

42TM Rules

*for Growing
Enterprise Revenue*

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FOREWORD BY JILL KONRATH



“42 Rules for Growing Enterprise Revenue” Book Excerpt

By Lilia Shirman

Foreword by Jill Konrath,
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WHITE PAPER Table of Contents (included here)

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Getting “42 Rules for Growing Enterprise Revenue” **(http://42rules.com/growing_enterprise_revenue)**

“42 Rules for Growing Enterprise Revenue” can be purchased as an eBook for \$14.95 or tradebook for \$19.95 at: http://42rules.com/growing_enterprise_revenue or at other online and physical book stores.

Please contact us for quantity discounts sales@happyabout.info or to be informed about upcoming titles bookupdate@happyabout.info or phone (408-257-3000).

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Foreword by Jill Konrath

Selling to large enterprises is complicated. Selling complex products and solutions to these same organizations is even more difficult.

As I travel around, presenting at sales meetings, professional conferences, and industry events, sales professionals are very open with me about the challenges they face. It's tough to set up meetings with busy decision makers, get them to move off the status quo, and set themselves apart from competitors.

It's not any easier for executives. They're struggling to adapt their companies to the turbulent business environment, stay unique, maintain market share, and drive ongoing growth.

Sound familiar? You probably live with these issues every single day. And everything keeps changing. The large enterprises you sell to are in constant flux. They regularly reorganize, open and close offices or entire divisions, and change emphasis among geographies, products, and brands. The roles, priorities, and identities of decision makers shift. Meanwhile your competitors nip at your heels, as they close in on your once-differentiated offering.

Your own company is also evolving, creating its own new set of challenges. You're introducing new products, implementing new marketing strategies, and launching lead generation initiatives and sales programs. The sheer amount of new information overwhelms a seller's ability to keep up, plus creates internal conflict for their mind share.

In response, they resist or ignore new approaches, and stick to selling what they've sold before, to customers who have bought before, using

techniques they used last time. To compound the challenges to field adoption, companies are slashing sales enablement budget. They're keeping reps in the field and out of training.

This prevents the transfer of knowledge required for in-depth business domain expertise. We're left with sales forces that know the product details and the high-level messages, but not the context in which it all comes together. For decision makers, this leads to messaging overload. Every vendor seems to promise a similar set of benefits, but few truly understand the relevance to their organization.

As a result, decision makers mistrust salespeople, tune out their claims and put up barriers to keep them at bay. They have no desire to waste their precious time with product-pushing peddlers who are under extreme pressure to shorten sales cycles and bring in the business now.

In my book, 'Selling to Big Companies,' I show sellers what it takes to overcome these roadblocks and get the attention of corporate decision makers today. But salespeople can't do it alone.

'42 Rules for Growing Enterprise Revenue' gives dozens of ideas for turning customer relevance into a company-wide effort. Sales reps want products that deliver on customer needs and are simple to deploy and use in the context of the customer's business. They want the intelligence and awareness that an effective marketing organization provides. They want the extra boost in deal size that comes from selling well thought-out service offerings.

Sales reps need to be able to articulate to partners and customers why their products are a great fit alongside complementary offerings. If their organization doesn't give them what they need, salespeople will improvise. Many do it regularly and well.

But they are more effective if they don't have to make it up as they go along. They are also more efficient if they don't have to spend time re-creating sales tools, messages, and pitches because marketing just didn't get it. When you give them what they need, average salespeople immediately perform at higher levels, and new sales professionals get up to speed much faster.

Sales efforts don't take place in a vacuum. They are accelerated and amplified when the entire company focuses on what matters to customers. When you follow the excellent strategies outlined by Lilia Shirman in '42 Rules for Growing Enterprise Revenue,' that's exactly what will happen.

Jill Konrath
Author, 'Selling to Big Companies'
CEO, SellingtoBigCompanies.com

Intro

The concept of customer centricity is over a decade old. In that time, companies have gotten better at tracking customer information, incorporating customer input into product design, and identifying customer needs in their sales and marketing messages. Despite these advances, the most frequent complaint by decision makers involved in complex purchases is that vendors don't listen, don't understand their problems, and don't convincingly articulate value. Something is obviously missing from all that customer-centric activity.

What's missing is context. Most definitions of customer focus center on understanding "customer needs." In practice, that leads to corporate tunnel vision. Marketers zero in on the needs and "pain points" of key audiences, but not on the context within which those needs represent high-value sales opportunities. That may sound like a subtle difference. It's not.

That's because the context, not the need, determines value for both the buyer and the seller. Your relevance to customers starts from understanding needs in context, and your ability to deliver tangible, unique value comes from meeting those needs in a way that fits the context of the customer's business.

