

Ephor Revenue Best Practices Processes for GoToMarket B2B Success

An Introduction to Probability Selling

For B2B companies that are looking for predictable and consistent growth that have well defined value-propositions and a portfolio of products/services/solutions Probability Selling is the cost effective and economic efficient method preferred by VC and institutional investors.

Benefits of Probability Selling:

By implementing a lead nurturing management system customers found:

- ✓ Increase in qualified appointments by **78%**
- ✓ Decrease in sales cycle from **months to weeks**
- ✓ Increase in sales and marketing spend by more than 300%
- ✓ Decrease in cost of sales by **10 to 20%**
- ✓ Improved conversion rates up to **3x**

Objective: Schedule B2B high probability appointments from a “database pool” of profiled (i.e. “Research Survey Completed”) and qualified PBP (“Prospective Buyer Pool”) of leads that has better than 20% closing conversion rate (i.e. at least 1 in 5 appts converts to a customer win within 90 day sales cycle).

Description: A measurement and metrics driven approach to generating revenues that ensures consistent, measurable progress that is forecastable.

Probability Selling Details – The Business Case for Go-To-Market Support:

1. Today’s market and economic environment requires proven and experienced management expertise and a **methodology** that increases the probability of consistent success.
2. Wealth Creation = Timely & Effective Strategic and Operational Execution coupled with consistent improvement.
3. Strategic Effectiveness creates exponential wealth.

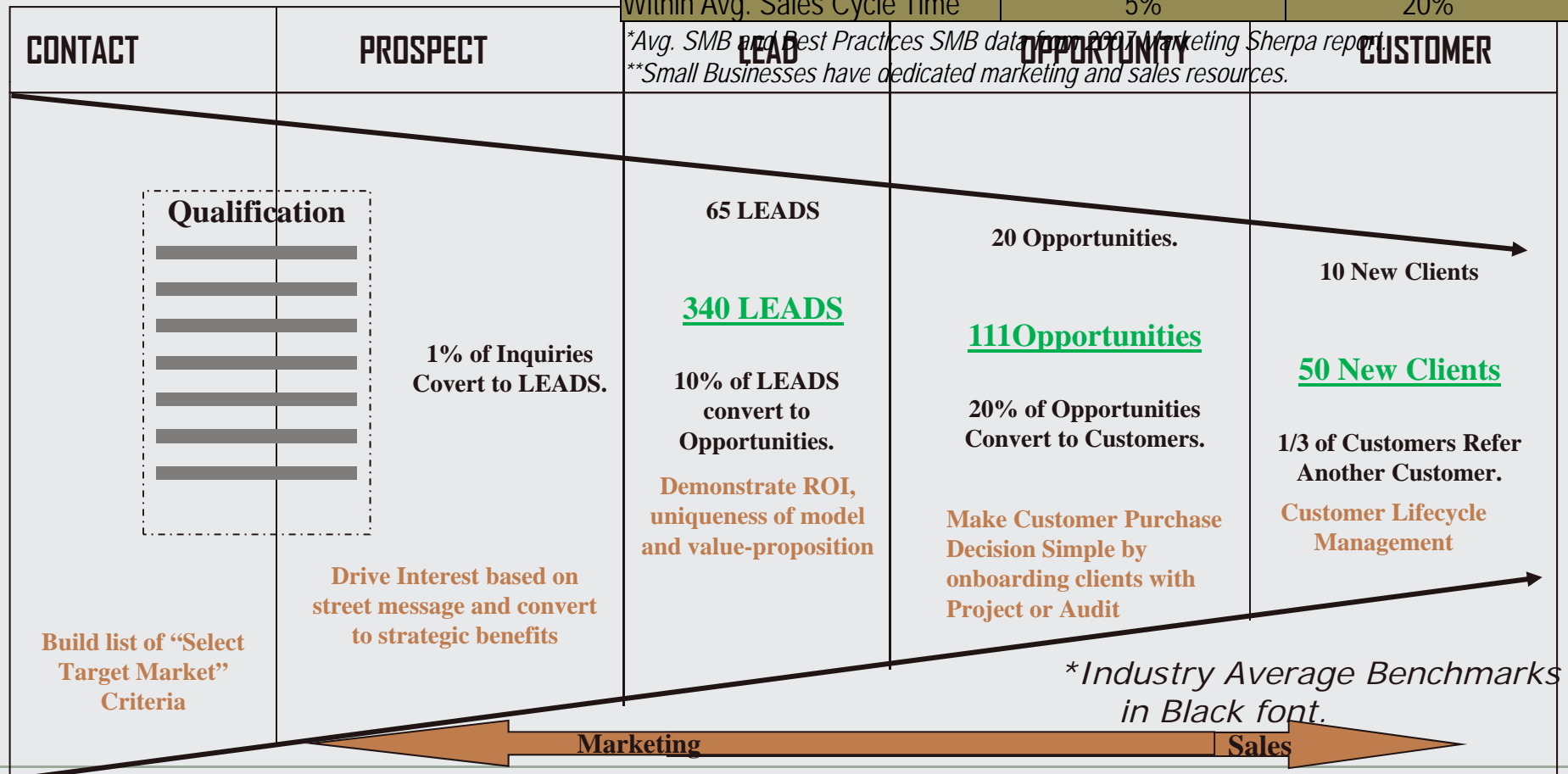
Call to Action (CTA) – Do you have the assets needed for cost effective sales?

