



Companies

Moving Upmarket

Thursday, May 25 2023

11:00 am – noon PST



Dave Boyce
PLG Practice Lead
Winning by Design



Owen Brewer
Managing Director and Revenue Architect
Winning by Design

AGENDA

01 TL;DR

02 How is Enterprise Different?

- *Enterprise features*
- *Enterprise buying process*
- *Procurement process*
- *FOMU > FOMO*

03 How to Approach the Move Upmarket

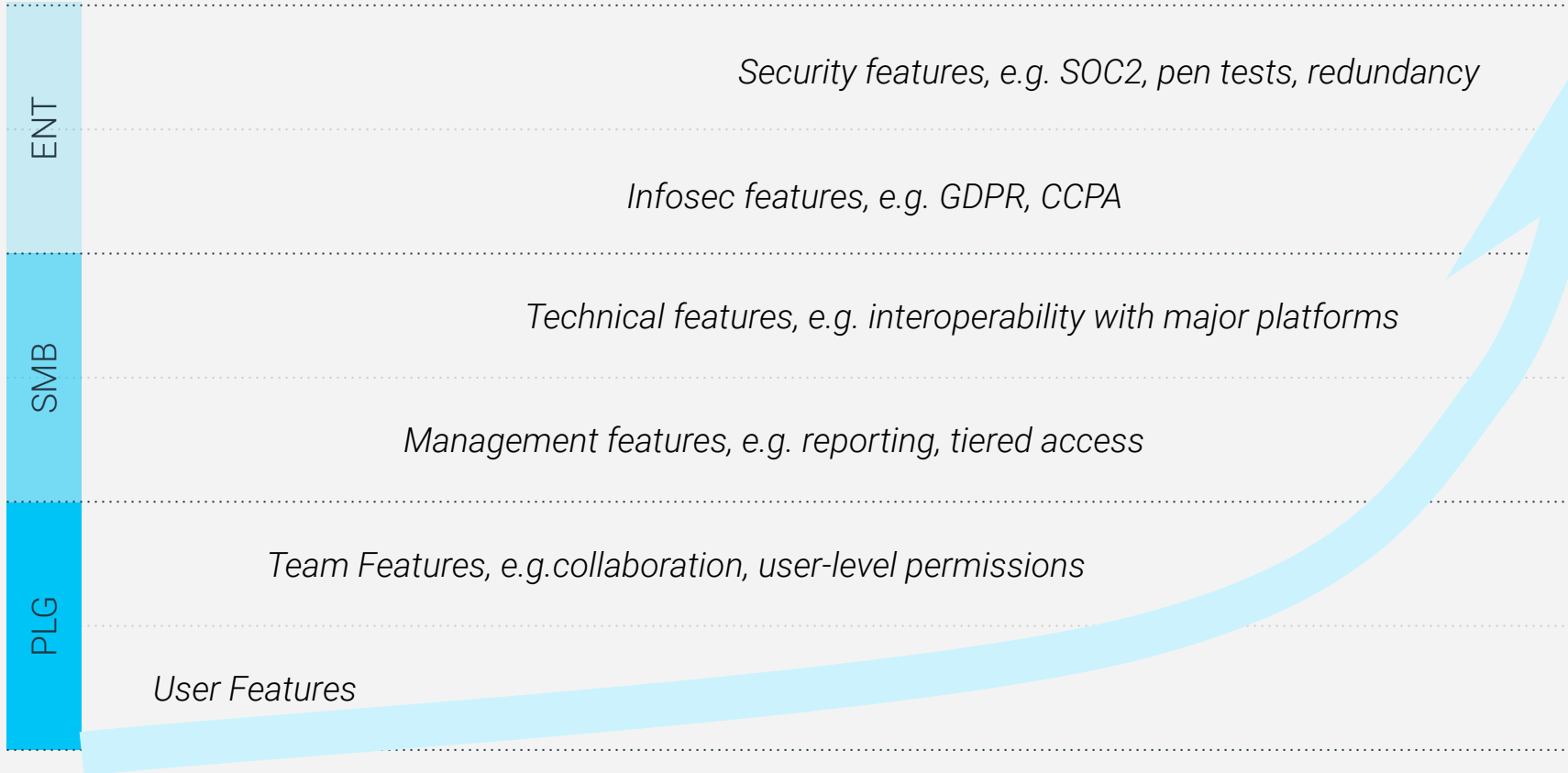
- *How this was done in the past*
- *A smarter way*
- *Pitfalls to avoid*
- *Measures of success*

