

A few thoughts on

# Sales and Marketing for new ventures



# It's very exciting to be part of launching a new venture.

Creating something that's never existed before.

Working with a committed team.

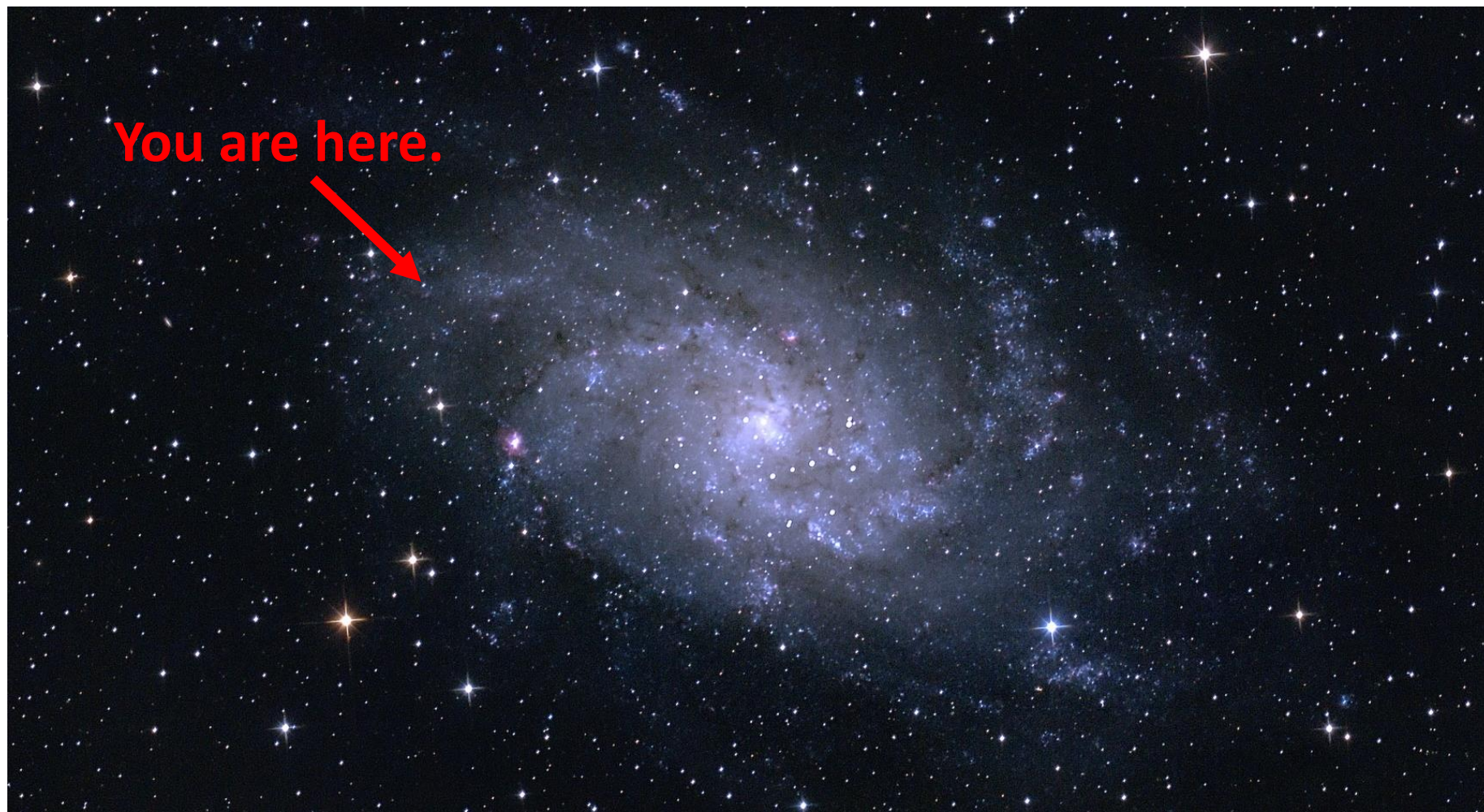
Putting lots of your fingerprints on the business.

Testing your ideas in the marketplace.

