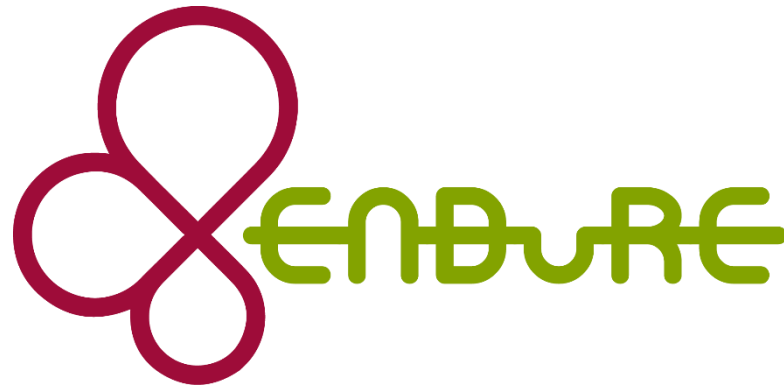




B2B sales



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Co-funded by the
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B2B SALES

June 10, 2016

Annamaria Arcese

Agenda



Start-up: success stories



Organization, process & tools

Sales & marketing



B2B approach



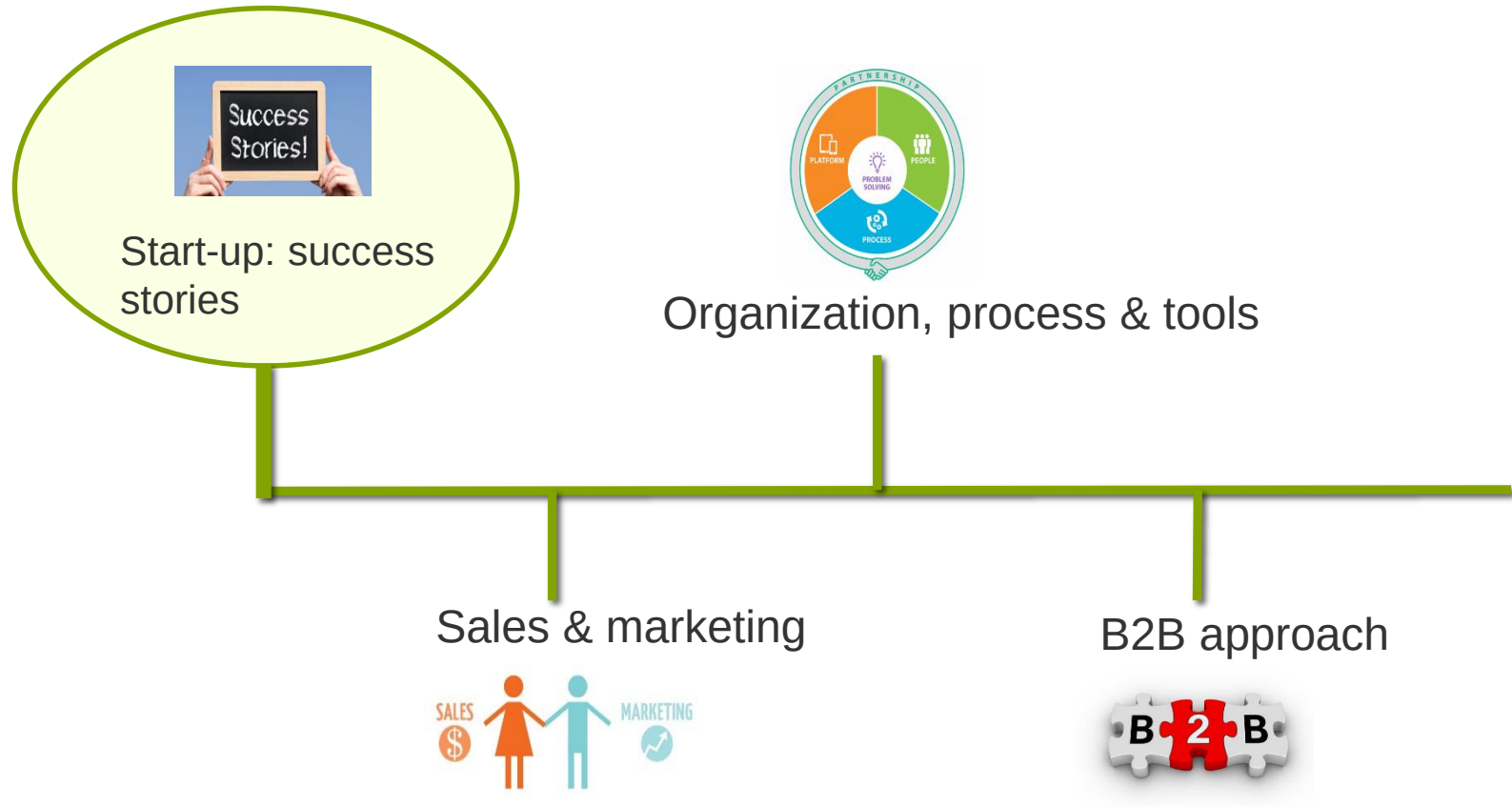
My story



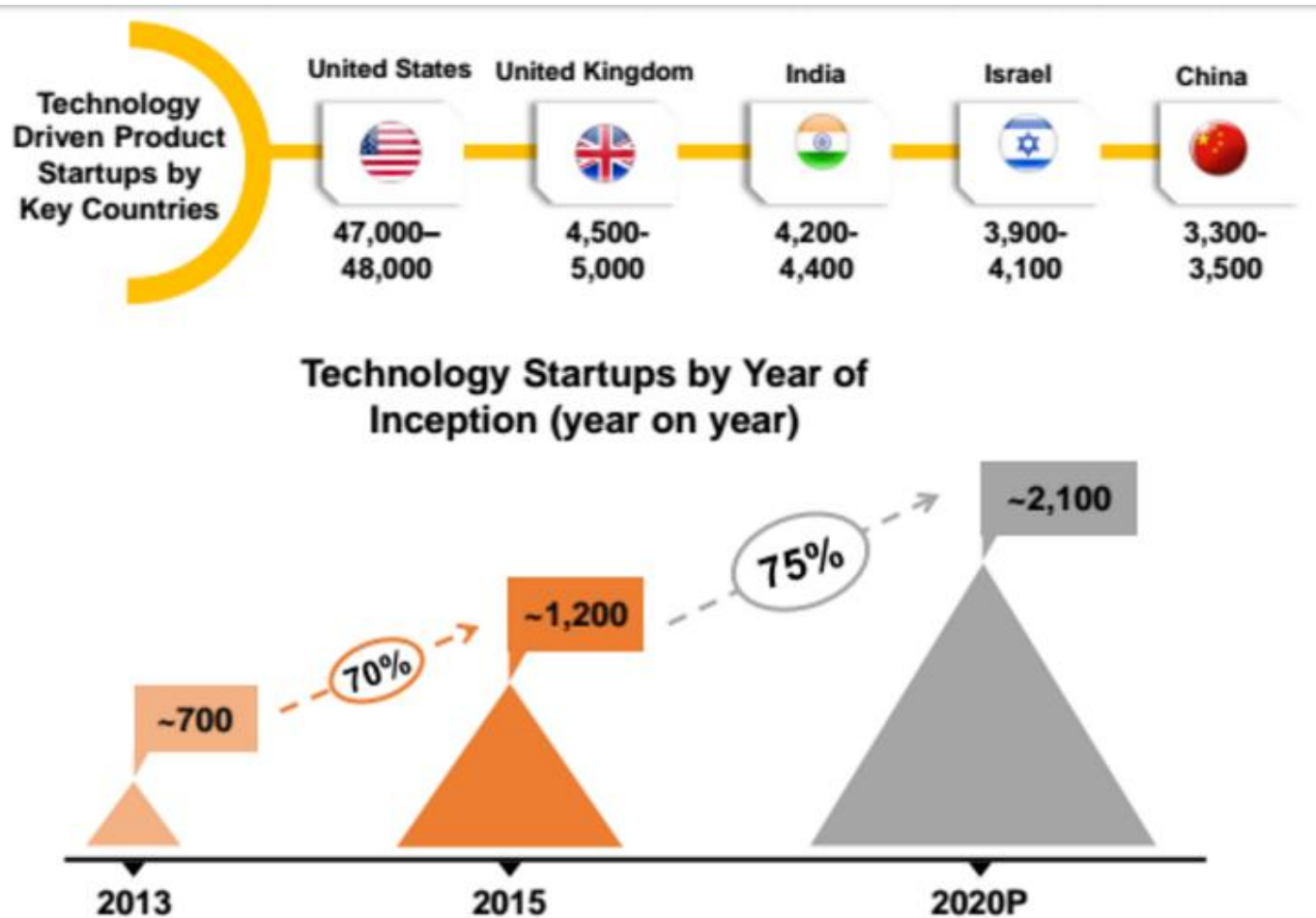
- **Technology consumerization** ... my starting point
- **Mainframe**: the big iron for critical application
- **Consulting**: understanding the business
- **Dot-com**: first digital wave
- **Sales**: empathy, value, trust
- **Learning, learning**, ... know your industry



