Andrew: This session is about how to sell to enterprise customers. It's led by Steli Efti. He is the founder of Close.io, CRM for real sales people. Steli's company started out as Elastic Inc. There it is on your screen. A company that did sales for other customers, including, as you can see on the right side of your screen, Grasshopper. They took what they learned from selling for other companies, and they used it to build a CRM that really helps people close sales.

Today he and I are going to be taking his knowledge and applying it towards entrepreneurs who are trying to get enterprise sales. My name is Andrew Warner. I'm the founder of Mixergy where proven founders, like Steli, teach. Steli, welcome.

Steli: Hey, thanks for having me.

Andrew: I just showed the two companies and the two products that you're running right now, Close.io software, Elastic where you do sales as a service. You weren't always especially well. In fact, you used to have a company called Super Cool School. And what was the problem there with enterprise sales, especially considering you feel to me like a natural born sales person? What happened there?

Steli: That's a great question. I think eight years ago when I came from Europe to start my first technology venture, [??] Super Cool School, but the problem was not sales. It was not about a convincing people passionately that what we were doing was valuable and a little exciting. We even got really large organizations like Google, Intuit, and Oracle interested. The problem was not understanding how enterprise sales works and how large organizations are buying and implementing new products and technologies.

Ultimately, that lack of understanding and experience and expertise almost cost us the company. It cost me a lot of pain. It cost us over a year of time and resources and energy. People left the startup because of the failure of it. So it was a pretty pitiful experience.

Andrew: And we're going to hear more details about the sales you got and almost got and what happened there, but you told me before we started you ended up with a lot of time and nothing to show for it, no revenue, no nothing. As a result of everything you learned though, you were able to actually use it to create this business, Close.io. Close.io, do you remember your first sale?

Steli: Yes, absolutely.

Andrew: How did you get that? I mean, we're talking about finally, years in the making, you figured it out and you had a product to sell to enterprise. And what happened?

Steli: I think the first couple of customers that we got for Close.io were really organic. They were all clients of Elastic, people we were doing sales for. So people were asking us to buy the software internally for their sales team and resources. And then we got a lot of startups to look into products that we didn't initially . . . We didn't initially go to the enterprise right away. We were still not focused on them.

Most of our customers were startups, SMBs and high growth technology companies.

I remember the very first larger company that approached us after just a few weeks after officially launched.

Andrew: Mm-hmm.

Steli: At first it's really hard not to get excited, so we all got a little excited. We really liked that company, and then a few conversations into it they started coming up with those long lists of features and requests and started telling us that they wanted these special pricing and massive discounts and all these extra rules and things that we'd have to do for them to even consider buying our product. And we told them no. We told them, "Listen . . .

Andrew: You got a customer and you're telling them no?

Steli: Well at that point we knew ourselves well enough. We knew the game well enough, and we knew how enterprise sales works well enough to know that we weren't ready to make the concessions and the sacrifices they were asking for. So we were confidently able to say no to all of their requests and tell them, "Listen, ultimately we want to work with you, but today doesn't seem to be the right time. So just keep in touch and in a year or two as we grow we might be able to kind of be able to give you everything you need to be able to purchase our product.

Andrew: And then what happened?

Steli: And then, you know, magically a few weeks later after we told them no, a credit card got processed and we got an email that says that they went ahead and bought a bunch of seats [??] anyways. It was a pretty surreal experience and people were high fiving each other in the office, and everybody was excited about telling a large company that has definitely more leverage than we do, telling them no on everything they asked us for. And still successfully selling them at the end because they really wanted the product.

Andrew: One of the reasons why I wanted us to talk about that client right off the bat is to show that you did have it now together enough that you could actually close a sale, the sale representing tens of thousands of dollars to you, right?

Steli: Yep.

Andrew: But, you did it without the compromises that, in the past, you were tempted to make. That in the past not only did you compromise, but it ended up costing you sales. We're going to talk about how you got here and more importantly, how the person who is listening to us can take your experience and apply at least some of it if not every single part of it to help them close sales. And I created this list of all the big topics we're going to be discussing.

The first one is, to hunt for contacts that are actually already related to you or related to the people who know you. You made this mistake a while back. You

used a service that used to be called Jigsaw. Today it's got the awkward name of Contact.Data.com. Do you remember the day when you said, all right it's time for me to go get customers, I'll go to Jigsaw? Why did you pick Jigsaw, by the way?

Steli: Yes. So, initially, the company back then was focused on end consumers. Until we got one, you know, very high up executive at Google to approach us, and say that wanted to purchase a software internally. And that's what got us started with enterprise sales. And once we actually convinced ourselves that we should go the enterprise sales route, we felt, well, hell, let's go and try and get a lot more enterprise clients and customers.

So how do we do that since we don't have experience or a network or expertise in enterprise sales? And we hadn't worked in large organizations before. Without, let's go somewhere on line and buy a ton of names and contacts and just cold call or cold email them.

