Notes for and Analysis of Customer Discovery Interview with Greg Davidson, Director of Sales at Krossover Intelligence

A Part of the Premium Packages for *The Entrepreneur’s Guide to Finding Your First Customers*

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Notes from the interview:

* One of the biggest challenges Greg and his team faces at Krossover is Krossover’s market, its market size, and how Greg and his team get that market to start using Krossover.
* Krossover breaks down game film for schools’ teams across the country: basketball, football, volleyball, and lacrosse are the sports Krossover does analysis for.
* Krossover’s market is primarily high school sports teams as well as Division II and Division III sports teams. The limit to Krossover’s market is how many high schools and colleges there are across the country.
* Another challenge for Greg and his sales team is how they can effectively and efficiently reach the coaches and people who make buying decisions for sports teams at colleges and high schools.
  + What’s the most effective approach? Is it via outbound marketing and cold calls or is it via marketing and inbound leads generation?
* Krossover and Greg are always focused on growing the sales team and growth of the sales team is usually a sign of success for Krossover.
* Krossover has existed for 4 or 5 years as a company and Greg has been working at Krossover for about a year and a half.
  + Over the course of that year and a half is when Krossover started focusing on sales. Before its focus on sales, most of Krossover’s new customers came via word-of-mouth. There was no outbound sales process and marketing was not very good.
  + When Greg came aboard Krossover, he made the decision and asked the question of how Krossover could grow its revenues by “x” amount each year. Also, when Greg came aboard Krossover only had 2 salespeople. Now, Krossover has 22 salespeople.
* **Last year Krossover Intelligence grew “3x” in revenue and this year Krossover is projected to grow “4x” in revenue.**
* Throughout Greg’s career, he’s always liked to use the sales strategies that people were most uncomfortable using. Outbound sales is the strategy people love to hate, so he believes the best way to start the sales process is by cold calling people and not beginning interactions with cold emails in a lot of cases.
* The quickest way to determine whether or not someone is interested in buying your product is using outbound sales and cold calling that person.
  + Though outbound sales is effective, inbound leads and sales are always easier to convert. That’s why Krossover has built up a strong marketing team to generate inbound leads as well.
* During the summer months, coaches aren’t in school and athletic administrators are in their offices less frequently. Because of this, during the summer Greg and his team focus a lot more on their email marketing and inbound lead generation in preparation for the fall months.
* To keep steady communication between the sales and marketing teams strong, Krossover uses HipChat.
  + Krossover made one of its best salespeople its “customer happiness specialist” and “customer manager” because she has one of the strongest pulses on what Krossover’s customers need and want in terms of content and marketing materials.
  + Communication between the 2 teams allows the reps to communicate the desires, fears, needs, and other important information of customers to the marketing team, which in turn allows the marketing team to create better marketing content and materials and drive better leads.
* For software, Krossover uses HipChat, Freshbooks, and Close.io (a company Greg used to work for).
  + Greg believes this is the most important and the best piece of software his team uses for sales. When Greg worked for Close.io, Close.io was still ElasticSales.
  + Greg believes Close.io is the best software for outbound sales, and that’s why he started having Krossover’s reps use Close.io as soon as he joined the company.
  + Krossover now has 22 users on Close.io.
* To train new salespeople at Krossover, the sales team has set something up called Krossover Academy. The content in Krossover Academy changes based on the size of the class because they can cover more with fewer people in the class.
  + Krossover Academy begins a week or two before new reps start at the company and the Academy generally lasts for 3 to 5 days.
  + Krossover Academy is a full breakdown of the product, the pitches sales reps use, the scripts sales reps use, objection management, role-playing for cold calling, looking at the emails and writing styles reps would like to use during cold emails for outbound sales, and teaching reps Close.io.
  + After reps finish the Academy, they have everything they need to start selling Krossover effectively.
  + The content for Krossover Academy is not pre-recorded material in a learning management system and all of the classes and training sessions are done live in the Krossover office. Krossover has a training manager who runs the Academy. The training manager has full discretion when it comes to changing the program and looping in the right people from the team to help with training.
  + Krossover has had 3 or 4 sessions of the Academy, and each time the Academy gets run the team learns more about how to make it better.
* A lot of the metrics and success factors Greg and the sales team track are based on the book, *Predictable Revenue*.
  + At Krossover, the volume of calls people produce is very important and the average talk time duration of those calls is also very important. Krossover really values how many calls people are making, the average duration of each of these calls (tracked by Close.io), and how many active opportunities each person makes in a day.
  + An “active opportunity” at Krossover means a rep has spoken to a lead, given a lead a live demo via join.me, and received feedback that the lead is interested in Krossover’s product after completing the demo.
    - join.me is a screenshare program that allows sales reps to give leads a live demo of Krossover’s product.
  + Krossover’s active opportunities usually convert to invoices at about a 50% conversion rate, and 90% of the invoices close.
* Krossover’s leads are scattered all over the Internet.
  + There’s a directory of coaches called eCoachesDirectory that Krossover uses to get some of its leads. Conferences also have websites where they have all of the coaches listed on the site.
  + From Greg’s experiences in sales, the worst part and the biggest drain on time and resources that could be used for actual selling has been lead generation. The main job of a salesperson is to sell, not to generate leads for the company. Greg made it one of his goals to never have Krossover’s reps directly be prospecting for leads and lists. Greg wants reps to prospect to get a more in-depth view of leads they’ll be calling.
  + So, to get leads Krossover uses oDesk. Greg and his team sends contractors on oDesk the sites they should use to look for leads and lead criteria and guidelines, and the oDesk contractors send back CSVs to Krossover with all of the leads the reps need and more.
  + Krossover doesn’t really use email lists to get leads at all. Though, Krossover does have some partnerships with sports organizations like AAU where those organizations provide Krossover with email lists of people involved that Krossover then sends marketing emails to in the form of email blasts.
* To send outbound cold email blasts to email lists from partner organizations, Krossover uses MailChimp heavily.
  + For these emails, Krossover doesn’t use any autoresponders or drip campaigns. These emails contain links that people who receive them can use to fill out a form with information about themselves if they’re interested in Krossover’s product. Interested people in Krossover fill out whether or not they’re interested, their names, phone numbers, sport, and email address. Then Krossover reaches out to interested leads ASAP.
* **What Greg and his sales reps like about join.me is that it’s very easy and simple for his reps to demo Krossover’s product. join.me is simpler than software like GoToMeeting, which sometimes forces people to download software. One of the biggest problems Krossover faces with join.me is bandwidth issues. Most of Krossover’s customers, sports coaches, work at high schools or colleges where the internet connections are generally spotty and slow. When Krossover reps give demos to people with slow Internet connections, it makes giving the demo and sales process much more difficult as the reps have to figure out how to improve the coach’s connection so the demo and pitch can be given effectively.**
* 100% of Krossover’s sales pitches and demos happen at the office. The reason Krossover does this is because it knows that it has the best chance of talking with as many coaches as possible if those pitches, calls, and demos happen from the office. Reps in the office are potentially able to call between 100 and 150 coaches per day, while reps on the road cannot make nearly as many connections and calls.
* The pricing for Krossover is anywhere from $800 to $2500 per sports season.