Metric	Industry Benchmark	Goal	Description Details
WAPV by month	1X Revenue for the current year.	2X Revenue target for the next 9 months.	Weighted Average Pipeline Value (WAPV) = Average Sales Price * the Probability Closing of the number of Qualified prospects actively being worked.
Brand Handicap Ranking	Top Quartile	#1 or #2	Be recognized as top or first alternative for your market.
House List Asset Value	2X Revenue for the current year.	8X Revenue target for the next 6 months.	# of products per customer * contract months left on contract
AD KPI Ratio	2+ sources	3+ sources each contributing at least 15%.	Portfolio & Distribution Effectiveness
FRPD KPI Ratio	2 marketing touches to at least 2 contacts per company.	2+ marketing touches per QTR to at least 2 contacts.	Marketing Effectiveness
Sales ROI	\$500 per appt 20% cost of sales 15%+ new business from referrals	\$250 per appt <20% cost of sales 15%+ new business from referrals	Cost Per Appointment Cost Per Sales CSI and referrals

Go-To-Market Baseline Benchmarks

Lead Conversion Rate to New Clients	Avg. Small Business Rate	Best Practice Small Business Rate
Inquiries to Profiled Leads	12%	33%
Profiled Lead to Qualified Buyer	34%	50%
Qualified Buyer to New Client Within Avg. Sales Cycle Time	5%	20%

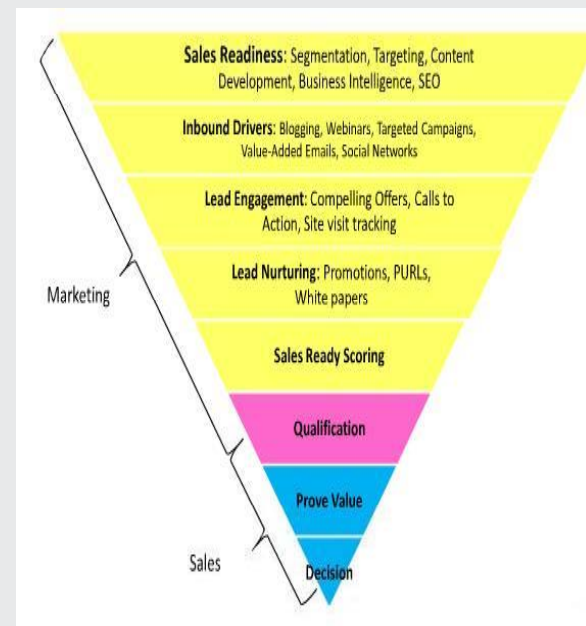
**Avg. SMB and Best Practices SMB data from 2007 Marketing Sherpa report
**Small Businesses have dedicated marketing and sales resources.*