Andrew: Ya.

Steli: And back then Jigsaw offered the service and, I don't know if they still do this, where you could upload all the contact information on a business card that you had and get a credit for it. And with that credit you could buy or get for free one business contact.

Andrew: Uh-huh.

Steli: Right? So what I did is took a bunch of friends, asked them to bring all the business cards that they had to my home. I bought up, you know, a bottle of Jameson and Coke and, you know, ordered some pizzas and for the entire weekend we were all sitting down on our laptops typing in contact information from the people that we had met and had business cards from to get credits so we could buy all these names to hopefully sell to.

Andrew: [laughs] So that's how all those names get into Jigsaw.

Steli: Yep.

Andrew: Ok.

Steli: That's how it used to be at least.

Andrew: You enter all those contact in?

Steli: Yep.

Andrew: As a result, you're entitled to get names and phone numbers of people at big companies. You get those names and phone numbers. How many sales did you get as a result of them.

Steli: Zero.

Andrew: Zero.

Steli: So first of all, you have to like, back then, I think about 40 percent of all the names were outdated. Right? Because, I mean, the system didn't know or didn't care if the business card I'm typing in, if that's from a person that left the company a few months or a few years ago even. So when we did the initial push we learned that a huge chunk right out of the bat was just bad data to begin with. So people weren't working in these companies would get all these bounced, bounced emails back...

Andrew: Okay.

Steli:...that would tell us that this email address doesn't exist anymore.

Andrew: We're talking about, I think you told me maybe 40, 40 percent at the time.

Steli: Ya. Ya, at the time. I don't know what it is today. I don't even know how exactly the system works. If it's still, like, back in the day you could either put in the work and get free credits. Or just pay for these names. I don't know how they do it today, but back then at 40 percent of the contacts that we had put in were, like, just bad names, bad email addresses.

And the rest of them, you know, we had almost no open rates, and no response whatsoever. So we spent kind of a whole weekend getting the data, and then I think a bunch of days during the week to come up with the email and the subject line and...

Andrew: I see.

Steli:...and it just ended up ... [??] ...

Andrew: So the point you're making is that even if you end up getting contacts, email addresses, and phone numbers of people who are real people. if you are a stranger, if you're not anyone to them they're not going to respond to you. And that was your experience. Did you get any sales from that Jamesons and pizza weekend? No, not one.

Steli: Not, not one, no.

Andrew: Okay.

Steli: ... [??] ...

Andrew: ... [??] ...

Steli: Oh, go ahead.

Andrew: I'm sorry. So instead, what you are advising us to do is go to friends and find out who, who they know that's working in these companies.

Steli: Ya, I think that, that you should first focus on what I call low hanging fruit sales. Type of...

Andrew: Yep.

Steli: ...sales, right? So, what's your network? What's your family, friends, colleagues, you know, ex-colleagues, whatever it is that you [??] network. What other people that you know, and where do they work and where do people work that they know, right? And see if you can get introductions and connections that are a little warmer. So that you can actually get in an easy entry and have somebody actually listen to you.

Andrew: Can't I just do that by going to Linkedin and saying who are some of my potential customers and then who's connected to them and then going to them and asking for an introduction?

Steli: I think that, that's one way that may work. Although many people are not as active in making these referrals in Linkedin. Although there's systems that you can learn to do that better. But, like, I would just, I would just keep it old school and just take a piece of paper or go on a whiteboard, write down some names of people that you know that work for large companies and just meet up with them.

Even if those companies are not ultimately the companies you want to sell to, just get their advice on how to sell to large organizations. Get their input.

Andrew: If they're working at large organizations, ask them for their advice.

Steli: Yes. Yeah. And then if they like what you do, you can always ask them if they know somebody else in one of these larger companies that you want to get to and sell to and get a referral to there.

Andrew: Gotcha. All right. And then those referrals will be warmer referrals, and that's where our first customers come from.

Steli: Yeah.

Andrew: Another thing is that you were telling me before you started that if we were going to do cold calls, we shouldn't do them into the big enterprises, even into the Googles of the world. Instead, where did you go when you were doing cold calls?

Steli: Yeah, so I'm a fan of cold calling. I think it can be a really effective tool, both to learn about your market, but also to grow your business.

Andrew: Mm-hmm.

Steli: But I think that typically cold calling, one of the biggest wasteful parts of it is that you're going to be dialing a lot of numbers, listening to a lot of dial tones and voice mails, and actually not reaching a lot of people. Like, typically, if you reach 10 to 15% of all the people that you call . . .

Andrew: Yup.

Steli: . . . you're kind of right on par. So you call 100 people, you only reach ten. And out of those ten, maybe just one or two are actually decision makers. In the enterprise, the numbers are even worse. You almost never just cold call and get the VP of Marketing to pick up the phone. Right?

