INTERCOM ON SALES

SCALING A BILLION DOLLAR BUSINESS: WHAT WE'VE LEARNED ABOUT SALES

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What we've learned about sales on our journey to scaling a billion dollar business.

Intercom builds a suite of messaging-first products that all modern internet businesses can use to accelerate growth across the customer lifecycle, from acquisition to engagement and support.

intercom.com

We also regularly share our thoughts on product management, design, sales, marketing, startups and the business of software.
intercom.com/blog

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Got questions? Head over to intercom.com and get in touch through our Messenger (or you can drop us a note at team@intercom.com).

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FOREWORD

Jason Lemkin, CEO, SaaStr

The hardest part of sales is different at every stage of growth.

In the early days, the hardest part is how *slow* it can all seem. Back then, everything takes too long – acquiring your first 10 customers, hiring the initial team, adding enough new revenue to keep the lights on. The first part of your journey can feel like a long one.

When you do finally push past your initial traction and reach the next level of scale, take a pause – even if it's just for yourself – because what you just accomplished is no easy feat. And now the truly tough part is scaling even faster. Growing just 20% faster involves so much work. The pressure of "triple, triple, double, double, double" will likely make your head spin.

When people ask for advice on scaling their businesses, I advise that getting to the next inflection point comes down to three things:

- **Hiring a growth oriented sales leader.** A great VP of Sales is worth her weight in gold. She is capable of taking the business from traction to scale – creating a real machine to monetize your inbound leads, adding outbound and driving expansion on top of all of that.

- **Being obsessed with your customers.** Insanely happy customers will carry your business really far. They will actively recommend you to their peers at other companies, and they will buy more stuff from you too: more products, more seats, more of everything.

- **Embracing, not just accepting, change.** Just as the product will be disrupted, your sales organization will need to evolve as well. Move upmarket, adopt new tools, find better ways to connect with your prospects. The adage is true; only the agile survive.

While the journey to scale may be a hard one, it's also one that many of us, myself included, have been on before. That's not to say there's a magic formula for success. Growth will always be tough work. But proven sales plays can help you get there faster.

That's what Intercom is sharing in this book. From actionable advice on managing a world class sales team to a new framework for selling in real time, they provide an inside look at what it actually takes to scale a billion dollar business. It's jam-packed with the kind of practical wisdom that can only be learned on the front lines – the kind I like to read and I hope you will, too.

So get out there, run as many plays as you can and enjoy the journey.

PREFACE

LB Harvey, Senior VP of Sales & Support, Intercom

I came to Intercom a few months after we raised our Series C funding round. The company had grown massively over the previous three years and was on track – and still is – to be one of the fastest growing startups ever. Now they needed someone to help really scale sales.

I met Eoghan, our CEO and one of our co-founders, for the first time in the summer of 2016. If I was cautiously optimistic at the beginning of our meeting, I was fired up by the time it ended. I was inspired by his passion for the company and willingness to embrace the unconventional path to growth. One thing in particular that he said has stayed with me: "We don't have ping pong tables."

It might sound trite to some, but contained in this one sentence is a statement about our principles. It says that Intercom is a place where people come to make an impact each and every day. While I'm not opposed to fun, I want people to feel inspired to do great work, not like they're just killing time.

To take a sales organization from startup to scaled-up, you have to embrace the same principle. Getting a company to its first $10, $25, $50 million in annual revenue is hard, demanding work. But scaling a billion dollar business? It's even harder. There's a reason companies live by the mantra "Grow or die."

In many ways, scaling a sales organization is like solving a puzzle. You have a bunch of jigsaw pieces – your team, your product and your buyers – that have to come together in just the right way for you to hit your next inflection point. The catch, of course, is that there's no box with a pretty picture on the front to follow, just a lot of valuable lessons to be learned along the way.

This book is a collection of those lessons. It's filled with the ideas and tactics that have enabled us to build a business worth more than $1 billion. What follows is our take on the six areas we believe are crucial to scaling sales: people, foundation, methodology, techniques, collaboration and growth.

While our journey is still just getting started, I hope this book can serve as a helpful reference to you on your own journey. I really hope you enjoy it, and good luck out there.

INTRODUCTION

Karen Peacock, Chief Operating Officer, Intercom

I've led and advised many high-growth businesses. There's one misconception about sales I've come across many times. It's that the purpose of the sales organization is to maximize today's revenue. When positioned properly, your sales team won't just drive short-term wins. They will also help you build lasting relationships with your customers and build a big business.

At Intercom, the job of sales is three-fold: drive revenue for the business, drive success for our customers, and be a voice of the customer within the company. Only by doing all three can Intercom be the kind of company we want it to be. When our customers grow and succeed, we grow. When we grow, we are able to invest in helping our customers grow.

Our sales leader LB Harvey and entire sales team care deeply about our customers' problems – the ones we can solve now and the ones we could solve tomorrow. We think long term. We don't just think about today. This is one of the values that has guided us as we've scaled sales, from a handful of people to a revenue engine that now fuels a business valued at over $1 billion.

To our customers and friends, thank you for joining us on this journey. We look forward to working for you and growing with you for years to come. This book is dedicated to you.

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PEO—
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Foreword by LB Harvey, Senior VP of Sales & Support

As a sales leader joining a new company, you have so many priorities competing for your time – learning the product, diving into the sales process, building executive relationships. If your company's growth is skyrocketing, you'll quickly learn that time is not on your side.

You have to pick a few areas to focus on first. One of the areas I chose was investing in a team that would help take us to the next level. The sales team who helped Intercom drive its first $50 million in annual recurring revenue cared deeply about the product and thrived in ambiguity. Those were traits I knew would be valuable at any stage of growth and wanted to preserve in the team.

In other ways, we needed to evolve the team. Every salesperson at that point in time had a blended role, tasked with both bringing in new customers and growing existing ones. They were trained to work with small accounts in a transactional manner. The model limited our ability to pull in revenue as our organization grew more complex, from 40 people to over 130 now, and we moved upmarket.

To successfully scale the impact of our sales organization, we needed to advance the skills of our existing team and hire on senior, commercially minded salespeople. We needed to become an organization of specialists. So, we created a customer solutions team dedicated to setting up new clients for long term success. We built a sales operations arm to help the team sell more efficiently.

There's a common misconception about hiring in sales, that once you've gotten folks on the bus, all that's left is to do is watch them crush it. But upleveling the salespeople you have is as much a part of building a world class team as bringing in better talent. That means providing ongoing training and creating a culture that rewards personal growth.

If you don't invest in the right people, little else matters. At the heart of every important deal is people buying from people.

LESSON #1

HIRING FOR SALES IN A HIGH-GROWTH ENVIRONMENT

Getting the team right is one of the hardest parts of scaling sales. When you're growing quickly, hiring can become a mad dash to get bodies on the floor – you needed them yesterday.

But the fact of the matter is, you cannot afford to hire without intention. For the thousands of leads who visit your website every day, their first meaningful interaction with your business will likely be a conversation with a salesperson. You have to think carefully about what you want that experience to be.

While scaling our sales team, we spent a lot of time thinking about our sales culture – that intangible but powerful product of who you hire and what they value. Here's how we went about growing a sales team that is both world class and culture additive.

Start with your non-negotiables

Whether you're bringing on your tenth or hundredth salesperson, a crucial discussion for your leadership team to have is about your non-negotiables. This is a conversation about your core values and ways of working.

Eoghan, our CEO, has been instrumental in helping define what absolutely *must* not change about our company as we onboard more salespeople. These are values that have been core to the company since its earliest days, and many of these are what drew our salespeople to Intercom. It comes down to three things:

- **We're customer-first.** We value a positive customer experience above all else. That means we will never subject our customers to crappy features or half baked processes just because we want to drive more revenue.

- **We're personal.** We are thoughtful, respectful and friendly in our communication with prospects, a testament to our mission of making business personal. We strive to make data informed decisions about who, when and where to talk to leads.

- **We value impact.** We believe in a culture where people come to the office to focus and make an impact and then go home at a reasonable hour. Yes, that means no ping pong tables. All of this might sound obvious, but it's surprisingly rare in practice.

Be clear – but not rigid – with your hiring profile

Once you and your leadership team are on the same page in terms of values, you can work on attracting the right talent. These are the people who embody the traits you believe are most crucial to being successful at the company.

There's no one-size-fits-all profile that works for every company or even every hire. At Intercom we value having a diverse team, and we're willing to take risks on candidates who show promise but don't check every box perfectly. That means our hiring profile can bend – but not break.

Here's what we prioritize when looking for great salespeople:

- **They respect product.** Salespeople don't need technical backgrounds to sell software, but they certainly need to be passionate about the product and its value to your buyers. Our best candidates are innately curious about how the product could evolve, and they care deeply about customer success.

- **They're resilient.** Salespeople will get rejected time and time again and fail to win deals more often than not. You want people with a track record of resilience and grit. They should be comfortable owning up to past failures and moving forward.

- **They care about more than just quota.** Great salespeople care deeply about hitting their own quotas, but they care deeply about the team and company too. How can you tell? They raise up fellow salespeople along the way, and they're fired up to help the team create best practices and scalable processes.

- **They don't rely solely on past playbooks.** The best sales hires are comfortable with ambiguity and happy to help create the playbook. This is absolutely crucial, because high growth companies have a lot of unknowns. On the flipside, they also have opportunities for creative experimentation.

Takeaway: Your values determine your sales culture

Basecamp's CEO, Jason Fried, once said, "You don't create culture. Culture happens. It's the byproduct of consistent behavior." You can't force culture or, worse, retrofit it to an existing team. In the end, it's a tapestry of the non-negotiables you hold firm and the behaviors you celebrate. These are the values that need to come first.

SALES CANDIDATE ASSESSMENT

NAME JANE DOE	DATE OF INTERVIEW 1/1/2020	
RECOMMENDATION YES	INTERVIEWER LB HARVEY	
HIRING CRITERIA	**QUESTIONS**	**SCORE**
Product knowledge	What do you know about our product? In your own words, what value do you think Intercom provides to our customers? If you've used our product before, how do you think we could improve it? If you haven't, how would you approach learning how to use it, and where would you start?	NO
Resilience	Can you share a time when you failed? How did you pick yourself up? What did you learn? How have you evolved as a result?	YES
Collaboration	How do you like to work with your teammates? Can you tell me about a time when you had to work collaboratively on a project? What did you enjoy about the project? And what could have been improved? What are three things you do to build rapport with your colleagues on other teams?	STRONG YES
Growth mindset	Can you share an example of a situation where you've improved an existing process? How did you realize it needed improving? What was your approach to getting buy-in from your manager and your team? What positive outcomes did you drive?	YES

LESSON #2

INTRODUCING THE PROFILE OF THE MODERN SALESPERSON

Few business interactions are more cringeworthy than a salesperson hard-selling a prospect. These moments are awkward and uncomfortable, and oftentimes, they're bad for business.

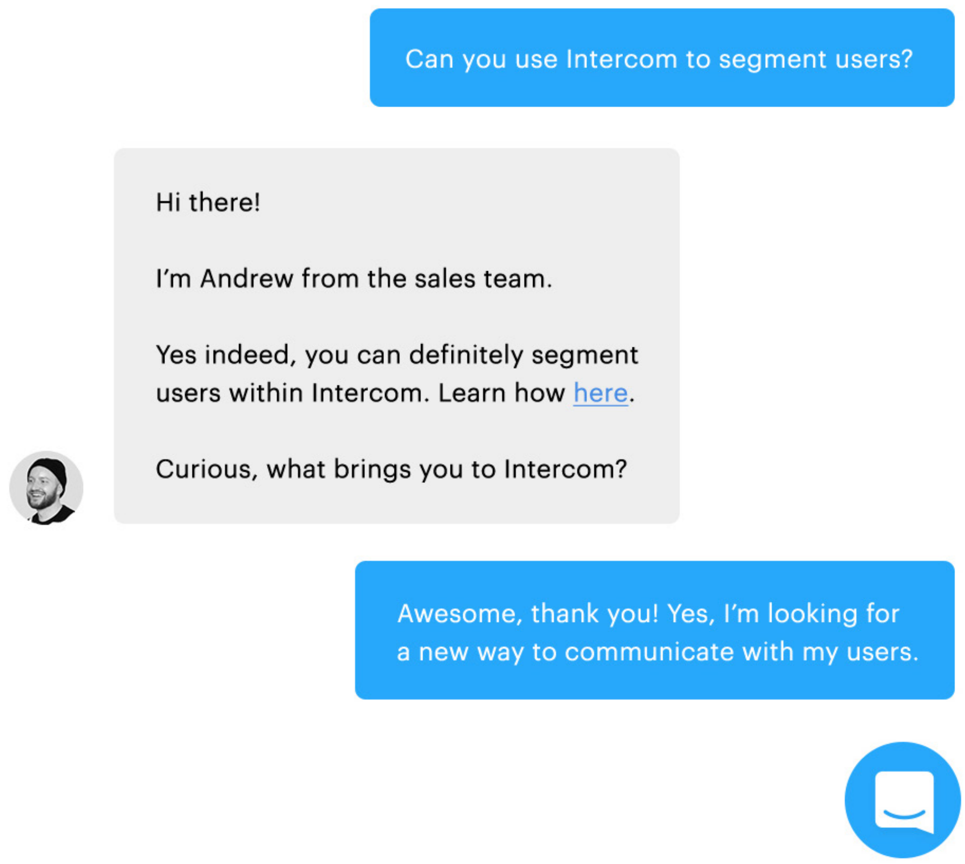
Modern buyers enter the sales cycle full of knowledge and opinions about your product and your company. They've likely explored your website, read customer reviews and even started a free trial. Frankly, that's how we approach buying new products for our own team.

That's why, as a sales organization, we've adopted a strategy of consultative, real-time selling – one that is transparent and informative and meets buyers where they are in the purchasing process. Let's explore what this approach means for the modern salesperson.

SDRs who can accelerate the deal

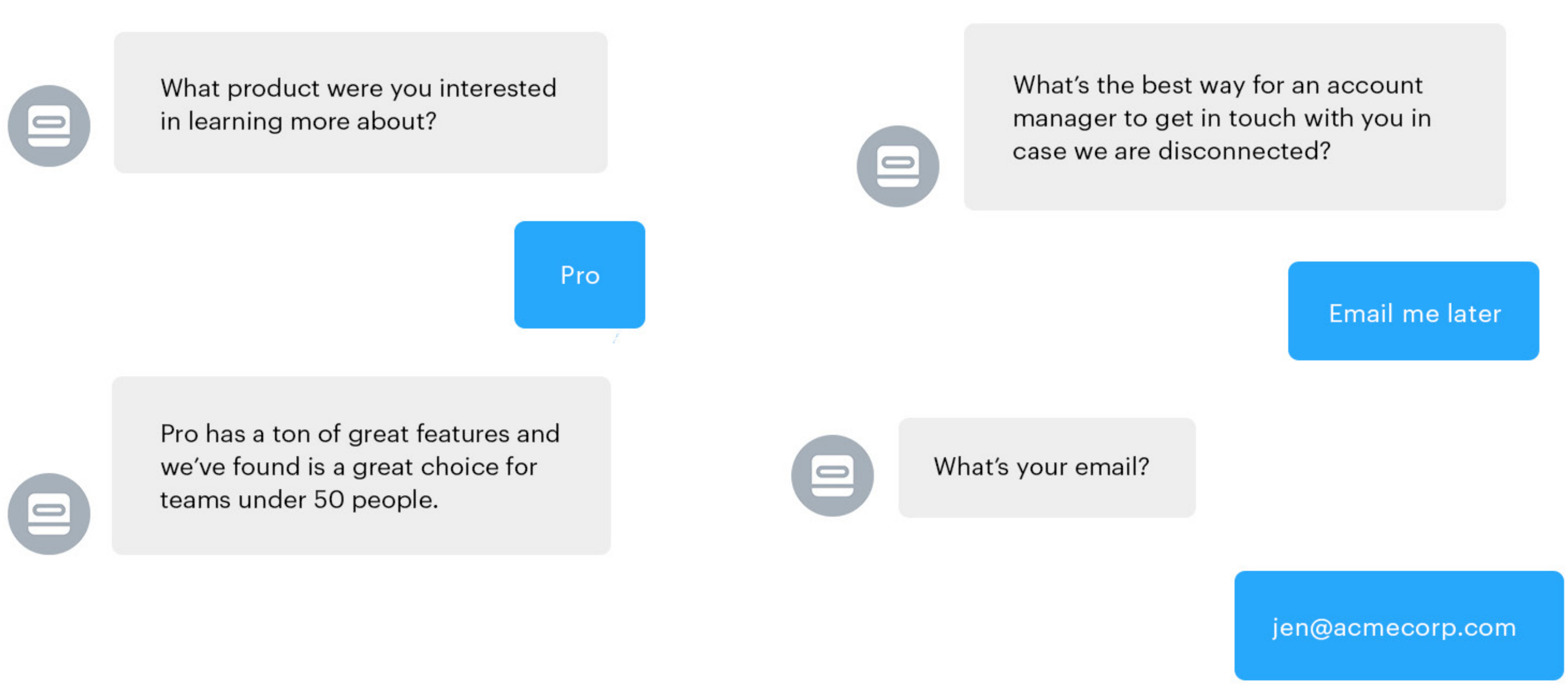
Historically, the role of the inbound SDR (sales development representative) has been to collect qualification criteria. Their objective was simple: run through a predefined list of questions, and if the prospect is promising enough, pass them to an account executive.

At Intercom, SDRs are doing much more than that. They're accelerating the sale by providing prospects with value early on. For website visitors who write in through live chat, our SDRs are assessing their use case, sharing educational content and jumping on discovery calls.



Thanks to chatbots, our sales team is automating away many of the tasks that used to be manual and repetitive, such as lead qualification. Now when a sales rep connects with a prospect, she's having a strategic, meaningful conversation about what Intercom can do for that potential customer.

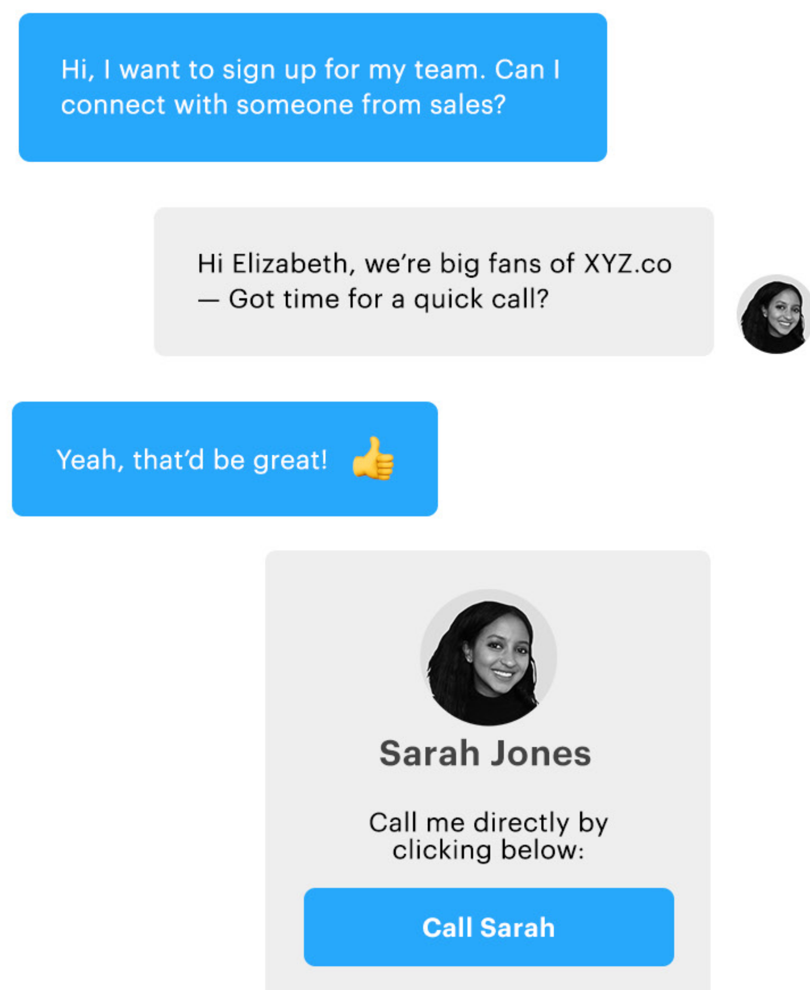
The effect of this is that SDR teams are shifting from repetitively posing questions to being seen as strategic assets. In the years to come, we're betting that chatbots will make sales reps even more valuable, not less.



Account executives who can sell in real time

You want to engage buyers when they're most interested in talking to you – when they're on your website and investigating your offering, not 30 minutes later or after they've filled out a form.

That's why we created an entire team dedicated to selling in real time. Their mission is to convert our SMB leads into customers, by first getting them to start a trial while they're on our website and then, once the trial is complete, converting them to a paid plan.



Our real-time account executives have a hybrid role that mixes the traditional responsibilities of an SDR and an AE. That's because they're managing the full sales cycle, from qualification to close, over live chat. Like an SDR, they need to be skilled at:

- Initiating outreach
- Establishing use case
- Doing light discovery

Because this is also a closing role, our real-time AEs need experience in:

- Pitching solutions
- Managing trials
- Driving the purchase

Real-time sales enables prospects to move through the funnel as fast as they're ready to go. And what we've seen is that compared to those who go through the self-service funnel, these smaller accounts not only pay us 20% more, on average, but are also less likely to churn.

Takeaway: Aim for value and the money will follow

If you perpetuate a culture of customer-centric sales, you'll cultivate trust and build stronger relationships with your prospects and in turn, you'll capture more revenue. The key is to continually deliver value at every touchpoint, from the first chat with an SDR to the moment the deal is signed.

LESSON #3

EVOLVE THE STRUCTURE OF YOUR SALES ORGANIZATION TO FUEL CONTINUOUS GROWTH

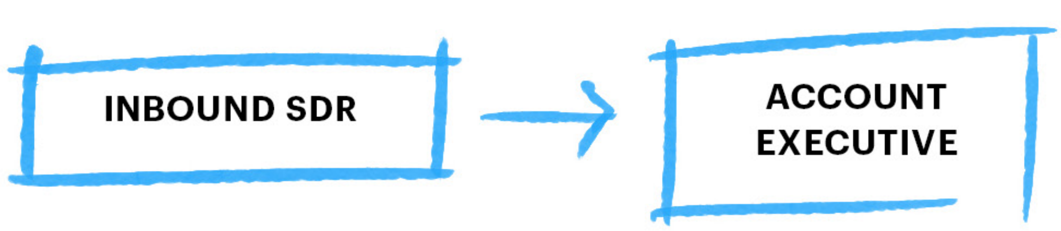
As your revenue grows, your sales organization will need to evolve. Your buyers will become more numerous, spread across different segments and personas. Your sales process will naturally become more complex. Your headcount will increase to match the rising deal volume.

To effectively scale up, you will have to alter the structure of your sales team and if you are successful, more than once. The sales organization that thrives during the scrappy startup phase is very different from the one that propels your business to its next inflection point.

At Intercom, the history of our sales team can be divided into three acts, from an early volume play to a sophisticated revenue machine. Here's how these changes accelerated the growth of our business at each stage of its lifecycle.

Act I: The initial sales team

When we created our first sales function in early 2014, we only had two sales roles: SDRs and AEs. Our SDRs were responsible for managing the front lines – chatting to inbound leads, qualifying them and then handing off promising opportunities to our AEs.



We had a high volume of inbound leads, and the mission of our sales team was to convert as many prospects as possible. We didn't distinguish between new and existing customers, between small and medium-size businesses (SMBs) and mid-market and enterprise companies (MMEs). If you wanted to use Intercom, our sales team was here to help.

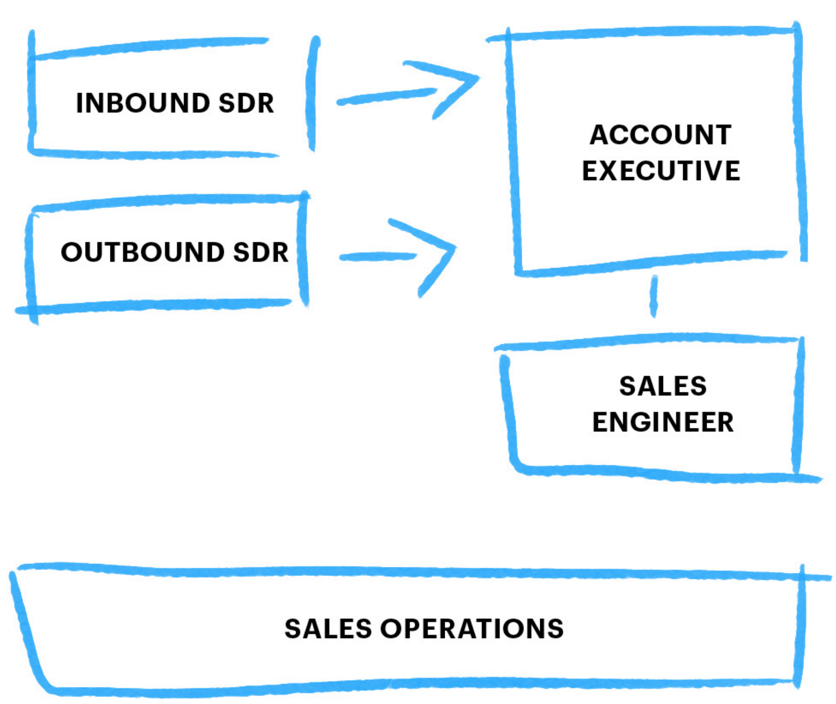
This initial team drove our first several million in sales-assisted-revenue. They were a layer on top of our self-service business that nearly tripled our average revenue per account (ARPA). It was early proof that having a sales function could accelerate our growth as a company.

But like many sales teams at young startups, ours still had fundamental questions to answer. What is the line between sales and self-service? How do we talk to leads? Is it over phone, email or live chat? Do we have light or in-depth discovery calls? Why do we win over our competitors?

Act II: More deals, bigger deals

As we answered those fundamental questions, we began to evolve our organizational structure. We focused on bringing efficiency to a new area: our lower volume, larger accounts. We brought on our first sales engineer to drive the technical side of the purchase and the first members of our sales operations team to train our reps and standardize our sales process.

We also began to experiment with outbound sales to prospect into higher value accounts, and we hired our first outbound SDRs. We planted the seeds for an organizational structure that would enable us to gradually move upmarket.



The result was higher ARPA and double the amount of revenue closed compared with the previous period, despite a decrease in the total number of deals. We had evolved the structure of our team to support a more complex sale and, as a result, had increased our overall productivity.

Yet, we still had plenty of opportunity ahead of us – to better serve our prospects and existing customers, to optimize our workstreams and to forge a path to sustainable growth.

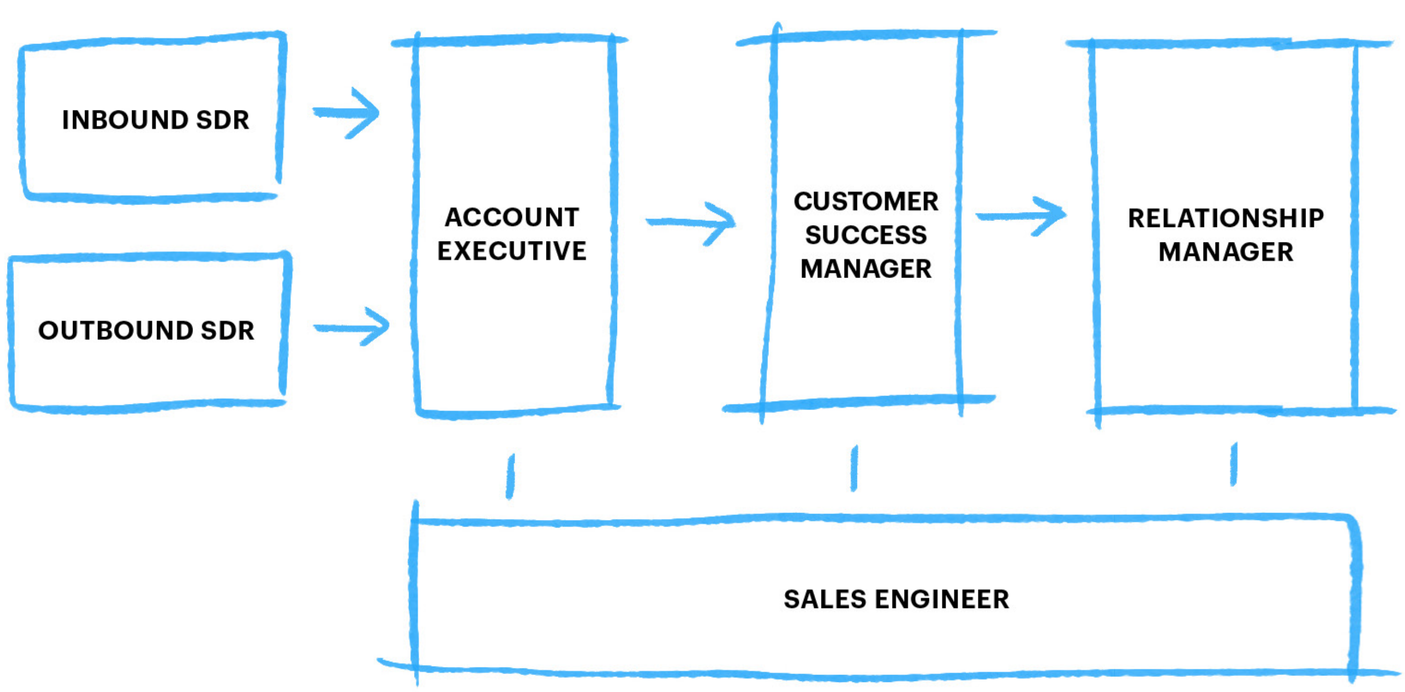
Act III: Specialists, segments and sales operations

Our next objective was to invest in a team structure that would be sustainable for the long term and could scale with our customers, our revenue and our company. Intercom had transformed from a startup into a high-growth business, and our sales organization needed to do the same.

This phase involved three important developments:

1. Specialization

Until this point, our sales reps had largely been of jack-of-all-trades. They could prospect into an account, close it and upsell it. While this model served us well early on, to mature our sales team we needed to bring on sales reps who could own one part of the sales cycle and nail it.

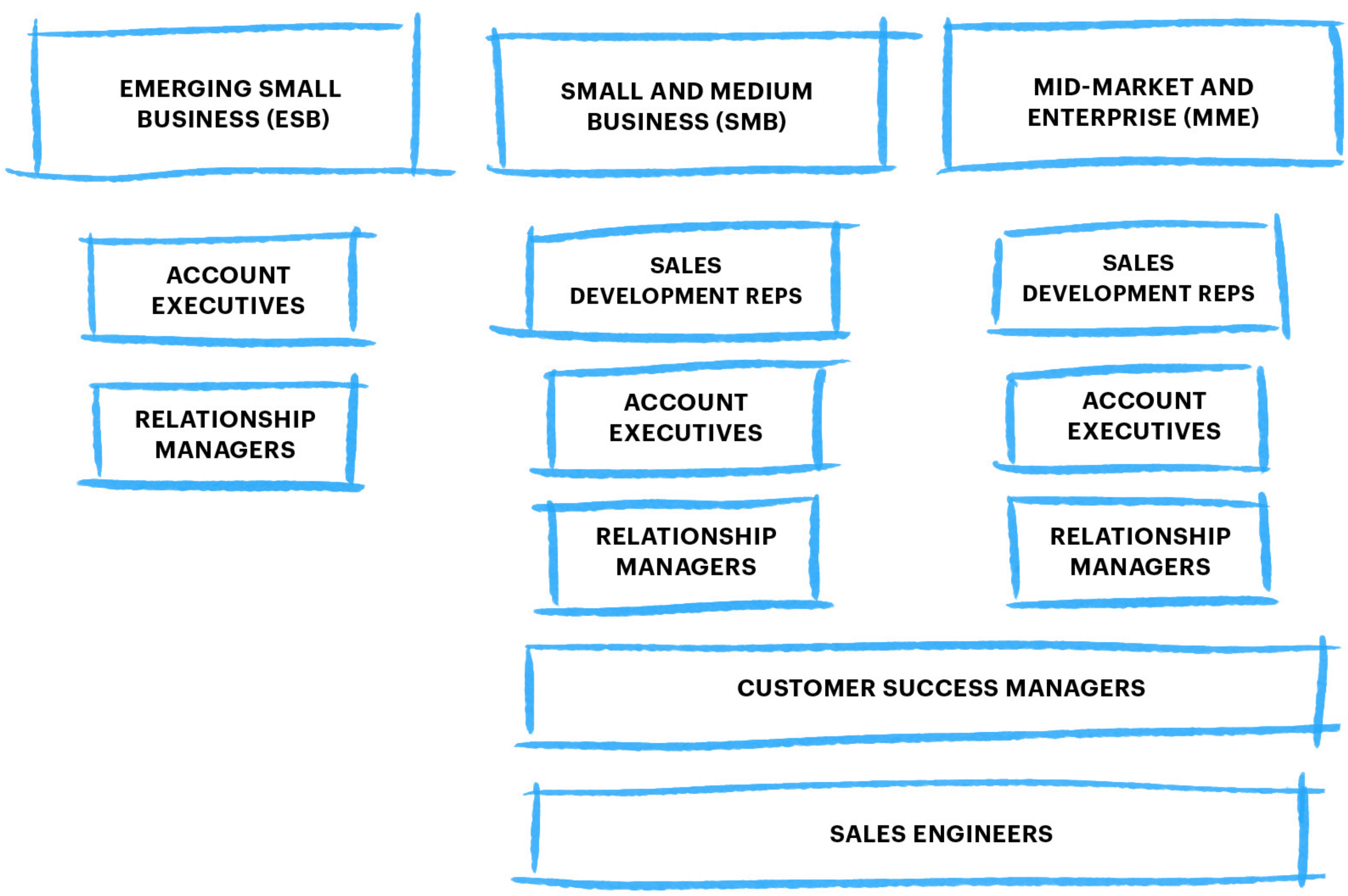


Today our SDRs and AEs are dedicated solely to winning new business. To provide white glove onboarding, we've hired customer success managers, and to expand our accounts over time, we've hired a team of relationship managers. We've also continued to invest in sales engineers who handle the technical side of the deal, both pre and post sale.

2. Segmentation

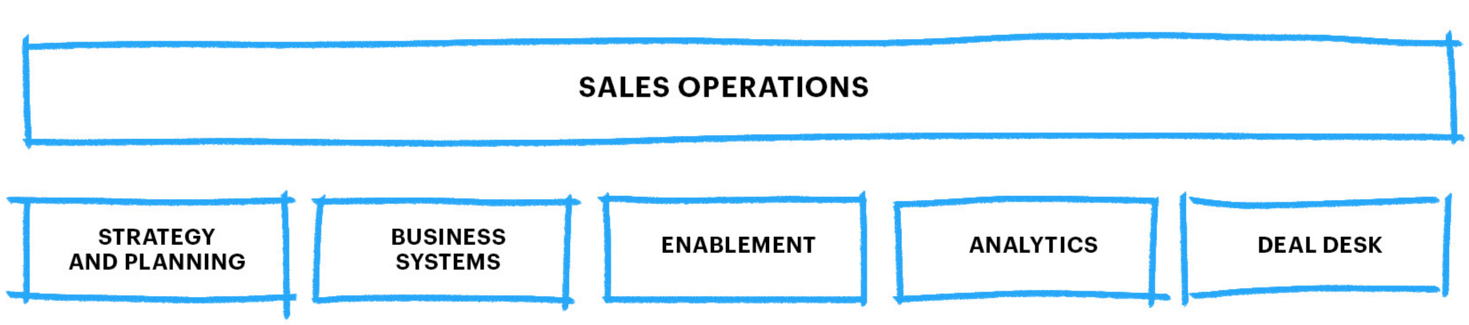
Our buyers now come from companies of all sizes, from small businesses to businesses with thousands of employees. To effectively sell to our diverse customer base, we've segmented our core sales organization into sales reps who work with SMBs and sales reps who work with MMEs.

We've also created an emerging small business (ESB) segment that focuses on our smallest sales owned accounts. On our new business side, we have ESB account executives who primarily use live chat to engage and convert prospects. On our existing business side, we have relationship managers who provide scaled account management.



3. Sales operations

Finally, for a sales organization to run efficiently at scale, you need to invest in sales operations. That's because sales ops is the collision point for so many crucial sales initiatives, from strategy and enablement to analytics and systems. They are responsible for the foundation that enables your sales reps to sell better and faster, your sales leaders to capitalize on opportunities for growth and your entire organization to function smoothly.



As a result of evolving the structure of our sales organization, we've seen higher conversion rates throughout our pipeline, higher overall win rates and higher ARPA. Sales continues to be an increasingly important driver of new and expansion revenue. Best of all, we now have a sales team that's designed to keep scaling alongside our revenue and our customers.

Takeaway: Structure your sales organization to maximize revenue

Your sales organization will look different at each stage of your company's lifecycle. The only common thread will be the premium placed on rapid growth. Done well, each iteration of your team structure will enable you to do one thing: maximize future sales.

LESSON #4

WHY YOU SHOULD INVEST IN A WINNING LOCKER ROOM

Defining your quota philosophy is a careful balancing act. Set quotas too high, and you'll end up watching your sales reps flounder from quarter to quarter. Set quotas too low, and you'll have a tough time achieving the level of productivity you need to run your organization at scale.

An effective sales quota philosophy straddles the line between being ambitious and being achievable. When executed properly, it sets a clear and useful bar for individual performance, while maximizing your company's overall growth potential.