- ▶ Moving Upmarket has big upside, but it is not a casual decision
- ▶ You cannot just “re-aim” your current GTM motions at larger accounts; a new GTM motion is needed
- ▶ Historical moves to enterprise have required a total investment of \$20M+
- ▶ Because of sales cycles, it can also take 3-4 years to make the transition
- ▶ Are there smarter ways of doing this? Yes.

How is Enterprise Different?

- 01 Need “enterprise” features
- 02 Enterprise buying process:
6-9 months, multiple stakeholders
- 03 Procurement processes: An actor with
power you’ve not encountered before
- 04 FOMU > FOMO

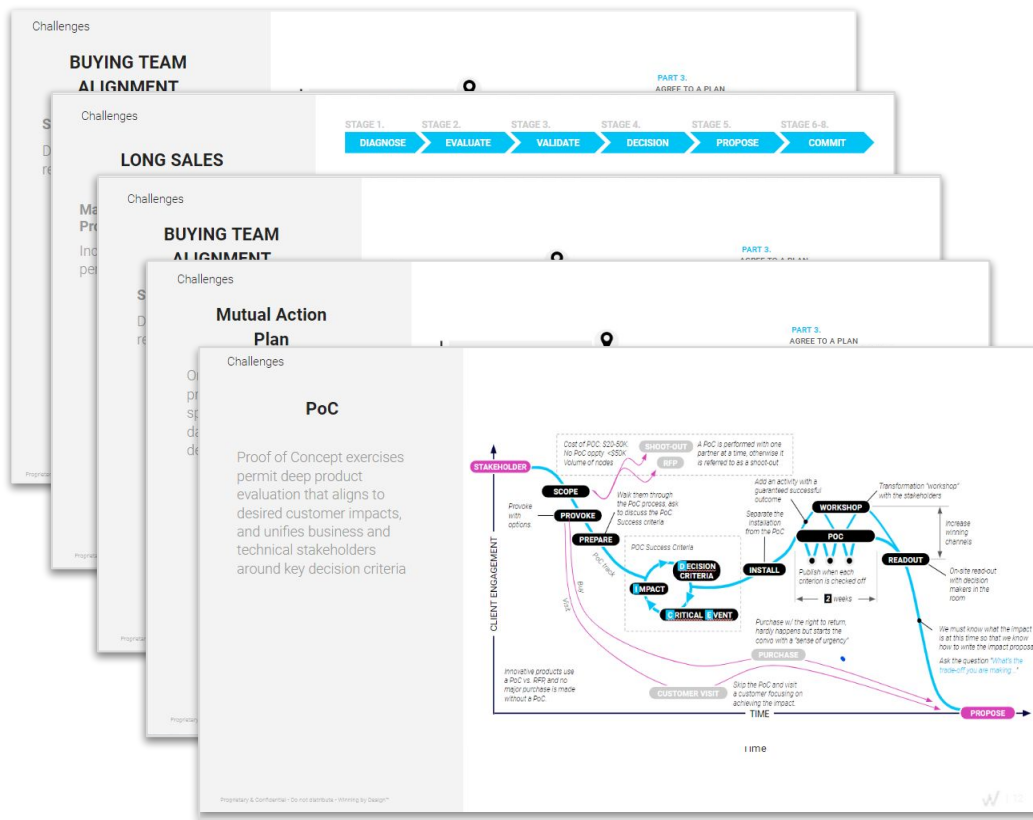
As a company goes upmarket, product feature requirements escalate



Enterprise Buying Process

Enterprise buying process

- 6-9 months
- MAP
- Multiple stakeholders
- Need strong internal champion (pain, power, vision)
- Need to understand politics
- Need to understand approvals
- Deep product/use case review (could include RFP, PoC, etc.)