So what's going to end up happening is you're going to have to waste an enormous amount of time to navigate within the organization and the enterprise to find the right person. And most of the time it's just not going to work out. So I wouldn't advise anybody to try to cold call into the Fortune 500.

But what you can do and what's advisable in most cases as a start-up or an entrepreneur is look for, kind of, maybe one step below the largest enterprise you could think of wanting to buy your product. And see if you can go and get started and get some momentum with S&Bs [SP] or larger organizations that are not quite the biggest companies in the world, and see if you can cold call the organizations that are, you know, less than 200 or 300 people where it's going to be easier for you to find somebody who's the right decision maker and get a few smaller wins . . .

Andrew: Mm-hmm.

Steli: . . . to build up momentum until you actually go to these really large organizations.

Andrew: On your site, Elastic, and I can see here on the right side selective clients, Dr. Chrono [SP], Grasshopper, The Muse. These are the size companies that you're talking about.

Steli: So yes, and to be totally frank, our website, we haven't updated up it in years with Elastic Sales. We have such a tremendous of inbound interest that we are not marketing that service at all. It's all word of mouth. But those are three of our past clients and customers.

And for Elastic, we've been doing sales only for technology companies and mostly for start-ups that have raised Series A or Series B. So it's well capitalized businesses that are on the growth path, but they're still start- ups. We didn't do sales for Coca-Cola or any other kind of Fortune 500 organization.

Andrew: Okay. All right. And to be clear, what Elastic does is make calls on behalf of those companies to help them get new sales. That's what your business does.

Steli: Yeah.

Andrew: Elastic. All right. On to the next one. We've got to keep on moving. The next point is to create your minimum viable pitch. Let me see if I could bring up, actually, first of all, what is a minimum viable pitch, and then I'll bring up a slide that you used at a presentation recently.

Steli: Yeah. I think that sales can really follow similar principles than product

development. Right? We talked about lean start-up a lot. We're talking about customer development. And sales is really similar in that you don't have to have all the answers to create the best presentations , invest hours of hours of putting up together the perfect pitches before you go out into the real world . . .

Andrew: Mm-hmm.

Steli: . . . where all those dreams and pictures are going to be destroyed. You should come up with the simplest first version of explaining what your product is. And then go out in the real world and develop and iterate and improve based on the conversations that you have with real potential customers or real potential users of whatever your product and service is. So the minimum viable pitch, the simplest version of a pitch that you can go out to communicate with the world.

Andrew: One example of how you did this is a company that you pitched, and they said, well, if you exist, we would die. Which business were you pitching and why would they die if that business existed?

Steli: So that was actually Elastic. So when we had the idea for Elastic, we had the idea on a Monday morning or Tuesday morning. And the next thing, we started cold calling a bunch of start-ups that had raised a Series A that we didn't personally know.

And we had no website up. We had no presentation. We had no logo. No nothing. We thought if we can cold call startups, pitch them on this idea, and get their feedback, we'll learn if this is a viable idea or not, if we should pursue it. And one of the earliest companies that we talked to, we told them about this idea of kind of a scalable sales force for technology companies,

And they said hey, if this existed it would be a true game changer for our business. But we were afraid. We cannot believe that this exists. But would it actually perform well? So they loved the idea but the trust was just too big of an issue for them to move forward.

Andrew: I see it's not that they were worried that you could put them out of business. It's just that they said this would be great, but gotcha. So, trust you realized was an issue and then how do you take that to improve on what you call your minimum viable pitch?

Steli: Yes, with that particular customer, what happen was, they give all these buying signals saying we really need this and we have a real problem sales side and scaling our sales force. But we are really afraid of giving away control of our sales process. Have you interact with our customers we don't believe that you can do a good job.

Our product is really complex and we don't believe you could actually learn the product well enough. They have all these concerns and all these fears. And at first what we did, is just kept following up, kept scheduling another call in, kept trying to convince them with words. Until we realized that probably that isn't really going to work ultimately we have to convince them with actions.

So what we told them was, listen two big questions for you guys. Number one, how do you like the way we have been selling to you so far? Is the way we represented our own business to you. Did you like that? Our style, our follow up and they loved it. And then secondly, what we told them was, we can talk about this and argue it forever but we will never really know until we know.

So why don't we do this, why don't you guys give us seven days for us to prepare to learn everything we can about your product. You don't have to do any training we are just going to learn all of this on our own. And in a week we will call you, the founders, and we will sell you and pitch you on your own product and you should ask us the toughest questions that you can ever think of.

If we can sell you we probably going to be able to sell everybody else. Let that pitch speak for itself. We called them a week later and ultimately closed with them.

Andrew: I see. When you are saying start with the minimal viable pitch it's to see where your potential client's issues are so you can integrate their concerns into your pitch. As opposed to saying, you know what, they are probably worried it's going to cost too much so let's lower our prices. They probably worried that we won't be able to call internationally.

