techstars®

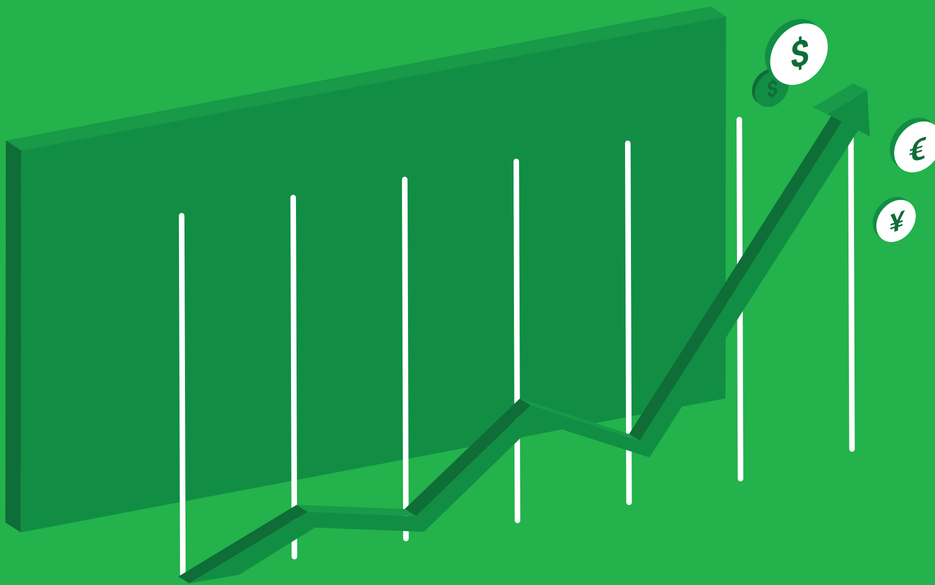
#givefirst

"*Sell More Faster* is the sales playbook every startup founder needs to read."

—Brad Feld, partner at Foundry Group, cofounder of Techstars

Sell More Faster

The Ultimate Sales Playbook for Startups



Amos Schwartzfarb

WILEY

There is no better expert at startup selling than Amos Schwartzfarb. Follow his advice. My success stems from simply telling my startups to listen to Amos's advice on selling. Anyone can sell with a known product, brand, and reputation, but *if you want to start the whole process from scratch, you have to listen to Amos Schwartzfarb. You could spend the next decade learning how to sell and not sell through personal experience, or you could just read this book.*

—Aziz Gilani, managing director at Mercury Fund

This is a book that all first-time entrepreneurs must read. Getting to repeatable selling in an early-stage company is by far the biggest challenge startups face, and Amos provides an experience-based, prescriptive approach to getting it right the first time. I witnessed the success of Amos's approach firsthand when we built a venture-backed company together and sold it for a 10-times cash-on-cash return.

—Rob Taylor, cofounder and CEO at Convey

I've seen Amos's work at both BlackLocus and with his portfolio at Techstars and can say firsthand that Amos understands how to identify early customers and scale sales organizations. This book should be a go-to for any founder looking to build a business from day one.

—Morgan Flager, general partner at Silverton Partners

Amos imparts valuable insights on hard lessons learned that can apply to any startup founder. He has a very engaging way of presenting practical and inspiring advice to entrepreneurs on how to lead teams, and manage growth, based on his successful track record. This book is for anyone interested in starting, growing, or leading a modern startup.

—John Brown, head of publisher policy
communications at Google

I was fortunate to get to work with Amos while in Techstars Austin. I've seen firsthand how his frameworks and methods impact a company's ability to grow and scale. Reading Sell More Faster *will give you the same unfair advantage we had at ScaleFactor, which has enabled rocket-ship growth in a very short time.* Sell More Faster *is a must-read for every startup CEO and Head of Sales.*

—Kurt Rathmann, founder and CEO at ScaleFactor

During the Techstars accelerator programs, we say "Do more faster." We encourage our portfolio to get product out the door, get early feedback, and iterate quickly. In that phase, the CEO or one of the cofounders typically does all of the selling. This is necessary, as only they can push the whole company to do whatever is needed. In order to do that successfully and set themselves up to scale post-accelerator they need to have product–market direction and be on the road to product–market fit. Sell More Faster *demystifies the complexities on the road to product–market fit and growing a well-run sales organization. A must-read for all startups!*

—David Brown, co-CEO at Techstars

In an industry that tends to obsess about fundraising, finally, there exists the go-to resource focused on the most important part of building and growing a business: sales. I've worked with Amos for years and he has always been the first person I go to for advice for teams who need help with their sales strategy, and now everyone has that access—this book gives everyone the roadmap they need to succeed at growing a scalable sales strategy. Amos Schwartzfarb's approach is so good it feels like cheating.

—Zoe Schlag, managing director at Techstars Impact

Warren Buffett once said, "It's not necessary to do extraordinary things to get extraordinary results." Truer words have never been spoken about achieving success in sales. Amos has held sales leadership positions in a half-dozen companies that had successful exits. That doesn't happen by chance. Working closely with him these past few years, it's easy to see why he's enjoyed success everywhere he's been. While his sunny disposition and genuine love of people have surely contributed, it's clear to me that his adherence to a process is his secret sauce. Over two decades of insight from one of the best sales leaders I've ever been around is tucked in these pages. I'll be giving this book to all the founders I work with.

—Mark Solon, managing partner at Techstars

I've been at Techstars since the early days, and through my own portfolio of investments and through the hundreds of companies I've worked with at Techstars, the one common theme is that every company needs to figure out product–market fit, and then scale sales. Sell More Faster *is a disciplined approach to figuring out who your customers are and how to build a high-performing sales organization. If you're a pre-series A company, this book is a must read!*

—Nicole Glaros, chief investment strategy officer at Techstars

For anyone in sales—which is basically everyone—this book is a must-read. In Sell More Faster*, Amos takes his wealth of experience and translates it into the essential playbook for sales. The real-life stories here are pure gold; the lessons Amos shares were learned on the road. Follow this roadmap to sales success. I'm recommending this book to every startup founder and sales exec that I meet.*

—Anna Barber, managing director of Techstars Los Angeles

This inspiring book provides practical resources and actionable insights for founders. Far too often, content geared toward entrepreneurs is high-level inspiration that merely scratches the surface. As an operator and investor, who has been on both sides, Amos is able to go deeper, tap into the founder mindset, and unpack many of the challenges of scale. This book is an incredible resource and must read for my portfolio companies and students!

—Jenny Fielding, managing director of Techstars New York

When it comes to selling new concepts, Amos is without parallel. Startups and established companies often need to make major pivots in their business. When that happens, you need a talent like Amos who can quickly and successfully sell that new direction to clients.

—Jake Winebaum, serial entrepreneur

Sell More Faster *is the sales playbook every startup founder needs to read. Whether you're searching for product–market fit or have found it and are starting to scale, this book will give you the play-by-play approach of what you need to do to build an awesome sales organization.*

—Brad Feld, partner at Foundry group, cofounder of Techstars

Every company needs to figure out who their customers are and how to scale their sales organization. Sell More Faster *is the first book which takes that complicated task and breaks it down into a playbook every founder can follow.*

—David Cohen, co-CEO of Techstars

Sell More Faster

The Ultimate Sales Playbook for Startups

Amos Schwartzfarb

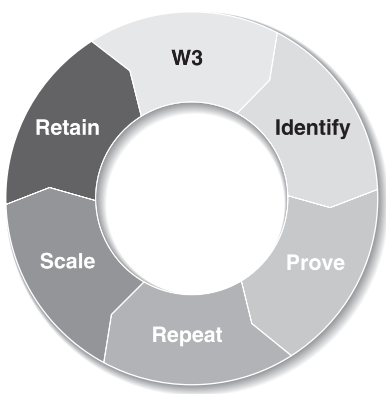
WILEY

Dedicated to every founder and entrepreneur who has the courage to pursue their passion and dreams

Also dedicated to my awesome family: Roseann, Sierra, Callie, and Jellie

And finally to my mom for always encouraging me to pursue my dreams and to my dad for teaching me work ethic

Contents


W3
Identify
Prove
Repeat
Scale
Retain

Foreword

From 2005 to 2008, I worked for Amos at Business.com, leading sales teams that sold online advertising. I started with the company in 2001 as an individual contributor when there were just three salespeople and in 2002 was promoted to director and took over the Inside Sales team. My boss gave me quite a bit of latitude, but this was my first *real* sales management role. I used my best judgment to lead sales, but I didn't really know what a "sales strategy" was (and I didn't know that I didn't know). Still, I brought much-needed metrics—orientation, organization, and process—to the team and scaled it out to over 30 sales reps

That said, it could have been better. We really didn't have a good lead generation strategy because we really didn't know who our high probability targets were or even what our Ideal Customer Profile was. We didn't have a good understanding of how we made money and where we should be selling ads on our site for the most incremental revenue.