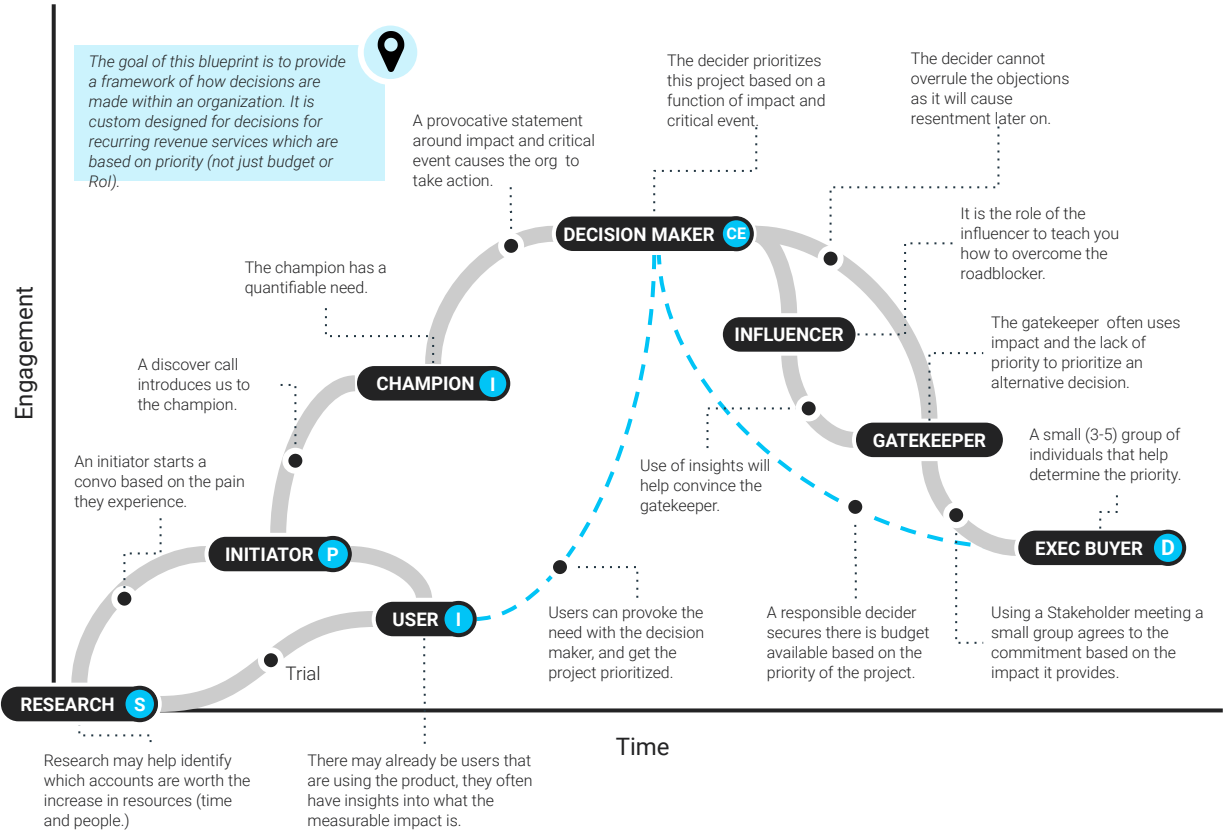


Enterprise Buying Process

DECISION TEAM COMPLEXITY

Decision Process

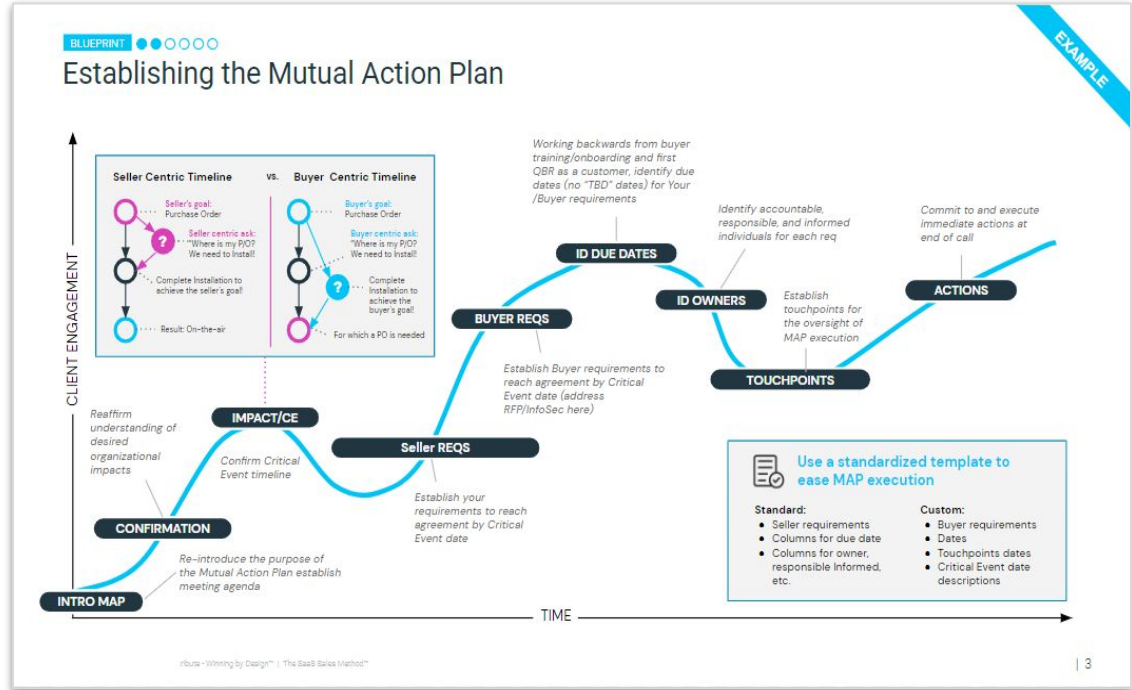
Help your customer sell internally based on facts and figures.



