

# Selling SaaS to Enterprises

## Science or Art?

Jim Dicso  
President & Chief Revenue Officer  
SundaySky

November 2011

# CV & Credentials



- Currently President & Chief Revenue Officer, SundaySky
  - VC-backed start-up founded Israel
  - SaaS business focused on automated video creation
- Previously EVP Sales & Service, LivePerson
  - SaaS business focused on intelligent online engagement
- Additional roles in sales and sales leadership at Witness Systems, Parametric Technology, and Xerox
- BS Electrical Engineering, Villanova University

# SundaySky Solution



Automated Personalized Video Creation



# LivePerson Dec 2004

Annual Contract Value	Accounts in Each Category
Accounts Over \$250k	6 Total 
Accounts Over \$500k	2 Total 
Accounts Over \$1M	0
Accounts Over \$4M	0

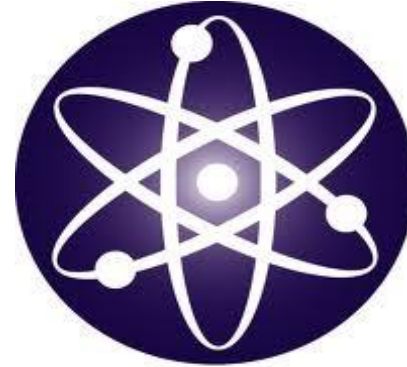
# LivePerson Dec 2010

Annual Contract Value	Accounts in Each Category
Accounts Over \$250k	64 Total
Accounts Over \$500k	35 Total
Accounts Over \$1M	19 Total 
Accounts Over \$4M	3 Total 

# Enterprise Sales - Art or Science?



- Creativity Driven
- Unpredictable
- Not Easily Repeatable
- Not Easily Scalable



- Formula Driven
- Follows Predictable Rules
- Repeatable
- Scalable

# Developing the Formula

$$\begin{aligned} & \omega \left( t - \frac{x}{c} \cos \alpha_1 - \frac{y}{c} \cos \alpha_2 - \frac{z}{c} \cos \alpha_3 \right) = \\ & = \omega_0 \left( t' - \frac{x'}{c} \cos \alpha'_1 - \frac{y'}{c} \cos \alpha'_2 - \frac{z'}{c} \cos \alpha'_3 \right) = \\ & = \omega_0 \left( \frac{t - \frac{v}{c^2} x}{\sqrt{1 - \frac{v^2}{c^2}}} - \frac{x - vt}{\sqrt{1 - \frac{v^2}{c^2}}} \frac{\cos \alpha'_1}{c} - \frac{y}{c} \cos \alpha'_2 - \frac{z}{c} \cos \alpha'_3 \right) = \\ & = \omega_0 \left( \frac{1 + \frac{v}{c} \cos \alpha'_1}{\sqrt{1 - \frac{v^2}{c^2}}} t - \frac{\cos \alpha'_1 + \frac{v}{c}}{\sqrt{1 - \frac{v^2}{c^2}}} \frac{x}{c} - \frac{y}{c} \cos \alpha'_2 - \frac{z}{c} \cos \alpha'_3 \right) \end{aligned}$$



## Simple & Repeatable

- Start with Customer Perspective
- Repeatable Sales Process
- Repeatable Qualification Process
- Repeatable Value Proposition

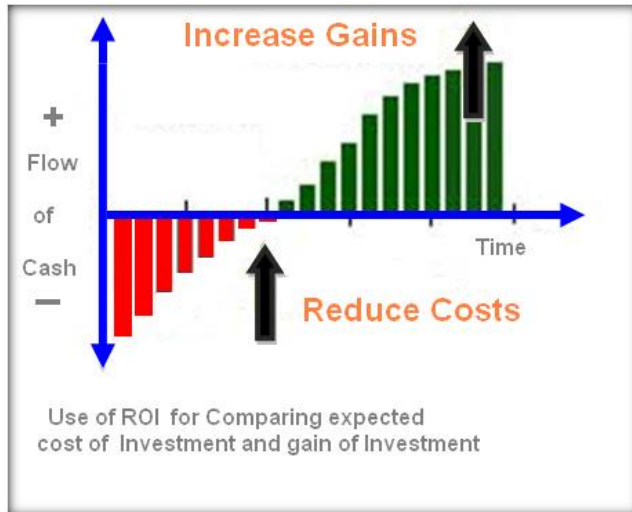
# Customer Perspective

- Why Buy Anything?
- Why Buy Now?
- Who to Buy From?