Prior to Amos taking over sales and client services, the salespeople could just call on anybody they "felt" would be a good fit for our online advertising products (cost-per-click advertisers, or CPC). For example, it was very easy for a salesperson to go to Overture (formerly goto.com and acquired by Yahoo!) and type in high-value keywords like "web conferencing" or "web hosting" and call on advertisers buying those keywords. It felt like shooting fish in a barrel. But looking at the big picture, we learned that by selling to the upteenth web-hosting advertiser on our site we were merely shifting clicks around, generating very little incremental revenue for our company. It was like shooting fish in a barrel, except it's the same fish you keep hitting over and over.

I remember a great quote by Tiger Woods's former golf coach, Butch Harmon: "If you don't set a target, you'll hit it every time." Yep, we had no target. No specifically articulated idea of who we should be selling to and how we should be generating our target lead lists. So some salespeople would call down lists in local business journals, some would call down Dun & Bradstreet lists, some would call on competitors' customers—calling anybody the salesperson thought would buy and generate revenue for them to hit their quota. We weren't considering if our ads would actually drive new business to our customers, if they could become recurring revenue customers, if their ads would add value to our own site. If they were a reachable business, they became a target. This was incredibly painful. Salespeople would regularly tell me that they'd spend about two hours per day merely doing research to find new advertisers to call that they thought could generate revenue for themselves. Two hours of research each day—this means more than a full day every week *not* selling! That's a tremendous waste of a sales asset.

That's *no strategy.*

But still, by 2005, our company had grown from $225,000 annual revenue to $6 million. I was proud of my team contributions and loved the fact that my boss gave me the leeway to make decisions and be held accountable. Then I heard that my boss was going to take over a different team and that our CEO was bringing in one of his mountain biking buddies … a guy named Amos from HotJobs.

Who was this new guy? What kind of name was "Amos"? Was my freedom and scope going to end? What was he going to change? As you can imagine, I was nervous about getting a new boss. Sure, things weren't perfect, but the charts were going up and to the right (by hook or by crook) so what was this new guy going to do that *I wasn't*?

And then I watched him take over the sales team and run his W3 playbook. It's really simple … you can't sell and grow your revenues effectively if you don't know *who* you're selling to, *what* they'll buy, and *why* they'll buy. The simplicity of that framework made it easy for me to follow and makes it easy for any sales leader or entrepreneur to follow to success. I was learning what a *real* sales strategy was. He was teaching me something new … something that I knew I would be able to use again and again in my future roles. It worked! And it worked *fast.* In a matter of months, the team was moving in a concerted direction because we were operating under a *real* sales strategy for the first time.

From 2005 to 2007, our revenues grew from $6 million to over $60 million annually, and we were acquired by RH Donnelly in 2007 for $345 million. While I had limited sales leadership experience, being a part of implementing this strategy at our company gave me a whole new perspective and helped to shape my future sales leadership opportunities.

And here's the thing: I've since learned that there are a lot of people who preach convoluted, aggressive systems as "sales strategies," but almost all of them fail growing companies and leading teams. However, Amos's system *worked*.

I like to think of this time as *before* W3 and *after* W3, because the impact was so clear. *Before*, sales targeting was a free-for-all. "Call anybody you like," we said. "If you think they'll buy what we're sellin', go for it," we said. So our intrepid sales folks bunkered down in the trenches, pleading with accounts to find something—anything—to sell them, even if it was clear they saw no value in our ad space. There was no time for follow-up or customer development, let alone a funnel that could actually help direct efforts.

Fools!

After, sales targeting became a fine-tuned machine that put precision and accuracy at the top of the pyramid. We had a funnel. We had a process. We actually *thought* about who we needed to talk to and why they would *want* to talk to us. Now we get to tell our valiant sales folks what every smart team wants to hear: "We're giving you the list of *high-probability* prospects who *already buy* cost-per-click advertising and who will *fit into categories* on our site that will *generate the most incremental revenue* for us. It *will* generate this cash because we have a relationship with these customers that's as valuable to us as it is to them: this targeted list of customers buy from us because we can give them a better ROI for their online advertising dollar by delivering higher quality clicks from our niche search engine."

This was transformative because now we had the ability to orchestrate the creation of organized lists for the salespeople based on the strategy that was best for the business, which fueled our segmentation and lead prioritization strategies for the whole sales team; and everyone made more money.

By following this simple approach, we went from throwing pasta at a wall to orchestrating a lavish dinner party so desirable that R.H. Donnelly wanted to pay $345 million for a seat at the table. Those who were part of the leadership team went on to start their own companies, lead $500 million sales teams at Viacom/MTV, and take other Los Angeles startups from nothing to millions. But for me, the most important lesson learned was what a real sales strategy consisted of. I took his approach to my opportunities and repeated the playbook with success. I've used the W3 approach when I started my own business in Sales Strategy and Recruiting and while at ZipRecruiter, where I grew the sales team from two salespeople to over 400 in less than six years.

What this strategy did for us at Business.com and what it continues to do for anyone who uses it is simple, but important: it personalizes the sales process. As a CEO, founder, sales leader, or up-and-coming sales rep just trying to gain a foothold, it's easy to focus so much on the numbers and the selling that you can grow blinders to the most critical person in the process: the customer. They don't have to buy what you are selling, so you have to know why they will benefit from it. You have to know where they exist and what they're worried about. And having that simple—but solid—formula to ask *who*, *what*, and *why* helps center the sales and growth process so that companies and customers can thrive.

—Kevin Gaither
SVP of sales at ZipRecruiter
March 2019

Introduction: *Sell More Faster*—Why You Need to Read This Book

There are two activities in business, and only two. You are making stuff or you are selling stuff. And no one gets to make stuff if they can't at least sell themselves as someone who can make stuff someone else can sell. So really, there's only one main activity in business, selling stuff. Amos does this activity better than anyone I've worked with. At the end of the day there's a scoreboard and Amos has run up the score in several business categories—focusing on the one main activity. Sell More Faster *is your fast track to learning how to sell the stuff you want to make.*

—Russell (Russ) Foltz-Smith, artist, mathematician, technician, educator, and serial entrepreneur

In order to survive, every company in the world has to figure out sales. Sales is everything, from who your customer is to your sales process to scaling your team and servicing your customers. There have been hundreds—if not thousands—of books written about different aspects of sales. While books exist for everything from sales philosophy to process and methodologies, there is not a real playbook for startups to figure out how to build a long-term, highly profitable, and efficient sales organization from day one.

I decided to write it.

I've been working in, founding and investing in startups since 1997, always in some sort of sales capacity. My experience over the past two decades has led to dozens of weekly requests to help CEOs, sales leaders, and startups figure out how to overcome their challenges in sales. And as the managing director at Techstars Austin, a startup accelerator with a mission to help entrepreneurs succeed, every year several of my peers have asked if I'd come in and give a sales workshop.

I had never written anything down formally but decided to outline what a series of workshops might look like. As I got deeper into it, I came up with 18 potential workshops that I ultimately turned into a six-part blog series meant to help Techstars founders (and really anyone) figure out how to start and build their sales organization. And with that, both Techstars and John Wiley & Sons signed on and gave me the opportunity to write *Sell More Faster* and share this time-tested methodology with you!

To get the most out of my process, you'll need to take the time to learn not only from my experiences but from the collective wins and losses of other successful founders and startup sales leaders as well. Woven into this book are stories and commentaries from founders and early stage sales leaders I've worked with over the years.

I call this system the W3 Method: *Who* are you selling to, *What* are they buying, and *Why* do they buy it? Seems simple, right? It is, but it's also hard to keep sight of and (thankfully) easy to come back to when you're lost.

Some of the steps presented in this book may feel tedious, small, or slow; and they are, when practiced in a vacuum. But they are foundational to experimenting and proving what you are building, and they are crucial to building a world-class, successful sales organization. These concepts will help you avoid common pitfalls that *really* slow down your ability to scale fast, and often can even kill your startup. They will also give you the tools to articulate to your teams, customers, and investors *what* you are doing and *why* it works.

Keep this simple concept in mind: *Instinct drives vision and data sets direction.*

Ponder that for a minute. The typical founder mindset is barging ahead with passion, armed with gut instincts. While this frame of mind is crucial for founders to succeed, channeling that energy into a disciplined focus will help produce greater results on a faster timeline. At the times when you try to rush through an exercise or question it, ask yourself if you really have enough data to move forward or if you just want to believe you do simply so you can move faster.