Agenda

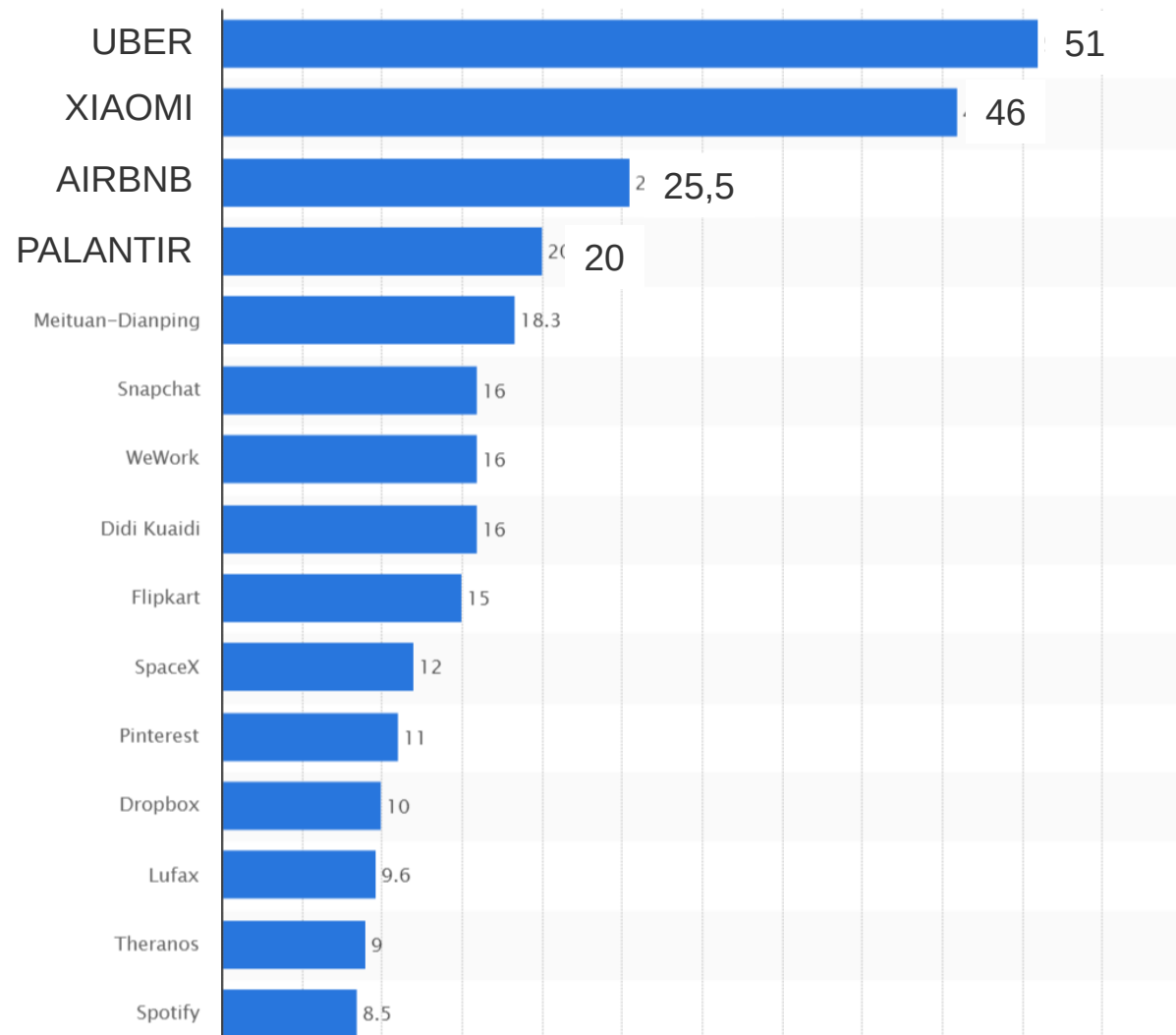


Start-up trends



Start-up companies valued at > 1 billion \$

This statistic shows a ranking of startup companies valued at one billion U.S. dollars or more by venture-capital firms worldwide, as of April 2016. As of April 2016, Uber was valued at about 51 billion U.S. dollars by venture-capital firms.



Source: Statista.com

Start-up companies valued at > 1 billion \$

The Uber logo, consisting of the word "UBER" in white, uppercase, sans-serif font, centered within a solid black square.

The story of Uber takes us back to 2008 when the co-founders then, still friends and not aware they'll be at the head of one of the most successful startups up to date, were attending LeWeb conference in Paris. Travis Kalanick and Garrett Camp, like old pals, were complaining about the many crappy things we all have to deal with in life, including finding a cab when we're packed with luggage under the rain and no taxi seems to pass by.

Fast forward to January 2010 and Uber was already rolling a couple of black cars in the city of New York to simply test the service out. With just a few cars and even fewer people knowing about the startup at the time, Uber proved to be a hit. Soon after San Francisco joined in to host Uber, and the rest, the rest is history.

Today Uber is one of the leading transportation services in the world, starting out with a Series A funding of \$11.5 Million.

What makes Uber the ultimate startup is its culture of business, a culture quite reflective of what Generation-Y stands for: We want to be doing big things all while coming across as cool, chic and innovative

Start-up companies valued at > 1 billion \$



Xiaomi managed to take the electronics and mobile world by storm in 2014. Their flagship device, Mi4 was one of the best-selling phones in history and paved the path for mid-level mobile phones and their market base.

Founded in 2011 by local entrepreneur Lei Jun, Xiaomi is not just another smartphone brand. To the Chinese, Xiaomi is the epitome of a realised startup dream – it is a symbol of national pride and individualism to the young Chinese consumer, representing the hope and belief in ideas and innovation and a journey towards success.

Xiaomi owes its pricing advantage to its mortar-only go-to-market strategy, forgoing expensive retail outlets and overheads.

Traditional, old school advertising is also nowhere to be found in Xiaomi's marketing mix. Instead, Xiaomi **engages customers on a personal-level by being present on all of China's top social networks and forums** (Weibo, WeChat, Xiaomi Forum, Baidu Tieba and Xiaomi Mall)

Taking an open and participative approach and allowing customers to play a part in their success story, Xiaomi instantly wins over the hearts of customers not just in China, but all over the world.

Start-up companies valued at > 1 billion \$



In 2007, designers Brian Chesky and Joe Gebbia couldn't afford the rent on their San Francisco apartment. To make ends meet, they decided to turn their loft into a lodging space.

There was a design conference coming to town and hotel space was limited, so they set up a simple website with pictures of their loft-turned-lodging space—complete with three air mattresses on the floor and the promise of a home-cooked breakfast in the morning.

Fast forward seven years, and Airbed and Breakfast is now Airbnb—a household name that has surpassed industry legacy Hilton Hotels in nights booked. As of spring 2014, the platform had 10 million guests and 550,000 properties listed worldwide, along with a \$10B valuation. The company has received \$776.4M from investors.