'42 Rules for Growing Enterprise Revenue' is about becoming more relevant—about mattering more to the customers and markets that represent the greatest opportunity for growth. Here are numerous integrated, cross-functional initiatives that enable companies to grasp and define the context for revenue opportunities. These rules embody three key themes:

Customer relevance is at the core of any successful growth strategy.

Growth in new markets hinges on targeting the segments in which your product or solution really matters. Expanding in existing markets, whether through deeper account penetration, sales channels diversification, or focusing in on specific industries or audiences, also requires that you prove why you matter. This focus on relevance ensures that customers will value and reward your investments in new growth initiatives.

Being relevant demands cross-functional execution.

This book is not about marketing, or sales, or alliances. It's about initiatives that succeed most spectacularly through cross-functional action and collaboration. Relevance in an enterprise-wide scope encompasses more than product design and marketing message. It includes services and support, channels, sales processes, pricing and packaging—any aspect of business that matters to customers. Marketing can create brilliant programs, deliver well-qualified leads, and produce outstanding "air cover" in the press. Unless that success is accompanied by complementary efforts throughout the organization, the company as a whole cannot reap full benefits.

Sustainable relevance and growth require ongoing innovation and experimentation in every aspect of business.

The rules cover a broad range of strategies because my intent is to encourage companies to examine and experiment with a variety of go-to-market approaches. While some of these strategies will be new to your company, others are reminders to finally implement the commonsense practices you know about, but have yet to carry out.

The rules represent the most effective strategies implemented by B2B companies to increase the relevance and value they deliver in order to drive steep growth curves. The book contains seven

sections. The first, Relevance is a Corporate Initiative is about going to market as a single integrated entity rather than a collection of loosely integrated functions, and laying the foundation for relevance throughout the organization. Pursue Markets Where You Matter discusses identifying markets in which you have the potential to deliver the greatest value. Context Defines Relevance and Value, Cultivating Customer Collaboration, Succeeding with Solutions, and Live in Your Customer's Universe discuss approaches for developing, articulating, and delivering benefits that truly matter to customers. Finally, Nurturing Your Channels comes back to one of the most important and oft-neglected factors for successful growth—the ability of the sales channel to comprehend customer needs and context, articulate why you matter, and adapt in sync with the rest of the company.

The ideas in '42 Rules for Growing Enterprise Revenue' have been successfully implemented by leading enterprises including BEA Systems/Oracle, CA, Cisco Systems, Citrix, Informatica, National Oilwell Varco, Symantec, and many others. You will find some of their experiences described in these pages. Use these strategies to experiment and collaborate on similarly successful growth initiatives and to drive relevance, value, and innovation within your business.

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**Customers Are People,
not Segments**

Inform stakeholders about how the purchase will affect their day-to-day jobs.

Go to a modern animated children's movie, and you're sure to find lots of jokes, symbols, and even entire subplots that are completely incomprehensible to the preschoolers. They're there for the adults, who are the financial decision makers and end-users of the movie. The film-makers are acting on a concept that many B2B vendors underutilize: There are multiple constituencies involved in the purchase and consumption of a product, and you have to cater to all of them.

You've carefully segmented your target market, and identified the kinds of companies most likely to buy from you. That's an important step in focusing resources and defining go-to-market strategy. But segments, industries, and geographies don't make purchase decisions. Neither do companies. People use products, contact support, and recommend vendors. People make purchase decisions. They do all this with both company objectives and their own personal interests in mind.

Erik Frieberg, a seasoned Silicon Valley marketing executive, described a corner-turning experience at Escalate—one of the first online e-commerce companies. Escalate was pursuing a big opportunity with a big-name customer, Williams-Sonoma. At the first, hard-won customer meeting, the rep discovered a surprisingly large variety of people in the room. There were sales and marketing people with lead generation objectives, and the Director of

Customer Service wondering how to simplify customer support. There were merchandise managers concerned about how to showcase products, and web developers evaluating the technology. The pitch that had been prepared by marketing didn't begin to address such diverse priorities. Instead the rep focused on each individual in turn. It worked, and Escalate adopted what is now called "audience marketing." The change helped Escalate break into new accounts and shorten sales cycles.

Nothing beats face-to-face interaction with real customers and real users to build awareness of customers as individuals rather than segments or accounts. Override sales' desire to "protect" their accounts, and insist that engineers, support personnel, and marketing staff visit customers. Ask them to observe what happens day-to-day, and to interact freely with the people they are observing. This first-hand exposure will reveal both the business and personal interests of the people who influence whether and how your products and services are used.

The currently popular term "audience marketing" is unfortunate. It implies that the focus on individual needs stops at messaging. Consider how product design, the sales process, financial terms, and after-sales services or support meet individual needs of various stakeholders. Help buyers and end-users understand how they, specifically, will interact with the product and with your company. Inform stakeholders about how the purchase will affect their day-to-day jobs.

