

UNLOCKING GROWTH

The Power of Fractional and Interim Sales Leaders in the Technology Industry

Great things in business are never done by one person.
They're done by a team of people.

David Sanders

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In today's rapidly changing business landscape, organizations face numerous challenges when it comes to achieving sustainable revenue growth. The technology industry, in particular, is characterized by intense competition, disruptive innovations, and evolving customer demands.

CEOs of small and medium-sized technology companies are expressing increasing disillusionment with the underperformance of their sales teams. This dissatisfaction centers around a number of issues - an apparent lapse in sales execution, inadequate pipeline development, and recurrent missed forecasts. Often, these CEOs perceive a mismatch between the efforts of the sales team and the broader objectives of the organization.



Compounding the problem, the sales team is itself feeling a sense of frustration, driven by the perceived unrealistic expectations set by their CEOs, coupled with a perceived lack of understanding of the challenges they are facing. This scenario underscores the need for clear communication channels between the upper management and sales teams to align expectations and work towards achieving unified business goals.

A common approach some CEOs have taken in an attempt to remedy this issue is promoting their top-performing salesperson to lead the sales team. The rationale behind this is the expectation that their success in sales will translate into effective leadership, subsequently boosting overall team performance. However, this can inadvertently create a new set of problems. In many cases, the company loses its most effective salesperson, and appoints an ineffective sales leader. The crux of the issue lies in the fact that the skills required for high-performing sales and effective leadership differ significantly.

The other alternative solution is bringing in a seasoned VP of Sales or a Chief Revenue Officer (CRO). However, the cost can make this an unrealistic option for many organizations. According to data from Salary.com, the median annual salary with benefits for these roles exceeds \$400,000. For many small to medium-sized enterprises, such a significant financial commitment may simply be unaffordable.



To navigate these complexities, small and medium organizations are looking to more cost-effective alternative leaders in Fractional and Interim VP of Sales/Chief Revenue Officers (CROs) – who possess the expertise, experience, and agility to drive revenue. Fractional Sales Leaders bring a unique value proposition to the table. They serve as strategic partners, working with the executive team to design and implement revenue growth strategies tailored to the organization's specific needs while providing leadership to create a winning sales culture.

Defining the Different Roles and Responsibilities

Each of these roles - a fractional VP of Sales/CRO, an interim VP of Sales/CRO boasts unique characteristics and capabilities. A fractional VP of Sales/CRO is a high-caliber executive who works part-time with multiple organizations, offering a way for companies to gain access to exceptional expertise without the expense of a full-time salary and benefits. An interim VP of Sales/CRO is a seasoned executive brought on temporarily to lead revenue-generating initiatives and fill a gap in the organization.



The roles of a VP of Sales and a Chief Revenue Officer (CRO) intersect at various points, though their scopes and responsibilities differ significantly. A VP of Sales predominantly focuses on driving the sales force to meet or exceed sales targets, emphasizing on direct sales strategy, forecasting, pipeline management, and team training. On the other hand, a CRO has a broader scope that extends beyond sales.

They are responsible for all revenue-generating processes in an organization. This not only includes direct sales, but also indirect revenue streams such as partnerships and alliances. The CRO oversees pricing strategies, customer retention, marketing alignment, and often product development to ensure a holistic and cohesive approach to revenue growth.

Why Consider a Fractional or Interim VP of Sales/CRO

Some of the top reasons a CEO should consider hiring a fractional VP of Sales/CRO:

- **Improve revenue streams:** Sales Leaders are responsible for converting prospective leads to cash in as little time as possible, thus increasing the rate and improving the revenue streams.
- **Cost savings:** A Fractional Sales Leader offers a more cost-effective solution, allowing companies to leverage their expertise without incurring the full cost.
- **Objectivity:** Sales Leaders can bring an objective view to the organization. Part of their responsibility is to bring an outside perspective to the company from their years of experience.
- **Align organizational departments:** Former CROs help in the alignment of Marketing and Sales to create a more unified revenue cycle that is more manageable and profitable.
- **Aligning corporate objectives to marketing and sales goals:** Companies that have CROs assist the CEO's to understand what budgeting of marketing or sales will be needed to achieve Corporate objectives.
- **Define revenue models:** Sales Leaders define which revenue model to follow, what promotions to market, and what discount thresholds to make to attract more revenue growth.
- **Lead and demand generation:** Sales Leaders assess, plan, design, and identify untapped revenue streams while keeping the benefit-to-cost ratio optimal.