Starting Up

I've been a part of seven startups over the past 23 years. Five of those have exited for over $850 million. The sixth is still teetering along and the seventh company is Techstars (at least, it was a startup when I joined as Austin's managing director in 2015). Until Techstars, I had never joined a startup with more than 20 employees and I was usually one of the first five (or the founder). Techstars was closer to 100 employees when I joined, but I was still present in the earlier part of our amazing growth curve.

When I first moved to San Francisco in 1993, I would have laughed if you asked if I were an entrepreneur or a sales person. Unlike many people today (and even back then), it wasn't the booming tech scene that brought me there: for me it was the history, the rock climbing, the proximity to Yosemite, and the Grateful Dead. Yet, when I think back on those early days, I can see the beginning of my path peeking through with this commonality: venturing into the unknown with not enough money, an unclear path, and the notion that in order to make money I needed to provide value to someone, somewhere—sound familiar?

Shoreline Mountain Products

In 1997, I got a job at Shoreline Mountain Products, a company you have likely never heard of. Shoreline Mountain Products was a mail order company that sold rock climbing gear. This was before the internet was prevalent and before e-commerce was a thing. Instead, our main sales channel was through a 100-plus page paper catalogue that we mailed twice a year to a list we purchased of people who rock climb. When I joined, there were three of us working out of Tom Shores's living room and garage (the makeshift warehouse), answering phones and packing boxes. Four months into my work at Shoreline Mountain Products, I was on the phone with a friend of mine, Alexis Rodriguez. Alexis had recently founded the digital agency Raw Interactive. Alexis asked me if we had thought about creating an online presence and selling gear on the internet.

I suggested this to Tom and he was all in. I have to hand it to him: first, for really understanding who his customers were, and who they were going to be (which was younger and more affluent climbers); and second, for having the courage to experiment. Those two things are important and you will hear them over and over in different ways throughout this entire book.

With Alexis's help we launched a very crude e-commerce site in the summer of 1997. The rest was history. Ultimately Shoreline Mountain Products sold to Mountain Gear—at the time REI's biggest regional competitor—which resulted in Mountain Gear having an e-commerce experience before REI!

> *Lessons learned*: Starting a business wasn't like turning on a light switch. You can't just decide to do it and the customers will come. It required lots of hard work to be successful, both physical and mental. It required figuring out who our customers were and what they wanted. It also required constant innovation to stay relevant. We touch on these topics in Chapters 2, 3 and 7.

HotJobs.com

In 1999 I joined HotJobs.com after a chance meeting with one of the founders, Dave Carvajal. HotJobs was one of the original online job boards and a leader in the space. I was one of the first 20 salespeople in our San Francisco office. The company was headquartered in New York, had fewer than 50 employees, was doing less than $10 million in revenue, and was private. Three months after I joined, we had an initial public offering (IPO). This all happened in the middle of the internet boom, through the infamous internet dot-com bubble of 2000, and into the rebound through 2004.

I was at HotJobs for about four and a half years and in that time I touched on almost every aspect of the sales organization. I was a salesperson, ran an inside sales team, built out and scaled the account management team, and created both our first Winback program and our renewal process before being acquired by Yahoo! Then, inside Yahoo!, I helped rebuild a regional sales team, and then moved over to help build out both account management and part of sales for the newly formed strategic accounts division.

I reflect back on my time at HotJobs as my hands-on MBA. The list of things I learned are probably a book all by themselves, but there are two things that stand out when it comes to figuring out how to sell more faster:

Lessons learned

1. In order to have a long- lasting and successful business, you must provide a value to your customer that is obvious, measurable, and irreplaceable. And while this may seem obvious, I see hundreds of businesses a year that not only don't do this, but the founders don't even think about what that means for their customers. At HotJobs, we did this so well that we were recession-proof. When the bubble did burst in 2000, our revenue and customer base continued to grow. We touch on this in Chapters 3 and 5.
2. Culture matters, people matter, and it starts at the top. I remember thinking I'd never work in such an amazing culture again because it was so infectious. Especially in those pre-Yahoo! days, *everyone* was drinking the Kool-Aid. This is all because of the great culture and leadership set by our founding CEO, Richard Johnson, and because of the maniacal focus on hiring the right people by our founding sales recruiter Dave Carvajal. When you can build teams and a company of people who deeply believe in your vision, and when you are the kind of leader whom people want to follow into the fire, your chance of building a successful company increases exponentially. When I joined HotJobs there were dozens of competitors and we were not one of the leaders, but because of Richard's leadership, the culture he built, and the incredible people at HotJobs, by the time we were acquired by Yahoo!, HotJobs was one of the top two job boards as measured by both traffic and revenue. We dig into culture in Chapters 6 and 7.

Work.com and Business.com

In 2004, after leaving Yahoo!HotJobs, I founded Work.com with Jake Winebaum and Russell Foltz-Smith. Work.com was incubated inside Business.com and essentially was an early version of what

Indeed is today. Jake and I eventually decided to merge the two companies together and double down on Business.com. I took over inside sales first and eventually all of sales and client services for Business.com. When I first took over sales in late 2005, we were under $10 million in annual revenue and by the time I left, after being acquired by R.H. Donnelly in 2007, we were at $70 million annually.

During my time at Business.com is when all the learning from Shoreline Mountain Products and HotJobs.com started to resonate with me. I developed a framework called W3, which is the foundation I now use to build any sales organization. It's also the entirety of Chapter 1.

While I've continued to learn (a lot) since the Business.com days, it was then that the concepts of *Sell More Faster* were first forming. At Business.com, we figured how to grow revenue, scale the organization, reduce churn to almost zero, create an infectious culture and achieve rocket ship type growth, all within 18 months. If HotJobs was my MBA, then business.com was my PhD.

Lessons learned: So many lessons! But, most important, having a clearly defined idea of your customers and the value you provide is not only important to acquire new customers, but crucial to building a great culture, attracting awesome investors, and building a world class company. We will be jumping right into the W3 framework in Chapter 1.

MySpoonful

In 2008, I founded MySpoonful with Stacy Horne. MySpoonful was a thrice weekly email newsletter that delivered curated, up-and-coming bands to your inbox. We bootstrapped MySpoonful for four years and built a large and engaged user base. Revenue was always modest and barely covered our costs, but even so we were approached and eventually sold the company to another company that brokers music rights.

Lessons learned: Again, I learned a tremendous amount at MySpoonful, but the biggest lesson I learned was that finding the value that your customers see in your product (not the value that you think they should see) is crucial to identifying who your customers are. We talk about this in Chapters 2, 4, and 7.

BlackLocus

In 2012 I was living in Austin and was introduced to Rob Taylor, CEO of BlackLocus. I joined him as head of sales. BlackLocus provided intelligence and analytics to online retailers, specifically based on price and assortment. When I joined, BlackLocus believed their customers were small online retailers and Amazon sellers who were trying to compete with big retailers. In the first few months I questioned everything. We quickly learned that the initial hypothesis regarding our customer was wrong, and using the concepts in this book figured out how to flip it to a very different group: enterprise retailers. Seven months later we went from virtually zero revenue to over $120,000 in monthly recurring revenue (MRR) and shortly after sold the company to one of our customers, TheHomeDepot, for over $50 million.

Lessons learned: While it was a quick journey, BlackLocus was where I really put all my past learnings to work. And again, while there was so much to learn, my biggest takeaway was that W3 works as a framework to identify what your business is and how to grow it. BlackLocus is where I most deliberately put all the concepts of this book into practice and the result was the fastest trajectory to high sales growth and acquisition I've experienced (as both an operator and investor).

Joust

In 2013 I founded Joust with Tim Gray and John Christiano. Joust was a consumer app, innovating on the daily fantasy trend and bringing it to "anything." After the fast and large exit with BlackLocus, I was feeling invincible. We were able to get some really early and big interest, signing up customers like XGames, MTV, Discovery Channel, Fox Sports, and more before we had a fully developed product. Ultimately we were not able to build a successful company at Joust, despite the early excitement from these big brands, and I left 36 months later.

You've heard it from founders and VCs alike and it's true, you can learn as much, if not more, from failing as you can from succeeding. And for me, the beauty of this failure is that it was really the final nail in helping me to solidify my core beliefs in how to build a big and successful business. And while there are literally dozens of things I learned at Joust, here are the three most relevant for this book.

