LEARN@LIFT:

Episode 1

Introducing the Enterprise Sales Process

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CUSTOMER DISCOVERY: Module 7, Episode 1

The Start-To-Finish Guide to Corporate Deals

TITLE:

Introducing the Enterprise Sales Process

DESCRIPTION:

Learn the five main stages to every partnership development process

[LEARN@LIFT Episode Intro]

Okay everybody, we've set the stage for building your first, or next, enterprise partnership by helping you understand the key differences between how you — the entrepreneur — think and operate, and the reality of how the enterprise operates.

Before we dive headfirst into the enterprise sales and partnership building process itself, I want share a word of caution that you may not fully appreciate until you experience this first-hand. And that word of caution is the time it will take to you develop and close an enterprise deal. For those who haven't experienced it before, selling to corporates will be a lengthy process. It can take a loooonnnng time. Seriously. A long time. But what does that mean, really?

For starters, if you go from an initial conversation to cash in your checking account inside twelve months, you're doing a really good job. Obviously, there are exceptions to this. For example, participation in a time-blocked corporate accelerator program like the Comcast NBCUniversal LIFT Labs Accelerator, powered by Techstars, or Comcast NBCUniversal's SportsTech Accelerator, powered by Boomtown, can help you land corporate customers faster. But in general, if you start a conversation with a potential corporate partner, you shouldn't expect to see any cashflow from the deal for about twelve months, if not longer.

Understanding this reality about the sales process will change how you look at building your business. If your business model primarily relies on enterprise deals, you may need to raise a bit more money than you first expected, to cover your cash burn over a longer period of time. Or you may need to sell to some smaller customers, like small and medium sized businesses, to generate revenue sooner.

So, to outline the sales process in broad strokes, selling to large corporates will involve five major stages:

1) Initial outreach to get an introduction meeting.
2) The introductory meeting itself, along with related meetings (more on this in a minute).
3) Follow-up meetings and pilot project discussions.
4) Managing the pilot project.
5) Post-pilot reflection and scaling up.

Each of these stages has a different set of goals and tactics, which we'll dive into throughout this module. Let's do an overview of each stage, and then we'll get into the details.

First, the initial outreach to schedule an introductory meeting. Your first step is to identify who the right buyer is for your product or service. This may not be as straightforward as you think. Let's say, for example, you sell a marketing automation tool which helps brands convert more website visitors into paying customers. You might believe that you should be speaking with people who work in the Marketing department. And this may be true at some companies. But in others, the marketing function might be more closely associated with advertising than digital traffic. Every company handles this a bit differently. Usually, the only way to figure this out is by having some conversations. And the only way to have conversations is to begin reaching out.

Next, let's briefly discuss the introductory meeting. This might sound a bit strange, but this is NOT a meeting where you'll be making a hard pitch, let alone closing any sales. Introductory meetings are more like fact-finding missions, where you're trying to figure out if you're speaking with the right person, what they care about, if they have the authority to sign off on a deal, what their budget is, and so on. A very off-putting mistake that first-time founders often make is assuming that the purpose of the initial meeting is to sell. Even worse, they try to sell using a stock, non-customized presentation. If it does result in a sale, more power to you. But overwhelmingly, introductory meetings are the beginning of the relationship, not a sales pitch.

The next stage of the process involves a series of follow-up meetings with the purpose of getting to a mutually agreed upon pilot project. A pilot project is a way for both sides to get to know each other better. For large companies, this is a way to understand your technology, and tangibly measure how it can help them, while identifying where the challenges will be as you work together over the long-term. At the same time, this is your shot to prove you can overcome what your partner believes to be the greatest risk of doing business with you. Your job during the pilot is to show concrete value in both the short and long term, which can include both quantitative value – like improved margins or new customers – or qualitative value – like shipping a product faster, a willingness to experiment, and great communication skills.

One thing to keep in mind is that during the lead up to a pilot, both sides should very explicitly communicate what success looks like for them. Is it based on discreet performance indicators? Customer satisfaction surveys? Strategic learnings? The key question is how success will be measured. Another important question how you'll be compensated for the pilot. We'll share more specifics in a later episode, but for now, I just want to note that pilot projects can and should be paid engagements.

Once you've agreed to the details of the pilot with your corporate counterpart, you'll likely be passed over to the company's legal and procurement teams. While in some cases this will be as fun as a visit to the dentist for a root canal, the legal department is an important stakeholder for most every deal. And if your pilot goes well, you'll be working with them again on a future contract. Needless to say, stay on their good side. We'll go through a few common legal agreements later, and share a set of commonly-used templates on the Resources page.

Assuming your pilot is approved by the legal department, it's time to get to work! This is where you'll be able to showcase your amazing technology and drive so much value for your corporate partner that they'll want to work with you forever, immediately. Sounds simple right? Not quite.

