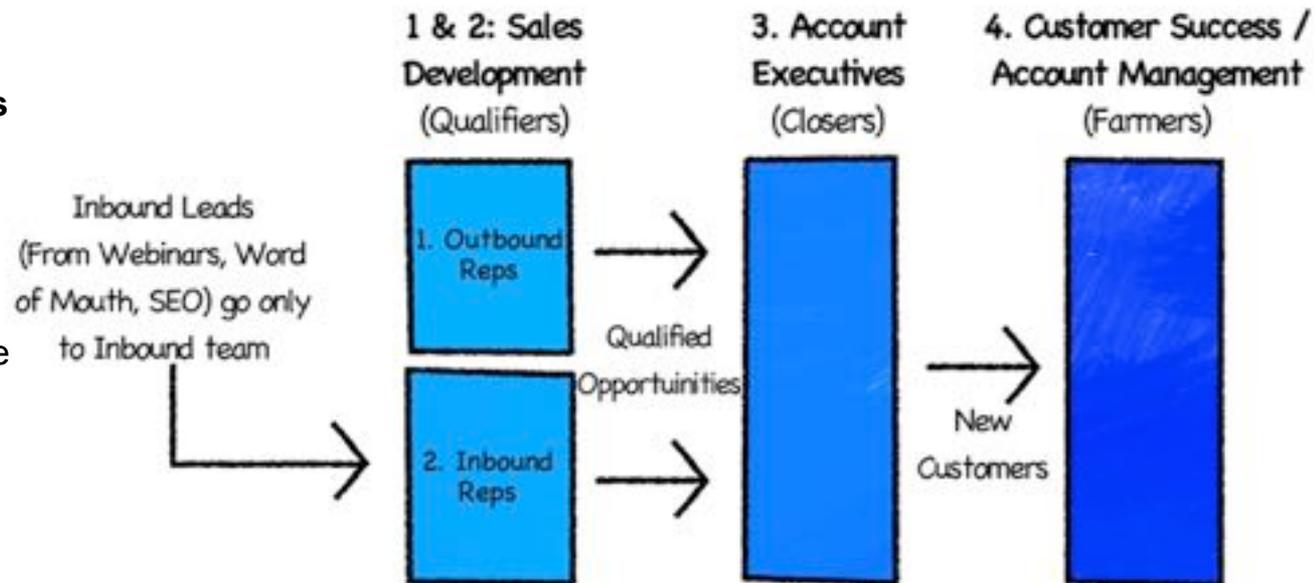
For past *Predictable Revenue* readers, this page should be very familiar! Skip ahead three pages for new tips & tricks.

**Specializing your salespeople is the #1 most important thing to creating predictable, *scalable* sales revenue.**

While every team is different and creates different flavors...there are four basic roles:

- 1) inbound lead qualification,
- 2) outbound prospecting,
- 3) closing new business,
- 4) post-sales roles - such as account management or customer success.

## Specialize Your Four Core Sales Roles



Want more details on each role? Check out [Why Salespeople Shouldn't Prospect](#)

# Specialization Snapshot @ Acquia

## Here's how Acquia's specializing sales roles

In *Part 3 of the Triple Your Sales Guide*, we laid out a case study on how Acquia built an outbound prospecting program to speed up sales growth and ensure getting to \$100M was a “when”, not “if”.

From Tim Bertrand, VP WW Sales at Acquia, here's how Acquia is specializing sales roles, on track to \$120M in bookings (\$75M in net new) for 2014.

Your ratios will vary, since ratios are affected by things like inbound and outbound lead volume, deal sizes and sales cycle/product complexity.

**Rule of thumb:** *It's very hard for a manager to be effective with more than 10 direct reports.*

- 60 quota carrying sales reps
- 20 pre-sales solution architects (1/3 ratio)
- 20 SDR resources (outbound) (1/3 ratio)
- 15 ISR resources (inbound) (1/4 ratio)
- 20 Account Managers (1/3 ratio)
- 8 Channel overlay resources
- 5 Sales Ops/Deal Desk
- 15 Management (SVP/VP/AVP/Director/Manager) ~10%

***“Invest in a balanced inbound/outbound predictable revenue model early” – Tim Bertrand***

# Specialization: Four Important Reasons To *Just Do It*

## Restructuring a sales team can feel daunting

We realize some of you still need help convincing your team to “go all the way” with specialization. It can be daunting to take a sales team that has been closing and managing their own accounts, and change...everything.

### Four Reasons To Specialize

**1. Effectiveness:** When people are focused on one area, they become experts. For example, in 10 years, we've never met a team of generalized salespeople that didn't struggle with generating or responding to leads.

**2. Farm Team / Talent:** Having multiple roles in sales gives you a simple career path to hire, train, grow & promote people internally.

