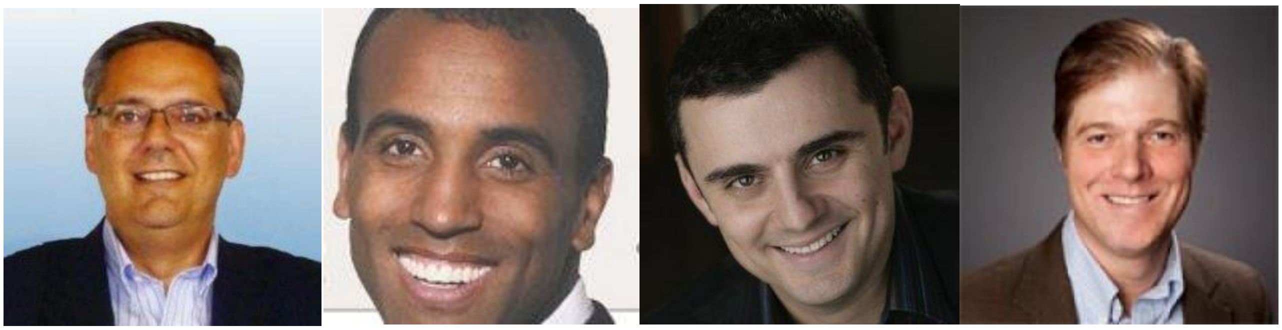
An anthology of our BEST Expert Series interviews

The EXPERT SERIES *Collection*

Featuring: Lincoln Murphy, Jason Jordan, Jim Keenan, Gary Vaynerchuk and more!



INSIGHTSQUARED

Introduction

We've had the immense privilege of speaking with many sales professionals who are masters of their craft and at the absolute top of their respective games. Through decades-long careers of hands-on experience in various aspects of the sales and marketing machine, these authors, consultants, managers, speakers and Sales VPs have all gained a wealth of sales expertise. Naturally, we couldn't wait to pick their brains in the hopes of gleaning a few useful nuggets of sales enlightenment. We've conducted many Expert Series interviews on our blog, but these are 9 of our favorite and most insightful.

Without further ado, we are proud to present **The Expert Series Collection!**

Table of Contents:

Bob Apollo

Bob is the founder and CEO of UK-based **Inflexion-Point Strategy Partners**, a B2B sales and marketing performance consultancy. He speaks regularly at top industry events, has a widely read blog and has been named one of the top 25 Sales Influencers by OpenView Venture Partners.

This interview was originally conducted on August 9, 2013.

InsightSquared: How would you define sales management? How is this different from sales coaching?

Bob Apollo: I think there are actually three interlocking capabilities at play here: leadership, management and coaching. All three are important.

Leadership requires a clear sense of vision and purpose, and the ability to inspire. It's the behavior that encourages a team of people to perform at their best, to be motivated and aligned. Management is typically more to do with the nuts and bolts of running a sales organization on a day-to-day basis. It might include responsibilities like pipeline management or forecasting or general skills-based training.

You're right to call out coaching as being a related but separate skill. It's the ability to help the individuals within your team to make the best of THEIR abilities, to bring out their talents, to stimulate them to think differently, and to help them be more successful in their roles. When I assess people in positions of responsibility at sales organizations, I tend to think in those three dimensions. What are their strengths as leaders, managers and coaches?

Q: What is the number one skill missing from sales management today?

A: I think it's the ability to get the most out of each salesperson. It's not just coaching – I think there are other ways where managers can maximize individual talents – but I would say coaching is a big element of that. Something which is perhaps less obvious is the ability to recognize the particular skills and winning behaviors of top performers across the organization, and to distill those winning attitudes and behaviors in a consistent way across the whole organization. That's subtly different from, but every bit as important as, coaching at the individual level.

Q: What is the biggest challenge facing sales managers today?

A: Bridging the gap between top sales performers and the rest. Sales managers really have to recognize those winning habits and behaviors, which include things like what top performers do well with initial qualification.

One of the distinct differences I find between top performers and the rest is they tend to be much better qualifiers largely because they have too much respect for their own time to waste it pursuing unwinnable deals. They have the confidence to qualify out at an early stage whereas you sometimes see middle-of-the-road sales people hang on to similarly unwinnable deals because they think if they qualify them out their pipeline will look smaller. In practical terms, the opposite is true. So I think improving qualification can go a long way towards bridging the gap. Another skill you typically see in top performers is the ability to look at things in a way that uncovers pain points, establishes context and focuses the broad value proposition of the vendor onto the very specific needs of the individual customer.

Some people seem as if they have just been born with these instincts but my experience is that they can be developed in others and that you can narrow the gap. Salespeople must have a reasonable level of intelligence – both intellectual and emotional – and curiosity. If you have those foundations, you can use training and coaching to drive substantial improvements. If they don't exist, it's usually a hopeless case, and you'd be better off persuading them to find a job that involves selling something simpler.

Q: How has the onset of the data-driven culture changed sales management?

A: Individual sales managers have different personalities. You come across managers who are at all points on the scale, between seeing sales as a heroic art, a science or as a process that can be engineered. But I've got to say that sales management cultures that are fundamentally based around the expectation of heroic but unscientific behavior are finding things increasingly tough.

Effective modern sales leadership increasingly looks like a data-driven blend of science and engineering. If you don't have the right data, it's hard to identify winning and losing patterns of performance. But armed with the level of data that is now possible to extract from well-implemented CRM systems, you have the ability to look for patterns of performance, to identify what's working well and what isn't.

And that's when an engineering-like focus on improving processes comes to the fore, and I think that data-driven cultures have highlighted the value of sales leaders having – at least in part – an engineering or process-driven mindset. They are continually looking for systematic ways to improve performance.

Q: What are some of the most critical KPIs that sales managers depend on?

A: I look for a handful of Key Performance Indicators. Firstly, it's really important that we clearly define and track the stages through which the buying decision process evolves. I say buying process because what the sales person is doing is much less important than what the buyer is doing when it comes to accurately positioning opportunities in the pipeline.

Understanding the volume and value of opportunities at each stage in the pipeline is obviously important, but there's a third metric that is equally important: velocity – the speed at which opportunities progress from stage to stage. Velocity turns out to be one of the most effective predictors of sales performance. Opportunities that move quickly are (depending on which study you read) 2-3 times more likely to close than deals that hang for around for ages without making significant progress.

Once you've got a handle on volume, value and velocity, you can slice and dice the data to learn a great deal about the health of your pipeline, the attractiveness of your various offerings and the competence of your different sales people. And you can judge the overall health of the pipeline by looking at the shape of the funnel.

Is it bottom-heavy, with lots of opportunities progressing to advanced stages but then being lost or abandoned? Or does your funnel slim down rapidly from the top, leaving a smaller number of highly-qualified opportunities to get the focus of your resources? You can probably guess which one is the more efficient.