We've adopted a "winning locker room" strategy whereby the majority but not all of our team is expected to hit quota. While simple in concept, it's been a powerful organizational lever.

The advantages of a winning locker room

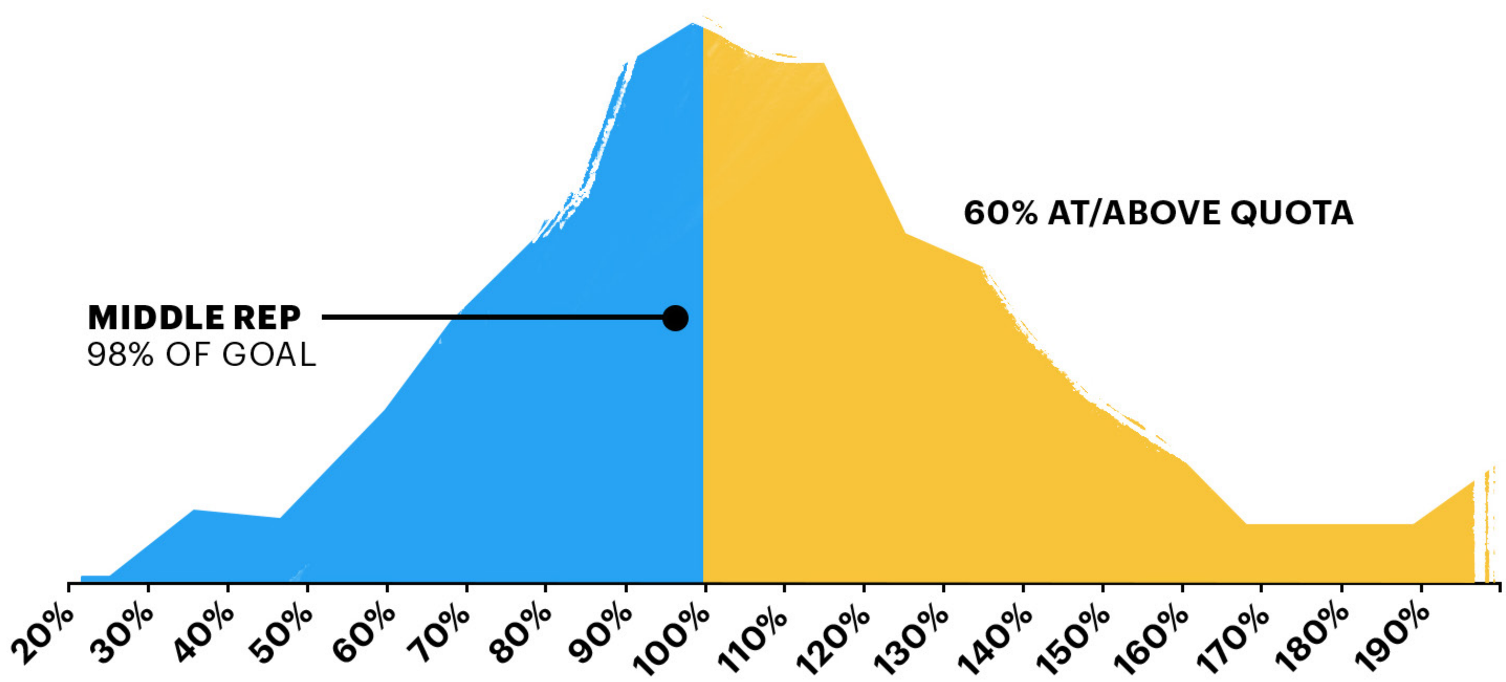
You cannot have a world class sales team without a transparent, realistic and growth-oriented approach to setting quotas. And that is what our winning locker room strategy is grounded in.

1. Transparent

Transparent might seem like an odd choice of words to describe our quota strategy, but the point should be clear in a minute.

First, imagine this situation: you've just ended the half, and only 20% of your team has hit quota. Now imagine the converse: you've just ended the half and 100% has hit quota. Either you're left with a dejected team that feels they can't get there and some of whom you have to manage out, or you have to accept that everyone's a winner with no room for improvement.

A winning locker room solves both situations. By having 60% to 75% of your team hit quota, you have a majority of sales reps who are winning and at the same time, the skills that distinguish your top performers from the rest are transparent. Now you have the opportunity to coach underperformers, promote from within or bring in new talent, and drive the entire organization to better outcomes.



2. Realistic

Sales is a high risk, high reward profession. While failure shouldn't be the norm, even the best sales reps and leaders will not win 100% of the time. As much as you might want to guarantee your team's success, you should not eliminate the potential for failure. The reality is there are no trophies for participation in sales, and if you want to build a sustainable business, not everyone can be a winner all the time.

At least 25% of Intercom's sales reps will not hit quota in a given quarter. But the way we see it, these moments are learning opportunities. Only when you miss the mark can you develop the resilience to succeed in sales for the long term.

3. Growth-oriented

We hire ambitious people who constantly want to achieve more. And it's in our best interest to create an environment where our sales reps are surrounded by peers who challenge them and whom they can learn from. Having a room full of failures or winners accomplishes neither.

A winning locker room sustains your team's momentum by creating room for growth without sacrificing morale to unattainable goals. It creates an energy on the sales floor that is so important in today's fast paced selling environment.

Don't be afraid to raise the bar

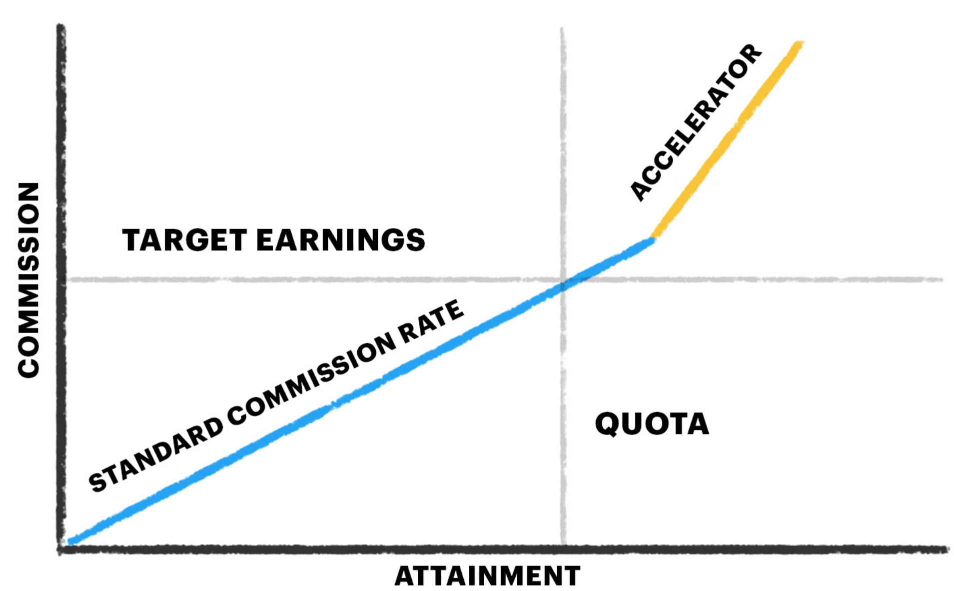
The outcome of having a winning locker room is that you will routinely need to raise the bar. That's because you will have built and trained a world class team capable of smashing their quotas.

So, as a sales organization, how do we get better each and every quarter? There are two main ways we adjust for overperformance:

1. Raise the team's quota.
2. Institute accelerators.

The first makes sense when you have a pattern of overperformance. Say that for two quarters in a row, 80% of your SDR team exceed quota and by 25%, on average. That indicates you've successfully upleveled your reps, and it's time to re-evaluate your quota strategy.

The second is valuable when you want to reward individual overperformers. We believe that if someone is bringing in disproportionately more revenue than we've set the bar for, they should reap the rewards just as they carry the risk. Accelerating their commission rates incentivizes sales reps who have already done their job to do everything they can to pull in another few deals.



Takeaway: Strike the right balance between growth and failure

A winning locker room leans into the upsides for growth. Without shying away from failure, it creates an environment where at every level – from the individual sales rep to top leadership – you have a fair shake at achieving success.

LESSON #5

USE DATA TO BE A MORE EFFECTIVE SALES COACH

Sales has an unavoidable reality: there will be months, and sometimes quarters, when your team doesn't hit their number. Even with our winning locker room strategy, at any time 25% to 40% of our sales reps will fall short.

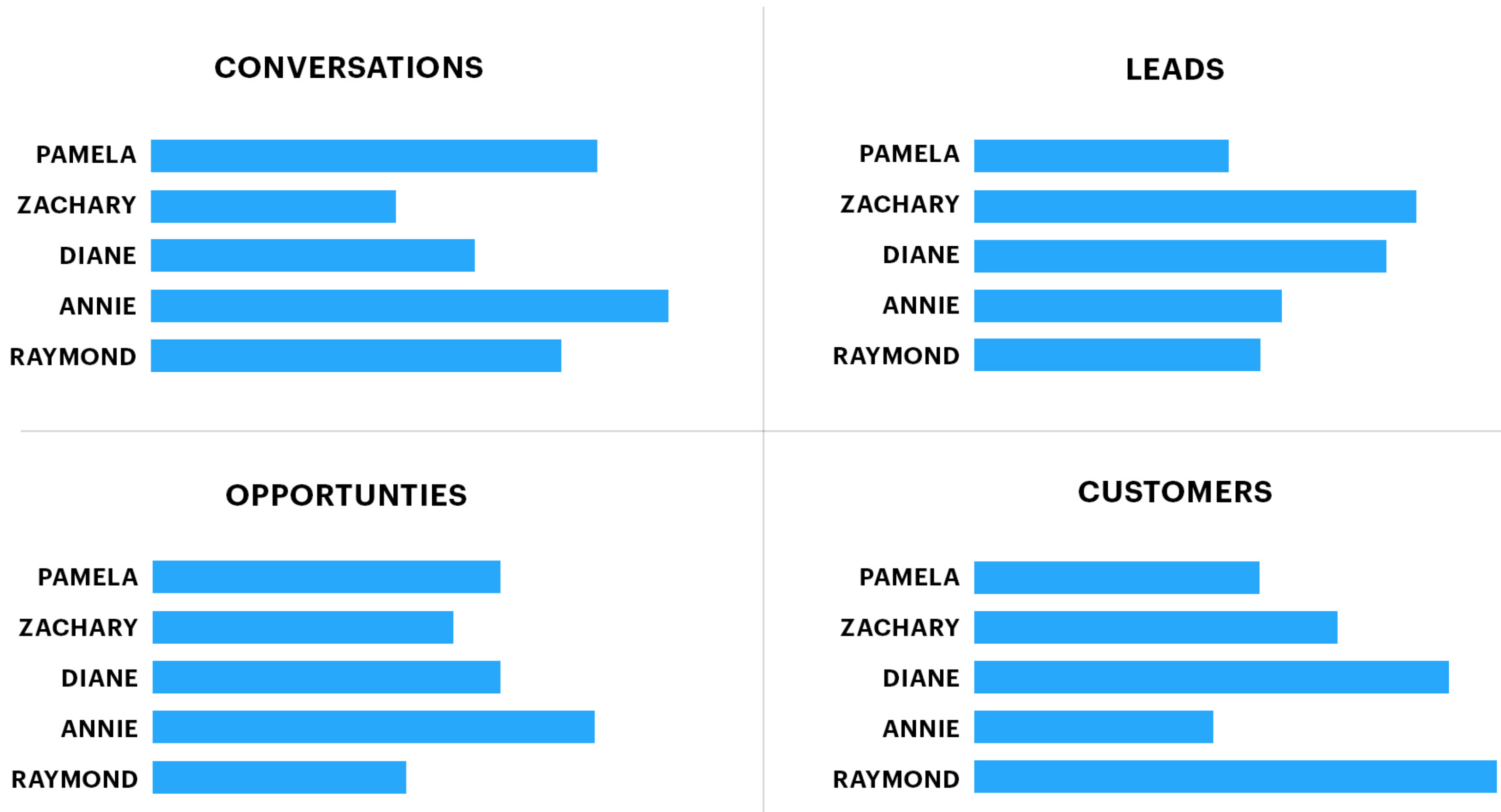
The question for every sales manager is, what are you doing to help your team get up and over the line? At Intercom we believe every manager should be a sales coach – committed to driving their reps, their team and, ultimately, our company to greater productivity.

But doing the job of a coach isn't as simple as offering a few words of solid advice or doing the occasional whiteboarding session. It requires a methodical, data-driven approach.

Drill into team performance

For your coaching to be meaningful, you need to set benchmarks for performance based on trends across your team. You cannot simply decide one day that your sales reps are capable of bringing in 100 deals each when your top rep can only manage 60 in her best month.

Let's use our emerging small business (ESB) account executives to illustrate how this works. These AEs sell to our smallest sales owned accounts primarily through live chat and are responsible for the full sales funnel from initial conversations to trial setup through to purchase.



Looking at the example charts above, we can immediately spot a number of areas where the team can improve. Here are just two of them:

1. **Increase speed to lead:** Last month Zachary chatted with the fewest number of website visitors but created the most leads. Annie, on the other hand, chatted with the most website visitors yet landed in the middle of the pack for leads. What is Zachary nailing in his conversations that enables him to convert more website visitors into leads? And how can we share that with the rest of the team?

2. **Optimize deal management:** While Raymond didn't have the most conversations or generate the most leads, more of his opportunities converted to customers than anyone else's and at a higher rate. Could he be investing more time in establishing a compelling business case? Is he more effective in creating urgency? This one requires more digging, but directionally, we know where to look.

Simply being on a high performing team doesn't guarantee that our sales reps are equipped with the skills they need. Learning doesn't happen by osmosis. Analyzing team performance enables us to identify where each of our reps excels and then skill up the rest of the team.

Diagnose gaps in individual performance

Now that you have a bird's-eye view on your team, you can translate the areas for improvement into a coaching plan for individual reps.

Let's revisit Annie's numbers and deepen our view of the data in a section of the funnel where she's underperforming – the conversion of opportunities to customers.

CONVERSATIONS	LEADS	OPPORTUNITIES	CUSTOMERS
500	400	320	92

SIGNUPS TO TRIALS %	TRIALS TO CUSTOMERS %
80%	36%

From the chart above, we can see that while Annie is successfully getting leads who create an account to actively trial the product, she's having a hard time persuading them to complete the purchase. Now we can isolate where Annie needs coaching on a granular level. We'd want to look at her approach to key steps in the process, particularly:

- **Ensuring the trial is set up for success:** Is she checking that the Intercom Messenger is properly installed? Is she actively guiding prospects toward their first "aha" moment?
- **Increasing in-product activation:** How is she ensuring that the right features are being used? Could she be sending more targeted messages to drive product adoption?
- **Confirming the purchase:** Has she actively communicated the trial end date? Are there unresolved objections that she needs to address?

Successful sales coaching requires narrowing our sales reps' worldview. Our goal is to identify a specific set of skills or behaviors that will meaningfully impact our sales reps' ability to hit quota and then hold them accountable for closing the gap.

Takeaway: You need to peel back the onion on performance

At the end of the day, sales coaching is like peeling an onion. You start at the first layer with data about your team, then drill down into individual performance and, finally, at the core are the skills that individual sales reps need to focus on in order to improve. Only by working your way down can you build up a sales organization that continuously pushes itself to achieve better results.

SALES COACHING PLAN

NAME **JANE DOE** DATE OF INTERVIEW **1/1/2020** MANAGER **LB HARVEY**

OBJECTIVE	KEY RESULT	DEVELOPMENT AREA
More effectively manage late funnel opportunities	Increase conversion rate of trials to customers by 10%	In-product activation

NEXT STEPS

- Schedule product training with sales enablement team
- Conduct daily review of in-app activity for trialling accounts
- Create new activation campaigns based on latest user research
- Book calls with trialling accounts that have inactive apps

RESOURCES REQUIRED

- Additional 1:1 meeting to review new activation campaigns
- Product training dependent on sales enablement team's schedule

FOUND—
—ATION

Foreword by Jeffrey Serlin, Senior Director of Sales & Support Operations, Intercom

I've been in sales operations for almost two decades, and I can tell you that the mission of every sales operations team is the same: enable the sales organization to run better and faster. What changes is your focus as the business grows – moving from repeatability to scalability.

LB, our Senior VP of Sales & Support, often uses an analogy to describe the role that our team plays. It goes like this: if our sales reps are race car drivers, then our sales operations team is the pit crew. We're the ones ensuring our frontline sales team gets deals to the finish line with precision and consistency. Just as in auto racing, you can't have one team without the other.

My first priority when I joined Intercom was shoring up our foundations. That's things like our sales process, systems, enablement and analytics. There were plenty of opportunities to reduce waste by automating low-value tasks, enhancing our onboarding and planning, and improving our visibility into team performance. Beyond that, our job was to keep the trains running.

As we've scaled up, my priority has shifted to building on our foundation, so we're able to capitalize on new revenue opportunities. More of our job is now dedicated to being a strategic partner to sales leadership and all of our go-to-market teams. We have created playbooks to transform our sales organization into a well oiled machine and to meet our targets. That in turn has freed up our sales ops team to focus on two high-value areas: identifying levers for growth and executing on them globally and efficiently.

Sales operations is a job that's never finished. We can always adopt better tools, increase the rigor of our execution and experiment with different tactics. The key is to secure the capacity to lean into growth wherever it takes us.

LESSON #1

NAIL YOUR FORECASTING TO CREATE PREDICTABLE REVENUE GROWTH

For the first years of Intercom's life, we had a largely self-service, transactional business. In that world, you don't need rigorous sales forecasting. It's a volume and conversion play – customers grow, contract and churn without any input from sales. You're looking at high level trends and conversion rates and extrapolating that forward.

Rollup and deal-level forecasting becomes more crucial as you move upmarket and your sales organization grows. You have a direct sales team that's running larger deals, working one-on-one with prospects and closing annual contracts. At this point, all sales organizations need to institute sales forecasting, but not everyone knows how to do it well.

A rigorous forecasting process requires a clear line of sight into your sales pipeline. That kind of visibility allows you to get ahead of at-risk deals and spot new opportunities for growth. The outcomes are powerful: confident forecasting that is the backbone of predictable revenue growth and accountability, from the individual sales rep all the way to the very top.

Why pipeline management is crucial to forecasting

To get deeper insight into our sales owned pipeline as we scaled, we had to implement proper pipeline hygiene by defining our deal stages, the criteria for each stage and the data points that reps had to input.

The strategic outcomes of this work were threefold:

1. **Standardization across the organization**: We have every salesperson working deals in the same way. This makes it possible for us to compare apples to apples when looking at deals and performance by region, segment and individual sales reps.

2. **Visibility into historical trends**: We can confidently say how long it takes to close a deal, and we can break it down by the average number of days in each stage or by source – lead form, live chat, trial, outbound, etc. We're able to identify the early indicators that a deal is moving forward or at risk of not closing.

3. **Ability to generate scorecards**: We can easily see how our pipeline is flowing, from new leads being created to existing opportunities that are being won or lost. For sales managers, this means being able to proactively work with their reps on specific deals, and for sales reps, it means being able to course correct before a deal is too far off track.

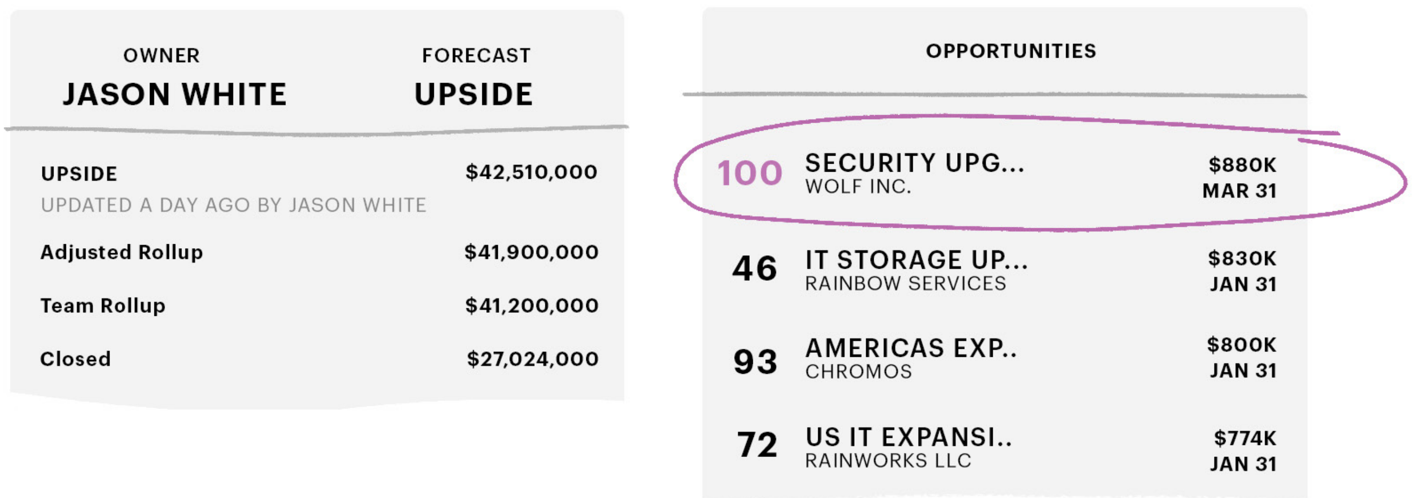
Building the forecast: Is the deal firm, upside or pipeline?

We have our sales reps assign a status to each deal that they are working – firm, upside or pipeline. These status reflect the likelihood that the deal will close within the forecast period.

- **Firm** is assigned to deals that we expect to win within the forecast period. We may not have received official confirmation from our decision makers and may still be working toward final budget approval or legal sign-off, but there are no major blockers we can see that will prevent us from winning the deal.

- **Upside** is assigned to deals that we have a chance at winning within the forecast period, but we've identified obstacles that first need to be resolved. For instance, our prospect may still be comparing us with competitors, the budget may be up in the air, or we may not have executive buy-in. Oftentimes with upmarket deals, having to go through legal or procurement can delay the deal from closing.

- **Pipeline** is assigned to deals that have the potential to be won in the forecast period but are unlikely to cross the finish line. Deals with the status may have major obstacles preventing them from closing, or they might simply be earlier in the sales cycle.



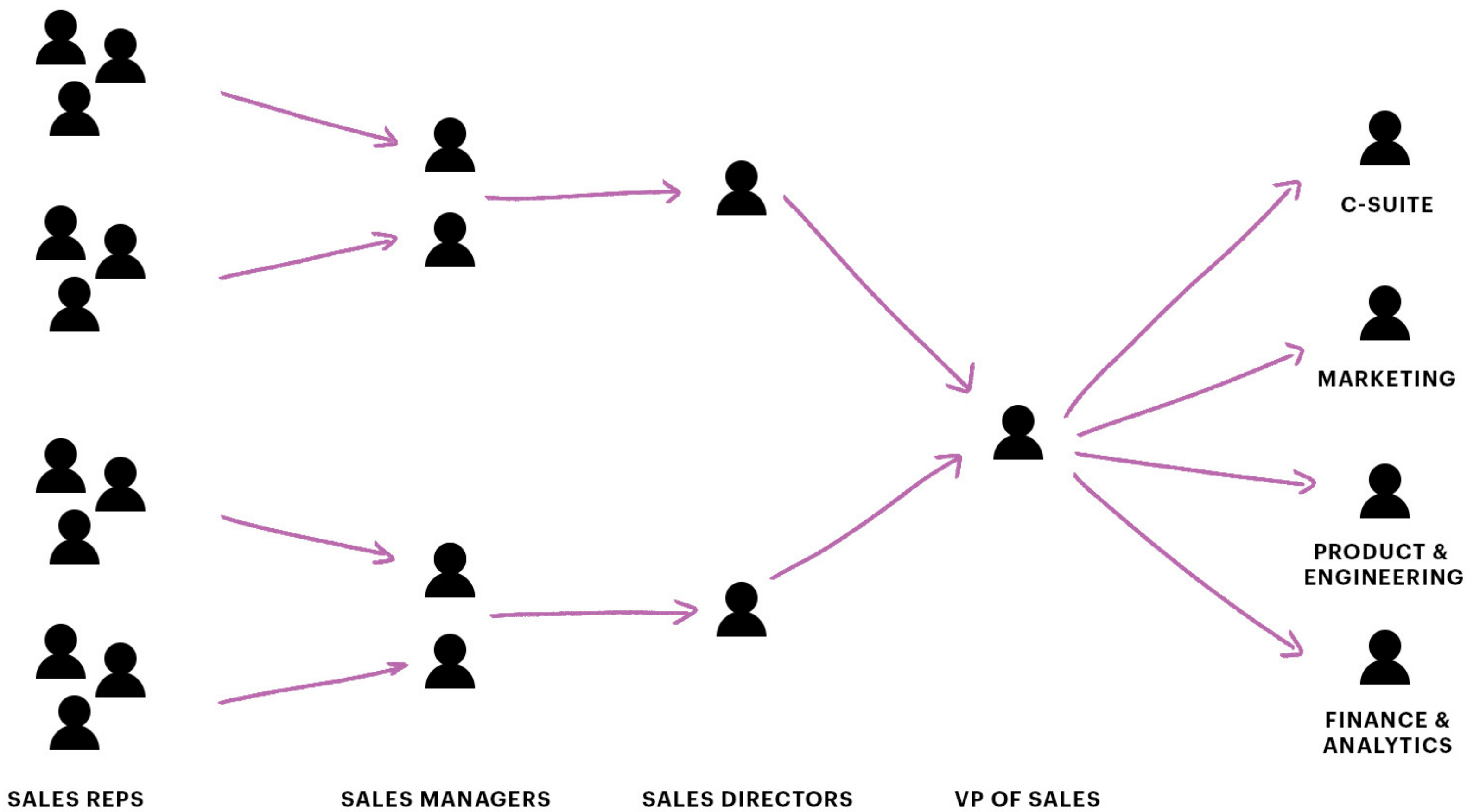
We track all of this information in our sales analytics tool, which lets us quickly update key data points like deal stage and size, track real-time changes to our pipeline, efficiently create rollup forecasts and dynamically project revenue performance.

How sales forecasting drives growth

To create rollup forecasts, each week individual sales reps provide their managers with a forecast. Sales managers then give a forecast for their team, and directors provide a forecast for their territory. Together we look at the trends and projections for our high volume deals on the lower end of the market and track our large key deals on an individual basis. On a granular level, we look for:

- Sales tactics that are and aren't working
- Deals that are at risk and need immediate action
- Impact of changes to our process or tools

As sales leaders, we then use these forecasts to set revenue expectations with the C-suite and our go-to-market partners. This rollup drives accountability throughout the entire sales organization. It holds every person responsible for delivering revenue to the business.



While it's important to know how much revenue you're projected to drive, what's even more powerful is finding trends through your forecasting process and figuring out how to capitalize on them accordingly to accelerate growth. For instance, if we see that a specific segment in the UK is increasingly considering Intercom as a solution, we can very quickly decide to deploy more resources toward winning market share there. This might mean more sales team members physically on the ground, outbounding to more companies and so on.

Takeaway: The sooner you start, the better

Your company is never too small and it's never too soon to implement rigorous forecasting practices. By committing to actively managing your pipeline, your sales managers will be better equipped to coach their sales reps and drive more revenue for the business. Your entire organization will have the visibility necessary to grow your pipeline, move deals forward – and achieve predictable growth at scale.

QUARTERLY FORECASTING

INTERVIEWER NORAM	TEAM MME AES
ACCOUNT OWNER JEFFREY SERLIN	DATE 2/14/2020

FIRM

ACCOUNT	SALES STAGE	DEAL SIZE	EXPECTED CLOSE	NEXT STEPS
Company A	Negotiating	$140,000	3/5/2020	Procurement
Company B	Closing	$65,000	2/22/2020	Send contract
Company C	Closing	$92,000	2/25/2020	Signature
Total				**$297,000**

UPSIDE

ACCOUNT	SALES STAGE	DEAL SIZE	EXPECTED CLOSE	NEXT STEPS
Company D	Evaluating	$58,000	4/3/2020	Share pricing
Company E	Negotiating	$88,000	3/20/2020	Legal review
Company F	Evaluating	$270,000	4/1/2020	Second demo
Total				**$416,000**

PIPELINE

ACCOUNT	SALES STAGE	DEAL SIZE	EXPECTED CLOSE	NEXT STEPS
Company G	Interested	$62,000	4/20/2020	Schedule demo
Company H	Interested	$121,000	4/17/2020	Stakeholder intro
Company I	Interested	$76,000	4/25/2020	Tech evaluation
Total				**$259,000**
Grand Total				**$972,000**

LESSON #2

BUILD A GROWTH STACK, NOT A SALES STACK

When implemented correctly, sales tools can provide a clarifying view of our most valuable prospects and customers – and the next steps we need to take to efficiently nurture opportunities, close new business or grow existing accounts. The right tools can improve how we practice all parts of sales, from forecasting and pipeline management to analytics and reporting.

But too often, sales stacks are cobbled together from existing tools and workflows that have haphazardly developed over time. When it comes to adding a new tool, we undoubtedly consider how the tool will interact with others in our stack. But the question we actually need to be obsessing over is, can this new tool propel our business to the next stage of growth?

At Intercom, we approach tools and workflows from the mindset of building a growth stack, not a tech stack. Put another way, we look to build systems that unlock new ways of selling and better customer relationships.

Adopt better tools, not more tools

It is tempting to believe that simply adding tools will make your sales team more productive or drive faster growth. In the world of SaaS, it's easier to sign up for a new tool than it is to hire a great sales rep or make a prospecting call – but adding a tool doesn't equate to progress.

Tools won't replace your team's ability to perform mission critical tasks like building rapport with prospects or closing tough deals. But they can help a world class sales team work better and faster. Here are some examples of what sales tools should or should not do.

SALES TOOLS SHOULD	SALES TOOLS SHOULD NOT
Make data more accessible and actionable	Create more questions than answers
Work together without complex integrations	Require lots of dev and admin time
Enhance productivity by automating repetitive tasks	Create busy work for sales reps
Make it easier to hire, train and manage a sales team	Make simple tasks harder to accomplish
Lift key metrics like lead velocity and close rates	Require a time investment without delivering a financial return

Making sure the tool meets your business needs is paramount. You can't build your sales stack on the back of "nice-to-haves." Most vendors will want to show off all the things their product can do, but more important than scoping out cool features is figuring out if it will enable a more efficient workflow for your sales motion.

Our framework for evaluating new tools

One of the ways we like to determine whether a tool or process is needed is by assessing routine work on a regular basis – is it high or low in value? Does it require a high or low touch? Based on those answers, we determine how to better manage the work:

	LOW VALUE	HIGH VALUE
HIGH TOUCH	AUTOMATE	ACCELERATE
LOW TOUCH	ELIMINATE	ASSIST

Here's how we put this framework into practice:

- **Automate** repetitive tasks like collecting basic demographic information by using a chatbot to automatically engage and qualify website visitors.
- **Accelerate** our sales cycle by having our inbound SDRs use live chat, instead of email or phone, to talk to leads in real time when they're on our website.

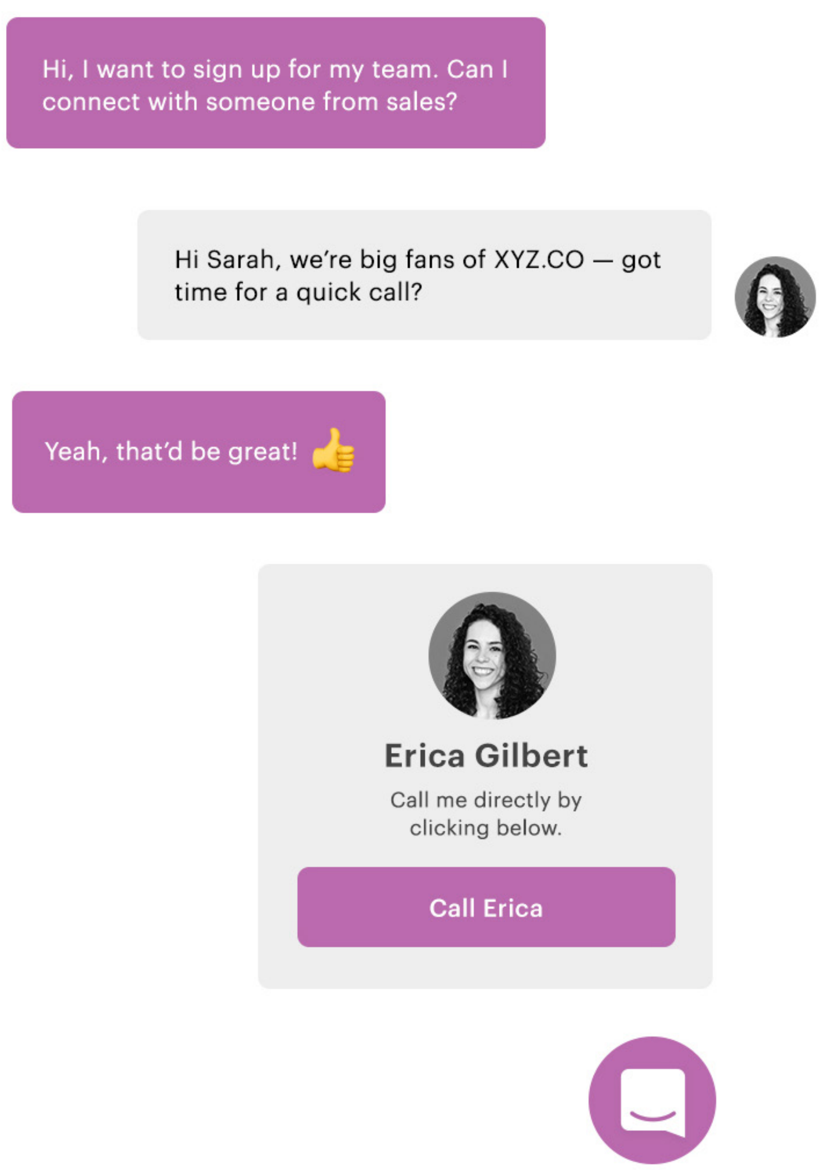
- **Assist** our sales reps in the buying process by using data enrichment tools to gather more information about our inbound leads, including their company and industry.

- **Eliminate** low-value work by automatically routing support questions to the right team or having a chatbot quickly serve up answers to frequently asked questions.

Any sales tool that we add either increases value or decreases time for our sales reps – and ideally both. Remember, adding new tools brings an operational cost, and the benefit to your sales team needs to outweigh the cost of purchasing and implementing the tool.

3 ideal outcomes from your growth stack

Here are some areas that we look to enhance with new tools, where improvements lead to that magical combination of increased value for our customers and time saved for our sales team.



1. **Accelerate speed to lead**
We know that time kills all deals. A study from InsideSales.com confirms that waiting just five minutes to respond reduces your chances of connecting with a lead by 10x. When leads come to our website, we don't want them to sit idle or, worse, leave. It's FOMO, the fear of missing out, at its best. That's why we use tools like chatbots and live chat to connect with prospects in real time. Plus, this way, there's no opportunity for our competitors to swoop in.

2. **Make customer handoffs invisible**
Fragmented handoffs at any point in the prospect's journey can seriously dampen his or her trust. If a prospect feels our internal processes at work, then we haven't adopted the right tools. Just think about all the handoffs involved in the sales process: from SDR to AE, from AE to

the relationship manager, and between sales and support. Whether it's in Salesforce, Intercom or another tool, we want our sales reps to have easy access to a prospect's history and previous interactions.

3 **Measure and attribute success**
At the end of the day, everything we do ladders up to one metric: revenue. But not every activity will have the same impact on our bottom line. To understand what activities – from sales demos to upsell initiatives – affect revenue the most, we need our tools to support an integrated data model, dashboard and set of metrics.

Takeaway: Grow your business with the right tools
To stay competitive in today's crowded marketplace, your tech stack needs to do more than just drive efficiency. It needs to build faster growth. The key to building a growth stack is investing in tools that will meaningfully enhance your sales reps' ability to drive revenue and unlock better customer relationships.

LESSON #3

FREE UP YOUR SALES CAPACITY WITH LIVE CHAT

If you've worked in sales long enough, you've likely heard the pleading cry, "We need more salespeople!" It's the brute force method of increasing your sales capacity, or your organization's ability to generate revenue.

But hiring more salespeople comes with its own share of problems. It's expensive and time intensive, and its impact is far from immediate. Even if you were able to hire 10 sales reps tomorrow, you'd still have to wait three to six months for them to fully ramp.

A more scalable strategy is to optimize your reps' current capacity through better enablement and tools. Working at a company that's in the business of messaging means one of our primary tools is live chat. Based on feedback from our team and efficiency gains, we can confidently say that live chat by far is the most impactful investment we've made at Intercom.

Enable your team with the right tools

Before we implemented live chat, our inbound SDRs primarily worked marketing qualified leads (MQLs) who came in through traditional channels like web forms and content downloads. While these were promising leads, the process of converting them to sales opportunities took a lot of time.

Think back to the last time you purchased software. More likely than not, you waited two to three days for an SDR to do their research and reach out. Then if you didn't respond, that same SDR probably emailed and called you 12 to 18 times over the next two to three weeks. Yikes.

Live chat increases your sales capacity by dramatically improving the speed to lead. Instead of three weeks of email and phone tag, our SDRs are now connecting with prospects in real time. What's more, live chat leads typically take less than five minutes to execute. That's far more efficient for our SDRs and better for our customers too.