This creates a much cheaper, less risky & better way to recruit than relying too heavily on outside hires. (A rule of thumb: over the long term, grow 2/3 of your people internally and hire 1/3 externally for new ideas and blood.

**3. Insights:** By breaking your roles into separate functions, you can easily see & fix where your bottlenecks are. When everyone is doing everything, it's like having a tangled ball of yarn you can't tease apart.

**4. Scalability:** Specialization makes it easier to hire, train, measure, grow & promote people across the board.

*Without specialization, you will struggle to grow any sales team.*

# Specialization: Two Common Objections

## Two common objections to specializing sales roles

### The #1 Concern: “Relationship Ownership / Handoffs”

*“Doesn’t passing a prospect or customer off from one person to another create problems? Shouldn’t the same person be building a relationship from Day one with a customer, then owning and maintaining it?”*

No – not if you have simple, thoughtful ways to hand off customers, and set their expectations appropriately.

*In fact, prospects & customers get much better service this way.*

With specialists at each step, prospects are always getting fast responses appropriate to what they need.

It’s hard for a salesperson who’s working on proposals, or traveling, to drop everything and get back right away to a new inbound lead, an urgent problem at a current customer, or to focus on much of anything important that’s not getting them to their quota this period.

So by specializing – in a way that makes sense for your business - you’re doing customers a favor too.

### The #2 Concern: “Those Four Roles Don’t Fit Us”

The core roles discussed are not absolute requirements – but a template for you to adapt.

Almost every b2b company should have at least those four roles, but there are exceptions.

Don’t be afraid to implement the principle behind specialization – **focus** – in your own way. Give people fewer, more important things to do, better.

*Also - the principle works in any team – marketing, customer support, partners, etc.*

# Specialization: Too Big? Too Small?

Everyone is different – use your brain to adapt the idea to your situation

## If You're Big

At big companies - meaningful change requires involving lots of pieces: people, politics, legacy practices & systems, making change harder & more complex.

But if you can do a small (even tiny) pilot on the side, a skunkworks approach, and prove some success – it becomes a lot easier to sell people on your new approach & create a change.

Plus, “by doing it before pitching it,” you have real experience & credibility to draw from, rather than just guesswork.

## Incremental Can Work

It's easier to add a prospecting team to your current sales org than to restructure who you have.

If everyone's struggling, you may need a drastic restructuring, breaking your team into the different specialties.

Salespeople should prospect, but only to a small number (say 5-10) at a time of important targets or partners. They should never be blasting cold lists with calls or emails unless they're doing it as a new hire to learn for a couple of months.

**If You're Small:** “*What if I only have 1 or 2 people in sales?*”

If you're small, start by *specializing your time*.

- 1) **Block out** regular chunks of time (say 2+ hours) on your calendar for prospecting or another top priority.
- 2) At those times, **turn off** any distractions.
- 3) Get a **buddy system** going with a friend or partner to keep you accountable and review each other's goals together.

# Example: How Clio Restructured Their Sales Team In Just 3 Months

Roles, quotas, comp plans, territories, Salesforce.com changes...they tackled it all at once



Clio's a fast-growing SaaS company in Vancouver, whose CEO is Jack Newton (now that's a cool action hero name!). Clio sells practice management software that helps lawyers better run firms.

Clio hit some sales team growth problems in 2012, after growing from three to 18 "generalized reps" in less than two years.

Those "generalized" reps did it all - prospecting, following up on inbound leads, closing new deals, & managing those customers.

Transforming this team of 18 generalized reps into three specialized teams of six reps each, restarted Clio's sales growth.

**The original 3 reps had it easy** – "the world was their oyster": they had a lot of inbound interest, they didn't need structure, they could cherry pick leads and deals to close a lot of business. They didn't need territories.

**By the time Clio had 10 salespeople they'd started feeling growing pains.**

\* The team was frequently stepping on each others' toes, such as inadvertently starting to work the same deals.

\* There was a lot of unhealthy competition on the team, and they wouldn't help each other.

\* Each rep's success depended wholly on themselves to sink or swim, as there was no sales 'system' or support.

# Example: How Clio Restructured Their Sales Team In Just 3 Months

## Clio went with three, not four, key sales roles

Clio's executive team felt the sales team could do much much better if they got out of each others' way and worked together to systematically break down & tackle the market.

**By the time the sales team grew to 18** generalized salespeople in mid-2012, Jack read the [Why Salespeople Shouldn't Prospect](#) article, and knew they had to finally specialize the team.

Jack saw it reducing sales team conflict, improving how they handle small deals, and enabling more outbound prospecting - especially with larger law firms.

