



# B2B Sales for Startups: A Simple Process to Start Selling

*by Dennis Hammer*

As a startup founder, it's your job to bring in those first accounts.

First of all, most of us don't have the resources to hire a sales team when we're starting out.

Second, we learn a lot by talking to our potential customers face-to-face—how they think, the language they use, what their pain points are, and what makes them say yes or no to our offer.

Third, it's only once we understand a process thoroughly that we can teach other people how to do it. Finally, it's only by understanding what works that we know who to hire for our sales team.

Jason Lemkin, serial startup founder and venture capitalist, [thinks it's crucial for founders to close the first batch of B2B deals themselves](#)

“The CEO/founder should close at least the first 10 (or 20 or whatever) customers. That way, she knows. She knows the process, what works, what doesn’t. It’s OK if you are ‘terrible’ at it. What matters is that somehow, someday, you still get those 10 *paying* customers closed.”

The key is to iterate your sales process over time—just like do with your product. Start by putting a basic sales system in place to bring some money in the door, and then use feedback from your early users to improve your product.

Here’s a simple sales process for B2B sales to get you started:

1. Determine Your Value Proposition
2. Identify Your Targets
3. Set up a CRM
4. Generate Leads
5. Qualify Your Leads
6. Take the Meeting
7. Close the Deal
8. Iterate Your Product
9. Don’t Give Up

## Step 1: Determine Your Value Proposition

Your first step is to figure out why people should buy your product in the first place. It may seem obvious to you, but many of the people you talk to won’t understand right away. They’re used to doing things a certain way, and you’ll have to convince them to get out of their comfort zone.

A lot of startup founders include their [value proposition](#) (“There are three kinds of software value propositions. Software that increases revenue, software that reduces cost, and software that promises improved productivity.”) in their [elevator pitch](#) (“We solve [problem] by providing [advantage], to help [target] accomplish [target’s goal]. Here are [metrics that prove our claims].”). This language will influence the rest of your sales process.

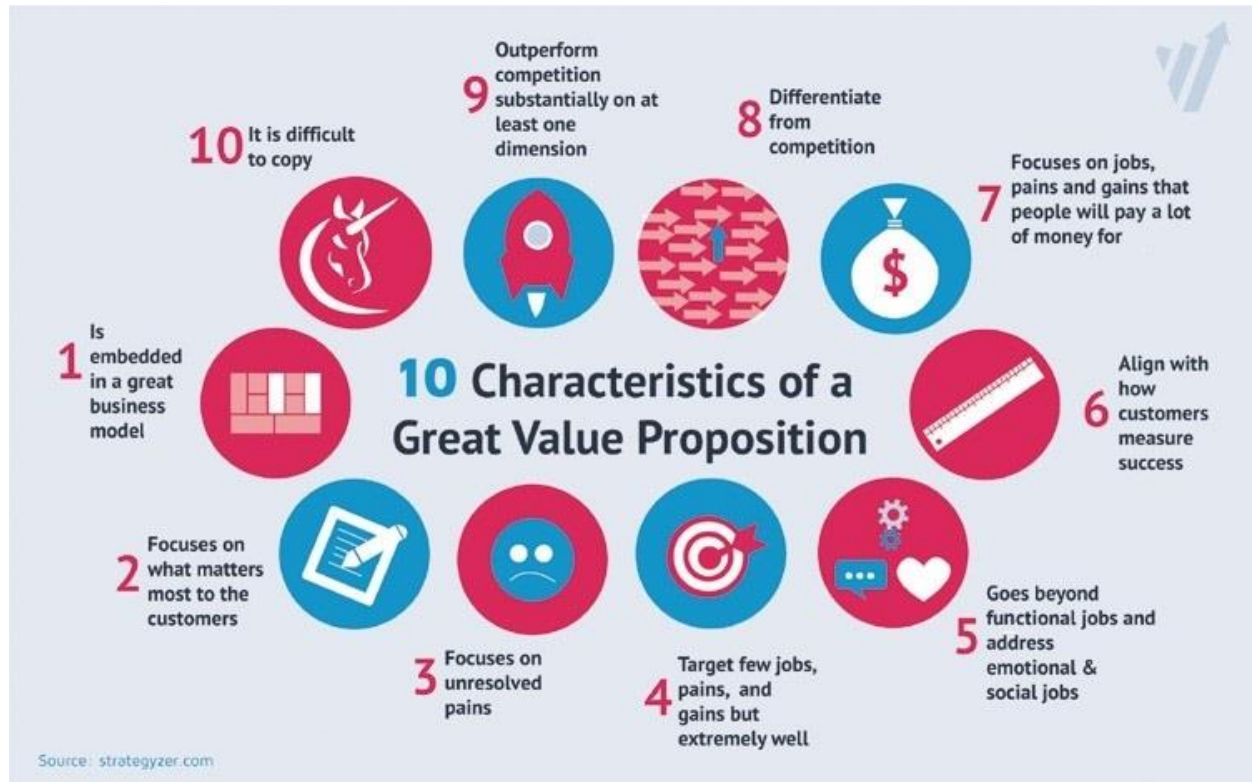
If you have multiple customer segments (more on this in a minute), it helps to have unique value propositions that address each segment’s specific pain points. However, don’t make this too complicated. Your value proposition should be clear and simple so prospects understand it immediately.