That's where identifying and encouraging winning habits is so important. What are the common characteristics of successful opportunities, and successful sales people? How can we use those insights to attract, engage, qualify and convert more of the right sort of prospects?

Q: How do you see sales management / sales coaching continuing to evolve in the future?

A: I believe that the successful sales managers of the future will be increasingly data-driven and have a process orientated engineering mindset, as well as retaining many of the

traditional people-centric virtues of sales leadership, management and coaching.
Some traditional sales managers will struggle to make the transition, and they'll find themselves replaced by people who can combine the virtues I've identified. Coaching will continue to be a critical sales management skill, but it will be better targeted and better tailored because the manager can draw upon much better data.

We'll have a much better sense of the winning habits and behaviors of our top performers – driven by a much better understanding of what it is that makes them successful, and we'll be better able to diagnose where people with potential need to help.

I anticipate that we'll also see a greater use of simulations to develop skills – a series of linked role plays that can help sales people practice and develop the necessary capabilities. Just as we currently train pilots, we need to find better ways of exposing sales people to a range of situations (both predictable and unpredictable) and seeing how they react, without crashing the deal.

In summary, we'll have smarter sales managers, equipped with better insights, helping smarter sales people to systematically and progressively improve their performance. And if we do it right, we'll have fewer missed forecasts and more sales people over quota. What's not to like about that?

Jason Jordan

Jason is a partner a **Vantage Point Performance**, a top sales management training and development firm, but where Jason really made his mark is in authoring the seminal and groundbreaking book "Cracking the Sales Management Code: The Secrets to Measuring and Managing Sales Performance."

This interview was originally conducted on September 9, 2013.

InsightSquared: What is the role of a sales manager from your perspective? How would you define sales management?

Jason Jordan: The role of the sales manager is to improve the sales performance of his or her team. Sales managers primarily exist to get better performances out of the salespeople that work for them. So the question becomes: what can a sales manager actually do, beyond staring at reports and doing forecasting? A lot of our research [for the book] centered around exactly that.

We wanted to find out what is important for senior sales leadership and how they are measuring the things that their sales managers do. We found that they are measuring stuff like recruiting, hiring, training and coaching. There's also a lot of measurement around the types of tools that the sales force is provided, the accurate and effective usage of these tools, and then finally assessing salespeople through some kind of skill inventory.

Q: What do you see as the biggest challenge facing sales managers today?

A: The problem with sales management is there's just not enough time. People are always pulling on the sales manager in different directions and all the important stuff just doesn't get done because there isn't enough time. We ask sales managers if they had an extra hour in their week what they would do with it. They always say they would get out in the field and coach their reps. Yet, they don't. We tell them there are no more hours coming; there's a choice you have to make. You can continue to do the things that you think are important, or you can re-prioritize.

Q: 'Hit the number' is a commonly used phrase. What's your advice for sales reps and companies to hit their numbers?

A: Let me break this up into 2 parts: a near-term and long-term. People say in the near-term, "What can I do to get more sales?" The intuitive answer is "make everyone work harder" and that's kind of the fundamental belief that sales forces are built on, that if you can motivate people to work harder, you'll get more sales. But what I would say in the near-term, which is much more powerful than just making more calls, is to make sure the sales force is going after the best opportunities.

If you're a sales VP and you look into your sales pipeline right this very minute, I guarantee you'd find there is a bunch of junk in there. In the near-term, examine what's in your pipeline, examine how the reps are spending their time and make sure they're spending it in the right places.

In the long-term, it's all about building sales force capability, and we think that comes best by building sales management capability. Generally speaking, if you want to have a consistent sales force, frontline sales managers have to be A-grade. Sales management has been operating under the assumption that if you take successful sellers and put them in sales management roles, then they'll replicate that success in the people reporting to them. We think over the long haul salespeople come and go, but having top-shelf management in place is the ultimate answer to make sure they're performing and executing as you want them to.

Q: How would you advise companies to improve their poor sales performances?

A: The first thing is to identify the source of the poor performance. A lot of companies think, "we have to run faster or work harder," but there are other fundamental decisions that affect sales performance. Are you not selling enough of a certain product line? Are the margins being negotiated away by salespeople? Are you not acquiring new customers at a fast enough pace? Are you losing your existing customers to attrition? The first issue when you're having trouble with sales performance is identifying the root cause. We don't see enough people doing enough of that. "We need to do more," is not very sophisticated thinking and not good management. If you don't break it down and try to identify what the problem is, it's kind of hard to take any corrective action that you can have confidence in other than "work harder."

Q: What advice would you give to our readers who have small sales pipelines and want to grow their pipelines going forward?

A: To assume that a bigger pipeline is a better pipeline is a dangerous assumption. We had a case study where a sales manager saw that his sales reps' average pipelines were 20% smaller than the rest of the company, yet they were producing 50% more sales; that's because there was no junk in there. The first thing to improve the sales pipeline is to take a a look inside and get rid of deals that are either unwinnable or undesirable. That frees up a lot of time to go get new deals and to say, kind of counterintuitively, that by pruning the sales pipeline, you can actually build a more productive sales pipeline.

The next thing is to make sure salespeople are focused on the right opportunities. We think that the sales pipeline should reflect the go-to-market strategies of the company. If the pipeline doesn’t reflect the kind of customers that you ultimately want to have, then when the sales come in, you’re not going to have the kind of customers you want. Cleaning your pipeline and making sure reps are focused on the right opportunities – those things in combination are near-term and pretty powerful.

Q: What are your final thoughts to sum up where sales management is today and where it’s trending?

A: At the highest level, I think sales management is the most critical and underappreciated role in the sales force. It’s been neglected, not even intentionally, but it just happened that way. Part of the problem is that even companies that realize they’ve ignored their sales managers still struggle to find something powerful to train them on. They’re really searching the marketplace for thoughtful things to provide their sales managers. The discipline of sales management is not yet fully developed. At Vantage Point, we’re hopefully furthering the discipline by providing this research and providing managers with simple management frameworks that put them in control of sales performance.

My encouragement is for companies to put a lens on sales managers, and if they’re great, then great! If they’re not great, they need help. Sales managers are just so frazzled, and panicked, and reactive, and getting beaten up from every angle. It’s a tough gig. They need help. I’ve often thought about making buttons that say “Hug a Sales Manager!”, because they have such a demanding position that’s not fully understood or appreciated. But we’ll get there eventually. Training one sales management team at a time.

Jim Keenan

Jim is not just any sales guy – he's the CEO of **A Sales Guy**, and one of the most respected sales consultants in the business. His more-than 15 years of sales leadership led to him being named one of the Top 50 Sales and Marketing Influencers by Top Sales World Magazine three years in a row.

This interview was originally conducted on January 17, 2014.

InsightSquared: As a sales consultant, how do you begin your diagnosis of a sales team or process? What is the first thing you are looking for?