Lessons learned

1. If you try to go wide in who you are selling to or try to provide service to too many customer types, you end up providing minimal value to all and maximum value to none. Not only did we have two customer types (media companies and individual consumers) who had competing interests, we also tried to service every profile-user type and media company type. As a startup, it was way too much to try and figure out how to make everyone feel value when there were so many customer types we were trying to serve. We discuss this in Chapters 2, 3, and 7.
2. If you don't know why and can't measure the value your customer is getting from your product, neither can they – and without a clear identification of that ongoing value, your customers will go away. We didn't spend enough time trying to learn this, and there were just too many customer types. This is at the core of why we failed. We cover this in Chapters 2, 4, and 7.
3. Ego doesn't win and hard work alone isn't enough. You need a framework, a methodology, and data to work from in order to test, learn, and refine your process. The three founders of Joust all thought we could figure it out simply by working hard because we'd "done it before." We ignored the basic fundamentals, outlined in *Sell More Faster* and ultimately were not successful. It took us three years and $1.5 million to figure that out. And while we may have still failed, even if we did follow the concepts in this book, we would have failed much faster and much cheaper.

Techstars

This brings me to the summer of 2015 when I became managing director of the Techstars Austin Accelerator. Since joining Techstars I've invested in and worked with 40 companies via the accelerator and have mentored another 100-plus through both Techstars and various angel investments. This means I have put this framework into play time and time again and have witnessed how it helps companies like Chowbotics, ScaleFactor, Storyfit, Prospectify, Helper Bees, Allstacks, Skipper, Mesur, DocStation, Transmute, WriterDuet (the platform where this book was written), and many more scale from virtually zero revenue to millions. This framework has also made it clear when a business was not scaleable and a pivot was needed.

The pieces have been there and go as far back as my days at Shoreline Mountain Products, but it wasn't until recently that I was inspired to write this book.

About This Book

In the coming pages, along with the broader lessons, I've included real-life examples of how these principles have worked for me. The book contains seven chapters that will provide frameworks that begin with figuring out a path from identifying product–market fit to how you test your theories to the building and scaling of your sales organization, ending with what happens after the sale is closed and you have customers. This book is meant to be an operational playbook starting on day one.

I've also solicited friends and colleagues to share their stories as they relate to these principles. You'll hear real-life examples of these ideas and concepts in action and how they worked in specific cases. I've also included a few exercises at the end of some chapters so that you can apply these principles directly to your business as you are reading.

I feel very fortunate for the journey I've been on since Shoreline Mountain Products and for the opportunity to work with so many amazing founders each year through Techstars. My biggest hope with this book is that you, the startup founder, can avoid common mistakes and figure out, as quickly as possible, how to build and scale a world-class company.

I really hope that you enjoy reading it and find it useful. And I have a request of you. Send me feedback to amos@sellmorefasterbook.com. I want to hear what works, what doesn't, and what you might do differently. Feedback can be when you read it or months (or years) later after you've applied these principles. Help me continue to make this better so future CEOs and companies can benefit from our collective learnings.

Thank you for reading and I look forward to hearing how *Sell More Faster* has helped your company grow!

Chapter 1

The W3 (Who, What, and Why) Framework

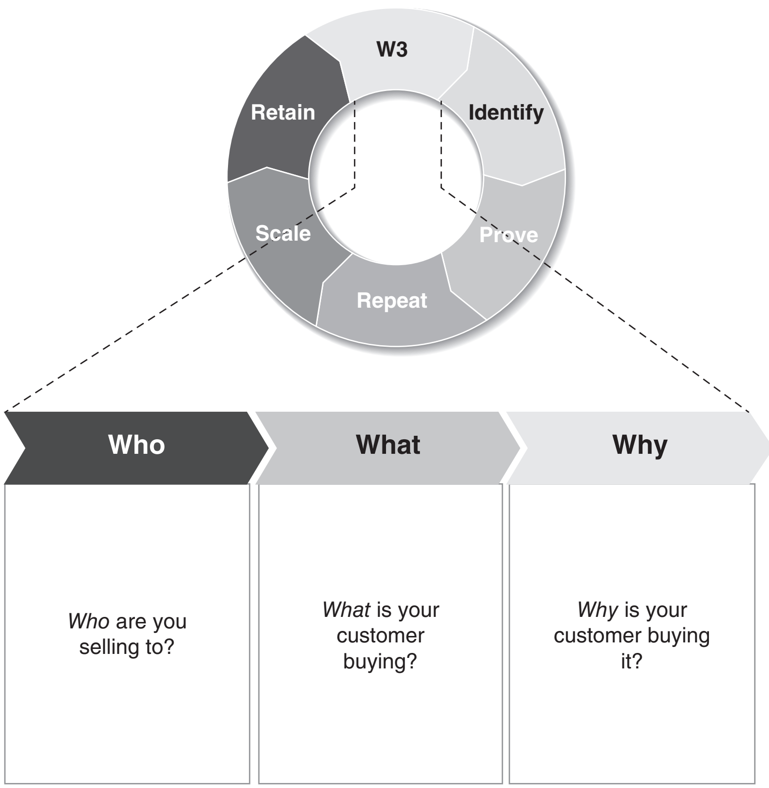


Figure 1.1 The W3 Framework (Who, What, and Why)

At the start of Techstars 2017 program, I remember proudly announcing each KPI meeting that "Sales were great this week … and we have no idea why." Amos constantly reminded us that we needed to know the triggers of our business to have any control *over our growth trajectory. We ultimately realized the answer to the 3Ws was the missing ingredient, and explained exactly what was preventing our company from massive scaling: we had achieved product market fit only among super-users in a niche market. We had a false sense of confidence because it took no effort to sell to our (few) optimal users, but it was extremely difficult to sell to anyone else.*

—Guy Goldstein, founder and CEO of WriterDuet

Where the Heck Do I Start?

No business can exist without paying customers, which means no business can exist without sales. It's relatively easy to look at any company, especially one doing well, and be able to describe who their customers are. However, when you are first building your business all you have is a theory of *who* you think your customer will be, based on your theory of the problem you are solving and your opinion of what you want to sell them. While it's important for you to have a strong point of view to get started, it's even more important to figure out if you are right before you get too far along. The repercussions of being wrong can be very expensive and can even cause your business to fail.

We've all heard stories about companies pivoting their product or customer focus. I've personally witnessed it dozens of times while working at startups and now with Techstars Austin. Pivots, small and large, are often crucial to figuring out how to build a big business; however, without a framework to figure out *who* your customer is, *what* they are buying, and *why* they buy it, ensuring your success is like trying to find a needle in a haystack.

In this chapter we'll discuss the W3 Framework (Figure 1.1). This is what I used at Business.com, mySpoonful, and Black Locus. It's also the framework I encourage my portfolio companies at Techstars to use. I've broken this chapter into five parts to make it a little more digestible.

This section is a description of W3, the framework I recommend identifying your ideal customer profile (ICP) and why it's important to start this work early on. In the second, third, and fourth sections, we'll dig into each of the three Ws.

"*Who*" Are You Selling To? explores identifying the *who*—who you believe your customer is and how you go about validating it.

In "*What*" Is Your Customer Buying? we will dig into the *what*, meaning what product or service you are selling (compared to what the customer is actually buying). Likewise, we will explore how you can validate that you are selling the right product to the right buyer.

And finally, in "*Why*" Is Your Customer Buying It? we will discuss the *why* of your business—*why* your customer is buying your product and *how* your customer will measure the impact on their business.

In the fifth section "Putting W3 Together," I'll present you with an in-depth exercise to help you thoroughly outline your sales plan.

* * *

Startup founders, especially in early-stage companies, often develop their sales plan based on their personal (and hopefully deep) understanding of the problem they are trying to solve and the product they are bringing to market. However, in my experience, most founders are not great at articulating exactly what they're doing or why. Founders may have a strong idea regarding who their customers will be and what their product or service will be. But in most cases, very little is done to validate their theory and even less is done to capture it in a way that is easy for anyone to comprehend. In the early days of starting your company when you are the one selling to customers, this is fine. However, this immediately becomes a problem when you start trying to hire, forecast, and raise money. The problem with not having an articulated sales plan is that you leave employees, candidates, investors, and even potential customers guessing at who buys what and why, and this, in turn, results in a lack of alignment, clarity, and confidence in the future of your business.

I've now been running sales organizations for over 20 years. Early on, I too failed to understand the importance of a clearly articulated sales plan. In fact, the concept of taking the time to articulate and write down a formal plan seemed like a giant waste of time. Worse, if what we were doing and why we were doing it wasn't obvious to someone, I questioned their intelligence or commitment to the company.

I was wrong.

At that point in my career, I hadn't been around enough experienced leaders building real (and big) companies to understand the importance of planning and process. I also didn't have (or even understand why I should have) mentors to help me grow. This was all on me to figure out. The good news was, my parents were both excellent role models for my strong work ethic. They had a keen and insightful worldview and taught me early on how to think about the present, but also about how events of today will affect the future. I've always had good intuition when it comes to business and over the years I've learned to trust my gut (and I could write an entirely different book on that). What I lacked was anyone ever showing me how to connect the dots from what was in my head and translating that into a plan to build something amazing.

