Why Your Startup Needs a Sales Methodology

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GRP Partners' Mark Suster outlines a framework for a sales methodology that acknowledges limited resources and puts them against the highest potential opportunities weighted for probability and deal size.

I did have the wherewithal to visit potential customers and try to understand the pain points that I thought could be solved with our solution.

This is a very important to do when you first start a company. It's what I call "the evangelical phase" of a company in which you're out trying to persuade customers that a product you've designed is going to meet their needs better than other solutions on the market.

Invariably your first efforts at product won't quite hit the mark – and this is OK.

It's OK because in an era where you can much more rapidly prototype and build products it is far more beneficial to launch your first version, get initial customer traction and then talk to your customer base to understand how well it meets their needs.

Like most startup entrepreneurs, when I began my first company in 1999 I had no formal sales experience.

Steve Blank calls this "customer development" in which you built an initial product that is in search of "product / market fit." In non-tech speak, this is where your product solves the need of a customer segment well enough that many customers in that segment are willing to pay you money for your product.

And when you achieve product / market fit your company often ramps revenue very fast and you need to build an organization to address it from demand generation (aka marketing) to sales discovery to implementation and after-sales support.

But before you achieve product / market fit you're often in "consultative sales" mode where your objective is to tease out customer needs. And often your solution won't solve them entirely so you'll often have to allow open-access to your product or integrate it with other solutions.

In my journey to better understand the sales process, my management team and I developed a sales methodology. It was really a common language we could all use with each other that became really important as we added new sales people and new geographic territories.

It helped make sure that we all thought about our sales campaigns in a uniform way and that we had a common language that would help us decide where to spend our limited resources.

After all, the golden rule in sales is "qualify, qualify, qualify" specifically because you always have limited resources and you must put them against the highest potential opportunities weighted for probability and deal size.

I'm going to set up the framework today and in future posts I'll drill down into each area.

We called our methodology **PUCCKA** = **P**ain. **U**nique Selling Proposition. **C**ompelling Event. **C**hampion. **K**ey Players. **A**ligned Purchasing Process.

We were based in England and it was a play on the British Slang "Pukka," which means high quality and genuine and was popularized by one of our favorite chef's – Jamie Oliver.

In short:

Pain is where you identify a business problem your prospect has and begin to get acceptance that there is a real need for a solution. This answers the question of "why buy anything?" question in sales.

Unique Selling Proposition or USP is the things that your product is uniquely positioned to solve. If a customer has pain they and you get them to articulate this the next step is to show you can solve that problem.

If you make headway don't be so naïve as to think your prospect – however friendly they are to you – won't go out and search for alternate solutions. They now know they have a problem! And it's their job to make sure they talk with multiple vendors to find out where the best fit for their pain really is.

USP answers the "why buy me?" question in sales.

Compelling Event is the thing that forces your prospect to realize they need to kick off a project immediately. The most compelling events are often driven by market conditions (regulation that forces your prospect to implement a system or a workplace incidence that causes them to implement systems to follow procedures more carefully).

When external factors drive adoption of your solution you have instant product / market fit.

But you can't count on this so you must create your own compelling events and the only way I know how is a business case / return-on-investment (ROI) study.

If you can show a customer is losing business or money the pain is a lot more compelling.

Compelling event answers the final question in sales, "Why buy now?" which is the hardest question to answer. Often customers will think your product is useful but just don't have the time, budget or inclination to adopt your solution without a compelling event.

Champion is the person who drives through the approval to give the go ahead (and secures budget) to your product or company. Orders don't fill out themselves – you need somebody who will take a risk on you and guide you through he process. A champion is somebody with both "influence" and "authority." This is in contrast to NINAs.

Key Players are the other people involved in the sales process including enemies, technical experts, sponsors, etc. The most telling sign of an inexperienced sales person is that they meet one person in an organization that is nice to them and they spend all their time with this one individual.

The problem with this is that if a customer has a real problem then often your competitors are in there talking with them as well and if you're not meeting and neutralizing the people who support your competitors you're in for some nasty surprises.

Aligned Purchasing Process is the act of your customer being ready to buy when you're ready to sell.

It's your job to figure this out. You might have a customer with a pain that they've agreed with you and they like how your solution uniquely solves their problem. But they simply might have more urgent pains their solving at the moment.

Or perhaps your customer is in a budget freeze or the key resource who was allocated to lead your project has just resigned.

The sales team's job is to figure out whether the customer not only has a need but also has budget, resources and an approval process to work with you.

If they don't then it's a case of putting your prospect into a "marketing funnel" so that non-sales resources can focus on staying in touch with the customer through white papers, seminars, etc. while your sales people focus on the near-term deals and hitting your quarterly targets.

So there you have it. PUCCKA. In the next post I'll go more in depth into "pain."

Photo Credit – Photo of Jamie Oliver from filming of "Food Revolution" in Santa Monica <u>as posted on</u> Flickr.

This article <u>originally appeared on Inc.com</u>

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