A capacity planning model for live chat

You're probably thinking, "Okay, that's great, but how many SDRs do I need to run this new channel?" It sounds counterintuitive, but the truth is: all things being equal, fewer than if you only had a traditional sales funnel.

Live chat provides a major efficiency gain. SDRs can handle at a minimum 20% more live chat leads per month than they can MQLs. Let's walk through the math:

TRADITIONAL FUNNEL	
MQLS	10,000 / MONTH
MQLS / SDR	350 / MONTH
SDRS	29

LIVE CHAT FUNNEL	
LIVE CHAT LEADS	5,000 / MONTH
LIVE CHAT LEADS / SDR	500 / MONTH
SDRS (LIVE CHAT)	10
MQLS	5,000 / MONTH
MQLS / SDR	350 / MONTH
SDRS (MQLS)	15
TOTAL LEADS	10,000 / MONTH
TOTAL SDRS	25

Let's say in your traditional sales cycle you get 10,000 MQLs a month, and each SDR can handle 350 of them per month. You would need 29 SDRs to work the MQL volume.

Now let's add live chat for sales to your page. We found that about half of those same 10,000 MQLs come straight through live chat. For the 5,000 remaining traditional MQLs, you need 15 SDRs to work the MQL volume. But for live chat leads, each SDR can handle 500 new live chat conversations per month, which requires just 10 SDRs.

So it only takes 25 SDRs to run both the traditional and live chat funnels. That's 13% fewer SDRs than in the traditional sales funnel alone. Live chat increases your overall capacity by making the sales process – and your SDRs – more efficient.

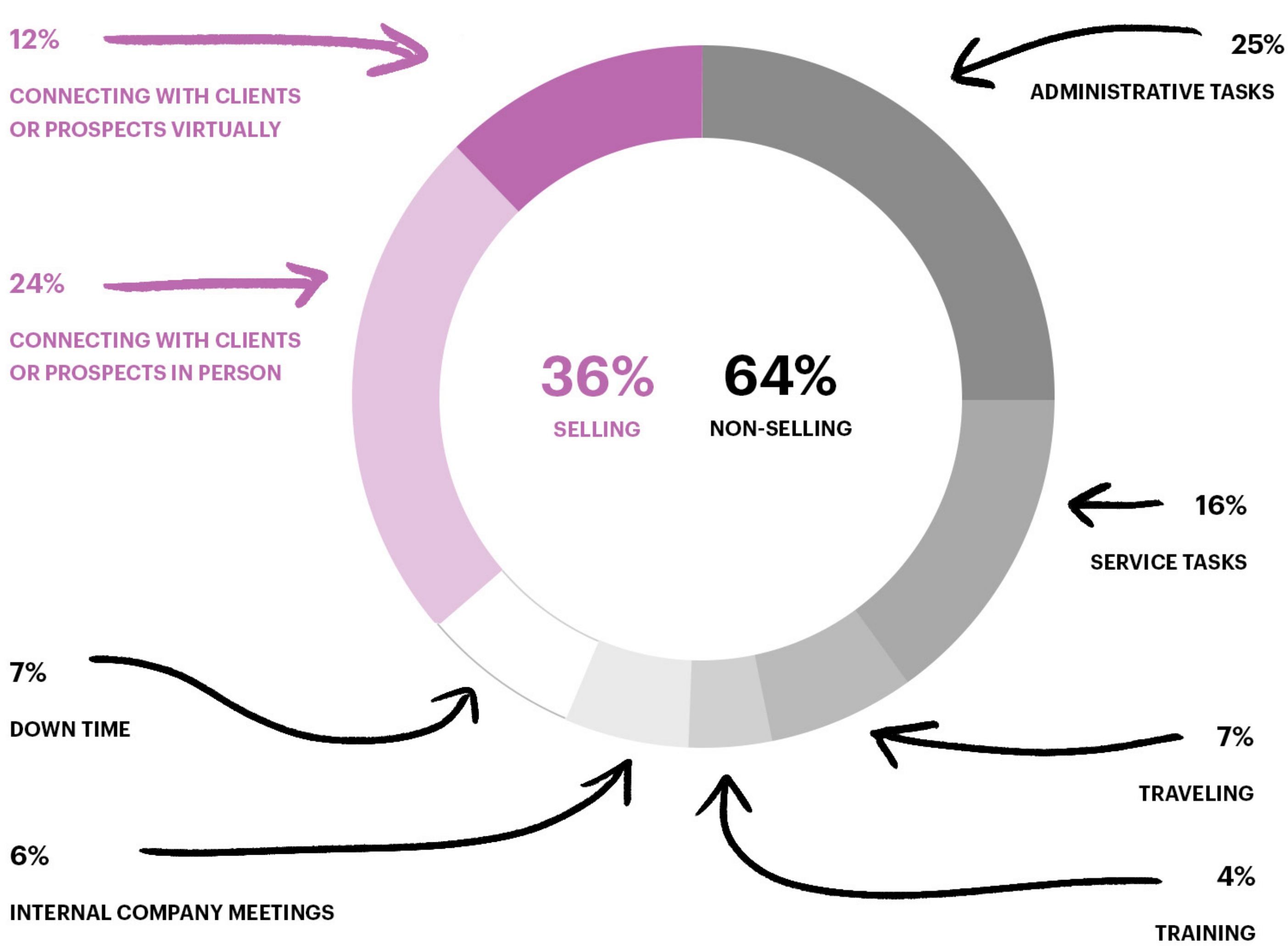
Takeaway: Optimize first, then add headcount

By maximizing sales capacity before bringing on more people, you accomplish two things: driving immediate revenue impact and building for scale. With live chat, we've significantly increased our win rates, and our SDRs have been more productive than ever.

LESSON #4

CREATE NEW EFFICIENCIES THROUGH STRATEGIC AUTOMATION

Poll any sales team, and you'll find that sales reps spend a lot of time doing repetitive, tedious work. Scheduling follow-up meetings? Updating lead information in the CRM? According to a Salesforce study, 64% of a typical sales rep's week is spent on these non-selling tasks.



While these tasks are necessary to the operation of the sales organization, they are rarely the most efficient way for sales reps to be spending their time. That's where automation has been so powerful for our team. By automating away low value activities, our sales reps are able to reclaim their time to focus on their most important work: selling.

At its best, automation helps our sales team spend their energy where they can provide the most value – not on the tasks that simply take up the most time. Here's how you can use automation to pave the way for new sales efficiencies.

Identify the right opportunities for automation

While automation is a powerful tool for any sales team, it isn't meant to eliminate everything that sales reps do. Let's revisit our framework for optimizing sales work. The sales tasks that we believe are best suited for automation should meet two criteria:

1. They take up a lot of time (high touch).
2. They don't require human decision making or oversight (low value).

	LOW VALUE	HIGH VALUE
HIGH TOUCH	AUTOMATE	ACCELERATE
LOW TOUCH	ELIMINATE	ASSIST

A straightforward example of this is collecting basic demographic information from leads. This is something our SDRs used to do manually via live chat, email and phone. It's time consuming and it doesn't require a human touch to do well, so it's a prime candidate for automation.

A helpful way to identify all the tasks your team can automate is with a time and motion study. For this study, each sales team member times their tasks for an entire day. They measure:

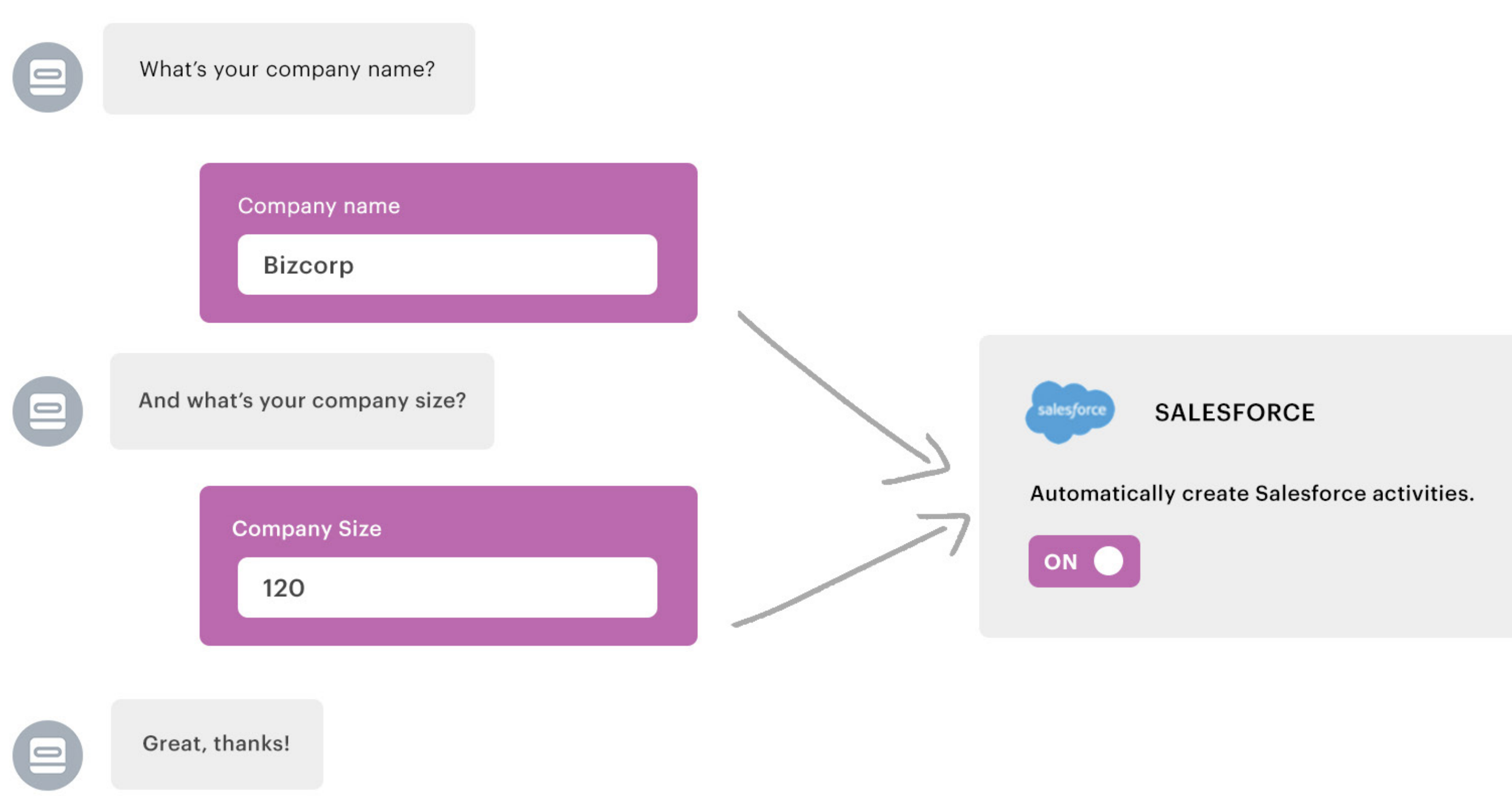
- What task they're doing.
- How much time each task takes.
- How many times per day they do it.

The end goal is to identify repetitive tasks that take up a lot of time. For example, when we tracked how our inbound SDRs were spending their day, we noticed that they were spending five to ten minutes going back and forth with prospects over live chat, just to get their email address and company name. If they chat to 25 prospects a day, that task alone eats up at least two hours of their time.

Implement automation to reduce inefficiencies

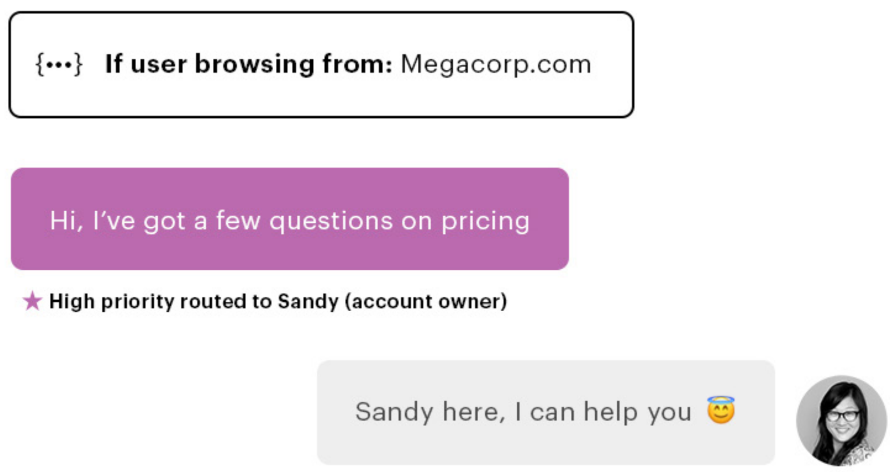
Once you've identified your opportunities for automation, you need to find the right tools to handle it. We use a combination of our own product's automation capabilities and third-party solutions that integrate with Intercom.

To increase the efficiency of lead qualification, we now use chatbots to pre-qualify leads. It enables our inbound SDRs to spend less time chasing answers to basic questions, which would only drag out our sales cycle, and more time talking to prospects about their pain points, use case and timeline. We even have our chatbots push the data straight to our CRM, saving our SDRs time they would've spent filling out the same fields.

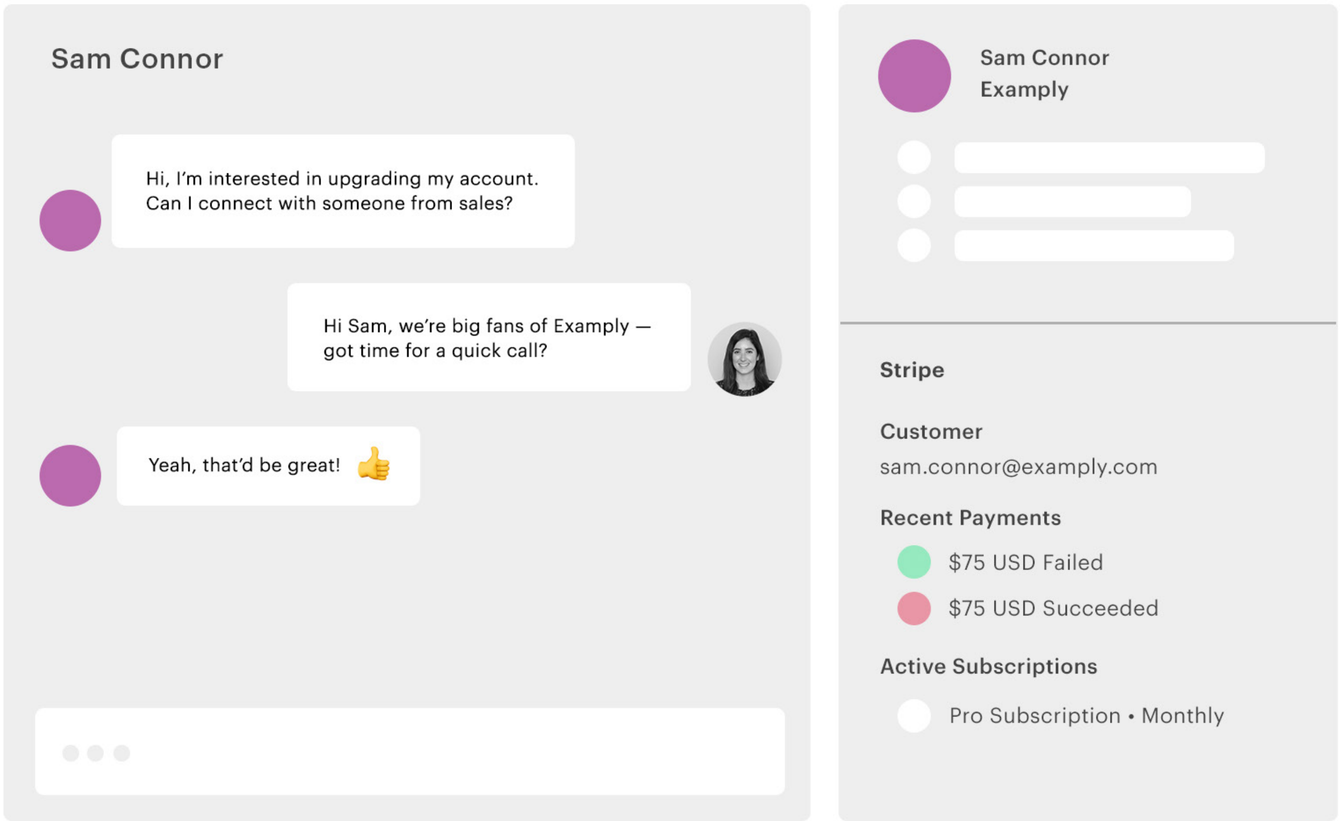


Here are two more automation examples from our own sales team that have proved useful:

1. We use Intercom's account-based marketing features, together with our CRM integration, to proactively engage prospects from high-value accounts who chat with us. Then, we automatically route them to their assigned sales rep for a one-to-one experience.



2. We've brought our sales reps' workflows into their inbox in Intercom. Instead of constantly switching between tabs, reps can now seamlessly update a lead's stage in our CRM and check their billing history while they're chatting. This makes it easy to keep our tech stack in sync, so reps aren't wasting time copy-pasting data.



When implemented correctly, automation increases your sales reps' efficiency and the velocity of your sales cycle too. Sales reps spend less time on high touch, low value work and, as a result, are able to move through and close deals faster.

Takeaway: Make selling the lion's share of your reps' time

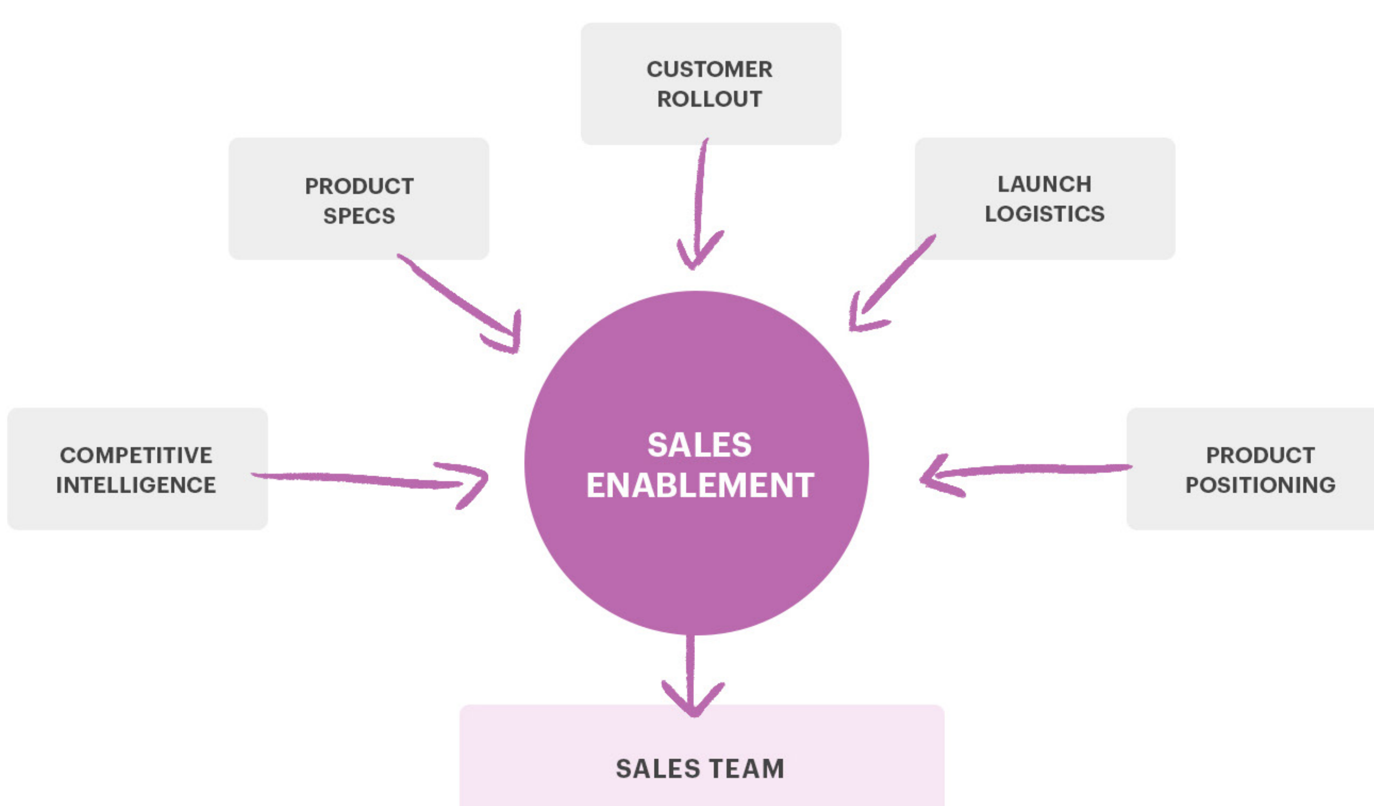
Automation doesn't leave your sales team with nothing to do. Instead, it relieves them of the routine tasks that take up most of their time. This way, they can focus on what matters most: connecting with prospects, learning about their needs and finding the right solution for them. In simpler terms, it enables them to focus on selling.

LESSON #5

LEVERAGE SALES ENABLEMENT TO MAXIMIZE PRODUCT LAUNCHES

Shipping product fast and often means more opportunities for your sales team to delight customers and engage with prospects. But sales reps need a lot more than an email on launch day to maximize the revenue opportunity that product launches present.

At Intercom, our sales enablement team is responsible for ensuring reps have the training they need to capitalize on product launches. We partner with the marketing and product teams to assess what's coming down the line and determine the best way for our sales team to get new features into the hands of prospects and customers. At a high level, our process looks like this:



Our goal is to make sure, through a robust, cross-functional approach, that the investment we make in our product pays off in the market. Here are the six steps we follow for every launch.

1. Assess the complexity of the new feature

It's important to look at new features from two perspectives, the reps' and the customers'. The level of complexity associated with what's being launched is a leading factor in the sales enablement activities we execute. When we launched our new Messenger, for example, we assessed the complexity of the launch using the following questions:

- How different is the new Messenger from the old one?
- How different is it to what's available on the market?
- Does it introduce new concepts to customers or the market?
- Will our team need to sell it to a new audience?

2. Determine the potential opportunity or risk

The upsides of some product launches are immediately apparent. If we're releasing a new product with its own pricing plan, that's a clear opportunity to drive new business and up-sell customers. But other changes might be received negatively. For example, if we're retiring a feature, customers might react by deactivating or contracting their accounts. Our goal in sales enablement is to give the sales team ample time and assistance to prepare.

3. Decide on your sales enablement activities

Now we can make an informed decision about what our sales reps need to make the most of the product launch. It may seem obvious, but the more complex the product launch is and the bigger the risk or opportunity tied to it, the more training we do. Here are the kinds of activities we'll do, depending on the launch:

- **In-person sessions on messaging and competitive landscape**: Be selective which product launches you do this for, because it takes reps away from selling.
- **Product walkthroughs**: Showing reps the end-to-end workflow for new products and features is important so they can explain it in sales conversations.

- **Pitch decks to use in sales meetings:** Giving reps the content they need to sell new features is crucial. They should be spending their time working deals, not creating decks.

- **Internal communications plan:** There are a lot of things vying for reps' attention. A few well timed emails about an upcoming release can help get reps excited for launch day.

4. Create and execute your sales enablement plan

Preparing for a product launch is a deeply cross-functional process. Stakeholders from marketing, product and sales all need to be speaking the same language and fully aware of one another's goals. We create one document that serves as the source of truth for product specs, product positioning and sales assets. Here's a snapshot of the plan from our Messenger launch:

MESSENGER LAUNCH

OUR NEW MESSENGER ENABLES BUSINESSES TO ACCELERATE GROWTH BY SURFACING A COLLECTION OF APPS THAT HELP TEAMS DO REAL WORK

STAKEHOLDERS	KEY DATES	DELIVERABLES
Sales enablement	Week 1 — pre-launch	Internal documentation
Sales operations	Week 2 — pre-launch	Messaging workshop
Product marketing	Week 3 — launch	Product walkthrough
Product	Week 4 — post-launch	Pitch decks and templates
		Physical one-pager

5. Be prepared to react quickly on launch day

On launch day, we are prepared to react quickly to any problems or opportunities that arise. Even the most rigorous sales enablement plan can't predict every potential issue or road-block. We monitor customer responses to messages in our sales team inbox and ask our reps for ongoing feedback to see how our product messaging is resonating.

6. Measure the impact of the product launch

There are two types of feedback we look for with product launches: feedback on the product and feedback on the training. We want to know: did our sales reps have the right resources and feel confident taking the new feature to market? How did prospects and customers respond?

We gather feedback by surveying the team two weeks after the launch. All of this information gets funneled into the process for the next launch and, for big wins or learnings, shared with our stakeholders in marketing and product. Here's the survey we sent after our Messenger launch:

QUESTION 1	How prepared did you feel for the launch of the new messenger?
QUESTION 2	What resources did you feel were most useful?
QUESTION 3	What are some things that could have been improved?
QUESTION 4	How has our messenger resonated with prospects and customers? what are some stories from the front lines?

Takeaway: Capitalize on every revenue opportunity

After months of hard work, releasing a new feature or product into the wild is a magical experience. What we tend to forget is that launching it is just the beginning. The launch means absolutely nothing if we cannot transform this momentum into something meaningful: paying customers.

SALES ENABLEMENT LAUNCH PLAN

NAME OF PRODUCT LAUNCH

Add a summary of the feature or product being launched

STAKEHOLDERS

SALES ENABLEMENT	MARKETING	ENGINEERING	CUSTOMER SUPPORT
Name, Title	Name, Title	Name, Title	Name, Title

GLOSSARY OF TERMS

TERM	DEFINITION
Ex. Messenger home	The first screen when Messenger opens that can be customized with apps

KEY DATES AND ACTIVITIES

WEEK 1: PRE-LAUNCH	WEEK 2: PRE-LAUNCH	WEEK 3: LAUNCH	WEEK 4: POST-LAUNCH
Ex. Mandatory in-person product training	Ex. Training module live to all sales reps	Ex. Marketing and engineering office hours	Ex. launch survey to collect feedback

PRODUCT MESSAGING AND SPECS

OVERVIEW

Add a summary of product positioning

FEATURE #1	FEATURE #2	FEATURE #3	FEATURE #4
Description, use case, value props	Description, use case, value props	Description, use case, value props	Description, use case, value props

RESOURCES

List of reference material, e.g. competitive landscape, launch day logistics and how-tos.

METHO—
DOLOGY

Foreword by Stan Massueras, Director of EMEA Sales, Intercom

There is a myth about sales that many of us are taught during our training: that there is one best way to sell to all your prospects. Whether the company you're selling to is fresh out of an early stage accelerator or an industry titan like Verizon, they should all get the same experience.

In theory it's hard to imagine why a prospect wouldn't want us to roll out the red carpet. In reality we've found that providing hyper-personalized experiences – with a discovery call, demo and pilot – can actually be counterproductive. Oftentimes it slows down the deal for the wrong reasons, for the sake of the sales process instead of added value for the customer.

For many modern buyers, speed is what matters most and something they're willing to pay for. In our survey of B2B sales professionals, 91% of sales reps said responding instantly to a lead has helped them close a deal. We've taken this to heart at Intercom through our real-time sales methodology.

Powered by live chat and chatbots, real-time sales enables our sales reps to move as quickly as prospects are willing to go. They are now having live conversations about things that would have previously taken days to find out, like use case, budget and timeline. And our customers spend less time waiting and more time solving their business needs.

Real-time sales has become one of our biggest levers to close more deals and accelerate our revenue growth, while optimizing our internal resources.

LESSON #1

CAPTURE YOUR INVISIBLE PIPELINE OF LEADS

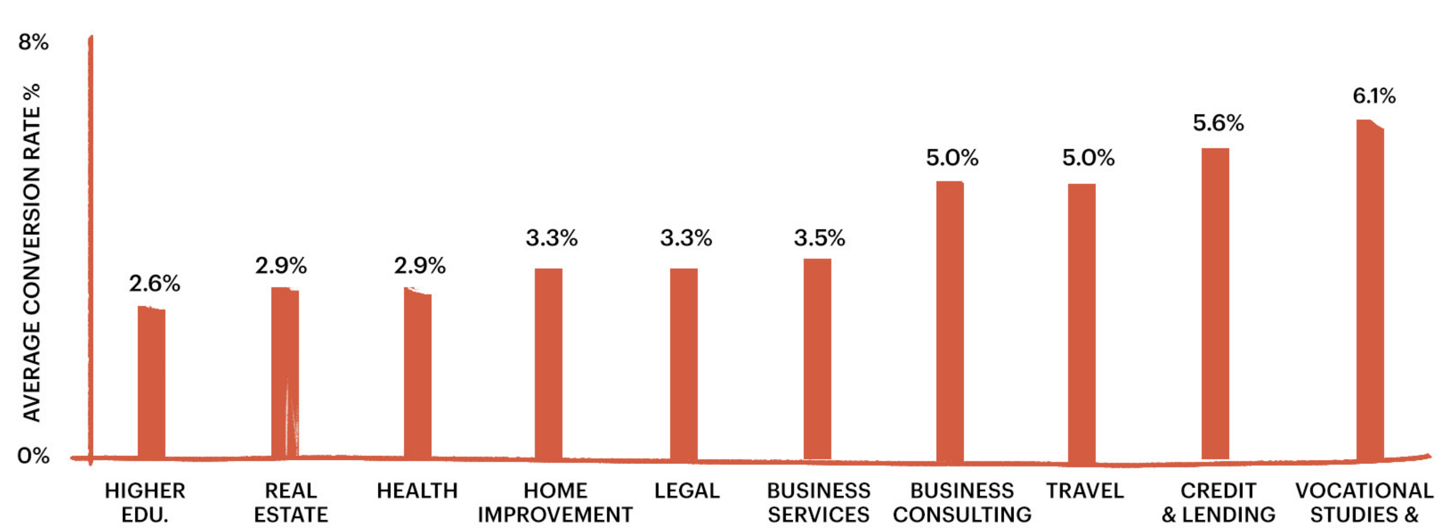
When we talk about leads, we typically put them in one of two buckets: inbound and outbound. The first is owned by marketing and the second by sales. But there's actually a third – your invisible leads.

These are the invisible buyers who visit your website, check out your product and even research your solution on a site like G2 Crowd or Capterra. But ultimately, they never get in touch. And unlike your inbound and outbound leads, your invisible leads can't be called or emailed.

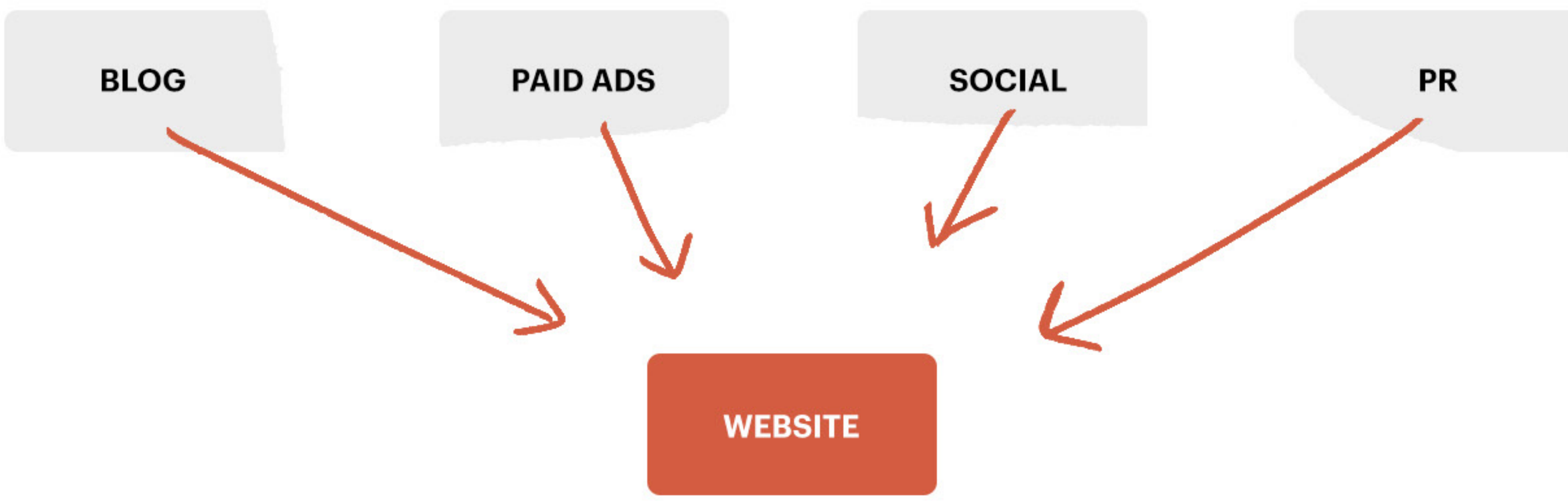
The idea of an invisible pipeline was first introduced to us by the sales trainer Richard Harris, and his point was simple: if we let these leads stay invisible, we're leaving money on the table.

Every business has an invisible sales pipeline

For most companies, the invisible sales pipeline – all of the people who visit their website but will never fill out a contact form – represents the vast majority of their visitors. According to Unbounce, the average conversion rate for landing pages, across 10 industries, is just 4.02%.



Yet most businesses, ours included, spend thousands or millions of dollars annually to drive these invisible leads to our websites. And we do it for a good reason. By building brand awareness and educating prospects, we hope that by the time people reach our website, they'll be ready to buy or, at the very least, be interested in learning more about our product.



But here's the problem: when these prospects do finally arrive on our websites, most of us throw up barriers to getting in touch with us. Lengthy contact forms – we've all seen pages with 10-plus fields – are the fastest way to turn hot leads into frigid ones. Worst of all, even if leads are interested enough to reach out, they wait an average of two days to hear back.

So what can we do to engage the 96% of leads who aren't going to fill out a form, and better serve the small minority of hand raisers who will? (We'll give you a hint: talk to them.)

Shine a light on your invisible leads with real-time sales

The fact of the matter is, buyers are no longer content to purchase the old way. Just as we chat with our friends, family and coworkers everyday over iMessage, WhatsApp and Slack, we've now come to expect to be able to talk to businesses this way.

In a recent study from Twilio, nine out of 10 consumers said they want to be able to use messaging to talk to the businesses they from. Put simply, they want real-time sales.

They're willing to pay for it, too. When we analyzed an aggregate dataset of 20 million live chat messages sent through Intercom, we found that website visitors who chat are 82% more likely to convert – and pay 13% more – than those who don't. For our own business, real-time sales has increased our number of won deals by more than 19% and our average deal size by 20%.

MORE CONVERSIONS, MORE REVENUE
On average, website visitors who chat are 82% more likely to convert to users and pay 13% more than those who don't.

That's because live chat and chatbots make it possible to sell to leads at the exact moment when they're most engaged – when they're on our website. And once we've started a conversation, we're able to qualify them on the spot, answer their questions and move the deal forward. We can also show them how different Intercom products work together, so they're equipped with all the tools they need to grow their business. No barriers, no forms, no callbacks, just conversations with sales-ready leads in real time

Real-time sales enables you to finally shine a light on your invisible leads so you can grow your visible pipeline and convert it into revenue faster.

Takeaway: Don't leave money on the table
Modern prospects expect to buy in real time, and they're now demanding that all of us in sales operate in this way. If you continue to wait for leads to fill out forms, your invisible sales pipeline will only grow, and you're going to keep leaving money on the table.

LESSON #2

CONVERT MORE LEADS WITH A REAL-TIME REVENUE FUNNEL

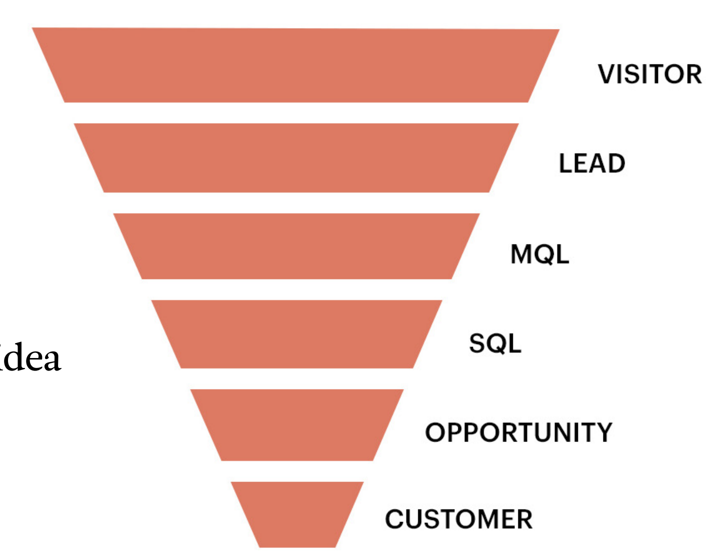
The promise of real-time sales is being able to connect with qualified leads faster. But if you're running a high-growth team, you can't help but think: how well does live chat actually convert?

What we've found is that, although it requires a new muscle you need to strengthen, deploying a real-time sales funnel can be done efficiently, while also growing your pipeline. Not only are the leads coming in through live chat of higher quality, they're also more likely to convert.

In our survey of B2B sales professionals, 72% of sales reps who use live chat reported it has a positive effect on sales velocity and revenue. Let's look at why this is the case.

The problem with the traditional sales funnel

For the past 30 years, B2B companies have executed their inbound sales funnel in a similar manner. And even today, the funnel on the right is how salespeople are taught to view the buyer's journey.



Much like the word funnel suggests, it's based on the idea of filtering out the visitors and leads who aren't ready to buy or aren't qualified. To move deals through each of these stages, sales reps make multiple touches – calls, emails, various calls to action – through a structured playbook of how they should interact with prospects.

