

SALES INTELLIGENCE

A Framework for Information Technology and B2B Software companies by Smart GTM

Introduction:

Sales Intelligence is the science of using deep Firmographic information to shortlist target accounts more precisely than regular database marketing approach.

Instead of matching several thousand companies across broad criteria, it uses the concept of 'ICP' – Ideal Customer Profile to come up with a targeted list of 'Strategic' accounts that match defined criteria.

Positive Impact of sophisticated Sales Intelligence:

Sales Intelligence when applied methodically and in a well-researched manner can provide several benefits:

It helps you identify accounts likely to benefit most from your offering

->> *Better response rates to your marketing and advertising campaigns*

Enables you to exclude accounts with low fitment or low potential

->> *Reduce wastage of time and effort, marketing and advertising expense*

Identify accounts with higher budget potential

->> *Direct your marketing investment towards bringing clients that will deliver higher ACV/TCV*

Identify accounts with higher brand equity and appeal

->> *Positive influence, Snowball effect on future prospects*

In summary, Sales Intelligence helps you:

- ❖ Get more clients from your limited marketing investment
- ❖ Conserve Cash by eliminating marketing wastages
- ❖ Get more revenue per client acquired
- ❖ Focus on acquisition of marquee clients
- ❖ Overall – achieve more ROI from your marketing budget

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An Ideal Framework for Sales Intelligence:

At Smart GTM, we have created an ideal framework to address Sales Intelligence for the Information Technology and B2B Software companies. What follows is the list of constituent parts of this framework outlined below; the descriptions shall follow next page onward:

1. Macro Target segments
2. Online and Offline:
 - Online presence
 - Commerce model
3. Persona & Intent signals:
 - Persona (Research and Innovation)
 - Intent signals
4. What part of client organization do you target
 - Target department
 - Focus functions
5. Technology
 - Technology budget
 - Technology persona
 - Technology landscape
6. Spend power and propensity
 - External funding
7. M & A
 - Companies that got acquired
 - Companies that made acquisitions
8. Growth and Valuation
 - High growth companies
 - Companies with higher valuations
9. Propensity to Outsource

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1. Define your Macro target segments

To begin with, define the macro-level criteria of companies that should make up your target segments:

1. Outline the Industries and Industry categories are you targeting

Are you focused specifically on either B2B or B2C industries

(or do these distinctions not matter much)

2. Employee count range

(this might be a better parameter compared to Annual Revenue as most privately held companies are not required to disclose revenue figures)

3. Company HQ locations

4. Age of company: whether you like to work with companies that are very young (<2 years), still a startup (2-5 years), mature (> 5 years), or legacy (>20 years)

5. Proximity for in-person meeting:

In-person meetings are more effective in establishing rapport, hence preferred.

Evaluate the distance of the company head office from your salespersons' base locations.

2. Online and Offline

Online Presence:

This is especially useful if your offering has anything to do with the web, mobile, web technologies, or any kind of online presence/ customer experience.

You need to look at the pool of shortlisted companies and determine their:

1. Global website rank
2. Key website parameters like trust and authority rating
3. Number of mobile apps
4. Popularity of apps - downloads per month

These are the key indicators of the company's strength and focus with respect to its online presence. This will help you determine at a high level whether you can add to their online presence.

Commerce Model:

Commerce model can be of three types:

1. Online
2. Offline
3. Both Offline and Online

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Depending on the Commerce model, a company may have different kinds of systems and processes, especially around Cataloging, E-commerce, Order management, Distribution, Logistics and more.

If you specialize in any of these systems/ processes, you may like to find first-hand the commerce model of your shortlisted companies.

3. Persona & Intent signals

Persona (Research & Innovation):

Your offerings could be sophisticated enough to appeal to companies with a Research and Innovation driven culture. If this be the case, you would like to identify which of your shortlisted companies belongs to this genre. Here are some indicators on companies typically focused on Research and Innovation:

- Their Number of patent filings
- Also helpful – if any patents filed in area relevant to you
- Presence of senior level people in R&D or Innovation departments

Intent signals:

Look for companies that show Intent signals for your core area. You could even look for companies that show intent signals for competing products. Use keywords with both technical/ business orientation. Intent keywords come in different shades and you need to detect which companies in your target set display desired intent signals.

4. What part of the client organization do you target

Target department:

You need to identify which companies have sizable target departments you would like to cater to. This way you can be assured of many software users or larger services scope, requisite management attention and deeper client budgets.

Here are some indicators to look for in the target department for your shortlisted companies:

- Number of employees in department
- Growth over the past year
- Presence of a very specialized role within the department
- New person in senior role

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- Location of department/ relevant function leaders (home country/offshore)

Focus functions:

We define Functions as specialized units within the company. Look at which functions are focus areas for a company. Aligning your offering with client company's focus areas pays dividends over time.

As an example, the functions of Marketing department could be the following:

- Digital marketing
- Brand management
- Marketing analytics
- Events marketing
- Social media marketing
- Marketing communications
- Customer experience
- Lead generation
- Marketing Operations
- eCommerce

You would do well to see if your offerings align with the focus functions of each company you target.

5. Technology

Technology budget:

You may assess the estimated technology budget of companies where possible such as:

- Estimated Total Technology budget
- Estimated Budget for relevant Technology category

Technology persona:

There are companies with a bare-necessity kind of tech stack – very functional. And then there are companies who's tech stack is more diverse - they experiment and are more open to trying out what might help improve their business. It's a reflection of a company's tech persona.

Therefore, the primary indicator we should look for in this context is:

- Breadth of the company's technology stack

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Technology landscape:

It makes sense to look for specific tech products currently installed within the company. We must look for presence of:

- Competing products (displacement use-case)
- Partner products
- Precedent products (products that are generally adopted prior to your kind of product)
- Also look at whether the company is no longer using but has used (or tried out) specific, named Technology products in the past.

6. Spend power and propensity

External funding:

Especially younger companies often rely on funding rounds for growth and expansion. Companies that receive funding plan growth and expansion often on foundations of more specialized people, advanced processes and technologies.

In this context, it makes sense to identify:

- Companies that received external funding
- The ones that got funded more recently

7. M&A

M&A's are special cases in corporate structure as it can have an impact on strategic decisions. It could be worthwhile to understand which of your shortlisted companies have undergone M&A's:

Companies that got acquired:

You may seek to understand which of the acquired companies still have people in senior decision-making roles. You may also like to understand if the acquiring company is from the same/different industry; also the nature of the acquisition (merger or acquisition or leveraged buyout) as indicators of the kind of organizational dynamics there could be.

Companies that made acquisitions:

You may also identify companies that have made acquisitions. It is often a sure indicator of a company's ability to expand, and propensity to spend on growth.

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8. Growth and Valuation

High-growth companies:

Identify those companies in your shortlist that show signs of growth:

- by revenue
- by employee count overall or by your target department

Companies with higher valuations:

Private companies are valued using Funding rounds, whereas public companies use Market Capitalization as a measure of company value.

You could identify companies with higher valuations compared to peers, they tend have higher brand value, innovation and budgets.

9. Propensity to Outsource:

For the shortlisted target accounts, try to determine the ones with a higher propensity to outsource (relevant for several IT Services providers). This could be done by evaluating the target accounts' for these variables:

- Ratio of leadership to workforce in relevant functions
- Downsizing in relevant functions
- Presence of an offshore workforce model

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