# Business Development Approach

<b>Question</b>	<b>Inbound</b>	<b>Outbound</b>
Why Buy Anything?	Already Defined	To Be Defined
Why Buy Now?	Already Defined	To Be Defined
Who to Buy From?	Primary Focus	Create the Criteria

# Why Buy Anything?



Financial  
Business Case

Strategic  
Imperative

# Why Buy Now?

Find a Compelling Event

- Examples of Compelling Events



- Not Compelling Events

JUNE 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		



# Who to Buy From?

## Decision Process



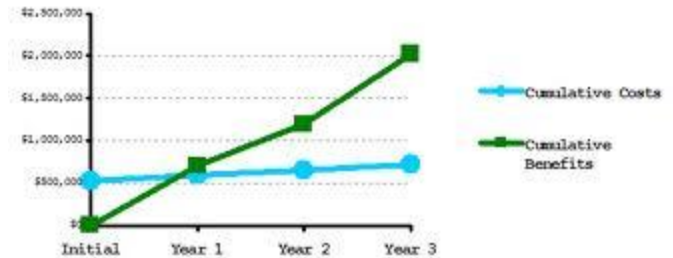
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# Establishing Repeatable Sales Process

1. Identification
2. Qualification
3. Value Definition
4. Strategy
5. Validation
6. Proposal
7. Contracts
8. Close

# Value From Customer Perspective

- How much?
- How soon?
- How sure?



# Proposal Approach – Sell Value

1. Executive Summary
2. Problem
3. Solution
4. Business Case
5. Solution Delivery Approach
6. Reference Points

# Qualification Process - MEDDICC

- Metrics – Financial & Strategic Impact
- Economic Buyer – Last “yes”
- Decision Criteria – Commercial, Political, Technical
- Decision Process – how will they choose a supplier
- Identified Pain – what problem are we solving
- Champion – Has power and a personal win
- Contract Process – steps to signed contract

# Decision Criteria – Written & Well Defined

Microsoft Excel - rfp-dms08.xls

For HELP, click the cell desired in ROWS 1 & 2.