Connecting the Dots from Thoughts to a Plan

In 2005 I was recently promoted to run sales and client services for Business.com. I finally realized just how important it was to articulate what "our" plan was—and why it was that way.

Business.com was an earlier-stage company poised for huge growth but had not arrived there yet. We had around 70 employees, in the mid-seven digits of revenue, and were selling a business-to-business (B2B) search product in the early days of Google Adwords. My predecessor did an incredible job getting us to that point and when his role evolved to focus more on corporate and business development, I was asked to step in for the next iteration of scaling our sales organization.

By this point we had a very experienced leadership team made up of ex-Yahoo, eBay, and Careerbuilder execs and a seasoned board made up of partners, founders, and CEOs from Benchmark, IVP, Earthlink, Boingo, shopping.com, PayPal, and LowerMyBills. While I had great intuition on developing a plan and some raw talent at sales, I had very little classical business training (i.e. no MBA and to this point no great mentor to teach me). It wasn't until I was asked to present my vision to the board that I truly realized the importance of defining and articulating a sales plan.

Fortunately my CEO, Jake Winebaum, was (and still is) an incredible strategist and likewise very good at cultivating raw talent. He wouldn't let me present anything less than a world-class plan and pushed me very hard to develop and articulate mine—this is where I truly learned the importance of taking what was in my head (and gut) and putting it on paper for everyone in the organization to see.

The best way for me to describe to you the weeks of intense mental work I put into developing this plan is to tell you about Jake's ability to ask one simple question: *Why?* Jake asked me "*Why* do you believe this to be true?" at every stage and about every aspect of the plan as it evolved. Multiple times a week I'd be in his office sharing the next iteration of the plan, and week after week I'd leave asking myself the same questions he was asking me. At times this was frustrating and borderline infuriating because I really never had anyone question or push me to that level of detail and specificity in the past, but ultimately it was one of the most valuable experiences I've had as a professional (and one I've carried forward with my work at Techstars).

What it forced me to do was dig inside my instincts and look for opinions, facts, and data to support what my gut was telling me. Sometimes that would help me support my opinion and other times it helped me to see potential flaws and areas of risk. Ultimately, it gave me (and him) the confidence to present the plan to the board and eventually the entire company because we knew we had something that we can easily articulate to anyone, the data to support the direction, and an understanding of the areas of risk.

I called my plan W3, which stood for *who, what,* and *why*. I presented it to the board and executive peers. They all bought in. Then I rolled it out to the sales team, making sure that everyone grasped both what we were doing and why. The result was amazing. Immediately we saw alignment across the entire sales team and across the company, which contributed to massive revenue growth (mid-seven to mid-eight digits) over the next 18 months, and eventually a sale of the company to R.H. Donnelly for $345 million.

Required: A Solid Sales Plan

I want to take some time to describe the alignment and why that was so important. It's not that Business.com didn't have a clear vision; we did. We were also fortunate in that we had a healthy culture of people who loved the company, loved the mission, and believed in Jake as CEO (and the rest of the leadership team, as well). What we lacked was alignment in how to grow our sales in a meaningful way. Sales reps had little direction regarding what was best for the business versus what was best for their commission (or that those two things could be aligned). Also, while our product and marketing teams were very strong, there was virtually no alignment on how product, marketing, and sales all informed each other in a way to accelerate growth. What W3 did for Business .com was to bring all of the pieces together around common language and mission so that we all had a strong sense of how to work together and build a very big company.

That experience was incredible in terms of helping me understand how to build a big and valuable business. More specifically, I learned that in order to have a working, growing, and effective sales department (and company) you *need* a well-defined and articulated sales plan. This is not a suggestion: it is a requirement. Having a strong plan that the entire team can believe in and get behind drives sustainable results.

So what is W3 and how can you use it to build and grow your sales organization? W3 is a framework for developing your plan. It stands for the three most important attributes of a sale: *Who* are you selling to? *What* are they buying? and *Why* are they buying it?

In the next three parts, we will dive into each W separately. Some of this may seem really obvious while other parts could feel tedious. I'm sharing this with you in advance because I want you to be prepared for taking the time to put in the work. This will be the foundation both for everything else in this book and more important to helping you figure out how to build a great sales organization and incredible company.

Who Are You Selling To?

> *If you don't know your WHO, your WHO becomes everyone. This means engineering becomes swamped with features to make anyone/everyone happy. Sales can't build repeatability; marketing has to build a message that resonates with everyone. Targeting everyone means you become the best for no-one. Your WHO aligns your company's teams, and gives you the ability to focus and execute in a single direction.*
>
> —Noah Spirakus, founder and CEO of Prospectify

Who are you selling to? What is your target industry? What segment(s) will get the most value? How do you identify and prioritize targets? Who is the target buyer within each company? What is the job title of the typical buyer? How do we know we are right?

These are just a few of the questions you will start to answer as we go through this section. It's at this point that you may be saying to yourself, "I know who my customer is" and feel that you can skip this. Pause. Ask yourself why you believe that. What is the reason you believe you know who your target customer is, and what data do you have to support your theory? To what level of granularity can you describe your target customer? What can you do to prove you are right (or prove you are wrong)? Can everyone in your company describe, specifically, *who* your target customer is?

I know there are a lot of questions here. Remember when I said this might feel tedious? This is the time to open up your laptop (leave your email and iMessage closed) and start answering these questions (writing down any new ones that pop up).

Before we do that, I want to talk more about how we will approach defining *who*. My experience shows that most startup CEOs (and even many startup sales leaders) can quickly describe the high-level version of WHO they believe their customer is but stop there. Let's use Transmute, one of my portfolio companies, as an example. Transmute has created a new identity protection and management platform using blockchain technology. While this product could potentially help any company of any size, in this example the CEO has already narrowed down their target customer. When Transmute entered Techstars, if you asked the

CEO who their customers are, she would have responded, "We sell to enterprises."

This was a good start. They had already cut out a huge number of potential customers where they will not spend their time selling, but what kind of enterprise is Transmute targeting? She could have meant software, retail, healthcare.

She may define enterprise as a company with above a specific number of employees or revenue threshold. If I'm trying to help this company, I'm still not sure where to start.

My next question for this CEO was, "What type of enterprise?" The CEO was able to take it a step further and say, "We sell to enterprises in the healthcare space." This was a better start as it plants a flag in the ground, but there is still a lot more work to do. I still wasn't sure if they meant hospitals or software companies selling into hospitals or medical device companies or something else. I was also unsure of who I could contact inside that company who cares about the problem that their product solves.

It's likely you've gotten to this level of granularity, and maybe even a little further. At this point, you have two more jobs:

- Get more granular
- Disprove it

Job 1: Get More Granular

This is a conversation I have with every single founder I invest in, and the conversations are often heated. What I will assert is that you want to define the narrowest and most specific customer type that you can in the beginning. Here is an example of how Transmute could think about it to ultimately identify their target customer, "We sell to enterprises in the healthcare space. These are private hospitals with over 5,000 employees. Those hospitals currently have two specific legacy products focused on patient identity protection and have had a breach in the past 90 days. The buyer in those hospitals typically has the title of director of security and information."

Take a minute to notice what we did here. We took an important directional flag indicating who we believed our customer to be and formed an opinion about a much narrower potential customer type. This is often where I start getting pushback, specifically the retort, "This is too narrow and will limit my ability to build a huge company. Investors won't see the potential scale and our sales team will feel too limited in making commissions."

While on the surface this may feel true, it's actually the opposite. Keep in mind that right now all you have is a strong belief of who your customer might be and not enough data to prove it.

By defining the narrowest possible group of customers, what you are actually doing is starting to build out a case, using data, that there is a definable group who *does* buy your product and can't live without it. This is critical in any stage of your business but especially in the earliest stages where all you have are theories. And while it might feel like you are limiting your growth potential, what you are actually doing is building your business around exactly the right customers to buy your product. These customers will inform how your product evolves as well as giving you more data on who the next set of customers could be. They also become the case studies and proof points that you can point to that show that your product works and brings value to your existing customers. Or, you'll quickly learn that this is *not* meant to be your target customer and you can shift direction before spending too much time or money in a single direction.

Pause here for a minute. Think about how you've been talking about your potential customer set. What are the questions you've been getting? What is the feedback from colleagues, investors, and potential customers? If you haven't yet, take a minute to write down specifically who you believe your customer will be. At each level of granularity, also write down why you believe that to be true. This is important as we get to your second job. In "Putting W3 Together," we also use this as part of building out your sales plan.

Job 2: Disprove It

Yes, you read that correctly: disprove your own theory. Your job now is to figure out why you are right by trying to prove why you are wrong. This concept is one you'll hear from me over and over again. Of course the first thing you need to do is to validate why you believe you are right, followed by exploring why you might not be.

