

#### ENTERPRISE SALES FOR STARTUPS

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#### ABOUT ME

- Long background in technical roles
- ► Time for a change...

- ▶ Developer → Sales guy?
- Engine Yard, GitHub, CoreOS, Nitrous

ENTERPRISE
SALES IS THE
FUTURE

Or... "What you thought your board was telling you"

#### What you heard

Sell to Fortune 500 companies

► Talk to CEOs and CTOs of huge corporations

Close deals that can buy a private jet

### What the board (hopefully) meant!

- Sell to a small number of buyers with very deep pockets
- Charge them a lot per unit

Establish the potential for huge growth inside a single organization

# 2. GETTING THERE IS HALF THE FUN!

"Baseball is 90% mental — the other half is physical" - Yogi Berra

# Building a sales organization

- Plan team growth
- Identify candidates
- ► Hire sales staff

Put them to work

#### Plan your growth

- Organizations evolve and mature as they grow
- The team you start out with isn't going to be the team you have 2 years from now
- ... and that's OK!

- Early sales hires will help customers succeed
- Customer success will provide the large "enterprisey" growth curve

#### **Great early candidates will...**

- truly get what problem you're fixing, and how the product works at a deep level
- care about the company's mission (you have a mission statement, right?)

gravitate towards closing effective deals



Candidates who are focused on **sales first** will usually close the wrong kind of deals



#### **Commission-based compensation**

- Developing a good commission plan is a huge time sink
- Great for attracting experienced, "traditional" salespeople
- You're not hiring traditional salespeople yet

#### Salary + equity compensation

 Establish a solid salary structure with room for small bonuses

Plan for bonuses to equal less than 10% of comp to start

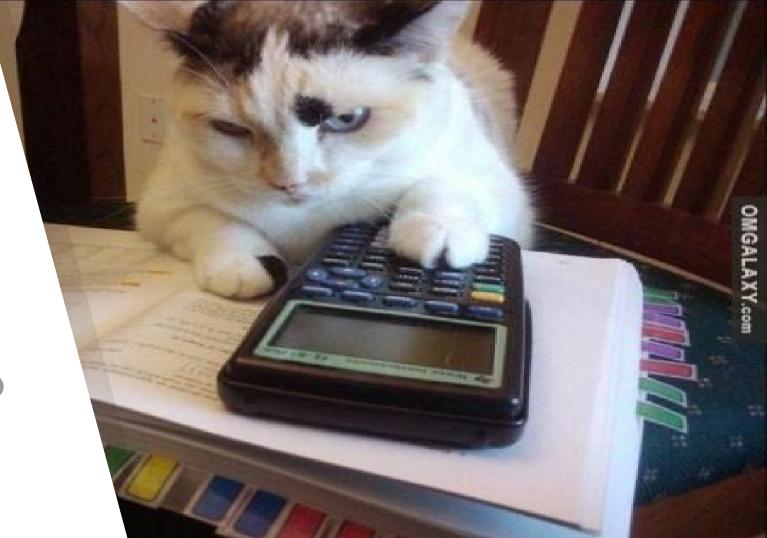
Bonuses are a bonus, not a portion of salary



If your sales team doesn't get along with your engineering organization, they won't get along with the engineering organizations they're selling to either.

4.

PUTTING YOUR SALES TEAM TO WORK



#### What do you first hires do?

- 1. Make mistakes
- 2. Learn from those mistakes
- 3. Repeat

- Focus on closing as many small deals within the "enterprise space" as possible
- Work with each and every customer to help them succeed and grow usage
- Consistent growth across customers is key

#### Why is this important?

- Small enterprise deals are an extremely efficient way of closing deals
- Good inside sales organizations can achieve a 10% success rate with a steep retention dropoff
- Good enterprise sales teams can achieve a
   90% success rate with nearly 100% retention
- A large number of small deals, and a small number of large deals (to start) will set the stage for great growth later

#### Large deals v. small deals

- Small deals involve fewer stakeholders and less legal wrangling
- Small deals will start with small teams (this is a good thing)
- Small deals are often under a "cost approval threshold"
- Large deals are small deals that worked out well (land and expand)



#### Deal size is relative to the buyer's size!

Small corporations can require **a lot** of time and money to negotiate a \$10k deal, while a \$100k deal with a middle manager at a large company can proceed much more quickly.

# 5.... AND EXPAND

"I think we have enough customers now."

- No Founder, Ever.

# What happens when your small deals get big?

- A subset (never as many as you'd like) will just grow continuously with little intervention
- The rest (too many) will be handed off to big sourcing and procurement teams within companies
- You'll be asked to negotiate on every single aspect of the original deal all over again
- Since you're already entrenched within the organization, you have a lot more leverage than you would have had at the start



- If you haven't already sent your team to negotiation training, do it now!
- If you don't already have a very solid contract lawyer, get one now!

# Enterprise demands on large deals

- ► 24/7 support
- Real (and fabricated) legal & compliance requirements
- Capped or unlimited pricing
- Code escrow
- Customization and custom development

#### "I WANT IT, I WANT IT, I WANT IT!"

- your 2 year old
  - Procurement
     Specialist



#### **THANK YOU!**

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