

Finding Your Second Salesperson

(You already have your first salesperson... You!)

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If you are a startup with any traction at all, you've had your [first salesperson](#) on board since the beginning – you. No matter how you perceive yourself (Founder, CEO, Evangelist, whatever...), you know your company is growing because, from day one, you were willing to pitch, persuade and sell.

Even though your product/service meets a clear need in the market and you've worked hard to understand and listen to your first customers – it was still mostly about selling. From convincing early developers to take creative compensation packages and hitting-up your friends for free use of office space, to the much-rehearsed pitch that landed your first Angel Investor or VC seed round – it was still mostly about selling. Now it's time to scale your business and you can't do that alone, so it's time to expand your sales force.

But before you jump in and hire your second salesperson, here are a few things you need to think about.

Is your [business model clear](#) and is it working?

- Are you generating enough qualified leads from your various activities (website, content marketing, tradeshow, social media, etc.) to keep another sales person busy?
- Have you defined sales ratio benchmarks you can use to assess the new salesperson's performance (eg. leads to contacts, contacts to demos, demos to sales)?
- Do you know your:
 - average deal size?
 - average length of the sales cycle?
 - cost of customer acquisition?
 - customer attrition or churn rate?
 - average lifetime value of a customer?
- Is there enough room in your pricing structure to cover the cost of customer acquisition, ongoing business operations and sales compensation?

Do you know how you will compensate and incentivize your new salesperson?

- Should you pay performance based compensation only – if so, will the number of marketing qualified leads and the rate of compensation you have in mind enable the new salesperson to make enough money?
- Have you established achievable sales quotas for the new salesperson?
- If you're planning to pay salary plus commission (or performance bonus), how will that affect your burn rate and how will you manage sales performance?
- How technical does your salesperson have to be?
- Will compensation be individual or team-based (since technical sales often require pulling in the developers at some point)?

How will you integrate sales into your company culture?

- Further to the last point above, if you have an engineering culture, will your development team and co-founders respect the value of the sales function and collaborate when sales needs technical backup?

What kind of sales person do you need?

- Are you clear on whether you need a high-touch [solution based sales](#) approach and a salesperson who spends a lot of time nurturing each prospect (either face-to-face or [remotely](#)), or are you aiming for a highly automated sales funnel with an internal sales person who essentially takes the order once the prospect is fully self-educated and ready to buy? [Sales is changing](#) and it is important that you know what approach you want your new salesperson to take so you can provide clear direction and provide an appropriate compensation structure.

Do you have the tools and processes sales needs?

- Marketing materials: a decent website, clear product descriptions, online demos or a free trial option, blog posts that demonstrate value to potential customers, instructional videos, customer testimonials, case studies, etc.
- Clear administrative processes, contracts or sales agreements, a defined pricing structure or a pricing tool if sales are more customized, familiar payment options, etc.

It's important to remember that, unlike you and your developers, your new salesperson has not been eating, sleeping and breathing your startup since day one. Your new salesperson will also not be the founder of your company, and will need a motivator other than a founder's passion to drive results. Fortunately, for most good salespeople, that motivation is performance itself and the rewards that accompany exceptional performance. Now, all you have to do is [find a good salesperson](#).

If you are confident that you are ready to bring on your second salesperson, here are some additional tips on from [Startup North](#) that should help.

ABOUT THE AUTHOR: Anne Toner Fung has extensive experience working with businesses to help them achieve sustainable competitive advantage. She also helps not-for-profit organizations ensure that they excel in the competition for (and effective use of) scarce resources. With angel Investor experience in the tech start-up space she provides the ability to draw from different perspectives when analyzing and executing on business needs and opportunities. Connect with Anne [here](#).