The energy and the pace are invigorating.



At the beginning, a new venture feels like this:



**A new organization is learning as it goes, in real time.**



Launching a new venture is a balancing act.



Balancing **FLEXIBILITY** with **STRUCTURE**.

Without flexibility, it's unlikely you will connect with the market.

Without structure, it's very hard for an idea to take physical form.

**Sales and Marketing are the means by which you bring your idea out into the world and connect with the market.**



**So, let's talk about Sales and Marketing . . .**

# Everybody thinks they understand what Sales is, but . . .



Selling commercial aircraft is not the same as selling professional services is not the same as selling high volume, low unit cost parts is not the same as selling luxury goods.

**Each new venture must match their sales process and sales organization to the buying characteristics of the industry they are selling to.**



# Nobody really understands what Marketing is, but . . .



**Good marketing is more coordinated, sophisticated and strategic than the typical scattershot approach. It takes a while to build up momentum, but then it creates a force pushing the business forward.**

For our purposes today,

## **The role of Sales**

- Make personal contact with the prospect or customer, when *they* are ready, to jointly develop a specific, customized solution.
- Develop and grow the company's customer relationships.

## **The role of Marketing**

- Develop a growth plan for the company based on evaluation of the company's market, customers, competitors and capabilities.
- Generate demand and qualified leads.
- Develop tools for each stage of the selling conversation.

In broad terms,

Sales = **Today**

Marketing = **Tomorrow**

Sales = **Revenue**

Marketing = **Growth**

Sales = **Local**

Marketing = **Global**

Marketing = **Planning**

Sales = **Execution**

Marketing = **Strategy**

Sales = **Tactics**

Marketing = **Optimism**

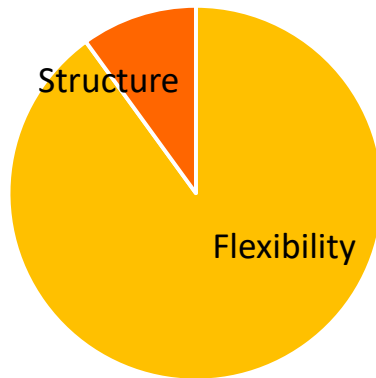
Sales = **Pragmatism**

In general,

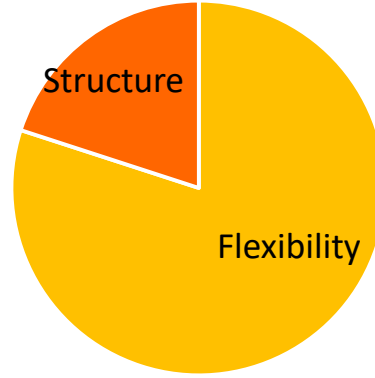
Sales is more about **FLEXIBILITY**.

Marketing is more about **STRUCTURE**.

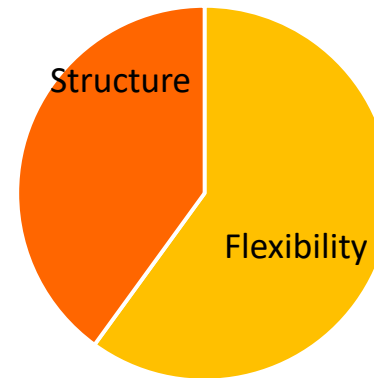
# Evolution of Sales and Marketing for new ventures



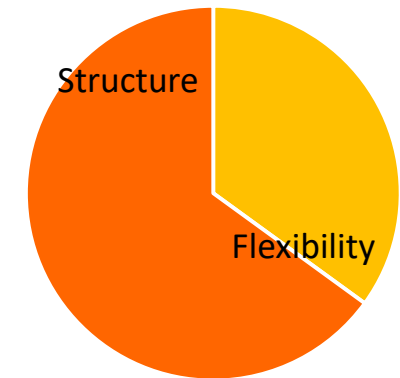
**Pre-Revenue**  
**Pre Customer #1**



**~3-5 Customers**  
**Ongoing Revenue**



**Existing Customers Renewing**  
**Steady stream of new Customers**



**Going Concern**



People lean toward flexibility or toward structure.