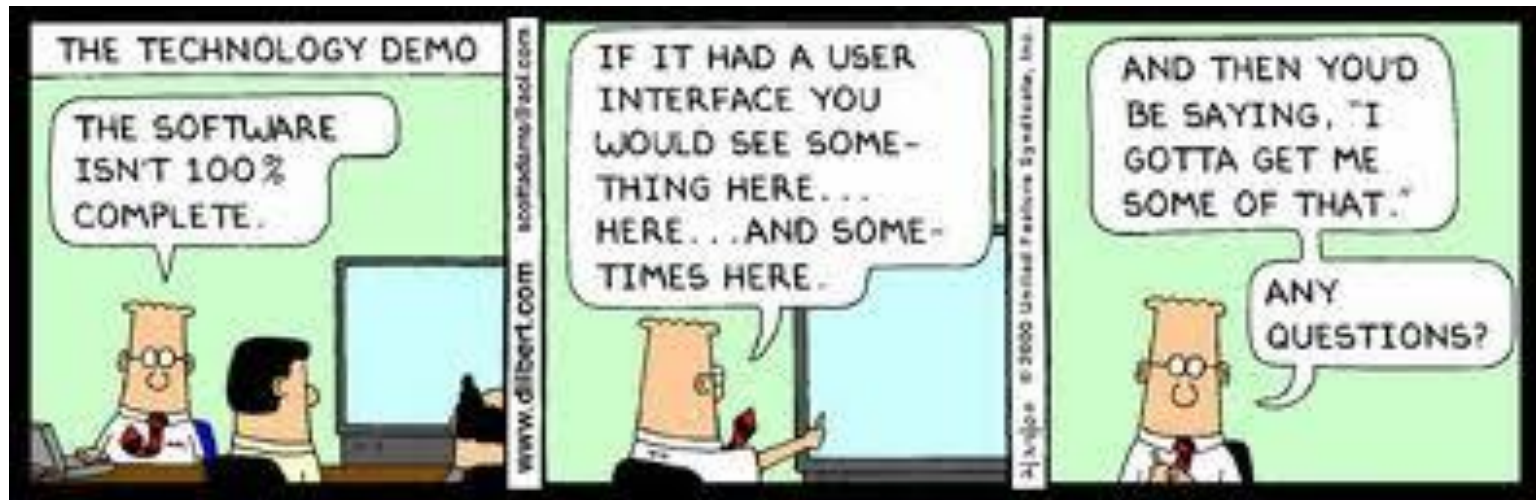
	A	B	C	D	E
1	<b>Document Management &amp; Workflow Software Request for Proposal (RFP)</b>		<i>System Name Display</i>	<i>Enhancement Cost</i>	<i>Vendor Explanations</i>
2	For HELP, click the cell desired in ROWS 1 & 2.				
3			<b>RESPONSE</b>		
4	<b>TABLE of CONTENTS</b>				
5					
6	<a href="#">Introduction</a>				
7	<a href="#">Vendor Global Issues</a>				
8	<a href="#">System Global Issues</a>				
9	<a href="#">System Usability</a>				
10	<a href="#">User Compatibility</a>				
11	<a href="#">System Configuration</a>				
12	<a href="#">Document Capture</a>				
13	<a href="#">    Scanning</a>				
14	<a href="#">    Batch Management</a>				
15	<a href="#">    Optical Character Recognition (OCR)</a>				
16	<a href="#">    Document Processing</a>				
17	<a href="#">Workflow</a>				
18	<a href="#">Document Retrieval</a>				
19	<a href="#">    Search Capabilities</a>				
20	<a href="#">Enterprise Reporting</a>				
21	<a href="#">Security</a>				
22	<a href="#">System Support</a>				
23	<a href="#">System Pricing</a>				
24	<a href="#">Bottom - View Price</a>				
25					
26					

This tab leads to the page that will display your product information.

Ready

start | Inbox - Micros... | EDMS software... | Ipswitch WS\_F... | rfp-dms09-08 | GlobalSCAPE... | 2 Microsoft O... | 2:10 PM

# Decision Criteria – Written & Well Defined



# Decision Criteria

Unwritten ---- Politics



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## Decision Criteria - Technical

- Functional requirements
- Usage requirements
- Deployment requirements
- Demo functionality
- ....

# Decision Criteria - Commercial

- Business case
- Legal terms
- Financial terms
- SLA
- .....

## Decision Criteria - Political

- Achieve MBO's
- Career Advancement
- Personal Agenda
- .....

# Political Selling Requires a Champion



Sells for you when you're not there

Help navigate politics

Secure discretionary budget

# What Makes a Champion

- Identifying Potential Champion
  - Has power
  - Has personal win (ie. bonus, promotion)
  - Successful champion of past projects
- Developing a Champion
  - Sell to personal win
  - Test ability to sell

# Repeatable Value Proposition

- Define Value Delivered
  - Problem being solved
  - Impact of solving the problem
- Define Use-Case
  - How solution is used to solve problem
  - Unique Solution Capabilities
  - How to measure success

## LivePerson Value Proposition

**Catch:** “We will increase online sales by 20% with a cost per acquisition that is lower than any other human assisted channel. We can prove it and are willing to tie our fees to this performance.”

**Call to Action:** “Gather baseline metrics, deploy a production proof of concept, and measure the impact”

# LivePerson Go-To-Market Strategy

- Target the executive with P&L for customer acquisition
  - Develop him/her as a champion
  - Develop ROI with baseline metrics
- Deploy production POC to prove ROI
  - POC = \$50k for deployment & 60-days usage
  - POC Renewal = Minimum \$180k annually
- Leverage champion to scale between LOB
- Leverage Success in Sales to grow into Customer Service