Lead Source Effectiveness

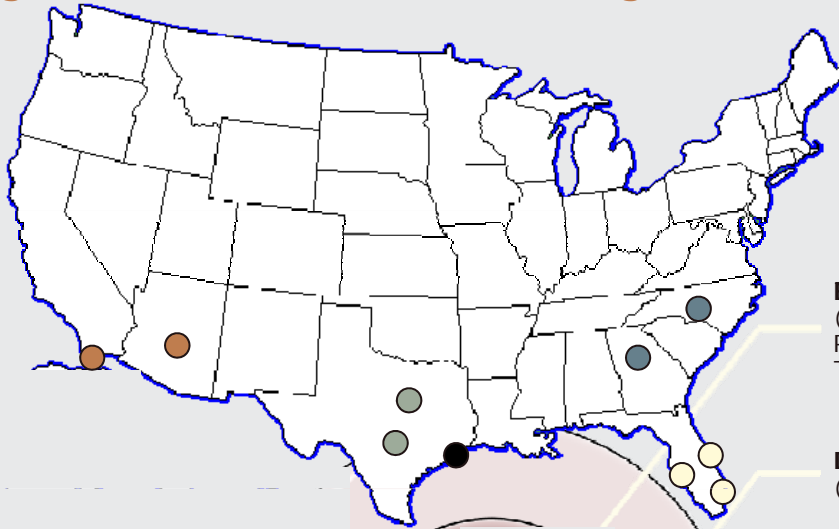
Cost Effective Source of Clients aka "PBP – Prospective Buyer's Pool"	Cost-Per-Lead	Close Rate
#1: Customer Referrals	NA	33%
#2 Event Seminar	\$400	14%
#3 Inside Sales	\$493	10%
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**Only put a salesperson face-to-face with a prospect when there is a 33% chance or higher of buying.*



solving the **value** equation

Segment and Profile the Target Market



Buyergraphics
(Interest, Pain/Need, Timeframe)

Demographics
(Title/Role, etc.)

Firmographics
(\$10 - \$100M, Industry, Location, Growth Rate %, etc.)

METROPOLITAIN AREA	IDEAL TARGETS	TOTAL POD SIZE TARGET BUS.	MARKET VALUE	TOTAL POD VALUE
Houston TX CMSA	1,573	4,437	\$14,043,744	\$39,613,536
DFW	1,915		\$17,097,120	
Aus/SA	949		\$8,472,672	
Miami--Fort Laud	1,487	2,712	\$13,275,936	\$24,212,736
Tampa	691		\$6,169,248	
Orlando, FL MSA	534		\$4,767,552	
Atlanta, GA MSA	1,438	1,954	\$12,838,464	\$17,445,312
Charlotte, NC MSA	516		\$4,606,848	
Phoenix, AZ MSA	1,068	1,898	\$9,535,104	\$16,945,344
San Diego, CA MSA	830		\$7,410,240	
10 Locations	11,001	11,001	\$98,216,928	\$98,216,928

Firmographics		Demographics	
Measure	Criteria	Measure	Criteria
Employee Size (#)	50 - 900	Title	
Revenue Size (\$)	\$5 - \$250M	Role	
Industry	Services, Technology, D	Location	
Location	TX HQ	Role in Buying	
Locations Count (#)	2+	Process (Sponsor, Influencer, Veto Agent, etc.)	
Founding Date	2000+	Employment Tenure (Months)	
Public or Private	Private	Email	
Vertical Targets (Industrie	Services, Manuf.	Phone - Direct	
Client Count (#)	50+		
Client NLTV (\$)	\$72k+		
Growth Rate (%)	20%+		
Website			
Buyergraphics		Psychographics	
Measure	Criteria	Measure	Criteria
Interest Level (Awareness, Interest, Evaluation)		Psych Type	
Readiness to Buy Stage		Age	
ROI (\$)		Personality	
ROI (Months)		Values	
3rd Party Providers		Lifestyle Habits	
Technology / Software Providers		Social Class	
Outsourcing FNs (Yes or No)		Education Level	
Business Issues		Product Usage Rate	
Features Requirements		Age	
Alignment & Fit		Aspirations	

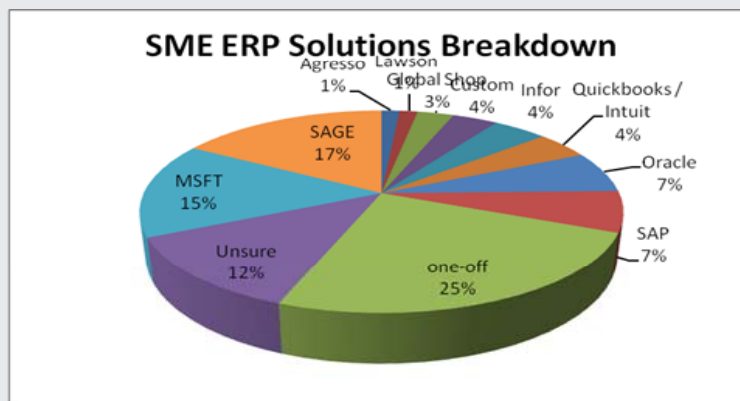
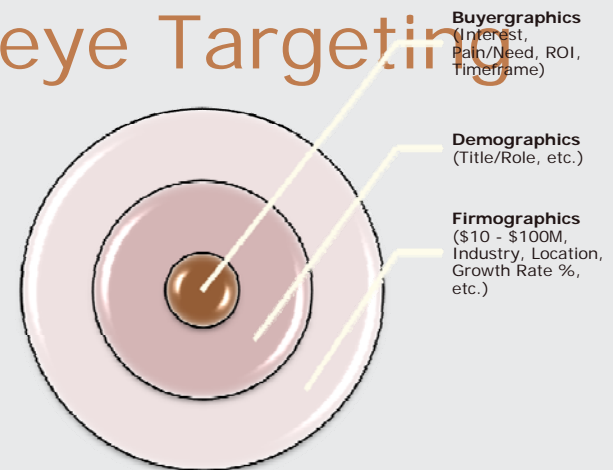
- Profiling means surveying each contact involved in the decision making process and ascertaining their position, needs, etc. as well as capturing their contact information to aid future nurturing efforts.