Jim Keenan: I break it down into 4 categories: Strategy, Structure, People, Process. Success or failure in any sales organization goes through one or all of those pillars. I look to see, is the strategy sound? Will it get the company to their goals? I look to determine if the structure maps to the strategy? I evaluate the people. Do they have the right people in the right roles? Is the team capable of executing the plan? Do they have the right people, with the right skills working in the right direction? Finally, I look to see if the right execution and support processes are in place. Do they have the right processes in place to identify issues or problems, communicate, report, share, etc. Processes create efficiency and enhance the probability of execution, I make sure they bring everything together.

Q: You espouse a philosophy that says, "Teaching is the new selling." What does this mean to you?

A: Is your sales team built to teach or to pitch? If, in your mind, you're saying; "pitch," it's time to consider a new approach.

Customer buying habits have changed. They know who you are, what you sell, your competition, what people think of you, your customer service, your warranties, everything. In most cases they know all of this before they ever show up on your website or make a call. Customers and prospects no longer need us to talk about us. They don't need our websites, our sales people or our fancy collateral to learn about us. They learn everything they need to without ever having to connect with us. Because of this, your customers and prospects are much further along in the buying process before they ever contact us and that, my friend, changes the game, BIG TIME!

Becoming a teaching organization takes a commitment. It's a cultural change. It doesn't mean you no longer sell. Selling is what we do, that won't change. It's how we sell that changes. Turning your organization into a teaching organization means providing your sales people with new customer centric information. It means providing customers with information and data that can help them run their business. It's not more product information or product slicks. It's not information focused on you and what you sell but rather information on what they sell and what they need to be successful. It's creating a teaching organization that has more information and knowledge than your customers and prospects. It's an organization that knows how to use the information and knowledge to educate the customer or prospect in something they didn't know and needed to know.

Q: You've mentored at TechStars and are familiar with startups. What do start-up sales teams need to do differently?

A: I think this is going to be a bit contrarian, but I believe the biggest challenge to startups when it comes to sales is the product team and the sales team have got to be absolutely embedded with each other. They have to be almost like Siamese twins. In the past, if there was a bad product, sales could sprinkle out magic sales dust by overselling or stretching the truth and the buyer didn't know any better. There wasn't the internet and they relied so heavily on the salespeople to educate them on their product. That's not the case anymore. There's so much information out there that a bad product is seen immediately that its difficult for sales to overcome that.

In startups, I highly suggest that the product team knows exactly what business challenges their product solves and who for and the impact of those business challenges. How does it affect their business – revenue, profitability, customer acquisition, etc. Product has to help the sales team truly understand the business value of the problem set and the impact to the organization of what we're solving. They have to work symbiotically.

Q: How important are metrics and sales analytics today? What are the key ones to focus on?

A: I don't think data or analytics are worth beans unless someone can tell me what to do with them. I'm waiting for some organization – and I hope it's you guys – that can come along and say "I'm not just going to give you data; I'm going to tell you what the data says, and give you some suggestions on what to do with it."

I'm a data hound when I build my own data because I know what I'm building it for but when someone else gives me data? Unless you can translate it and tell me why I need to pay attention and how to use it and what it means? I think that's where most people fall short.

Q: What is your best piece of advice for sales managers aspiring to be rock star managers?

A: Get out of the nitty-gritty detail and stop doing another person's job. Learn to develop sales reps; not manage sales reps. I liken it to a coach. A football coach can't go on the field with his players. Come Sunday, I gotta get the hell out of the way. I think most sales managers still have that mentality – "I'm going to go on the call with you, I want you to build this deal strategy, I'm going to play this role and you play that role." Stop!

Look at the salesperson; what are they good at? What are their strengths and what are their weaknesses? Develop a coaching plan and a coaching cadence over every 6-8 weeks where you develop the skills that help them build pipeline, that help them close, that help them become teachers, that help them position products, to grow their business acumen. Focus on that, and then let them go on Sundays.

Q: Over your consulting career, what is the one problem that sales reps struggle with the most? How have you helped them improve this?

A: The root cause is that sales reps lack the business acumen. The impact is that they are unable to a) ask the probing or unique questions or b) make the appropriate assumptions necessary to assess an environment or to come up with a solution.

I need information to ask questions. If I don't have the business acumen, then I can't ask those deep, powerful questions to figure out how fundamentally my product is going to change your business.

If you lack the business knowledge and the business understanding of the situations you are in, it cascades and then it relegates you to, "Let me show you what my product does. Let me show you this feature." All they can do is pitch it and hope that something they say resonates with the buyer because they don't have the knowledge to connect.

Jason Lemkin

Jason is one of the top Software-as-a-Service (SaaS) experts in the field today, having co-founded two successful SaaS startups – EchoSign and NanoGram Devices – both of which were subsequently acquired. He is now the Managing Director at **Storm Ventures**, an early-stage VC fund.

This interview was originally conducted on June 26, 2014.

InsightSquared: Do you feel that SaaS companies face different challenges compared to other startups?

Jason Lemkin: With the recurring revenue models in SaaS, it's much harder to fake it until you make it. You've got to put numbers up every month. If you're doing B2C, you can pretend your users matter, even if you can't monetize them. If you're building something physical, you can feel like you're making progress even before you sell that physical good. But in SaaS, if the numbers aren't there, you're not achieving anything. There's not a lot to hide behind in the metrics. A Minimum Viable Product doesn't count in SaaS – it has to be a Minimum Sellable Product. Until you've sold your SaaS product to someone that isn't your friend or your ex-boss, it doesn't count. There is no MVP, only an MSP.

Q: What are some key attributes that make SaaS companies successful?

A: We can talk all about different strategies and growth hacking and business development, but the reality is, what drives growth is word-of-mouth. In the very beginning, almost no one will have heard of you. Those first few customers, you have to get yourself – you have to pick up the phone and do it. Once you have maybe just 100 customers, those customers create the majority of your going-forward revenue – whether it's through true virality, word of mouth, being a reference, or, importantly in many SaaS businesses, through upgrades, buying more seats and more licenses. Ultimately customer satisfaction and word-of-mouth really drives everything.

Q: What was the most important lesson you took away from growing EchoSign or NanoGram Devices?

A: The most important lesson, especially for earlier-stage entrepreneurs, is don't quit. What I've learned from both my startups is if you have anything at all, build on it. Every SaaS company has a different story of how they got to initial traction, that $1 million to $1.5 million run rate. Some got there in 2 months, others took 4 years to get to a million in revenue. It may seem bleak if you're doing just $10,000 or $5,000 a month, but it's almost impossible to get anyone to buy anything. They don't need any more business web services. So if you have something, even if it that doesn't pay everyone's salaries, don't quit.

In both my startups, it was bleak at that time, people quit, and I don't blame them. But you've got to push through. At Echosign, I pushed through because I refused to lose my investors' money – it just wasn't acceptable to me. At my first startup, NanoGram Devices, we founded it and 12 and a half months later we sold it for $50 million. It sounds like a great story, but we had so many near-death experiences during that time. We lost all of our customers; everything was a disaster. The real reason we made it through was my cofounder – she and I were each other's rock. The best thing you can do to get is to have an amazing cofounder who is as committed to this as you are. You've got to bring in someone else to help shoulder the load.