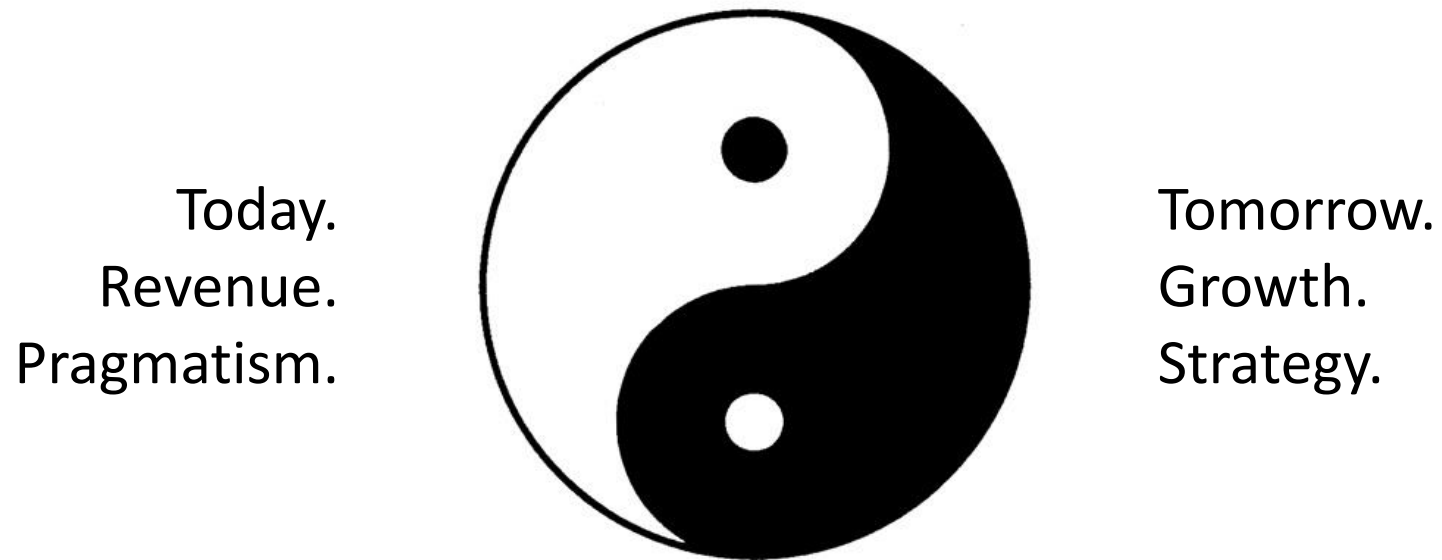
... organizations do too.

The changing, learning, adapting nature of new ventures means everyone is going to be outside their comfort zone at some point.



And that's part of what makes new ventures exciting and fun.

In a new venture, it is vitally important that Sales and Marketing work together in a dynamic equilibrium.



**FLEXIBILITY** *and* **STRUCTURE.**

## **Sales without structure is:**

“Hey Buddy, I can get you two tickets to the ballgame.  
Now how much of our product do you want to buy?”

## **Marketing without flexibility is:**

“In our infinite wisdom, we’ve figured out what the  
market wants. Take it or leave it.”

# Sales for New Ventures

Especially for new businesses, **Customers** and **Revenue** are absolutely vital.

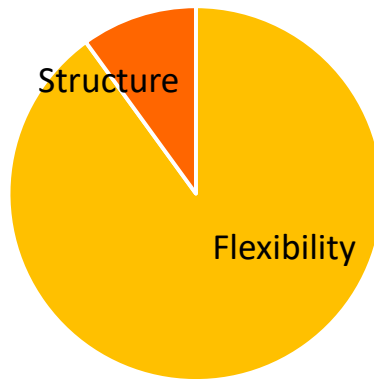


# Sales for new ventures

- There is a world of difference between an unproven idea and a new venture with actual revenue and customers.
- Your customers ALL have an existing solution.
- Your customers ALL have alternative options—and all those options are less risky than you.
- Sales for new ventures = Listening. And caring. And solving problems.
- In a new venture, EVERYONE is “in Sales”.
- New business people (hunters) are different than existing business people (farmers).