Introscope™, a technically complex product from CA, monitors the details deep within applications in order to identify potential performance issues. There is an interface for system administrators, and one for IT system managers that pinpoints problems. But these are not the only constituencies, and they don't hold the purse-strings to software budgets. Because the systems that Introscope monitors are often mission-critical, business managers also want to know that all is well. So CA summarizes performance at different levels of detail, including via high-level dashboards for business people. CA also has sales and marketing tools for a wide range of people involved in purchase decisions. Whether a CA sales rep meets with a developer, a system admin, or the VP of customer service, they have both the story and the product view for each one.

Catering to individual needs and interests is especially critical when selling into a flat organization because each person is likely to have a bigger stake in the purchase decision, and a greater influence on it. Understanding the perspective of each stakeholder speeds up the sales process, but it also speeds up adoption and acceptance after the purchase is made. This in turn accelerates the benefits the customer gets from the product.

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Hand the Pen to the Customer

Give customers a chance to weigh in before you write a single word of messaging.

If your customers aren't creating your messaging, it's probably wrong. Consumer companies spend millions on gauging customer reactions to everything from logos and ads to products and packaging. Catalogs test direct mailers, websites test minute details of page layout, button text, and color scheme, and toy companies gather toddlers into a room to watch them play. Companies selling to other businesses would do well to learn from their B2C cousins.

Here's what happens when the customer is not involved. This is an actual "elevator pitch" seen online, as posted by a sales manager: (Name of manager and company to remain anonymous to protect the guilty). "[Vendor] solutions give companies the ability to increase revenues and profits using a standardized approach, with quick implementation and substantially lower risk and price than alternative solutions." This was the entire statement—no additional information. Do you have any idea what they're selling? Tempted to find out? The claims are so generic and vague, I doubt many potential customers would be. This pitch fails to mention what is being sold, and claims rather than demonstrates value. Had the writer of this pitch asked for customer input, they would have discovered which details could validate their claims and better engage the target audience.

Am I suggesting you write your messaging and then get feedback from customers? Not exactly. Once you've defined your value propositions and written the messaging, it's too late to get input. At that point, you will be less able and willing to hear the polite and subtle criticism that you're likely to get from customer looking at completed messages.

Instead of getting feedback, hand the customer the pen at the beginning of the process. The Application Performance Management division of CA found its deals bogged down at the budget justification stage. They had to find a way to demonstrate that the payback for the purchase was well worth the price. Though there were already some great success stories about past deployments, the marketing team realized they needed a more universal approach to demonstrate how their company delivered value. The team decided to ask customers what benefits they were deriving from use of CA products. CA interviewed ten customers, and also spoke to several partners. The interviewers captured both qualitative and quantitative benefits. The value proposition, messaging, and ROI estimates were developed using the information and direct quotes gathered from customers. The team then returned to those same customers and several others to confirm that the method of demonstrating value was valid. The new messaging has been extremely effective in engaging customers, and has enabled the sales team to engage more senior decision makers with greater confidence.

There are other ways to ask customers to contribute to your messaging. If you conduct an annual survey, include open-ended questions about the value customers have received, and would like to receive in the future from your company. Ask your customer advisory council to articulate in their own words why they chose your product or service.

By giving customers a chance to weigh in before you write a single word of messaging, you:

- Learn to speak the customers' language in describing their challenges and their results.
- Create a value proposition that rings true for other customers in the same segment.
- Find real, referenceable proof points for your claims.

Of course, the open-ended conversations have the added benefit of giving you the opportunity to listen, learn, and build relationships with your customers. The conversations also give you the chance to identify additional ways to create value.

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Stop Marketing, Start Collaborating

You don't need to dive into an ocean of social media and networking tools in order to have conversations.

There are now so many channels for communication, it seems customers should be more engaged than ever. *Are yours?* If not, or if not enough, take a look at how much time your marketing people spend on outbound messages, and how much on creating and participating in conversations with customers.

Your customers are participating in social networking and contributing to social media. MyBlogLog.com, a site that attempts to consolidate data across multiple communities lists 55 social media services. LinkedIn, Twitter, Technorati, Digg, Plaxo, a sea of blogging platforms...new ones pop up almost daily. Find out which your customers frequent, and design a process for participating in those.

The good news is you don't need to dive into an ocean of social media and networking tools in order to have conversations. Here are some ideas for making some traditional marketing methods more interactive.

Collateral and White Papers - Create a Wiki instead of static product data sheets, brochures, and white papers. Provide a framework and some base content, then give your customers the ability to contribute. You can moderate to ensure accuracy, of course. You'll have more complete information, on topics that are relevant to your audience. Best of all, the information will be more trusted, and customers will feel ownership for what's there.

