

THE EVOLUTION OF THE VIRTUAL SALES MODEL

From Software as a Service to Sales as a Service
by Kate Gluck

One thing that's certain regardless of industry or profession is that we have massive business process transformation taking place. Which processes? Virtually all of them. 1 – Daniel Burrus

From virtual storefronts to virtual apps to virtual sales and marketing, the world is changing – particularly when it comes to how things are bought and sold. And while the charge was initially led in the B2C spectrum, B2B is not far behind.

Cloud based tools like salesforce.com, Dropbox and GoToMeeting make it possible to work effectively anywhere, any time. Smart companies are relying on Inside Sales more and more heavily to handle functions that until recently were left to their “more expensive” field counterparts. And, with this shift, the idea of a virtual sales office is gaining traction – for all the same reasons.

With tremendous change and growth, comes tremendous opportunity for those willing to embrace the “virtual” new world order.

CHANGING THE RULES

A decade ago, salesforce.com, with its “End of Software” mission and easy-to-use, adaptable and highly scalable CRM product burst onto the scene, playing havoc with then-industry leaders who offered more extravagant (and expensive) on-premise software solutions.

Not only did salesforce.com revolutionize the CRM industry, it also played a key part in changing the rules of sales as we know them.

- A scrappy, upstart company with limited budget for sales, the salesforce.com team built highly effective inside “corporate sales” teams, breaking the mold that said software couldn’t be sold over the phone.
 - They took a product that previously could only be bought with a long sales cycle and huge up-front investment and shortened the cycle and made it accessible on a month-to-month licensing basis-putting the risk of customer retention solidly on their own shoulders.
 - And, they created a CRM product, accessible to businesses large and small that gave smaller companies who used it a competitive edge previously only enjoyed by larger firms. *II*
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"VIRTUAL" IS BECOMING THE NORM

Since salesforce.com was first introduced, cloud software applications, once mistrusted and misunderstood, have exploded. In fact, according to a report recently released by Cisco it is anticipated that by the year 2014 over fifty percent of all workloads will be processed in the cloud. *III*

E-commerce is also increasing. Companies can (and do) research a potential product or service extensively on the web before making the decision to buy; lead generation is much more sophisticated than a phone and a phone book; and effective use of email marketing, sales websites, Google AdWords, blogging and other tools enhances sales’ overall effectiveness.

In short, the web and the cloud based applications it hosts is helping intelligent companies bridge the gap between the desire to grow a business and limited sales and marketing budgets.

PARALLELS BETWEEN SAAS AND SALES

There are several key reasons cloud computing and e-commerce have taken off – the most important being the trifecta of improved flexibility, reduced costs and increased speed-to-market.

The same factors are at play in a fundamental shift that is changing age-old paradigms about the sales resources necessary to grow a business.

THE GROWTH OF INSIDE SALES

In his blog post, Mastering the Virtual Sale: Why Companies are Staking their Future on Inside Sales, marketer Britton Manasco makes a strong case for the intrinsic value of an inside sales team and a shift from a world where the field rep is king.

He even goes so far as to point out that many venture capitalists refuse to fund start-up companies that aren’t fully committed to a selling model that emphasizes an inside sales formula.

“After all,” he writes, “such companies are expected to be agile, adaptive and innovative on other fronts. Why not rethink the sales model? Why not execute a new selling strategy than can deliver lower costs and a higher return on investment?”*IV*

The statistics support Manasco’s argument. As he points out in his blog, research has shown that the growth of insides sales jobs is up 124% in the last two years and hiring for inside sales outpaces outside sales by a factor of 15 to 1.*V*

In addition, the 2011 edition Telemarketing/Inside Sales Performance Optimization (TISPO) study, put out by CMO Insights, shows that firms are increasingly relying on inside sales teams to pursue and close opportunities; that they intend to augment their inside sales force significantly in the coming year; and that inside sales reps are more inclined to consistently use their CRM tools than their field counterparts (giving management more visibility into the process and eliminating the “tribal knowledge” syndrome that has plagued sales for so long.) ^{VI}



One of the primary drivers for starting NuGrowth Solutions was the realization that inside sales reps were selling over \$500,000 of software over the telephone. Having spent most of my career building and managing large enterprise selling organizations, it became clear that inside sales had significant cost advantages and that a virtual model could be a real “win-win” for all involved...”
- Greg Tillar, CEO, NuGrowth Solutions

FROM SOFTWARE AS A SERVICE – TO SALES AS A SERVICE

And now, full service virtual sales companies like NuGrowth Solutions are making it possible for forward thinking companies to kick start their sales with far less risk than before.

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“It is rare for start-ups and mid-sized companies to be able to field the kind of sales-team we can source, train, develop and execute in the timeframe with the same level of effectiveness as we can. We have invested millions in sales infrastructure, training curriculum, process and management talent all with the focus of the virtual sales organization objective.”

In a whitepaper (recently) published by NetSuite, author Tom Kelly, Managing Director of T-Edward, Inc. argues that cloud adoption is really about pain point relief, effectively and efficiently running a business, data improvement, accessibility and accountability, headcount avoidance and realignment and focusing on what matters most.

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At NuGrowth, we contend that a virtual (or outsourced) sales model is about exactly the same things. It is about removing the constraints (tribal knowledge, staff turnover,

lack of dedicated resources, sales learning curve, etc.) and growing a business in a way that is both predictable and sustainable.

PARTNER EFFECTIVELY

NuGrowth Solutions’ outsourced sales and marketing services “bridge the sales gap sooner” by providing a company of resources dedicated to new business acquisition. Some call it diversifying your risk, we call it smart.

If you have a passion for product development and the operational expertise to run your business, but are constrained by current sales efforts or are trying to break into new markets, NuGrowth Solutions can help. We’ll bring the people, the processes and the expertise to take your organization to new heights in customer acquisition.

If you are interested in leveraging our team to increase revenue for your business, please give us a call.

NuGrowth Solutions - (800) 966-3051

I Burrus, Daniel. “The High Risk of a ‘Wait and See’ Approach.” Chief Executive.net.

II Benioff, Marc, and Carlye Adler. Behind the Cloud. First ed. San Francisco: Jossey-Bass, 2009. Print.

III Cisco Systems. “Cisco Global Cloud Index: Forecast and Methodology, 2010–2015”

IV Manasco, Britton. “Mastering the Virtual Sale: Why Companies are Staking their Future on Inside Sales” Sand Hill.

V Manasco, Britton. “Mastering the Virtual Sale: Why Companies are Staking their Future on Inside Sales” Sand Hill.

VI Chief Sales Officer (CSO) Insights. <http://www.csoinsights.com/>.

VII Kelly, Tom. “Running a Business in the Cloud: A CFO’s/CIO’s Journey.” NetSuite.