Clio took Predictable Revenue's specialization ideas and **customized it to their unique situation**, creating three new roles:

a) Six **Prospectors**: tasked with getting into larger law firms.

b) Six **Closers** (Account Executives) tasked with closing larger law firms.

c) An "**Engagement Team**" of six reps mixing both inbound lead response and closing of small law firms/deals (firms of less than \$100 in monthly revenue).

To make this transition, Clio had to rework a lot of important sales systems: designing new roles, new quotas, new comp plans, creating a territory system (which they'd never had), figuring out which rep should go into which team, changing salesforce.com, and a lot more. So they dived in with both feet.



# Example: How Clio Restructured Their Sales Team In Just 3 Months

Be generous, not stingy, with comp through a transition makes it easier for everyone to keep working as a team

## Lessons Learned

**#1) Simplify Comp:** Past comp plans had a ton of rules and regulations around the kinds of deals that would be eligible for quota. Clio was trying to drive the right behaviors with those rules, but they created too much confusion and obstacles.

*For example:* Clio used to have a lot of rules and conditions with channel partner deals, and often salespeople didn't benefit at all if a partner closed a deal. Now, \$1 of revenue is \$1 of revenue wherever it comes from.

By removing confusing comp conditions, salespeople and partners collaborate and close much more because everyone's interests are aligned.

## **#2) Overpay Salespeople During The Transition**

During the restructuring, Clio paid the team a flat fee / fixed bonus for three months while gathering data and figuring out new quotas & goals. Clio wanted the team to feel comfortable helping switch to the new model, without distracting them.

## **#3) Create A Collaborative, Not Competitive, Sales Environment**

Fun or friendly competition is helpful & energizing. Hurtful or 'real' competition kills your team.

By shifting to territories + specialization, the sales team didn't feel anymore that it was a zero sum game.

Jack says they now have an "unbelievably collaborative sales team" that helps each other close deals, roots each other on, trades tips and best practices & sale techniques. Beforehand, this never happened.

# Getting The Most Out Of Salesforce.com (Or Any Sales App)

When it comes to apps, “less is more”

## App Overwhelm

There’s an overwhelming number of great sales & marketing apps, and app overwhelm is the problem.

It’s challenging sorting through the clutter to find the ones that are a good fit for your particular need, whether you’re selling services vs. products, small deals or large, use Gmail vs. Outlook, etc.

## Avoid “Shiny Object Syndrome”

All these apps are so shiny and new! Maybe the next one is the one that will create a magical revenue unicorn...or the next one... or the next one...

It’s a busy world and getting busier. The apps you buy should help you and teams see more clearly through clutter & busyness, not add to it. Rather than hoping The Next Great App is going to fix your problem...

**1) First, Declutter:** The first step in improving how a team uses salesforce.com or your equivalent is hiding all the stuff they don’t use. Spring clean your apps, metrics & fields before you buy more stuff to load onto your team.

**2) Fix Your Process Before Using An App To Speed It Up.** Putting a sales or marketing app in to do more of a bad process just generates extra garbage.

**3) No “Drive By App Buys” (aka No “Half-Assed Apps”):** When you bring in a new app, small or large, plan on spending double your expected time getting it set up right, your people trained, and tuning it so that it’s solid.

**4) What’s *Practical*?** It’s a wonderful vision of a whole sales team all eating their vegetables, meditating over crystals and using their sales apps regularly. Get excited about your vision, but don’t forget they are honestly busy, people and if your vision is impractical or you don’t get buy-in, it’s going to flop.

**Video:** [8 Tips To Make Salesforce.com Easier To Use](#)

# Nuts & Bolts: Metrics, Mobile & Motivation

## Hiring, metrics, mobile devices, contests...



Here are some ideas for you on day-to-day topics faced by most sales teams:

- 1. A New Spin On 5 Metrics** – data-overwhelm can paralyze you... here's a new twist on five classic metrics, plus two favorite new analyses.
- 3. Field Sales & Mobile Devices** – any salesperson who visits clients in person should probably have an iPad/tablet.
- 4. Sales Contests** – why do they flop so often, and how can you make them more engaging, impactful & sustainable?

# 5 Sales Metrics That Explain Everything

with Fred Shilmover, CEO of InsightSquared (1/4)

## Are you giving reps too many opportunities every month?

Are you using these classic metrics as insightfully as possible?

### 1) Metric: # Open Opportunities in Total and per Rep

Measure the total number of open opportunities each rep is working at *any given time*, and understand how many total new opportunities they should be getting per month – not too few, not too many.

*What to do with it:* Your reps should get a sufficient inflow of new opportunities to have a steady number to work in their pipeline a) giving them enough opportunities to hit their number, but b) without overwhelming them so balls drop.

A common number for a SaaS rep doing low-five-figure deals to juggle is 25-30 opportunities. Yours may or may not be different.