So what does that look like? It starts with taking that granular definition of who you believe your customer is, creating a list of 20–30 companies who fit on that list, and talking to them. Don't sell them, learn from them. We'll get into this in a lot more detail later on in the book when we talk about the difference between sales and customer development, but for now just start to think about what these conversations might look like.

The second part of that, which is job 2, is to see if you can prove yourself wrong. There are two ways to think about this. Am I wrong about the customer segment I've defined? Are they short-term customers? Are we really solving a huge pain for them? Is this really the right person in the organization to sell to? Or, is there a granular customer definition that is stronger? Will we be able to sell more, or faster, or for more money? Is there someone out there who needs us even more? Part of job 2 is to define one to two additional potential customer segments. Then try to stack-rank them. With limited time, you can probably only prioritize one group and reprioritize as you learn. This will give you the basis for proving and disproving whether your top-ranked customer set is right (and hopefully help you determine your next customer priority).

And then you have to start the process all over again.

* * *

Right now you are probably feeling a little overwhelmed. Either you are questioning how important this work really is or trying to figure out how you do this as quickly as possible. You probably don't have a lot of time or money before you need to start generating (more) revenue. That's totally normal, you should feel a bit overwhelmed. Starting a business is hard and it's a lot of responsibility. You are probably feeling the pressure of both time and money and wondering how you can do this and still hit those important milestones to raise money or slow your burn or even be profitable. Am I trying to freak you out? A little. But, more important, I'm giving you a playbook to help you avoid costly mistakes, so as you do grow you can sell more faster!

Now we've discussed who you believe your customer is, in the most granular way possible, as well as who you believe your next one or two customer sets might be. So *what* comes next!

What Is Your Customer Buying?

> *Identifying WHAT your customers are buying sounds obvious but it's actually much more nuanced. In fact, when you are a startup sometimes even your customers don't know what they are* really *buying from you. They only know what they think they want. Until you figure this out, you have no chance of building a scalable sales team.*
>
> —Kurt Rathmann, founder and CEO of ScaleFactor

What product is your customer buying? Even if you aren't sure yet who your customer is, you probably feel like you can answer the question of what you're selling with a high degree of confidence. There are two challenges with this that every startup faces. The first is, you may be wrong. Most founders get this on some level and know there will be some amount of iterating or pivoting in the pursuit of "product–market fit." What most founders and even sales leaders often overlook is that the product you are selling is often not the product the customer is buying. It's deeply important to understand that too, because it gives you the ability to identify the right buyers, craft the right pitch, and develop long-term relationships with your customers.

"Huh? What do you mean that my customers buy something different than I'm selling? That doesn't make any sense."

What You're Selling versus What the Customer Is Buying

Let me give you two examples to help paint the picture. In the first example we will look at one of my portfolio companies: LIVSN. LIVSN sells outdoor apparel for hikers and climbers. Their marketer believes that Google Adwords is a place to find customers. I will assume most people are familiar with buying Adwords on Google. In this case, Google is selling placement on a search results page specific to keywords that a Google user is searching for. Google's product is a platform to facilitate that ad buy. Is that what the marketer is buying? On the surface, yes. Dig one level deeper and what the marketer is actually buying is the attention of hikers and climbers who are in need of new apparel. Fortunately Google knows that is what the customer is buying and because of this has a stated focus (built into their product) to deliver high-quality customers for this company.

In our second example, let's look at a company that didn't initially understand the difference between what they were selling and what their customers were buying: BlackLocus.

When I joined BlackLocus, we were selling a platform that provided insight into online retailers' competitors and overlapping products. The emphasis in what we were selling was (a) the platform and (b) a snapshot in time of each customer's top competitors. What this led to for us was a misalignment with our early customers and resulted in unhappy customers and churn. However, after many customer interviews, what we learned was that (a) platform only opened the door to questions and didn't really provide anything actionable, and (b) it was more important for our customers to know how their TOP products competed online regardless of who the competitors were. While subtle, understanding these two differences helped us shape both the product and the pitch. We ultimately iterated our product to focus on our customer's products (not their competitor's) and also included suggestions (based on competitive landscape data) in the platform. These changes were instrumental in both figuring out who our customers "should be" as well as understanding how we exchanged value (product for money) with them (we'll cover this concept in more depth in Chapter 4).

To reiterate and be overly direct, there is a very important and single takeaway from these two examples – take the time to understand what your customer is actually buying (vs. what you are selling) and actually cares about. And while the difference between what you are selling and what the customer is buying is sometimes subtle, it can be the difference between building a big business or completely failing.

Knowing Your What

So how do we figure out the *what*? It starts with another series of questions that you pose to real prospects and customers. Here is an example of some of those questions (we'll get more in-depth on this topic in the "Putting W3 Together" section). *What* are they buying? What product/feature is the customer buying? What problem are you solving for that buyer? How will they buy your product? How will they pay for your product?

Let's start at the beginning—meaning the day you were sitting at the coffee shop and had that aha moment that it was time for you to start a company and you had just the right idea. This was the moment when you decided to leave the security of your current life and jump in, feet first, to build a huge company.

This may sound corny but close your eyes and take 20 seconds to try and remember the exact feelings you had that day. Remember the problem you identified and remember how excited you were when you realized you were uniquely equipped to solve that problem and build the next unicorn. Now write down the product you want to sell followed by a list of three to five things you believe your product solves for your customer. Next look at each one of those items and write down one to three questions for each that you can pose to potential customers from your *who* list.

However, before you go do that, try to answer them yourself. Write down your answers so you can refer back to them and see where you were right or wrong. There are two reasons to do this: first, it will provide a history for you of how your product and thinking is shaped and evolves based on what your customer is actually buying (and *why,* which we'll get to in the next section). And second, if you pay close attention, you can also learn about the way in which your customer set does business by listening to both the answers and the language that your customers use. This data will become important further on when we dig into building your sales process, which is why I want you to record it.

If you are like me, you may have started this work as you were reading this section; that's great, but don't worry if you didn't, we'll get deeper into it in the exercises in the "Putting W3 Together" section. More important to take away from this section is an understanding and belief that you need to understand what your customer is actually buying from you in order for you to build the correct product. Now that you understand the difference between *what* you are selling and *what* your customer is buying, we can move on to the *why*.

Why Is Your Customer Buying It?

If I asked you that question, you'd likely give me either your problem statement or mission statement. For most founders, *why* their customer is buying their product is the entire reason they are building their company. But there are actually three questions that need to be answered here:

1. Why you believe they will buy your product
2. Why they say they (may) buy your product
3. Why they really buy your product

Why *You Believe They Will Buy Your Product*

This is the entire reason you exist, to solve a problem or gap for your end user. Likely this is the problem statement in your sales and investor deck. This is also what you answer when people ask you what your company does. Great! This is exactly where you should start. *Why* you believe your customer will buy your product is exactly the flag in the ground you need to get started; just keep in mind that it is simply a starting point and without understanding the other *why*s, it's nearly impossible to build a really big and scaled business.

In order to help you understand the next two whys, we're going to start with an example. At Business.com, we believed our customers bought our product to reach more of their target customers: small and medium-sized businesses (SMBs). This was our core message and how we talked about the value of Business.com for our customers, and while on the surface we were right, there was more motivation that our customers needed before they would actually spend money with us. This is where the next two *why*s come into play.

Why *Prospective Customers Say They (May) Buy Your Product*

Think about this as the actual problem you are solving for your customer on the business level. When this aligns perfectly with your first *why*, you are in a great place, but they actually don't need to be perfectly aligned as long as you understand this second *why* and can address it. Remember in the case of Business.com, we believed our customers bought our product to reach more of their target customers. While this is true, that meant something different to each of our customers. For some, that meant actually driving direct sales (i.e. the expectation was that when a user left Business.com and went to a website a transaction would take place). Those customers measured us on direct transactions, also known as sales of their product.

Other customers of ours bought Business.com because they were buying leads (or prospective customers for their business). And while ultimately they were looking to drive more sales, their expectation wasn't that a transaction would take place immediately. Instead they would have their own system to nurture leads that came from Business.com and their own process to eventually turn some quantity of leads into sales.

And we even had a third kind of buyer who was buying Business.com for measured awareness. They didn't expect or track transactions from Business.com, but they did track the number of people who were exposed to their company from Business.com.

For us, at Business.com, it was important to understand the business reason why each buyer was buying our product because it gave us insight into their ability to reach their goals and be successful in buying our product, which translated into our ability to acquire long-term happy customers. Over time, what we learned was that the middle group, companies looking to build a lead/nurture list, was the most successful group on Business.com. There is an entirely different book that can likely be written on this topic, but we classified our product and customers by thinking about the stage that their customer is in when they came to Business.com. Those stages are *learn, find,* and *buy*. The *learn* stage meant that someone was on Business.com doing initial research on a product and trying to collect information so they would be able to make an informed decision down the road. We learned early on that "learning" was not our main role. That doesn't mean that millions of users didn't come to Business.com monthly to learn about a product they may buy in the future; in fact, they did. And we had a very specific user experience designed for them. However, our experience showed that when *our* customer was looking to primarily drive awareness they, for several different reasons, were not our best customers and often had higher churn.

