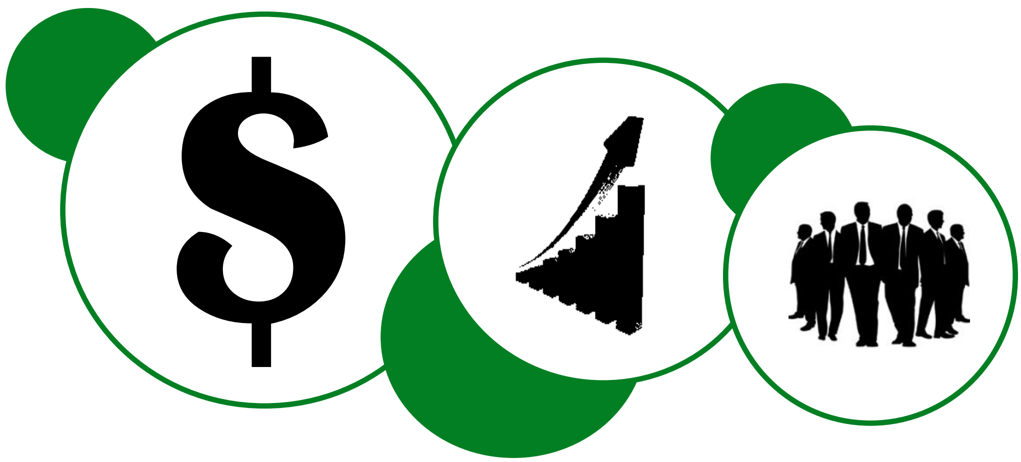

BUILDING A STARTUP SALES TEAM

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Content

Chapter 1

Building Your Sales Team

It's a big step forwards for a growing company when adding new people to the team. It means that that leaders need to spend more time leading and less time doing.

One of the most challenging team members to plan for, hire, onboard, and manage is a sales person.

This is especially the case for someone that has not spent a lot of time in sales or managing a sales team. This whitepaper will provide several suggestions that will help your organization find the right sales person and help then become a successful member of the team. It will cover:

- Challenges faced by startups in the hiring process
- Interview tips
- Sales compensation plans
- Tips for getting your new salesperson onboarded efficiently and contributing right away
- Communications plans for startup sales teams
- Getting a new salesperson familiar with your CRM system

QUICK TIPS

Know the type of salesperson you need.

Celebrate all wins – not just closed leads.

Make sure every rep has a chance to both participate and lead.

You will need an aggressive sales rep to find success as a startup company

The sales person you hire will need to be the team. They must be competent in a number of areas.

Ask for current examples of success. Be wary of old wins.

Inspect what you expect from your new sales rep by monitoring how they are using your CRM.

Chapter 2

Hiring the Right Person

One of the most important steps in hiring a new sales person is determining the type of sales person that you will need.

What role do you want them to play for the sales team? What is the most pressing need on your team? A very senior person may not want to do the hustling or things like cold calling, while a person too junior may not be able to get meetings with the right senior contacts.

Here is a list of things to think about when starting your search for your next great salesperson:

The Need To Be Proactive

One of the challenges of being a start-up is that people aren't aware of your company and leads are not yet flowing in.

The Sales Rep will need to aggressively leverage a base of existing contacts, but will also need to cold call. Does the potential hire have expertise with this? Is it something they want to do?

Can't Use The Company Name To Get An Appointment

Understandably, your new company will not have the same profile as an established company. It will mean your new sales rep will have to work harder with all outbound sales efforts to establish credibility with potential customers. Make sure your hire is willing and able to project confidence and supreme credibility.

Tip

You may need an aggressive salesperson to find success as a startup

Chapter 2

Hiring the Right Person

Small Expense Accounts

There may not be budget for sporting events, large trade shows, rounds of golf at expensive courses, or frequent business travel.

Your sales rep will need to leverage tools like webinars and conference calls instead of face to face meetings. When they do meet face to face, it will need to be planned out well in advance to keep costs down, and involve as many prospects or customers in a close geographic proximity as possible.

Not The Right Mix Of Sales Strategy And Hands-On

The average sales rep from a large enterprise will not have experience working on sales strategy. They have not had input into their sales compensation, creating a value proposition, or aligning a limited marketing budget to the sales effort. Conversely a sales leader from a larger firm may not be able or may not want to make a cold call or attend Networking events.

The Need To Be The Team

The sales person you hire will need to be the team. There may not be resources available to help with meetings or to qualify a prospect. They will need to be confident enough to do these things on their own. They may have to come from an environment where they didn't have technical resources and product specialists available to them.