*For yours:* Look to your own history. How many have your best reps juggled? Does it vary much by segment, type of customer or average deal size? When was it too many?

This metric also gives you a sanity check if you need to grow your open opportunities a lot (crank up lead generation), or if your team is overwhelmed and you need to hire more salespeople.

### 2) Metric: # of Closed Opportunities in Total & per Rep

Measure total opportunities closed including both *closed-won* and *closed-lost* opportunities. (See the next page for a sample picture.)

*What to do with it:* Your reps should be closing a certain number of sales deals each month (whether won or lost). It's a form of "throughput".

If they're not closing enough total opportunities, drill down: are they light on deals? Not closing effectively? Is their pipeline full of "hope" that never goes anywhere? Are they not updating the sales system?

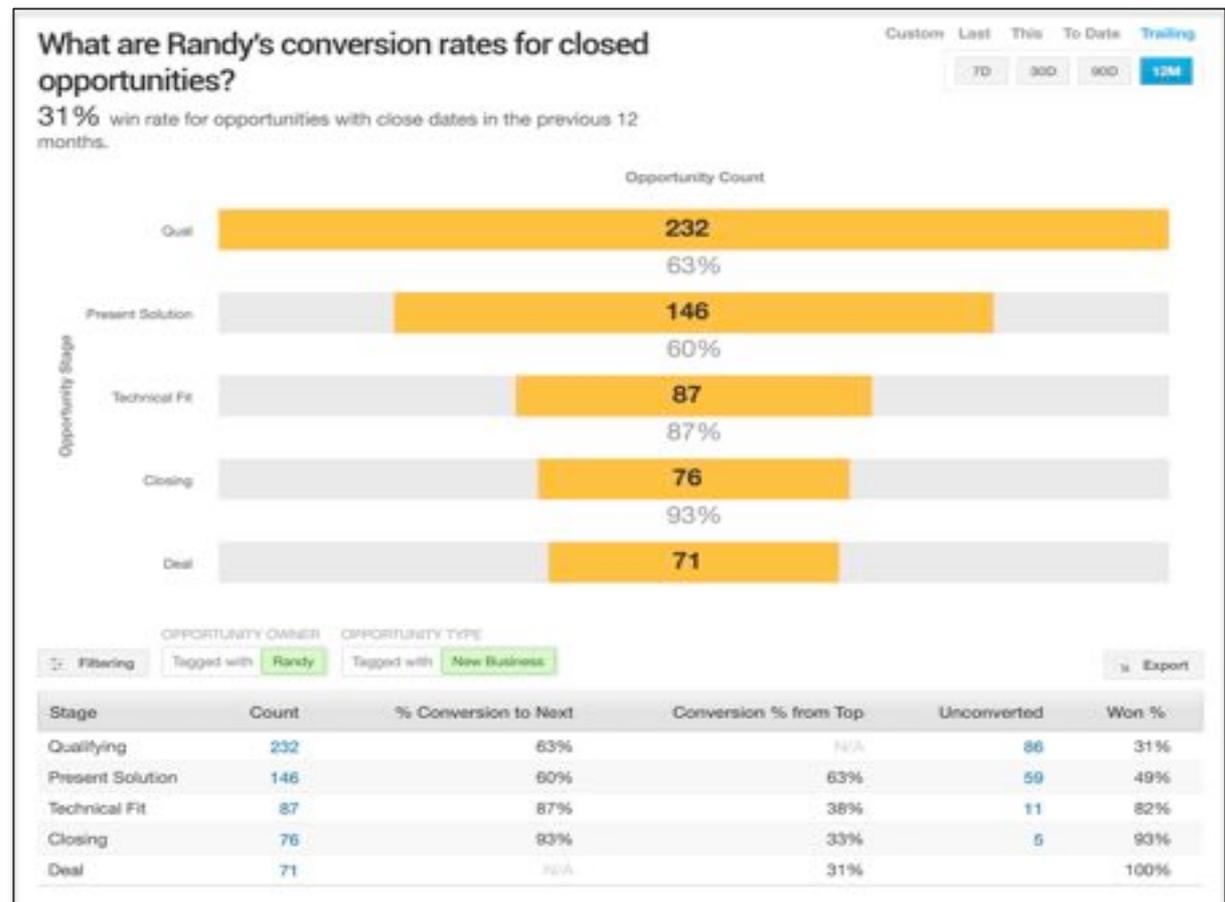
# 5 Sales Metrics That Explain Everything

*with Fred Shilmover, CEO of InsightSquared (2/4)*

It's common for sales teams beginning to scale up to see win rates drop. Is it because of the new people? Has lead quality or management quality changed? Or packaging, pricing or website changes?

You need to drill in and see exactly where opportunities are falling off, in order to get to the root cause.

