
What Sales Leaders Can Learn From Start-Ups



By Paul Sanders (INSEAD MBA '06D), Director of Business Innovation, EMEA, Steelcase, and Philippe Pereira , EMEA Executive Sales Enablement Leader, Steelcase

Key ingredients for start-up success could benefit even giant sales organisations.

Many B2B firms struggle with low sales conversion and sales productivity. In some ways, the rise of e-commerce has made the business environment more challenging. Thanks to the internet, even small players can join the party and chip away at their big competitors' market share. Meanwhile, buyers have more choice than ever and many prospects, drowning in online information, have become numb.

On the bright side, the digital economy has given birth to the likes of Facebook, Amazon and Netflix, some of the world's most admired firms. All these companies began as tech start-ups. While the worlds of sales leaders and start-ups are certainly very different, we believe that sales leaders can borrow a few concepts from start-ups to help increase their "win" rates on strategic sales opportunities.

Specifically, sales organisations can gain much from adopting a focused strategy and a game plan inspired by tech incubators and accelerators. Here's our step-by-step guide.

1. Stay focused

A characteristic of most successful start-ups is their ability to focus. Whether they focus on one business idea, one customer need, one pain point or one specific niche customer group, they do so single-mindedly. Often they have no choice as they lack the resources to fire in all directions.

Conversely, many larger sales organisations struggle to focus. There's a constant trade-off between filling the pipeline (i.e. nurturing ample leads) and garnering "must-wins" in order to meet sales targets.

Focusing on a few opportunities is inherently riskier, but it forces sales leaders to make strategic choices. In *Playing to Win: How Strategy Really Works*, Alan G. Lafley and Roger Martin stress the importance of deciding "where to play". Sales strategy is about picking one's battles. Some opportunities, like some accounts, are best dropped.

Chasing too many rabbits can lead to at least two negative consequences. The first is lower win rates. The second, a confused and burnt-out sales force.

Steelcase, a leading office furniture manufacturer, has created a checklist to help its salespeople determine whether their prospect is in the right zone. Sample questions include:

- Are we involved in defining the customer solution or are we just responding to a project tender based on specifications developed by others?
- Do we have meaningful relationships with the right decision makers and influencers?
- Does the customer value the insights we bring?
- Is the customer in a state of transformation that compels them to think differently about the design of their workplace?
- Does the customer see the workplace as a strategic asset or just as a cost to be managed?

The checklist has helped sales leaders say "no" to opportunities more often. This has resulted in a greater focus on target accounts and increased sales productivity.

Another way to focus more effectively is to be well organised. Many of the best salespeople know exactly where each of their prospects is in the sales cycle. This tells them what their next step should be and, importantly, when to trigger it. Hence, they rarely miss important deadlines or leave customers hanging.

2. Incubate your top sales priorities

Once the initial decision on “where to play” has been made, sales leaders can learn from the way that start-ups are incubated. As the name suggests, incubators take a business from a very early stage of development (e.g. pre-proof of concept) to one where it has a more reasonable chance of success. Incubators achieve this by providing start-ups with resources like growth capital and a network of experts and mentors.

Think of your 20-30 most strategic sales opportunities for the next two to three fiscal years (assuming you have a long sales cycle), or the next six-12 months (if you don't). Now think of each of these opportunities as start-ups. Segment them by likelihood of winning and importance for meeting your sales targets. Could you create an “incubator experience” for the most valuable opportunities that you currently have a lower probability of winning?

For early-stage strategic sales opportunities, an incubator experience could involve the following:

- **“Win strategy” workshop:** The goal is to test and improve the sales team's win strategy. Is it distinctive? Can you differentiate yourself from your competitors? Can your sales team articulate why you should win?
- **Investments to create an advantage:** If you enter early enough in the sales cycle, the client may be open to a short and sharp consulting-style engagement. By working directly with the customer, the sales team can acquire unique insights, influence the specifications and develop stronger relationships.
- **Internal mentorship:** Too often, sales teams do not receive the support they need from sales leaders. Only seasoned sales leaders have the experience needed to know what makes the difference between winning and losing. Sales leaders must be deeply involved in nurturing the company's most strategic opportunities to maximise win rates.
- **External guidance:** Look outside your organisation for inputs and insights on the buyer's needs and on how well your solution will meet

them. Bring in external experts like incubators do. Such experts can of course include coaches supplied by the customer.

In the venture capital world, incubation times vary. Some start-ups will be ready after 6 to 12 months while others may need two to three years. In B2B sales, the timeframe would depend on the sales cycle, but it wouldn't be unusual for sales leaders to incubate early-stage opportunities for 6 to 24 months.