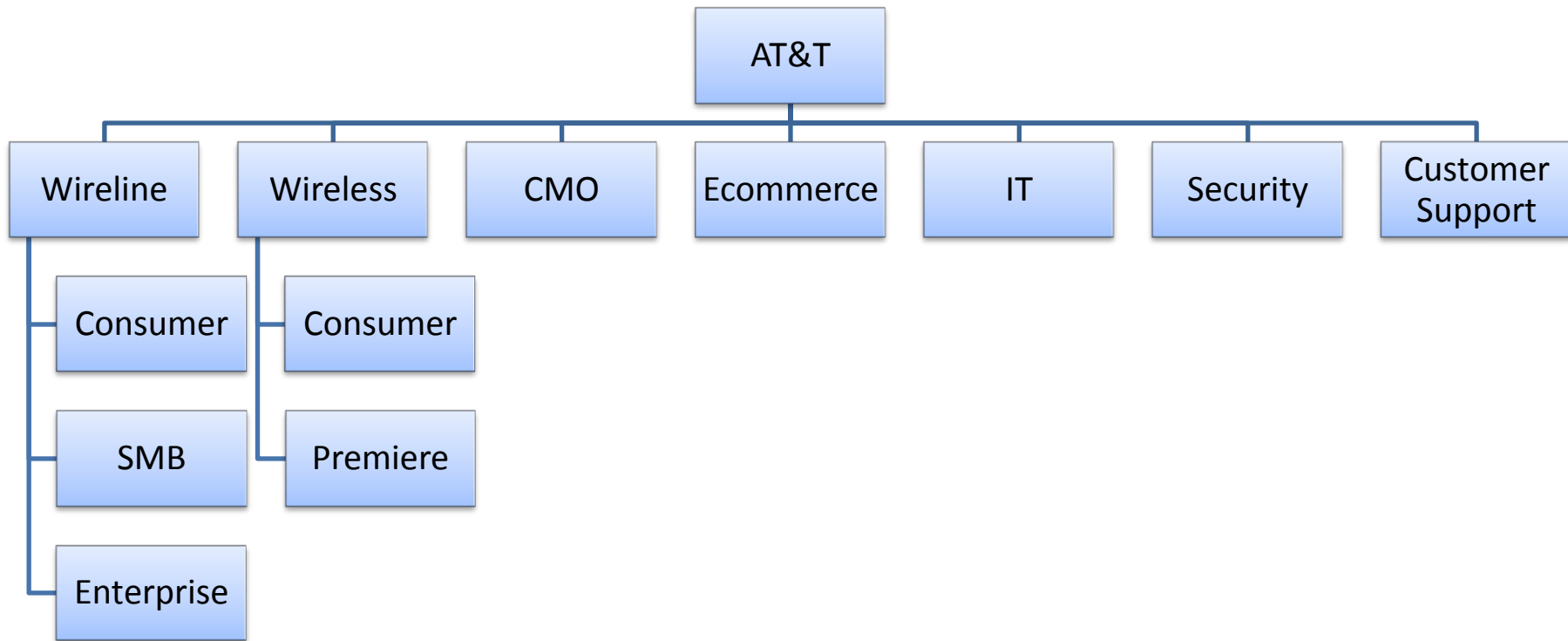
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