Market Segmentation & Bulls-eye Targeting

► Target market segmentation for mid-market manufacturers with ERP

- \$10 - \$250M annual revenue companies
- Mid-market defined as any companies with non-\$200k / Oracle/SAP ERP or in the evaluation process

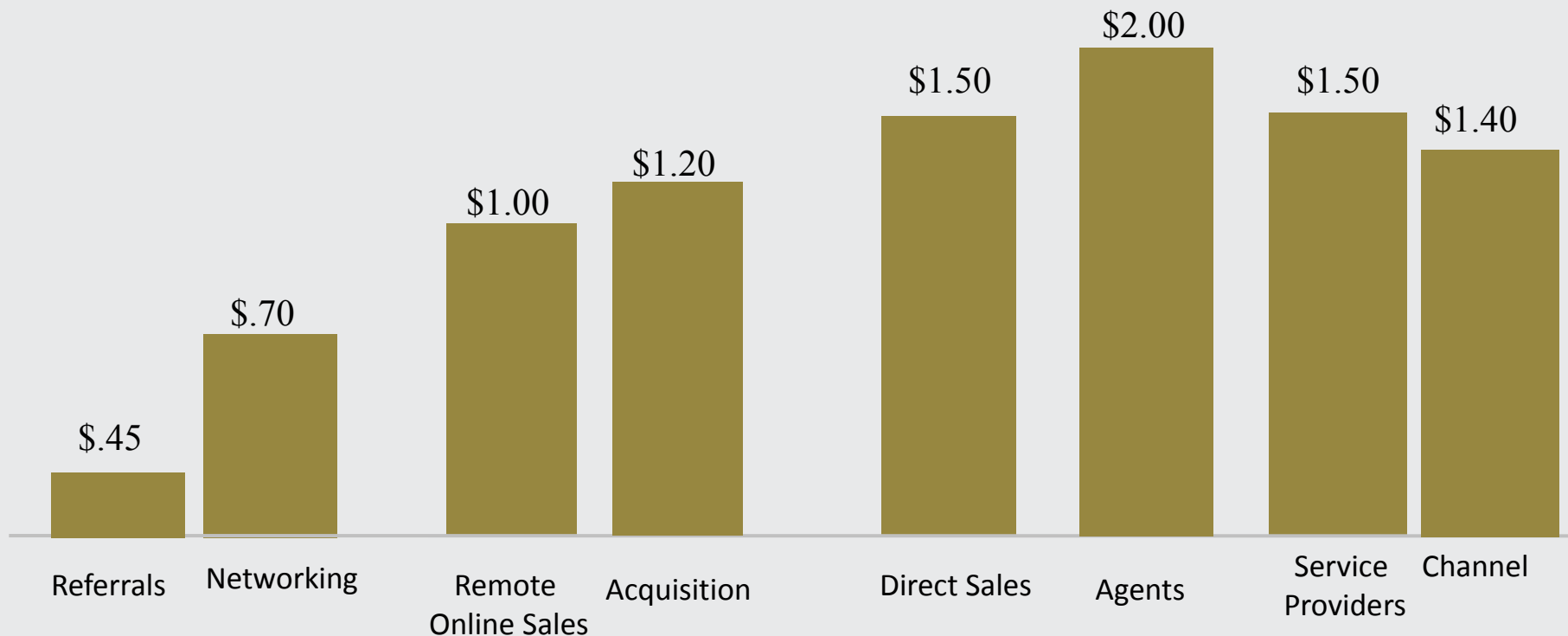
MSA & Population Rank	Unqualified	A Lead (Outsourced IT)	B Lead (IT Handled by non-IT Professional)	C Lead (Internal IT Professional)	Total Emails
Houston – 10	1,431	301	931	820	2,052
DFW – 8	2,242	334	980	638	1,952
Austin / San Antonio - 34	281	204	424	425	1,053