Q: What are some of your favorite growth hacks that you believe really work?

A: Everyone's got growth hacks – some work well, some don't. There are a whole group of entrepreneurs that have already had one successful SaaS company, and they're working on their second SaaS company. You want to know what all of these guys are doing? They're way over-investing in the beginning in customer success. Most first-time entrepreneurs hire one person for success, and then do it as cost center and hire maybe one customer success manager for every $2 million in revenue. Those of us that have done it before know that making your customers happy isn't just a good thing to do, it creates all your subsequent revenue down the road – 80% of it. Overinvest in customer success – that's my #1 growth hack. That doesn't get you to your first 10 or 20 or 100 customers, but that's the best way to turn those 100 customers into 1,000.

Understanding the volume and value of opportunities at each stage in the pipeline is obviously important, but there's a third metric that is equally important: velocity – the speed at which opportunities progress from stage to stage. Velocity turns out to be one of the most effective predictors of sales performance. Opportunities that move quickly are (depending on which study you read) 2-3 times more likely to close than deals that hang for around for ages without making significant progress.

Q: Churn is a huge risk for SaaS companies. What role should customer service play in order to minimize it?

A: A: I feel like everybody completely misunderstands churn. Churn is not an absolute. Just because your SaaS service churns at 3% and mine at 4% doesn't mean you have a better product than me. These statistics are almost nonsense. Let's talk about the funnel – the easier you make it to get into your funnel, the more people will go into your funnel. The harder you make it to go into your funnel, the fewer people will sign up, but your conversion rate is going to go up. You're going to end up with an organic churn rate that is inherent to your product. The most important thing is measure it and then drive it down. That's what I did.

We set a goal at Echosign to decrease churn 20% year over year. You need to measure it and force the team to own a metric. The job of your customer success team – period – is to drive churn down, or drive revenue from the install base up. There's no soft squishy numbers, no best efforts – everyone has a number. If you have a sales team without a quota, you don't have sales. It's just as true post sales as pre sales. If managers don't agree with that philosophy, if they're best efforts guys – don't hire them. You'd be shocked how many SVPs, VPs, and C-level executives don't really have metrics they personally have to own that are quantified. That just doesn't work at a startup.

Q: How important is it to focus on data-driven results in all aspects of a business?
A: What matters, especially for the CEO or founder, are two or three core end metrics, and one metric for each functional area. But don't over obsess about the sub metrics. The classic one a lot of folks obsess over is pipeline. You bring in some fancy VP of Sales and he says he created 10 million in pipeline? I don't care – show me the (Monthly Recurring Revenue) growth month over month. But telling your VP of Sales how to get there? Be careful about that. It's the same for your head of marketing. I strongly believe in having mandatory lead commits, whether qualified leads in general, or MQLs. The number of committed leads has to exceed the revenue growth rate – if you want to grow 100% this year, marketing has to deliver 120% more qualified leads. But how marketing does that? That's up to them.

Don't obsess over these sub metrics, but obsess over the key metrics that ties into your revenue growth. Everything can be measured, including engineering, PR, product and marketing. If you have your engineering team agree to measure the output of features quarter over quarter, you will get more features built. It's just a fact. You have to measure every functional area. Measure them all and have everyone agree to the same growth goals to support your revenue, and magical things will happen.

Q: Now that you're on the VC side of things, how has your thinking changed about startups? Do you look at your experiences differently?

When I was a founder, I really didn't appreciate how much risk VCs take. Next week, I'm writing a $3 million check into an amazing startup by a first-time founder. I'll be the first investor in this company. He's an amazing entrepreneur, but if something were to go wrong, that $3 million is lost and I'm out of a job.

It's very easy for me to invest in people I've known for years. But VCs don't get to date a lot before you get married. As a founder, do as much as you can to build trust, because it's a fast wedding. Beyond that, as a VC, I look for founders that are better than me. When I meet those entrepreneurs, I'll usually offer, within 20 or 30 minutes of the meeting, to invest. I met with an entrepreneur today and even though he only has one customer and it's very risky – I still offered to invest on the spot.

Q: When you're considering funding a startup today, how do you decide which business has potential and which doesn't? What key metrics, processes or other qualities do you look for?

A: First, I only invest in SaaS and SaaS businesses. I'm not trying to find the next Uber or to invest in some robotics company. I really look for four things. I'm looking for founders that are better than me, with a great team. I'm looking for that lead velocity rate we talked about, even if their revenues aren't growing – as long as there's leads and interest. Even if you don't know how to close all those leads today, I can help you get a VP of Sales, a VP of marketing, and a VP of Customer Success, but I can't create interest out of thin air.

The third thing I like to see is the potential for better unit economics. I know a lot of VCs will look for customers paying $100,000 a year and a company that has a 3-day sales cycle. I'm looking for folks that have under-maximized their unit economics. Folks that today, maybe their customers are paying $1,000 a year, but I know they could get $10,000 out of those customers. If they could 10x their revenue per lead they'll hit $10 million fast. I love companies where the unit economics can get even better, not where the unit economics are maxed out.

The really good SaaS entrepreneurs I've known over the last 10 years can explain the competition and the market dynamics and how they're going to hit their plans for next year, but the very best ones can tell me the future. They can tell me exactly how their market will look in 4 or 5 years. I remember having that conversation with Aaron Levie back in '07. He told me about Box and how that future would be today. They're the less than 1% that can see the future. Now they're not always right, but they see a lot of it. They understand where the chess pieces are going.

Devon McDonald

Devon, as the Director of Growth Strategy at **OpenView Venture Partners**, works directly with key stakeholders at dozens of portfolio companies, providing strategic guidance and sales and marketing advice. She was voted one of InsideView's Top 25 Sales Influencers in 2013.

This interview was originally conducted on May 7, 2014.

InsightSquared: You work directly with key stakeholders within OpenView's portfolio to provide strategic guidance. How is this different from running sales or marketing for just one company directly?

Devon McDonald: OpenView invests in B2B software companies at the expansion stage, and one of our big differentiators is that we have a team of full-time consultants who are dedicated to helping our portfolio companies get bigger faster – we call this team OpenView Labs. No one else does this in the same way that OpenView does, and within our niche we have become known as the expansion stage value-add VC.

Practically speaking, what that means is that at any given time, my colleagues and I are having conversations with upwards of a dozen portfolio companies at once. People often ask me what it's like to work with so many different companies, and how we are able to quickly assess what their pain points are. The simplest answer is that we've seen it all before.

The reality is that since we're sharply focused on investing in expansion-stage B2B software companies, we've come to understand the challenges that these businesses typically face. Even though each of our companies has a different product and sells into a different market, they all face common obstacles as they scale. Those commonalities make it easier to look at a new company and quickly identify the opportunities for improvement. From a sales and marketing perspective, for example, **the biggest challenge I see is that most companies don't really know their core buyer personas and these personas' buying journeys** as well as they could or should. And oftentimes sales and marketing team are targeting too broad of an audience so their messaging is diluted and doesn't resonate with their key buyers. We are able to work with these companies to resolve that issue, among others.

