

SELECTING THE “RIGHT” SALES MODEL

Liz Cain | March 2017

OPENVIEW

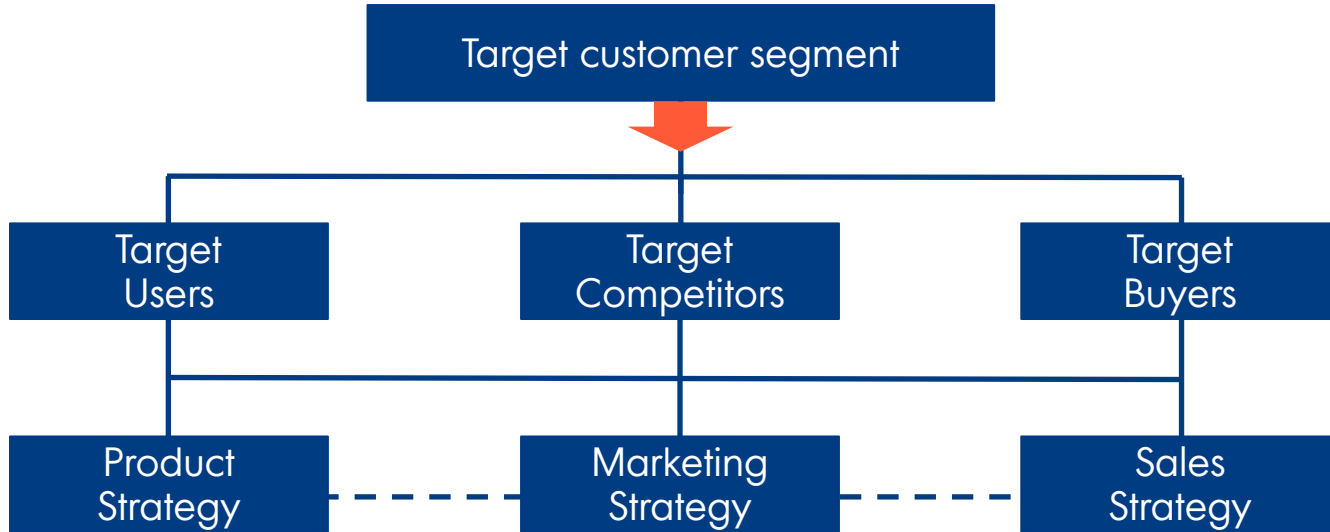
OPENVIEW

**WE HELP EXPANSION STAGE SOFTWARE
COMPANIES ACQUIRE, RETAIN AND
GROW THE RIGHT CUSTOMERS AND
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APPLY CONSISTENT FRAMEWORK FOR NEW PRODUCT GTM STRATEGY

Expansion strategy design starts here



Expansion strategy execution starts here

COMMON SALES MODELS

PRODUCT-LED

Low touch/no touch sales model via ecommerce/self-service. Sales resources focused on customer success

CHANNEL

Reps recruit and manage 3rd parties who are responsible for selling the product – VAR, SP, SI, OEM, etc...

INSIDE

Reps are centralized in 1+ location(s). Sales are primarily executed via phone, email, web

OUTSIDE

Reps are based in-region/territory close to their customers and conduct face to face meetings



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TERRITORY STRATEGY: VARIOUS STRUCTURES SOLVE FOR DIFFERENT BUSINESS OBJECTIVES



PRODUCT

- Highly differentiated product lines
- Sales reps are responsible for deep domain expertise & product demo



GEO

- Onsite / field presence critical for sale
- Regional / network effects drive introduction to new customers



VERTICAL

- Buyers/needs highly differentiated by industry
- Use case & feature set specialized by industry
- Sales rep domain expertise is critical



SIZE

- Complexity of buyer journey increases with company size
- Varied duration of sales cycle
- Relationship-based selling core to ent.



TARGET ACCOUNTS

- Clear ownership of accounts
- Deeper understanding of account needs
- Increased focus on expansion

PROS/CONS SUMMARY

MODEL	PROS	CONS
PRODUCT-LED	<ul style="list-style-type: none">• Low CAC• Very scalable – lots of leverage• Virality	<ul style="list-style-type: none">• Limited customer interaction• Onboarding/CX must be seamless• High investment in marketing• Lower ASP (but larger TAM)
CHANNEL	<ul style="list-style-type: none">• Low-ish CAC• Increase reach/leverage• Coverage across geo/industry/size/etc...	<ul style="list-style-type: none">• Lack visibility and control• Difficult to identify “right” partners• Significant upfront investment in relationship• Limited (non-existent) feedback loop; difficult to cross-sell/upsell to customer base
INSIDE	<ul style="list-style-type: none">• Low-ish CAC• High degree of control• Fast feedback loop to marketing/product• Ease of Training/Experimenting	<ul style="list-style-type: none">• High personnel turnover• Scalability relies on hiring/training• Limitations on deal size
OUTSIDE	<ul style="list-style-type: none">• Build great customer rapport• Can navigate complex/large deals• Increased opportunity for expansion	<ul style="list-style-type: none">• High CAC• Time to ROI – hiring, ramp time, deal length• Consistency of process / deal structure• Specialized field marketing support

FOCUS MATTERS.

QUESTIONS?

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