Chapter 3

Interview Tips

Hiring for a sales person is unlike hiring for other positions. The difficulty can be compounded if the person doing the hiring does not have much experience hiring sales people. Keep these tips in mind:

Situational Questions With Real Answers

The most important component of my interview process is to ask situational questions. Examples could include questions such as:

- Tell me about the most important sale of your career and why you feel that way?
- Tell me about your biggest sales disappointment and what you learned from it?

The answers can be very telling about what is actually done, instead of just how situations would be handled hypothetically. It is also interesting to find out how long ago the situations happened. Be wary of the candidate that has all the answers coming from situations that occurred 10 years ago.

Understand The Role You Are Hiring For, Both Today And Tomorrow

When you are a growing company, you are often hiring a VP of Sales that needs to provide a sales strategy as well as being your main sales rep as you grow. Some candidates may be good at one and not the other. Make sure you explain the role and ask questions for the different experiences that are relevant.

Tip

Ask for current examples of success. Be wary of old wins.

Chapter 3

Interview Tips

Make Sure Your Sales Compensation Plan Is Set And Review It With The Candidate

One of the biggest issues that lead to employee and employer dissatisfaction is differing set of expectations. The sales compensation plan should help to guide all aspects of the sales professional's activities. Make sure they understand the plan and the expectations you have set. The next chapter will review sales compensation plans in more detail.

Be prepared for the interview

This sounds ridiculously obvious, but some managers go down a candidate's resume and ask ad hoc questions, and think they've done a good job. We suggest creating a set of questions specifically for each position that you plan to hire for. You don't need to ask every question to every candidate, but you should be asking most of them.

Some good candidates may not have much sales experience

Many growing companies cannot afford to hire expensive and experienced sales resource. When hiring new grads or sales people with little sales experience you need to change the questions. The key is to find out if they are a hard worker, intelligent, willing to learn, can work independently, and can put themselves in sales like situations. There are still many situational questions that can be asked about school or their jobs that will lead you to evaluate these attributes.

Chapter 4

Sales Compensation

The fundamentals of good sales compensation plans are the often the same.

Fixed vs. Variable Compensation

A good sales compensation plan has both fixed and variable compensation components. Often it takes time to make a first sale, meaning even an experienced rep can get frustrated and leave. With growing companies, sales resource also have to help with non-sales related items for the benefit of the business, and a fixed component can help with this.

Have A Target On Activities

Before revenue, there are the activities that lead to revenue. Paying on activities means things get done so the revenue can arrive. Our favourite targets include qualified meetings, demos, and proposals.

Pay on Revenue

Revenue is the best target for a sales rep as it's often easier to determine than margin or profit. We recommend not giving reps ultimate pricing authority, but instead should be given a range. This will keep margins manageable for your organization.

Make It Simple

Less complexity and a focus on a few variable sales targets is best. This will make it easier to manage and help the sales rep focus on quantifiable, easy-to-measure targets.

Example Plan

50% salary and 50% variable to a target salary, with the variable having components including:

- Revenue (as largest)
- Key Activities

Chapter 5

Getting Your New Sales Person Contributing Right Away

Congratulations! You've hired a new sales team member. The next major step is getting them ready to start contributing and closing sales from day 1.

These steps should help make your new sales person productive right away:

Target List For Accounts

It takes time to research and contact new accounts. A member of the existing team could put together a list of accounts that would be a good fit. This will allow for the new sales person to get started with the right accounts. It may be wise to have them start with a few of the 'B' targets in case they make a mistake.

Articulate The Value Proposition

A great value prop that focuses on quantifiable benefits is the best. A great value prop is the basis for a prospecting email, cold call, or intro at a networking event.

Top Objections

For a sales person handling objections is a regular occurrence. These happen in both calls and meetings. Identifying the top objections and the responses to handle them can help make the new sales person more comfortable with those initial calls and meetings.

Chapter 5

Getting Your New Sales Person Contributing Right Away

Make Time For Calls And Meetings

One of the best ways for a sales person to learn is to watch and participate. If you make yourself available for scheduled calls and meetings earlier in the sales cycle, it will help the sales rep learn and help move opportunities along faster.

Inspect What You Expect

Creating different communications opportunities is the best way to ensure that the new team member is on plan.

This can include formal meetings, team meetings, sales calls, one-on-one, and managing by walking around. There will be more detail on communications strategies later in this document.

Celebrate Wins

Sales is hard, probably one of the hardest jobs that there is. Celebrating not just closed deals, but the first meeting booked from a successful cold call or getting a call with a really big prospect, is important and should be emphasized as well.

Tip

Celebrate leads that lead to sales – not just closed accounts.