Airbnb knew through both market research and their own experience that **Craigslist was the place where people who wanted something other than the standard hotel experience looked for listings**—in other words, Airbnb's target market. In order to tap into this market, Airbnb offered users who listed properties on Airbnb the opportunity to post them to Craigslist as well—They've picked a platform with 10s of millions of users where relatively few automated tools exist, and have created a great experience to share your Airbnb listing.

Start-up companies valued at > 1 billion \$



In late 2007 Palantir launched Gotham, a new geospatial and comprehensive analytics platform designed to meet the challenges of their vast array of customers. Gotham enabled data integration, search and discovery, knowledge management, secure collaboration, and algorithmic analysis across a wide variety of data sources.

Palantir has created a data mining system used extensively by law enforcement agencies and security companies to connect the dots between known criminals.

Palantir's software sits on top of existing data sets and provides users with what seems like a revolutionary interface. Users do not have to use SQL queries or employ engineers to write strings in order to search petabytes of data. Instead, natural language is used to query data and results are returned in real-time.

Palantir [explains that it is a toolset for use in human analysis](#) on its website. However, we now understand that the service is a smarter way of displaying data for analysis by humans. **It is capable of building comprehensive models of activity to detect suspicious anomalies and is even able to provide immunity to fraud thanks to strategies the founders learned while still at PayPal.**

The company had it's almost unique niche with a great potential

Start-up companies valued at > 1 billion \$



WeWork provides you with the space, community, and services you need to make a life, not just a living.

WeWork, of course, is an alternative to real estate companies for freelancers and companies.

The membership is very diversified across multiple industries and our fastest growing segment is larger, more mature companies who have joined for the value proposition of more affordable space, community, network, and flexibility — as well as services (healthcare, payment processing, etc.).“

In addition to renting out office space, WeWork is forging ahead to find ways to rent people a place to lay their head at night too.

By the end of 2015, WeWork will have 58 locations open.

The old model of office space is dead.

TELL YOUR STORY (15 MINUTES)

EXERCISE

1. Business Idea: when, how, people, ...
2. Winning business model: target, pricing, ...
3. Found raising
4. Your success factor

AGENDA



Start-up: success stories



Organization, process & tools



START-UP IN A BOX?



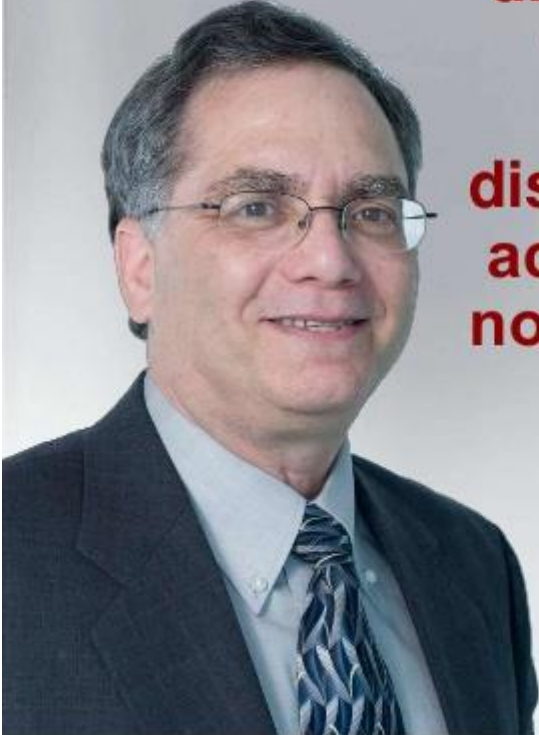
Successful startup marketing requires that you have both a great product *and* great marketing.

START-UP ROADMAP



Sales, sales, sales ...

WINNING IN A COMPETITIVE WORLD



“A product with better distribution will always win over a superior product with poor distribution or customer access. It’s not fair. It’s not right. But it’s reality!”

Stephen Davis
Managing Director,
CXO Advisory Group



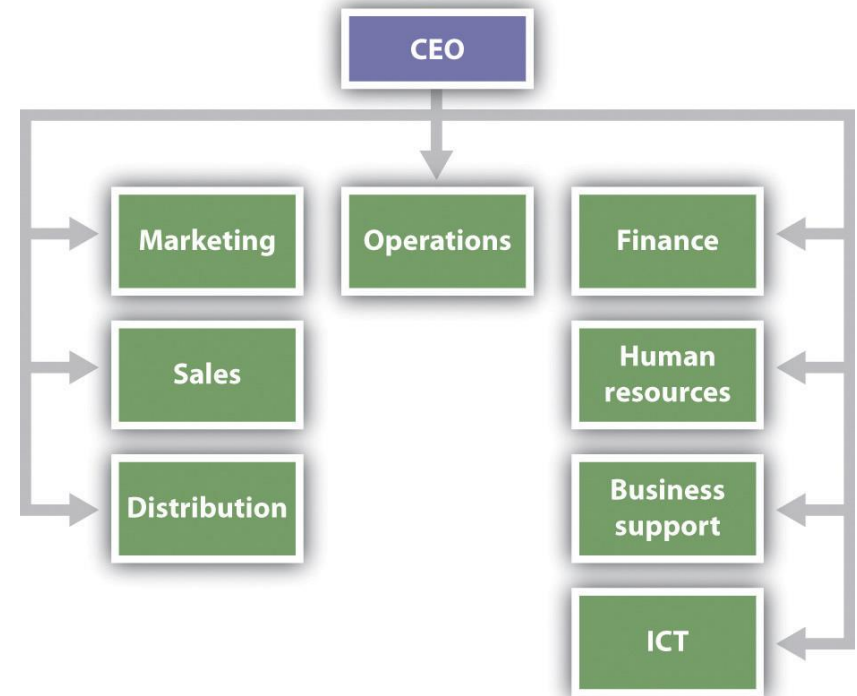
“WE ARE THE RIGHT TEAM WHO CAN
EXECUTE THIS BUSINESS PLAN BECAUSE ...”