Let's make sure we tell them we can call internationally. You want to understand what their issues are. In your case, you discovered that their issues were trust and they didn't think you could understand their full product. Alright, onto the, actually this is a slide from one of your presentations about the minimal viable pitch. What are we looking at up here?

Steli: So just a simple framework or structure for people to get started with and if you follow this structure you should be able to get going really quickly. So, I will go through the points really quick. Number one, when you pitch what your product and service does just explain what it is you do. Don't explain the big vision and how it's going to change the world. You couldn't explain to somebody Google and saying well what are you guys doing.

We are going to eventually organize the world's information and make it universally acceptable to everybody. What does that mean even? There is no image that can be created in the potential buyers mind or users mind. If you talk in abstract vision, kind of big marketing, or start up speak. So you have to explain exactly what you do. We have a website, there's a box in that website that you can type in a name or certain number of words. If you are looking for something on the World Wide Web and we will bring to you the most relevant pieces.

Andrew: The first aspect of a minimal viable pitch is a very concrete explanation of what the product does today.

Steli: Exactly.

Andrew: Not abstract. Not in the future. Not a hundred years when things are perfect. Today, right now. Okay. Demonstrate Value. What do you mean by that?

Steli: Once people understand what it is you actually do, what it really is that you do, you should tell them how that's going to deliver value to them. Don't talk about all the features and technologies behind it. Simply talk about the value of what you do, that's going to be created in their business. So how is this going to cut cost, increase revenue, save them time, and give them a real business value. If you can't demonstrate that by examples, if not tell them in some math or number why your product is actually going to be valuable to them.

Andrew: Alright, on to the next. Create credibility. How do you do that when you are starting out?

Steli: That is the tough part. You do it in whatever way possible. So, if you already have a brand it's easy but if you don't maybe you have a few early customers. Then you have to point to those customers and their credibility. If you don't and this is your enterprise find you ever talk to see if there is other ways that you can create credibility by either talking about your investors or your advisors. Or talk about the school you went to or whatever.

Anybody you know in your network that can lend some credibility back to you. You need to find ways to associate yourself with things that people are familiar so you increase your credibility in the market.

Andrew: Got it. Build understanding and rapport.

Steli: Well, now once people know what you do, once they know why it's valuable, and once they trust you a little bit. So everything you said is not in question, but they believe you. Now what you have to do is actually start understanding them. Who are they, as a company? What are their objectives? What are their challenges and problems? And really ask a lot of questions, to discover who the potential buyer is, and why they should care about your product and how it relates to their problems.

And once you really have arrived at a level of understanding, you can build rapport, in a sense of giving feedback to them. And explaining to them how your product is going to address those challenges, in a way that makes them feel comfortable, and makes them feel, like, they're really understood by you. And that your product really relates to their issues that they have, so they should care.

Andrew: Manage objections. How do you know how to deal with the objections, so early on?

Steli: Yeah. So the first couple of conversations that you're going to have, you're not necessarily going to know all the objection that people are going to bring up, but you should start with a few of them, that you can assume. So some things are, like, "I wouldn't have the time right now. We don't have the money. How is this secure?" Some questions that people will just have.

And you should think those questions through, and maybe write down, in one or two paragraphs, how you would address that question. So that when people ask

you that question, you don't have to compute the answer in real time, which usually means you're going to speak for way longer than you should. And you're not going to seem that confident. But then, since you've spent a little bit of time preparing for some of the most basic questions, you're able to answer these questions, while keeping eye contact. And doing that in a concise way, in one or two sentences.

Andrew: What's the big objection for Close.io?

Steli: For Close.io, I think that most people ask about our price. Why is it not the cheapest possible sales . . .

Andrew: And how do you . . .

Steli: . . . in the market?

Andrew: . . . respond to that?

Steli: I think that, what we usually do, when we respond, is we ask them what a deal is worth to them. And once we understand that if they close a deal, it's worth to them, a few thousand dollars, then we tell them about how most of our customers, once they use Close.io, they start closing more deals. So we talk about the value our software's creating, and how the value will vastly surpass the cost. And we talk about building an amazing product. And offering amazing service and support, and training. And how we're a premium product . . .

Andrew: I see.

Steli: . . . that gives premium value to the market.

Andrew: Yeah, because $60 a month, per user, does seem high to people who are expecting to pay, maybe, 40 bucks a month, and get five users.

Steli: Right.

Andrew: So you understand their big objection, and you have anticipated it. And as a result, you've been able to answer it. Onto the final part of the pitch, ask for the close.