Enterprise Buying Process

MUTUAL ACTION PLAN

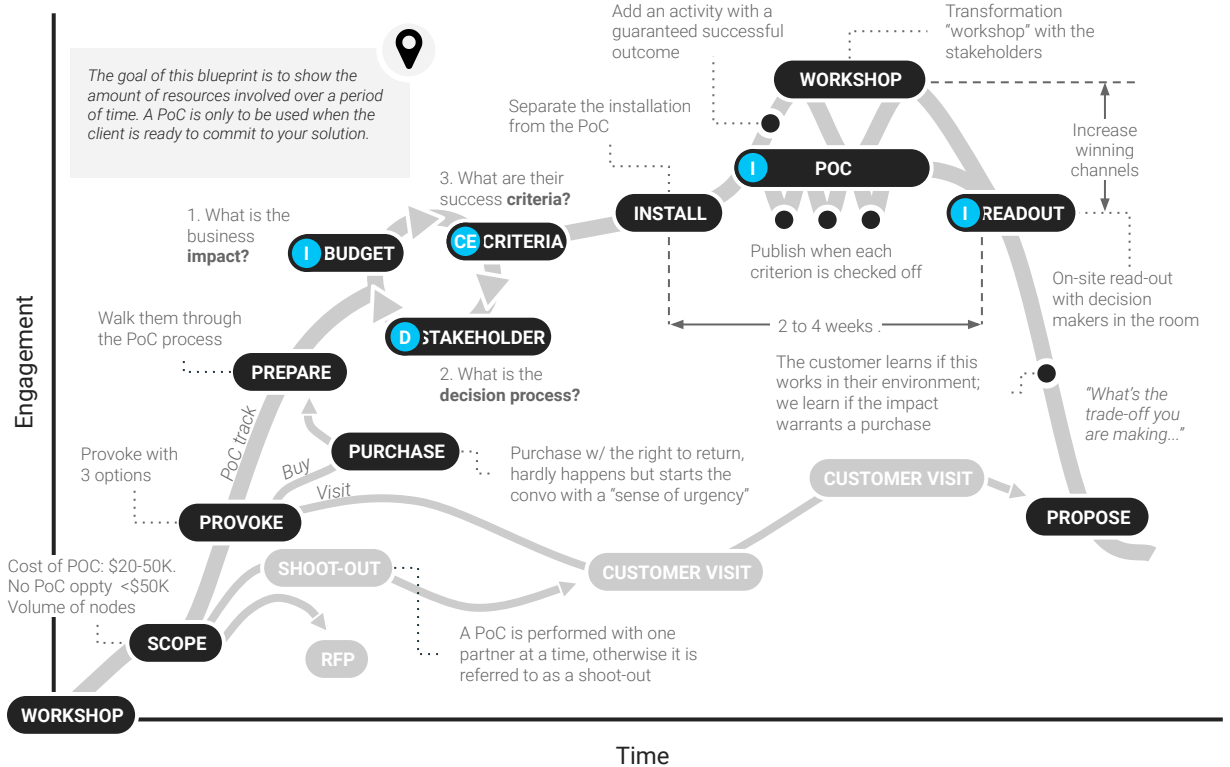
Orchestrating a buying process around a series of specific tasks with due dates, owners and dependencies