EXERCISE

Explain your team skills and your organization
(15 minutes)

"WE ARE THE RIGHT TEAM WHO CAN EXECUTE THIS BUSINESS PLAN BECAUSE ..."

It is equally essential to identify the right mix of people and personalities suitable to drive the growth and success of your organization. If your team isn't like-minded or doesn't support pace, change and innovation, it is hard to guarantee success of the company. An analysis of both successful and unsuccessful start-ups will help your venture analyse the steps to be taken and those to be avoided for a successful, sustainable and lasting organization.



WINNING IN A COMPETITIVE WORLD



1 Stay on target. Develop a sales system that matches the right offer at the right time to the target segment and delights customers based on a deep understanding of their priorities.



2 Know customer value and values. Enable your front line to understand a customer's value to the firm's growth and profitability, as well as the customer's decision dynamics.



3 Re-imagine the channel mix. Invest in low- and high-touch channels to match sales capacity with opportunity and customer preference, then double down on self-service digital channels to help customers help themselves, earning loyalty and a high ROI.



4 Align resources across marketing and sales. Seamlessly integrate marketing priorities with sales channel mix and capacity. Rethink where marketing ends and sales begins, as buying processes begin earlier than ever.



5 Raise the bar on talent. To build the next generation of sellers, elevate expectations and strengthen capabilities. Recruit people with relevant expertise, and train sellers to make the most of their time with customers.



6 Get the wiring right to unlock sales capacity. To reinforce new behaviors and track effectiveness, invest in data and analytics, system linkages, compensation and tools.

WHY MARKETING MATTERS

- The line between sales and marketing will disappear; **an integrated “smarketing”** function will emerge to synchronize coverage and resources with target customers.
- Your customers will spend more time **analyzing your offerings** than you will on analytics to understand their buying behavior
- **A competitor will offer your customers better,** more seamless service through lower-touch, lower-cost channels, winning share and loyalty
- **Generalist reps without a specialization will all but disappear.** You will be forced to either retrain or turn over more than half of your reps to keep up with competitor sellers who truly add value rather than just communicate features and take orders.
- **Selling costs will grow faster than revenue** without a deliberate effort to reverse creeping complexity and administrative burden.



WHY SMARKETING MATTERS

The term "smarketing" refers to alignment between your sales and marketing teams created through frequent and direct communication between the two.

The goal is to have measurable goals that each team agrees to hit so there's mutual accountability. For instance, Marketing might have a mutually agreed upon leads SLA (service level agreement) to hit, and Sales must agree to follow up with a certain amount of those leads.

Smarketing goals should be made together, and re-evaluated every month to identify opportunities for improvement on both teams.

- 1 Speak the same language
- 2 Set up closed-loop reporting
- 3 Implement a Service Level Agreement
- 4 Maintain open communication
- 5 Rely on data

Remember, you're in the **same boat**.
Use data to figure out what's wrong and how to fix it.



WHY SMARKETING MATTERS

Smarketing benefits

Benefits for Marketing

- Get up to date contact info and status updates
- Learn which marketing programs are working and which aren't
- Increase Marketing ROI

Benefits for Sales

- De-duplicate leads
- Help prioritize leads
- Help make warmer calls
- Increase close rate and Sales ROI

SLAs GO BOTH WAYS.

MARKETING → SALES

Number and quality of leads required to hit company revenue goals.

SALES → MARKETING

Speed and depth of lead follow-up that makes economic sense.



AGENDA



Start-up: success stories



Organization, process & tools

Sales & marketing



B2B approach



CUSTOMER RELATIONSHIP

EXERCISE

Talk about your customer relationship model
(15 minute)

CUSTOMER RELATIONSHIP

According to BusinessDictionary.com, a **sales prospect is a “potential customer or client qualified on the basis of his or her buying authority, financial capacity, and willingness to buy.”**

Put simply, sales *prospecting* is the act of searching for, collecting data on, and evaluating potential or likely customers or clients.

A good sales prospector is a lot like a good hunter. Where a good hunter is able to find plenty of new game and is able to stay well fed, a good prospector is able to find many new prospects to help keep the sales funnel full.

Continuing with the analogy, **to be a good hunter you require the right tools and the right skills to find success.** To make sure you are well equipped for your prospecting hunt, it's vitally important to understand several of the core pillars of prospecting, including:

- **Using a CRM system**
- **Identify your customers**
- **Determine your sales strategy**
- **Define your sales organization**



CUSTOMER RELATIONSHIP

A CRM provides an easy and effective way to sort and store all your prospecting information in one convenient location. If you don't have much exposure to a CRM, the basic steps of creating an account are:

- (1) Populate a company profile with account details.
- (2) Build a notes section containing key findings
- (3) Add a contact
- (4) Schedule and record activities

With an account now in place you are able to easily record interactions with the customer and you can schedule future activities. By recording interactions and scheduling activities you are using your CRM as the ultimate reminder, allowing you to review what has been exchanged between you and the prospect and helping you keep you on top of actions that need to be carried out.