The image to the right (via InsightSquared) shows you which stages have what drop-off rates, to make it easy to zero in exactly on bottlenecks.



# 5 Sales Metrics That Explain Everything

with Fred Shilmover, CEO of InsightSquared (3/4)

## High win rates aren't "good", low ones aren't "bad"

### 3) Metric: \$ Deal Size

Measure the average value of your closed-won deals.

*What to do with it:* Knowing this metric will make it easy for you to spot opportunities that fall outside the normal deal size (say 3x greater than average) and flag them for special attention.

Also, if the trend shows an increase in smaller won deals, perhaps some reps are focusing on small fish. Or perhaps your reps are increasing discounts.

If you see a new trend in average deal size then you need to dig into pipeline mix or discounting practices to understand why.

### 4) Metric: Win Rate

Measure the number of closed opportunities, in a specific closing period, that you won =  $(\text{Closed Won Opportunities}) / (\text{Total Opportunities: both Closed-Won} + \text{Closed-Lost})$ .

This won't mean much unless you can watch it trend, or use it to A/B test reps with similar segments, or compare against companies similar to yourself.

*What to do with it:* "High" win rates aren't good; "low" ones aren't bad – either give you a chance to get smart about your sales system, to spot areas of success or problems.

For example, if your win rate is high, maybe your pricing is too low!

The simplest way to start increasing your team's win rate is to find the 1-2 most problematic steps in your process, and then look **both** 'inside' (ex: a better demo process) and 'outside' the team (ex: an easier free trial, or simpler pricing)...

# 5 Sales Metrics That Explain Everything

*with Fred Shilmover, CEO of InsightSquared (4/4)*

## Don't assume, investigate

Look at your sales funnel and understand conversions through every stage to closed-won. If most reps are struggling in the same area, then don't blame them, it may be something outside their control. Nominate an investigator to find the truth of what's going on.

If specific individuals consistently have much higher or lower win rates, don't be too quick to jump to conclusions & criticize or compliment them. First look at their data first to find out "why" & learn from it. A sales rep with the highest consistent win rate may be talented at sales – or talented at sandbagging / cherry picking.

Don't "assume" – investigate. Look at win rates with other data to get the whole story. Example: win rates for word-of-mouth leads (Seeds), should be much higher than marketing (Nets) or outbound (Spears) generated leads.

### 5) Metric: Sales Cycle

Measure the average duration or time (typically in days) it takes your team to win a deal, and ideally how long opportunities spend in each sales stage.

*What to do with it:* The best use of this metric isn't to see how fast you are; it's to get smart about whether your current deals are on track or in trouble.

An opportunity has lingered in the same stage 3x longer than the average? Uh oh, flag it!

Faster isn't always better – focus on learning what the "right" timeframes are that create successful deals and customers.

For example, sometimes customers move too fast for their own good, and rush into a deal that later blows up because they didn't do their own diligence.

**Our Uber-point:** rather than judging these metrics as high/low or good/bad, use them to drill into your sales systems and get smart about what affects them the most.

# BrightPearl's Two Favorite Sales Analyses

## Two analyses that helped the US division grow 5x

In 2013, the execs at UK-based BrightPearl – which sells online ecommerce services to retailers – were trying to scale their sales team when they came to a realization: they needed better visibility into their sales process to figure out what was / wasn't working, and they just weren't getting it from their sales/CRM system. (Ouch, but also pretty common.)

Carter Perez, SVP of Sales Americas & Tom Glason, VP of Sales EMEA, had 3 questions they needed to answer in order to grow as quickly and successfully as possible:

- 1) How can we improve our reps' sales activities through data-driven coaching? (Rather than guessing.)
- 2) How can we prioritize our sales opportunities to optimize how our reps spend their time?
- 3) How can we accurately forecast which opportunities will close, and our end-of-quarter bookings, using data rather than guesstimating?

The chaps at BrightPearl discovered [InsightSquared](#) (which has salesforce.com as an investor), and in days began getting actionable insights from their existing sales data, including answers to those 3 questions.

We're big fans of salesforce.com's reports & dashboards for basic visibility into your sales pipeline, but there's a lot they can't do and many (ok, most) users find them cumbersome.

BrightPearl uses InsightSquared to enhance salesforce.com by linking activities across sales and marketing to actual sales, and better track their "Seeds, Nets and Spears" lead generation metrics.

On the following pages are BrightPearl's two favorite sales analyses, which they used to help their U.S. sales team almost 5x its contribution to global revenue from 8% to 38% in less than 6 months.

# Analysis #1: Pinpoint Sales Coaching With “Sales Funnel By Employee”

**This analysis pinpoints which stages give which reps the most problems, for data-driven coaching.** It helped BrightPearl’s managers to increase new sales hires’ revenue by 32% in their first six months over past hires.