Q: What is the key to building a repeatable, scalable sales process? Why is this important for companies to think about?

A: Creating a repeatable, scalable sales process is essential for all companies, especially those at the expansion stage. The companies we invest in are clearly doing something right if they're already generating between $2 million and $20 million in annual revenue at the point at which we invest, but we know that to help them reach the growth stage, they need to have great sales processes in place. The way that we're able to help them create those processes is by talking to members of their team, looking at their data, and sharing the best practices that have worked for other companies that have a similar model.

The bottom line is that you need a sales process that matches your buyer's journey. From there, it's a matter of defining the process and getting buy-in from the rest of the team. It's really critical that everyone is living and breathing it every single day. Once you have everyone adhering to the sales process and using your CRM in the same way, you can get the data you're looking for.

Q: A big focus of yours is hiring. In your opinion, what is the number one mistake sales organizations make when it comes to hiring?

A: Too many companies focus solely on having industry experience. We believe it's far more important to hire someone based on their personal characteristics rather than the number of years on their resume. A lot of people make the mistake of thinking that a candidate with 15 years of experience selling for a big company must be great. But that's not always the case. What works for one company might not work for the next. **I'd rather hire someone who is extremely disciplined and process-oriented, than someone with all of the experience in the world**.

At the expansion stage in particular, it's important to find people who can handle change and transitions. When a salesperson starts at this particular stage of growth, he or she can expect to experience changes in as little as six months. If you have a sales rep who really struggles with change and who is more comfortable with the culture of a larger company where change doesn't happen that often or that quickly, he or she is probably not going to be a good fit.

The market for top salespeople has also become incredibly competitive. Hiring can take a lot of effort and energy, and it's easy to get burnt out. That's why it's important to network, recruit, and interview on a regular basis, so that you have a pipeline of talent when you need it. It's also a good idea to always keep a rack open on the team to not only attract additional candidates, but also keep your existing reps motivated. I'm a former basketball player, so for me I think of it like always having someone you can bring in off the bench.

Q: That's a great segue for us. You were a Division 1 basketball player at Colgate University. What are the most impactful lessons from your playing career?

A: It's all about being part of a team, having a vision as a team of where you want to be, and living that vision each and every day. Basketball seasons are long, and you're not going to win every game or every practice. There are going to be some serious obstacles to overcome, but if you're always thinking about the bigger goal and working toward it, it will help take you to the next level. My freshman year at Colgate University, we weren't that great, and we just weren't jelling as a team. I don't think we really knew what we were working toward. Sure, we wanted to win games, but we didn't have a bigger vision in mind. My sophomore year, we went into the season knowing that we wanted to be one of the 64 teams to make it to the 'Big Dance' and the NCAA tournament. We talked about it all the time – practice, pre-game, post-game — and, because we had that vision, we were much more successful.

Similarly, companies and sales teams need to think about what their big goal really is. Is it to IPO? To get X new customers this year or exceed the revenue goal by X percent? When you make these overarching goals known on across the organization, it helps bring people together and focuses them on achieving it.

Q: With your work focusing on both sales and marketing teams, how do you think organizations can improve the relationship between these departments?

A: That's always a challenge. I think the key is creating visibility into what everyone's doing. With a tool like InsightSquared, it's easy to see how marketing is contributing to sales, and vice versa. I think setting crystal-clear SMART goals when you're planning on an annual or quarterly basis, and sharing them with each other, is the most important starting point. It sounds simple, but it doesn't always happen. Marketing creates goals for itself and sales does the same. The problem is that the heads of both teams don't always meet up and agree on what those goals should be.

I think when marketing teams use Scrum, it creates more visibility into what they are working on. Sharing your sprint and all of the tasks in your backlog across the organization creates a much greater sense of transparency. You don't have to shove it down their throats, but Scrum can certainly bring clarity in terms of what people are working on and what goals those efforts are supporting.

Jim McDonough

Jim has had the kind of career most sales reps dream about when starting out – from learning in the trenches and on the frontlines, Jim recently left his position as the Director of Sales at Mashery to become the VP of Sales at **Attend.com**.

This interview was originally conducted on January 31, 2014.

InsightSquared: Talk about your career trajectory a little bit. What advice do you have for aspiring sales reps looking to take a similar leap into sales management?

Jim McDonough: Going into my sales career, I had the goals of eventually getting to a VP of Sales role and I thought about how to get there – starting with sales management and moving up. Some of the best advice I got throughout my career was **understanding what my current managers' pains and challenges are – it's not always just about hitting the number.** As a sales rep, I have control over that on an individual basis, but as a manager, what else can I do to contribute to the overall team goal and morale? Early on, I picked my managers' brains a lot to figure out what kept them up at night and where I could lend a helping hand. That really helped me move up throughout my career, being someone on the team that people could look to for help where maybe the manager's time is stretched too thin – I enjoyed that player-coach role. Understanding what your current managers are trying to accomplish – aside from just making that number – in managing the team and where you can help alleviate some of that pain can go a long way toward helping you get promoted and with lessons to carry on later.

A lot of times your best sales rep, that A++ player, kills it on a regular basis but can never describe how they do it. They look at sales as an art, not a science. That doesn't translate to being a successful manager at all. If they're not able to break down how they hit their number, it doesn't trickle down to the rest of the team.

Q: What are some lessons you learned leading sales at a company during the expansion-stage juncture of its growth?

A: The most important thing I learned over the past couple of years during this time is that it's really easy to lose focus and chase the shiny object, instead of staying focused on what you're good at and the customers that are already successful with your software. To me, it's all about honing in on those target verticals and making sure that your lead generation efforts stick around those target verticals – those are the people most likely to buy.

We accumulated some customers and figured out where we should be focusing. When we were really hyper-focused on those was when we had the most success. When we veered off a little bit was when you would see a little bit of a dip in productivity and pipeline.

Moving forward, the priority for me is really keeping focus on those target verticals and the different buyers between those target verticals that your messaging is going to resonate the most with. This will keep feeding the pipeline. If you keep chasing that next shiny object, you run the risk of losing that focus and not building a strong pipeline. At the same time, you have to keep an eye on emerging trends.

Q: What are some of your favorite sales methodologies or sales processes?

A: From a process standpoint, I think it really boils down to getting in there and understanding your current customers – how they bought, what was their evaluation process, what were the pains and challenges they were trying to solve – and then really building a sales process around that. If I took a cookie-cutter approach and tried to pop what I did at Mashery into what I'm doing at AttendWare, it's not going to work at all. Sales process isn't a one-size-fits-all type of thing. There are certain things I took with me, but the process itself should be dictated by your customers, your buyer and how they like to buy your software or product. If you can align with that, then you can be successful.