Building new habits is extremely difficult, as anyone who has tried to start a new diet or begin a workout routine will tell you. Getting your corporate stakeholders to buy in to a pilot project is great, but a successful pilot takes a lot of work, and forming new habits. Expect to have regular check-ins, provide tutorials, and do some hand-holding throughout the process. Working closely with your partner will make a successful pilot much more likely. Depending on your technology, you will likely have to do everything in your power to make using it a habit for your corporate counterparts.

This is as good a time as any to bring up an important issue in working with corporates: there's a difference between the people USING your product and the person making the decision to BUY your technology. For example, imagine your company makes a software tool that helps sales teams close more deals. You want to sell it to large companies that have thousands of sales representatives. The person who makes the decision on which tools to use might be the Sales Director, or they may even have a job dedicated to Sales Technologies like Sales Operations or Sales Enablement. However, a Sales Director or Sales Tech Manager will care about very different things than an individual salesperson trying to close deals. The Sales Director may want to have a dashboard to monitor how individual salespeople are doing, while a Sales Tech Manager may care about how this tool interacts with other tools that the company already uses. On the other hand, an individual salesperson will care about one thing: does this help me close more deals?

In your sales process, you'll need to be mindful of these different priorities and balance optimizing for the end user, not only the manager and other stakeholders. In this example, you can have a sales tool that managers love, but salespeople hate, resulting in a failed pilot because you didn't hit the agreed-upon metrics, and no salespeople began formed a new habit that revolves around your technology. And vice-versa. If you have a product that sales people love, but managers hate, you won't make it through the sales process.

HubSpot is a great example of a company that found a way to invert the traditional top-down sales process. Back in 2014, they launched a tool called Sidekick, which was designed to help salespeople sell better by giving them visibility into how prospects are interacting with their emails. Their sales strategy for this tool was brilliant. They created a free plan that salespeople could sign up for and connect to their email accounts. This showed the end user the value they would be getting from their product. But the catch was they only let free users track 250 email conversations each month. Once a user hit their limit, HubSpot sent them a notification that asked the sales rep to email their boss, requesting budget to sign up for a paid version of the tool. Conveniently, they even included a pre-written email. All the user had to provide was the name and email of the person with the authority to approve the purchase. So instead of relying on the top-down approach of cold emailing sales managers, to convince them of the value of their tool, and then have those managers get their sales teams onboard, they now had an army of end-user-advocates pitching their bosses on buying their product. A brilliant example of innovating in the enterprise sales process.

While all of this may sound like a lot of work, it's a fantastic opportunity. You're guaranteed to learn a lot about how your customers are using your product, what they like, what they don't like, and where improvements and add-ons can be made. For example, a startup called Resolute.ai, a tool that helps enterprise researchers uncover new opportunities, learned during their early corporate pilots that their users were manually taking screenshots from their tool and turning them into PDFs. Why? So that they could print them out and take them to meetings. Resolute would never have discovered this if they weren't working closely with their pilot participants. As a result, they built a PDF export feature into their software so users could print and pass out their findings during department meetings. It may sound small, but these are the types of add-ons that delight customers — and they fit within the corporate culture.

After your pilot period wraps up, your goal is to expand your corporate relationship into something deeper. How this works depends on your goals and the circumstances. For example, if you're a company selling software to optimize call center operations, and you completed a pilot in one call center, your next step could be to expand to all of the company's North American call centers. Regardless of your goal, the first thing your corporate partner will likely want to do is review the key metrics, especially the ones you discussed prior to starting the pilot. These metrics, along with other factors, like user feedback, market trends, and budgets will determine whether your pilot is a one-and-done project, or the start of something bigger. For companies like Comcast NBCUniversal, strategic learnings from the pilot may be even more important than revenue generation or cost savings.

During and after a pilot project, you'll want to iterate on your product to adapt to the new learnings you gained. Since every enterprise customer is different, you may find yourself fielding unique feature requests from time to time. This is normal, but you need to be careful about promising too many custom features. In particular, when your company is working with its first or second enterprise customer, custom requests have the potential to turn your company into a development shop, not a technology company. How does this happen? Certain requests will be useful additions that will help all customers, like the PDF example earlier. Other requests will only apply to one customer. It takes discipline to sort requests into these two categories.

So now, you have a working understanding of how the enterprise partnership process unfolds through the five, main stages:

1) Initial outreach to get an introduction meeting.
2) The introductory meeting itself, along with related meetings.
3) Follow-up meetings and pilot project discussions.
4) Managing the pilot project.
5) Post-pilot reflection and scaling up.

In the next episode, we're going to get into the details of each individual stage and show you exactly how to initiate your sales process by finding your prospects, building your pipeline, and getting the communication process started.

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