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**Scott Public Relations...**

“A Step Ahead” is a publication of Scott Public Relations ([www.scottpublicrelations.com](http://www.scottpublicrelations.com)) a public relations firm specializing in business-to-business communication for firms in health care, insurance and technology. Scott Public Relations helps its clients, ranging from Fortune 100 firms to start-up companies, stay “A Step Ahead” in their marketing programs and in their industries.

## Sales Savvy for Start-Ups: Seven Mistakes to Avoid

Many start-up companies have difficulty gaining market share quickly and meeting the expectations of their Boards and Investors. One of the major barriers to this success may be a product-centric approach that doesn’t include an analysis of who will pay for the product.

Bill Behnke is a serial sales manager for start-up companies. He has nurtured firms from their inception and initial seed investment to profitability and market leadership.

He notes, “Without successful sales, there really is not going to be a company. Many great products and services don’t make it to market because their founders don’t understand the importance of sales, marketing and public relations.”

A member of Scott Public Relations’ Council of Experts, Bill shares his insights in this article about avoiding the most common mistakes that start-ups are prone to make in the crucial “go-to-market” stage.

**1. Targeting the wrong person.** This is by far the most common, and least anticipated, problem that new sales efforts have. For example, the new firm may have a technology product and assume that the IT manager will be their target. However, if the product improves patient safety, the target may be the Director of Nursing or the Director of Quality Assurance. If it improves clinical outcomes, the target is probably the Chief Medical Officer. If there are multiple decision makers, the account needs to be “saturated” to reach them with their respective compelling messages.

Similarly, there may be one value proposition for hospitals, a different one for insurance companies, and yet another for physician groups and surgery centers.

Research with your potential prospects is essential to be sure you are going to the right person within the organization. Then, make a case that is meaningful to them. This may mean going to the AHA and researching a hospital’s financial and quality results, then creating a pitch about results you found to present an alternative scenario with the use of your service. The business case must be compelling enough to withstand a long sales cycle with multiple decision-makers and influencers.

**2. Underestimating the time required to turn prospects into sales.**

Entrepreneurs may be optimistic about early sales to their personal and professional relationships. Even these boosters may have a long sales cycle within their own companies. Also, this pool of “low hanging fruit” will quickly be exhausted. The sales team - and the organization - must hunker down for a long-term battle to win market share over time.

**3. Assuming you have no competitors.** Many early stage companies, convinced of the unique nature of their value proposition, business model, or their technology, believe that “We really don’t have any competitors.” In reality, every company and every product has competitors. Even if you are solving a problem in a unique way, someone else is trying to solve that same problem. And your customers have most likely gone in search of solutions for that problem before. Even if you are solving a problem in a unique way, someone else is trying to solve that same problem. And your customers have most likely gone in search of solutions for that problem before.

It's critically important to know with whom you are competing. Do Internet searches under a variety of key words that you think your customers would use to find you and see what companies come up. And ask your employees, customers and prospects who else has approached them about this problem.

**4. Failing to get input on your product or service from potential users before crafting your sales message and starting the sales process.** How can you do this? One method is to use the people you know who could be potential customers, as a focus group. These people will likely have personal relationships with you and be willing to give you the benefit of their time and expertise. Request total honesty: invite them to tear the product apart, tell you what they find appealing, what they would like to see more of. (Be prepared for the fact that not everyone else may think your great idea is as fantastic as you think it is). It's best to get this feedback now when you can adjust your message, product and pitch.

Identify the value proposition for different markets. Various individuals within a hospital, for example, will have different "sweet spots." You need to articulate the value proposition for each, along with the ROI.

**5. Assuming that "no" means "no."** Make sure your sales force, at every level, understands that a no is just another objection. The history of a good sales executive should be filled with successful sales to people who at first, would not talk to him or her, who were about to sign contracts with competitors, or whose RFP deadline has passed.

**6. Selecting the wrong people to head the charge.** Sales leaders should be seasoned veterans who can build a strong team, bring the product to market quickly, and understand how to meet the expectations of investors and a Board of Directors. They should not be "desk jockeys," but active in the field understanding current market conditions and assisting the team with closing business.

The sales force needs not only experience in the market, but also experience with the start-up mindset. They need to be able to close sales quickly and inexpensively by targeting the correct markets that will gain the most from the product.

**7. Underestimating the power of public relations.** PR can be the most powerful marketing tool to fill a sales pipeline. PR creates the awareness, builds credibility and opens the minds and doors of your prospects. PR can create the perception of size, stability, and market and innovation leadership. The "buzz" of PR builds word-of-mouth - **the most powerful referral agent of all.**

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