**Top CRM Systems for
Startups and Small Businesses**
www.salesforce.com
www.zoho.com
www.highrisehq.com
www.infusionsoft.com
www.getbase.com

CUSTOMERS: IDENTIFY & MANAGE

Consult your business plan.	Look at the goals you've set for yourself and analyze the products and/or services you offer
Begin researching	Start with secondary research. There are a lot of existing sources that can help you pull together information about your industry, the market, your competition, and the broad potential customer you have already identified.
Develop a customer profile	After performing research, you'll want to create a customer profile. This is more than a brief statement; it's an in-depth description of who your typical customer may be and includes demographic and psychographic information:
Find out where your audience is	It's not enough to just say who your target audience is. Find out which websites they visit and which social networks they most frequently check
Monitor and evolve	The work doesn't end after you've identified your target audience. It's essential to continually perform research to stay current on market and industry trends and your competition.



CUSTOMERS: SELLING VALUE



Before you reach out to your prospects, it's important to have a strong message and know what will resonate. To help you craft a stronger sales message be sure to keep these points in mind:

(1) Consider the Prospect's Pain Points

It's important to understand the problems and challenges facing your potential customer. These pain points will ultimately serve as purchase motivators.

(2) Engage Before You Inform

When initiating first contact with your prospect, structure your messages so that anticipated points of interest are near the beginning of your conversation. This should be done for all forms of communication, including emails and phone calls..

(3) Focus on Solutions, Not Products

People do not buy products or services, they buy solutions that solve problems. Learn to highlight your solution's true value by understanding why your prospect would be interested in your solution.

(4) Highlight Your Differences

It's not enough to convince a potential customer that they need a solution; you need to convince them they need *your* solution. Highlight how your solution differs from alternatives within the market,

(5) Sell the True Value

Monetizing the true value of your offerings can help attract a sale and justify the decision to buy. When monetizing your solution, keep the focus on what it means to your customer. While cost is obviously a factor, explore whether it can also save your customer time, indirect costs, or reduce risk.

CUSTOMERS: B2C VS B2B

Business to business (B2B)

- Selling to organizations
- Outbound sales
- *Goal:* Secure bulk orders from a few large clients

Business to customer (B2C)

- Selling to individuals
- Inbound sales
- *Goal:* Attract large numbers of individual customers

Business to business (B2B)

Customize the message to the unique needs of your large clients.

Demonstrate your willingness to collaborate with the client.

Business to customer (B2C)

Create universal messages for different customer groups.

Demonstrate the widespread appeal of your product or service.

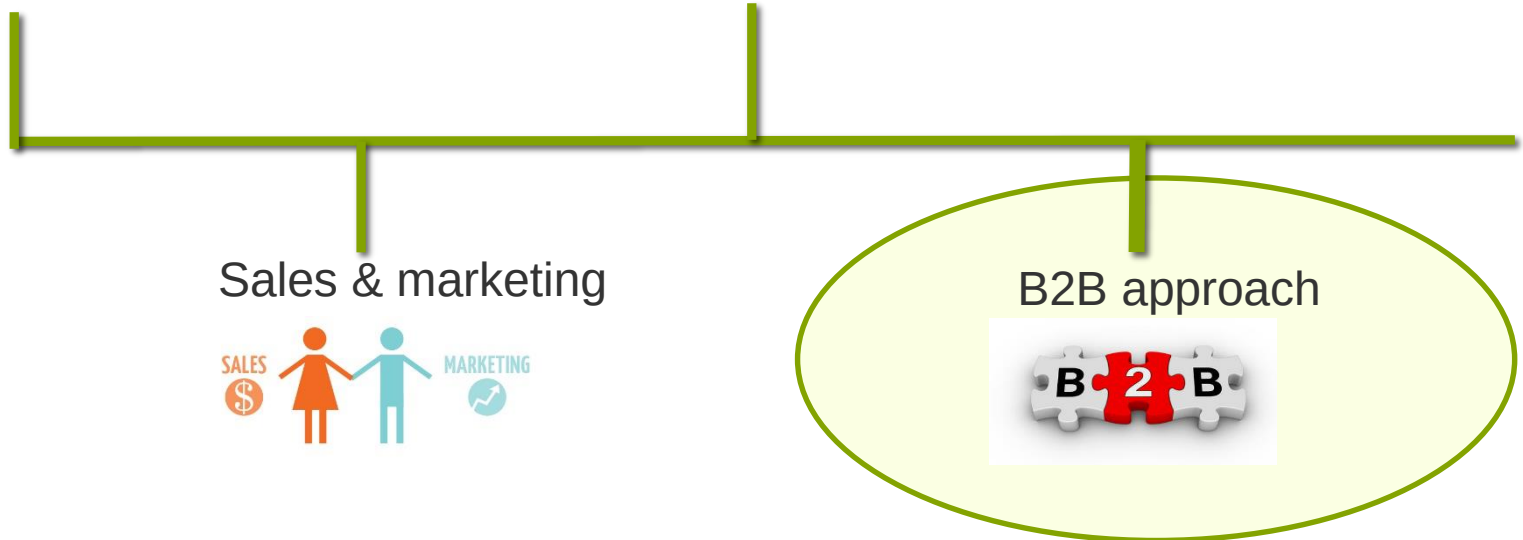
AGENDA



Start-up: success stories



Organization, process & tools



B2C VS B2B

B2B sales prospects are very different from B2C. B2B sales prospects are found in small vertical markets require consultative selling and take longer to sell. B2B sales are "higher ticket" sales driven by a rational sales approach that requires developing personal relationships. The payoff for B2B sales prospects is a high lifetime customer value.