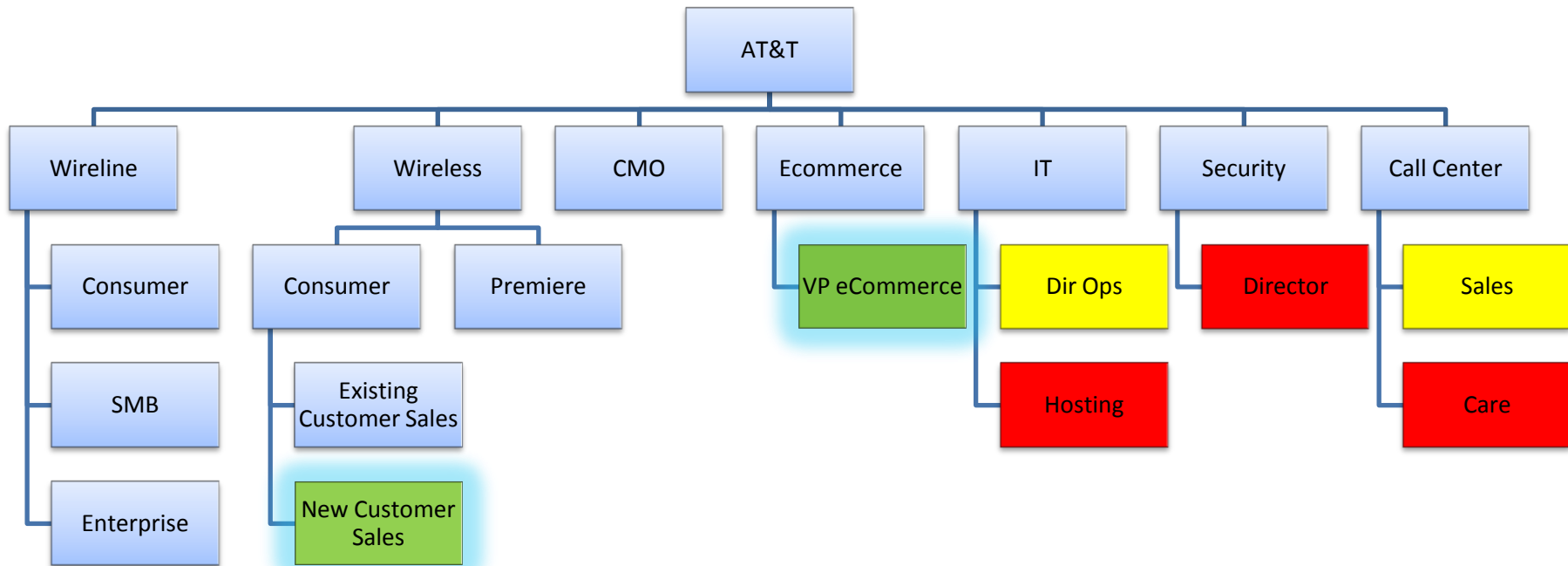
# AT&T Case Study

