

Best Practices in Building Strong Inside B2B Software Sales Teams & Processes

Background: Below are some of the best practices within the most successful B2B software inside sales teams in Atlanta. We have historically lost more seed stage companies in our portfolio for a lack of market traction/early sales than product development and all other risk factors combined. We gathered these for the purpose of planning our own Market Acceleration Center (MAC) to ensure the portfolio companies we invested in would immediately have/emulate these best practices to increase their odds of success.

1. NOTES FROM EACH FIELD TRIP.



INFOR (Tom Lynch, VP Mkt/Sales, 350 inside & 300 field reps).

+ Metrics driven termination: 1st mo gone if not x, 2nd mo gone if not y, 3rd mo gone if not z.

+ Metrics: Self-generated sales vs Lead-generated sales.

+ Metrics: Two stages in pipeline. Measure yield of Pipe 2 (qualified, processed)

+ Built Playbook with Sales Framework and Battle Cards (how to start the call, make a fat claim, key objectives, etc).

+ International Offices: Dusseldorf (En+Fr+Ge) and China (HK and Shanghai). For us maybe 2nd shift in existing office for UK/Australia from 1-9 am ET?

+ Main sales positions:

a) Feeder "greenbean" program with easy-sell products, \$25K base + \$50 comm +

Spifs. Graduate to Hunter or Acct.Mgr.

b) Hunters selling SaaS, \$40k base and \$60K variable, profile 5 yrs selling and tired of being on road, or rise from green bean program.

c) Cross-sell farmers.

- We will win or lose on the draft.

- Regimented training.

- Used Infomentis to help build framework and cards.

- Must have process, metrics, 2-staged pipeline, forecast.



CBeyond (Brooks Robinson, VP-Mkt/Sales).

+ Progression Model (each with more base, stock options, freedom):

1) Territory Sales Rep 1.

2) Territory Sales Rep 2.

3) Territory Sales Rep 3.

4) Sales Consultant 1.

5) Sales Consultant 2.

6) Sales Consultant 3.

+ If doing poorly, required Performance Improvement Plan (PIP).

- Regimented daily schedule:

7:30 Rookie Role Play til graduated.

8:00 Pipeline and Planned Activity Daily, Prod.Knowledge, Success stories.

8:45 Sales Management meeting.

8:30-10 Inside phone appointment setting.

10:00 To field appointments and cold calling.

4:45 Back for checkout (Sr.Reps only come back 2 days/wk).

5:30 Training in evenings for newer reps (1-hr).

- Best sources: job boards, job fairs, placement firms.

- Training: 2 week boot camp, select out (CBeyond University).

- Pay: 50/50 all the way to Reg, base of high \$30K-40.

- Energy builds at 30+ reps, mtgs in small room for energy/standing.

- Developed cold call scripts.

- Metrics: Close ratio, Activity, and BiSeats?



SAGE (Ron Verni, Retired CEO, 600 reps in North Atlanta).

+ Bounty of \$500 and iPod for bringing in others.

+ Try marketing only to close higher priced products (reps only for complexity). Nicole.

+ Don't start with demo, close with demo. Stick to benefits selling.

- + Ring-The-Bell on Tuesdays.
- Scale, automation, consistency all key.
- Career path important
- Profile: if worked at ADP or AT&T they often worked well (but maybe more for order taking?)
- Hunters: \$25K base and big upside (touted the heck out of the top performer's earnings).
- Managers were vital (pick/pay well).
- Don't get the system in front of the right process.
- High turnover, often 30% +.
- Everyone 90 days or out, monthly targets.
- Would load lists for reps to call.
- Big on scripts to start and bullet points.
- Create a staffing "conveyor belt" that never stops.
- Figure out #dials => %spoke => %pitched => %closed (then keep improving each %).
- If weekly number reached, off Fri at noon (John).



ISS (Glenn McGonnigle).

- Was all centralized, no virtual reps.
- Profile: 20+, 2nd sales job, hungry, athletes good.
- Midtown location good, maybe near Marta of value.
- Paid \$40K base, 60-70% comm unlimited.
- Good sales retention due to product momentum.
- Channel turned out to be large (75% of sales but little in first yrs).
- Vital to model out the commissions for each product.
- Best sources: word of mouth from reps, job ads, buzz.
- Strong onboarding and training process.



HANNON-HILL/PARDOT (David Cummings, CEO).

- + Recruitment source: best has been Craigslist, job fairs like GSU/GT/etc, and friends of reps.
- + Quick sales mtg Rockefeller "Daily Checkin" for 60 seconds (mention top 3 opps + key things today + strategies to be used).
- + Scooter/Razor/Fuzball to set fun/creative atmosphere even if not used much.
- Comp: \$30K base and \$50K target comm, \$100 per completed demo above 10/mo, 2% bonus above quota.
- Structure of sales team:
 - a) Appointment Setters. Make 60 calls/day, arrange 20 completed demos/mo. (base covers 100? then \$ for overage)
 - b) Closers. 20 active prospects in CRM, maxed out at 2 demos/day.
- Metrics driven termination: xx, if onboard for a while 2 periods warning.
- Rep success rate 75%.
- Training program: led by Sales Mgrs by product, listened in to many calls before solo, 25 pg sales manual, 6 weeks-90 days.
- Sales Mgrs \$80K base + \$2K per rep hitting quota.
- Location: Midtown or Buckhead ideal.
- Post demo: set objectives upfront with 1st appt to determine needs, 2nd appt to show specific points. Objective is 2nd demo to address x, y and z pain points identified.
- For Pardot pay slightly different: \$25K base and no comm for 1st 6 deals, then base goes to \$30K + comm.