Big companies are under constant threat of disruption these days. It can be powerful to explain how the landscape is changing, and your potential customer will be left behind if they don’t get with the times. Check out my article on how [teaching works better than sales](#), and then Read The Challenger Sale.

For best results, quantify your benefit as accurately as possible. Saying “Our tool increases your team’s productivity” isn’t enough. Your prospects want to hear something more concrete like

“Our tool increases your team’s productivity by 30% in the first 30 days by automating 8 of your daily tasks.”

Keep these 10 characteristics in mind when you write your value proposition:



You probably don’t need to mention competitors unless you’re asked, but make sure you’re ready to explain why your product is better for your customers. Get granular if you have to, like “We boost your productivity in 30 days, which is 90 days faster than Competitor X.”

## Step 2: Identify Your Targets

Next, determine who needs your product.

Start at the organizational level. What type of company would get the most value from your product’s benefits? Real estate firms? Law offices? Retail stores? Universities? Other startups?

Next, narrow your scope as much as possible to the types of businesses that would get *the most value* out of your product over a long period. Remember: You don’t just want customers. You want customers who pay year-after-year, *forever*.

For instance, instead of targeting a broad group of “real estate firms,” you might target “commercial real estate firms that specialize in deals with 10+ year leases with extensive remodeling.”

Finally, identify the type of person in that organization to sell to. This can be tricky. Ideally, you want to sell to the person who directly experiences the pain your problem solves, but that person isn't always the one [who makes purchasing decisions](#) ("There are five groups of people you have to pay attention to in any B2B sales situation. Each of these people, or groups, is influenced by how your product or service will affect them personally in their job. They are also looking at how your product or service affects their company. You have to convince so many people in a B2B sale, which is the reason the selling cycle takes so long.").

For example, Bob is a human resources (HR) manager for a Fortune 500 company. He's frustrated every day because he's stuck using multiple tools and a series of Excel spreadsheets to handle his HR tasks.

Bob's life would be easier if he had a comprehensive HR tool, but he doesn't have the authority to purchase one. He needs approval from Stan, the HR Director. But Stan isn't involved in the human resources department's day-to-day work. He doesn't feel Bob's frustration.

How you sell your product depends on the person: if you're talking to Bob, you have to sympathize with his frustrations and get him to advocate for you to Stan. That's a tough hand-off, so you'll probably also need to talk to Stan and frame your benefits in a way that directly help him. You'll often end up having multiple meetings at the same company during a B2B sale. In fact, more meetings is a sign that your sales process is working.

Build a buyer persona for each target. A buyer persona is a composite of each customer segment; an avatar of the person you want to sell to. They help you focus on the needs of *only* the people who would buy your product.