Enterprise Buying Process

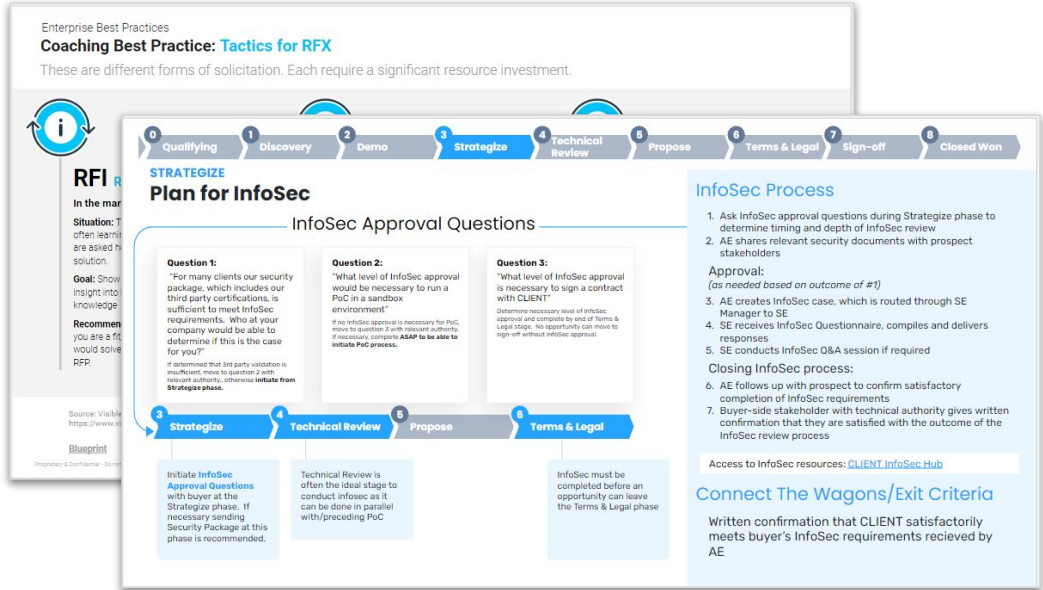
PoC

Proof of Concept exercises permit deep product evaluation that aligns to desired customer impacts, and unifies business and technical stakeholders around key decision criteria



Procurement Process

- RFPs
- Multiple vendors
- Approved Vendor
- Infosec
- Legal
- Vendor of choice (VOC)
- Procurement negotiations



“

*Nobody gets fired
for buying IBM.*

TODAY

FOMU

Fear of Messing Up

An **error of commission**, the executive(s) takes action, and it causes issues. For example, they bought the wrong Clari package.