If the traditional sales funnel sounds tedious, that's because it is. Many prospects who land on your website and fill out a form require a lot of work before they become opportunities. According to advisory firm TOPO, an inbound SDR touches a prospect an average of 15 times over the course of 20 days.

Suffice it to say, the longer it takes your SDRs to make that first connection, the less likely they are to ever connect with or convert a prospect.

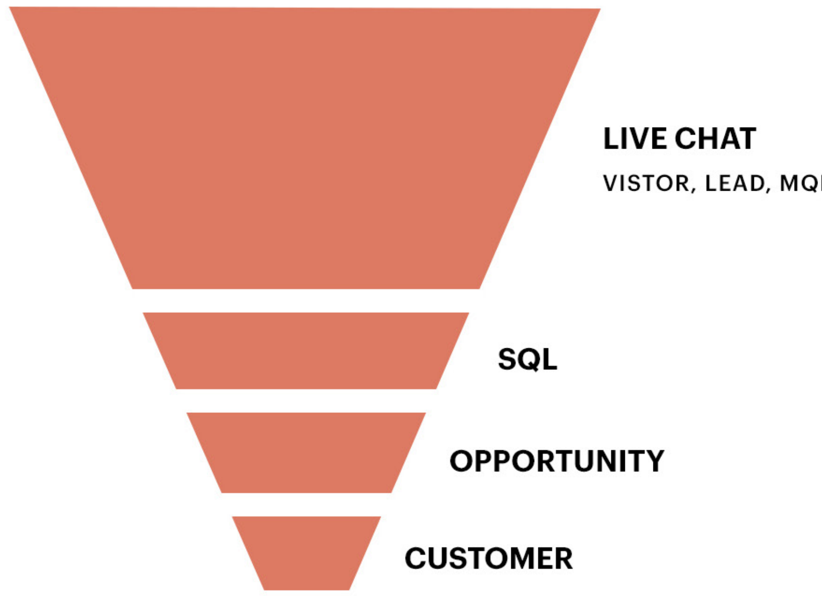
Speed up your pipeline with a real-time sales funnel

Every salesperson wants to engage qualified prospects at the exact moment when they are ready to connect. But lead forms don't allow for this.

With real-time sales, our sales reps can instantly qualify inbound leads – thanks to chatbots, this step is taken care of for them – and do a light discovery, all within a couple minutes. In just a single chat conversation, they're able to find out things like:

- Why are they interested in our solution?
- How are they solving this problem today?
- What are their goals and objectives?
- What are their concerns and questions?
- And other qualifying questions.

As a result, our sales funnel now looks like this:



The most impactful change from an efficiency standpoint is that the first three steps are now one. With real-time sales, we're connecting with prospects when they want to connect and moving from qualification to a light discovery instantly. Our sales reps are now talking to leads who previously would've had to fill out a form and sit in a queue.

Takeaway: Invest in sales conversations, not touches

Live chat is an essential part of any modern sales process and for good reason. It enables sales organizations to run better and faster, by connecting sales reps to qualified prospects in real time. At Intercom, real-time sales has been a step change in how we deliver against our revenue targets and is now a key growth lever for the entire business.

LESSON #3

A THREE-STEP FRAMEWORK FOR PRACTICING REAL-TIME SALES

If you want to win business today, you need to connect with prospects when it's convenient for them and their intent is at its peak, not hours, days or even weeks later. That's the power of real-time sales for high-growth companies.

But implementing a real-time approach can seem daunting. What does this mean for your sales motion? Do you have to completely change your sales process? And what about your prospects' experience and the overall buying journey?

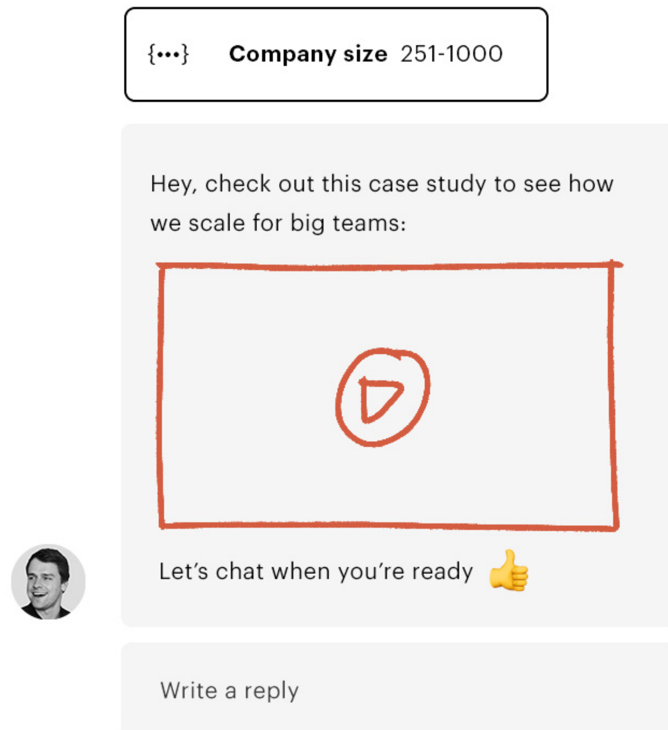
We had the same questions. That's why we're sharing our playbook for getting started with real-time sales. Here's how live chat enables you to level up on three fundamental sales stages: acquiring, qualifying and converting leads.

Acquire: Fill your funnel with promising leads

The key to real-time sales is being proactive. The conversations on your website should never be one-way traffic. But that also doesn't mean your sales reps have to talk to every lead.

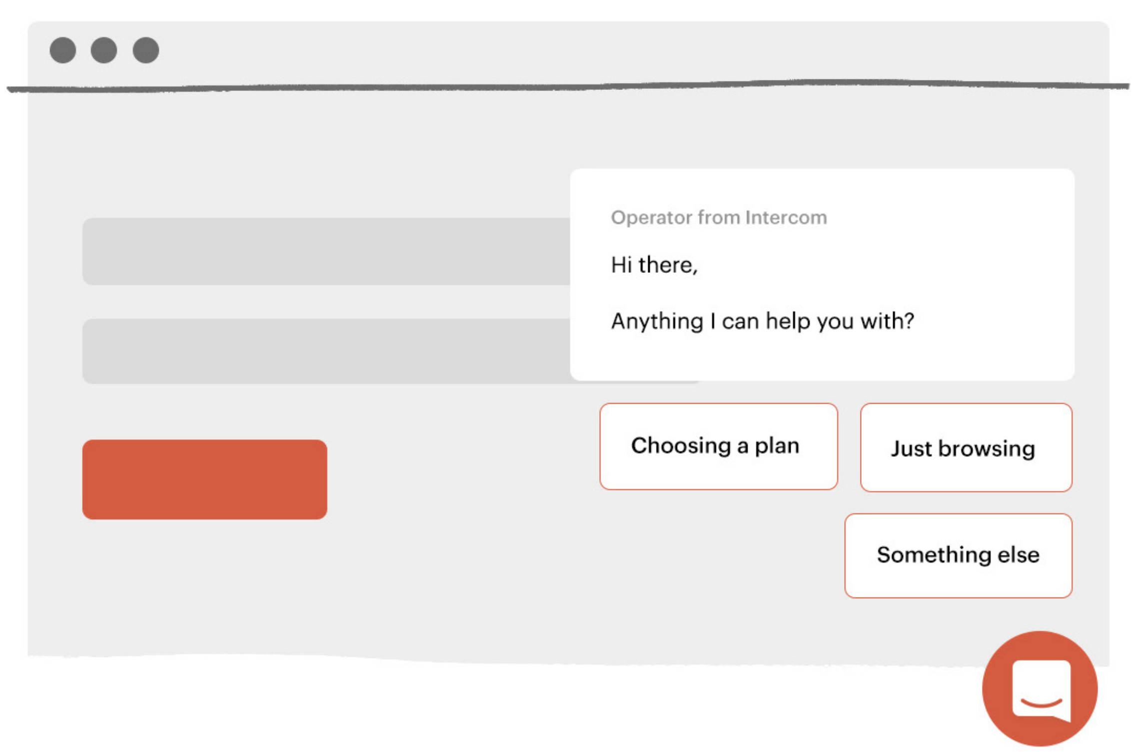
Identify the best leads on your website

You should target visitors who match your ideal customer profile. That way you can ensure your sales reps are spending time on the right leads. We use a chatbot to automatically qualify leads based things like industry, company and number of employees. You could also do this by enriching your website with a tool like Clearbit.



Focus on pages where the intent to purchase is high

The most obvious place to engage leads is on your homepage. After all that's the page with the most visitors, right? While that might be true, a better approach is to think about what your leads want to accomplish on a given page – are they just browsing or choosing a pricing plan? We found that visitors are 45% more likely to convert on pages where the intent to buy is high, like our pricing page.

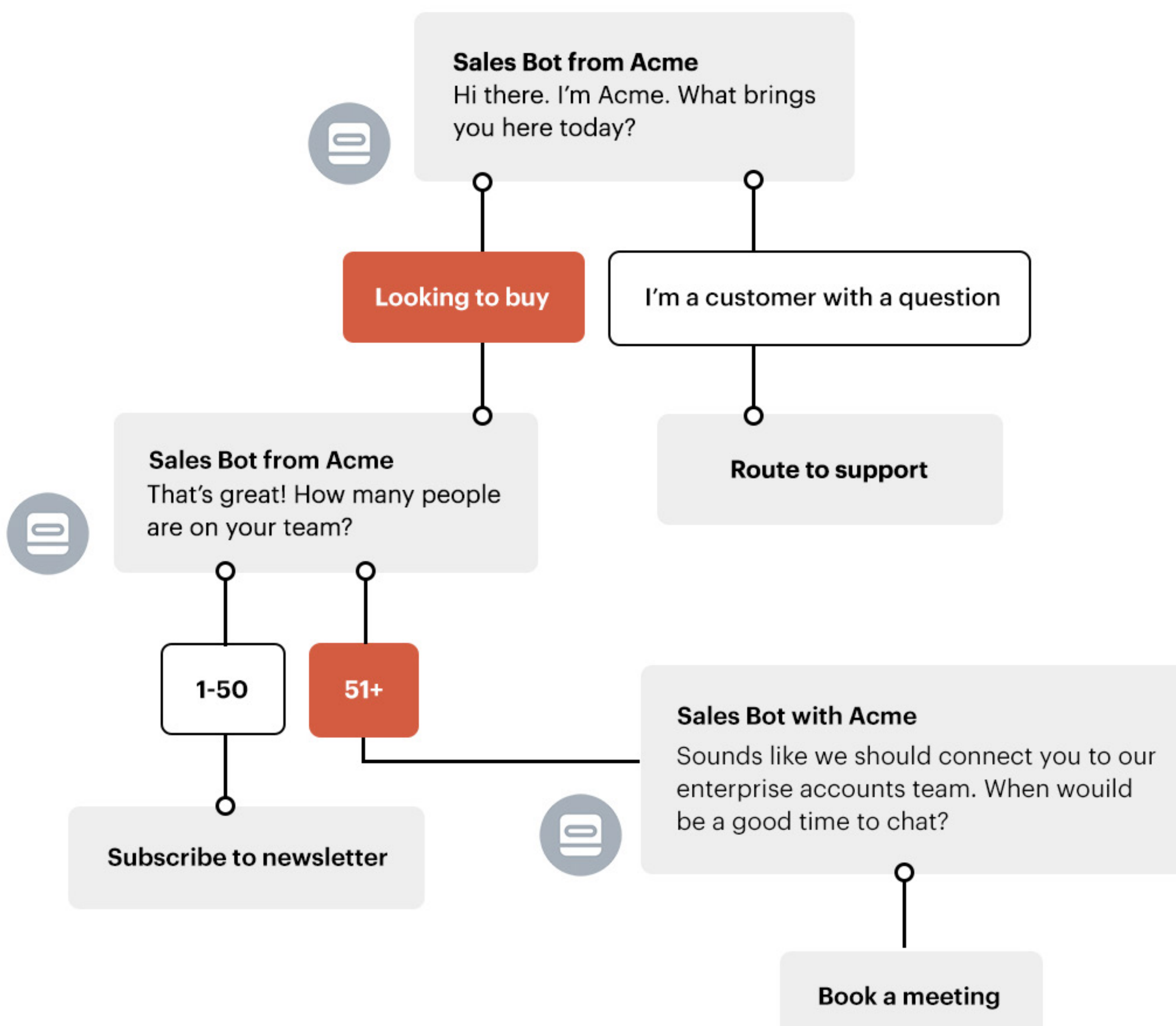


Qualify: Identify your sales-ready prospects

Properly qualifying leads is the difference between landing lots of business deals and wasting your energy going after the wrong people.

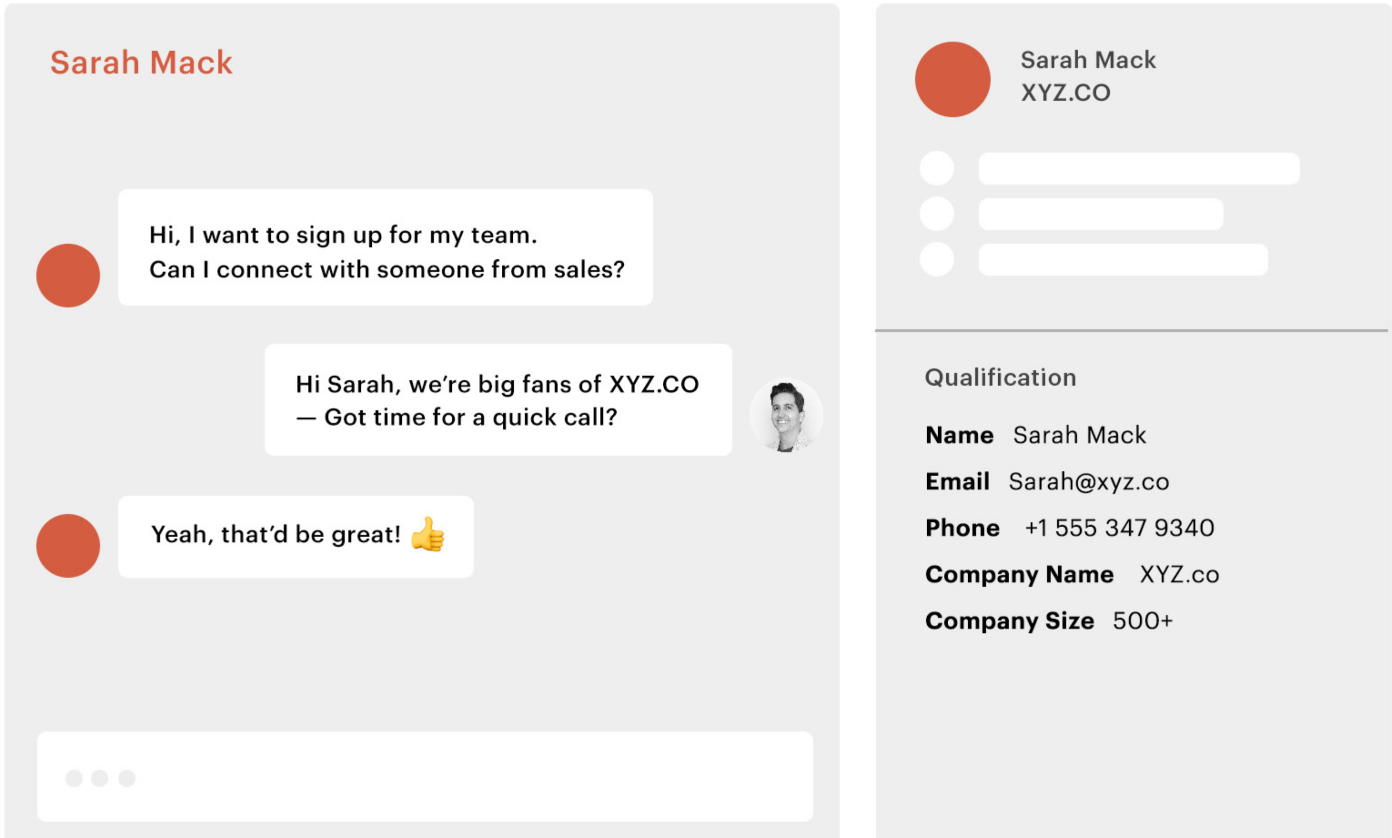
Use qualification data to send leads down the right path

You can qualify leads manually, by having your sales reps chat to website visitors one on one, or automatically with a chatbot. At Intercom we have chatbots collect additional qualification criteria, like use case and intent. With these data, we can send leads down different paths, whether that's to our nurture cadence, a product trial or a sales rep in real time.



Fast track qualified leads to your sales reps in real time

One of the advantages of real-time sales is that you are able to move prospects through the funnel as quickly as they are willing to buy. When a qualified lead indicates they want to chat to sales, we connect them directly to a sales rep. That way, we can move the deal forward by doing a light discovery to better understand their pain, budget and timeline.

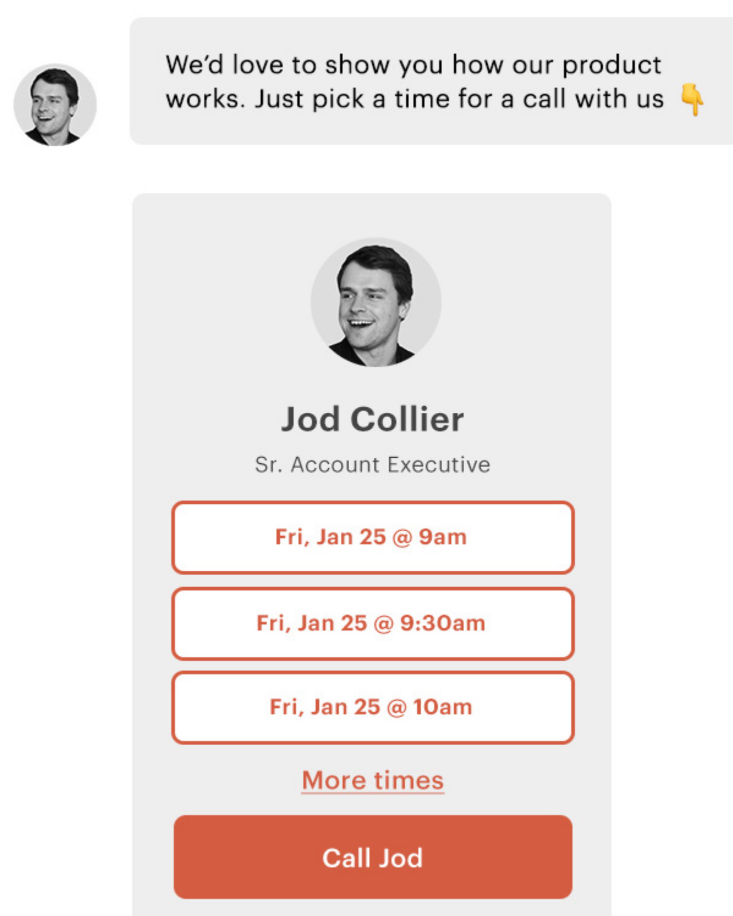


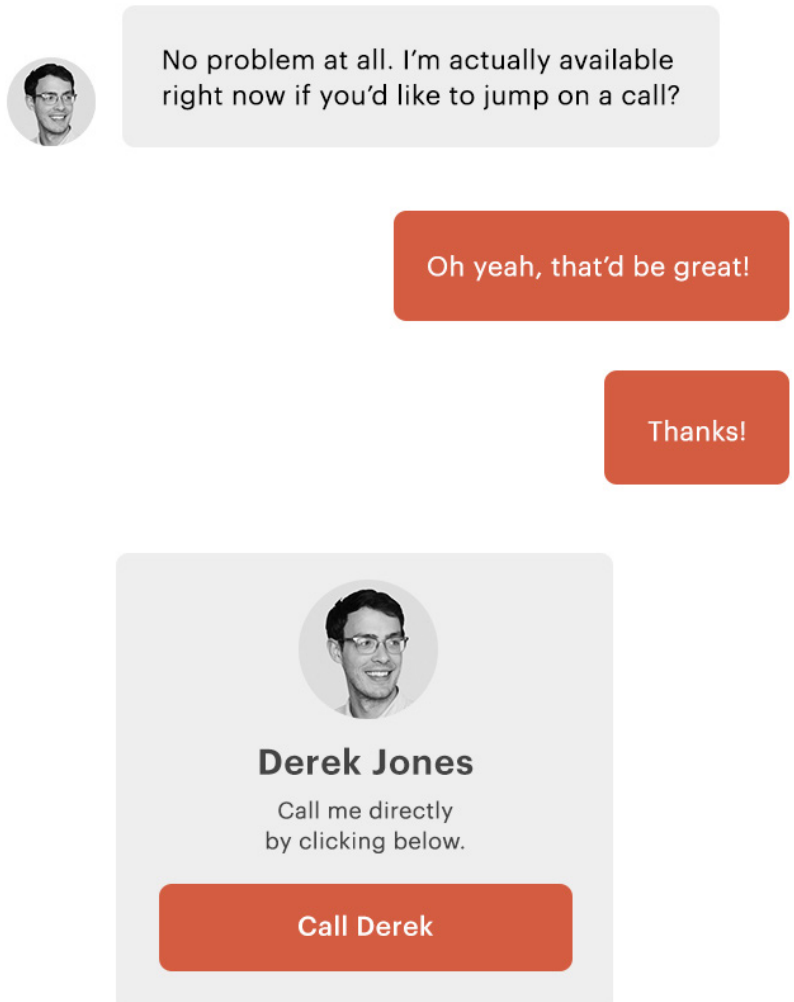
Convert: Accelerate the deal in real time

In sales, speed is everything, so it's important that once you've acquired and qualified your leads, you keep up the momentum for converting them.

Book follow up meetings with your best leads

While you are talking with a lead is the best time to schedule a follow-up meeting. Typically, we have our sales reps insert the Google Calendar app into their live chat conversation to let prospects automatically book time with us. That way, we can avoid the annoying back and forth over email, and let people choose from the times both of us are actually available.





Move leads through your funnel with demos and calls

If your sales motion allows, you can take the next step in real time and hop on a demo or even close the deal. With the Aircall and Google Meet apps for Intercom, you can start a call and screen share right from the chat. The Stripe app enables you to convert trial users to paid customers in less than 30 seconds.

Takeaway: Remove friction from the sales process

To be successful in sales today, you need to be where your prospects are and remove any friction around taking the next step – whether that's a chat, a call, a demo or a purchase. The more hoops you make your prospects jump through during the sales process, the greater the odds are of losing them. Real-time sales is about enabling people to buy the way they want to buy, instantly and conversationally.

REAL-TIME SALES PLAYBOOK

BUYING PROCESS			
Initial engagement →	Convert to trial →	Product activation →	Post-sale success
GOALS			
Engage qualified prospects ASAP	Push for trial with relevant use cases	Work toward product activation for use case	Drive engagement and retention after sale
KEY STEPS			
• Establish two-way engagement • Collect relevant info and qualify for fit • Pitch use case and push trial setup	• Welcome customer and set expectation • Verify proper setup and share templates	• Ensure right product is being tested • Confirm trial end date and purchase	• Add new customers to success campaign • Set expectations for future communication

LESSON #4

HOW TO RAMP UP YOUR REAL-TIME SALES CHANNEL

Bringing real-time sales into your organization can boost revenue, increase efficiency and improve the buyer's journey. But actually getting your sales team set up to effectively leverage live chat is easier said than done.

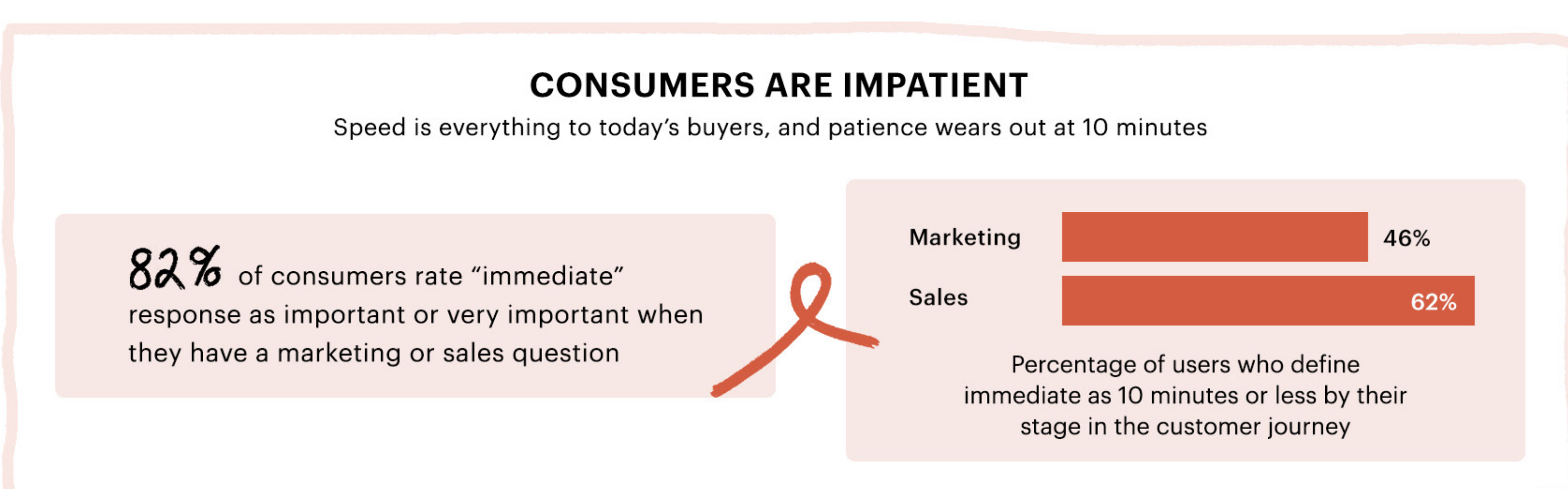
When you come from a world of email cadences and phone calls, knowing how to manage a real-time sales channel isn't always obvious. When we first implemented live chat, we had to revisit a number of assumptions about how our sales reps would work, from when they would engage leads to what tools they needed to be successful.

Here are three tips for quickly ramping up your team on live chat, so you and your team can start reaping the benefits of real-time sales.

1. Set the right upfront expectations

"Helloooo?" "Anyone there?" "It's been 20 minutes…"

If you've ever used live chat to communicate with a business, you've likely had this experience. It's the reason that so many buyers associate live chat with long wait times, poorly scripted responses and a crappy customer experience.



Source: HubSpot

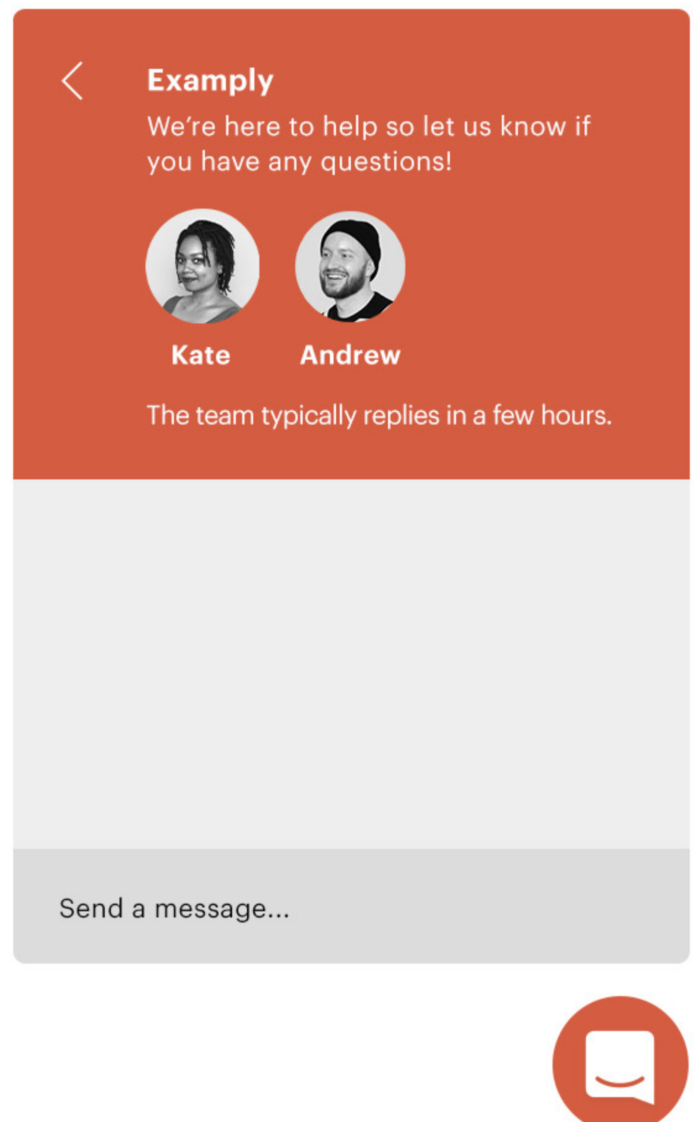
When we embraced real-time sales at Intercom, we prioritized setting proper expectations with our sales reps. For live chat to be valuable, our first reply needed to be as fast as possible. Today our sales reps respond in under 90 seconds, on average, and for conversations that are started by our chatbot, the response time is just a few seconds.

That doesn't mean your sales reps have to be available 24/7, even if you have a chatbot responding to prospects around the clock. Here are some steps we take to set proper expectations with our prospects in live chat:

- **Establish our expected reply time upfront.** For all website visitors who write in, we automatically let them know how long they should expect to wait to hear from a person.

- **Clearly state our office hours.** These are the hours when we expect our sales reps to be online. Our chatbot will step in and remind prospects when we're away.

- **Use the "away mode" to reassign conversations.** Whenever one of our sales reps isn't available to chat, they turn on "away mode," so their conversations are automatically reassigned and prospects still get a speedy reply.

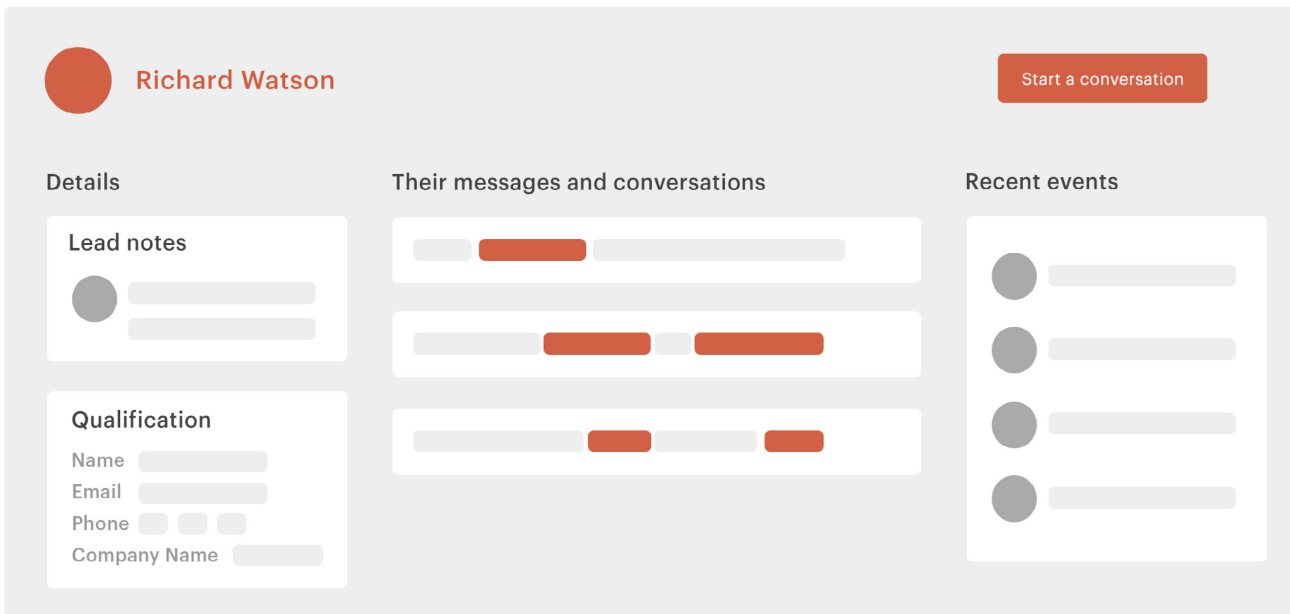


2. Arm your sales team with the information they need

The more context your sales reps have on hand, the more successful their conversations will be. Unfortunately, the average interaction worker – salespeople included – spends 19% of their week just searching for and gathering information, according to a study from the McKinsey Global Institute.

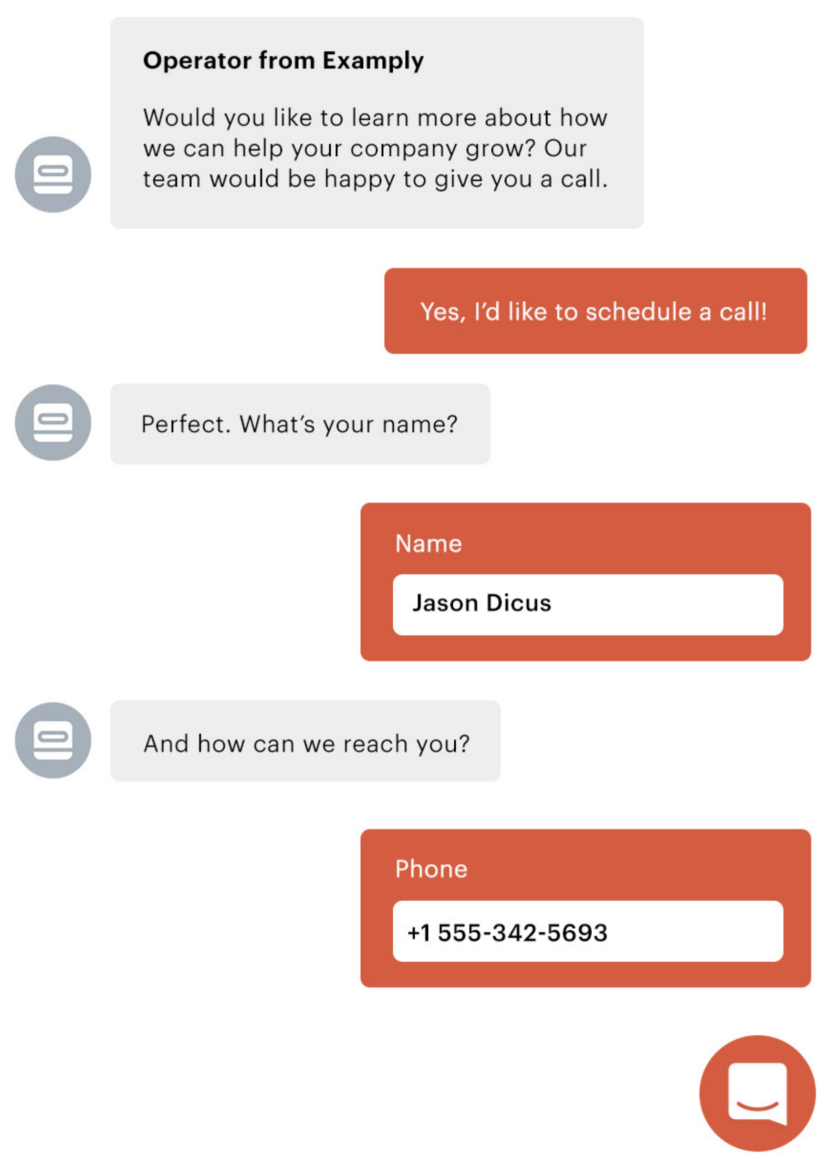
That's why we've made it easy for our sales reps to access the information they need in real time. Say, for example, that richard@stanco.com starts a conversation. In Intercom, our sales rep Jane can quickly see that he's in the middle of his 14-day trial. She can review his past conversations, check his product usage and even look at his Salesforce profile, all without ever having to step away from the chat.

Centralizing your prospect information also improves the customer experience. Remember the last time you were on the phone with your bank? The absolute last thing you want to do is recreate the dreaded exercise of having to repeat yourself over and over again. It slows down the conversation, and you are likely to lose the deal along the way.



3. Embrace automation to scale real-time sales

When implemented correctly, automation enables you to scale real-time sales without taxing your team. Chatbots, for example, have made it possible to accelerate our speed to lead by handling the low-value tasks that our sales reps used to have to do. And many sales teams are using chatbots in the same way. In our survey of B2B sales professionals, 58% of sales leaders said they currently use, or are planning to use, chatbots to improve response time and conversion.



We use Intercom's Custom Bots across our sales cycle, from qualifying leads and answering common questions to routing prospects and scheduling meetings. This allows our SDRs to spend their time selling to high-intent prospects instead of doing administrative work.

Chatbots are good for our bottom line too. Our analysis of more than 20 million conversations in Intercom found that conversations assisted by chatbots convert 36% better than conversations that aren't, likely because bots can respond faster than humans for most repetitive tasks. It's a win-win: our prospects get what they need immediately and our sales reps are able to focus on high value work.

Takeaway: Set your sales team up for real-time success

Real-time sales has the potential to be a powerful growth lever for your business. But in order for this live channel to be effective, you need to set the proper foundation. Done well, real-time sales will improve your prospects' experience and make your sales reps more efficient too.

LESSON #5

THE 3 SKILLS SALES REPS NEED TO SELL IN REAL TIME

On the surface, real-time sales is no different from the traditional approach. You still have to execute demand generation programs to drive leads to your website, qualify them, nurture them into sales opportunities and close the deal.