- Background
  - 2010 = largest customer of LPSN
  - 2005 = Installed with on-premise competitor
- Strategy
  - Win a beachhead
  - Set decision criteria
- Plan:
  - Target VP eCommerce with sales increase value proposition

# AT&T Business Structure



# Beachhead Strategy



# AT&T Case Study

Year	Goal	Strategy	Outcome	Rev (\$)
2005	Establish Beachhead	P&L owner as champion	Wireless sales POC with defined KPI	~\$50k

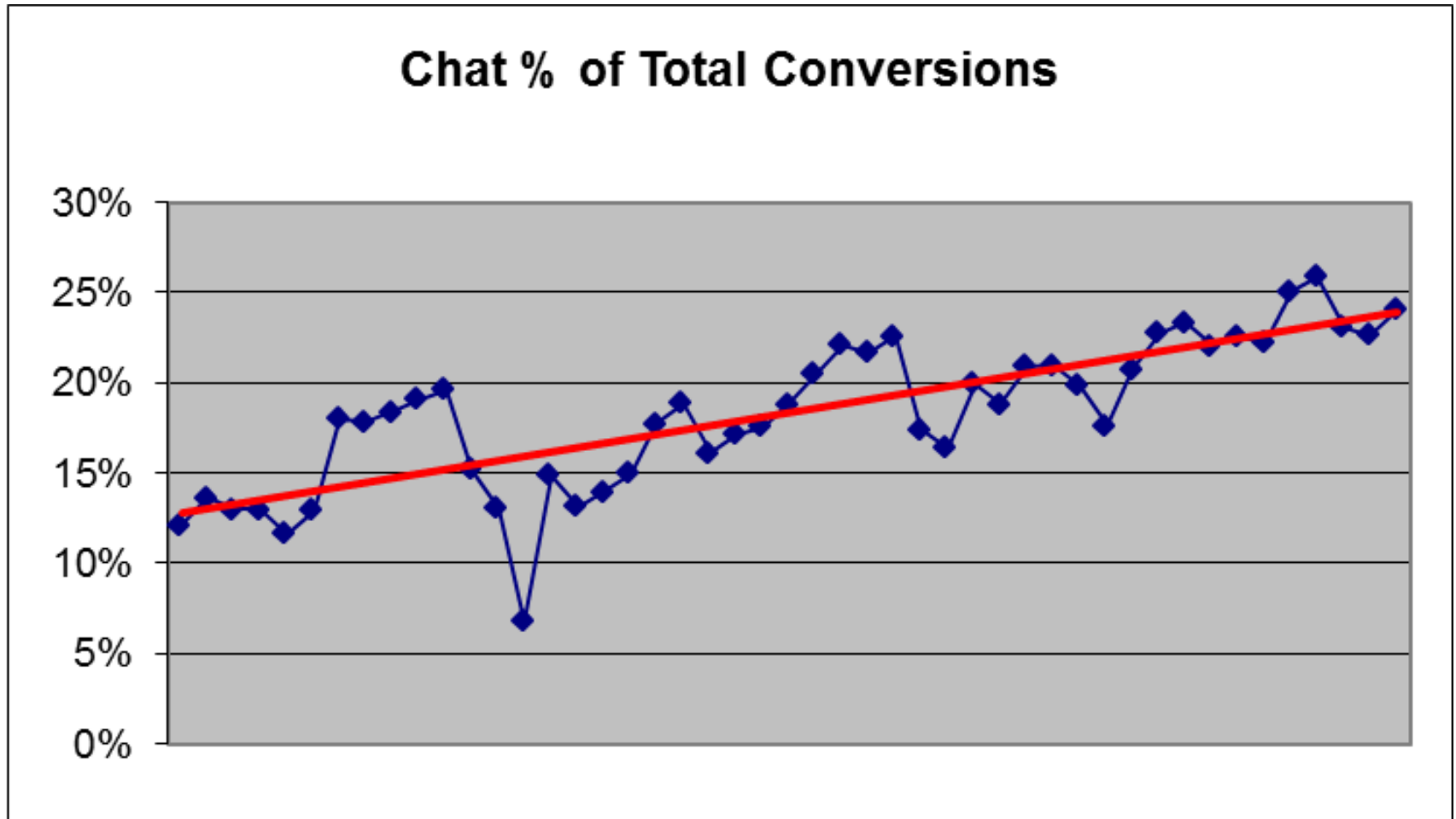
# Measure & Communicate Value

	January 2008	February 2008	March 2008
<i>Funnel</i>			
<i>All Chat</i>			
Visitors	27,982,736	24,930,457	23,911,282
Hot leads	3,261,913	3,111,890	2,992,113
Hot Lead Rate (% of visitors)	12%	12%	13%
Proactive Invitations	1,781,648	1,884,837	1,960,949
Invitation Rate (% of hot leads)	55%	61%	66%
Accepted Invitations	203,337	220,701	235,798
Acceptance Rate (% of invitations)	11%	12%	12%
Interactive Chats	131,082	138,535	146,459
Conversions	19,416	19,850	17,296
Conversion Rate	14.81%	14.33%	11.81%

