

COVID 19 Guide

Getting 'Fighting-Fit' for Beyond the Crisis

This Guide, with acknowledgement to our member Sean Finnan who initiated it, is for high growth technology companies, the typical clients of ScaleUp Group 'SUG', which are currently implementing preservation measures in order to get through to the 'other side' when either COVID-19 has abated or the world has had to adjust to a 'new normal', in the meantime supported by enormous relief measures from governments in many countries.

- One view is these interventions will create conditions for a 'V' shape recovery. Others think there will be a second phase of COVID-19 - later in 2020 - followed by a second recovery, so a 'W' rather than a 'V'. Either way predictions are that there will be a rapid and accelerated return to 'normal' conditions, a 'Bounce Back', once or twice, the difference being the length of time before 'stability' arrives, together with the challenge of two dips.
- Difficult business 'survival' choices have already been made by business leaders now, but many are starting to wonder **"what should we do to be best positioned when any recovery comes?"** In other words, to be **'Fighting Fit'** to again take on the world and get back to high growth.
- This is part of a series of SUG guides to help our Clients navigate the CV19 Crisis and take the subsequent opportunity to realign their business by taking steps ahead of any return to 'normality' or the 'new normality'. This SUG guide focuses on the post CV19 environment to stimulate reviewing three key aspects of your business - **Clients, Competition** and **Product/Go to Market**.

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Crunchbase April 2020

Questions to be answered are:

1. **Clients/Prospects/Partners** – how will they change?
2. **Competitors** – who will be the Winners and Losers?
3. **Product and Go to Market strategy** – From answering these questions consider how to re-position to take the opportunities to both defend and/or increase your market share and what shape your business needs to be in to do so?

1. Clients/Prospects/Partners

Questions:

- a. **Clients.** How will your clients' needs change in what will be the new 'normal' for them and their industry? Some will be hit hard such as in Travel or non-essential Retail, others might thrive, such as on-line Services inc. Delivery.
- b. **Prospects.** What will change in their business drivers and decision making? Will expected returns be more financial in nature and defensive rather than growth? What impact will this have for your brand, marketing and selling and what enhancements will they want from your product, support and your terms?
- c. **Partners.** Ditto for your channel, if part of your market.

Recommendations

- a. Elicit the views of the largest, most dynamic clients, but ideally of them all
- b. Then create one or more scenarios of how they might change post CV crisis
- c. Do the same with your top and closest Prospects
- d. Ditto Partners

2.Competitors

Question:

What will your competition be doing to address similar issues?

Recommendations

- a. Assess which will struggle 'the losers' and in which sectors
- b. Conversely which will be better able to respond to the recovery- the winners?
- c. Does this create opportunities to acquire new clients in your current markets) who might otherwise struggle to get what they now want?
- d. Ditto in new markets with weakened competition e.g. on-Premise players in a world moving faster to the Cloud?

3.Product and Go to Market 'GTM' Strategy

Questions:

- a. How will your current product fit in the post CV market(s)?
- b. What new features are needed? e.g. enabling a higher % of home workers.
- c. Should you stay in all of your current markets or rationalise to a few?
- d. Would expanding indirect channels be useful or not?
- e. Conversely doing more sales directly?
- f. Where do international markets fit?
- g. What are the implications for Lead Generation – outbound and inbound?
- h. What part will Brand Development play in the 'new world'?

Recommendations

Having reviewed Clients, Prospects and Competition, as recommended above,

- a. Reassess and revise your product roadmap
- b. Ditto your GTM strategy
- c. Create 'tactical gain' campaigns where completion is weakened
- d. Consider if 'Account Based Selling' with a more personalized focus is appropriate.
See the Appendix on ABS
- e. Conversely, should Partner channels be prioritised or down graded
- f. Assess if your Finances/controls are strengthened to handle the 'new world'.

Summary

Weave together these three sets of scenarios above to identify what **'your highest return/highest likelihood'** composite strategy should be.

Decide what can be worked on without jeopardising the existing business and what is an acceptable level of risk if your new strategy is not correct?

Figure out how to manage the 'transition' when activity such as marketing, sales prospecting, product development etc. has to be financed, with no new revenues to fund them?

By ensuring your business is in the best possible condition - **'Fighting Fit'** - to take advantage of your revised strategy - it also is justifying your survival measures now.

Next Step

ScaleUp Group is available to help its clients navigate through these hazardous conditions by securing sources of Finance, if necessary, providing templates and Playbooks, such as its 'Go to Market' one and generally acting as a highly connected sounding board, from seasoned entrepreneurs/executives who have experienced tough challenges before achieving success.

Appendix: ABS Paper from Crunchbase April 2020

Why ABS is Even More Critical During COVID-19

If you're in business-to-business (B2B) sales, odds are you've heard the term "account-based selling" more than once. While it is not a new term or sales strategy, salespeople are now facing a challenging landscape that calls for different approaches and new strategies. For companies able to stay afloat, COVID-19 has shifted priorities across the board and placed immense pressure on sales teams' performance to keep the lights on.

As we navigate a dramatically fluctuating economy, it is more important than ever for B2B salespeople to employ the notion of "quality over quantity" in the pursuit of new opportunities, and to be empathetic to the many changes potential prospects are experiencing. Account-based selling is one way to do just that.

Here's a quick rundown on account-based selling to help get your teams up to speed and on board with this strategy as it becomes increasingly important to lead with empathy, optimise workflows, and focus energy on tactics that generate the highest return on investment.

1. What is ABS - Account-Based Selling?

Account-based selling is an approach to sales that prioritise identifying high-value accounts and implementing a coordinated, cross-functional B2B sales approach to closing those accounts. In this approach, marketing and sales teams work hand in hand to identify target accounts and develop an integrated and personalised plan that thoughtfully leads each account through the sales cycle. In light of the current situation, being thoughtful is more important than ever.