Chapter 6

Sales Communications Plan

Our founders, Steve Gruber and Mark Elliott, have worked with and as part of many B2B sales teams over the last 15+ years. One thing that has varied greatly over that time is how sales managers and leaders interact with their sales reps. There's no one-size-fit-all solution, but there are a number of specific components to a successful plan.

Formalized Individual Meetings

This meeting should occur in fairly regular intervals. In our experience, the best time frame is about once or twice a month. A sample agenda could include: reviewing the sales reps' goals, the sales funnel, follow-up items from the last meeting, as well as frequently reviewing personal development goals. The customer relationship management system (CRM) should be at the centre of your activity, funnel, and account reviews. The next chapter will talk further on the importance of utilizing a CRM with regards to a new salesperson.

Team Meetings

We suggest that team meetings occur once or twice a month. Getting different team members to lead sections of the meeting rather than just the sales leader is the best format for these sessions. Every member of the sales team has great information they can share about their experience with customers. Mix it up by inviting people from other company functional areas to share their experience and to share in the customer feedback. These team meetings also provide an excellent educational opportunity.

Chapter 6

Sales Communications Plan

Management By Walking Around

Most managers do this either too frequently or not frequently enough. Heading to the sales area and talking about what is happening towards the end of the day is a good practice to determine the challenges and successes of each day.

Joint Meetings/Calls

Sales is an activity that goes on in real time. There are many techniques and nuances that are best seen in action. The sales leader should not lead the meeting but use it as an opportunity to learn and help with development. The same process can be done with inside sales reps as well by listening to calls and setting up some time to review after.

Don't Forget About Remote Reps

Remote reps can still be involved in the sales communication process through telephone calls, conference calls, webinars, and tools like Skype. The sales leader should also make an effort to visit the sales rep's territory and spend some face to face time. Switch it up and bring the rep into head office a few times a year to spend time with the other team members.

Make Sure Reps Have Input

Too often sales reps are spoken too, rather than engaged. It is key to give the sales rep an opportunity to participate, lead, and have any opportunity to make sure their thoughts are known.

Tip

Make sure every rep has a chance to both participate and lead.

Chapter 7

CRM Systems

A Custom Relationship Management (CRM) system is key for any business that can envision having more than 10 customers and more than 1 employee.

As a growing company there are many to choose from at different prices points and features. From free to $100 a month per user.

Here are the key components of a successful CRM implementation and how it can help your organization's sales team.

Provide Training

Create a few simple best practices documents and do hands-on training with all employees. We also suggest having them use the system by themselves and than have a sit down to review any questions and see how they are doing.

There are also many ways that your management team can help out the new sales rep, including doing things such as importing accounts and contacts to make it easy for the team to get started.

Set Expectations

Let the sales team know that they will be expected to use it every day and record accounts, contacts, activities, and opportunities.

Inspect what you expect by viewing the data and see how the team is using the CRM system.

Tip

Inspect what you expect by monitoring how your team uses the CRM.

Chapter 7

CRM Systems

Use It For Everything

One of the biggest benefits of a customer relationship management system is the simplification of account plans, contact lists, forecasts, and many other sales related documents.

All of these documents can be created out of the CRM system using new data. This will save sales and marketing an abundance of time and effort.

Senior Leadership Must Participate

The senior leadership team should actively use the system as well, not just the reps. One key usage could include using the CRM system to run reports themselves, instead of asking a rep for the information.

Using the CRM system in a live forecast review is very powerful. Ultimately, not getting the leadership team to use and buy-in to a CRM system is often the biggest reason for failure.

Automate Where You Can

Many email and marketing automation systems can be seamlessly integrated into CRM systems.

This will make it easier for the team to use the system, allow for more up to date data to be in the system, and reduce time, effort and duplicate information.

Chapter 8

Resources & Contact Information

Here are great resources if you want to learn more about building a sales team (and sales in general):

Sales 2.0

Examines how to redeploy sales teams for greater bottom-line results, and reveals all the differences between Sales 2.0 and traditional selling. Visit here.

Your Sales Playbook

Paul Castain offers a variety of free information, frequent blog posts, and top notch sales training.

Sales & Marketing for Canadian Startups

Participate in LinkedIn discussions on sales marketing as it applies to startups. Get involved now!

Entrepreneur's Toolkit

Offered by MaRS, the Entrepreneur's Toolkit offers valuable lectures, training courses, and workshops.

Sales for Life

Unique insights that help solve the challenges facing today's sales professionals. Visit here.

VA Partners Sales Leadership Blog

Weekly sales tips from the VA Partners team.

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