Fill it with important information about their demographics, problems/pains, wants, interests, etc. For more on putting together your buyer personas, check out this post: [How to Get in the Mind of B2B SaaS Customers](#).

# Sample Sally

## BACKGROUND:

- Head of Human Resources
- Worked at the same company for 10 years; worked her way up from HR Associate
- Married with 2 children (10 and 8)

## DEMOGRAPHICS:

- Skews female
- Age 30-45
- Dual HH Income: \$140,000
- Suburban

## IDENTIFIERS:

- Calm demeanor
- Probably has an assistant screening calls
- Asks to receive collateral mailed/printed



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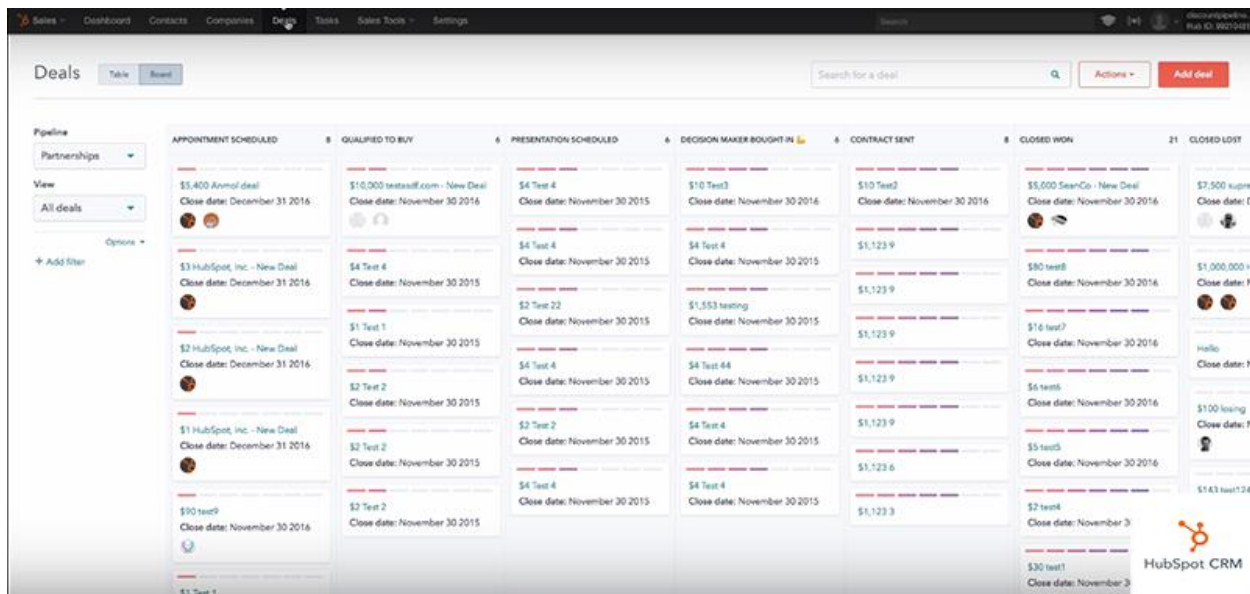
## Step 3: Set up a CRM

Every sales process needs a customer relationship management (CRM) tool to organize the sales workflow. First, it helps you track the (hopefully) many conversations you're about to have. Second, the good ones can track email opens and even website pages visited, so you get a full picture of how interested a person or group actually is. Finally, CRMs help your team stay on the same page and share information smoothly.

[There are many CRMs to choose from.](#) Most have a free tier, which can be great for starting out. Your CRM should integrate with whatever system you use to capture leads online and whatever tool you use for email marketing.

Your CRM is like a pipeline. Leads come in and move through each phase of your workflow. Here's an example of HubSpot's CRM. Leads fall into the far left column and they're moved through each phase toward the right until the deal is closed or lost.





Source: [nectafy.com](http://nectafy.com)

You can assign a percentage chance of success to each stage. When you combine that with an estimated dollar value for each deal, you can get a back-of-the-napkin estimate of how much revenue your pipeline will turn into.