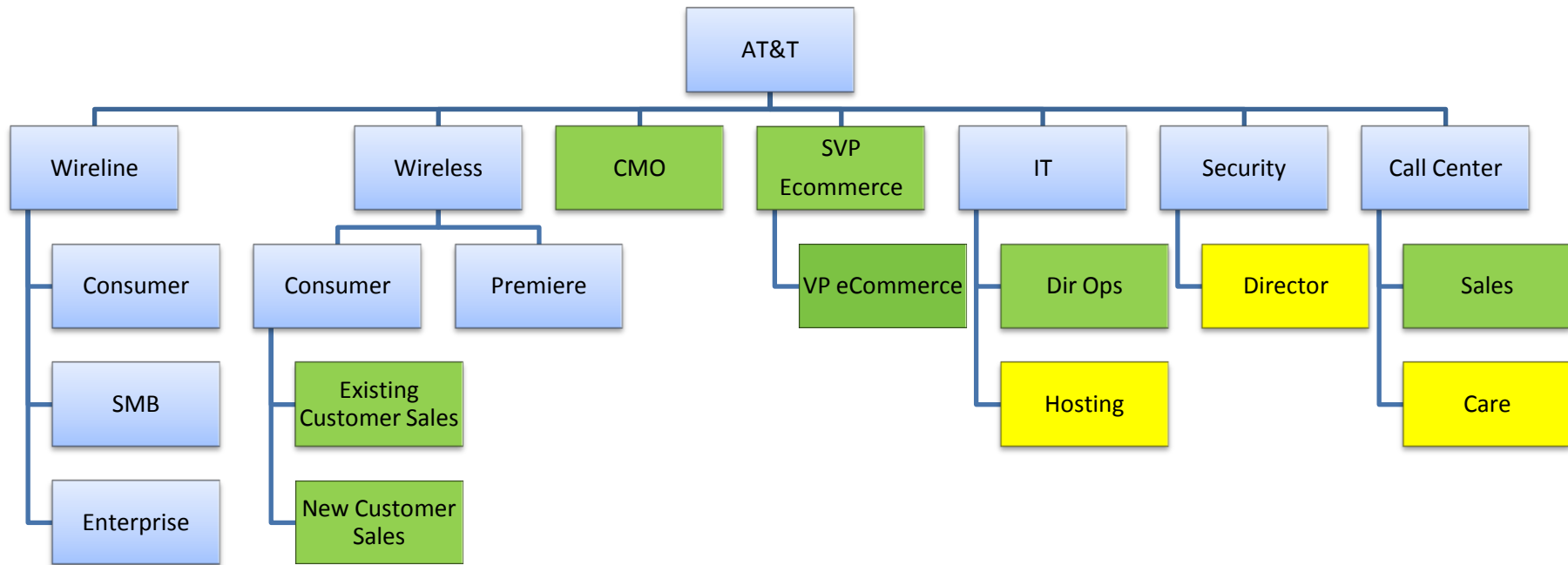
# Focus on Incremental Value

	<i>January 2008</i>	<i>February 2008</i>	<i>March 2008</i>
<b><i>Conversion Comparison</i></b>			
Chat Conversions	19,416	19,850	17,296
<b>Conversion Rate</b>	<b>14.81%</b>	<b>14.33%</b>	<b>11.81%</b>
AOV	0.00	0.00	0.00
Self Service Hot Lead Conversions	109,191	96,900	76,217
<b>Conversion Rate</b>	<b>3.49%</b>	<b>3.26%</b>	<b>2.68%</b>
AOV	0.00	0.00	0.00
Incremental Conversions	14,844	15,335	13,373
Incremental Revenue	0.00	0.00	0.00
<b><i>Incremental CR</i></b>	<b><i>76%</i></b>	<b><i>77%</i></b>	<b><i>77%</i></b>

# Incremental Value Over Time



# Expansion Strategy



# AT&T Case Study

Year	Goal	Strategy	Outcome	Rev (\$)
2005	Establish Beachhead	P&L owner as champion	Wireless sales POC with defined KPI	~\$50k
2006	Solidify & Expand position	Additional Champions & Use-cases	Wireless sales expansion Wireless support POC	>\$500k

# AT&T Case Study

Year	Goal	Strategy	Outcome	Rev (\$)
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2006	Solidify & Expand position	Additional Champions & Use-cases	Wireless sales expansion Wireless support POC	>\$500k
2007	Solidify position & Increase switching costs	Integrate operations Add additional champions Expand LOB	Wireless sales integration Wireless support scale Wireline sales POC	>\$1M

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2008	Strategic partner via new business model	Agent staffing on LP contract Pay for Performance (PFP) Pricing PFP Campaign Management Role	Wireless Sales - Flat growth Wireless Service - Flat Wireline - PFP POC	>\$2M