Steli: Yeah, that seems so obvious. But it's still painful, how many times it doesn't happen. So many times, especially entrepreneurs, will go through the entire presentation. And then they never thought about how to end the presentation, actually ask for the close. "All right. Are you guys ready to buy? Do you have a credit card at hand? Do you want to buy this product today." Lots and lots of times, I'll listen to [???] pitch. And they will not even ask for the close, at the end of the presentation, the most essential thing. But still, people forget about it.

Andrew: All right. Onto the next big point here, because there's still some issues. You're suggesting that we map out a realistic timeline. Going back to the previous company Supercool School, there it is, right there. You actually got a major customer. You got these guys, right here. There's the TAB Oracle.

Steli: Yeah.

Andrew: Cool. Great! But what's the problem?

Steli: Yeah, this is the story of how we almost closed Google into it, and Oracle, [laughs] as our first three customers.

Andrew: At Super Cool School, right?

Steli: At Super Cool School.

Andrew: Okay.

Steli: Exactly. That was the company, we had just arrived in the U.S., eight years ago. We weren't [???] consumer startup. But then we got approached by Senior Executives of Google, that wanted to use our product internally, for their Engineering Education.

Andrew: Mm-hmm.

Steli: And we got really excited by that, and thought, "You know what? Everybody's telling us enterprise sales is hard. Let's test the waters, and try to talk to a bunch of large technology companies, and see if there's a market for what we do." And the very first three conversations that we had, Google, Intuit, and Oracle, all three loved it.

So we were high-fiving ourselves, thinking, "We're the smartest people in Silicon Valley. Enterprise sales is easy! What are all these people talking about?" And we were two people, a two person startup, with almost no capital.

Andrew: Mm-hmm.

Steli: So the worst possible situation to sell.

Andrew: I'm sorry to interrupt.

Steli: Yeah.

Andrew: But I think that Oracle story is going to be best for this section. And the Google story's going to be better for talking about getting a customer to pay and use it.

Steli: All right.

Andrew: Oracle, where you had it.

Steli: Yeah.

Andrew: Where you basically were closing it.

Steli: So here's what happened with Oracle, is we didn't understand the process of what would all the steps be, that it would take us, to actually close them.

Andrew: Mm-hmm.

Steli: So we talked to the Senior Vice President, to one of the SVP's at the time, and that person loved it. And then we got referred down to the VP, and that person loved it. And then we got referred down to the director, and that person loved it. And then all the way down to a manager. That person loved it. So we had meetings, after meetings, after meetings. And we were always thinking, "We're just a few weeks away from closing this deal."

It took us nine months to go through all those . . . nine months of countless presentations, countless meetings, countless hours of conference calls with countless people involved. Nine to ten months involved in that deal just before we thought we were ready to actually close, the seat of Vice President leaves Oracle to become CEO at a different company and takes away the entire org with him. So we had no one left at Oracle to talk to and the deal fell through. Through all that work.

Andrew: If you could have done that over, what would you do to solve it? You find that you went to the top and that person kept sending you down. You had all the credibility. It's not like someone saying their boss won't let them. It seems like everything is great, so if you could do things over what would you do differently?

Steli: Two things. Number one: I would have understood the process it would have taken before hand. We thought this deal would close after a month. It took us nine to ten months to then not close. Just to have a realistic timeline and asking the question after that first meeting. What will it take for you guys to actually become a customer? Then have them guide you through the entire process and then understand the kind of timeline.

Once you understand the timeline then you can actually make a reasonable decision. If you're willing and ready at that point to embark on that kind of a long journey to close a deal. The second thing is really understanding that enterprises sales people leave [??]. These real organizations and departments change so even if you are progressing well during that timeline your deal might just get lost in the middle through one of these re-orgs or somebody leaving.

Andrew: You sell one person and that person loves it and can't wait to get started. Then he gets promoted or he moves on to a different company and your champion is gone.

Steli: Exactly. When you understand that, there's really nothing that you can do about that. You can't stop people from moving on in their lives. When you understand that, you understand that enterprise sails is something that a two person startup with three deals in the pipeline has a really low chance. You have to have a lot of capital and a lot of time and resources to invest to have all these deals that are even promising. Some of them even break away and still make enough money and close enough deals to make it work for you.

Andrew: I see. Today you are an entrepreneur who advises start-ups and other entrepreneurs about how to close sales with enterprise customers. One of the things you tell them to do is when they have a client who is interested, before they continue with the deal, to ask what the sales process is going to look like. Who needs to get the buy-in, how is it going to work, and have a clear understanding.

Steli: Absolutely. Have them paint you a picture and paint a road map all the way from where you are to where you want to be. Don't stop until you get there. Sometimes people ask what the next step is. We're going to do X, Y, and Z. Then ask what's going to happen then. Then you're going to have to go through legal. They stop asking after that point and just assume that then they are going to be a customer.

Andrew: They go through legal then they're all set. Don't assume that.

Steli: Don't assume. Keep asking until they say, 'Yes, and then we will pay you money for your product.' Then you actually have the road map.