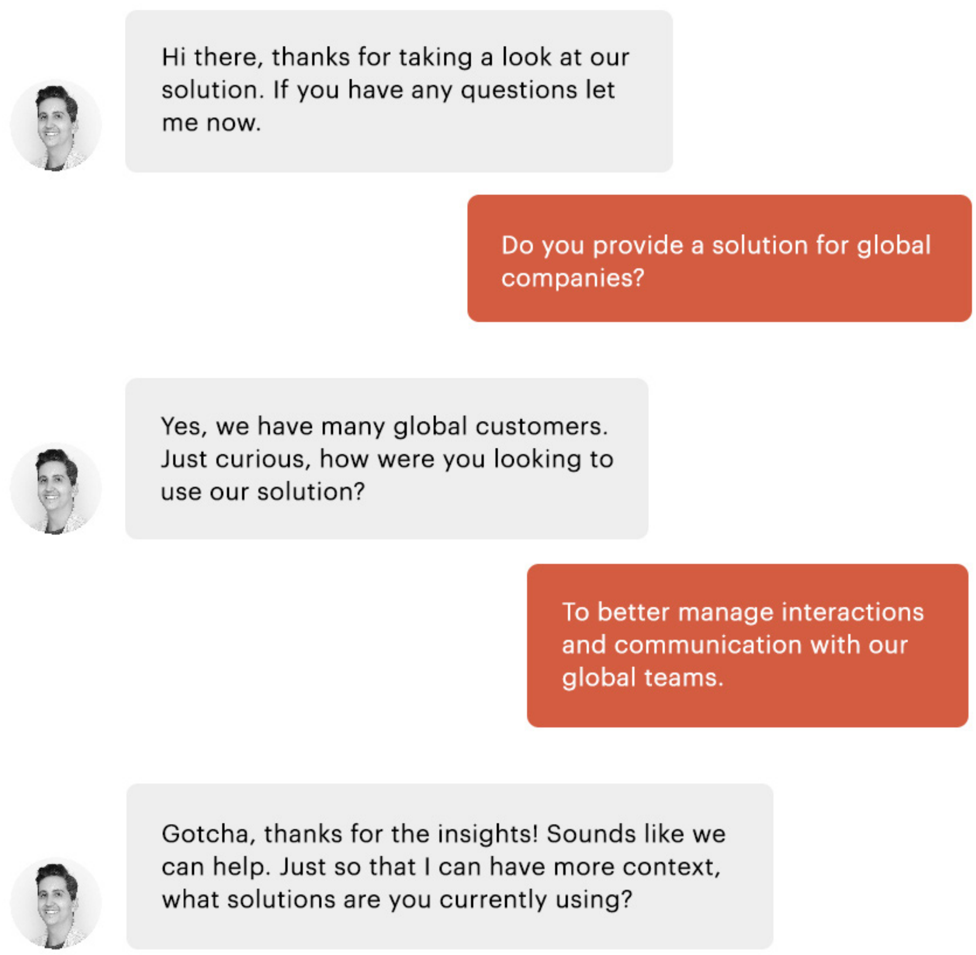
The important difference is that with live chat and chatbots, this is happening in real time, which requires your sales reps to exercise new muscles. You're turning impersonal funnels into personal connections – the kind of connections that grow your pipeline and your revenue.

So how do you prepare your sales team to sell in real time? Here are three crucial skills that sales managers need to help front line reps build in order to maximize the benefits.

Treat chats like phone calls or in-person meetings

We have our chatbots automatically qualify website visitors before we pass the conversation to our sales reps. That way, our sales reps are only spending time with prospects who have an intent to purchase or a good fit for our product.

Once reps have connected with a lead, it's important for them to remember they're having a live conversation with the person on the other end. That means a warm introduction, being personal and answering the prospect's questions before earning the right to ask their own – just like what you would do if you were talking face to face.



Be prepared to tackle tough questions in real time

It's no secret that prospects are more informed than ever. They do their homework in advance and research solutions on sites such as G2 Crowd and LinkedIn before reaching out. First-time conversations over live chat will run the gamut, from detailed pricing inquiries, to technical product questions, to tough questions about how you stack up against competitors.

Because the conversations are live, reps need to give prompt replies that have just the right level of depth to build credibility while moving the conversation forward. At Intercom our sales reps practice by leveraging battle cards, tailoring sales scripts on the fly and role playing.

Know how to accelerate the sale and close the deal

When the rep has finished doing a light discovery, it's time to move leads onto the next step – scheduling a meeting, following up over email, closing a deal or dropping them into a nurture track until they're ready to buy. Admittedly many of these steps are similar to the ones the rep would follow for leads who had filled out a form.

LIVE CHAT 101 PLAYBOOK

NAME AND EMAIL ADDRESS

So I know who I'm talking with, can I get your name?

So I can follow-up after this conversation, can I get your email address?

COMPANY DETAILS

What is the name of your product?

So I have more context on your business, can you share your website?

ARE THERE PAIN(S)/NEED(S) FOR INTERCOM?

What brings you to Intercom?

What are you looking to accomplish with Intercom?

How are you solving that problem now?

What could be better about your current solution?

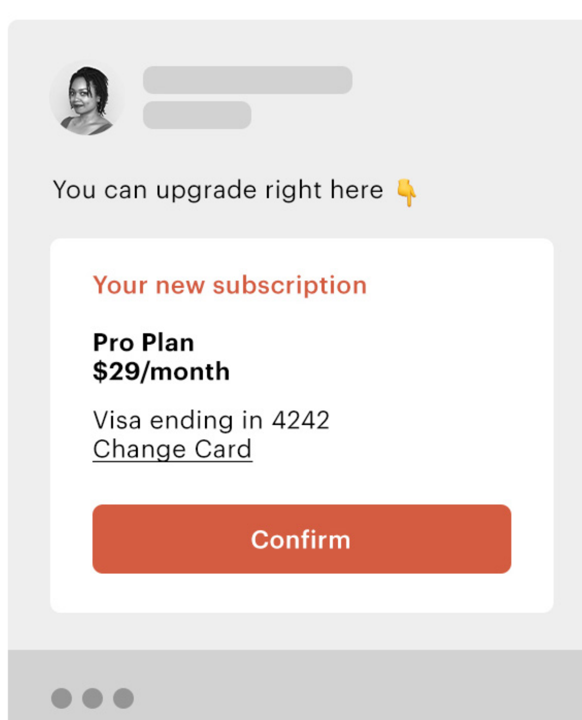
IS THERE A TIMELINE TO PURCHASE?

When are you looking to get a solution implemented?

But only with real-time sales can reps do the following:

- **Loop in teammates for an instant demo:** If reps realize their lead is eager to go deeper, they can immediately pass the chat to an available AE who can take the lead through a full discovery and demo. Our AEs routinely start video calls or do a screen share while they're chatting so prospects don't have to wait an additional two to three days.

- **Close deals in real time:** Your team can help the prospect complete a purchase in the same conversation. And if the lead is in a trial, you can have your AEs upgrade them right then and there with the Stripe app.



Takeaway: Talk like a human, sell like a human

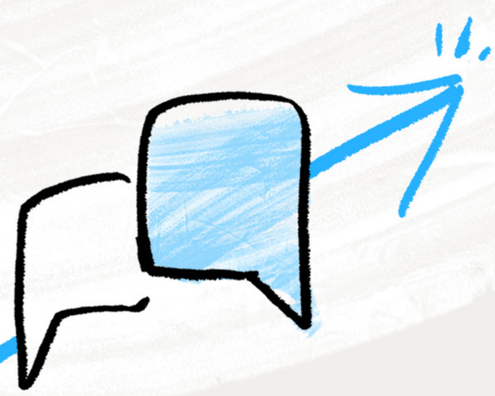
With live chat, as with any sales channel, your sales team needs to flawlessly execute selling fundamentals – engage, qualify and convert leads. But the nature of live chat requires reps to develop new skills to effectively sell in real time. At their core, these new skills are about having a deep understanding of who your prospects are and what they need.

THE FUTURE OF SALES IS REAL TIME

Top sales teams have embraced a new way of selling – one that's conversational and real time. Lengthy lead forms, phone tag and email chains are out. Live chat and bots are in.

Yesterday's tactics won't drive tomorrow's revenue

58% of sales professionals report the tactics they used last year are less effective this year.



Live chat speeds up deals and growth

72% of sales reps who use live chat say it has a positive effect on sales velocity and revenue.

Chatbots enable you to connect with leads at scale

58% of sales leaders say they currently use, or are planning to use, chatbots to improve response time and conversion.

METHODOLOGY:
This data was obtained through an independent study of 307 US-based sales representatives in July 2019. The anonymous, double-blind study was designed by an independent survey methodology firm. Margin of error: +/- 5.6% at the 95% confidence level.

TECH—
-NIQUES

Foreword by Stan Massueras, Director of EMEA Sales, Intercom

Too often when we talk about sales techniques, we're talking about the kind of tactics that give our profession a bad knock in the world – subject lines that mislead prospects into thinking we've met before, or attempts to guilt prospects into buying products we know they won't use.

The best sales techniques take the salesperson out of the picture. They aren't about us and our quotas. They're about inspiring prospects, through a series of interactions, to make the potentially nerve-wracking decision to become a customer and then grow with us.

To ensure our techniques scale efficiently, we need to align our resources not just to our customers' needs but also to our resources as a business. Having really expensive salespeople do bespoke work for prospects who are downmarket and want to buy on demand will never work. It won't be repeatable over the years, and the math simply won't work out.

Because we have embraced a real-time sales methodology at Intercom, we're constantly working to strike the right balance between having a human touch and leveraging automation. That's crucial if we want to maintain the velocity that makes real-time sales so valuable to our sales reps and our prospects.

When designed correctly, sales techniques should first facilitate what our buyers want to accomplish and then, as a secondary result, accelerate deals for our sales reps. Never the other way around.

LESSON #1

USE CHATBOTS TO ACCELERATE YOUR SPEED TO LEAD

A great customer experience is about meeting people where they already are. And today there's one channel where more high intent prospects are than any place else: live chat.

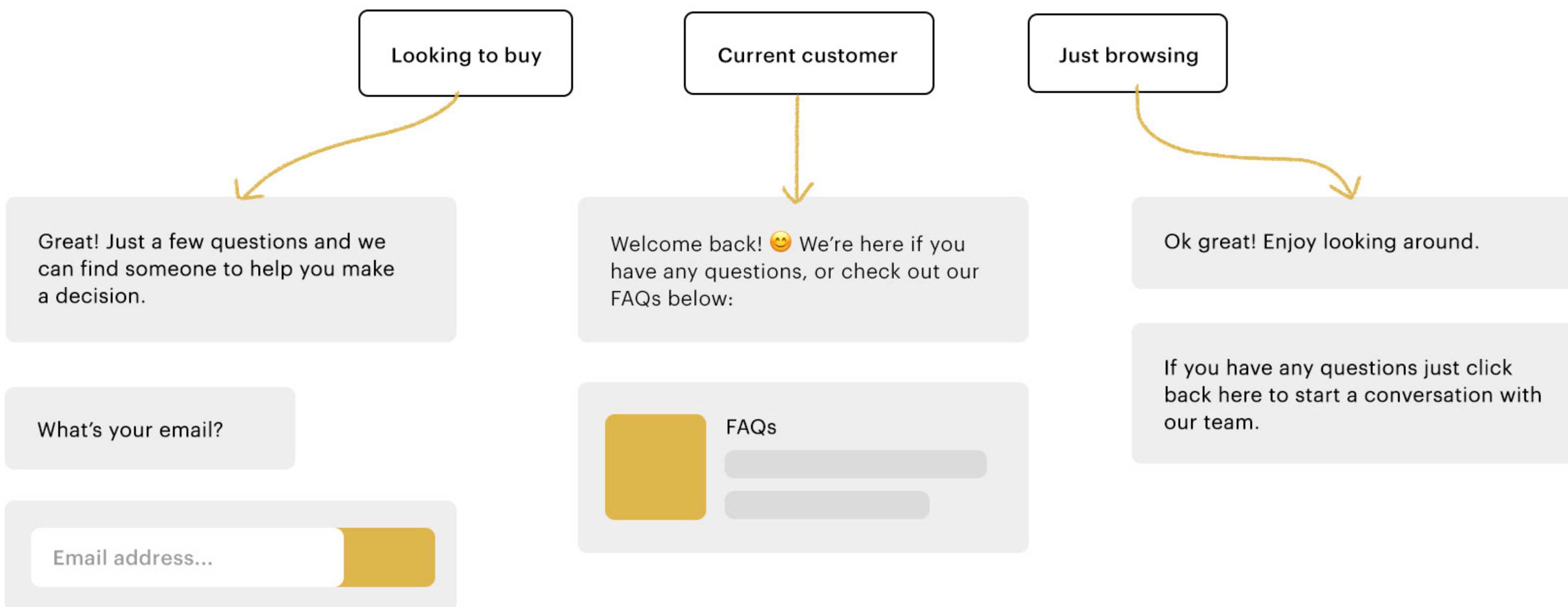
But not every website visitor is interested in chatting to sales or will be a good fit for your product. That's where chatbots have had the greatest impact for our team – by accelerating our speed to lead without creating extra work for our sales reps.

Chatbots are enabling our sales team to be more efficient, while maintaining a positive customer experience. We're using them to handle the upfront, repetitive parts of the sales process, from engaging website visitors to booking meetings.

Chatbot principles to keep in mind

When implemented correctly, chatbots will help your customers and sales reps get the best outcomes from any interaction as fast as possible. But it's not always clear what makes a bot successful. Here are best practices we follow when building our chatbots:

- **Personalize the chatbot interaction**: Not everyone who visits your website will want to do the same thing. Some will be happy just to browse, while others might arrive with the goal of chatting to sales. Your chatbot should send leads down different paths based on who they are, what they need and how valuable they are to your business.



- **Keep the interaction incredibly simple:** Chatbot interactions should be short and precise. If your website visitor wants to schedule a demo, the bot should quickly collect their details, help them book a meeting and then get out of their way. In this case, we have our chatbot insert the Google Calendar app to automatically schedule time with the right sales rep and skip the back and forth over email.

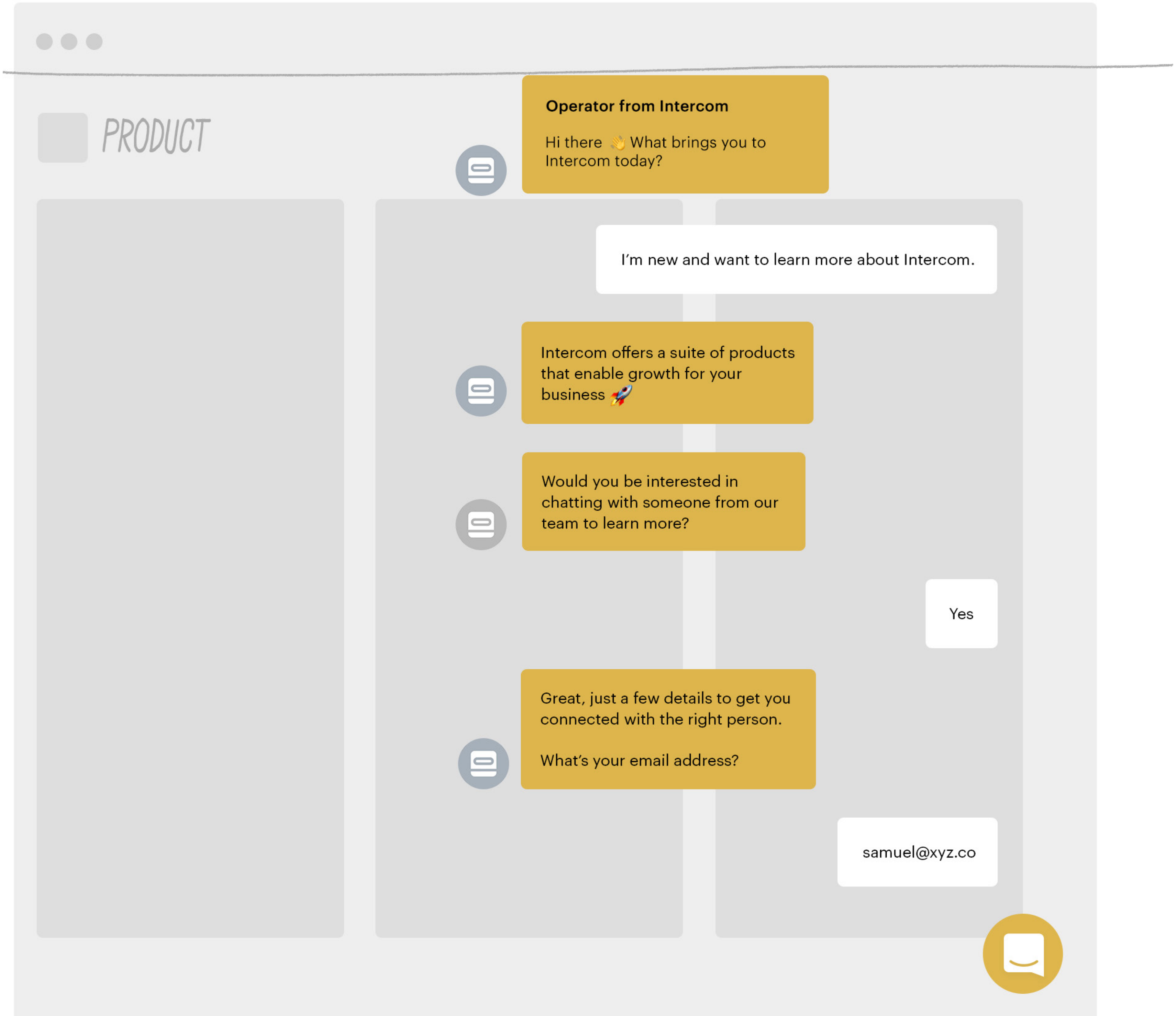
- **Never send a visitor to no man's land:** Too often, we treat chatbots like dressed up forms. We expect leads to answer a barrage of questions, but once the bot is done, we leave them with nowhere to go. At Intercom we take care to conclude every chatbot interaction with a relevant action, whether that's helping the person on the other end register for a webinar, book a demo with our team or start a trial.

Interactions that move deals forward

We have more than 10 chatbots running on our website at all times. The chatbots do different things based on the page they're on and what visitors tell us about their goals. Two that have been game changers for our business are our Qualification bot and Demo bot.

Qualification bot

Live chat can open up a fast lane to your hottest leads, giving them a direct line to sales. But not every website visitor is going to need or even want to chat. By having a chatbot pre-qualify leads, you can ensure your sales reps are only spending time with the visitors that have an intent to buy.

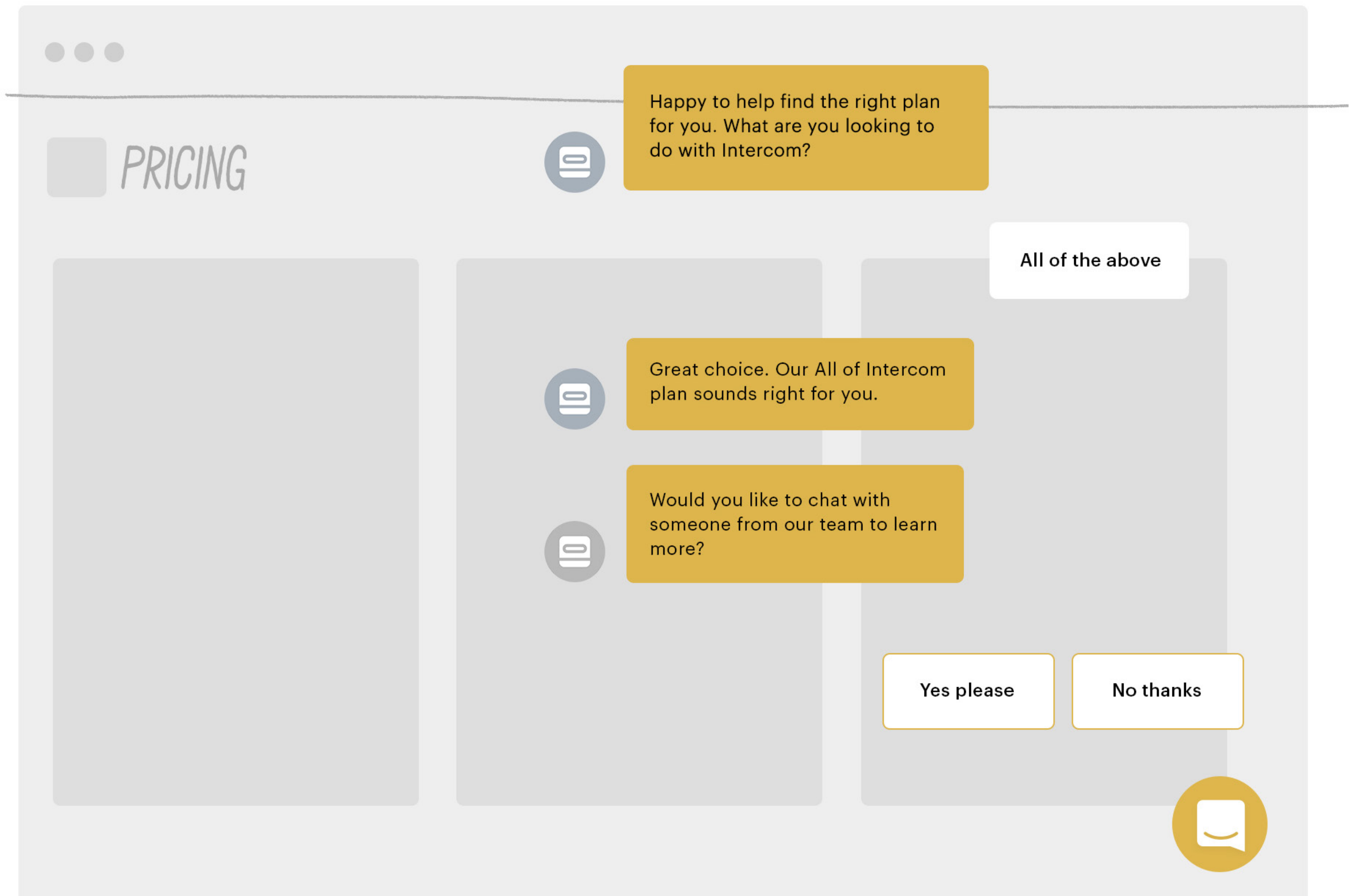


Our qualification bot runs on our homepage and product pages. The bot triggers after six seconds, and for new website visitors, it gathers the person's company name, email address and personal name. Automating this step reduced our SDR team's inbox by 50%.

Demo bot

When a visitor first hits your website, their interest in learning about you is at its peak. Not 20 minutes and 20 webpages later. If you think modern buyers are happy to fill out a form and then wait for you to do your research before they get a follow-up email, it's time for a reality check.

Our demo bot runs on our pricing page. The bot triggers almost immediately after a lead lands on it and offers assistance with choosing a plan. For prospects who are ready to chat to sales, we connect them in real time with one of our SDRs for a light discovery.



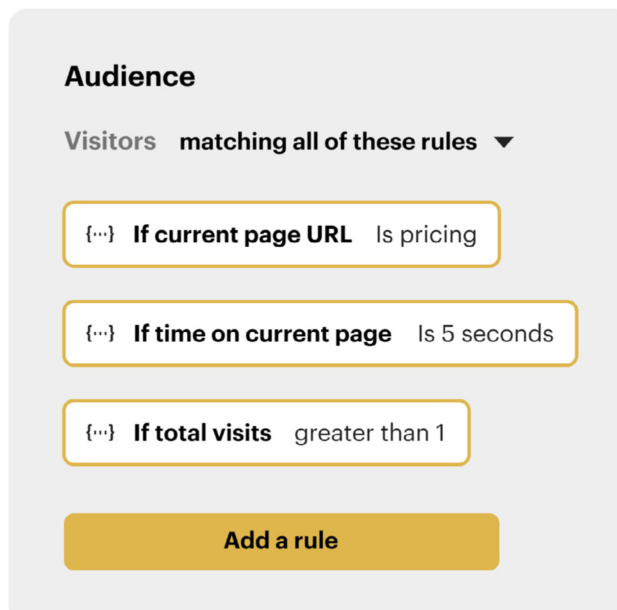
Takeaway: Grow your revenue, 24/7 and at scale

Chatbots have enabled us to dramatically speed up the buying process – to automatically qualify leads, schedule demos on the spot and connect with high-value prospects in real time. Our customers get more of what they need, immediately. And our sales reps spend less time on routine tasks and more time selling.

BUILD YOUR OWN CHATBOT

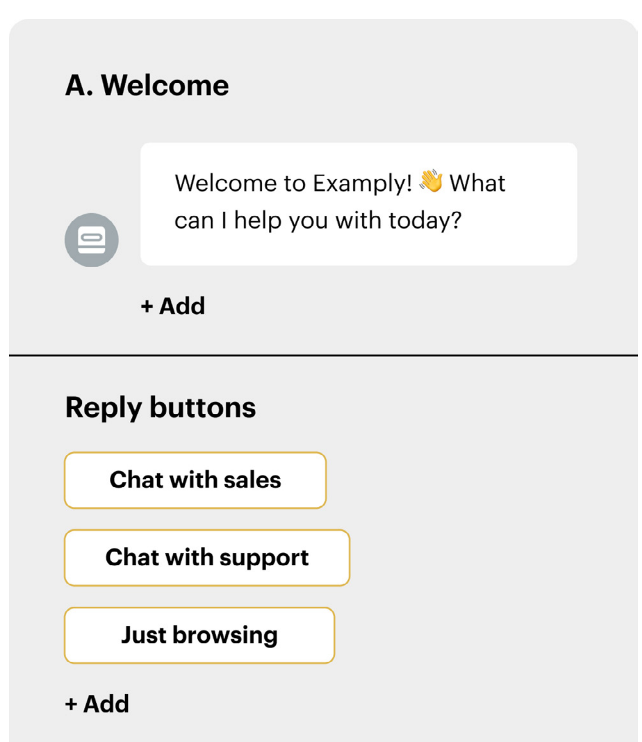
STEP ONE: TARGET THE RIGHT WEBSITE VISITORS

To capture quality leads, add bots to the pages that your highest-intent leads are visiting, like your pricing or demo page. You want to make it as easy as possible for them to chat to sales.



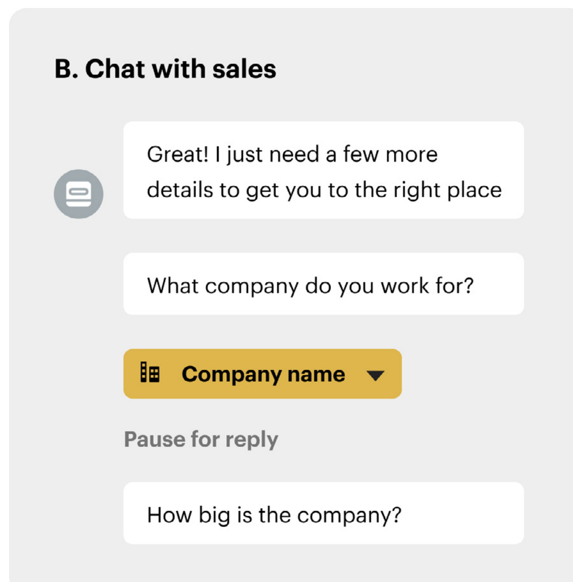
STEP TWO: WELCOME YOUR WEBSITE VISITORS

Engage your high-intent visitors by sending them a welcome message. Offering multiple options will allow them to select the option that best matches what they're looking for.



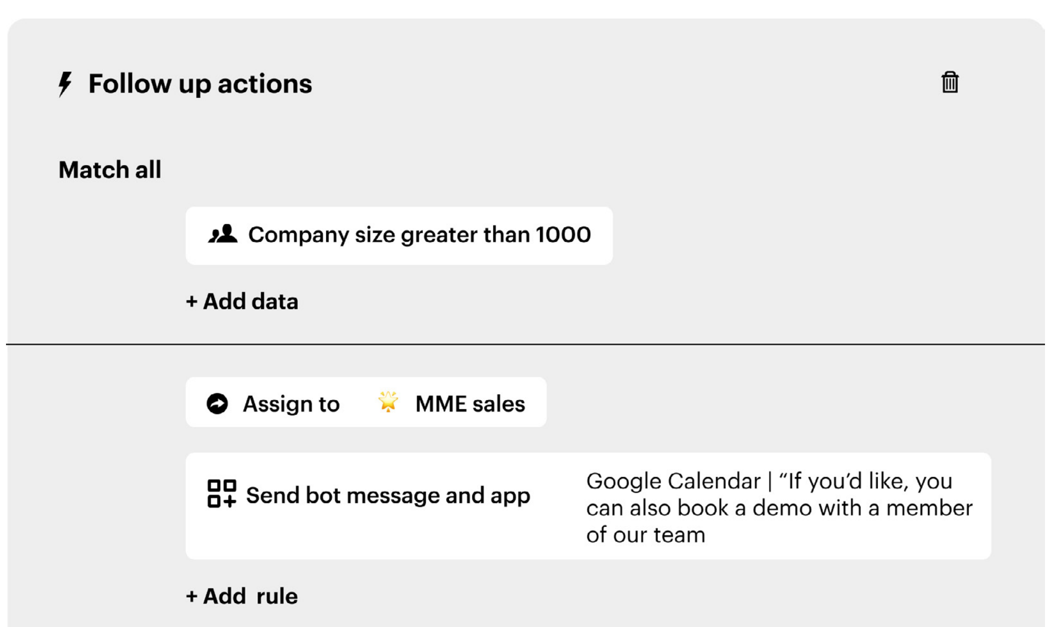
STEP THREE: PERSONALIZE PATHS BASED ON WHAT YOUR LEADS NEED

Send leads down different paths based on their replies. If a lead wants to chat to sales, have the bot collect important information from your leads so you can qualify them on the spot.



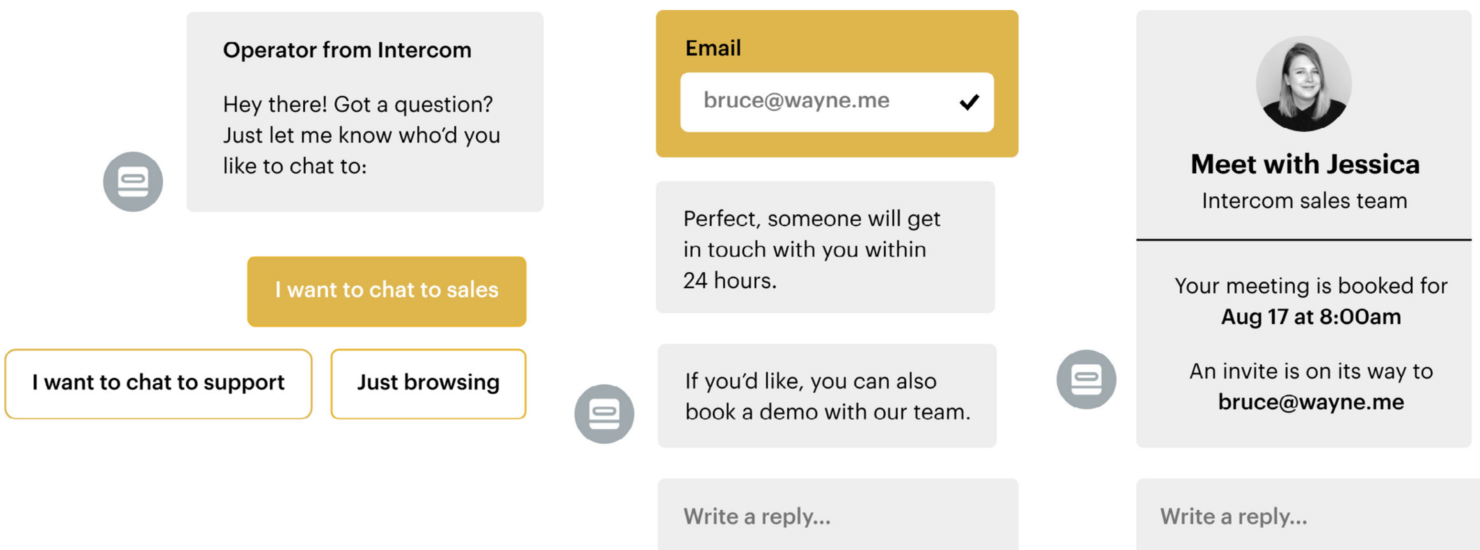
STEP FOUR: GIVE DIFFERENT LEADS DIFFERENT FOLLOWUP ACTIONS

Set followup actions based on how valuable leads are to your business. For high-value leads, route them to your sales team and invite them to book a call with a member of your team.



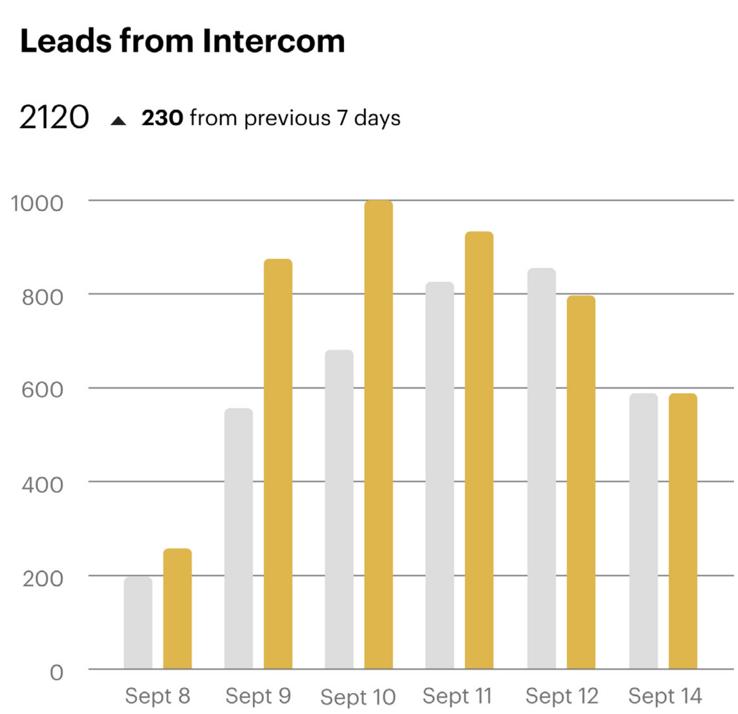
STEP FIVE: PREVIEW YOUR CHATBOT AND SET IT LIVE

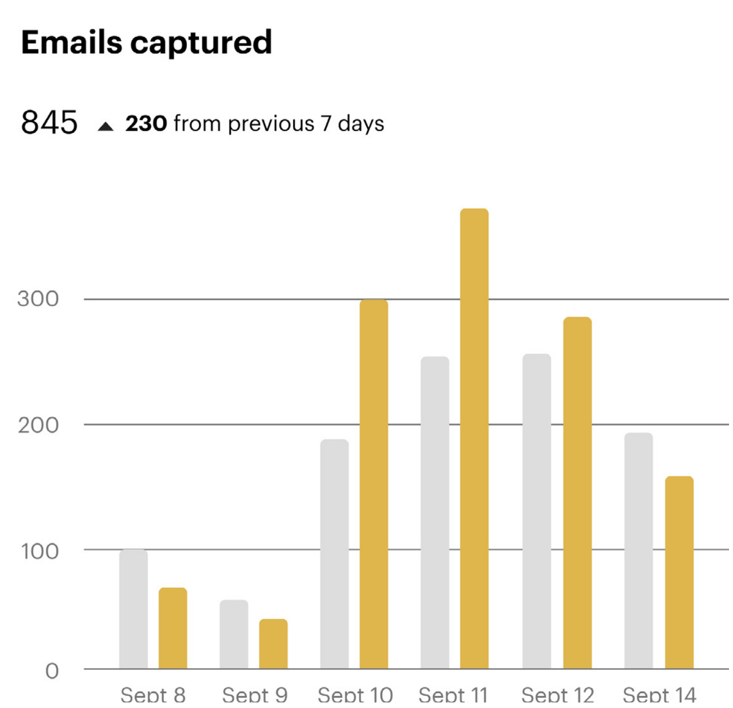
If you have the Intercom Messenger, you can preview your bot privately on any webpage where it's installed. Once you're happy, set your chatbot live.



STEP SIX: SEE HOW YOUR CHATBOT PERFORMS

Review your stats to see how your chatbot is performing. Track how many emails are collected, leads created, meetings booked and more.