"Buy" is the first *why* I listed above, which means there was an expectation of a transaction once a user left Business.com and went to our customer's website. While we were able to drive some level of transactions, what we learned was that for B2B sales (and specially SMB sales), it was very rare for a user to make many purchases off any website and often they wanted to buy from a person (either because of product type or the cost of the merchandise). And while there were some products (i.e. toner cartridges) for which we were able to drive high volumes of transactions, *buy* wasn't really our sweet spot either.

That brings us to the middle of the funnel: *find*. This is the spot between a user doing research and actually making a purchase where they are trying to find a specific vendor (or vendors) to buy from. This is where Business.com really shined for our customers. And once we understood this, we were much better positioned to find and acquire high-value customers. Understanding this *why* gave us the ability to narrow our core target base by asking a simple question in the sales process around what our prospects hoped to achieve by working with us. We would tease out of the conversation whether their expectation was learn, find, or buy and emphasize selling to customers who fell into the "find" category. This understanding also gave us the ability to do things within our product to help drive more qualified leads to our customers. ("Qualified leads" means a buyer who actually has intent to make a purchase.) We were able to shape the product with layout, product descriptions, and a user experience that made it clear to our user what they were supposed to do and how to do it. Likewise having this understanding with our customers gave us a clear pathway to understanding how they would measure success using Business.com, which in turn lets us become their partner in achieving that success.

I realize there is a lot to absorb in the last few paragraphs, so let's pause and I'll state it in a different way. Our customers were focused on the *find*-stage. If we were focused on providing *learning*-stage users to them, then we would likely be focused on *quantity* rather than on *quality* of users. We would have designed our product to focus on attracting as many people to their site as possible, with little regard for whether they would ever buy. Likewise, if we were focused on the *buying*-stage users, we might have gotten very good at finding users to transact on our customers websites, but we would not have been able to work with any business that had a more complex or higher value product. By focusing on *find*, we were able to strike the perfect balance between delivering quantity while being held to a quality standard. And for this reason, when we had the right customer type, we had very low churn. At the time I left Business.com, we had below 1% customer churn and net positive revenue churn.

Why *They Really Buy Your Product*

This brings us to the last *why*—why your customer *really* buys your product. This is often the hardest one to figure out, but often the one that will actually drive the close of your sales. This has to do with your actual buyer. Let's step back and recap on the first two *why*s first. Our first *why* is your belief in the problem *you* believe you are solving for your potential customer. In the case of Business.com, that was to sell more of their products or services and increase their revenue. Our second *why* is why they say they (may) buy your product. This is the business reason. In the case of Business com, it was because our customers were looking at our users as people who could either learn, find, or buy their products through Business.com. Conventional wisdom might say that you have all the information you need but, as discussed earlier, there is one more crucial *why* to be answered: *why* they really buy your product. This *why* has to do with the motivation of your buyer.

Your buyer could be motivated for any number of reasons, from their boss telling them they had to buy your product or to help them save time or because they are driving toward a specific metric as part of their job. When you understand this *why*, you have unlocked the final piece in helping secure a sale and a happy customer, because along with focusing on the success of their business you can also help focus on their personal success. I get more into that at the end of the "Why" section, but for now let's dig deeper into understanding why your customer really buys your product.

Think about your own job for a minute. Whether you are a founder/CEO of an early stage company, head of sales, or fill some other role in your company, think about your own buying habits. To illustrate my point, let's imagine that I'm selling Business.com as a service to an established company that sells credit card processors. For this example, let's also assume that this marketer is good at their job, highly regarded within their company, and hitting all their goals. Before buying our product, there is no way for them to tell how we might affect their goal attainment, and therefore no real motivation for them to go out on a limb to buy from us (too). In this scenario, picture that we have nailed the first two *why*s perfectly, yet we really do not know what the third *why* is yet, why our customer would actually buy from us.

It's at this point that we need to dig deeper to understand our buyer's personal motivation to become a customer. Can we save them time? Money? Can we help them meet or exceed their goals? Can we help them satisfy their boss? Are you starting to see why this *why* is so important? We are all very busy and in order to cross the final threshold into making a sale, it's imperative that we understand the underlying motivation of our buyer. And there is no substitute here for just asking the question. Personally I like to be very direct about it and will say something like, "we've agreed that Business.com can bring you more qualified leads, but how does this help you in your job? Does it make things easier or harder and let's talk about it." This simple line of questioning opens up an entirely new conversation around personal motivation to become a customer and it gives you, the seller, the ability to set up this customer to be successful.

*Measuring Your—and Your Customer's—*Why

The final thing I want to say about *why* is that, although knowing about it is crucial, knowing how to *measure* it is imperative.

Arguably the concepts of measuring and metrics deserve their own section in this book, but I'm intentionally introducing the topic now to alert you to its importance. Whatever it is that we're talking about in W3 or *Sell More Faster* or your business, understanding what should be measured, how to measure it, and how that affects our ability to build a big business will always be an underlying factor. And that is the same for all of our (potential) customers. We'll directly (and indirectly) get into measuring *who* and *what* throughout the book as we talk about building prospect lists and iterating the product. But we're going to talk about measuring *why* here. Why, you ask? Because if we do not deeply understand how our prospective customer will measure their success, then we have no real way to know *if* our product is working, *what* about it is working, or *why* it's working. We'll also have no way to predict how we should evolve our product or service, pitch it, or even *who* our customers should be. And, worst of all, we'll have no way to predict churn or why we are losing customers.

Getting to the core of how our customers measure *why* is fundamental to acquiring high value, low-churn customers, and building a big business. Let's take a look, using the same example from above, with the marketer who sells credit card processors. For this example, we'll assume that we've checked the first two *why* boxes and know that this is a great prospective customer. We have a conversation with our buyer and we learn two things. The first is that our buyer will be measuring our success by using Google Analytics and will have an expectation of a 10% close rate within 60 days with an average customer value of $200. The second thing we learn is that our buyer's supervisor hasn't typically believed that search marketing, outside of Google, was very effective, even though our buyer believes they are missing a lot of opportunity. We now understand that our buyer, while maybe a believer, has a heightened motivation around quality and likely less room for error because she will have to put her neck out in order to test with something other than Google, but also that if we're able to help drive new and incremental sales, then we will help our buyer build credibility internally, which will help her career. Because our buyer has been clear both about the metrics she is shooting for and her own motivations, we are able to work with her to reach those goals.

In contrast, and as a way to help understand the importance of understanding how your customer will measure and be measured for success, take the same buyer with the same method of measuring business success (10%/60 days/$200 average order), but in this case our buyer is considered the expert by their supervisor and our buyer has no external motivation to drive additional net new sales (meaning that she is hitting her expressed goals from her supervisor with no additional incentive to go beyond these goals). This happens a lot and is often the biggest reason why sales don't close. Assuming that you still have the first two *why*s nailed, you have to dig deeper to see what might motivate this buyer. It could be that something in the product helps them save time or money. Or it could be that your product doesn't match with this buyer's personal *why*. That doesn't mean this company can't be a customer but it does likely mean that you do not have the right buyer within that company. You may need to go to their supervisor because their motivations are more aligned or you may need to find a completely new buyer within the organization.

Okay, we're going to pause for a second. I just gave you a ton of information on *why*. I know it's a lot to process at once. That's okay; a lot of this probably makes perfect sense already and some of it you may just need to experience firsthand. In any case, I'm going to boil down *why* here for you, which is to say that understanding *why* a prospect becomes a customer, while complex, is the final but most important part of W3. It's the thing that binds the *who* and the *what* together and gives you the ability to define your ICP (ideal customer profile, remember that) and the confidence to articulate it to staff, investors, and customers.

Putting W3 Together

For me, being able to define W3 is literally the basis for every conversation with every founder I work with because, while we are discussing it here in terms of selling more faster, W3 touches upon so much more. As discussed earlier, understanding your W3 helps shape your product, pitch, marketing, the technology you build, and every aspect of your business. It also gives you the ability to articulate your business to your staff in a way that will connect and align the roles they fulfill in your company. Likewise, investors will be able to paint a clearer picture of what they are investing in and how your business will potentially grow (and, more important, the process you will use to figure out how to build a big business). Furthermore, it will make it clear to your customers why you exist, making it easier to align with their needs and work with them for the long term.