Andrew: On to the next big point. Let's bring up the board. You want to get a company to pay and use it. You actually had a business offer . . . I don't even know if we should name the company. Actually, I don't even think you gave it to me. I'm looking at my notes here. They were Ok. You sold them but you made a mistake of not . . . Actually, wasn't it that you didn't ask them to pay. What did you do with these guys?

Steli: I'm a huge believer in asking for money. Especially when you sell to businesses and even more so when you sell to the Enterprise. You can't give away things for free because then that's what the perceived value of those services and products are. Nothing. You want to ask for money. We knew that but we still made the mistake. This is a mistake that lots of founders do. You lack confidence. You're trying to do things to minimize potential risk to other people so that the deal will ultimately close.

What we were doing was we told them that they were going to have to pay for this even when they are the first customer. But we were going to offer the payment on a pay-as-you-go on a daily basis to make it really risk free. They can stop at any point. The problem with that is in their case was that they said yes. They were all gung ho about buying the product but they didn't really prepare for adopting our service. We didn't prepare them for adopting our service either.

Then they started paying on a Monday and a week later we keep calling them, keep e-mailing them to gives us all that material to get started with the stuff that we needed to do. They couldn't get all the material and all the processes to us to enable us to start doing work for them. After a week or so their CEO finally realized that they might not have the time right now. They were over worked and they had all these other projects going on. They would just put us on hold and do this at a different point.

What we did with the next company was equally risk-free, but it was much smaller

from a B2B sales perspective.

Andrew: And just to be clear, what you're saying to the first customer is, "Only pay us per day. You're not obligated to stick with us for any number of days." And because there was no obligation, when other things came up, they put you off. Other things seem more important, they put you off. Meanwhile, after a few days they realize, we're paying these guys and we're not getting anything in return. Let's close, let's get out of this deal. And so you lost it even after you closed the sale. All right? And then what you did next time...

Steli: What we did next time is a similar risk-free model, but a lot smarter from a kind of overall investment perspective. So, the next customer that we closed, we told them, "Listen, we're going to make this risk-free. You're going to invest in a three-month pilot, right, so you're going to pay up front a large chunk of money.

But, if at any point during those three months you feel like you're not getting your money's worth, we're going to refund you all the money. Right? But this is going to be a serious pilot, it's going to take some serious time for us to get started, to really deliver the value you need. And you're going to have to invest both the money and the time commitment for us to accomplish these big objectives and goals." So they pay kind of a big deposit, and had the power to refund. But just because of that initial investment, they took the whole project a lot more seriously and they ultimately stayed with us for 18 months after that.

Andrew: Because they put more money up front, they felt more committed to the project.

Steli: Yes, it became a much more important project right up front.

Andrew: And I can see why, early on, you would have been afraid to ask for a big commitment. I found this before we started. This is a blog post by Robert Scoble. You said that you were in the U.S. how long?

Steli: That was my second day in the U.S.

Andrew: Second day in the U.S, he does this post about you, Meet the Learning Lunatic. I scroll down to the bottom, and I found this one little section. Let me just highlight that section right here. There it is: Robert Scoble in 2007 saying, yes, he's on Twitter, which today of course, everyone's on Twitter. And he says, "He's looking to meet interesting people in San Francisco and Silicon Valley. He also is paying $100 a night to stay in a hotel and he's hoping to find cheaper housing so he can stay in California a little longer on his funds. If you are looking for a short- term roommate, drop him a line."

And the reason that I highlighted that is because when you're starting, you don't have infinite money. You're not fully settled in. When a customer comes to you and says, "All right, I'll give you a shot," you're tempted to say, "All right, I'll take whatever offer, whatever deals you give me." When they say, "I'm not so sure," you're tempted to say, "All right. I'll do it for free." And what you're telling us is, if they're doing it for free, or even for low-risk, they're not going to be committed enough, and as a result

all this hard work that you put in is gone. What a time, 2007, huh?

Steli: Yes, 2007, it's been a wild roller coaster ride. But you're hitting the nail on the head. Like when you're just starting out, you're aware that you're nobody, and it shows in the way that you are willing to do whatever they ask you to do, to get the deal done. Unfortunately, that perception of this person or this company is going to do whatever we want from them is lowering the perception of the value of your business and service that you're offering, so much that the deal's not going through usually, or not being taken really seriously.

So you need to mentally prepare yourself, to believe in yourself enough, to present as if you already have thousands of customers. And you're going to work with them, and you're going to give them some chances to get their money back if they're unhappy. But they have to invest and assume success. And you have to assume success.

Andrew: All right. On to the next point. Map out what a successful adoption looks like. This is the point where I thought we could illustrate with the Google example. What happened with Google and adoption?

Steli: Yes, so again, back in 2007, we had no clue about enterprise sales. We get a senior executive at Google to be excited. She actually even joined our advisory board, so she becomes involved with our company.

