



# ENTERPRISE SALES FOR STARTUPS

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## ABOUT ME

- ▶ Long background in technical roles
- ▶ Time for a change...
- ▶ Developer → Sales guy?
- ▶ Engine Yard, GitHub, CoreOS, Nitrous

1.

**ENTERPRISE  
SALES IS THE  
FUTURE**

Or... “What you  
thought your  
board was  
telling you”

## What you heard

- ▶ Sell to Fortune 500 companies
- ▶ Talk to CEOs and CTOs of huge corporations
- ▶ Close deals that can buy a private jet

## What the board (hopefully) meant!

- ▶ Sell to a small number of buyers with very deep pockets
- ▶ Charge them a lot **per unit**
- ▶ Establish the potential for huge growth inside a single organization

# 2.

**GETTING THERE  
IS HALF THE  
FUN!**

“Baseball is 90%  
mental – the other  
half is physical”  
- Yogi Berra

# Building a sales organization

- ▶ Plan team growth
- ▶ Identify candidates
- ▶ Hire sales staff
- ▶ Put them to work

## Plan your growth

- ▶ Organizations evolve and mature as they grow
- ▶ The team you start out with isn't going to be the team you have 2 years from now
- ▶ **... and that's OK!**
  
- ▶ Early sales hires will help customers succeed
- ▶ Customer success will provide the large “enterprisey” growth curve



## Great early candidates will...

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



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

**3.**

**YOUR  
FIRST HIRE**



## Commission-based compensation

- ▶ Developing a good commission plan is a huge time sink
- ▶ Great for attracting experienced, “traditional” salespeople
- ▶ You’re not hiring traditional salespeople yet

## Salary + equity compensation

- ▶ Establish a solid salary structure with room for small bonuses
- ▶ Plan for bonuses to equal less than 10% of comp to start
- ▶ Bonuses are a **bonus**, not a portion of salary



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

**4.**

**PUTTING  
YOUR  
SALES  
TEAM TO  
WORK**



# What do you first hires **do**?

1. Make mistakes
  2. Learn from those mistakes
  3. Repeat
- ▶ Focus on closing as many small deals within the “enterprise space” as possible
  - ▶ Work with each and every customer to help them succeed and **grow usage**
  - ▶ Consistent growth across customers is key



## Why is this important?

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

# Large deals v. small deals

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



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

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

5.

... AND EXPAND

“I think we have  
enough customers  
now.”

- No Founder, Ever.

# What happens when your small deals get big?

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



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

## Enterprise demands on large deals

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

“I WANT IT, I WANT IT, I  
WANT IT!”

- ~~your 2 year old~~
- Procurement Specialist



**THANK YOU!**

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