In order to help you on your journey, most sections in this book end with an exercise so that you have a structured framework and put pen to paper. After each exercise there will be an example with the answers filled in, so that you can refer to them as you go along. Don't hesitate to flip back and forth to my example; just keep in mind that the answers from the example are specific to that business and may not directly apply to yours. The other thing to keep in mind here is that it's okay to guess when you don't know—guessing will be your hypothesis of what you currently believe. Take special care to mark what you know as fact versus what matches your hypothesis, so that you can test your beliefs in the quest to improve your W3.

Bringing W3 Together

Who Are You Selling To?

Write down a description of *who* your ideal customer is:

- Define their profile. (This is the granular attributes of who you think your customer is. An example could be by industry, company size, job title, or all of these.)
- Define how you segment. (This is how you develop your customer profile and create different segments to sell to, so that you can prioritize where you spend time selling.)
- Define how you will prioritize each segment.
- Who do you think is the target buyer at each customer? (This is the actual person/job title in a company.)
- Write down *why* you think the target you just described is your target customer:
  - Define what your target customer currently does without having your product.
  - Define how your product makes your customer grow revenue and improve margin, and how it makes their job easier compared to their current process.
  - Define how your product will affect those whom your customer works with (departmental dependencies).

What Are They Buying?

- Write down the product you are selling.
- Write down the product they are buying.
- If there is a difference between what you are selling and what they are buying, write it down.

Why Are They Buying?

- Write down *why* you believe the customer will buy your product.
- Write down *why* the customer actually buys your product.
- If there is a difference between why you believe they will buy and why they actually buy, write it down.
- Write down your theory on the tangible value you provide (in $ if possible) and justify it:
  - How will your customer measure that value?
  - How will your customer be measured on that value?
  - How will you measure that value (for you and your customer)?

Once you have a strawman for the above, Chapter 2 walks you through how to take your entire hypothesis and begin proving it, using the customer development process. The following is an example using Business.com as a reference for your own answers.

W3: Business.com Example

Business.com was a B2B search engine and directory. We sold cost-per-click (CPC) ad placements and connected businesses looking to buy products and suppliers to fill their needs.

Who Are You Selling To?

Write down who you think your customers is: At Business.com, we determined that our ideal customer was the adwords/search buyer at companies that were trying to sell their products or services to small and medium-sized businesses (SMBs). We chose the buyer because this was when the concept of ad words was still somewhat new and novel—we didn't want to spend time educating prospects; instead we wanted to work with people who already saw the value in search advertising. We chose the buyer's target (SMBs) because we concluded (and later proved) that the opportunity breadth for SMBs was exponentially greater than enterprise targets (fewer of them, they buy less often, and they are slower to make decisions).

Define their profile: Digital marketers, whose products or services corresponded with the pages on Business.com with heavy search and directory traffic (i.e. available inventory). Typically our buyer was under 35, highly analytical and reported to a director or VP. Their title was usually manager or director of search advertising. If a company did not have a dedicated search buyer, we would deprioritize them, because it meant that either senior leadership didn't yet understand the power and value of search advertising *or* the search buyer wasn't analytical enough to understand conversion metrics.

Define how you segment: Once we had an ideal customer profile, we used several tools including azoogle, our own search data, Google, and publicly available lists of digital advertisers to create a list of over 40,000 potential customers (website, buyer name, proxy for digital spend, and search terms typically purchased), and segmented first by spend on Google and second by number of keywords purchased on Google. Next we looked at the buyer's title (see earlier) and pulled out anyone who didn't match our ideal customer profile.

Define how you will prioritize each segment: The cross-reference mentioned above created a stack-ranked priority list of highest revenue opportunity on Business.com. This means that we created a way to rank all of the prospects and then we prioritized them from "most important" to "least important." We (three directors, two managers, and me) then split up the top 10,000 companies (roughly 1,500 each) and reviewed each website for contact information and to find duplicates. This gave us our final prospect list, which we handed to our sales team.

Who do you think is the target buyer at each customer?: This is answered above.

Write down why you think they are your target customer: We believed this was our target customer because they already showed an appetite for highly targeted digital direct marketing as part of their customer acquisition strategy *and* we believed we were able to deliver highly targeted and high-quality prospects looking for a product or service they offered.

Define what they currently do without having your product: At Business.com this was a tough question. We had to turn a negative into a positive, meaning that in some respects they already had our product, thanks to Google. In many cases it was hard for our prospects to comprehend why they would need us, too. This forced us to focus on the quality of the traffic we sent their way and also to create a high-touch client service relationship.

We knew we couldn't (and didn't want to) replace Google, so instead we focused on quality over quantity. Because of this, we had virtually no customer attrition. Ultimately what we had to prove (and did) was that Google provided quantity (often at a lower price), but we provided quality they couldn't live without, to meet their sales goals.

Define how your product makes your customer grow revenue and improve margins and/or how it makes their job easier compared to their current process. In the case of Business.com, our value proposition was to help our customers grow revenue directly because we were a channel for them to acquire customers. That said, if we were not able to do that profitably, or if our product was too hard to use, we would not have been successful at selling or retaining our customers because they had alternatives.

Business.com provided high-quality leads to our customers as well as the tools to spend the right amount of money to acquire those customers at their target margins.

Define how your product will affect the people whom your customer works with (departmental dependencies): This is a key and often overlooked part of the sales process. Even if you have the right buyer, who has the ability to approve the sale, sometimes there are other people or departments involved with the implementation. This can cause the implementation to be slow, suboptimized, or even killed. You need to know this, and you need to ask this any time you are not completely sure of the answer.

At Business.com, this was key to how we prioritized whom we sold to. When a customer needed their tech department to implement tracking tags (vs. doing it themselves) we knew the go-live date would often be delayed (and sometimes by a lot). We would always ask this question and then work to get ahead of it, both in terms of implementation (developing a plan that included the appropriate technical person) and by forecasting the close date of those deals. Ultimately we wouldn't close a deal until we had technical buy-in and commitment on an implementation date.

What Are They Buying?

Write down the product you are selling: At Business.com we sold cost-per-click (CPC) advertising.

Write down the product they are buying: At Business.com our customers were buying (high-quality) leads and customers (depending on their landing pages).

If there is a difference between what you are selling and what they are buying, write it down: In our case there was a difference, and it was important to understand. We sold ad space and our customers were buying leads. In theory, they didn't care what our product looked like, as long as the "thing" we delivered to them was leads (ideally high-quality leads).

Here is an example: if we focused on what we sold, then our pitch and product efforts would be around maximizing ad inventory on our site and quantity of leads sent their way (regardless of quality). Because we understood what our customers were buying, we focused on optimizing and delivering quality leads to their website.

Why Are They Buying?

Write down why you believe the customer will buy your product: At Business.com, we believed the customer bought our product to sell more of their products or services and increase their revenue.

Write down why the customer actually buys your product: In most cases, our customer was a mid-level employee. The reason our customer bought our product was to hit the goals their supervisor gave them so that they would be perceived as doing a good job.

If there is a difference between why you believe they will buy and why they actually buy, write it down: The company you're selling to is trying to drive sales. Often however, the actual customer was trying to hit their goals. Take a minute to think about the different motivations. The company wants revenue. The employee wants to do good work and keep their job; they may or may not always care about the bigger picture. This is important to know prior to the sale, so you can understand how to work with your customer so that the employee hits their goals, the company hits their goals—and we hit ours.

Write down your theory on the tangible value you provide (in dollars if possible) and justify it: At Business.com, we provided direct customer and revenue increases for our customers.

How will your customer measure that value?: At Business.com, our customer measured the value we provided by looking at their sales numbers and cost per customer, and the more savvy customers also looked at lifetime value of our customers (vs. other sources).

How will your customer be measured on that value: Our customer was measured on their ability to buy leads or customers by quantity and with an expectation of cost per customer within given bounds. In other words, there was a cap on what they could spend with us and still acquire a profitable customer.

How will you measure that value (for you and your customer)?: This is hard; accept this challenge in advance. It's also critical if you want your customer base to be high value and long lasting.

It starts with really candid and transparent conversations up-front, before a sale is made. It's imperative that you ask your customer how they will measure success and what success looks like for them. And then don't just take it on face value, ask them why (and why again). Get to the root. Make sure they have the tools, intelligence, and ability to know and measure the results.

Make this conversation part of the sales process, and use it as a way to continually check in to make sure goals are being hit (and not being shifted without your knowledge, leaving you with no way to help your customer succeed). At Business.com we realized that while most of our customers used Google Analytics well to measure their Google campaigns, they did not have the tools to measure ours. This helped guide our product development efforts: we both built a way to add our campaigns into their Google Analytics and also developed our own analytics tool (so we could also track metrics). We provided exceptional customer service by always being in step with—if not a step ahead of—how our customers were doing.