Andrew: Wow.

Steli: And we think, 'Wow, this is going to be amazing.' And back in the day, we thought, 'OK, we have this product, and Google is this amazing organization. They surely will know how to use it and to implement this. All we have to do is, we deliver the product and we deliver the pitch, and that's basically where the job ends.

So we started a pilot at Google. And what happened is that that steering executive pushed the project down to a project manager who was then responsible to make the implementation, tell internal users about it, keep track of KPI's and manage the entire project during the period of the pilot. We, not knowing what we were doing, never really worked with that person closely enough, never really coached that person, and didn't manage the process.

So what happened was that person was not really bought into the vision and mission of the product. She was so busy with other things. For her this was a lot more work and a lot more risk. So she didn't do an amazing job implementing it, didn't really care about the project, ultimately. And did a really poor implementation of it, and ultimately, a few weeks into the pilot, she recommended that we should discontinue the pilot, because it's not going that well. "And we lost . . .

Andrew: Even though she was an adviser.

Steli: No, no. Not the project manager adviser to the director, right.

Andrew: Oh, I see. And the directors the person who said, hey, we should . . . I see.

So, your point is it's not enough to just get the sale and close it when you're talking about a big company. They buy things it could get completely lost and you've lost your sale. You have to make sure that they adopt it within the organization. And if you could do that over again with Super Cool School what would you do?

Steli: Yeah, that's a great question. So, three things. After convincing top, kind of, senior executive to open the doors for you. First, you want to understand what are all the stake holders involved and make sure that you understand what their objectives are and their goals, and try to cater to all of them.

And then second, once you get introduced to who you ultimately your project manager, or your champion internal organization is going to be you need focus reselling that person on the vision of why it's going to benefit their career. Why this is going to be an important project to their life and once you've resold them on that you need to become their best friend, and their best support, and actually implementing your product successfully.

So you need to kind of give all the material. Tell them how to do the pilot internally, how to communicate to the internal team. What goals and keep your eyes to set for this. You need to have weekly calls to check on how things are going and support with issues and problems that they're having. You just need to do everything you can to make that champion succeed in implementing your product in the organization.

Because if enterprise sells as you said, just closing them and getting them an initial commitment is not enough. You need to make sure that it gets successfully implemented so, they actually stay a long term customer and become a referral.

Andrew: Okay. I should have said this earlier in the session the Super Cool School was an online education platform. You allowed other companies and other individuals to use it to teach. The session isn't about Super Cool School, which is why I didn't. It's about the sales that you almost made it Super Cool School.

Look at you, though. A guy who comes to the U.S. A few days you get posts on Robert Scoble's blog, soon after you get in front of Oracle. You get in front of Google and so, you actually made all those first steps work, but it wasn't enough. You actually had to take people through the full sales process and get them to adopt.

All right. So you're even telling me adoption is not enough. Let's go on to the final point which is make referrals and references a part of the deal. Give me an example of one deal that you got a referral from so that I could understand where in the sales process you were asking for the referral.

Steli: So today when we close a large customer or client we make the referral part of the entire deal. So, we'll tell people, once both sides are sure that it's a good fit, we could actually work really well together, we'll tell them listen, we're really not spending a big amount of effort and energy marketing and PR and all these things, and trying to acquire more and more customers. Most of our customers come through referrals.

Because we invest all our time in technology and servicing and training you and making as successful as possible. So then the way we grow is our happy and successful customers get those more referrals to other happy and successful customers. Does that in general sound fair to you? Is that a fair arrangement?

And nobody says, no. Nobody says, no. I want you to waste all your time on PR and marketing and no time in servicing me and making the technology better. So, people say, yes. If I'm happy I'm going to make referrals for you.

Andrew: I see.

Steli: The important thing is that once you close the deal you don't have to wait forever for that customer to be a customer of yours for years, and years, and years before you can ask for referrals. Once they actually sign the check, slide through the credit card, or whatever that is. Once they actually convert to a customer you ask them to make referrals.

And most startups and founders do a really weak job there. They'll ask for a referral and usually the response you'll get is that people will say, well, it's a good question. Let me think about that and get back to you. Most people are not comfortable pushing back on that. They'll just say, yeah sure. Whenever you can think of anybody we appreciate it.

Because they don't want to take a success they just had making this person a customer and turning it sour by asking for a lot more. In our experience you want to push just one more little time. You want to tell these people that you appreciate them thinking about it and giving you a lot more referrals later on, but right now let's just get started with one person you could think of that would benefit from knowing we exist.

Andrew: I see.

Steli: If you push you usually will get a few more referrals and there's a few more steps which you can do to push this further.

Andrew: So, let them know earlier on that at the end of the sales process, after you've gotten them going that you're going to ask them for a referral?

Steli: Yup.

