CEO's Guide to Building Company Value with Sales & Marketing

Many technology companies are engineering-driven, headlining a value proposition based on the promise of innovation to create change. In industries like optics and photonics, which have made a shift from art to science with the creation of deterministic manufacturing, leaders are just beginning to recognize the possibility and necessity of changing their sales and marketing mindset from art to science as well.

To gain market share and company value, CEOs must decide to make sales and marketing as much of a core competency as their engineering.

For over 30 years, we've helped to develop the strategy and execution of sales and marketing plans that build a competitive advantage and increase company valuation. We do this by creating defined, repeatable processes that are aligned with customer needs and expectations.

Customers' expectations have been changing dramatically over the past decade, and are continually shifting to this day. This is primarily due to changing demographics and a shift in how consumer purchases are made. While B2B complex sales are inherently different than shopping for headphones on Amazon, decision making still comes down to *people*— and their changing habits, preferences, and perceptions.

Changing Customer Expectations

Over 40% of the current workforce is exiting as Baby Boomers reach retirement. Digital Natives, Millennials, and others who've never experienced life pre-internet are now involved in the majority of B2B purchasing decisions.

It's not just the much-maligned Millennials whose behaviors have changed. We have all become phone averse. The lines between our work and non-work hours have blurred. As such, our collective decision-making processes are now far more research-focused than ever before.

The statistics prove out this shift:

- **89%** of buyers have identified potential solutions before engaging with sales
- **40%** of your traditional customers are retiring
- In 2007, it took **3.7** calls to connect. Today, **18 calls** to connect with a buyer.
- **82%** of buyers viewed at least **5** pieces of content from the winning vendor.

- **78%** of salespeople using social media outsell their peers who don't.
- **9 in 10** buying decisions are made with peer recommendations
- More than **50%** of companies take more than **5 days** to respond. 7% respond in 5 minutes—and are **9x** more likely to close.

Engineering-driven customers often encounter challenges in establishing and prioritizing sales and marketing. Sales models often focus on product instead of problem—the challenge the customer is facing. Traditional models reinforce this: a linear sales funnel, vs the customer's actual buying process.

The goals of the sales team are also often at odds with engineering and production; sometimes, out of a lack of understanding, sales reps are not given the same respect as their colleagues in other departments. In fact, *sales* is sometimes a dirty word: a career path that isn't considered by those with engineering acumen.

This causes a disconnect that the customer can see and feel: in quoting, delivery schedules, and customer service.

Focusing around customer needs helps to:

- Create company alignment
- Improve product development

- Increase retention and motivation, as employees understand the impact of their work
- Create competitive advantage

Enter: The Flywheel

By shifting from a sales-focused funnel to a customer-focused flywheel, we change the mindset to growing revenue and profits by focusing on customer value. Customer value is not only defined by selling them a solution, but also the pre-sale process. That value simply continues to develop through the lifecycle of each customer relationship.

As an engineering concept, the flywheel makes inherent sense: design the system to support your growth. The flywheel needs to be scaled to fit your goals and designed around your customer, while maximizing force and minimizing friction to gain speed and power.

Traditional Model: Funnel
Linear, Transactional

New Model: Flywheel
Customer at the Center
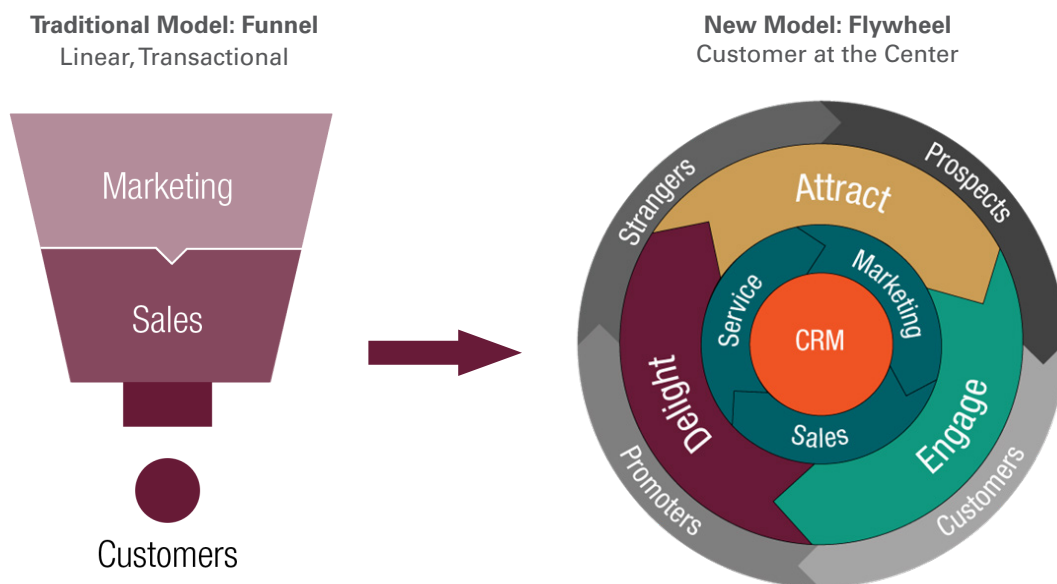
Looking at the entire system, there are several common sources of friction in the companies we work with:

- Quoting: slow quotes express disinterest or ambivalence; slow delivery times; do not capitalize on customer's window of interest.
- Disconnect or dropped threads during handoffs: sales-to-service, prototype-to-production, or production-to-assembly.
- Lead follow-up: inconsistency or disconnect in responsibilities and expectations.
- Difficulty or bottleneck in the last step of engagement before close: Difficulty in demo-ing, strain on salespeople for live visit, etc. One tech company set up mini web demo rooms with white boards and trained their engineers to give great demos remotely.

We've noticed these ways to increase force:

- If you have a marketing budget and understand ROI per activity: up your spend in top-performing categories.
- Accelerate your inbound marketing and sales efforts. If you blog twice a month and need to increase traffic and leads, experiment with 4x/month. If you've budgeted for 1 FTE in sales, experiment with which stages could benefit from another ¼ or ½ FTE. Measure the results and ROI.
- Create a new channel for leads. If you're reliant on inbound, try a measured experiment in outbound. Heavy on tradeshows? Increase efforts in SEO.

Sales & Marketing Manifesto

A customer-focused, data driven sales and marketing strategy requires a shift in philosophy and values:

- Respect the customer—This means far more than "The customer is always right."
    - We must accept that their timeline is theirs to decide.
    - Perception is reality
    - It is not about overcoming objections but about exploring for fit
- Long-term successful partnerships drive revenue. To achieve that success, not only does the technology need to fit the problem, the company values must also be in alignment. Shift your brand mindset from *logo* to *culture*.
- It's not about the pitch—it's about getting to the table and asking great questions.
- Data takes the fear and desperation out of sales. Great sales people are hungry but not desperate. They cultivate curiosity and know they'll never close 100%. They know their numbers and their qualifiers, and pursue best fit deals.
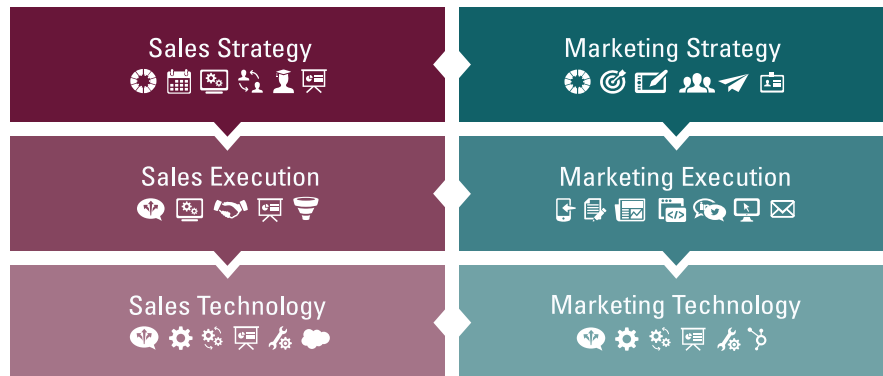
Creating Your Sales Organization

The CEO/Founder often starts out as a one-man sales and marketing organization. When you finally get the chance to design the system, take advantage of this opportunity to capture and evaluate activities you've been doing intuitively, and introduce scalability into the architecture of:

1. The stages of your sales process
2. Your sales toolkit: elevator pitch, capabilities presentation, product datasheet, FAQs, etc.
3. Your philosophy and promise to the customer

Outsourcing can be an effective way of rapidly establishing sales and marketing competency and reaching the next stage of growth. Whether you hire in-house marketing and sales or partner with outsourced companies, it's critical to establish the system and tone of the sales and marketing process.