Analysis about the interview:

This was my third customer development interview. One of the most interesting and important pieces of information that I learned from this interview was how Krossover Intelligence started to grow after it implemented a sales process and started hiring a sales team. According to Greg, Krossover’s revenues grew 3x last year in large part due to the creation of a formal sales process and team. This year, in large part thanks to the sales team, Krossover’s revenues are projected to grow 4x. This is interesting and important because it shows that an efficient sales team and process can really help accelerate the revenue growth of a company and product, even for a product with a fairly low price range like Krossover. Many SaaS businesses and other businesses choose not to build sales teams because doing so is less efficient than having a self-service nature or SaaS and goes against the traditional idea of SaaS products being self-serve. But, this shows that sales has the potential to be a big win and provide a big ROI for SaaS products. To me, this shows that there could be a product or service opportunity related to creating a scalable sales service for SaaS companies who don’t already do sales. It would be like [ElasticSales](http://elasticsales.com/), except ElasticSales is generally for companies that already have sales teams. I’ll have to do some research into this idea and think more about it.

In my interview with Greg, I was surprised to hear that the training program for new sales reps is done live. I was expecting to hear that Krossover does not use a learning management system to train its new salespeople, but I was also excited and refreshed to hear that I was wrong and they do live training instead of pre-recorded training. While pre-recorded training might be more scalable and in some ways more efficient than live training, with live training it seems like companies are able to get a sense of what training material is effective and ineffective much more quickly. Though this insight from Greg does seem to lead to any product ideas, it’s still something that’s valuable. For example, one day I could use this piece of information as the basis of a blog post I use to help build up an audience.

There’s one other comment from my interview with Greg that was extremely interesting and could lead to a product idea. Greg mentioned that because many of Krossover’s customers work at schools where Internet connections often have a low quality or a varying quality, giving demos and pitches to these customers can be very difficult when they have slow Internet. Why does slow Internet make it harder for Krossover reps to give effective pitches and demos? It’s because when the Internet is slow, often times the web applications Krossover uses to give pitches and demos don’t work properly for potential customers. I’d bet that there are lots of other companies and businesses who have sales teams that sell and demo products to customers who might have slow Internet connections like some small businesses. I wonder if sales organizations who sell to these types of customers would pay for a service that temporarily boosts the Internet connections and bandwidth levels of these customers during sales pitches and demos this way the pitches and demos can be give much more successfully and efficiently. I’m not sure if it would even be possible from a technical perspective to create a product like this, but I imagine it could potentially save sales teams lots of time and frustration. I’ll have to look into this idea in the future and ask VPs and Directors of sales at different companies if their sales reps face a similar issue.