Andrew: And do it using the question that you phrased earlier so that they're not saying no. So, that they have, what's the word I'm looking for? It's not that you're pushing them to say yes, it's just that you're making it a natural yes. "Is it okay if I come back to you after we focus on the sales process, after we focus on getting started? Is it okay if we come back to you and ask you for a referral?" They say yes.

You come back after they're all set up and you ask them for a referral on your site, on your blog. Let me show the blog right here. We're going to link to it. You've what you call the B2B referral sales system. And I'm going to skip right down to the

center section where you have the referral sales script, where you show people what to say, and especially how to deal with the no that often comes when you ask a client for a referral. The no comes because, not that they don't want to give you a referral. It's just that they can't think of anyone. You're suggesting that we push back on it.

Steli: I suggest that you push back on it and ask for. . . Just thinking of one person right now to get us started. Six out of ten people will say, "No, I really actually need to think about that". Fair enough, right? And you move on with your life. But four out of 10 people, in my experience, just by pushing one more time from your side, will actually think and then tell you. Give you a name. Give you a referral to get you going.

The really crucial part is once you actually get connected with that referral and you talk with them and you go through all the steps in the sales process, if you actually convert that referral into a new customer, you have to ask that new customer to get back to the original referrent and thank them for the introduction. You ask them, "Who's responsible for us connecting and you buying our solution?"

They'll think, "Well, Bob made the introduction. Cool. Can you do me a favor and send Bob a quick email thanking him for that introduction that was valuable to you?" The moment Bob. . .

Andrew: No, not from me the person who's selling, but from Bob, from my customer . . .

Steli: Exactly. Absolutely.

Andrew: . . . back to the first customer that referred them. That way they feel good about having made the referral.

Steli: Exactly. The moment Bob gets an email that says, "Hey, thank you so much for introducing me to Steli. We just bought their solution. This is amazing for our business."

Bob will start thinking, "Well, hell, who else do I know that I can introduce to Steli?" Then it becomes a real referral machine, a real growth engine to your business.

Andrew: All of this stuff you learned. . . my second monitor is right there . . . I should just show it. Here it is. All this you learned from doing sales for many other companies at elasticsales.com. The software you created to allow other people to shepherd their employees through the sales process is called Close.io. One of the things I like about Close.io is most software, most CRM, requires a sales person to go make a phone call. Log it in. Send out an email. Log it in. Do something. Log it in. People always forget.

The sales manager, the CEO, or other salespeople will go back and say, "Why didn't anyone say that we emailed them yesterday? I just emailed them today. Why don't you keep track of where we are so that we know where we are in the sales process? So that we know how quickly we're likely to close a sale?" You don't do

that. You, instead, at Close.io, automatically do it for salespeople. When they make a call, that gets logged. When they send an email that gets logged. Your mission is no data entry, right?

Steli: Absolutely. We want to empower salespeople, entrepreneurs, and start- ups to close more deals and make more sales. To focus on the one thing that sales is at its core, which is communication. Have the software take care of the manual labor of data entry and get all the data in the system, and get it accurately but get it done by software.

Salespeople can focus on communicating to customers and prospects and the software can take care of all the keeping track of all the data and communication and email and calls. With that, typically when new companies start using close.io they see an increase of communication. When you increase the communication you increase the number of deals that you close.

Andrew: I see. And if anyone is saying that the price looks a little too high, what's the deal worth to you?

Steli: We tell them, yes, it's a high price because the value we offer you is really high. We would ask companies what an additional deal a month is worth to you? Most of our customers would tell us is multiple hundreds or multiple thousands of dollars. Paying a few hundred dollars to get a few thousand dollars in return in terms of more deals closed is worth it to most of our customers.

Andrew: Cool. One of the reasons that I asked you come on here and do this is because people on Mixergy heard your interview on Mixergy about how you launched these businesses after the struggle. You heard from them directly and you said, "Yes, I will come and do this session with you." The reason I'm saying it is to let you and the audience know that my guests do appreciate hearing from you. The impact that you have leads to things like a session like this one.

If you got anything of value go check out Close.io, that's the URL, and get to know the product and find a way to say thank you to Steli. Find a way to connect with him. I'm going to do it right now, but I want you to know you should never be someone who just sits back on the couch and takes life in. You have to go. If there's anything that you got out of it. If there's anything that draws you to it. You have to go in. You have to send out the note. You have to be a part of the lives of the people you admire.

Steli, thank you so much for doing this session with me.

Steli: Thanks so much for having me. Last time was awesome. I'm glad that we're able to talk even more enterprise sales this time around.

If people want to reach out to me, you can just email me at steli@close.io. If you need help, advice or just want to reach out and say hi, I'm always excited to hear from people.

Andrew: Thank you for being such an important part of the Mixergy community,

Steli. Thank you all for being a part of this and watching this program and using it and coming back and telling Steli how you did, and me. Bye, everyone.