In terms of methodologies, I've been with three software companies now, and every single one of them has adopted and trained us on the Sandler Sales Methodology. It has served me well over the years, but I recently read The Challenger Sale and have decided this is the best methodology to use moving forward. In my opinion it aligns with the idea of building a sales process according to the buyer's journey much better than any other methodology out there. I love the concept of Teach, Tailor, and Take Over. It has transformed the way I sell.

Q: In terms of hitting and growing your number, or making moves when you're off the pace, what activity levers do you pull, and what informs your decision?

A: That's a tricky one. The activities you're doing today are going to be the results of closed business tomorrow, depending on your sales cycle. If we're at the end of the quarter, and we're trying to make a number, you don't want to lose sight of your activity metrics – whether its 50 calls a day, or 100 or whatever. I don't think it makes sense to crank that dial up to 200 dials per day to hit your number – that's just not realistic. You have to look at what's in your pipeline – what's most likely to close now, and focus your energy on those deals in your pipeline that have the most likely chance to close. If you're fighting that battle at the end of the quarter, unless you're in a very transactional sale, it's not going to come from just cranking the engine on activities. Hone in on your pipeline and figure out what you can do to get whatever is in your pipeline and move those forward.

I've been in that position as a sales rep, where the manager just panics and forces you to get in 100s of dials and you get so overwhelmed that you lose focus. Maybe you sneak in a deal, but you're looking at the next quarter and you're actually hurting your number going forward, if you panic at the end of quarters, instead of bringing in quality pipeline.

Q: Which types of sales metrics are most important to you when managing?

A: It really starts with goals, overall goals, individual goals, team goals and how everyone is performing against those goals. Then you look at how you get there – what activities you need, how many activities you need to create one opportunity, how many opportunities do you need, how much do I need in my pipeline in order to make this goal. Start with the overarching goal and then break it down and understanding the sales metrics over time – how many phone calls to get a conversation, how many conversations to get an opportunity, what's the win rate on those opportunities. Those are the important sales metrics.

Q: How important is sales coaching, and how can sales managers be better at it?

A: I've played sports my whole life, so coaching is critically important to me. Early on in my career, when I first stepped into sales management, it was all about the "rah-rah" stuff. We didn't have a well thought-out plan based on numbers to get to our goal. I would be involved with the team, hop on calls with them, do role-play, but if you're not looking at the numbers and putting a roadmap for success for your reps to show them how to get there, I think sales coaching becomes really difficult.

Once you build that roadmap, it's meeting on a regular basis – whatever that cadence might be – to make sure that we're progressing and reaching those numbers. If you take a look and see that a rep is making a ton of dials but not converting any to opportunities, you have to figure out why? Maybe you should focus on the messaging and encourage them to keep up that effort, but be sure that they're asking the right questions. Every rep is different so to have a one-size-fits all for sales coaching doesn't really work, and I think I fell into that trap. I kept people motivated, but I don't think I did a good job of showing people how to get there with the numbers.

Lincoln Murphy

Lincoln is laser-focused on customer success, both at his role as the Customer Success Evangelist at **Gainsight** and on his very popular blog, Sixteen Ventures. In addition to how to satisfy customers, Lincoln also writes great thought leadership pieces on SaaS, startups, churn, pricing models and market fit.

This interview was originally conducted on August 7, 2014.

InsightSquared: How do you identify your ideal customer and market as a young startup? How often should you reassess and change this ideal customer profile?

Lincoln Murphy: As a startup, you have to sit down and figure out who you want to do business with; what's the market segment that will be the most profitable and is growing the fastest? You also have to consider, when you go to pitch investors, who will they be excited about? If you're going after X market, investors might not want to invest, but if you're going after Y market, they may compete to invest in you. The idea of who you want to do business with will ultimately be the early inputs in everything from your product design to marketing.

That's a big ask, but nobody ever said startups are simple. Building an app might be simple, but building a startup is not. A lot of times, shortcuts are taken because people don't want to go through all these processes. Often, the companies that struggle are the ones that bypass finding an ideal customer and market. They get a bunch of early adopters and it tricks them into thinking they're making great progress. Then when it comes time to buckle down and get more in control of marketing, they look at all their early adopters and there are no real patterns. At the very least, if you go after one ideal customer and it falls flat, that was a hypothesis that was proven false and you can move onto another one. If you didn't really have any strategy, how did you know what didn't work?

In the early days, there's going to be a lot of uncertainty, so realize that the customer profile you come up with at first is probably going to change. You should have milestones or key results to help you figure out if you're making the appropriate progress. Say in the first 90 days of business, you want to have 100 customers. If you're not on target after a month to hit the mark, you need to reevaluate your target customer. But if at the end of the first month you're at 50 customers, there's nothing wrong with spinning up a new ideal customer to go after. Don't be tempted to try to do too many things at once, but you don't have to wait until you've seen the complete outcome to try a new test.

Q: How do you find your ideal SaaS pricing model? How should you price your product for your target market?

A: I don't have any interest in cost + pricing, which takes the cost of a product and adds some margin. I'm interested in *value pricing*, which is based on the value perceived by the customer. I've seen early stage SaaS companies try to price by looking at the financial margins of Salesforce.com. They'll say Salesforce runs at a 30% margin, so we want to come in at a 30% margin too because we want to be like Salesforce. This is not taking into account that Salesforce is a very different company than a startup, and very different than most modern SaaS companies today. If you really understand the value of what your customers are getting, you could have a 300% margin. It doesn't matter. It's a price that's based on the value that your customers are going to achieve.

Pricing is also about understanding who your ideal customer is. The big question has to do with quantity vs quality. Do you want a massive amount of customers or do you want fewer, potentially more profitable customers? It comes back to some of those big questions, like what do we want our company to look like? Do we want to have a large customer support organization? Or do we want to be very much a self-service e-commerce type of company?

A SaaS price should really be an input on a spreadsheet, not an output. In other words, you can figure your operating margins and profitability by using the price you've come up with, but price can't be developed using a spreadsheet and formulas. Pricing is really a function of marketing. Pricing acts as an input to finance and those inputs are not margins and cost – they're all about the customer. I use the 10x rule. I want my customers to get 10 times the value out of my product than what they paid for it. The bottom line is, SaaS doesn't have to mean cheap. Cheap doesn't scale.

Q: What are some common mistakes new companies make when offering free trials?

A: Free trials are so widely used, and yet so few people get it right. Many startups don't understand how a free trial works. You see someone map out their customer acquisition flow, and the free trial is just a box on the flowchart rather than a series of steps. If I see that, I know people don't get it. You end up with a free trial that is an afterthought and is not designed to convert. The problem is, most of the time people say, "Our customers are abusing our system. We should get people to pay up-front, with a 60-day money back guarantee."

There are some companies out there that are doing amazing free trials. They really are customer-converting machines. They see the importance, and design it and absolutely crush it – I'm talking 80% conversion rates. But the companies that don't get it, don't care, and complain about it are getting maybe 5% of people converting to paying customers. You have to want to understand it and apply the knowledge, engineering and design work required to make it effective.