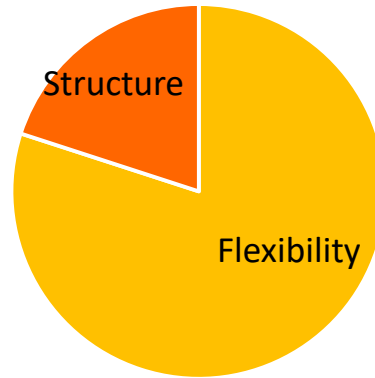
# Sales for new ventures

**Pre-Revenue  
Pre Customer #1**



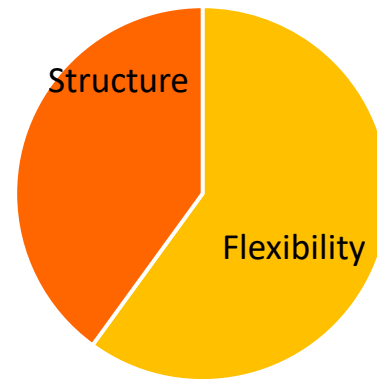
Pitching the story.  
Listening.  
Is the world interested  
in our solution?  
What problems do they  
have that we could  
solve?  
Opening dialogues.

**~3-5 Customers  
Ongoing Revenue**



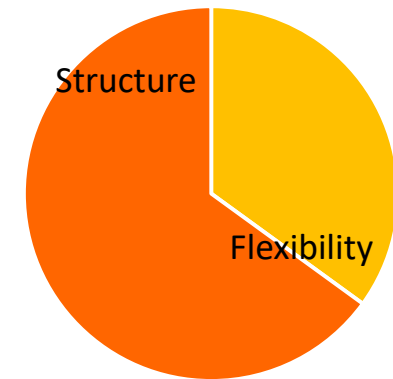
Refining the story.  
Looking for “Look-alike”  
prospects.  
Sharpening our  
understanding of what  
the customer is really  
buying.  
Improving our value.

**Existing Customers Renewing  
Steady stream of new Customers**



Strengthening customer  
relationships.  
Expanding our offering.  
Finding new pools of  
potential customers.  
Formalizing processes.  
Integrating our solutions into  
the customer’s business.

**Going Concern**



Managing customer  
relationships.  
Cross selling and up  
selling.  
Creating a shared vision  
of the future.  
Stratifying customers  
on profitability.

# Marketing for New Ventures

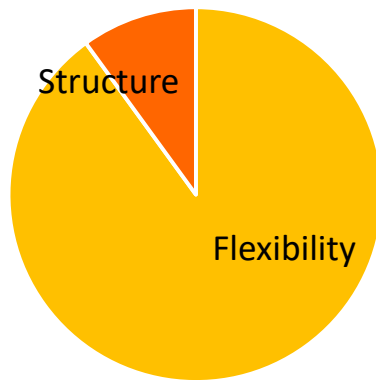
For new businesses, Marketing is about **Telling the story** (even as the story is evolving).

# Marketing for new ventures

- At any given moment in time, your venture must have a story.
- You must look as established and credible as you can—without overinvesting in this moment in time.
- It is Marketing's job, more than any other function, to listen objectively to the market. Is this working?
- Marketing for new ventures = Finding new customers and providing the tools to close sales.
- In a new venture, you should have one guardian of the “Brand”.

# Marketing for new ventures

**Pre-Revenue  
Pre Customer #1**



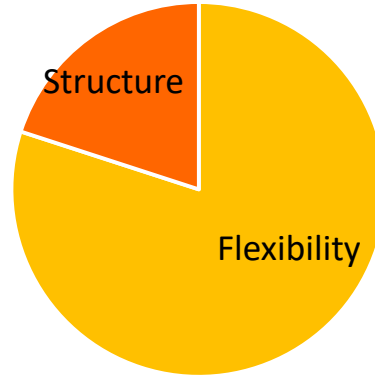
Crafting—and refining—the current story.

