Follow up to Edge Analytics
A-round (raising $3MM)

- Raise $3MM with a pre-money value of $2MM, post value $5M
- Ownership: Venture fund, 2 Founders, angels, stock options

Ownership

- Founders: 34%
- Venture: 41%
- Angel: 15%
- Options: 10%
B-round (Raise $6MM)

- Raise $6MM with a pre-money value of $12MM, post value $18M
- Ownership: VC-A, VC-B, Founders, angels, stock options

Ownership

- Founders: 33%
- VC-A: 23%
- Angel: 10%
- VC-B: 7%
- Options: 27%
Sell Company for $100M

- Founders make $23M
Evolution of a Sales Model
You are Wilson

- Accountable to CEO
- Accountable to team
- Accountable to investors/board
You are Wilson

- You have for formalize Jive’s sales function.
- What core Building Blocks do you need?

1.
2.
3.
Questions

1. What are you selling?
2. Who is your target?
3. Direct? Indirect? Hybrid?
4. What is your sales process?
Make a Decision: team quotas vs. individual coverage model.

• Strengths of each?
• Weaknesses of each?
+’s    -’s...

• Smart sales teams make smart decisions...
• Performing teams create peer pressure
• Team members are self policing...

But:
• Who is the quarterback? Who decides which teammate covers what? Is the inside rep the servant of the field? Uneven teams?
Two models: Make a decision

• Fixed territories with variable quotas - territories are fixed over time and sales team quotas are variables depending on pipeline and territory track record

• OR...fixed quotas with variable territories - all quotas are the same for each territory and Territories are aligned periodically to give everyone the same potential
Models

• Fixed territories/variable
• Quotas...
• +’s sales teams OWN
• Customer relationship
• Sales teams have accountability
-’s....

- Sales team spread too thin?
- Sales team not equally deployed
- Quota setting is too subjective
- Comparative sales teams are
- Apples/oranges...
- Who is #1? Performance as a % of quota?
- Total revenue?
Fixed quotas/variable quotas

• All quotas are the same for each team...
• Territories are aligned periodically to give
• Everyone the same “potential”:

4/30/15
+’s

- True meritocracy
- All have equal opp.

-’s?

- Sales reps do not
- Feel they get payback
- For their efforts

Courtesy of Matthew Quarisa on Flickr. License: CC BY-NC.
Could you...

• Segment by rigid deal size?... Inside gets deals below the bar? Outside above?

• Segment by prospect side...? Inside gets SMB/Mid Market?... Field gets Enterprise?
Quotas

- Quarterly
- Annual
Too Short?

• Demotivated by changing targets?
• Not enough time to develop and execute a sales plan
• Penalized by success with a higher quota
• Not enough time to over achieve/earn big $
Too Long?

• Macro market factors .. Can make quotas disconnected with business reality....

• Company could miss...product release.. Then company would have to reduce quotas...
Enterprise sales learning curve
What’s different about selling to enterprise?
Who do you call at Fidelity?

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<td>Edit</td>
<td>Angelo Ayala</td>
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<td><a href="mailto:angelo.ayala@fmr.com">angelo.ayala@fmr.com</a></td>
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<tr>
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<td>Paul Mastersen</td>
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How about at Attachemate?

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Show More
You are Dave Hershe.. You have missed two straight quarters..

- And you are going to miss the year..
  Explain yourself to your investors....

- 1.
- 2.
- 3.
15.387 Entrepreneurial Sales
Spring 2015

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