LESSON #2

UNDERSTANDING YOUR PROSPECTS IN REAL TIME

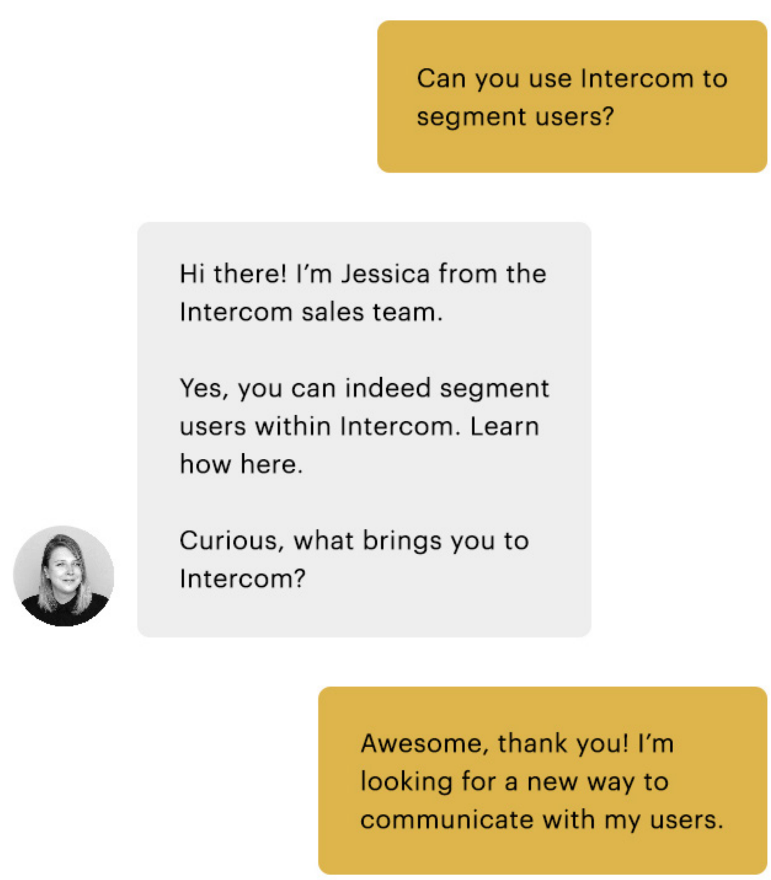
In sales, the ability to connect with leads in real time can't be undervalued. According to our analysis of more than 20 million live chat conversations in Intercom, exchanging just six messages over live chat makes a visitor two and a half times more likely to become a customer.

But as powerful as real-time sales is, it has one challenge you also find in email and many other digital channels – if you can't see or hear your leads, how do you quickly establish rapport?

In live chat you have to be even more attuned to the contextual clues that prospects are leaving behind. Here are a few we watch for that say an awful lot about a potential customer.

Assess the opening dialogue

Qualified leads who have specific questions should be your first priority. If someone opens with a question and skips the niceties, it says a lot about the importance of the question to them.



Your lead is ultimately looking for more than an answer, but for the moment, they are simply looking for a fast and accurate response. Many of these questions we get tend to be narrow and related to our products' current or future features.
Of course, you will also have questions you need to ask, such as determining their

timeline and use case. When transitioning to doing a light discovery, we always provide context for what we're asking to avoid prospects feeling like they're in an interrogation. We also leave it open for our prospects to continue asking questions rather than simply plowing ahead with our own.

Read between the lines

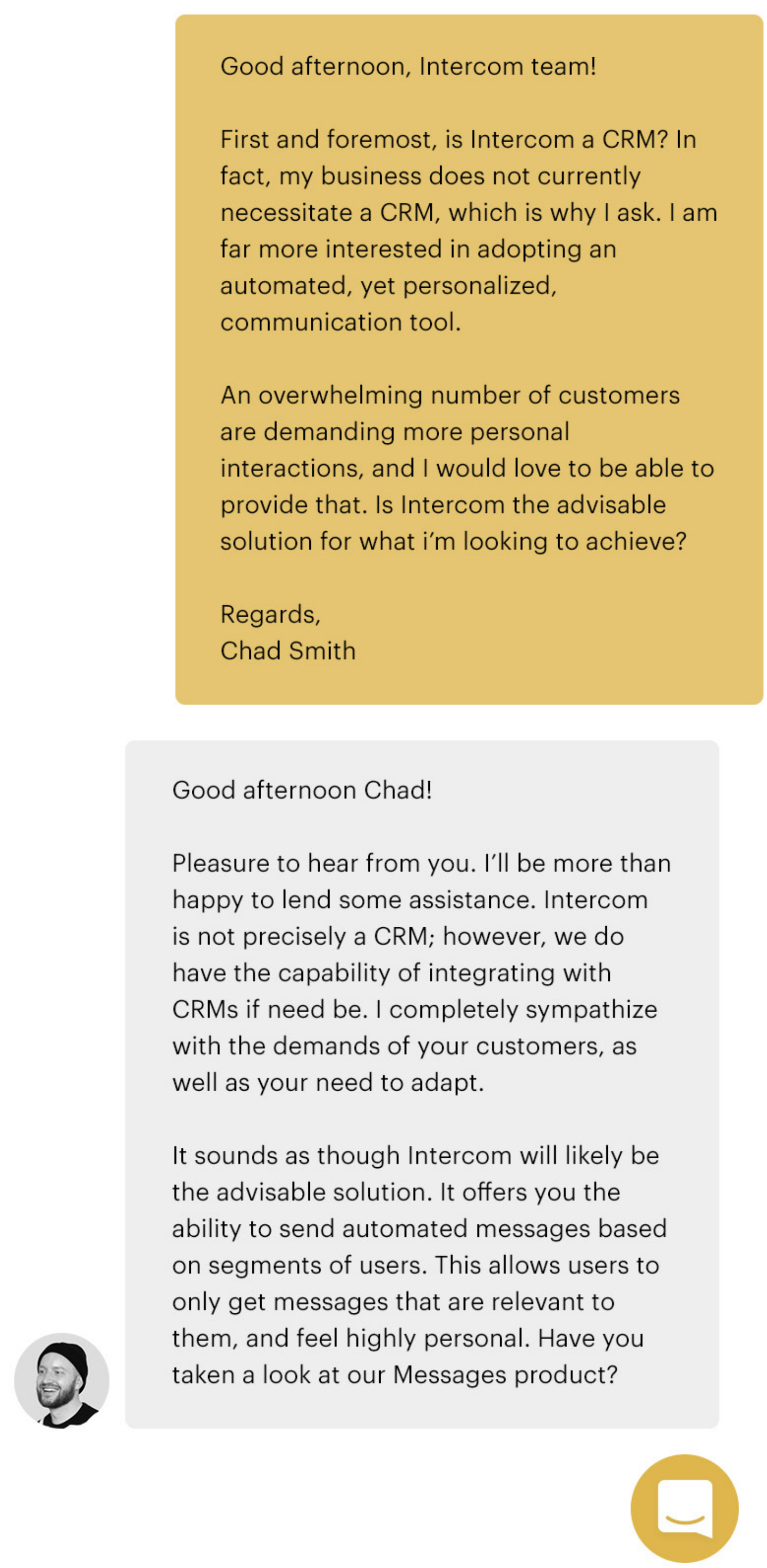
It's important to match your tone, writing style and speed of conversation with that of your customers while using live chat. We watch these three details closely.

1. Diving headfirst into technical terms

- Match the prospect's style.
- A fancy vocabulary is not for everyone. You want your response to be understood above all, so it's best to err on the side of clarity when it comes to word choice.

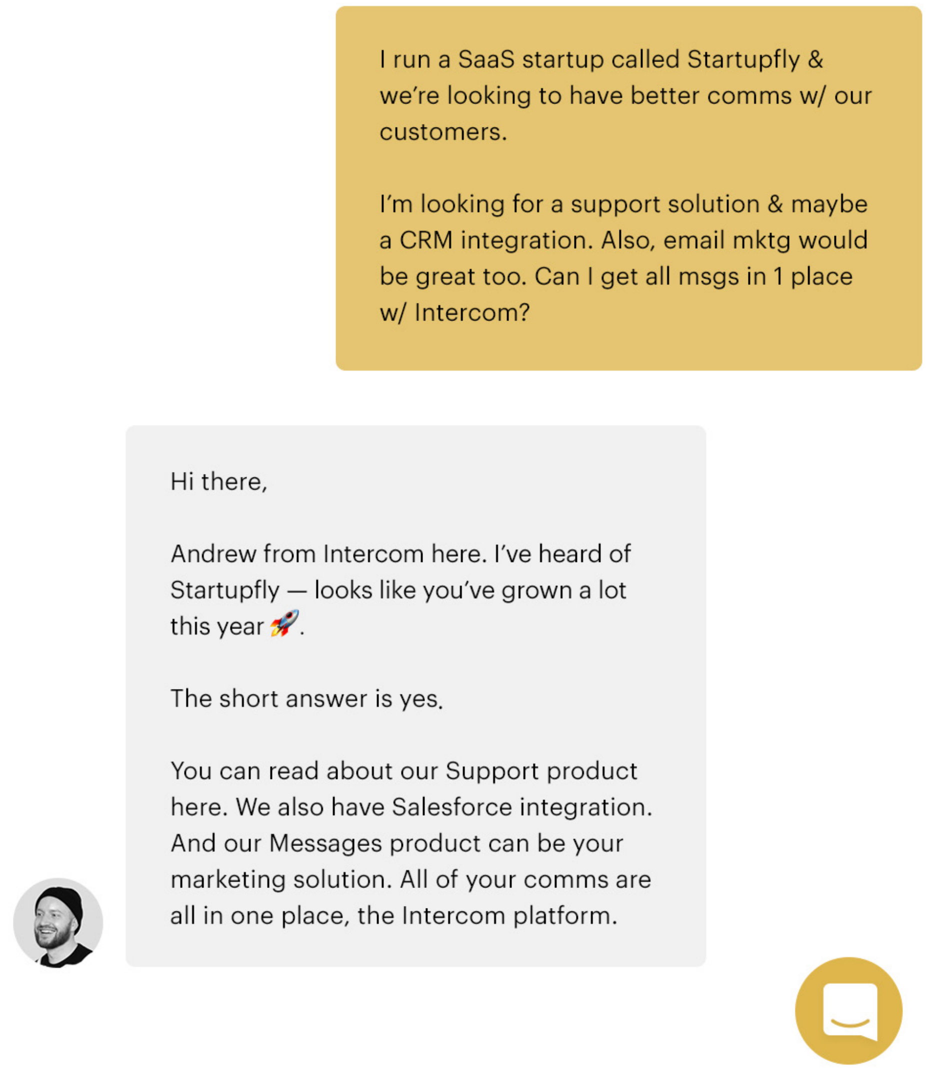
2. Writing in a more formal email or essay format

- Time is probably less urgent in these situations.
- This is a good sign that you can go into a bit more detail. You should feel comfortable offering proactive information in addition to answering any questions.
- It's a good idea to avoid SMS abbreviations, emoji and other chat-speak, as it might not be fully understood.



3. Writing in short bursts, abbreviated vocabulary, or both

- Speed and urgency are crucial here.
- These customers might be a bit more familiar to chat-based shorthand, and perhaps more used to the messaging format in general.



Takeaway: Learn as you chat

With real-time sales, your relationship with a prospect starts the instant you begin chatting. For this to work, you need to pay close attention to key contextual clues and engage your prospects in an authentic way tailored to them. Ultimately, making a sale comes down to one thing: having high-value, high-quality conversations.

LESSON #2

DRIVE FREQUENT AND SMART USAGE DURING FREE TRIALS

Letting people to try your SaaS product before they buy it is a great strategy for acquiring lots of prospective customers. But free trials also mean those customers don't have to commit. They can leave as fast as they joined.

The easier your software is to try, the less value a potential customer might attribute to it. Without the commitment of buying a product, the prospect loses some of the intent to buy. This means that the urgency to dive deep into the product doesn't exist, which leads to a dismal trial-to-paid conversion rate.

That's why we believe it's essential to:

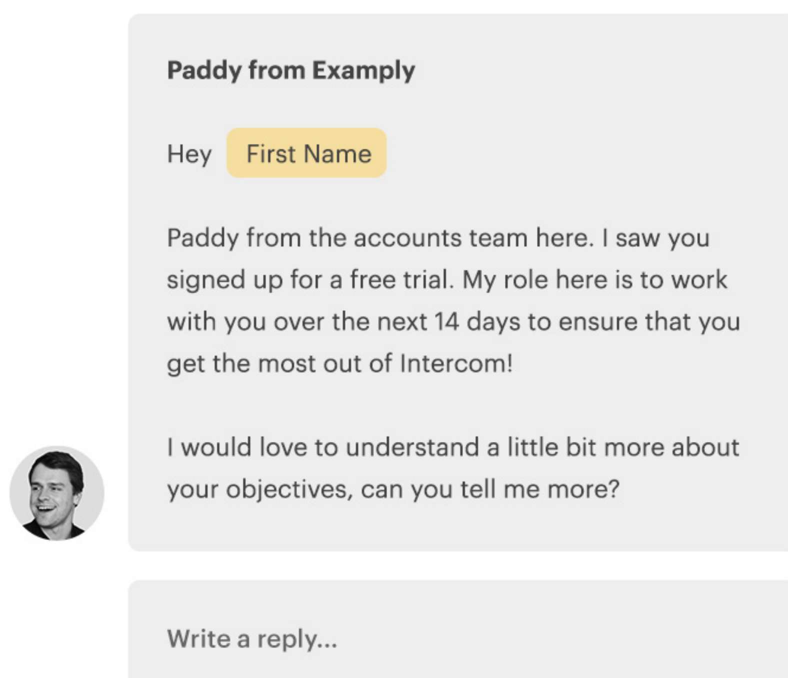
- Get tons of people to sign up.
- Make sure each trial is a huge success.

Free trials drive leads

Sales teams love to work with leads from trials. That's because someone who has entered their email, selected a product and perhaps even put a credit card on file is a prospect with significantly higher value than someone on a cold call list. Here are three strategies for effectively converting trialling leads:

- **Understand the prospect's use case, fast.** Try to find out why they've started a trial as soon as possible.
- **Drive frequent and smart usage.** Trials are a chance to quickly demonstrate value. But this can happen only if the prospect is using the product frequently and in the right ways.
- **Reduce in-trial friction.** A free trial shouldn't feel like an ordeal. Friendly, seamless onboarding, enablement and support are crucial.

In-app messages are a great way to engage new trial customers quickly. For example, we might send a note to dig into a customer's specific needs so we can help them get the most out of their trial:

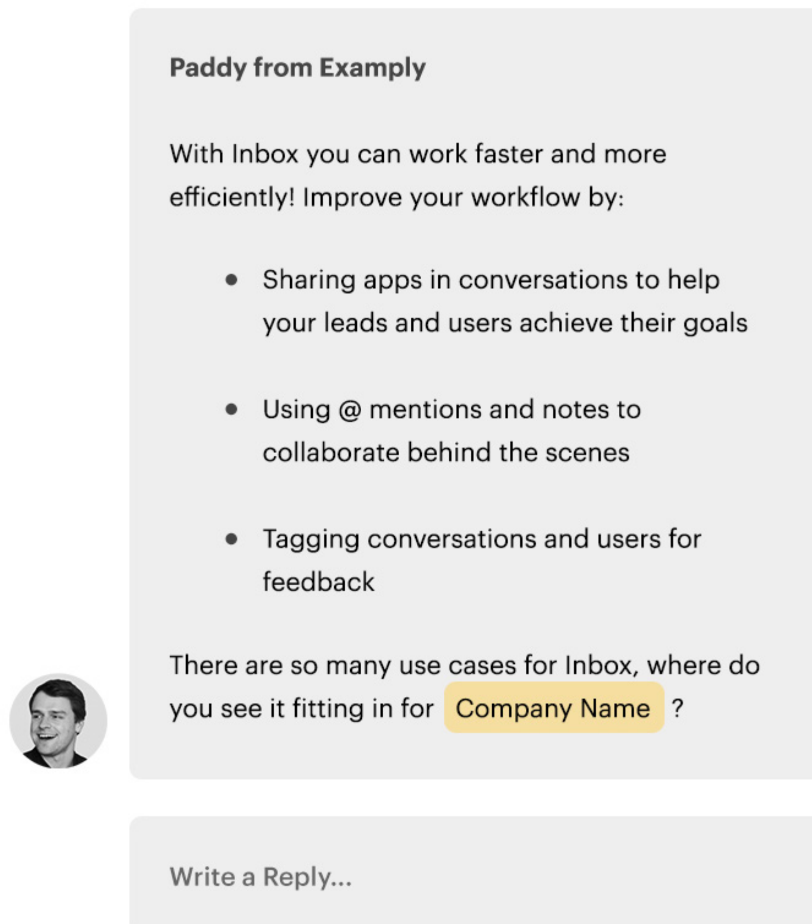


A prospect's intent to buy decreases as time goes on, especially if the product isn't easy to grasp immediately after activating a trial. When engaging, either via an in-app message or email, we try to find out the prospect's reasons for trying Intercom. Then we work with them to set the right expectations and goals for the next two weeks.

Make the most of your messages

It's important to be thoughtful about the messages you send and avoid "just checking in." If there's no direct call to action (or a specific, open-ended question), these messages are easy to ignore. Message fatigue will set in, especially within a limited trial period.

You should ensure that every contact is a meaningful one. Send messages based on what the user has or has not done. For example, if someone has signed up to try Intercom's Inbox product, they might receive a message like this:

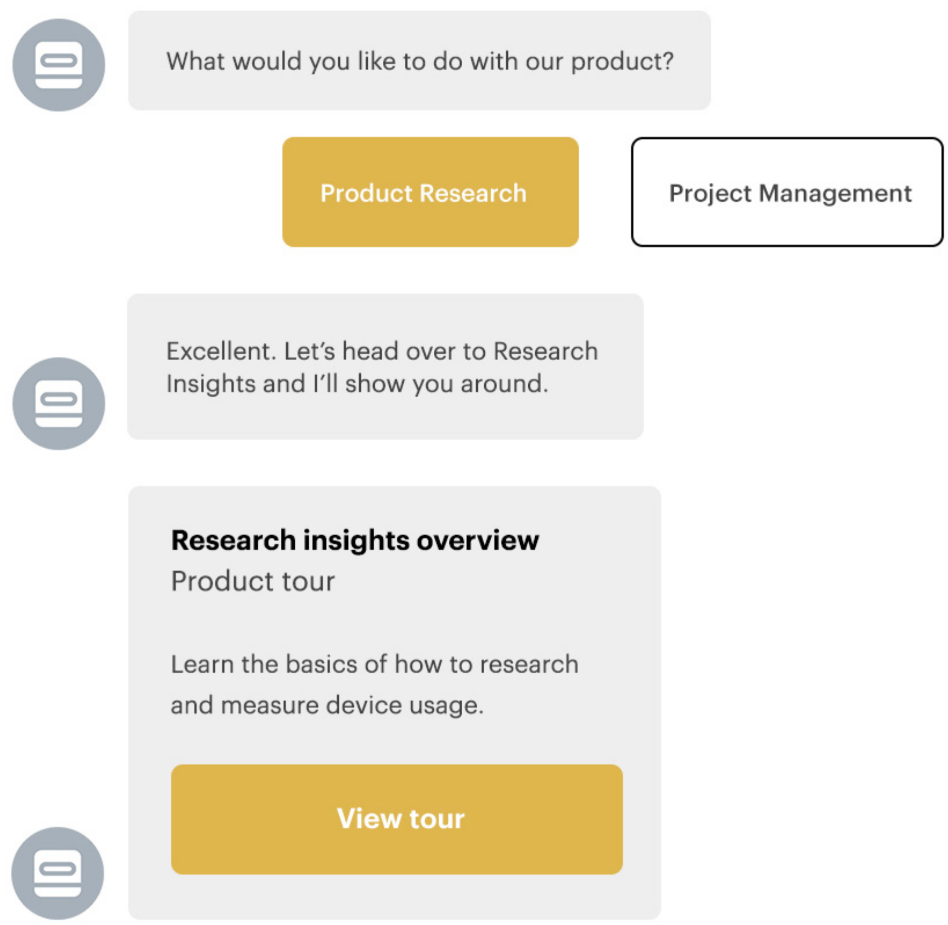


The medium you use to message is important, too. When someone is getting their hands dirty in your product and trying to figure out if it is a viable, long term solution, the last thing you want to do is interrupt their experience by bringing them back to their inbox. In-app messaging means you can have a real-time conversation with the user and make it easy for them to take the right action now.

Don't waste their time or yours

You are asking a lot of a prospect during a free trial: to install your software, to set up their account, to learn the tool, to optimize – and hopefully, to see results. You don't want to tie up this time in support requests and conversations.

Providing real-time support and offering custom onboarding flows are two great ways to increase the amount of time prospects spend doing exactly what they need to. This can be as straightforward as asking them what their goal is for using your product and sending them a relevant product tour:



Takeaway: Make every moment count during the free trial
Fast, collaborative communication is the key to a high conversion rate and sets customers up for long term success. When a company communicates with customers quickly and correctly, those customers are going to be more receptive to paying money in the future.

LESSON #4

INCREASE SALES VELOCITY WITH GROUP DEMOS

It goes without saying that the best salespeople make the process of buying a new product or service as simple as possible. The more friction you introduce, the fewer deals you'll close.

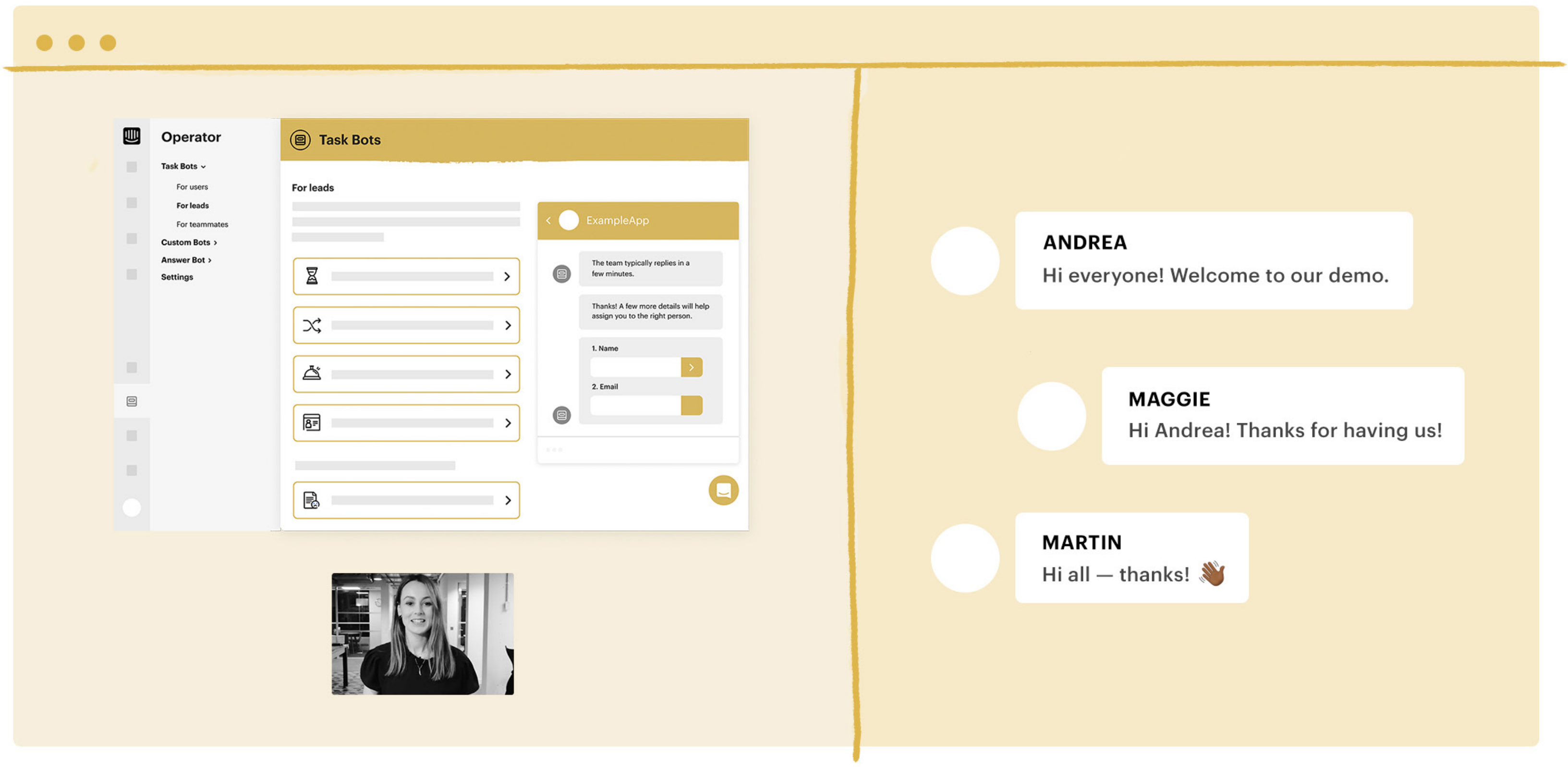
But when we think about the buyer's journey, we tend to assume it's identical to our internal sales process, that it moves through the defined sales stages of qualification, discovery, evaluation, decision, negotiation and, finally, close.

While this might hold true for larger prospects, we have found that startups want to optimize for speed. To bring velocity to our sales process while maintaining a personal connection, we have introduced group demos for our smaller accounts.

Scaling up our product demos

Startups evaluate software quickly, and they don't care for long, drawn out sales cycles. In many cases, a lengthy discovery call and highly tailored demo are more unwieldy than helpful. After all, their growth depends on how quickly they can jump on new opportunities.

By introducing carefully crafted group demos, we can cater to a small number of similarly sized companies at once, while expediting the evaluation period for all of them. Every week we run a live group demo for no more than 10 prospects.



The benefits of this approach have been obvious. For one thing, it scales nicely – we are able to offer an evaluation demo to multiple prospects at once, while keeping the content of each demo relevant to our specific group of prospects. We can spend more time on the areas our audience has signaled are the most interesting to them.

Even more than that, each prospect becomes involved in a broader discussion about how they can use our product, learning about other uses through the questions asked by prospects at similarly sized companies. Many of our attendees sign up to trial another Intercom product after attending a session, beyond the product they had initially inquired about.

3 tips to run successful group demos

Here are some of our key tips for running scaled demos.

1. **Have a great demo tool in place.** We use a real-time webinar tool, which facilitates questions and polls and allows us to share our slides with ease. With the Zoom app for Intercom, prospects can sign up for the demo directly in the Messenger. You can even send them the Zoom app while you're chatting. You want a tool that makes the process seamless from demo signup to follow up.

2. **Make sure you know what your prospects are interested in seeing.** We collect this information when each attendee signs up and also ask the group at the start of the session. That way, we can tailor our presentation to their needs, making sure it will resonate with them. If they're interested in automatically acquiring more leads, for

example, we'll spend more time explaining how they can use Custom Bots to engage and qualify website visitors.

3. **Keep the demos short and sweet**. We aim to run our sessions within 30 minutes. This makes it easy for prospects to fit the session into their day.

Since implementing group demos, the positive response has been overwhelming. "Loved it," wrote one prospect. "You already gave me some great ideas with the different types of on-boarding messages, networking etc.," wrote another. And as one person put it: "You seemed so passionate about your product I had to subscribe :)."

Takeaway: You don't have to sacrifice being personal for speed

These group demos have allowed us to increase our deal velocity, while maintaining a sense of a personal connection, which is crucial for us. People buy from people. For our prospects, seeing our faces on their screen and getting immediate answers to their questions lend credibility to their decision to purchase Intercom.

LESSON #5

SCALE CUSTOMER RELATIONSHIPS WITH CUSTOMIZED VIDEO

If you want to build a sustainable business, you need to know exactly what brings your customers value. By helping your customers grow their businesses, you can grow your business too.

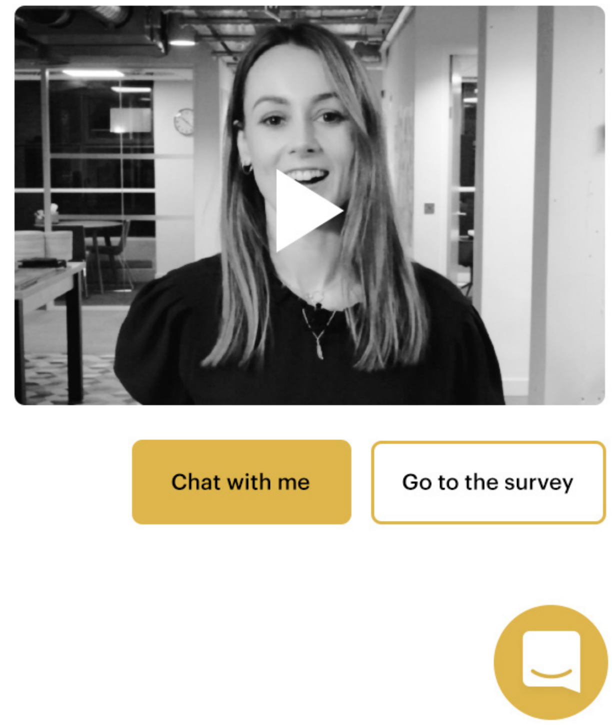
In the beginning, forming deep customer relationships is fairly straightforward: have your sales team talk to every new customer. The only problem? When you have tens of thousands of customers, having one-on-one conversations isn't feasible (as much as we wish it were).

One way we've tackled this problem at Intercom is by having our relationship managers create personal videos. Pairing automated live chat messages with videos has enabled us to strike the delicate balance between being efficient and being human.

Enable customers to learn or accomplish something

Messaging tools like live chat and video can be a blessing and a curse to sales teams. On the one hand, it's really easy to send a message to 50 customers and say, "Hey, just checking in to see how you're getting on!" On the other hand, it's now really easy to spam 50 people.

Untargeted outreach like this is the business equivalent of getting a "'sup?" text from an acquaintance you barely know and haven't seen in ages. It feels lazy and looks spammy, and it more than likely isn't going to garner a response, because – guess what – everyone else is doing it too.



The best messages help customers learn or accomplish something. You could be sharing best practices, scheduling a video call or training them on new set of features.

The first time we tested customized videos was to encourage customers to fill out a survey on satisfaction and usage. We suspected putting faces to our names would make customers more likely to respond and would plant the seeds for future conversations. So we used the video to do two things: introduce ourselves and explain how the survey would help us better serve them.

Our hypothesis held true. Nearly 50% of our customers opened our first video message. That was huge considering that, on average, only 26% of in-app messages are opened industry wide.

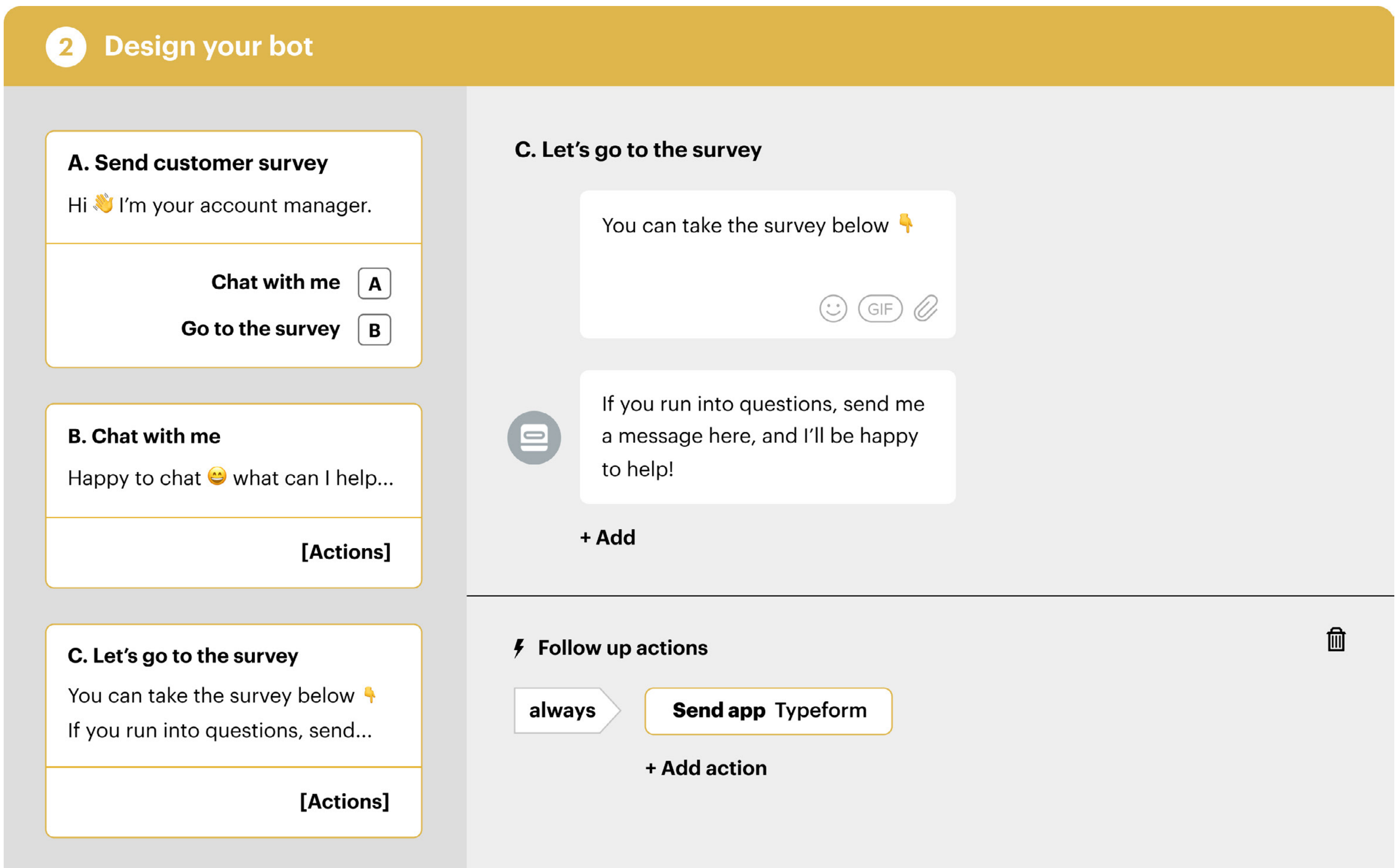
3 steps to put your video message together

Once you know what your goal is, filming your video and setting up your message to customers should be straightforward. Follow these steps to prepare and send your message via the messaging tool of your choice. In our case, we used Intercom.

1. **Keep your video casual:** Customers want to feel like they're connecting with a real person. You don't need fancy video equipment; a comfy corner and the video camera on your phone or laptop will do! Remember to use your normal tone and voice – after all, nobody wants to talk to a robot – and try to keep the video under a minute.

2. **Define your target audience:** You should be intentional about which accounts you're targeting. If you've already worked with an account, sending an introductory message will seem spammy rather than personal. By relying on customer behavior, such as if they've responded one of your messages before, it's easy to identify who could benefit from seeing your video.

3 **Design your customer interaction:** We use chatbots to send targeted messages to our customers when they're live on our website. That way we can give them multiple paths to choose from – in this case, they could chat to us or go straight to the survey.



From our first video message, we were able to drive more than 950 customers to complete the survey, enabling us to glean valuable information about them. We were also able to identify opportunities to educate them about the products they were already using or show them how other Intercom products could help different parts of their business grow.

Takeaway: Continually solve the problem of one-to-many

As your business grows, you'll inevitably have to think about how to make your outreach efficient but still human. The best solution we've found is prioritizing the sweet spot of activities that are meaningful to your customers and scalable for your team. For us, video messages are just one important touchpoint among many.

SALES VIDEO TIP SHEET

PREPARATION

- [ ] **WRITE YOUR MESSAGE WITH A CLEAR OBJECTIVE IN MIND.**
  In the same way customers are tired of "just checking in" emails, sending a video just to say "Hi" won't get you anywhere. The best ones help customers learn or accomplish something.

- [ ] **KEEP YOUR SCRIPT AS SHORT AS POSSIBLE.**
  While you don't want to speed through your video, remember to respect your customers' time. If you can, keep your video to a minute or less, and try to make it feel punchy.

FILMING

- [ ] **FIND A QUIET SPACE WITH A GOOD NATURAL LIGHT SOURCE.**
  Having natural light on your face will create a much more engaging video. You'll want to find a quiet meeting room so your phone or laptop won't pick up too much background noise.

- [ ] **POSITION YOUR PHONE OR LAPTOP CAMERA AT EYE HEIGHT.**
  It seems like a small thing, but having your camera at eye height will lead to a more engaging scene. It enables you to look directly into the camera and creates a nice depth behind you.

- [ ] **USE A CASUAL TONE AND VOICE.**
  While you want to come across as a professional, you shouldn't sound like an infomercial from the '80s. Remember that you're trying to establish a personal connection with your customer.

DISTRIBUTION

- [ ] **USE THE RIGHT CHANNEL TO SEND YOUR VIDEO.**
  You should match your video to the channel you're using to send it. For example, if you're posing a question, use a chatbot to send the video while the customer is live on your website.

COLLAB—
-ORATION

Foreword by Jeffrey Serlin, Senior Director of Sales & Support Operations, Intercom

Alignment – it's a buzzword that gets thrown around a lot today. Despite our new obsession with it, alignment is actually an age old problem faced by all businesses of scale. If you look past the jargon, the question we're really trying to answer is: how can we partner to drive growth?

I've long believed that the key to collaborating cross functionally is having a shared list of priorities. At Intercom we agree on our strategic growth levers as a single go-to-market (GTM) team. GTM includes all organizations that affect revenue – including sales and marketing but also product, engineering and analytics. Planning isn't an exercise that one organization does and then charges ahead with or hands off to the rest of us.

This applies to all of our growth initiatives. It could be improving the end-to-end user experience or championing a real-time approach to sales. We collectively optimize our capacity against our joint priorities to maximize our revenue potential. Any one of us can make incremental progress, but at the end of the day, acquiring new customers and expanding existing ones requires a unified GTM approach.

One big thing I've learned is that buy-in needs to happen at every level. It's not good enough to have alignment at the top if your sales reps on the front lines aren't on the journey with you. Everyone needs to understand the value of our shared GTM initiatives, our individual roles in supporting them and the importance of collaborating cross functionally.

We often pay lip service to alignment, but real cross-functional collaboration requires effort to achieve and an ongoing commitment to maintain. It's crucial if you want to successfully execute on the growth levers you have in front of you. Companies can't grow or scale in silos.

