

# The “Virtual Account Executive”

## Adapting Sales to Modern Buying Behaviors

Blue Ridge Partner Perspective

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Blue Ridge Partners, LLC

accelerating  
Profitable Revenue Growth

- » Changing customer buying behavior, new 'as-a-service' products, and the ability to "enable" the sales team are requiring companies to rethink the sales model for certain products and market sectors:
  1. **Buyers more sophisticated and conducting their own pre-sale research** – increases the importance of low cost, early engagement, e.g., driving early hand raising; importance of buyer / seller relationship declining
  2. **'As-a-service' consumption models becoming prevalent across markets** – reduces initial decision commitment levels and shifting risk from the pre-sale decision (buyer) to post-sale adoption (seller)
  3. **Sales enablement technology**, e.g., automation and specialization – provides "at your fingertips" customer, product and specialized knowledge improving sales efficiency and effectiveness
- » These customer and product shifts are driving companies to explore new approaches to selling, including the "Virtual AE" model
- » To achieve it's potential, the Virtual AE sales model has to be more than expanding inside-sales to encompass larger mid-market and enterprise sales, or telling a traditional field sales team to just work from home and minimize travel
- » To be successful we believe that the Virtual AE has to be treated as a truly new sales model that needs to be custom designed for the targeted customer segments and particular products / services to be sold to the customers in those segments

# Technology sales have traditionally had high cost field based sales reps or significantly lower cost inside sales teams

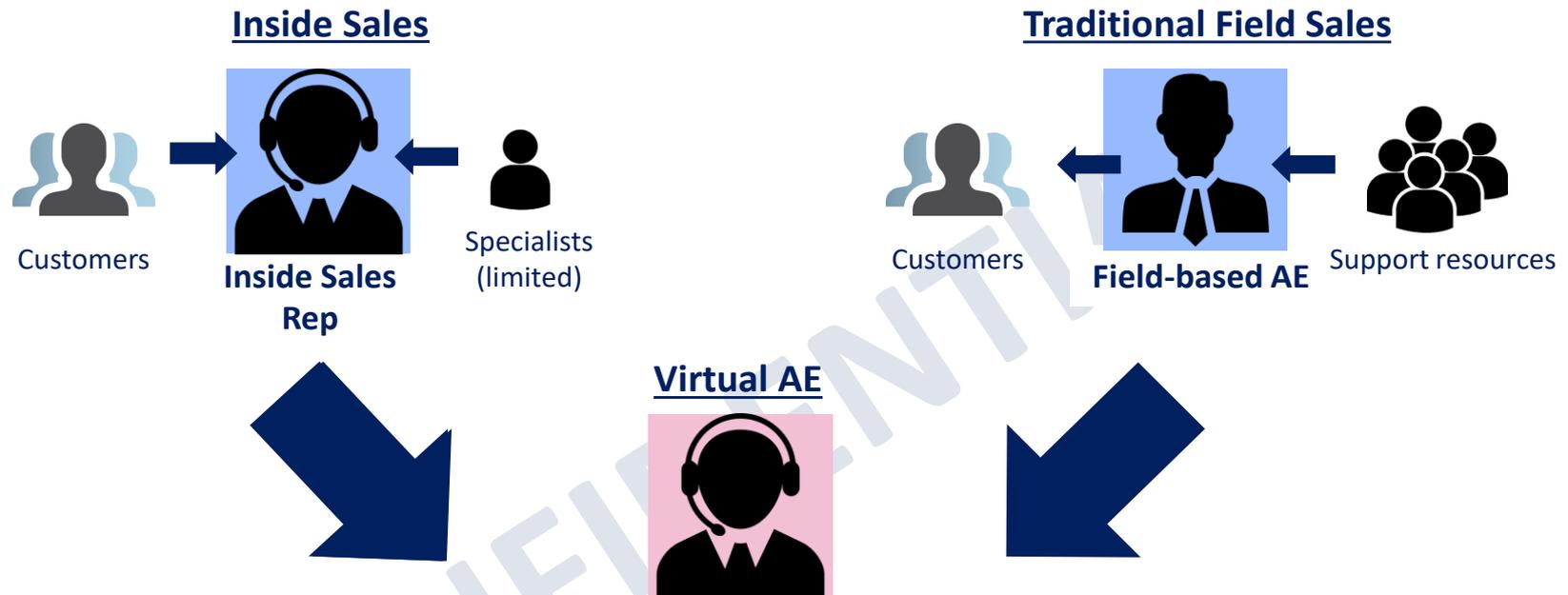


- » Used as a supplement for simple items (e.g., replacement parts, lead qualification)
- » Supports a scripted process, but only effective for simpler transactions
- » Team can be managed tightly on both revenue and activity metrics
- » Highly scripted sales process
- » Sells simpler, lower cost products to typically SMB / midmarket
- » Lower cost resource and easier to manage