A scalable sales and marketing engine requires a mix of specialized skills:

Sales Strategy	Marketing Strategy
Sales Execution	**Marketing Execution**
Sales Technology	**Marketing Technology**

If you were to build up an in-house team, this would require a number of full time specialists:

- VP Sales
- Sales Manager
- Inside Sales
- Outbound Sales
- Business Development Manager
- Salesforce Admin
- Salesforce Developer

- Director of Marketing
- Technical Writer
- Web Developer
- Web Designer
- Graphic Designer
- Tradeshow Coordinator
- Social Media Manager
- SEO Specialist

Outsourced retained support is a cost-effective approach for roles in which you need top talent and experience but can't dedicate full time resources and overhead. For example, Launch Team designs retainers to fit a company's revenue targets, allowing for a full team of specialists within their budget.

As a CEO who has the skills and personality to be successful in selling in order to reach this stage of growth, the mindset shift requires:

- Clarity of vision
- Developing the sales and marketing plan and presenting it to your team
- Moving from selling to coaching
- Emphasis on keeping promises and establishing accountability throughout the organization
- Mastering the numbers—setting clear and predictive Key Performance Indicators (KPIs)
- Establishing the cadence for sales and marketing—what activities are required every single day to reach outcomes? As CEO, what one thing will you do **every day** to impact sales?

Developing the Sales and Marketing Plan

A solid business plan includes:

Vision
Mission
Value Proposition
Goals
Strategy
Plans
Key Performance Indicators

To help align your team around measurable goals and a clear sales and marketing strategy, your team needs to understand:

- **Vision:** What does the business look and feel like in 3-5 years?
- **Mission:** What is your promise? What impact will you make on your customers and the world around you?
- **Value Proposition:** What is your competitive advantage or 'sweet spot'?
- **Goals:** Specific, measurable, time-delimited
- **Strategy:** How will you achieve these goals? This should include target markets, sales channels, marketing strategy, SWOT
- **Plans:** What initiatives are required this year to implement this strategy? May include hiring/outsourcing of resources, staff development and organizational changes, establishing accountabilities, new product launches, etc.
- **KPIs:** What are the few metrics you'll watch each week and each month that are predictive of your ability to achieve your goals?

Hiring for the Next Generation Salesperson

A common first step toward sustainable growth is the hiring of the first dedicated salesperson.

The most frequent question I receive at industry events is this: "If I had to choose, should I choose a strong salesperson without engineering knowledge, or a technical expert without sales experience?"

Particularly in engineering-driven fields, knowledgeable salespeople with technical 'chops' are one in a million. If you can't find both in one person, I'd take the engineer with the motivation and commitment to engaging in behaviors that will work.

The next generation salesperson is not the guy with the rolodex—the one with a personal network. It's someone who can provide value and expertise, ask smarter questions, and follow a data-driven methodology.

A data-driven, customer focused, and educational inbound strategy provides this type of salesperson with qualified leads as well as a comfortable problem-solving, consultative role. **The CEO's challenge is to:**
- Build the system
- Measure outcomes
- Coach and guide

But what should you measure? CEOs need to identify the pieces they can control:

Behaviors	Milestones	Goals
Activity types	Quota attainment	Revenue
Activity volume	Pipeline size	Market share
Account plan completion	Territory coverage	Customer retention
Time allocation	Upsell/cross-sell	

Designing your sales compensation model is an art in itself. One of the most eye-opening chapters of the classic *Freaknomics* was the real estate broker's clear motivation to sell faster, even at a lower selling price. Concentrating on the short sale serves the salesperson, but not the customer — and ultimately, not the company. This is a clear example of the value in aligning your goals, your customer's goals, your sales plan, and your compensation plan.

Are you measuring and rewarding the right behaviors?
In a complex sale, create timeliness and urgency around controllable, measurable behaviors
Real estate agents sell their own homes on average of 10 days later - because their compensation model rewards for faster sales at a lower sale price.