In the “before and “after” sales funnels below of a rep, you can see on the left where the sales rep is struggling (look for the steep drop-offs). The sales rep started with only a 5% Win Rate. With targeted coaching, the rep ended up winning almost twice as many deals – 30 deals vs.16 before – from half as many opptys - for a 4x better Win Rate.

For example, by zeroing in on improving demo and qualification skills, he doubled (67% vs. 38%) his effectiveness at moving prospects from “Present Solution” to “Technical Fit.”

## BEFORE: 5% Win Rate



## AFTER: 21% Win Rate

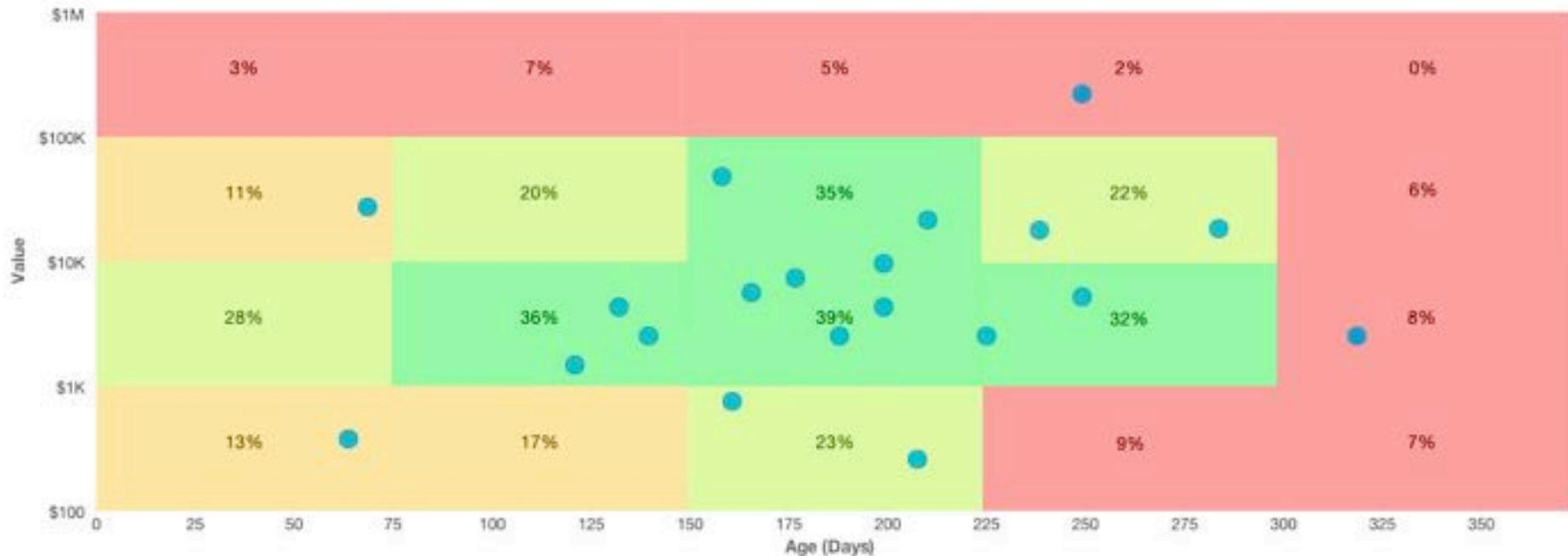


# Analysis #2: Prioritize With A “Sales Strikezone” Heat Map

BrightPearl reps often juggle 30+ deals per rep at any one time. This “Strikezone Report” helped sales reps increase revenue 28% in a few months by helping them instantly separate out the high-probability deals from low-probability ones. It plots open opportunities in a rep’s pipeline (the blue dots seen below), which are overlaid on a “heat map” displaying the Win Rate for historical opportunities of the same age and deal size...

## Which opportunities am I most likely to win?

20 opportunities above average win rate of 20% in the next 90 days



# In The Field? Where's Your Tablet?

## Field Sales Is Still Sexy

Building a killer sales model isn't about being 'the cheapest' or moving as much out of the field and into "inside/remote"...but finding the right balance of inside & field sales for your situation.

Inside sales has been growing MUCH faster than field sales for years, but don't forget field sales can be wonderfully effective, whether with local businesses, manufacturing plants or any well planned onsite meeting.

We'd be suspicious of any company with a "100% inside" or "100% outside/field sales" model – it smacks of extremism either way. *Where does it make sense for your sales or success people to increase in-person visits?*

## Social Doesn't Replace In-Person

Facebook, Twitter and LinkedIn only create the illusion of human connection, not the real thing. Unless those online connections translate to a phone call or an in-person meeting, they rarely matter and in fact can be harmful as distractions.