EXERCISE

**Describe your idea of B2C e B2B in your market strategy
(15 minutes)**

B2C VS B2B

B2B markets are generally small vertical markets, often niche in size, comprised of a few thousand sales prospects to larger

Purchasing Process

B2B sales typically have a purchasing process that is usually defined in months and the sale is complex,

Sales Process

B2B sales require **consultative selling** (selling based on understanding a client's needs and developing a relationship of trust)

Cost of a Sale

B2B sales are "higher ticket" purchases usually costing from just a few thousand dollars to tens of millions of dollars.

Purchase Decision

The decision to purchase in B2B sales is generally driven by need and budgets, therefore; it tends to be a very rational decision.

The Value of Brand

Brand identity in B2B markets is created through personal relationships and consultative selling.

Lifetime Customer Value

The lifetime value of B2B customers is much higher due to the higher cost of sales and the likelihood of repeat or add-on sales

B2C markets that are typically large broad markets of tens to thousands to millions of sales prospects

B2C sales have short purchasing periods of anywhere from a few minutes to a few days and is a simple sale

B2C sales are usually direct to the consumer or involve a retailer. The sales approach is a traditional product sell of "convincing the consumer"

B2C sales can range in cost from a dollar to a few thousand dollars.

B2C purchase decisions tend to be made based on want more than need or a budget and, are triggered by more emotional decisions.

Brand identity in B2C markets is created through advertising and now social media.

The lifetime value of a B2C customer is lower than B2B because of the lower cost of individual sales and repeat sales are generally fewer.

WHY B2B

B2B leaders are pulling ahead of the pack—with twice the revenue growth and more than two times the sales productivity of average companies.



B2B CHANNELS

- ✓ Field sales rep
- ✓ Corporate resellers
- ✓ Master or local distributors
- ✓ Integrators
- ✓ Value-added resellers
- ✓ Manufacturer's agents
- ✓ Brokers
- ✓ Franchises
- ✓ Telemarketers
- ✓ Inbound telesales agents
- ✓ Internet sites
- ✓ Extranets
- ✓ E-Marketplaces
- ✓ Direct Mail
- ✓ OEM
- ✓ Retail
- ✓ Kiosks
- ✓ Strategic alliances
- ✓ Agents

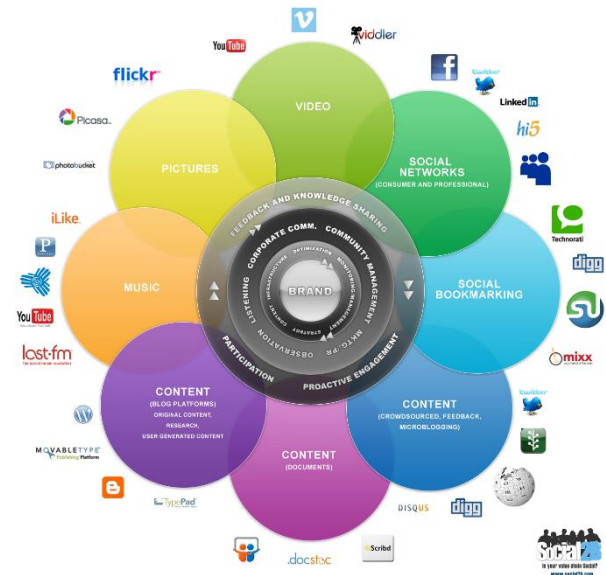


B2B: IS SOCIAL MEDIA JUST ANOTHER CHANNEL?

It is so much more than that. Social Media is forcing corporations (brands) to look at how they engage with their clients, how they use information, and how they respond to events. It is forcing companies to treat Social Media as part of their overall value chain.

For the B2B sector, marketing opportunities have always existed throughout the value chain – from logistics to marketing and sales. With the introduction of more pronounced and readily accepted Social Media Marketing techniques into the consumer marketing space, the opportunities for business to generate leads, improve customer service and raise brand awareness in the B2B arena are becoming more pronounced.

As with B2C, **B2B Marketing in general is about relationship building and trust.** While B2B marketing shares some of its characteristics with consumer marketing, such as delivering value to meet customer needs through thought leadership, content, and product/service quality, it also has many unique aspects that differentiate it, such as reliance on the value chain intermediaries – dealers, agents, distributors and value-added resellers, for example.