LESSON #1

ALIGN SALES AND PRODUCT USING PROBLEMS TO BE SOLVED

In the first few years of selling a new product, your primary goal is to introduce as many people as possible to your product and get them to buy it. As a sales team, it's rare that you have the time or resources to reflect on how your experiences on the front lines could add value to the product roadmap. When we created our first sales function in 2014, that's the exact situation we found ourselves in.

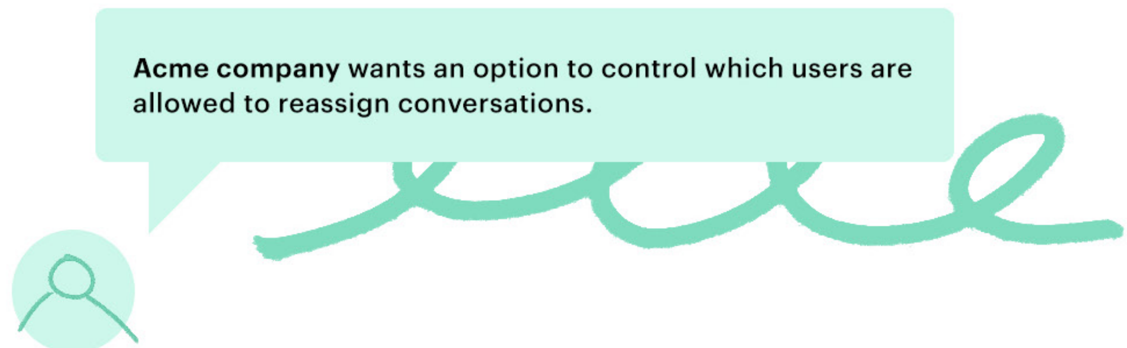
But what works at the beginning doesn't always translate to later success. Eventually, you'll need to reboot the way your teams work together to build and sell your product. As we moved upmarket, we began to acquire customers whose business pointed out the ways Intercom did and didn't work for larger teams – and it forced us to ask some hard questions:

- Where does sales fit at a company driven by product strategy, not short term revenue?
- How can salespeople give a voice to what's happening in the market, and grow our share of it too, while respecting the long term product vision?

We had to look with fresh eyes at the problems our new customers needed to solve, and build a healthy partnership with the product team to turn these roadblocks in the sales cycle into solutions that customers would love. Here's how we did it and what we learned along the way.

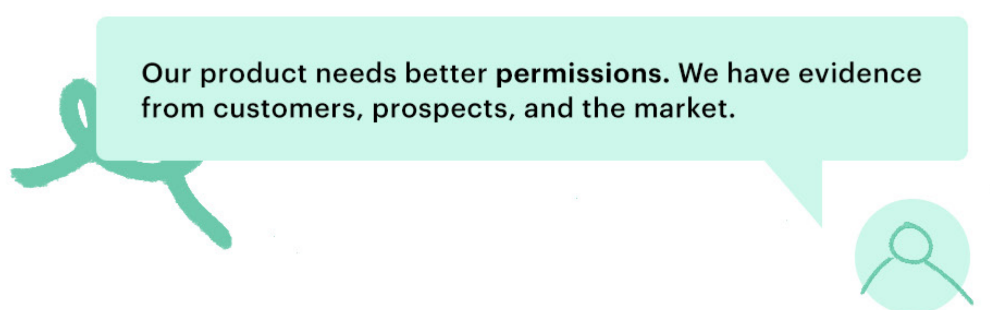
The problem: growing pains

In the beginning, our sales and product teams often felt like ships passing in the night. As salespeople, we were used to talking to prospects about their goals and providing concrete recommendations based on product functionality. That meant taking a prescriptive approach and going to our product team with the exact solutions our customers had requested:



But creating one-off builds for a handful of customers puts you on a fast track to a Frankenstein product and a customer acquisition strategy that doesn't scale. It was hard to see how these requests would benefit all customers, and it was far more likely for the product team to say no.

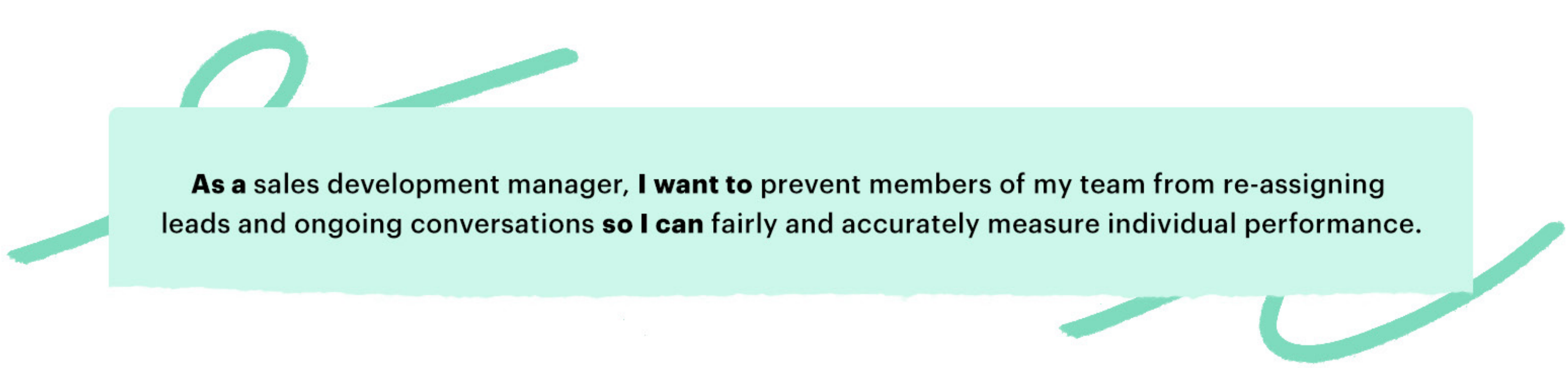
As a result, we switched to a thematic approach. But in doing that, our suggestions became far too broad, and our product managers had to guess what we meant:



While we wanted to deliver value to our upmarket customers, we were actually underplaying our hand. Our strength as a company has always been our innovative approach to problem solving, and by first being too prescriptive and then too broad, we prevented the product team from doing their best work.

The solution: aligning around "why"

After a lot of trial and error, we realized we had to go back to first principles. We had to peel back the metaphoric onion and ask, why do our prospects and customers need X or Y feature? By focusing on "why" instead of "what," we were able to give our product team the information they needed to solve problems without limiting how they did it. The key for us was to be more specific and less prescriptive:



Today, we crowdsource answers to our problems from both our sales and customer solutions teams. We ask the team at large to rank their requests using anecdotal and quantitative data from our CRM. Then as sales leaders, we curate the list and decide on an order of magnitude ranking. We bring the top 25 requests to our roundtable with the product team, where we discuss what it'll take to get a viable solution into the market and get consensus as product and sales leaders on our top priorities for the quarter.

3 tips for making product requests

It's easy to get carried away coming up with product requests, especially when you're catering to upmarket customers with sophisticated needs. Here's how to keep product requests actionable and well defined:

1. **Focus on the problem, not the solution**: Rather than prescribing what should be built, describe the roadblocks customers are facing.
2. **Get granular:** Be specific about the problem. For lead qualification, that might be distinguishing leads from customers or enriching email addresses.
3. **Rank requests by impact**: Identify which problems need to be solved first based on order of magnitude, e.g. blockers for new business, reasons for churn.

Takeaway: Collaborate on problems to be solved, not features

As your existing customers grow their businesses and larger companies sign on, your sales team will have to approach your product – and your relationship with your product team – in entirely new ways. By collaborating on root issues instead of features, you'll increase customer happiness and deliver more revenue too. That should be your bottom line.

PROBLEM TO BE SOLVED

GTM RANK **1**	SEGMENT **MID-MARKET**
ORDER OF MAGNITUDE **10X**	PERSONA **SALES MANAGER**
TYPE **BLOCKER**	

PROBLEM STATEMENT

As a sales development manager, I want to prevent members of my team from reassigning leads and chat conversations, so I can fairly and accurately measure individual performance.

ADDITIONAL DETAILS

Companies with inbound SDRs are now using live chat to engage, qualify and convert leads. These live chat leads count toward individual sales quotas. Managers want to prevent leads from being reassigned to one person's advantage and another's disadvantage.

CUSTOMER EXAMPLES

Acme, **Enterpriseco** and **Projectmap** have all spoken to their CSM about this problem.

LOST DEALS AND REASONS

Examply decided to put the deal on pause because they need more advanced permissioning for managers to support their 200-person sales organization.

LESSON #2

WHY SALES AND MARKETING SHOULD HAVE A SHARED REVENUE PLAN

A successful sales and marketing partnership is based on a mutual understanding that we're all manufacturing the same thing: revenue for the business.

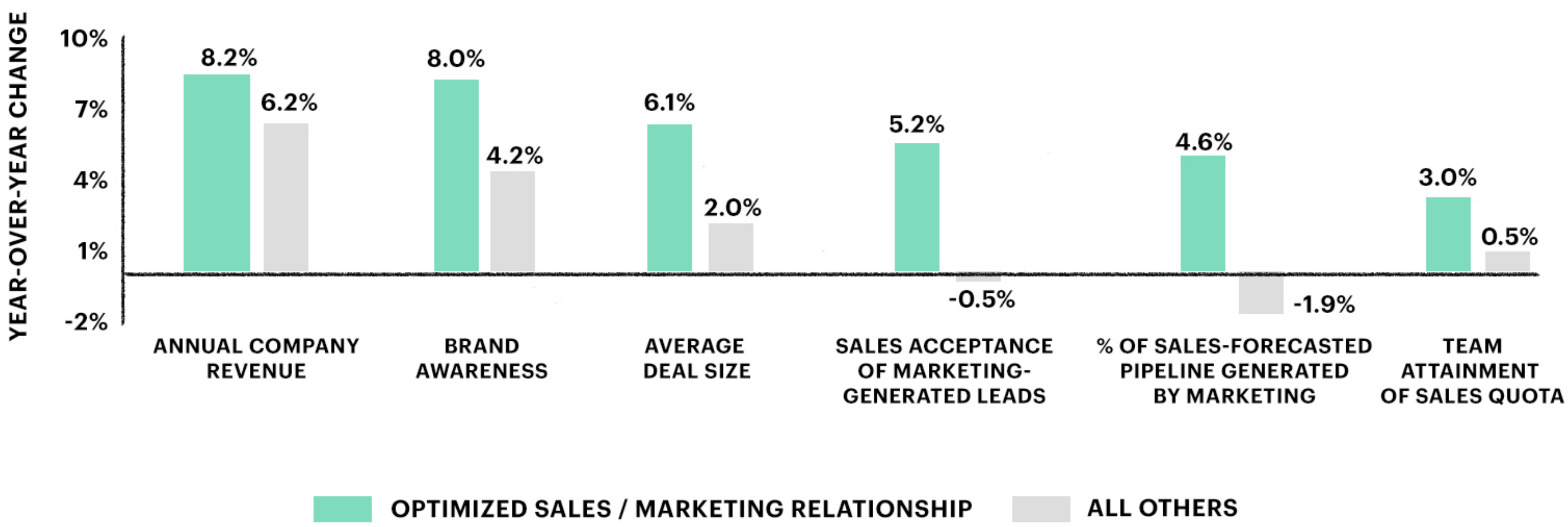
Sometimes, however, blockages can develop in the pipeline. They can be difficult to diagnose, and if sales and marketing don't have a healthy relationship, things can quickly devolve into pointing fingers instead of working together to find solutions.

Ultimately, it all comes down to communication. Here's how we ensure that information flows freely between our two organizations, from planning to execution.

Create and commit to a shared revenue plan

Sales and marketing tactics will vary, but to succeed, the teams need to be aligned around a single revenue plan – not separate sales and marketing plans. That means one spreadsheet, one set of metrics and one approval process.

Research from the Aberdeen Group confirms the massive impact that investing in this crucial relationship can have. Businesses who prioritize sales and marketing alignment see higher average deal size, greater sales team attainment and more annual revenue.



We lean on our finance and analytics teams to facilitate the planning process. Having them in the room introduces a natural tension where we're encouraged to ask one another, "Is this initiative going to be impactful? And how are we going to manage it?"

For example, when we first implemented live chat, sales and marketing had to come together to discuss how we would build one continuous supply chain. Marketing needed to drive a high enough volume of leads to our website for live chat to be a valuable sales channel. But we could only reap the benefits if we had the capacity and processes to support a real-time sales motion.

When done well, the revenue plan accounts for every inflection point – every metric we're measuring, all the definitions for the sales funnel we're using and even the way our systems are set up to capture and report on progress to our shared targets.

Set the right incentives for both teams

One of the areas of tension between sales and marketing teams is incentives. In sales our compensation is tied to results, in terms of deals closed and revenue generated. That's true across our organization. But the same is not true for every person in marketing.

So how do you ensure that your shared objectives are meaningfully felt by every person on the team? There are two ways we've approached solving this:

1. **Build in variable compensation:** This makes the most sense for marketers who can directly impact our pipeline by generating MQLs. But that's hard to do globally because marketing is made up of so many different activities. The content team's

contribution to the pipeline isn't going to be the same as the email team's or the operations team's.

2. **Create a revenue-oriented culture**: In a lot of cases, having the right culture trumps the first option. Regardless of variable compensation, there needs to be an expectation across both teams that our ultimate goal is to drive revenue for the business. It doesn't matter that we contacted 300 leads or held 15 webinars if we missed our number.

Sales and marketing should be measured against the same metrics, so that anything we decide to work on, or not work on, serves our shared goals. Sales shouldn't have to tell marketing that the volume or quality of leads aren't where we need them to be, and marketing shouldn't have to tell sales that our conversion rates are trending in the wrong direction.

Takeaway: One supply chain, one objective

At the end of the day, sales and marketing belong to the same supply chain, and they should be driving to the same key performance indicator (KPI) – revenue. When that happens, you can keep sales and marketing in sync, tackle problems head on and stay focused on the business of accelerating growth

LESSON #3

SALES AND SUPPORT SHOULD BE FRIENDS, NOT FOES

Sales and support teams usually aren't seen as having much in common. In fact, at most companies a certain amount of tension between these two teams has come to be expected.

When the perception is that salespeople will say anything to close a deal, support teams worry about being left with the mess of having to deal with upset customers after the sale. On the flipside, after working an account for months, the last thing a salesperson wants to think about is a new customer ending up disappointed and in the support queue.

Here at Intercom, we've invested in nurturing a positive dynamic between sales and support and created workflows that allow our teams to collaborate in ways that better serve our customers.

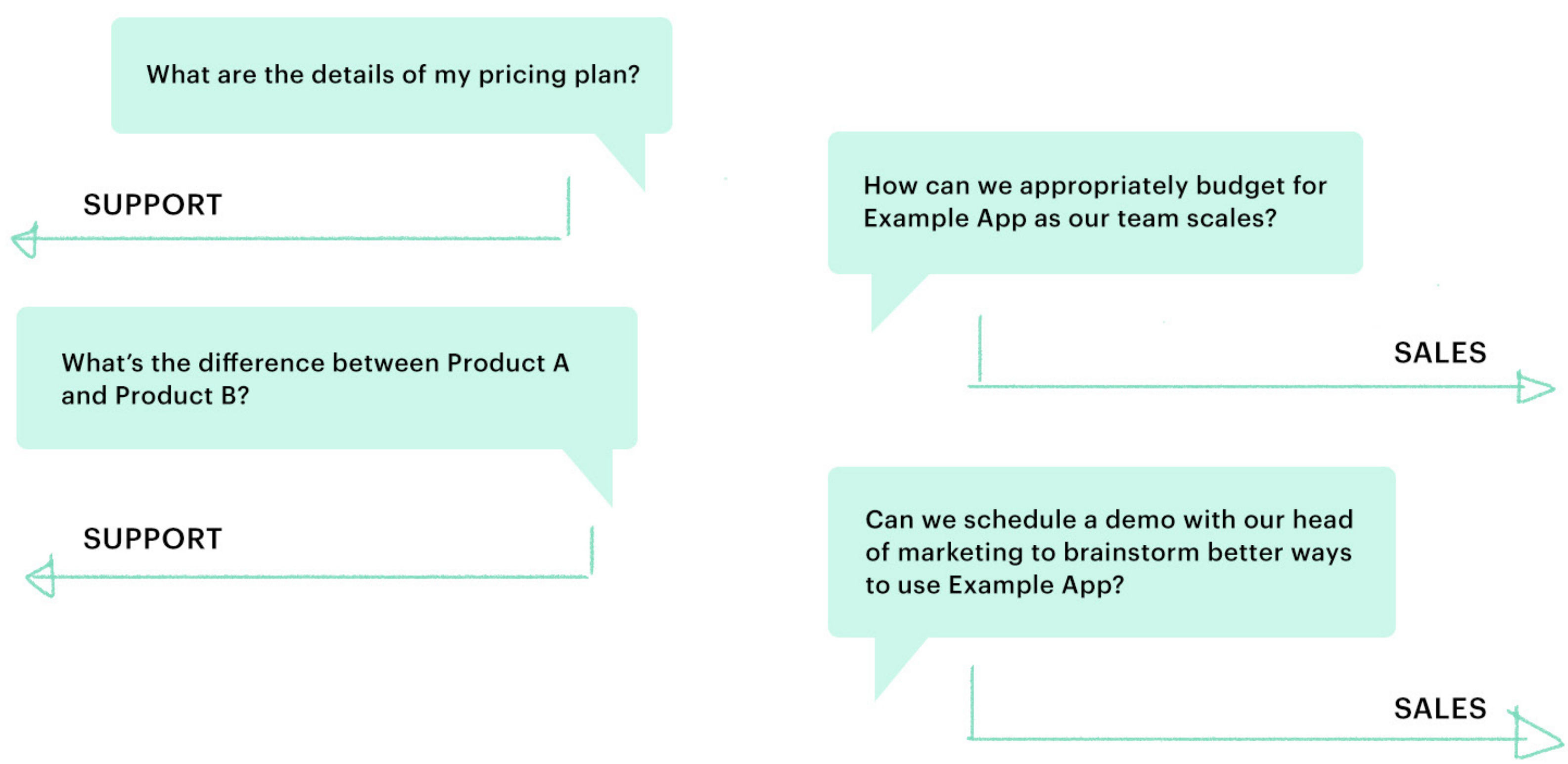
Working the front lines

Sales and support reps are the face of your company's communications with prospects and customers, especially over live chat. With so much on the line, these teams need clear workflows to remove ambiguity about which team covers what. At a high level, here's how we think about the responsibilities for each team:

- **Support** – The support team owns the vast majority of the frontline conversations, because their directive is to provide real-time answers to questions about our product.

- **Sales** – When the conversation is about buying Intercom, whether it's with a new lead or a current customer, then the sales team steps in. Being selective is important in order to reserve the sales team's bandwidth for growing our company's revenue.

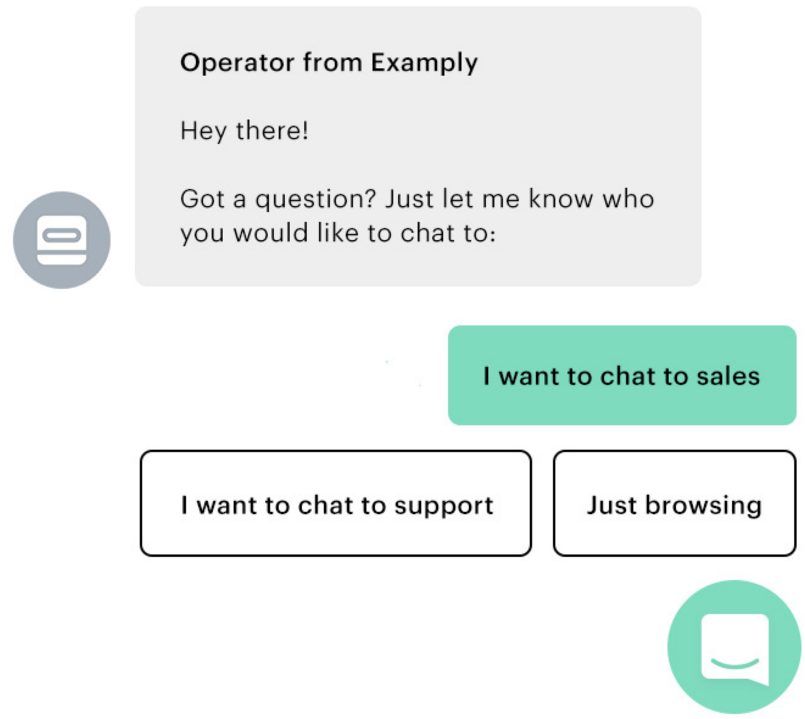
DIRECT YOUR FRONTLINE CONVERSATIONS



Routing the right questions to the right team

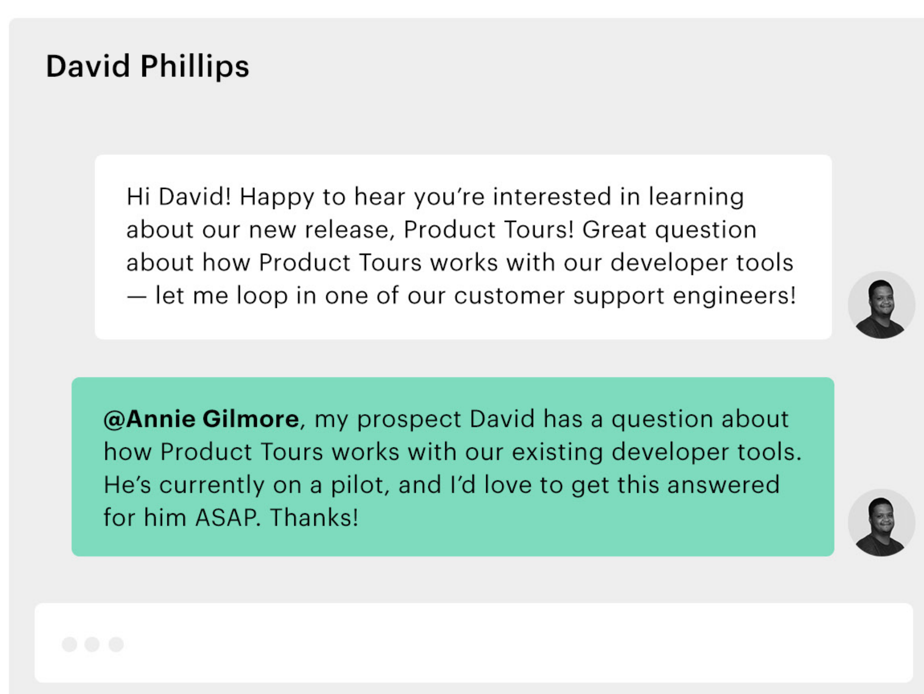
We're constantly working to optimize the way we communicate with website visitors who initiate a conversation with our team. People place a premium on the speed of response, especially for a real-time channel like live chat. But having a support rep start a conversation with someone only to realize that person should be talking to sales, or vice versa, isn't a good use of anyone's time.

That's why we use our chatbot to automatically greet all website visitors and get context on their inquiry before routing them to a rep. It's a matter of asking one simple question: "Who do you want to chat to?" If they say sales, we'll ask a few more qualifying questions like company name and size. If they say support, we'll ask for their email address, so we can pull up their account.



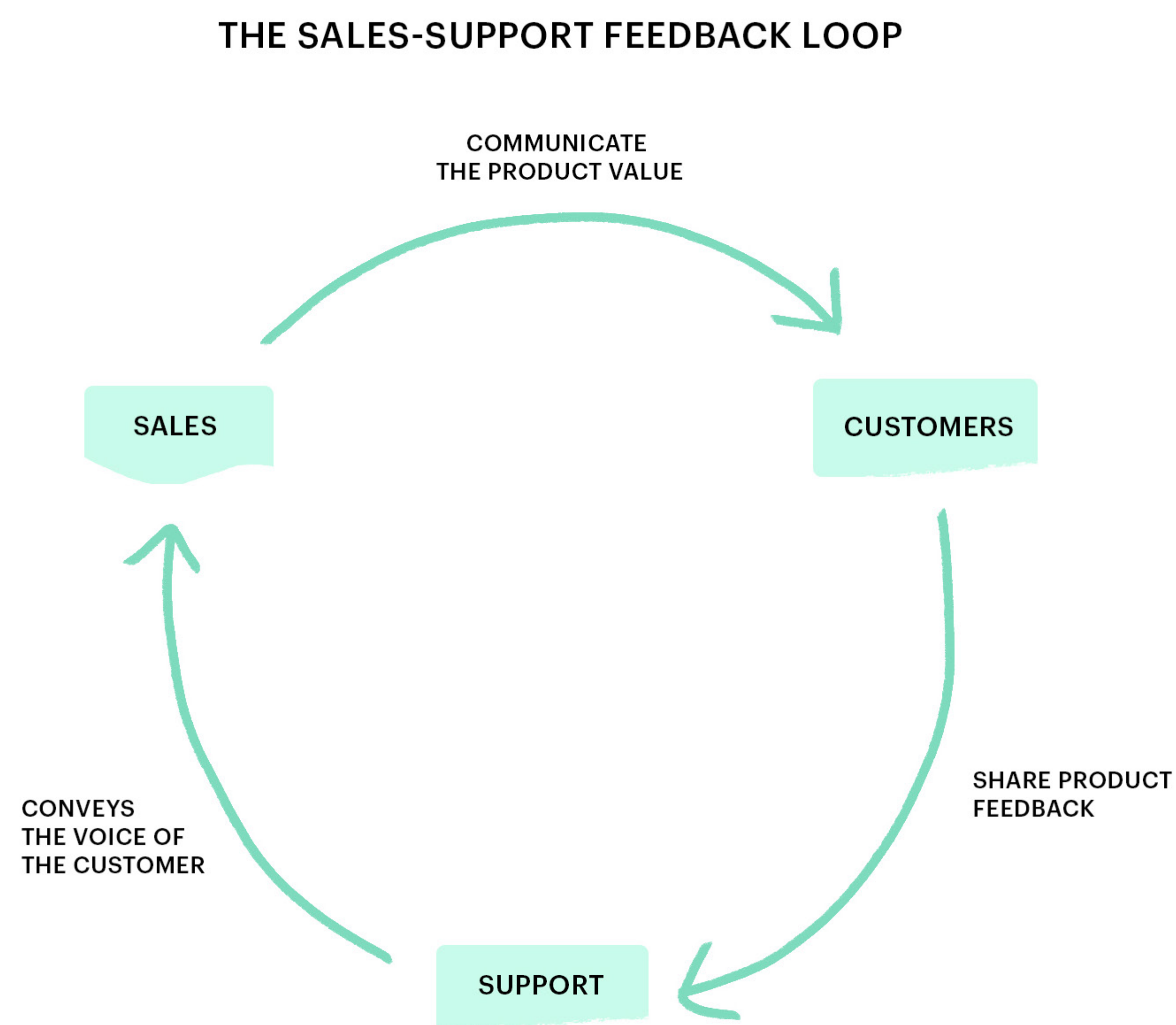
Sharing context is key

Nothing is more frustrating for a prospect than being passed along to yet another rep who asks the same five questions. That's why it's essential to share important context throughout your teams. When passing a conversation to another teammate, we use internal notes to eliminate guesswork about who the prospect is and what they need help with.



A strong relationship with support means quicker learning

Our support team improves our sales process by sharing feedback from customers who have expressed frustration or confusion around our product offering, pricing or value. What we learn helps us refine our sales strategy and tactics. If our sales team iterated in a silo, we would take longer to make meaningful progress. By working together, we learn twice as fast.



Takeaway: Sales and support should champion the customer, together

When your front line teams partner closely, your prospects and customers get more value from your product. That means happier buyers who will advocate on your behalf and, ultimately, purchase more too. You'll also learn and iterate faster as a sales organization. A healthy relationship between sales and support is just good for business.

LESSON #4

HOST SALES DAYS TO BUILD BRIDGES BETWEEN YOUR COMPANY AND YOUR CUSTOMERS

Sales is a customer-facing role. Over time, you accumulate a lot of knowledge regarding who your customers are, what business problems they commonly face and how your offering could address their needs.

The same is not true for everyone else at Intercom. Depending on your role, speaking to our customers may be a very small part of your job, or not part of it at all. That's why we have introduced Sales Days – a structured opportunity for employees to shadow a member of the sales team.

Sales Days encourage people throughout the company to step into our shoes for a few hours. They remove the layers between the people who make our products and the people who use them.

The benefits of hosting Sales Days

Sales Days are a priceless way to share internal knowledge. The format involves shadowing reps, sitting in on calls and following the sales team's processes. They provide fresh insight into how the sales team pitches Intercom and what our conversations with prospects actually entail.

PAUL ADAMS
@PADDAY

Many product people don't talk to their sales team. This is a critical mistake. Your sales team knows your product's failings better than you do. I learned this too late in my career, and I still don't do it enough. Don't be me.

Everyone likes to think they know what their customers want at all times, but at a certain stage, maintaining that clarity becomes a task of its own. Having a setup like a Sales Day creates an invaluable vehicle for cultural transfer. Everyone across the organization benefits from having a clear idea of what customers need and care about most.

5 tips for a successful Sales Day

1. **Make the experience as personal as possible**: We pair each person who wants to participate with a member of our sales team. That team member is responsible for sharing a holistic overview of the sales team and how we work. They'll also break down our sales funnel, the buyer's journey and our organization's structure.

2. **Get people in front of real prospects**: The next part of the Sales Day is shadowing one of our inbound SDRs. The goal is to share how we manage live chat conversations in Intercom, including qualifying new leads and doing a light discovery.

3. **Walk them through a deal**: We give every person an opportunity to sit in on a 30-minute call with one of our AEs. Most of the time, this will be a discovery call. The AE will deep dive into the prospect's intended use case, problems they are experiencing with their current workflows and how Intercom can bring them value.

4. **Show them how we grow our accounts:** The final part of the Sales Day is a sit down with one of our relationship managers, who are each responsible for a book of accounts. The relationship manager will explain how we retain and grow our customers.

5. **Collect feedback from participants**: At the end of the day, we send a short survey to understand what people liked and didn't like, so we can make our Sales Days better.

Using Intercom to sell Intercom

What is unique about our sales organization is that we use our own product, Intercom, to sell Intercom. Our SDRs use our Messenger to qualify leads and do a light discovery in real time. Then we pass prospects to an AE to negotiate and close. For our smaller accounts, we might win the deal in the same live chat conversation.

Sales Days make it possible for everyone at the company to see how we are using Intercom internally and then connect it to the value that our customers get. For engineers, for example, a Sales Day can provide valuable context for product requests. It's not always easy to understand why one feature could block a deal or even result in churn, until you experience it firsthand.

Sales Days give a voice to our customers and our product, in a way that internal docs and demos simply can't.

Takeaway: Everyone should understand why customers buy your product
This exercise enables cross collaboration along with culture and knowledge sharing. By having every person in your company – from engineering to HR – understand the value of your product and how that value is realized by prospects and customers, you can foster an entire ecosystem of passionate (sales)people.

GRO—
—WTH

Foreword by LB Harvey, Senior VP of Sales & Support, Intercom

When I joined Intercom, the sales department was just beginning to stretch its legs. Eoghan, our CEO, had hired the company's first salesperson only two years earlier. While the team had grown to more than 40 people, they had a singular focus: converting leads who were in a free trial.

The question I was brought on to answer was, how can we transform sales into a growth lever for the long term? Our revenue was growing quickly, but the structures required for scale had not yet been built. We had a sales assisted motion when we needed to add one that was sales owned and core to our organization, along with a new outbound motion.

That was my first order of business – investing in the functions, processes and relationships that would pave the way to our next inflection point. These are the lessons we've shared over the last five chapters. But here's the thing: if you want to maintain your momentum in the market, you can't stop there. Growth is a race with no end.

My job is to constantly be on the lookout for our next million dollar opportunity. Where can we increase our inbound win rates and raise our average revenue per account? Are we strategically expanding our market, and are our outbound motions effective? How will new subteams impact our revenue trajectory? These are the questions I ask every single day.

Here's my advice to other sales leaders. The secret to growth is to prioritize ruthlessly and focus on the small subset of activities that will really move the needle. Everything else, including your email, can wait.

LESSON #1

FOR FASTER GROWTH, LOOK BEYOND HEADLINE SALES KEY PERFORMANCE INDICATORS

There are many parts to a high-performing sales organization – the right people, processes and strategy, to start. But today, the underlying backbone of faster growth is the right data.

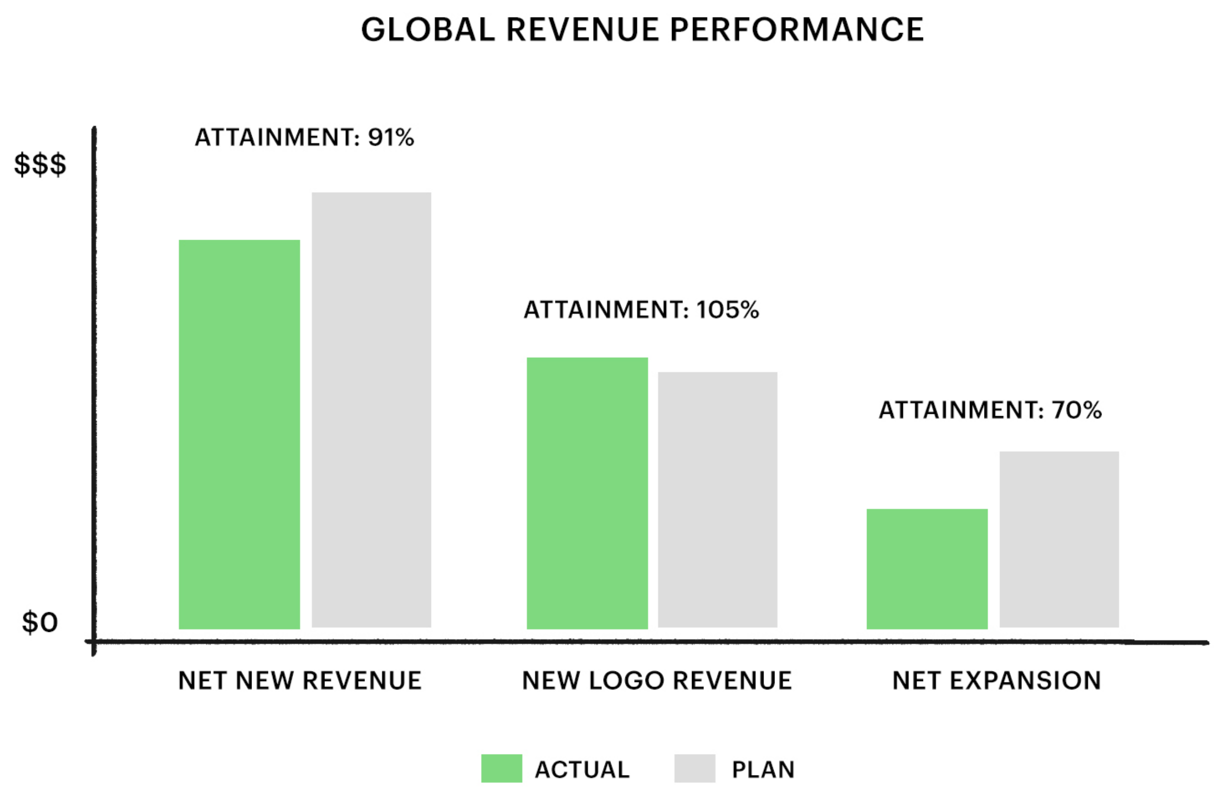
As a sales leader, that means you have to be able to interpret and use data about your team and organization throughout the sales cycle. If you're forecasting short on your global revenue target, do you know how you'll make up the difference? That's not a rhetorical question.

Your ability to drive revenue growth hinges on how well you can translate everyday metrics like lead volume, win rates and ARPA into an actionable plan that moves the bottom line. Here's how we use sales KPIs as strategic levers at Intercom.