Make sure you treat social media as a *complement* to calls and meetings, not a replacement.

## Tablets Are Changing Everything

So while this may be a "duh" to you in the field - an even bigger impact than internet / online services like salesforce.com - are the millions of tablets being put into the hands of remote salespeople.

## Why Buy 'Em For Your Field?

**1. Easy, Simple, Clean:** Laptops can be very cumbersome, cluttered and even ugly. Laptops take longer to open, power up & search...while with a tablet, whip it out & go!

**2. Always Up To Date:** Ensure that field reps have the most up-to-date content automatically with tablet apps. When you publish new content via email or a portal, all your newest stuff is guaranteed to be lost in the clutter.

**3. Instant Objection Handling:** With easier access to more and better content on a tablet, a salesperson can more easily answer any objection a customer has right there on the spot, rather than saying "I'll get back to you" and risking their momentum.

# How Electrabel Created 10 Extra Hours A Week Per Salesperson (1/2)

There's still no better way to learn fast, build relationships & differentiate than with in-person meetings

Electrabel is a ~5000 person division of GDF Suez (a \$100 billion+ power company). Electrabel produces and sells electricity, natural gas and energy services to retail and business customers.

## Less Admin, More Selling

The energy markets have been chaotic the past few years, and Electrabel needed to reorganize its sales team to be more flexible, waste less time and have more, better sales visits, through:

- More *useful* time with customers
- More *consistent* sales messaging
- Less prep, admin and office visits

## Collateral Hell

A main problem for salespeople was the profusion of customer content and collateral, often outdated, and in different locations, such as electronic versions on shared drives and (somewhere) in email, or paper versions stashed in closets and car trunks.

Salespeople found it very cumbersome to pull up just the right information at the right time to share with their customers.

And each salesperson printed 2300 pages (!?) per year on average.



Electrabel wanted to make it simple for their reps to access a marketing-managed library of all their content & collateral on their iPads/tablets.

Electrabel bought tablets, developed a mobile approach & decided to use [Showpad](#) as their main mobile sales app.

# How Electrabel Created 10 Extra Hours A Week Per Salesperson (2/2)

Their mobile strategy cut down admin so much, salespeople were able to hold an extra five (5!) customer visits a week

Reps now can easily find the collateral they need, and they know that it's 100% current.

## What's So Great About That?

**#1) Five Extra Customer Visits / Week:** They cut down *drastically* on the hours reps spent preparing for and following up from meetings.

**#2) Save Hassle & Money:** Electrabel's saving the time and expense of each salesperson printing an average of 2300 pieces of paper (!?!) per year.

**3. Don't Have To Build It Themselves:** Yes, your tech group would think it's cool to build mobile apps themselves (and it'd be great for their resumes), but rather than developing and maintaining an in-house custom tablet apps, companies like Showpad can do it cheaper, faster & better.

**4. Instant Objection Handling:** If a prospect asks any obscure question such as "How much power does it require?", a rep can pull up say, an Installation Guide, to answer the question on the spot, rather than via email day(s) later.

**5. Measure Usage:** Marketing can actually report accurately on what content pieces are being used - or ignored.

**6. Reps Can Sell In The Moment, Not Later:** A rep can instantly pull up the few, best additional products or services a customer should consider buying and using (in fact, 67% of the reps presented more products than they'd planned on before the meeting.)



# 3 Keys to Successful Sales Contests:

## *Make Them Fun, Fair, Visible (1/2)*

### Sales motivation...and why contests fail

Contests are a popular tool used in almost all sales organizations to motivate and rally teams around a specific goal. Sometimes they work great – but often they flop and are just distracting.

Contests can be highly motivating to salespeople, managed the right way. Because **like athletes** they like a **good challenge**, they want to be part of a **winning team**, and they want to be **recognized**.

So what makes the difference between one-hit-wonder contests and a repeatable way to run them? Like anything, you can't treat them as something to throw together one time in a spare half hour you have...

#### Problems With Contests

\* **They can be a pain to set up.** It takes *more time than you realize* to come up with fresh ideas, create the rules, assign points and determine & award the prizes.

\* **Too complicated.** Contests with too many rules and steps can make it hard for the team to understand what they need to do to win.

\* **Too much manual effort.**

Tracking everyone's status, verifying results & publishing updates gets time-consuming. Reps can quickly lose interest in or forget about the contest if it's not kept current.

\* **They don't feel fair:** If the same top performers always end up winning, others begin to give up before beginning, or when the 'gap' widens too far.

\* **The contest isn't compelling.** Contests that run for months are easily forgotten...or, the structure, tracking & rewards aren't compelling enough. The contest becomes more of a diversion than fuel for sales.

\* **They overly depend on money / prizes.** Prizes are great, but don't forget bragging rights and recognition. Mix it up with low-dollar prizes, high-dollar prizes, dinner with the CEO, etc.