- » AE is gatekeeper; relies on internal network to get it done
- » Incentives to align behavior w/corporate goals
- » Tools (e.g., CRM) built in silos used primarily to create visibility into historical activity / pipeline
- » Highly linear sales process, step 1, 2, 3....
- » Large complex deals - big game hunter
- » High cost resource requiring dynamic management

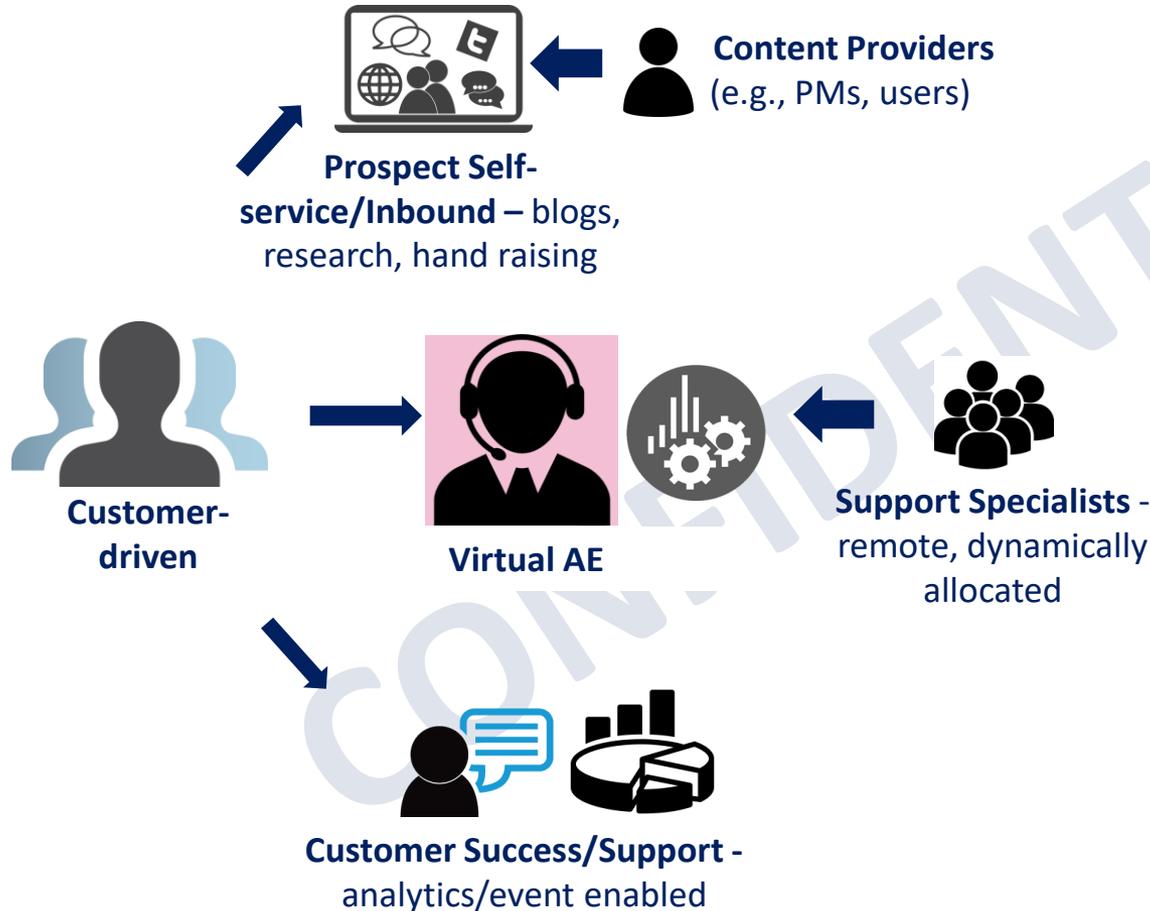
Result can be a highly variable process (e.g., similar deals with different timelines, AEs with similar territories and different results/product mixes) – but historically has been best alternative

# The Virtual AE role can leverage the best of the traditional Inside Sales and Field Sales



- » New role and responsibilities, significantly different from traditional inside sales or field sales
- » Highly enabled with rich information and collaboration technology
- » Dynamic specialist support
- » Not scripted, but highly structured
- » Can support co-location or virtual, with co-location being easier to manage
- » Medium cost resources with typically higher cost information and technology required to enable the Virtual AE