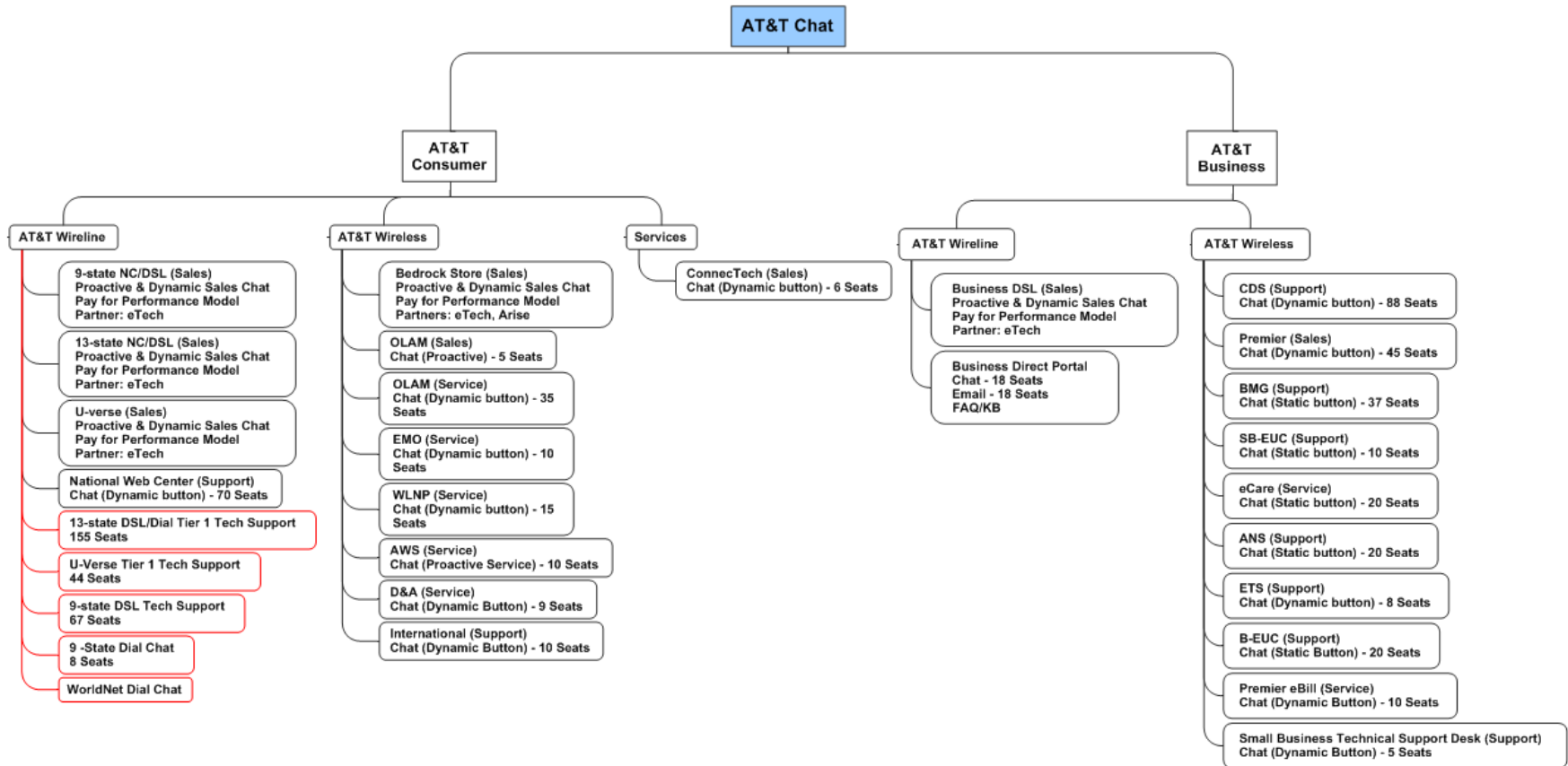
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2009	Solidify position & eliminate competition	Scale partners for Agent Staffing Optimize program performance Escalate executive sponsorship	Wireline PFP Scale Wireless PFP Scale LPSN dedicated team	>\$5M

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2009	Solidify position & eliminate competition	Scale partners for Agent Staffing Optimize program performance Escalate executive sponsorship	Wireline PFP Scale Wireless PFP Scale LPSN dedicated team	>\$5M
2010	Optimize & Scale	Global Staffing Program Program Management Office POC for PFP service	PFP Sole Source	>\$9M

# AT&T Footprint Dec 2010



## Summary

- Science requires repeatable formula
- Scalability requires consistency
  - Consistent value proposition
  - Consistent sales process
  - Consistent qualification process
- Start small, prove value, scale
- Integrate technology and business process to increase switching costs