A CRM organizes your contacts so nothing is lost and you're reminded to follow up on every lead. It's a useful way to keep track of your sales workflow without trying to remember everything—which you can't. As you refine your sales process—and especially when you hire a sales team—your workflow will become more complex. Your CRM will give you a way to track progress and share leads with each other.

## Step 4: Generate Leads

Here are the main ways to find potential customers:

1. [Inbound marketing](#): Create content for potential customers to find. You can also run events or speak at other people's events. The goal is to either convert them into customers on the spot **OR** convert them into leads (in person by asking for their business card or on the Web by collecting their email address) and then building a relationship with them that eventually turns into a sale.
2. [Outbound marketing](#): Cold-calling, cold emailing, connecting over LinkedIn, etc.
3. Word of mouth: Do such a great job that people refer you every chance they get. You can also ask your customers for referrals.

Ask your friends who they know: One approach is to ask them for advice, and get their feedback on your product. You'll learn a lot, and hopefully they'll either buy or refer you to other potential customers. The closer these contacts are to your ideal user, the better information and referrals you'll receive.

## Short and Sweet Deals

If your average sale is less than \$5,000/year, you'll want to work towards a zero-touch, self-service model. Customers should find your website, learn whatever they need, decide to buy, pay, log in, and use the application without a salesperson's involvement.

In a perfect world you want an individual employee to be able to purchase without having to ask anyone else in their company. You might offer a free version that allows your product to spread through an organization until they reach critical mass and need to buy the paid version. Great examples of this are Slack and Dropbox.

That said, in the beginning, you *must* close deals in-person to understand how to qualify leads and make sales—even if you're getting people to try something for free. Those interactions are too valuable to skip. Only then will you understand what they're thinking and why they buy—and only then will you be able to automate your sales process. As venture capitalist and founder of Y Combinator [Paul Graham says](#), “[At first] do things that don't scale.”

Eventually you'll need to bring your [customer acquisition cost](#) down to below your customer lifetime value, otherwise you can easily spend more money capturing the customer than you earn. One way to cut your costs is to eliminate as many sales meetings as you can—just make sure you still make the sales!

## The Valley of Death

If you have a long sales cycle and your product costs between \$5,000/year and \$30,000/year, you're in a tricky spot. This zone is called the “[valley of death](#)” because it's easy for customer acquisition costs to exceed the customer's lifetime value.

If your product sits in this zone, take any steps you can to shorten your sales cycle (the average length of time it takes to make each sale), limit face-to-face meetings, and reduce your overall sales costs. It also helps to create as many upsell opportunities as possible—to increase the lifetime value of your customer.

## When It's Worth It

If your product costs more than \$100,000/year, you're in the high touch zone. Sales have longer cycles and you'll need a customer success manager assigned to the account to ensure the customer stays happy after they buy. Your margins should be high enough to afford an aggressive strategy of researching and reaching out to potential buyers, and you may have one or more dedicated “inside sales reps” or “sales development reps” (SDRs) who's only job is to find and qualify leads.

At this level, an inbound system could work, but customers don't sign up unassisted. You'll need to schedule a sales meeting as soon as you qualify the customer, and expect to have multiple meetings with multiple stakeholders before you close each deal.

## Step 5: Qualify Your Leads

[Qualifying leads](#) means evaluating if each potential customer is worth your time as quickly as possible. You don't want to spend hours on phone calls and meetings, only to realize they're never going to buy. You also don't want to waste other people's time, so it's win/win every time you disqualify someone.

Generally, you qualify leads in two ways:

1. Doing research before you reach out.
2. Asking them for info on your landing page, via email, or over the phone. You'll at least want to know who they are, what their job title is, why they're interested, what their timeline is to make the decision, when they'll have the money budgeted, and who else is involved in the decision.

Filter out anyone who can't afford your product, doesn't need it, wouldn't stick around long enough for you to recover whatever you spend on the sales process, won't let you talk to the actual decision maker, or otherwise doesn't fit into the buyer personas you created earlier.