MANSELL (Allen Nance, CEO, <20 inside reps).

- + Likes open bays and central team.
- + Expectations: 50 calls/day, 5 demos in 1st month, 1+ deal in first 60 days, or else gone. Then 2 deals/mo and must break even by 7 months or gone.
- + Focused on Recurring revenue ONLY.
- + Taught to tell a story (not features), supplied a case study, demo contains full blown scenario, use over and over.
- + Key to drive next interaction (rarely start with demo). Do you want a ...? (create process) proposal? free match report? free white paper? etc?
- + Lost best at first because of no career path (create one).

- + Metric for Company: Referral rate, ask yearly "Would you refer us to another business associate?", at 70% which they consider good.
- + Metric for Client Mgrs: Upsell % per month to measure existing accounts growth.
- Hundreds of clients, watches 33, focus on key ones
- If you ain't watchin'em, they're stealing something.
- Structured with 3 positions:
 - a) Bus.Dev.Mgrs: Cold callers, min of 50-75 calls/day, \$35K base, 10% of new contracts, 5% of upsells, 2% of handovers, Mid 20's, guys, sports, fraternity leaders.
 - b) Client Svc Mgrs: Upsell and 90% client retention, relationship focused, \$35K base with \$25K comm, 5% of upsells, women all ages, must write/speak well and be good project mgrs.
 - c) VP-Account Directors, high level key acct mgrs, \$2-3M biz managed, looking for big nuggets.
- Training: 25 structure days culminating in demo. 3 things by end: a) vertical, b) 200 lead list, c) know-how to demo.
- CRM: Use SugarCRM (free version, customized, self-hosted).
- Laptop matters, title matters, location key, insurance.
- Provide base, uncapped commissions, laptop and insurance.
- Best recruitment source: Craigslist and referrals (friends start feeding off each other).
- Tried outsourced call center model with mediocre/poor results such as PointClear etc.
- At 7 mos base is still 90% of earnings, at 1 yr 50/50, at 2 yrs 40/60.
- Have found best lists to be from associations, use BusinessWise to supplement.
- For demos use DimDim free web collaboration self-hosted.
- Key to have good Pre-qualification questions (in their case, Who does direct mail? Survey-mail budget going up/down? Then bond on best practices, savings, how much email, etc.
- Spend entire time with best (Jack Welch approach), barely knew names of underperformers.
- Had to go through 35 BDMs to get 9 good ones, but now much easier.
- Historic: 1 order = 3 proposals = 15 demos = 375 calls.



DELL (David Lockett VP North American Public Sales)

- Look for leaders w/ combo analytical & sales mgt skills; able to analyze data/product, close rate, etc. (ie "what does 'good' look like?") as well as manage (motivate, coach etc.) sales people
- Sales Team: Inside vs Virtual
 - o "old school" approach – best exp w/ reps right there
 - build team/chemistry
 - experiment w/ what works/doesn't
 - able to have consistent/repetitive training
- Location of Sales Office: opened several all over; best experience Nashville
 - o Locations where can pull talent from all around you
 - o Not much luck w/ small towns (?)
- Compensation: 30/70 to 40/60 split base/commission (pay for performance)
- Recruiting: "meat" eaters w/ strong work ethics for inbound; "consultant" type for outside sales/key acct positions
 - o Get out/talk to people; retail, restaurants, service industry, etc. give out biz cards to people impress you
 - o ie Nordstrom's shoe department
- Training: ongoing, repetitive – focus on product, role playing, examples of good/bad calls, etc.
 - o Create "coaching log" for mgrs & reps to evaluate
 - o Mgrs can use as coaching opportunities; team, 1-on-1's, etc.
- Discipline: performance improvement plans (PIPs) – 30days to improve or they're out; better to replace them then waste time postponing inevitable
 - o 10-80-10 rule (Jack Welch)
- Create Rep Council: made up of sales reps from diff teams
 - o Evaluate other products/sales teams; feedback, solutions, troubleshooting, analyze, etc.
- Create "subject matter experts" Reps: for each product
 - o Become "go to" for team/dept; able to analyze, evaluate holes in products/systems, etc.
 - o Ongoing training to increase competency of reps' product knowledge



LEXMARK (Brett Butler, Director of Global Sales & Marketing)

Has 13 yrs at Lexmark, created 2-3 inside sales teams, also at Biotech, P&G, Harvard, UC Berkeley.

Experience with virtual reps and are we likely better off requiring them to come into an office?