B2B SOCIAL MEDIA CHANNELS

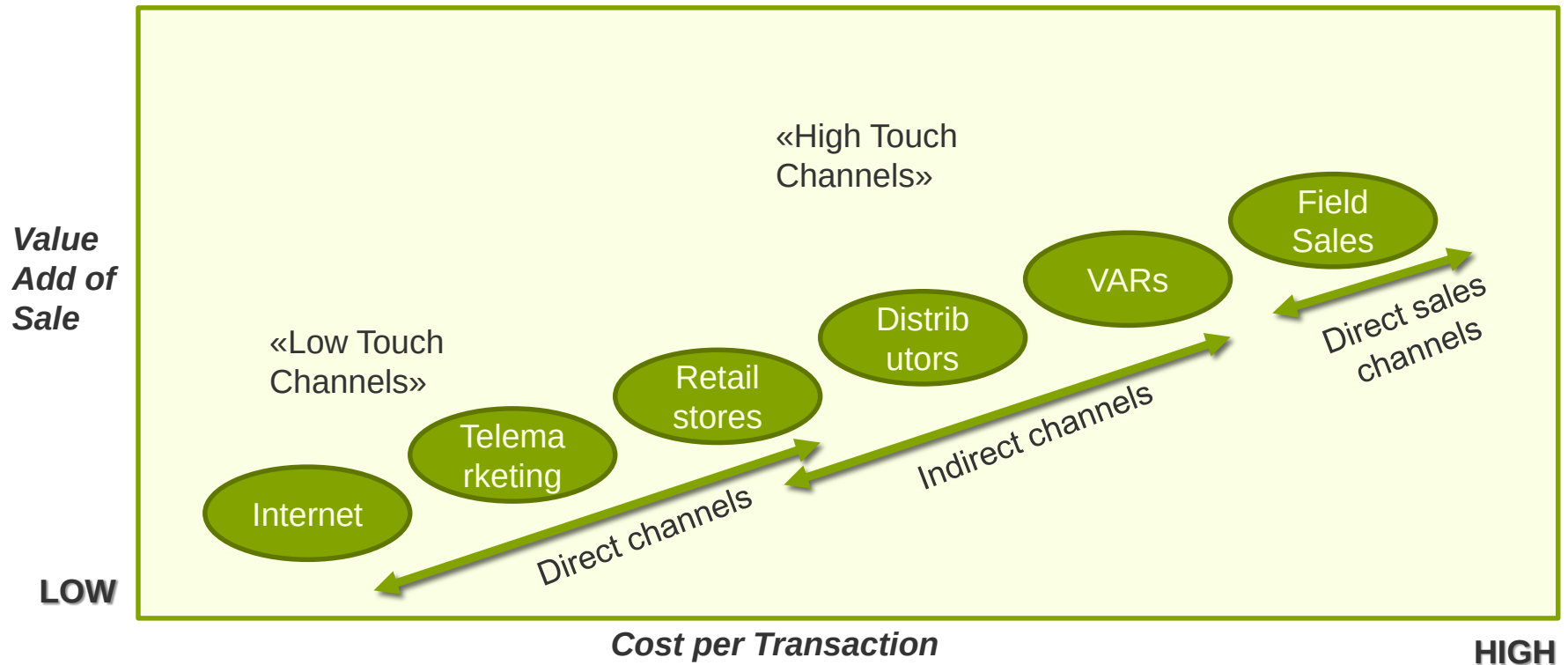
Use the right channels for your objectives

Channel	Potential B2B Objectives	Activity
 Blogs & Communities	Thought leadership, traffic building, customer support, lead gen	Content syndication, Blogging, commenting, outreach, issue resolution
	Targeted audience engagement, audience research	Q&A, conversation threading, company pages, campaigns, employee relations
	Additional audience building	Content updates / syndication, Web/blog traffic generation
 Google+	Additional audience building and engagement	Promotions, sharing, updates
	Awareness, video platform capabilities	Creating branded channel, posting How-to, tutorials, video library
	Awareness, slide platform, lead generation	Posting sales pitches, Webinars, content syndication
	Awareness, Traffic generation, SEO	Contributing, creating original articles, monitoring for accuracy, editing
	OK, if product is highly visual. Reaches 80% female audience	Create board of photo ideas, additional boards of related products.

B2B COST IMPACT

	Retail	Agent/Rep	Distributor/VAR	Acquisition	JV	Subsidiary
Time-to-market	Slow	Slow	Medium/Fast	Medium	Medium	Slow
Management control	Low	Medium	Low	High	Medium	High
Brand Control	Low	Low	Low	High	Medium	High
Cost of sales	Medium	Low	Low	High	Medium	High
Dev of in-house expertise	Low	Low	Low	Medium	Low	High
Access to new Partners	Low	Medium	Low	Medium	Medium	Low
Risk	Meium	Low	Low/Medium	High	Low	High
Hands-on sales/mktg support	High	Medium	High	Low	Low	Low

B2B: value vs cost



APPROACHING A POTENTIAL JV, OEM, ...

- Be ready to explain key products advantages
- Do your homework
 - ❖ why should be interested?
 - Fills competitive hole
 - Enhance existing product line
 - Prevents having to compete against you
 - You could develop market in your home contry for their products
- How easy it will be to work with you
- Support you will give them
 - ❖ Technical
 - ❖ training

CONCLUSION

A. Target Identification	B. Coverage Strategy	C. Partner Selection	D. Strategic Terms	E. Channel and Account Management
Develop the “ideal” target list of new distributors	Decide on channel strategy and competitive conflict	Select specific partners	Define the terms of the relationship	Foster constructive competition
- Define trade areas - Identify distributors who cover trade areas - Determine market focus of available distributors - Develop target list that maximizes coverage across trade areas and market segments	- Define the specific areas of market segment overlap between (potentially) competing distributors - Explore the likely nature of competition and strategies of the distributors - Assess impact on existing distributors	- Determine strength of individual target distributors - Determine attractiveness - Examine fit with the “trade-area team”	- Determine strategic role expected from specific distributor (lead partner, market participant, specialist) - Select terms for each role - Execute specific terms with individual distributors - Define direct-to-contractor policies	- Focus reps on pursuing selected partners from target list - Sign up desired distributors with appropriate terms - Monitor trade area competitive interaction - Use account plans, pricing policies, and TM calls to encourage constructive competition

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THANK YOU!