HISTORICALLY

FOMO

Fear of Missing Out

An **error of omission**, the stakeholders decide to do nothing, "let's wait and see," and things start to fall apart soon after.

How to Approach the Move “Upmarket”

- 01 How this was done in the past
- 02 A smarter way
- 03 Pitfalls to Avoid
- 04 Measures of Success

Two High-risk Choices

How this was done in the past

“Development Partner”

Hand the keys to a Large Customer

- Identify a champion at a large company willing to “take a bet”
- Commit future development roadmap to meet their needs
- Secure agreement for company to be a reference

SIEBEL


ProfitLogic



“Hired Gun”

Hand the keys to an Enterprise Leader

- Hire a seasoned enterprise revenue leader with experience
- Let the leader hire their own team
- Follow the leader’s process
- Stand back and wait



“Development Partner” Scenario

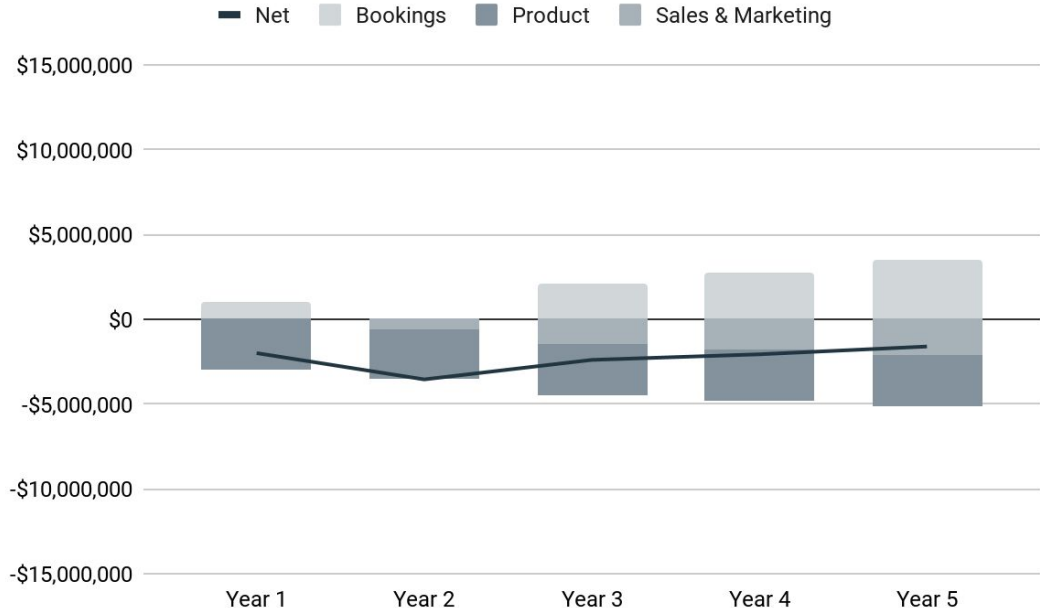
How this was done in the past

\$10M+, All-or-nothing Bet

When you turn the keys over to a large customer, paying you a large sum of money to develop to their needs, you get cash and a logo up front, but are you building the business you want?

- Will the customer’s needs really reflect the broader “market?”
- Will the customer’s needs ever be “done?”
- Will the customer reference for you even before they are “done?”
- Will sales be able to sell what you built for one customer?

DEVELOPMENT PARTNER



“Hired Gun” Scenario

How this was done in the past

\$20M+ Bet on Growth

When you turn the keys over to a hired-gun revenue leader, they will run the play they know.

- Leader will hire:
 - RVPs
 - Ops / Enablement
 - Sales Engineering
 - Partners & Channels
- Leader will build a “capacity” model, e.g \$1.5M quotas * 10 reps = \$15M “capacity”
- Rep ramp will be 12 months
- Rep success rate will be 50%
- Entire company will culturally shift

HIRED GUN



What if we could...

- 01 Build an enterprise business that doesn't lose money?
- 02 Build from our strengths vs. jumping into our weaknesses?
- 03 Maintain control of our destiny?