## Virtual AE - Future State Technology Sales Process



### Key Attributes of the Virtual AE Model

- » Engagement aligned to customer's preferences, including expanded inbound marketing, self-serve research
- » AEs interacting remotely where effective, possibly fully automated at times
- » Support resources more specialized and leveraged remotely, dynamically
- » Customer-facing roles segmented; success taking a prominent position
- » New or expanded operations and analytic support functions
- » Process and next steps driven by automated, AI tools
- » Result: Greater effectiveness, scalability and cost efficiency

# The Virtual AE sales model impacts the organization on four dimensions

## Roles

- » **Scope of activities changes** – e.g., traditional activity educating the customer is diminished
- » **New activities are needed** – e.g., activity to facilitate adoption and maximize usage / renewal rate
- » **Traditional roles can be further segmented / specialized** – e.g., greater industry specialization can be created in the technical support function by allocating virtual resources by industry
- » **New talent** - frequently required with different skills, motivation and personalities

## Structure & Incentives

- » **Physical location options (for certain roles) expand** – e.g., field roles may be migrated to a central location or to a distributed but virtual configuration
- » **Quota assignments and levels change** – e.g., renewals quota may align to a different role, sales quotas may (eventually) represent a lower share of compensation
- » **MBOs are needed to motivate behaviors** – e.g., success role may have MBOs to help identify and develop cross-sell opportunities

## Systems & Data

- » **Systems migrate from 'reporting on workflow' to 'driving workflow'** – e.g., traditional CRM logs/reports on activities completed; modern sales enablement becomes an expert system driving activity
- » **Data used to enhance effectiveness** – e.g., outside data from LinkedIn is pulled in to trigger activities based on role changes, system usage data is captured and analyzed to identify patterns that can enhance success
- » **Collaboration becomes more dynamic, shared** – e.g., email replaced by collaboration tools

## Skills & Culture

- » **Skills necessary for success in a given role shift** – e.g., traditional personal relationship skills in sales may be usurped by skills to carry on an effective virtual, data-driven interaction
- » **Management skills shift** – from field-base ride-alongs and coaching to call center-like leadership
- » **Culture becomes less 'heroic', more supportive** – e.g., shift from sales controlling the process to systems / analytics orchestrating the process impacts culture

# The Virtual AE model has the potential to simultaneously improve effectiveness, enhance scalability and reduce cost

Category	Benefit	Explanation / Examples
Effectiveness	Higher individual rep productivity	<ul style="list-style-type: none"> <li>» Virtual model can increase productivity by increasing selling time, creating repeatability and discipline</li> <li>» Analytics and automation improve selling steps</li> </ul>
	Greater ability to monitor and manage the team	<ul style="list-style-type: none"> <li>» Resources can be centrally located for transparency</li> <li>» Automated processes are by necessity more accurately defined, instrumented and tracked</li> </ul>
Scalability	Reduced time to onboard / train	<ul style="list-style-type: none"> <li>» New reps can be trained, monitored, and supported effectively due to central location and more scripted / analytical selling process</li> </ul>
	Increased specialist leverage	<ul style="list-style-type: none"> <li>» Specialist resources can be accessed and allocated more efficiently to a centralized rep team</li> </ul>
Cost efficiency	Less travel time / expense	<ul style="list-style-type: none"> <li>» Non-commuting travel time can be ~15% of total time for traditional field sales organizations</li> <li>» Travel expenses vary by company/industry but are easily know and virtually 100% variable</li> </ul>
	Lower cost resources	<ul style="list-style-type: none"> <li>» Pay rates for virtual reps are typically below those for traditional field sales but above those for inside sales</li> </ul>

## Principles for Virtual AE Sales Transformation

### Start from a GTM strategy, not a cost target

- » Changes need to start from *customer* needs with in-depth segmentation
- » Leverage customer segmentation and insights to identify the market and product intersection that aligns well with the Virtual AE model, e.g., midmarket \$100k data management software vs. mission critical \$4 million / risk management software

### Address all dimensions and related functions

- » Focus on all the sales dimensions required for transformation; a single dimension (e.g., structure) is likely to result in a model where elements are not aligned in a coherent and effective manner
- » Evaluate changes in other key organizations that enable sales, including marketing (e.g., how will the right volume of leads be sourced and qualified) and product (e.g., how does the product need to change to effectively drive adoption)

### Use a “test and learn” pilot approach to transform

- » Limits revenue risk
- » Phased approach allows for tailoring prior to full rollout, e.g., pilot new model and test and learn, e.g., by deploying new capabilities against a specific segment of accounts (or a named list), by starting with a single product, and a limited geography

### Be prepared to execute a change program

- » Significant changes to any organization dimension are likely to result in cultural conflict and create resistance
- » A change management program should be structured with clear leadership and dedicate program management office support