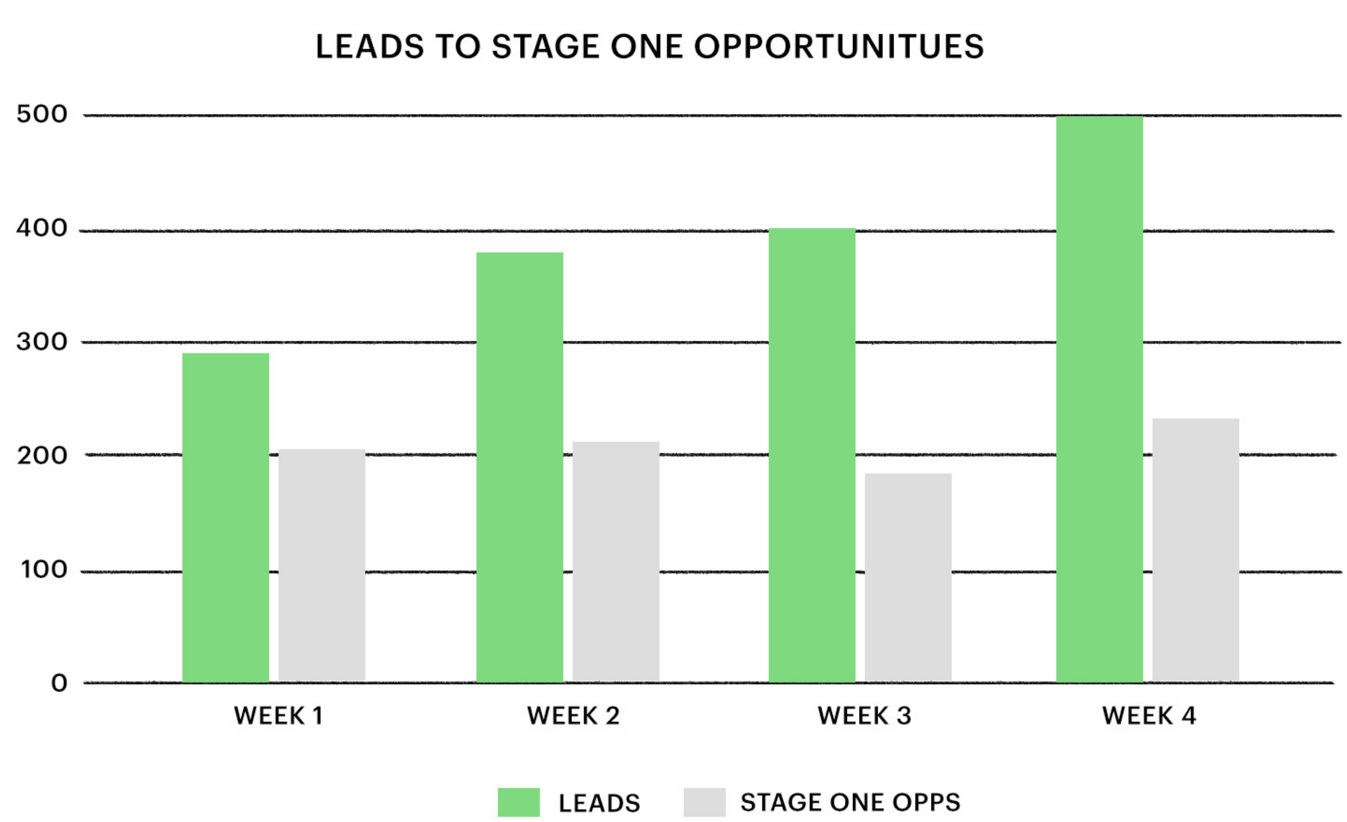
Beware of headline KPIs

When defining your sales KPIs, it can be tempting to focus all of your attention on headline KPIs – those numbers like organizational attainment and net new revenue that make a powerful statement about the performance of your sales organization.

Charts like the one below provide a concise summary of what you've accomplished, especially when reviewed monthly or quarterly. But they are often shallow in information and rarely paint a full picture of how or why you hit (or missed) your targets.



That's why we spend just as much time examining our underlying KPIs – lead flow, pipeline creation and more – in order to drive action for our team. Say we notice, as in the chart below, that we're overdelivering on sales eligible leads, but our stage one opportunities – new leads that our SDR team marks as qualified and passes to our AEs – hasn't increased proportionally.



We can interpret this in one of two ways: either we have more leads of poorer quality, or we haven't staffed up our SDR team to convert the increased volume. Both can be addressed. If we were only looking at headline KPIs, we'd miss this crucial opportunity to course correct before it impacted our ability to hit our revenue targets.

Use your sales KPIs as strategic levers

When leveraged correctly, sales KPIs will do more than just help you diagnose wins and risks within your sales organization. They'll also help you become an even more strategic asset to the company. Here are two very different examples of how we've used sales KPIs as growth levers.

Example #1: Secure executive buy in for new initiatives

The work of your sales organization has to ladder up to what the company wants to accomplish at the highest level. Recently, we saw an opportunity to test outbound sales as a way to move upmarket and increase our global revenue. In theory, it's simple: hire a few outbound folks and start selling to larger companies. But the math also has to work out.

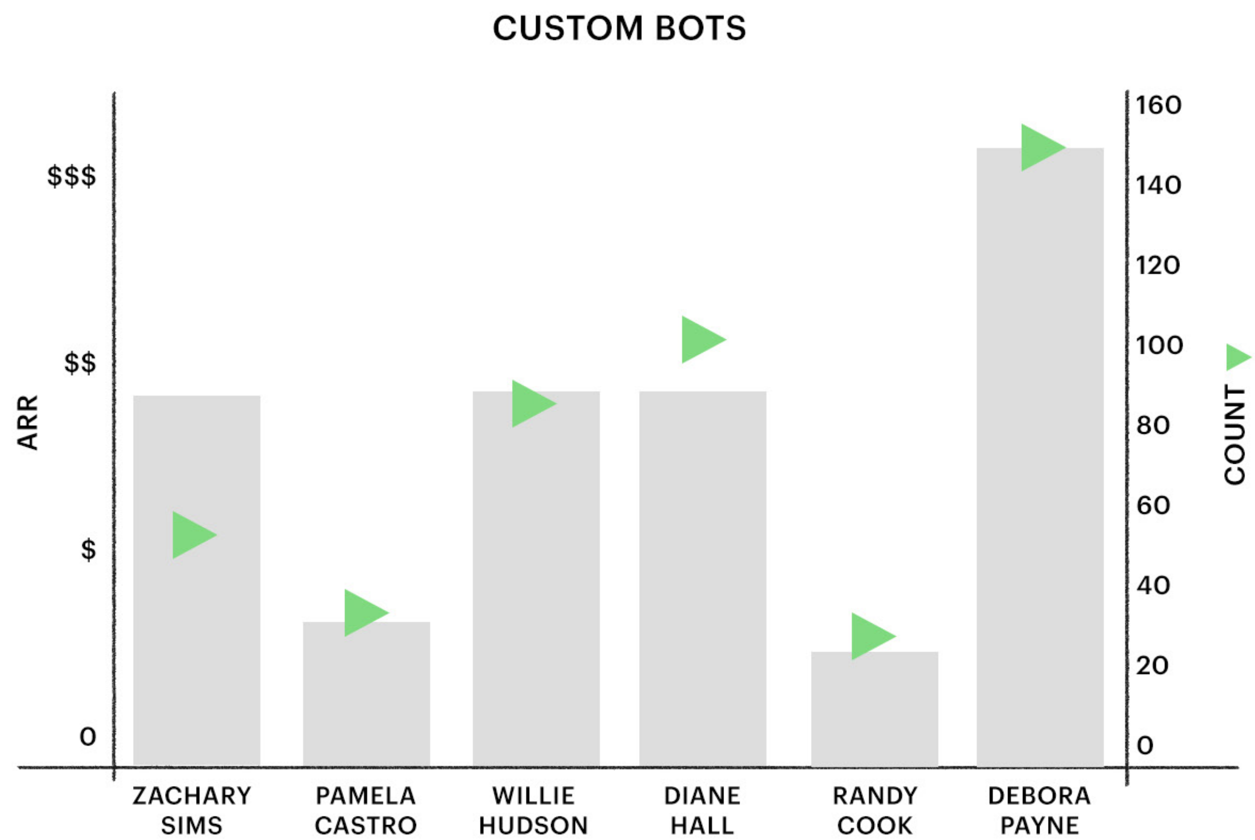
We worked with our finance team to establish the return-on-investment (ROI) metrics and appropriate timelines. That way, we could say to our executive team, "The target is to have an ROI of 4X on each outbound SDR, and it's forecasted that we'll achieve this run rate in no more than 12 months."

The inputs that define your outbound initiative are your sales KPIs – the number of opportunities created per head, win rate, net new revenue and average revenue per account. Together these numbers are your game plan for how and why outbound sales will drive meaningful growth for your business.

Example #2: Turn product launches into revenue

Often when people think about product launches, they think about building and shipping new features. But what comes after – how you market and sell those features – is just as important, and sales plays a crucial role in ensuring that work pays off in the market.

When we launched Custom Bots, our chatbot for sales and marketing teams, we set a specific target for net new revenue. For our relationship managers, that trickled down to a certain amount of net expansion dollars for Custom Bots they had to close among their book of customers. By having dedicated KPIs, we were able to maximize the revenue impact of the launch.



Whenever you have a new initiative, whether it's a new feature, plan type or focus area for the company, you have to be able to come up with clear, data-driven objectives for your team.

Takeaway: Data can be a powerful lever for growth

For ambitious companies, leveraging the right metrics is the difference between driving scalable growth and seeing your revenue flatline. But KPIs on their own are just numbers on a dashboard. They become meaningful only when you dig deeper, start looking for underlying trends and themes and use them to take the next step toward faster growth.

SALES KPIs CHEATSHEET

	KEY PERFORMANCE INDICATOR	DEFINITION
LEAD GENERATION	Sales eligible lead delivery	The total number of inbound leads that are passed from marketing to sales based on shared qualification criteria. *This KPI is also referred to as Marketing Qualified Leads (MQLs).*
	First response time	The amount of time in minutes that it takes SDRs to follow up with inbound leads.
	Number of accounts contacted	The total number of companies that outbound SDRs have prospected to.
	Number of accounts engaged	The total number of companies that have responded to our outbound outreach.
PIPELINE CREATION	Stage one opportunity creation	For inbound SDRs, this is the percentage or number of sales eligible leads that they have converted into sales opportunities. For outbound SDRs, this is the percentage or number of sales opportunities they've created through their proactive outreach.
	Stage two opportunity creation	The percentage or number of stage one sales opps that are marked as qualified by AEs.
NEW BUSINESS	Average revenue per account	The average revenue per customer upon close. *This KPI is also called Average Sales Price or Average Transaction Size.*
	New logos acquired	The number of new customers.
	New logo revenue	The additional revenue generated by new customers.
	New business win rate	The percentage of stage two opportunities that are converted by AEs to new customers.

EXISTING BUSINESS	Expansion dollars	The additional revenue from existing customers who have increased their spend.
	Contraction dollars	The loss in revenue from existing customers who have reduced their spend.
	Churn dollars	The loss in revenue from existing customers who have stopped their spend.
	Gross customer churn	The number of customers who have churned.
	Net expansion revenue	The total expansion revenue, less any revenue contraction or churn.
ORGANIZATIONAL ATTAINMENT	Net new revenue attainment	The total additional revenue generated by new customers plus any expansion revenue from existing customers, less any revenue contraction or churn. This includes the percentage of the revenue plan that was actually achieved.
INDIVIDUAL PERFORMANCE	Individual quota attainment	The percentage of quota that a sales rep has achieved.
	Revenue sold per rep	The actual sales that a rep has closed.

LESSON #2

GROW YOUR REVENUE BY CREATING NEW TEAMS WITHIN YOUR EXISTING SALES ORGANIZATION

As your sales organization scales up, how you structure your team will need to change too. Just as you will move from seeking out generalists to hiring specialists, you will likely split your new and existing business into "hunters" who acquire customers and "farmers" who grow them.

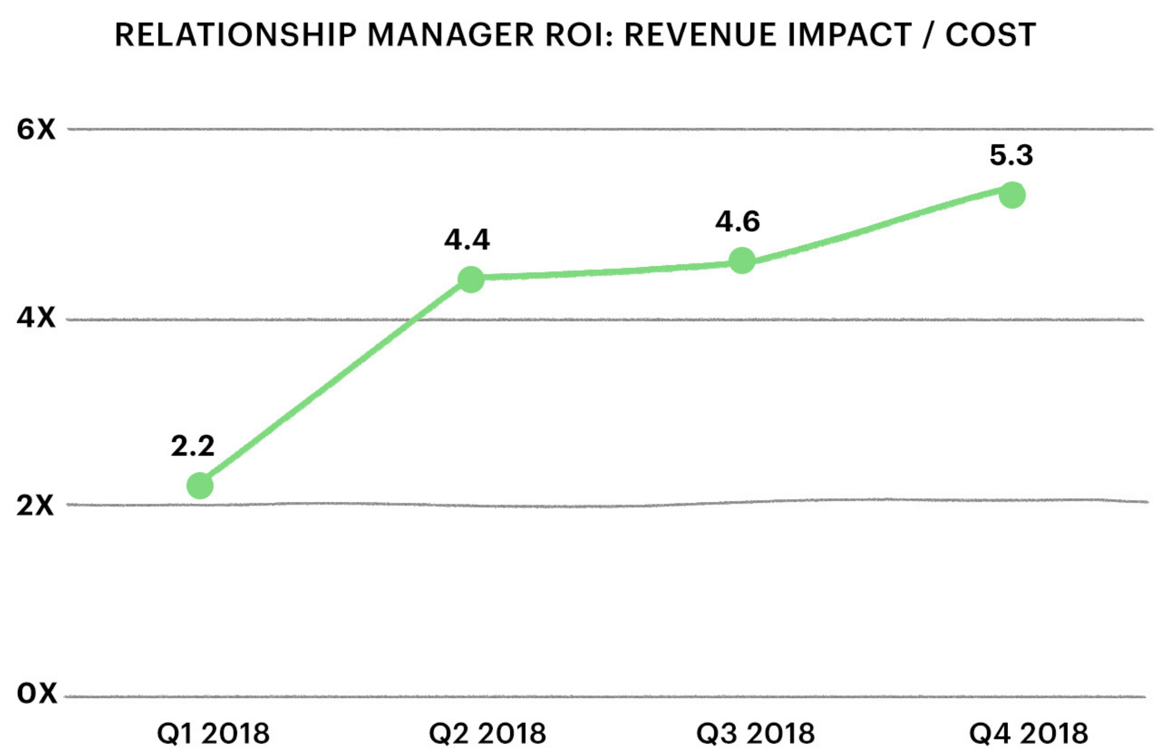
When we made the transition, we realized we had a huge opportunity in front of us to invest in our existing customers. Many of them were small businesses, and while they didn't require the full-time attention of a customer success manager, we believed they could benefit from scaled account management. This hypothesis became our relationship management team.

The journey from the seed of an idea to a full-fledged team – one that has delivered more than $10 million in revenue impact – hasn't come without challenges. Here are five lessons we learned about growth.

1. Relentlessly measure impact

When starting a new sales team, the most important question you can ask is, "Is the juice worth the squeeze?" If you've decided to hire new talent, onboard and support them and change your customer coverage model, the answer needs to be a resounding "yes."

In our case, when we created our first relationship management team, we decided we needed to see at least 2.5x ROI. We tracked customer churn, contraction, expansion and overall health. A/B testing confirmed our initial hypothesis, and we saw more than 5x ROI.

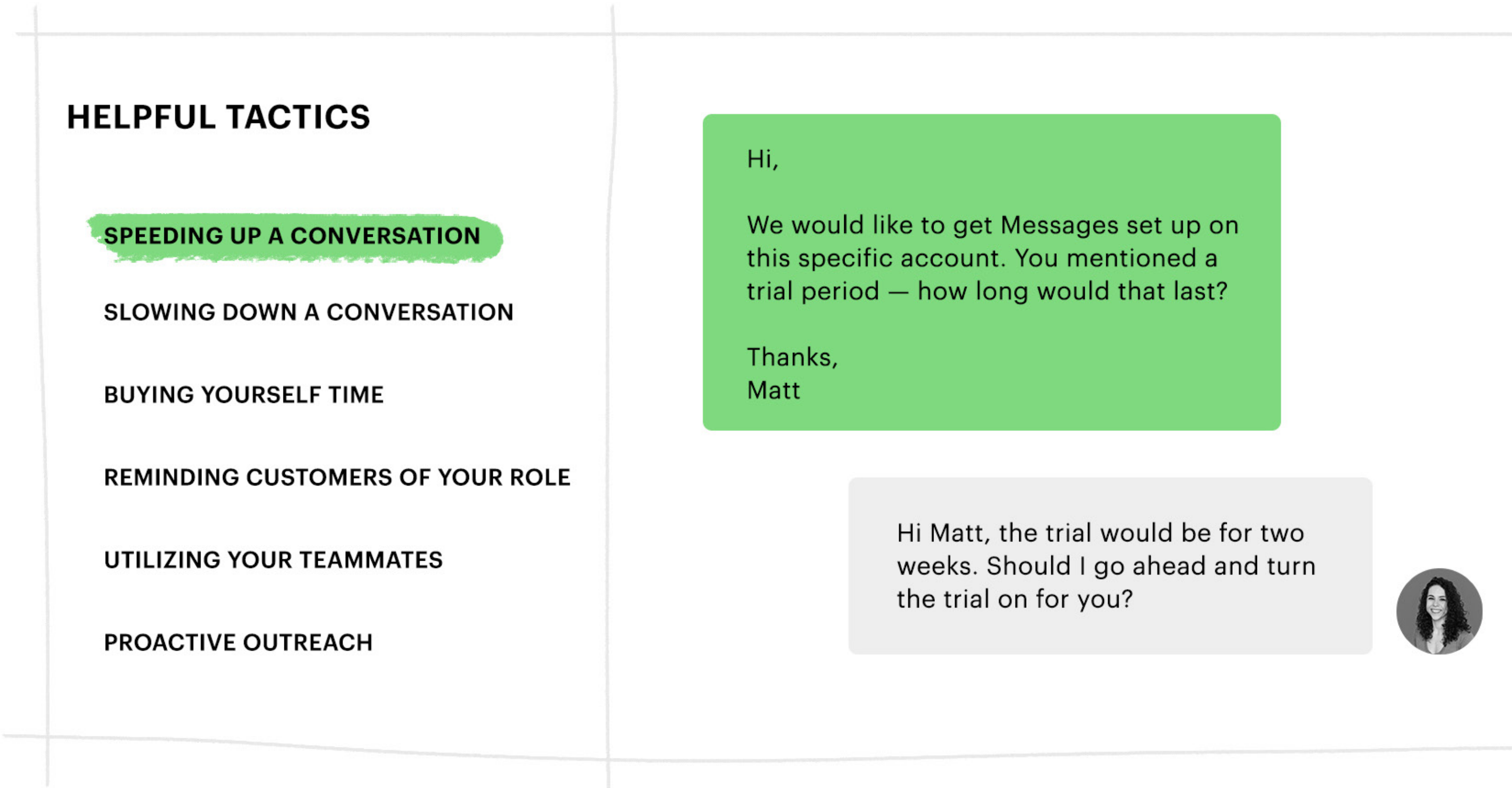


2. Bias yourself and your team toward "yes"
In building a new team from the ground up, you have to constantly evolve your ideas and assumptions. Early on, we hypothesized that relationship managers would primarily use email to drive customer retention and expansion. After four months, our team had created more than 20 email campaigns, yet we had little direct impact to show for our efforts. When the campaigns did produce results, more than 90% of the time at least one customer call was also involved. It became clear that the campaigns themselves weren't driving retention and expansion; rather they were inviting follow up conversations that were.

Situations like these demand strong opinions, weakly held. You have to be willing to change your hypothesis as new information emerges. After we realized that making customer calls was crucial for relationship managers, we started looking for salespeople with extensive phone experience and helped our current relationship managers become skilled at making sales calls.

3. Hire for ownership
Ambiguity is unavoidable when joining a newly formed team. You want to hire salespeople who will think and operate like business owners: no job is too small, and they're comfortable writing a sales playbook where none exists. Having a team of owners has been a game changer

for our relationship managers and a crucial part of the team's performance and happiness. Here is a slide that one of our relationship managers independently created to share his learnings with the team:



But hiring for ownership is a two-way street. For employees to become owners, they have to feel empowered to play that role by their manager and leaders. Striking the balance between being prescriptive and giving autonomy can be difficult with a new team. If you're feeling this tension, stop and ask, "Are my actions helping my team or preventing them from truly owning the role?"

4. Channel your inner MacGyver

You and your team will need a MacGyver level of resourcefulness when starting a sales team. Can you build a lie detector, hotwire a helicopter and hack into a supercomputer using only what you can find in your family's garage?

New sales teams operate without the same systems or level of cross functional support that established teams enjoy. The reason is simple: the team and its needs are new not only to your sales reps and managers but also to the entire organization. We set the expectation early on with our relationship management team that they will likely be challenged to do things that are outside their official job description – a crash course in SQL, a last-minute churn analysis. When you're scaling quickly, you can't wait for everything to be perfectly figured out.

5. Find your village and cultivate it

As you start building your team, spend some time thinking about the people in your organization who will be vital in your journey. Often, these will be your partners in marketing, sales operations, recruiting and senior leadership. It's important for you to seek them out and invest in fostering those relationships, because at some point, you will need their help.

Pete Prowitt, a manager on the relationship management team, and Jeffrey Serlin, our Senior Director of Sales & Support Operations.

Takeaway: To accelerate growth, embrace change and uncertainty

Starting a new sales team can feel like building an airplane plane mid-flight. As a sales organization, you'll test new tactics and strategies, onboard your reps to new roles and, of course, both fail and succeed. The key to success lies in fostering a culture where change and uncertainty are embraced as opportunities for growth.

LESSON #3

CUSTOMER EXPANSION IS YOUR NEXT GROWTH CHANNEL

The formula for selling SaaS is quite straightforward: acquire users, monetize them and look to keep them around for as long as possible. But over the past few decades, salespeople have put the majority of their time and effort into acquiring customers while retention and expansion have taken a back seat.

44% of companies have a greater focus on customer acquisition vs. 18% that focus on retention

Source: Invesp

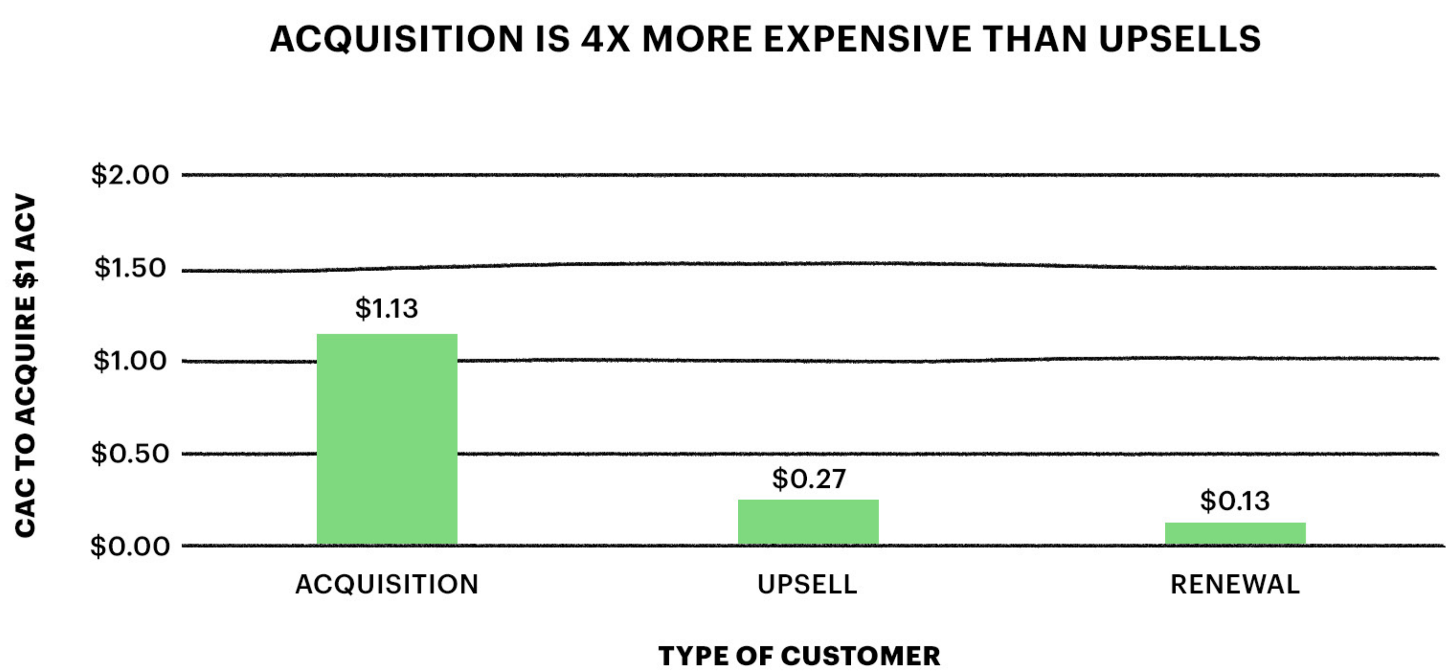
It's a simple truth that most salespeople do not celebrate renewals or upsells in the same way that they do when a customer signs on the dotted line for the first time. Yet, research points out that customer retention is far more financially sound for your business. According to Invesp, increasing retention rates by 5% can increase profits by as much as 25% to 95%.

Account plans are the cure to our acquisition addiction. They are one of the most important weapons in our sales team's arsenal, because they prioritize our customers' long term success. Here's a step-by-step guide to turning customer expansion into your next growth channel.

Why customer expansion is the new conversion

There is no point exerting lots of energy attracting new business if you struggle to keep your existing customers happy and subscribed to your service. Our co-founder Des has gone so far as to say that "customer retention is the new conversion," and we would argue that customer expansion is an even more powerful lever for our business.

The data backs the claims up. Price Intelligently found that acquiring a new customer is 4x more expensive than upselling an existing one and 9x more expensive than getting them to renew. Add to that the high cost of customer acquisition and an inevitable degree of customer churn, and you can easily find yourself with compounding negative revenues.



Account plans enable you to reverse this situation. They bring together crucial information about your customers, your competitors and your strategy to nurture existing business. Done well, they guide your sales reps toward growth opportunities within their book of accounts and enable them to get ahead of contraction and churn risks.

Building your account plan

The first step of an account plan is preparation, gathering all the data points that will make or break a customer's success. Think of it as time spent sharpening your axe before a day full of chopping wood. These data points will inform the five main components of your account plan:

1. **Business objectives.** This is your understanding of the customer's needs and how it relates to the value your product provides.

2. **Relationship and decision making.** This paints a picture of the organization and its stakeholders, mobilizers and blockers.

3. **Assessment of customer.** This provides an overview of the account and the strengths and weaknesses of your current relationship.

4. **Actions for the next 90 days.** These are the steps the customer can take that will help them see the value in your product and lead them to renew.

5. **Actions for the next 365 days.** This is the white space in the account where you can help your customer identify new areas of opportunity. For example, meeting a champion on a different team could lead to a more integrated tech stack and a potential upsell.

Once you've filled out each of these five components, you should have a bird's-eye view of your strengths in the account, which in turn should reveal new expansion opportunities.

Putting your account plan to work

An account plan is only successful if it meaningfully improves a customer's chances for long term success with your product. That's why you need to translate your plan into a customer-facing presentation that aligns both sales rep and client around a shared objective.

MY UNDERSTANDING OF YOUR BUSINESS

- Important news, e.g. you are launching in the US and APAC this year
- You just raised ... ($$$)
- You currently have X open roles + hired X people this year
- Your core business is ... (add business model + vertical)
- Your competitors are ...
- Your objectives are ...
- Metrics that matter to you are ... (CPL, FRT, NPS, CSAT, CPA etc...)
- Company X is helping you to achieve these goals by ... (add problems to solve or jobs to be done)

For the kickoff meeting, you should gather all of the account's key decision makers, including the budget owner and your champions. What's crucial in this conversation is that there's mutual buy-in. Your account plan should reflect your deep understanding of the customer's business and their objectives and then recommend a series of action items that will make the customer even more successful with your product.

By setting the stage for a consultative relationship, customers will be assured that you aren't selling them a product that will only serve them in the here and now, but that it's a long term investment with the flexibility to match their needs as they evolve.

Takeaway: You can't afford to treat customers like they're disposable
Nothing makes a customer feel more unimportant than to have the sales rep they worked with permanently disappear the moment the deal is signed. Instead, encourage all your reps to create an account plan for each client so that they are fully invested in the post-sales handoff and ongoing customer success. That's how you'll grow your business for the long term.

ACCOUNT PLAN TEMPLATE

CUSTOMER INFORMATION	WHY DO WE WANT THIS	WHERE TO FIND THIS
BUSINESS OBJECTIVES		
Business model	Sets the scene, enables competitive analysis	Company website, PR releases
Important company updates	Trigger the account plan (e.g. “we see you’ve launched in the UK”)	Google News, company website
Use case	Structure the flow of the account plan	Infer from product suite and usage
Business impact	Identify how important our product is to the customer	Ask customer
Key metrics	Establish what really matters to customer, independent of our solution	Ask customer
Actions needed to achieve goals	Create two-way action plan with customer	Brainstorm with customer
RELATIONSHIP AND DECISION MAKING		
Champion	Likely to be the first audience for the account plan	Ask Customer
Who might be a blocker	Not likely to be a part of account plan but has the power to derail the deal	Ask Customer
Budget owner	Should know high level details of the account plan	Ask Customer
Decision making process	Understand the steps and hierarchy to follow to align decision internally	Ask Customer
CUSTOMER ASSESSMENT		
Type	Identify account type and potential, e.g. high value account, likely to expand	

Organizational structure	Get a clear understanding of organizational structure, e.g. subsidiaries	LinkedIn
Churn risk	Identify potential churn risks coming down the line	Ask Customer
Blockers (feature gaps, etc...)	Identify what is preventing the account from reach its spend potential	Ask Customer
Wishlist (feature requests)	Identify if any feature requests can be implemented in product roadmap	Ask Customer
Current tech stack	Understand the tools they use to talk to, track and analyze their customers	Ask Customer
ACTIONS FOR THE NEXT 90 DAYS		
Churn mitigation activities	Activities to reduce the likelihood of churn	Partner with customer
Relationship building	E.g., Open up conversation with head of product	Partner with customer
Usage optimization	Activities to increase customer usage to encourage expansion	Partner with customer
ACTIONS FOR THE NEXT 365 DAYS		
Churn mitigation activities	Activities to reduce the likelihood of churn	Partner with customer
Expansion activities	Activities to immediately grow customer spend	Partner with customer
Relationship building	E.g., open up conversation with head of product	Partner with customer
Usage optimization	Activities to increase customer usage to encourage expansion	Partner with customer

LESSON #4

STRATEGICALLY EXPAND YOUR ADDRESSABLE MARKET TO DRIVE YOUR NEXT WAVE OF GROWTH

During your first wave of growth, your initial customers are very important. You have to build a product that solves a problem and solves it in a meaningful, differentiated way. If you start downmarket like we did, you'll likely have a sales assisted motion on top of a self-serve model.

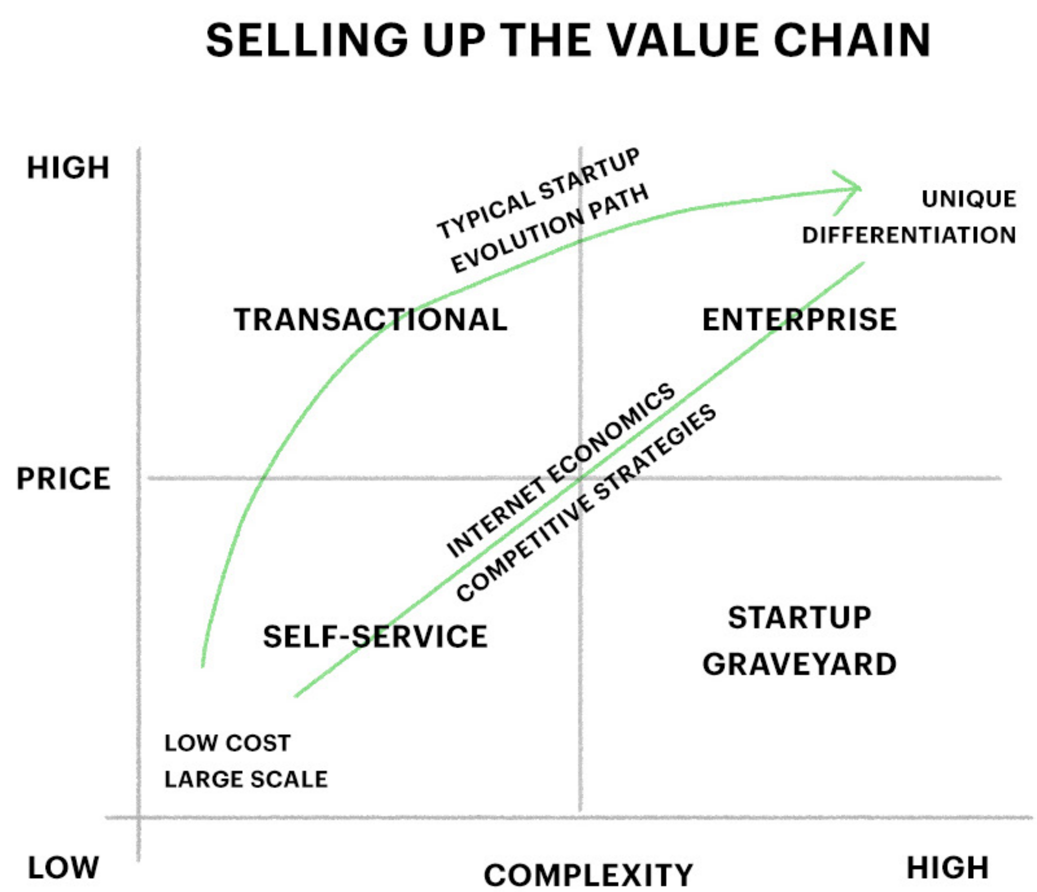
But if you only serve your original customers and companies like them, you are stunting your future growth. To accelerate your revenue, you need to figure out how your product can solve that same problem for a broader set of customers. If you decide to move upmarket, you will have to adopt a sales owned motion where the sales team drives acquisition and expansion.

Growing your addressable market requires a coordinated go-to-market effort, from sales and marketing to analytics and engineering. The company will not succeed if only one rogue salesperson is bringing in larger customers and carrying the torch. So where do you start?

Decide how you will expand your market

There are three ways that companies typically grow their addressable market:

1. By expanding to other verticals.
2. By starting at the high end and expanding downmarket. B2C companies will often start with a high end product and then create less expensive versions of it.
3. By starting at the lower end and expanding upmarket. In B2B, companies start by selling to smaller businesses and then expand to mid-market and enterprise customers.



Source: Joel York

The third here is classic disruption, and the story should sound familiar: a company provides an improved solution to an existing problem, meets enough of the needs of upmarket customers, often at a lower price, and as a result disrupts the incumbent players. Just think of Slack, Dropbox and Stripe – all of whom started with thriving self-service businesses and when the market was ready, hired large sales teams to acquire bigger customers.

Be wary of "happy ears" with upmarket customers

There's a classic response that salespeople have when talking to larger companies – we call it "happy ears." It's incredibly easy to be overly optimistic when you see a sexy new logo walk in the door. Moving upmarket can change the entire trajectory of your business, after all.
As a result, one path that is very tempting to take when you have an upmarket customer is to ask your product team to build to their needs. There's a lot on the line for your prospect and your sales team. Likely it's been weeks, if not months, of work from the SDR and AE to even get the prospect to seriously consider your product. For both, it's millions of dollars at stake.

The risk of falling into this trap is wasting your company's time on something that isn't scalable– you might sell something that is great for one upmarket customer but doesn't enable you to sell any more effectively to others. We had the opportunity to sign a multimillion dollar deal with a large, well known company. They came to us with a request for proposal (RFP) that had 137 lines of special requirements. It wasn't an easy decision, but we passed in order to focus on selling products that are valuable for many customers rather than valuable for just one.

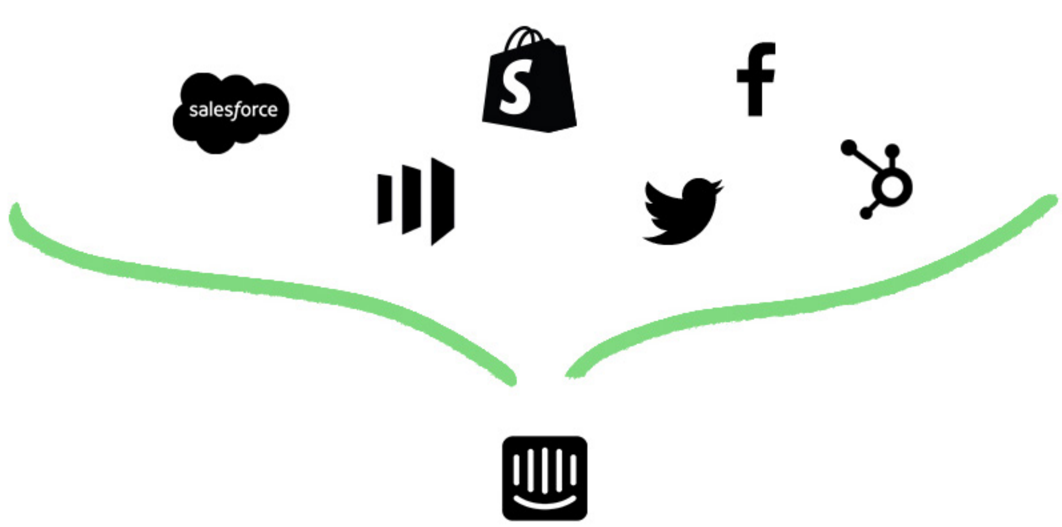
3 ways to move upmarket successfully

The best way to move upmarket is to do it one step at a time. Moving upmarket isn't about making exceptions to your product or go-to-market strategy. It's about taking a systematic approach to growth. We've moved upmarket at Intercom by:

1. **Finding customers who are one step bigger than our current sweet spot**. We started by identifying the customers who had outgrown our product. What were the core features they were missing? Often you'll find these are things like administrative capabilities, reporting functionality, security protocols and integrations or APIs.

2. **Understanding what our upmarket customers need.** When working with upmarket prospects, we discuss upfront which features in their RFP are must-haves and which ones are nice-to-haves. If you don't have it, you're not good at it and the plan isn't for you ever to work on it, be honest with your stakeholders.

3. **Assessing what we need to do versus what we could partner for**. We've made the move from product to platform. For our upmarket customers, our integration with vertical specific solutions like Salesforce and Marketo is crucial. In many cases, you'll find that extending your product to partners will be just as important as your core functionality.



Takeaway: Upmarket expectations are different

Don't assume you can serve your upmarket customers in the same way you serve your other customers. Just as your expectations for a $100 meal are different than for a $10 meal, your upmarket customers will expect more from you than the downmarket ones do. You need to be prepared to evolve your sales motion, mature your product and optimize for scale.

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