- **Sales team assessment:** Through a sales audit, the VP of Sales/CRO can quickly assess if the organization has a consistent message of what business problems their solution solves for Companies including ROI.
- **Enhance customer experience:** CROs can collaborate with customer service, product development, CTO's, and sales to explore various ways in which the customer experience can be improved reducing churn.
- **Improve revenue forecasting:** A Vice President of Sales/CRO has the ability to implement a sales cadence that properly identifies opportunities within the sales cycle, and by leveraging KPI's can establish metrics to make informed and strategic decisions.
- **Expertise:** Sales Leaders bring specialized expertise to the table that can be invaluable for companies looking to improve their revenue streams. They have a proven track record of success in driving revenue growth and can provide valuable insights and recommendations based on their experience.
- **Coaching and mentoring:** Sales Leaders provide coaching and mentoring to build skills and capabilities that are essential for driving revenue growth.
- **Dress rehearsal:** Allows a company to see what value a sales leader will bring to an organization without the cost of a full-time employee.

The Do's and Don'ts When Hiring a Fractional or Interim Sales Leader

Hiring a fractional or interim VP of Sales/CRO can indeed be a valuable investment for your business if done correctly. By following these guidelines, you can increase the likelihood of a successful partnership with your fractional or interim VP of Sales/CRO and achieve your revenue-related goals.

The Do's

- **Clearly define objectives:** Before engaging a sales Leader, present clear expectations of your goals and timing. Be specific about what you want them to accomplish, whether it's augmenting revenue, refining sales processes, or penetrating new markets.

- **Evaluate experience:** Prioritize executives who have demonstrated success in your industry or a related field.
- **Assess communication skills:** Effective communication is paramount. Ensure your selected candidate can express their ideas coherently and collaboratively align with your team.
- **Understand their approach:** Proactively inquire about their strategic approach and methodologies. Ask to see examples of prior 90-day plans executed for other firms
- **Collaborative mindset:** Involve other executives from your company in the hiring process to ensure a cohesive fit across the organization. .
- **Establish a weekly cadence:** Set measurable benchmarks such as pipeline growth, progress of key sales opportunities, and other key performance indicators for weekly review.
- **Empower them to do their jobs:** You've engaged this individual due to their expertise and insights. it's essential to trust them to make informed decisions and execute their strategic plan for the business.
- **Engage the CRO with investors in the business:** A fractional or interim CRO knows what investors, such as Venture Capital and Private Equity firms, anticipate. They can provide immediate credibility by presenting a data-driven sales plan.

The Don'ts

- **Don't have unrealistic expectations:** They can't work miracles overnight. Be realistic about the timeframes for achieving results.
- **Don't micromanage:** Once you've hired a fractional CRO, avoid micromanaging their work. Give them the autonomy to execute their strategies and make necessary decisions.
- **Don't override them:** There will be people in your organization who are accustomed to coming to you to make decisions. It's critical your employees see the trust you have in this person and are relying on them to make these decisions.
- **Don't overlook cultural fit:** A fractional CRO should align with your company's values and culture. Overlooking cultural fit can lead to conflicts and hinder collaboration.
- **Don't forget to plan for transition:** The goal going into this role is that it is temporary. The goal is for this to be hugely successful that will drive you to hire someone permanent in the near future which includes knowledge transfer and ensuring a smooth transition.
- **Don't wait to correct a bad decision:** While it's important to give a person time to engage in the business, you also have the ability to make a change if you fee like you have selected the wrong person. Just make sure it's for the right reasons.

Conclusion

You must be prepared to confront the reality of your current situation head-on to enable progress. An honest appraisal may reveal that your company's growth is stagnating not due to lack of effort, but due to a lack of strategic clarity.

This confusion can permeate all aspects of the business, from the executive team to the sales floor, and can be felt by your prospects and customers. External pressures from the board or financial commitments can exacerbate this situation, leading to rushed decisions that may not serve your long-term interests.

Comprehensive analysis of your existing Go-To Market strategy can pinpoint areas for improvement and reorientation. This deep-dive can be conducted internally, by an external auditor, or by your newly appointed CRO. Investing the initial weeks in this analysis can ensure a thorough understanding of the present, which is vital for charting the path to future growth. Afterall, if you don't know where you are, you won't know where you are going!

About the Author



David Sanders

Fractional Sales Leader at Revellence
"Exceeding Revenues through Excellence"

With a sterling track record spanning over 25 years, David Sanders has established himself as a seasoned executive sales leader in the realm of emerging enterprise technologies. Serving as the Chief Revenue Officer and Senior Vice President of Sales and Marketing for various technology companies, his leadership has seen the inception and execution of global go-to-market strategies for SaaS/ Cloud-based software firms utilizing the power of Artificial Intelligence AI and Machine Learning ML across diverse industries.

His proficiency lies in the creation and implementation of forwardthinking sales strategies, transformation of sales teams, product and brand launch initiatives, integration of acquisitions, market expansion, and the cultivation of strategic alliances. His contributions have been instrumental in achieving double and triple-digit year-over-year growth in annual recurring revenue, a surge in closed transactions and new logo attainment, all accomplished through the creation of new channels programs and marketing strategies.

CONTACT INFORMATION

David Sanders
Fractional Sales Leader - Revellence
David.sanders@revellence.com
Phone: 678-429-6245