Websites - Don't hide customer feedback and support in a corner of your site. Place feature request and comment links right on product pages, so that customers can respond immediately to the content they see. Asking a question gets the customer more engaged than downloading a white paper. Involve product management and engineering in responding to the queries. It's a great way for them to touch the customers they otherwise rarely or never see. Post the most interesting questions and answers or turn them into additional content.

Press Releases - What if your PR people became your customers' and partners' PR people? Lots of stories would best be told by someone other than a vendor. Having customers as narrator would also make the stories more likely to get picked up for coverage. Give your PR group the assignment to build relationships with customers' and partners' PR staffs, in addition to the press and analysts. Rather than writing every story, your PR staff can then assist partners and customers with replying to PR opportunities.

Webinars - By now, webinars are a "traditional" marketing tool. Many companies tend to make webinars broadcasts rather than conversations. Be sure to use interactive tools. Select the webinar hosting services that offer polls, chat, and Q&A. Use surveys both before and after your webinars. And don't limit the surveys to "Did you find this useful?" Ask questions that help you understand customers. Ask questions that customers will be interested in too, and then share the results either during the webinar, or as a value-added follow-up.

In-person Events - These are expensive, so why spend the entire time lecturing on information that's already in your collateral? Third-party presenters can be more interesting, but any lecture can get dreary fast. Give attendees lots of time to interact with you and with each other, while you listen and take notes. Consider a workshop rather than a presentation format so that the entire event is interactive.

If opening a conversation with customers seems too fraught with risk, try letting a small group of customers you know well contribute, then open further when you're comfortable managing a broader conversation.

A

Resources

Great Resources

In researching this book, I discovered many interesting business resources that are useful, insightful, or just plain intriguing and fun. Please share your favorites with me at lilia@shirmangroup.com.

Enterprise tools:

Socialtext - How much knowledge and expertise is hidden behind the titles and functional roles in your company? Socialtext provides the tools to foster interaction and overcome the restrictions that organizational structures place on collaboration. Credited with creating the "enterprise 2.0" concept, Socialtext has a growing list of tools to enable cross-functional collaboration.

<http://www.socialtext.com>

Crowdcast - This new company has taken the science of market prediction mechanisms and created a surprisingly simple—even fun—system for harnessing the hidden intelligence in organizations to create accurate and timely business planning insights. I was blown away by how much accuracy can be improved through collecting the wisdom of an employee base.

<http://www.crowdcast.com>

Xobni - Ok, so this isn't really an enterprise tool. Its more a personal sanity tool. If you or your employees are using Outlook, there might be a bit...ok, some...tons? of information buried deep in those emails. This helps find it—fast. Its inbox, spelled backwards.

<http://www.xobni.com>

Books:

- 'Blue Ocean Strategy' by W. Chan Kim and Renee Mauborgne
- 'Selling to Big Companies' by Jill Konrath
- 'Presentation Zen' by Garr Reynolds
- 'The Back of the Napkin' by Dan Roam
- 'How Great Decisions Get Made' by Don Maruska
- 'Inbound Marketing' by Brian Halligan, Dharmesh Shah, and David Meerman Scott

Associations and Research Sources:

- CSO Insights provides lots of detailed and insightful data on everything to do with the art and science of sales.
<http://www.csoinsights.com>
- Marketing Profs All things marketing, from complex strategies to data on tactics to thought-provoking case studies.
<http://www.marketingprofs.com>
- Association of Strategic Alliance Professionals provides resources and local networking opportunities to help you ensure this oft-neglected virtual part of your sales force is as productive as possible.
<http://www.strategic-alliances.org>
- Gallup runs a seemingly endless array of surveys around the world to gauge opinions and attitudes on every imaginable topic.
<http://www.gallup.com>

About the Author



Lilia Shirman is a technology industry executive, author, and advisor. She is the founder and Managing Director of The Shirman Group, a consulting firm that helps technology innovators identify and pursue new revenue streams and growth opportunities. Shirman Group clients include large companies like BEA Systems/Oracle, CA, Intervoice, and Symantec, as well as rapidly growing new ventures. Before founding The Shirman Group, Lilia held leadership roles in product, solution, and industry marketing, strategic alliances, and business development at BEA Systems. She also helped firms including HP, Cisco, and Compaq with corporate operations and planning as part of Accenture's strategy practice.

Lilia also serves on the Advisory Boards and as an interim executive of early stage ventures, and is a coach in Stanford University's Global Entrepreneurial Marketing program. She holds a B.S. in Engineering from U.C. Berkeley, and an M.S. in Technology Management from Stanford University.

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