- Virtual reps best for very mature process after the team learns how to sell, learn, motivate each other.
- If yes, should we allow some to go virtual, after how long or performance based or other?

Best locations in Atlanta for an inside sales center, or are there other cities naturally better?

- Labor pool, light accents ok, xx

Base vs commission mix, experiences and recommended mix to keep the good but not the dead.

- The longer the sales cycle the higher the base needed, or higher payout opportunity, and spifs for activity.
- * Incent more/less for expected renewal rate by industry, level, function, whatever, within level of control

We have a good lead gen system, thoughts on how many leads can be followed up well per rep daily?

- Rep can usually make 30 "contacts" per day (messages), 10-15 actual discussions max per day (based on prep time needed, notes after, etc).

Experience and/or best practices with web demos, which systems?

- All use webex on T1, comes down to webinar demo, process at first to not include demo, then prep work, then demo.

* Add tracking to system. (number, length, etc).

Best practices for obtaining follow-up sales calls (sending one-sheet, proposal, etc)?

- Be crisp, they get it or they don't.
- Bother and risk to switch, must be wow enough.
- Possible to do 1-call close, or email close.

Opinions on keys to improving rep success rates?

- Assessments to profile during hiring for fit.
- Mentoring key, pair up so they know how to sell.
- Together, listening on 4 calls/week, sharing good/bad calls.

Best ways to share/instill best practices among the reps?

- Record calls, listen to own, listen to best others.
- Post call documentation important.
- Must measure best practices trained on, and what impact they had (results).
- * Post call documentation key, take notes while on phone (can't have them hear typing, paper better, can't listen/type/think at same time), scan/attach, quantitative dropdowns plus qualitative collection. Unmet needs, how Prospect sees how the software will help them, use prospects' terminology?
- * Map out what are leading indicators, then look for those.

Important to have promotion/career paths for reps?

- Skill building vital for younger (solution selling, handling objections, empathetic listening, etc) vs career paths good.
- * Jeffrey Moore defines a "Market" as self-referencing individuals (is it industry, function, or geo). Helps them with Legitimacy, become experts, etc.
- *Exit buyer's likely questions: flush out.

ADVISORY BOARD.

- + Plan trophies, fun, hokey things, pride of being #1 (Dick-MAPICS).
- + Key metric: margin dollars per minute (Tim-Dell).
- + Bundle and cross-sell "next logical product" (Tim-Dell).
- Figure out how to cross-sell the leads (Mike).
- Do focus groups bi-weekly.

2. FINDINGS.

PORTIONS WE CHOSE TO EMULATE FOR OUR MARKET ACCELERATION CENTER:

RECRUITING

- + Recruitment source: best has been Craigslist, job fairs like GSU/GT/etc, and friends of reps.
- + Mentoring/buddy system (best, extra \$/title for duties, pride, come up with title differentiation too as career pathing).
- + Likes open bays and central team.
- + Main sales positions:
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 - b) Hunters selling SaaS, \$40k base and \$60K variable, profile 5 yrs selling and tired of being on road, or rise from green bean program.
 - c) Cross-sell farmers.
- + Title Matters.
- + Career path important, progression for reps (each with more base, stock options, freedom):
 - 1) Territory Sales Rep 1.
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HOW TO SELL

- + Taught to tell a story (not features), supplied a case study, demo contains full blown scenario, use over and over.
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SOFTWARE.

- We screened the best call center on-premise systems and hosted (SaaS) call systems as well. The best on-premise call center system software we found was from one of our own advisory board members (Jim

Noble's Noble Systems), every useful feature imaginable was either included or could be accommodated. In the short term, we went with a hosted system called InsideSales.com due to the timeframe of weeks but plan to eventually migrate to Noble Systems. Other near contenders on the hosted side included RareAgent.com, Five9.com, VanillaSoft.com, several 3rd party dialing additions to salesforce.com, and a dozen more hosted call systems with far fewer key capabilities needed.

Key features needed:

- Automated phone dialing of various campaigns with full tracking, reports and manager monitoring.
- Ability to absorb automated incoming leads and real-time click-throughs from our other marketing technologies and instantly prioritize them within the call queue.
- Full blown nurture campaign capabilities built in (not 3rd party needing integration hassle).
- Automated re-calling based on rules where it makes sense.
- Time zone aware (call queue auto-avoids West Coast calls at 9 am ET and vice versa).

CREATING WORLD-CLASS SALES EFFICIENCY BY COORDINATING EMAIL WITH TELEMARKETING.

A. Old Way: Cold Calls

1. Best lists carefully chosen.
2. Cold call each name in the list.



Results: Fairly high telemarketing cost per lead or sale, only the best lists will yield enough sales to make them ROI positive.

B. Better Way: Warm Calls

1. Larger prospect lists chosen than could be affordably telemarketed (larger funnel).
2. Emails sent first to detect click-throughs by interested prospects (warm leads).
3. Warm calls made within seconds while prospects still at their desks (less voicemail).



Results: Warm vs. Cold Calls
Much higher revenue per call.
Higher total sales from larger initial funnel.