Q: How do you train your sales team to handle discounts in the right way?

A: You never discount something that someone would be willing to pay for at full price. Discounts should always lead to a higher Customer Lifetime Value (CLV). This is counter to the way we tend to think about discounts. If someone wants a discount and their activity says they're at Tier A, I'll offer a discount on Tier B. You have to draw a line in the sand about what you're willing to do and not willing to do. Are you going to be a reference for me? Can I put your logo on my website? Otherwise why would you discount? Discounts should always lead to higher LTV, otherwise you're just giving your product away for less money. That's a slippery slope, and leads to you selling on a price basis. If you're getting too many requests for discounts, that also may be a symptom of another problem, like going after the wrong customer or having pricing that's incongruent with the value perception of that target customer.

Q: You say that it's possible to drive down churn before you even start selling – how do you accomplish this?

A: The seeds of churn are planted early. It may be that you're attracting the wrong audience and trying to sell your product to people who shouldn't buy your product. For example, if you're selling to customers that are always looking for a discount, maybe you need to go after a higher-level market. You also shouldn't over-promise and then under-deliver. I worked with an outsourced email company once that would handle all of your email marketing for you. I remember I showed up at the door and the guy that came to meet me had a shirt on that said "We send email, you make money." I was there to help them with their massive churn problem. The reality is, they were way over promising what they could do, and eventually, that caught up to them.

Don't sell the cheapest product. Again, it's not bad to have a low price, but it has to be congruent with everything else that's going on – the expected cost of support, the infrastructure, how long it will take to pay back the cost to acquire the customers. If you're attracting an audience that is very price sensitive and transient – going from one product to another with no feeling of investment – that can cause churn too. You can stop churn if you attract the right customers in the first place, don't over promise and under deliver, and don't sell the cheapest product.

Q: Why is your Customer Acquisition Cost (CAC) an important metric for growing companies to track and analyze?

A: There's a big bunch of metrics that go into the one thing we call a CAC, which is how much it costs to acquire and support the customer through the acquisition process. I'm talking about a fully-loaded CAC, including the cost of advertising, marketing, sales, support during the free trial and onboarding – basically any cost associated with attracting prospects and getting them to become a paying customer. It's important to really understand all of these costs. It's very simple to say I paid $7 for an AdWords click that turned into a customer, so my CAC is $7. That's wrong. Your customer acquisition cost was the other 100 clicks you got that didn't produce a customer, so it's really $707 to get 1 customer.

If you get 1,000 people to your site, and 100 enter your free trial, and you get 1 new customer, the CAC is going to include the cost of sales and support for those 100 you tried to convert during a trial and the marketing costs that you spent to get the 1,000 people to your site in the first place. You need to really understand this, because we need to know how long it takes to pay back that initial acquisition cost. We don't necessarily want to reduce our CAC; it's about how fast can we pay it back. If I attract a customer and pay X amount to acquire them and I know it takes 6 months to pay that back, but they churn out after 3 months – that's a problem. There also may be a situation where I want to actually increase my CAC if I pay it back quickly. We just have to know what it is so we know what to do with it.

Q: What can you do to change your total CAC? What metrics should you focus on?

A: Look for bottlenecks in the entire sales process. For example, you may be getting a large amount of folks to your marketing website, but nobody's really interacting with your site once they get there. They're not signing up for a free trial, or any secondary calls to action like a webinar. You know something is wrong with either your site, or who you're attracting to it. If you're getting people into your free trial but they're not converting, we want to look for bottlenecks there. Bottom line is, we can look for these bottlenecks all across the sales process.

To get the most efficiency out of your CAC, we have a whole list of cranks we can turn. Everything from more quickly engaging customers and prospects when they're on your site, reducing friction in the onboarding process in your free trial, or making their time on the site more efficient. There's a lot of moving parts here, but ultimately, we look at the whole process and look for those bottlenecks keeping your costs higher than they should be.

Q: You recently joined Gainsight as a Customer Success Evangelist. How do you personally define customer success and how do you cultivate it?

A: I've been a Customer Success Evangelist since before I joined Gainsight, but I joined the company because I was excited about what they were doing. Gainsight is a SaaS product that helps you manage your customer success process and get more insight into your customers. But why is customer success something that we even have to convince people they need? Customer success to me is getting the customer to achieve success from the use of your product, in what they're trying to accomplish – not just what they're trying to do. It's really a mindset, to make sure you're thinking about your customers. We need to understand where our customers are trying to go and get them to that point. That's very different than seeing the user complete a functional task in the product and, as a vendor, sitting back and calling that success.

Customer success also does not mean making your customers happy – in fact happy customers are not necessarily what we're looking for. Your best customers are often those who never seem satisfied; they're always contacting support because they're really using the system and often breaking the system. And that's great – those are the customers that are most likely to stick around if we interact properly with them. But it's the customers we never hear from, that fill out all 10's on the survey we send out, that we should worry about. We don't know if they're successful. We think everything is great, and all the sudden they're the ones that churn. Customer success is about setting goals with your customers and then working diligently to achieve that. It's a simple concept, but difficult to achieve.

Steven Rosen

Steven has spent his career as an author and speaker helping to transform average sales managers into great sales coaches. His book, "**52 Sales Management Tips: The Sales Managers' Success Guide**" is considered a critical practical field guide for struggling sales managers.

This interview was originally conducted on August 27, 2013.

InsightSquared: How would you define sales coaching and how does it differ from sales management?

Steven Rosen: Sales coaching is an ongoing process of developing your salespeople to be better at what they do. It's a process that is really up to the individual rep to do the work. The sales manager's job is to facilitate, to hold the individual accountable to the growth or improvements they're looking for. Coaching is the number one activity that sales managers can do to drive performance. The reality is sales coaching is one item under their sales management umbrella and is critical to the success of the sales organization.

Q: What is the key to turning sales managers into effective sales coaches?

A: Sales managers were once very successful sales reps, and there are a number of "paradigm shifts" that have to happen to become an effective sales coach. The first one, in terms of coaching, is believing that your reps hold the answers to many of their challenges. It becomes your role to facilitate the process in a way where the reps can come to their own conclusions and their own solutions.

The second paradigm shift to become an effective coach is moving from telling people what to do – which we're all very good at – to an "asking mode" and asking effective questions. That takes a long time for sales managers to become aware of how much telling versus asking that they're doing. To be effective they need shift themselves into this asking mode. As business changes, we need new solutions, not the same-old-same-old that a tenured manager or a tenured rep who moves into a sales management role may think that what they used to do works when, in fact, it doesn't work.

Q: What is the key to turning sales managers into effective sales coaches?

A: Number one is the ability to ask thoughtful or strategic or effective questions. A lot of the skills you're using in sales coaching are actually good sales skills so the second important trait is to be a good listener. Listen to what the individual has to say or what they're trying to say, as opposed to jumping in and moving it in the direction you want to move in. Sitting back and actively listening takes a lot of patience and is not an easy skill to develop. The final trait is being able to do good follow-up, or what I call "holding your salespeople accountable."