Traditional contact-first lead generation takes the "spray and pray" approach to sales in which SDRs first identify individuals with certain job titles or functions that indicate they might be interested in a product. After SDRs make countless cold calls and send hundreds of emails, the small percentage of leads who respond are passed along to AEs who are then tasked with meeting prospects and closing deals.

Account-based selling on the other hand, starts with identification of high-priority accounts. Sales and marketing teams then come together to develop an integrated and personalised strategy to target those accounts and reach out to specific contacts and key decision-makers, who, being more familiar with the product you are trying to sell, are more likely to respond. From there, your team invests in nurturing and expanding awareness of your product with all key decision-makers at a company, before eventually converting larger deals in a more thoughtful manner.

2. Why is account-based selling more effective than other sales strategies in a fluctuating market?

As the economy continues to fluctuate dramatically in response to COVID-19, prospects are not only harder to come by, but less likely to have the budget to invest in your service. It's important to understand that many companies are seeing tightening—or even completely frozen—budgets. That means sales outreach strategies that prioritise call volume and contact with individual leads are far less likely to result in conversions, and far more likely to seem tone deaf, resulting in missed quotas.

By abandoning a strategy that casts a wide, but less-than-strategic, net and taking a “quality over quantity” approach by utilising account-based selling, your team is more likely to close deals. Not only are you focused on identifying accounts that have demonstrated interest in your service, you are also incorporating the most important factor in any sales strategy: targeting accounts that currently have the budget to buy.

It's also important to understand that even if an account has a budget to spend, your contacts at that company may not have the same decision-making power as when you first connected. With tighter budgets, finance teams may now be the primary decision-makers, identifying which investments are absolutely necessary and what services can be cut. That being said, although there may not be opportunity now, when the situation changes your contacts may once again handle these decisions. A “no” right now might be a product of the situation and sometimes reaching out at a different time will yield better results.

3. How do you know if account-based selling is appropriate for your teams?

Account-based selling, however, is not the best strategy for every sales team. Before you invest in changing your sales strategy, here are a few key questions your team should consider:

- Are the accounts you're targeting large enough to deliver significant ROI?
- Is your sales cycle long enough to justify a coordinated approach?
- Do you have the resources to target accounts through multiple channels and touch-points?
- Do you have access to the information you need to create personalised strategies for each account you're targeting? This includes:
 - The ability to clearly identify ideal customer profile (ICP) accounts;
 - Access to information to know when accounts are ready and able to buy;
 - The ability to target multiple stakeholders within an account to increase chances of conversion.
- Do you have the analytics and tools to monitor results and adjust course if need be?

For example, shifting sales strategy from high-risk industries that are being heavily impacted by COVID-19, to medium- and low-risk industries that are either less impacted or growing.

With this more personalised sales approach, you'll be able to assess the impact of the current climate at an industry, company and individual level and make informed decisions about if an account is ready to be sold to right now. If so, then coordinate your sales and marketing teams to determine how to reach individual account stakeholders in a respectful and effective way.

4. How do you coordinate a cross-functional account-based selling strategy?

An integrated approach takes time and buy-in from not only the sales and marketing teams, but the entire company. Account-based selling requires more resources, time and cross-functional coordination than most teams are used to, therefore it's important to ensure everyone is on the same page.

Start by getting your sales leadership team on board. From there, encourage sales leaders to connect with company executives to get buy in and determine which teams will need to coordinate on strategy. Each team should then identify DRIs (directly responsible individuals) for each major function of the strategy (think sales, marketing, customer success, customer experience, etc.).

This core group of DRIs will help develop the overarching account-based selling strategy and keep each team on track and in close coordination through execution.

5. What metrics should you use in an account-based selling strategy?

Sales representatives and marketers are no strangers to metrics. Your account-based selling strategy should incorporate checkpoints and metrics to track success, just as you would any other sales tactic. The best approach is to roll out an account-based approach to a small percentage of your enterprise prospects and identify checkpoints each month to track progress toward your revenue and conversion goals. That way you'll be able to test the effectiveness of the strategy at each phase and through the entire sales cycle and compare results to the "control variable" or previous approach.

In addition to simple metrics such as tracking your sales team's outreach success and any changes in progress through the sales cycle, your team should rely on metrics like annual contract value (ACV), customer acquisition cost (CAC) and lifetime value (LTV) to measure progress. Although the heavy investment in personalisation of outreach associated with account-based selling will likely drive up how much you invest in each customer on the front-end, increasing CAC, you'll increase the LTV of a customer with a targeted strategy, resulting in an increase in revenue over time.

Approaching sales with compassion

Sales is a hard topic right now, struggling with the need to keep up “business as usual” when nothing is “usual.” Given the right tools, the account-based selling model allows sales teams to personalise outreach and avoid insensitive cold calls and targeting companies that may be experiencing layoffs, reduced budgets and grim forecasts.

Our teams are adopting what we’re calling an “opt-in” sales strategy—we’re identifying accounts that appear to be in a place to buy, asking people if they want to be sold to right now and respecting the fact that this situation has presented many unforeseen challenges. We’re approaching sales as if we were sitting on the same side of the table as our prospects.

Not every email you send needs to come from the lens of conversion. Reaching out with a thoughtful note, or even offering up information about how someone can use your company’s free resources, might change someone’s day in an incredibly stressful time.

Now more than ever, each and every interaction that prospects, customers and users have with your team needs to come from a place of empathy and understanding. It’s imperative that we focus on the “human element” as we all balance shifting circumstances with the need to keep moving forward.

With full acknowledgment to Crunchbase-April 2020