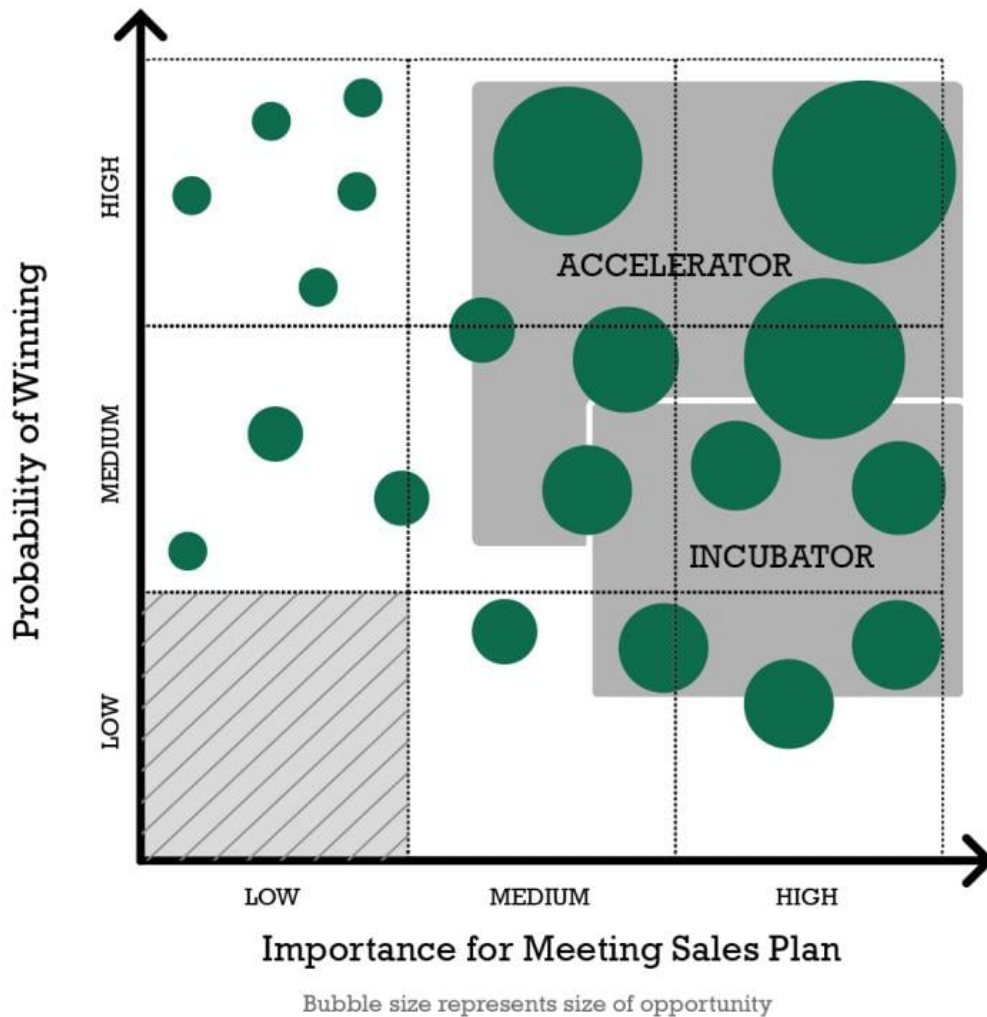
Here's an example. A Steelcase sales manager knew that he would have to go out of his way to win an important project with a large automotive manufacturer. He brought together a cross-functional Steelcase team with external experts from IDEO (a global design company) for an afternoon of brainstorming and ideation. The result was a truly differentiated proposal. Despite heavy competition, Steelcase was selected for the project.

3. Accelerate your wins

After this period of incubation, sales leaders are in a much better position to decide which opportunities are worth doubling down on, i.e. which ones should receive full sales support. At this stage, the accelerator concept offers an interesting analogy.

Entrepreneurs often join accelerator programmes once their start-ups are more mature. Accelerators are typically very structured and intensive programmes in which start-ups compete against each other. Accelerators are all about removing obstacles so a start-up can scale quickly.

Top 20-30 Sales Opportunities



Looking again at your 20-30 sales opportunities, you can consider putting the ripest opportunities through an “accelerator programme”, which could involve the following:

- **A critical path:** Define a critical path from the customer’s perspective. What are the steps to secure the win? Balance this with agility and responsiveness. Don’t get bogged down in process. B2B sales cycles are rarely linear.
- **Mobilisation workshops:** Strategic-opportunity owners must be master orchestrators. They need to know which resources to mobilise and when. Mobilisation workshops can help rally the organisation, gather resources and remove obstacles.

- **Hack the system:** Sometimes standard approaches don't work. Maybe you're too late to marshal the support of all stakeholders. Maybe the initial opportunity is too small, but you see huge potential in the near future. Software start-ups run hackathons where developers, designers, project managers and others collaborate intensively for a short period to solve a critical issue. Sales managers could similarly pull together a small but determined group of sales support people to get the job done.
- **Pitching for priority:** Create competition between sales teams owning the top strategic opportunities. Force them to compete for scarce resources by pitting them against each other during the pursuit.

In the world of B2B sales, sales cycles are lengthy and dictated by the customer. Applying a rigid acceleration timeframe might not work. A sales organisation may need to stay focused for many months or even years to secure a win. That said, there's much to be gained by concentrating your company's efforts and resources when the customer is most receptive. Always keep your eyes on the prize.

***Paul Sanders** is Director of Business Innovation, EMEA, at Steelcase.*

***Philippe Pereira**, as part of the Steelcase EMEA Leadership Team, leads the Sales Enablement group which includes sales support, pricing and sales effectiveness, among other teams.*

Follow INSEAD Knowledge on [Twitter](#) and [Facebook](#).

Find article at

<https://knowledge.insead.edu/strategy/what-sales-leaders-can-learn-start-ups>

About the author(s)

Paul Sanders Strategy and transformation leader focused on helping organisations achieve their growth objectives.

Philippe Pereira Philippe Pereira is EMEA Executive Sales Enablement Leader at Steelcase.