- 01 Need “enterprise” features
- 02 Enterprise buying process:
6-9 months, multiple stakeholders
- 03 FOMU > FOMO
- 04 Procurement processes: An actor with
power you’ve not encountered before



REMINDER:

*These things
haven't changed*

A smarter way: “Land and Expand” Scenario

01

Instead of building all Enterprise Features up front...

Add enterprise features slowly; turn down customers who need more than you have

02

Instead of trying to sell Enterprise customers wall-to-wall...

Land small (department); turn down deals so big they would control you

03

Instead of hiring a big-gun outside revenue leader...

Task an existing leader to start working up-market. Equip them with blueprints & playbooks.



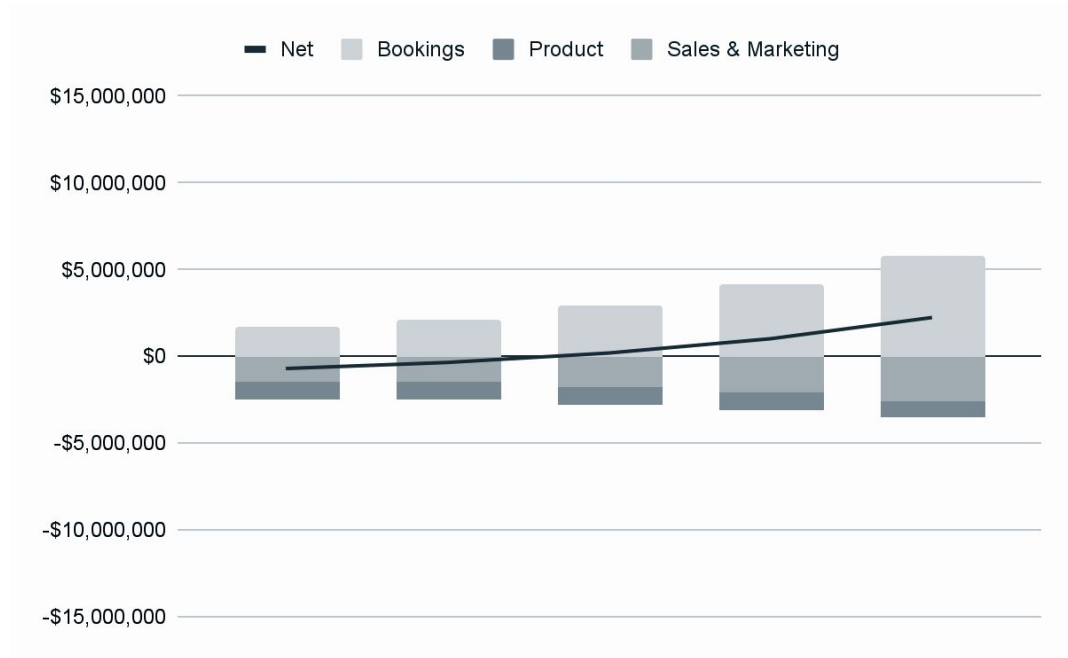
“Land and Expand” Scenario

Sustainable Growth

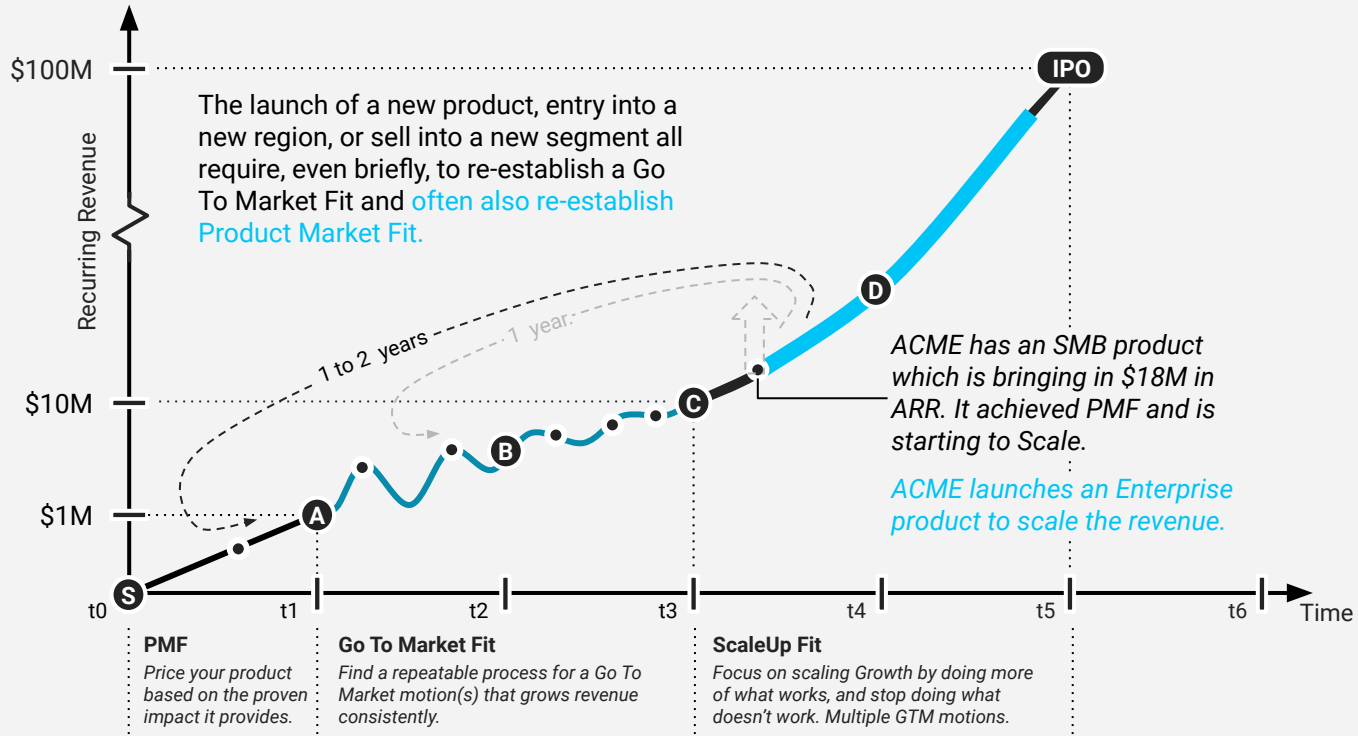
“By-design” Move into the Enterprise with focus on sustainable growth:

- Grow leadership from the inside
- Build enterprise playbook–don’t leave new leadership hanging
- ABM to warm up targeted accounts
- Self-service for departmental adoption
- PLS to expand initial footprint
- AEs do their own demos
- Pay close attention deal by deal
 - How to win the deals you want
 - When to step away from the deals you don’t want
- Land and expand (no mega-deals at first)