## Step 6: Take the Meeting

Once you've qualified the prospect and you're comfortable they're in a position to buy, set up a face-to-face meeting (in-person or over video chat).

Don't dive into the same generic sales pitch for all prospects. In fact, don't even open with an overview of your SaaS. Instead, start by asking about *their* problems and how they buy software products. There's nothing worse than a sales person who does all the talking.

[As Dr. Stephen Covey says](#) in *7 Habits of Highly Effective People*: "Seek first to understand, and then be understood."

For instance, you could ask...

- Why are you looking for a new tool?
- What's the hardest part of your job?
- How significant is this problem you're trying to solve?
- What happens if you don't do anything about this problem?
- What are you doing now to solve the problem, and why isn't that working?



- Do you have authority to buy a product?
- Who else is involved in this decision?
- Do you have a budget? What's it based on?
- What's your timeline to make a decision?
- Do you have a particular purchasing process you have to follow?
- What alternative products have you considered?

Once you have some specific information, go through your demo and tailor your pitch to match their needs. For instance, if you learn that their budget won't support your Super Mega Enterprise Plan, you could focus on the benefits of your Small Business Mid-Level Plan.

## Step 7: Close the Deal

Prepare your contract in advance. Yes it can be expensive to hire a lawyer, but it's worth it so you can control the conversation around deal terms. Self-service apps like Slack usually provide an [end user license agreement](#) (EULA) that customers accept as-is when they sign up. For large high-touch deals, startups usually provide an enterprise agreement and often a [service level agreement](#) (SLA).

Expect negotiations around an enterprise agreement to take weeks or even months, and you may end up talking to your customer's legal or purchasing department.

The job of the purchasing department is to get a better deal from you, so wait until you're talking to them before you cut your price. Otherwise you may end up cutting your price twice: once for your customer and then again a few weeks later for the purchasing department.

Once the prospect becomes a customer, your *only goal* is to [onboard them as effectively as possible](#) in a way that helps them realize the value of the product quickly. It's critical that you reward your users with immediate value for signing up. This can be tricky. Slack, for example, isn't useful unless more than one person creates an account. So the question for Slack becomes how can they get that to happen as soon as possible.

You'll probably need to provide customer training and support if you're selling an expensive, high-touch product.

"Every time I talk to a low-touch, self-service SaaS company experiencing massive drop-off it is always an onboarding issue. When I talk to Enterprise, high-touch SaaS companies that experience a lot of churn or non-renewals, aside from misleading sales practices, the main culprit is the customer onboarding process. Whether the Time to First Value is too long, the experience is painful, or expectations are simply mismanaged, those "seeds of churn" can be traced back to onboarding."

—Lincoln Murphy, [Customer Success Consultant](#)

## Step 8: Iterate Your Product

Sales interactions are valuable tools to help you build a better product, even if you don't gain a customer. In fact, rejection is often the best teacher. You can learn what customers want and expect, why they didn't choose your product, and how you can improve it. You also learn the language they use.

Alan Gleeson, B2B tech marketing consultant and founder of SaaS Resources, recommends [using early sales attempts to refine your application](#):

“While some of these initial conversations may translate into genuine sales prospects, you will be better served in the long run if these are viewed more as collaborators,” he says. “Offering free access to some of these early contacts in return for social proof (case studies/testimonials/logos) is a useful way to get people using the application so future development decisions can be based on observed data rather than hypotheses.”

Support calls are also hugely valuable for learning how to improve your customer's experience (plus it's great that you have customers).

## Don't Give Up

As a founder, you don't want to stay the number one sales person forever. Someday you'll have a team of people—led by a VP of Sales—to free you up to grow the company in other ways.

But in the short term, it's up to you to bring in those first accounts. Sales isn't easy—no one likes to be told “no” over and over again—but it's critical for growth. Keep your chin up, follow this process, and you'll get there.

If you need help with your sales process, check out the 10xU membership. We'll help you take your business to the next level. [Learn more](#)