

# VENTURE START-UP / EMERGING TECH?

## ***7 Vital Questions To Ask Before Recruiting a Full-Time Sales & Marketing Team!***

Securing early stage funding is a marathon effort. But once there's cash in the bank, the most common, consistent mistake we see start-ups make -- ventures that *think* they are "ready to launch" -- is the decision to hire full-time sales and marketing personnel too early in the company's life cycle. Most especially a "Senior Sales Manager" or "Vice President of Sales and Marketing." It's only later these start-ups discover they hired too soon. They didn't have their business development program or pipeline fully sorted out; they weren't prepared to manage a full-time sales and marketing function; they're now struggling with an excessive salary burn; and they're facing a de-motivated Sales & Marketing team that's standing idle, with no sense of direction. It's a recipe for disaster. And it inevitably leads to a series of costly and time-consuming Sales & Marketing team turnovers. None of which you can afford. Even worse, it demoralizes your staff, and can jeopardize your success.

### **ARE YOU "SALES & MARKETING" READY?**

Are you about to make the same mistake? Here are 7 fundamental questions you need to ask yourself before you incur the time, cost, and risk of recruiting a full-time sales and marketing function that YOU will be required to train, motivate, and manage. Every day. Starting TOMORROW!

### **1. Have You Validated Your Business Model & Market Assumptions (Product & Price)?**

Are you certain you have a proper sense of your business model? Have you tested your product design, price point, and packaging model on a number of early adopting pilot clients? Have you fine-tuned your value proposition to market? Do you already have some active customers that are proving out your concept, offering product development feedback, and providing you solid testimonials? If the answer to any of these questions is "no," then it's probably too early to start hiring a full-time Sales & Marketing function.

### **2. Have You Verified Your Target Markets?**

Have your existing customers verified for you your ideal target markets? Have you even determined which markets will trigger your fastest growth opportunities at point of lift-off? Do you know whether you need a senior sales manager who is especially knowledgeable about, and perhaps formally belonged to, a specific industry sector? And if you have identified your first-stage accelerator markets, do you have any anchor clients in place to serve as case studies for more aggressive sales campaigns? If the answer to any of these questions is "no," then it's probably too early to start hiring a full-time Sales & Marketing function.

### **3. Are You Even Market-Ready?**

Have you tested your entire sales and fulfillment cycle at least once or twice against your target markets? Do you know the length, stages, conversion rate, and average deal valuations of your sales cycle (however small a sample set)? Can you fairly clearly communicate what your sales program and collateral should look like? And where you expect is the best place to advertise? Have you tested your operational fulfillment and service program with satisfaction? If the answer to any of these questions is "no," then it's probably too early to start hiring a full-time Sales & Marketing function.

### **4. Is Your Founder/CEO No Longer An Imperative Part of the "Deal Close?"**

Has your solution been in the market for at least 12-24 months? Is there any early-stage traction behind your brand? Do you have a sizable number of anchor clients generating revenues and successful case studies to serve as the foundation for a more formalized, methodological sales program? Has the company exhausted any and all personal prospects directly sourced by the Founder/CEO? Is your Founder/CEO no longer required to personally

close your early stage, pilot sales? Are you no longer speaking in terms of “pilot sales” and “anchor clients?” If the answer to any of these questions is “no,” then it’s probably too early to start hiring a **full-time** Sales & Marketing function.

### **5. Do You Have Lead Generating Mechanisms and a Pipeline In Place?**

As Founder/CEO, are you already handling a reasonable volume of sales calls? Are you feeling hard-pressed to address even a modest number of inbound leads? And is this passive lead-base fairly consistent, month-to-month? Do you have a fairly good idea of where to find more leads if you had a bit more time and resources? Are you feeling right now that the company is neglecting its pipeline, and you know you’ve lost sales as a result? Are you even certain whether you need to build a lead-generating program, or a “closer” program, or both? If the answer to any of these questions is “no,” then it’s probably too early to start hiring a **full-time** Sales & Marketing function.

### **6. Can You Justify the Full-Time Effort of a Sales Executive & Marketing Coordinator?**

Are you absolutely certain you have enough sales prospects, promotional programs, and industry events to justify the investment into a full-time Sales & Marketing function? Do you feel those individuals could easily be engaged for 50 hours each week, and still be left with work undone? Would you know exactly what tactical work and operational initiatives would be required of them beyond “market research” or “cold calling?” Do you know exactly what type of person it is you are recruiting for, what training would be required, how you would manage their responsibilities? If the answers to any of these questions is “no,” then it’s probably too early to start hiring a **full-time** Sales & Marketing function.

### **7. Can You Afford the Monthly “Salary Burn & Benefits” of Full-Time Staff on Your Payroll?**

Have you calculated the total monthly fixed expense and monetary burn (salary, benefits, WCB, and tax implications) that the recruitment of a full-time Sales & Marketing function would represent to your financial books and cash-flow? Are you already generating enough cash to sustain this expense? If not, are you certain you have enough prospects in the pipeline to justify a sizable investment in Sales & Marketing staffing at this time? And have you estimated whether the burn rate you can sustain coincides with the sales cycle duration and deal valuations you have in your pipeline? If the answer to any of these questions is “no,” then it’s probably too early to start hiring a **full-time** Sales & Marketing function.

## **BUT HOW DO I GET CUSTOMERS WITHOUT A FULL-TIME SALES & MARKETING TEAM?**

Let’s be clear. You need customers. And you absolutely need business development expertise. But you may not know quite yet what customers you should be hunting, or how.

Outsourcing early-stage business development to a closely integrated team of hands-on, part-time contractors, who have past experience, proven expertise, and are compensated to deliver results, can help guarantee you reduce unnecessary burn, mitigate risk, improve performance, and accelerate outcomes. This option is especially important to consider during the pre-launch and even early lift-off phases of your company’s development.

Visit [www.canadastartup.com](http://www.canadastartup.com) to read our follow-up paper “**3 Benefits to Outsourcing Your Early-Stage Biz Dev.**”