- 2 years to profitability (minimize investment)

LAND AND EXPAND



Remember: You are adding another GTM. It needs to be architected, tuned and scaled



Measures of success:

- Consistency of new inbound MQLs
- Consistency of new revenue deals (#)
- Consistency of renewals (#)
- Consistency of expansion deals (#)
- NRR (%)

Key Takeaways

- ▶ Moving Upmarket has big upside, but it is not a casual decision
- ▶ You cannot just “re-aim” your current GTM motions at larger accounts; a new GTM motion is needed
- ▶ Historical moves to enterprise have required a total investment of \$20M+
- ▶ Because of sales cycles, it can also take 3-4 years to make the transition
- ▶ Are there smarter ways of doing this? Yes.

How to stay in touch

The best ways to continue to get the latest insights from WbD

- 01 Get the latest research and insights on how to optimize your GTM and grow your revenue



WbD Research Newsletter
www.winningbydesign.com/newsletter

- 02 Stay smart while scrolling LinkedIn



Follow founder Jacco van der Kooij



Follow WbD on LinkedIn

- 03 Additional open workshops available every week



WbD Events & Workshops
<https://winningbydesign.com/events-workshops-webinars/>

Next workshop

The Fundamentals of SPICED

May 30 | 10-11am PT



Hosted by Dan Smith