Q: What is the biggest challenge in changing the behaviors of managers or reps to improve sales performance?

A: The behavioral component is a challenging aspect to change or help improve people. If you look at the factors that drive performance, number one would be skill or talent. Behavior becomes more challenging because it's really held or owned by the individual. The effort you put out, the attitude or how you think is really owned by the sales rep, so despite all the training you do, unless the individual wants to change his or her behavior, then improvement is just not going to happen.

Any change program begins with self-awareness of the behavior. Some people can be great performers but are just completely unaware of their behavior, or they feel that because they're great performers they're entitled to behave in a certain way. They don't realize or care that their behavior has a negative impact on the team or even on the customer. Get them to understand or verbalize what the impact of their behavior is.

It's really about holding the individual accountable, which means asking questions. "You said you were going to behave in a certain way and now you're back in the same situation. How's it going? What have you learned?" We're creatures of habit and we fall into the same behavioral patterns. Change is a challenging process, even if we want to change, and it really requires your manage or coach to keep you on track and hold you accoutbale to where you want to go.

Q: Do you believe in a data-driven approach to sales coaching? What metrics are most important to bring to the table?

A: Yes; in sales and sales management, the devil is really in the details. Until you're looking at those detailed metrics and really understanding what's going on at a micro level, you may be missing critical opportunities to improve your sales and improve the effectiveness of your sales organization.

The sales analytics that are critical for you depends on your industry or organization. For instance, I spent a number of years in the pharmaceutical industry. We looked at sales call activity broken down, not just the total number of sales calls. We looked at how frequently we called super-key targets, measured scripts and various other metrics. The key to determining which metrics to look depends on what the 2-3 critical success factors are and that they are controllable by the sales rep.

Q: What is the best "tip" you can share from your book?

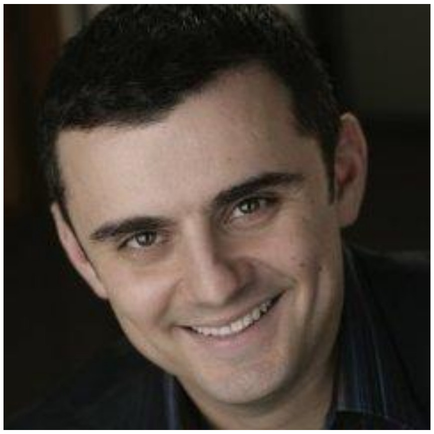
A: In the first chapter, I talk about being great and for sales managers, being a great coach is one of the areas that will really elevate their performance. Many of their discussions happen around and, you know, sales managers saying, "Well, I want to motivate my people, it's really critical that I motivate my people," and the reality is you can't motivate people. Ongoing, sustainable motivation has to come from within so one of my beliefs is that you have to understand the specific goals that motivate people. One of the ways I explain motivation is understanding the 'why'. If you can understand why someone wants to do something, then you can understand their motivation.

So, tip #4 in my first chapter is "Understand the why." When you understand the 'why', then you can be much more successful at tapping into people's motivations.

Q: Going forward, where do you see sales – and sales coaching – trending in 2013 and beyond?

A: We're all being forced to do more with less and, as a result, we're seeing a lot more skills required by sales reps – not just selling skills, but also relationship-building skills. We're starting to see a great move toward business acumen and business planning. It's critical that sales managers and sales coaches coach the plan, stay on top of their business, help reps understand the key metrics that drive their performance and business. I see as a trend moving forward a much greater focus on business, understanding your own business from a more analytical perspective, especially in the growth areas and skill sets to be successful in sales management and to be able to coach and manage effectively.

Gary Vaynerchuk



Gary is a speaker, author, social media expert, and wine aficionado…but he's also so much more! The author of several New York Times bestsellers, including the recent "**Jab, Jab, Jab, Right Hook: How to Tell your Story in a Noisy World**" Gary is considered one of the world's most renowned marketing and entrepreneurship experts.

This interview was originally conducted on April 11, 2013.

InsightSquared: What does the future look like for salespeople?

Steven Rosen: The world has changed for sales and it will never be the same again. There is also a lot more information today about you and your product that your customers can learn without ever talking to your salespeople. This is totally different than it was five or ten years ago.

This means that salespeople have to change. They must learn to bring a lot more value to customers to earn the right to have a conversation. Customers who are making critical decisions are much more informed than ever before, which means that just being a good salesman is probably not enough and is less valuable than ever before. Smart customers know more about you and your competitors and they are aware of your flaws and that knowledge is changing the landscape.

Q: What should sales reps do to be prepared for this changing landscape?

A: Salespeople in general need to reverse engineer whatever they are trying to achieve. They were trained differently for what worked in the past. But, as I said, the future is different. There is now far more information on people with so many people sharing all this information about themselves socially and salespeople should be using this information to their advantage. If you know someone who likes golfing or red wine or movies because you are following them [on a social media network], you should use this information as a connection point.

Q: Does social selling work?

A: Well, does knowing more about your target buyer help you connect with them? Of course! Knowing more about your customers helps you build relationships and sell to them. I love selling and I find it very surprising that so few people use social media to sell. But you must use social media to sell only if you do it authentically, in a positive and truthful way, and only then will you succeed.

There's a reason that old car dealership sales guy jokes exist. I learned through social media that good salespeople sell value and social media becomes the best place to find this value because of its transparency.

Q: Do you use sales metrics to analyze your business' sales and marketing efforts?
A: Yes, I like metrics for sales and for marketing. We track the key metrics. I also think it's important to have emotional intelligence (EQ) combined with your data to gain the biggest results.

I never put myself in a position to let the numbers dictate things too much in the short term because I care a lot more about the long term. I have the patience to get the win in the long-term and that is all about people. I'm very people-driven and I care about forming deeper relationships – data has always shown that the ROI is always in the long-term relationships.

Q: What's the best advice you can give salespeople today?
A: Selling in the past has meant that salespeople should be acting like pitchers. But the future of selling involves being a catcher. In my upcoming book "Jab, Jab, Jab, Right Hook," I will reveal how to establish a relationship first, bring value and then go in for the close. Most people treat social media as if you are trying to get married after a first date. That's what most salespeople struggle with: patience. Patience is key for selling with social media.

And you have to start by telling a story to make people care.

For example, take some of your content and make it more accessible and relevant to people. Then, go on Twitter and search for keywords related to your business. Respond to the conversations that you find and to what's being said about those keywords instead of starting a new and unsolicited conversation. Be helpful and responsive and bring value first and foremost. Otherwise, you'll have a far smaller chance of winning.

Q: How do you convince sales managers to let sales reps be active on social media?
A: CEOs need to be convinced first and they don't necessarily have the time to be patient, but patience on social media is critical. Sales managers are getting pressure from above – they might understand the importance of patience and social selling but they might not have the luxury to do so unless they 'sell' the CEO on its value.