Sales and Marketing Strategies for Every Stage of Growth

From start-up company sales to succession planning and business exit, your areas of focus in sales and marketing will change.
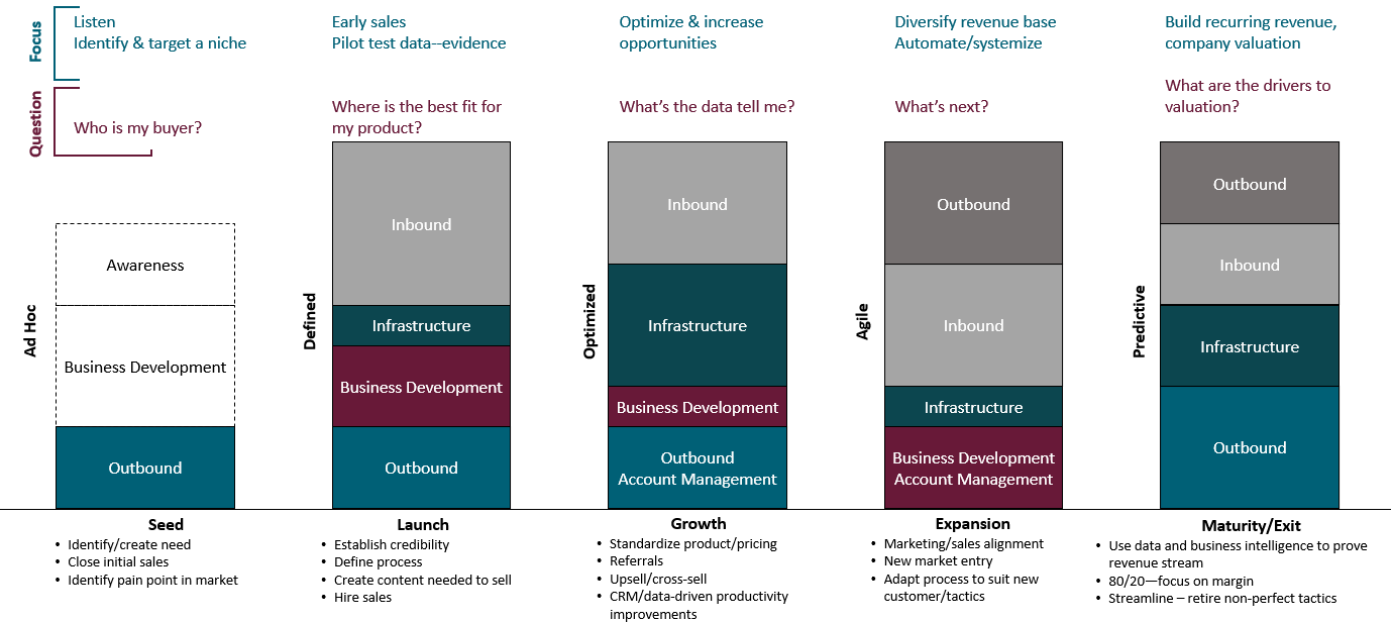
The above chart demonstrates the changing priorities at each step of the company's growth. While in Seed and Launch stages, your CRM may be as simple as a spreadsheet, in order to move toward growth, you'll need the advantages of sales and marketing technology. Your priorities may be:

Stage	Infrastructure	Outcomes
Seed	None—simple web page to establish presence	Customer discovery
Launch	CRM—spreadsheet	Define the sales process
Growth	CRM Marketing and sales automation (ex: HubSpot, Salesforce)	Capture best practices to improve effectiveness Create efficiencies
Expansion	CRM, integrated with customer service, ERP, e-comm, etc. Marketing and sales automation	Optimize automations to better reach existing market Explore new markets which may be more 'self serve' or whose expectations of sales are different
Maturity/Exit	CRM, dashboards with predictive forecasts Marketing and sales automation	Demonstrate brand value, revenue potential Demonstrate scalable growth potential

There are good and affordable tools available at every stage of growth. LaunchTeam is both a HubSpot and Salesforce partner with experience in a broad range of toolsets. Whatever the tool, its success depends on clear goals, outcome expectations, and commitment to the ongoing work required to realize ROI.

Conclusion

In the shift from *doing* to *leading*, early and thoughtful design can ensure a sales and marketing system that is:

- Predictive
- Measurable
- Effective and efficient

Need help getting started? Book a free consultation at **launchsolutions.com/contact**