# 3 Keys to Successful Sales Contests:

## *Make Them Fun, Fair, Visible (2/2)*

### Make sales contests badass, not boring, for your sales athletes

The experts at Hoopla, a company that specializes in sales motivation software (with customers like Glassdoor, Experian, Marketo, The Sacramento Kings, and Zillow), have some tips on how to make contests work:

**1) Motivate *play-by-play*.** Imagine if your favorite team's coach only focused on motivating the team to win ("win win win!"), but never coached them on how to *play better*. A burst of extra work helps, but doesn't lead to sustainable improvement without *better skills*.

How can you focus them on *getting better* at taking the *right actions* with the *right people* that lead to results?

Whether it's the # of phone conversations, demos or "sales-accepted opportunities", focus contests on motivating these 'leading indicators' rather than just the end result.

**2. Make it fair.** When you focus only on end results, it's too easy for top performers to coast to victory regularly. They aren't challenged and other players don't feel like they have a chance to win, so they give up early.

Try other approaches, like measuring progress toward goals as a %, which levels the playing field for new reps & reps with varied territories & quotas.

**3. Make it visible.** At a sports game, imagine if everyone waited until the end of the game or season to celebrate a win? No instant recognition for a great reception, basket made or goal.

That constant energy from the team / audience / coaches helps keeps players amped up, right?

Did someone give a great demo today...hit an appointments goal ...score a renewal...**recognize your reps early, often, and publicly.** Instant, visible recognition is highly motivating not only to the rep who made the sale, but gets the entire team fired up to win.

# How Glassdoor Re-Energized Their Sales Team To Beat Quotas (1/2)

## Has your sales manager ever gotten a standing ovation?

It's more and more common to walk into a sales office these days, and see a bunch of bigscreen TVs around displaying live sales leaderboards.

Sometimes they're showing live monthly sales goals, sometimes live sales contests leaderboards.

Glassdoor is a free jobs & career community where employees post anonymous reviews of the companies where they work.

Nick Boeka is a sales operations manager at Glassdoor. He wanted an easy way to better motivate and focus the sales team.

Nick found Hoopla (Hoopla.net), one of those apps that makes it easy to create contests and leaderboards to track and showcase rep performance on ESPN-like leaderboards on big screen TVs & computers around the office. Remote reps can view it all on their computers & mobile devices.

Nick signed on with [Hoopla](#), bought some HDTVs and had the application up and running the next day. It integrates with Glassdoor's salesforce.com system, streaming live sales updates as they happen straight from Salesforce to the TV screens.



The televised challenges and leaderboards were an instant hit with the Glassdoor sales team. "I've never gotten a standing ovation before, but that's what happened when we did the live presentation of Hoopla to the sales team," says Nick.

Unlike the manual contests and updates Glassdoor used in the past, Boeka found that broadcasting sales updates with an app had a much more powerful and immediate effect on the team's performance.

# How Glassdoor Re-Energized Their Sales Team To Beat Quotas (2/2)

## Live leaderboards & contests helped increase the team's sense of urgency + sales system adoption shot up

But putting in live leaderboards did more for Glassdoor than add some extra initial excitement. It helped push the company's sales performance to new levels. For example:

**Urgency:** Reps at Glassdoor went from hitting 85% of their goal of 'appointments booked' to hitting 125%. "Reps who've been here awhile, who may have been getting complacent, are sparked again.

I've heard them yell things like "John, I'm coming for you!" says Nick.

**100% Engagement:** The "fun / live / visible" format doubled engagement. For example, Nick ran a "March Madness"-themed contest to track appointments set. With the new system, 100% of the team participated, compared to 50% of the team in the past.

**Performance:** By focusing reps on key activities & goals, Glassdoor's reps started consistently beating their quota; and even newly ramping reps achieve 80% of quota. "New reps immediately understand what they need to do to be successful, they can see it on the boards, which is very motivating," Nick explains.

**CRM Adoption:** Nick says Salesforce user adoption shot up. Why? If a rep doesn't keep her stats current in Salesforce, he/she'll soon lose her position on the leaderboards.

As a result, the team went from tracking 70% to 100% of its key metrics in Salesforce. (Whoa!)



# Coming In 2015

## We're just getting started...

Thank you for reading this selection of highlights from the coming full version of *The Predictable Revenue Guide To Tripling Your Sales* (to be available in ebook/Kindle, paperback & audio editions in 2015).

The full version will expand on more areas such as:

- Key Metrics
- Making More Money
- Unique Genius
- Phone & Email Sales Techniques
- And more...

To automatically get updates and additions, make sure you're on our mailing list at

[www.PredictableRevenue.com/triple](http://www.PredictableRevenue.com/triple)