Connecting our solution to their world.

Listening.

Reducing risk:  
Presenting us as credible & professional.

**~3-5 Customers  
Ongoing Revenue**



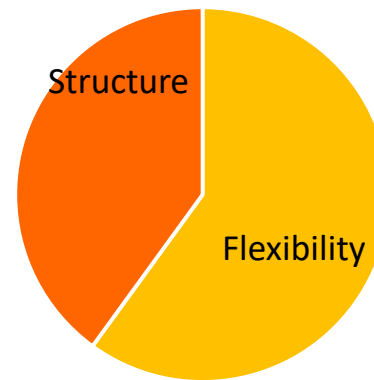
Sharpening the pitch.

Building tools for critical points in the sales process.

Developing a story for suppliers, investors and channel partners.

Clarifying the product features and benefits.

**Existing Customers Renewing  
Steady stream of new Customers**



Increasing exposure and visibility for the business.

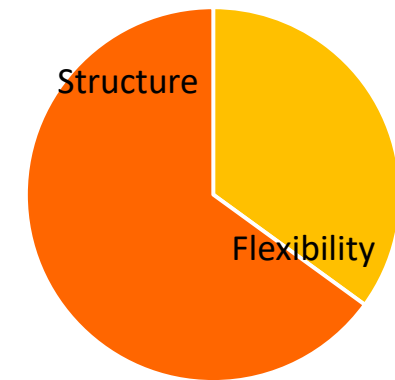
Promoting expertise and thought leadership.

Building out the website.

Formalizing our offering.

Developing a growth strategy.

**Going Concern**



Ongoing demand generation.

Strengthening the brand.

Incubating prospects until they are ready for Sales.

Developing new products.

Improving profitability.



# Sales and Marketing for new ventures

- Both Sales and Marketing must be **PRAGMATIC**. You can't afford to be "MBA" at this stage.
- Both Sales and Marketing must be **HIGH TOUCH**. You are marketing and selling to people.
- Start from the outside, the customer's perspective, and work your way in. It's about *them*, not you.
- Be on guard for the "new shiny thing" effect. While you have to be flexible, you have to stay [somewhat] on course as well.



# Comments: websites for new ventures

- Think of it as a continuous work in progress.
- Tell the [current] story on the homepage—and test!
- Don't overinvest at the beginning. Good enough is good enough.
- Most likely it will be a “pre- and post-interaction” site, not a “set it and forget it 24-7 revenue generator”
- As the story and the product and the value proposition start to gel, and the general profile of likely customers emerges, you can build out the copy and the navigation, add testimonials and proof points that enhance credibility, and offer thought leadership.

# Comments: building teams for new ventures

- Include both flexibility-inclined people and structure-inclined people.
- Be open about where the venture is at this moment.
- Acknowledge the contributions of each member.
- Celebrate “growth” at uncomfortable moments.
- Have fun!

# Pitfalls to avoid

- You can't be afraid of customers (or their feedback).
- "Commission breath" kills sales.
- Don't be too rigid on price, or pricing strategy, at the beginning.
- It's tempting to spend all your time inside, where it's safe.
- You are a young, agile new venture. Your customers are established, complex organizations higher on the structure scale. The sales cycle will move slower than you think it will.
- Pay attention to self care.

# Once your new venture is airborne . . .



The balance between Flexibility and Structure shifts toward Structure.

The boundaries of the product become firmer and more well-defined.

Pricing policy becomes more consistent.

Selling develops a bit more forward lean.

The pace of change begins to slow down.

You can invest more in marketing infrastructure.



# Spending guidelines for new ventures

## **How much should you spend on Sales & Marketing?**

- Well, you've got to spend something!
- Spend to look professional. Spend to build credibility. Spend to demonstrate capability. Spend to develop the product. Spend to reduce risk for the prospect.
- Don't overinvest at the beginning. Good enough is good enough. It's going to change.
- Later, once your business is airborne, you can start to think about managing spending as a percent of sales ratios . . .

So, my fellow entrepreneurs, I wish you all the best,  
and **enjoy the ride!**



**Discussion?**

# Thank you!

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