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Costs to Acquire \$1.00 of Revenue Example



- *Have you sized your options, and the cost-benefit respectively of each method, for acquiring \$1 in new revenue?*

Segmentation & Sizing

**Market Size
\$6B**

Company Size (ees)	Companies	Employees (M)	Market Size (\$B)
100 – 499	90,560	17.5	\$2.6
500 – 999	8,974	6.2	\$0.9
1,000 – 2,499	5,336	8.1	\$1.2
2,500 – 5,000	1,877	6.5	\$1.0

\$5.7

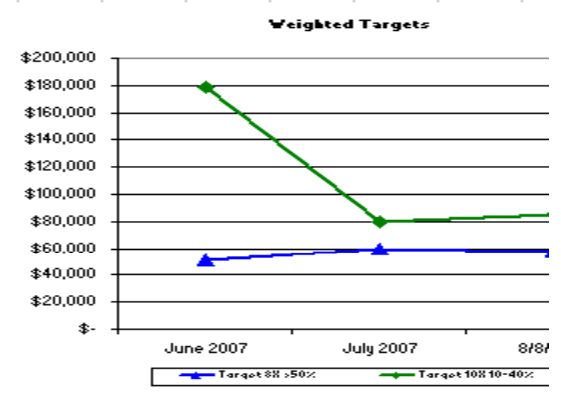
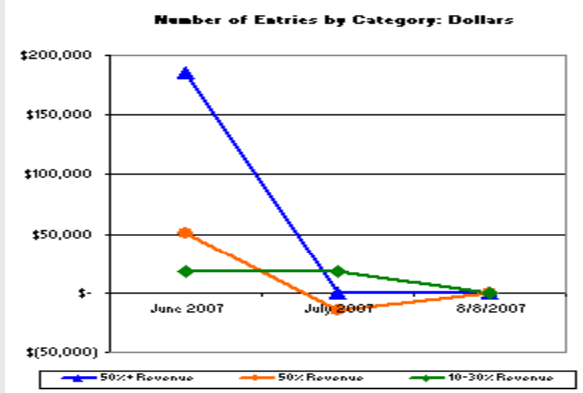
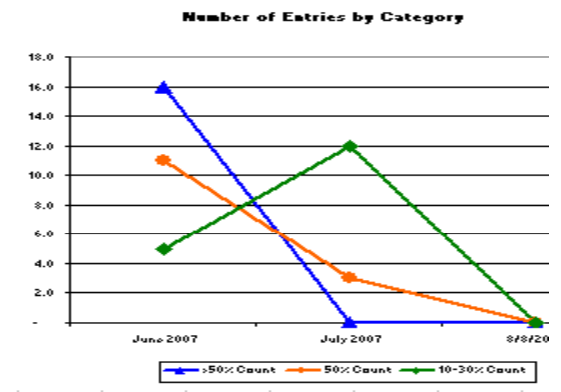
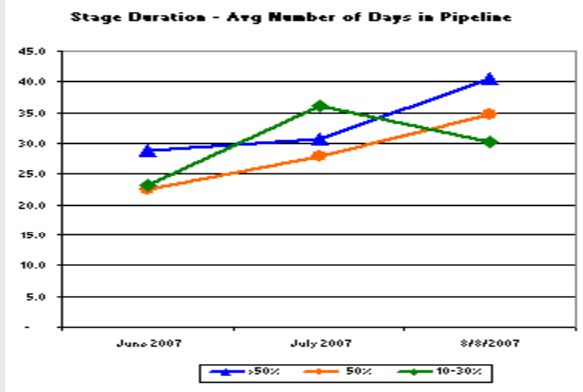
**Revenue Potential
per Employee**



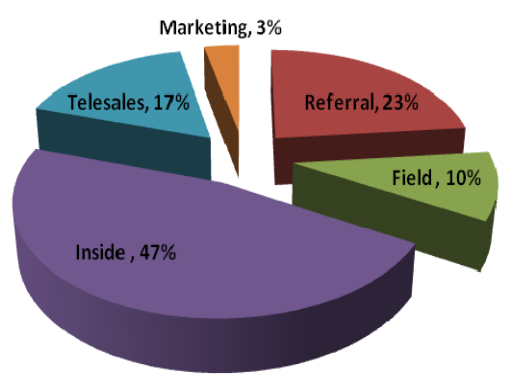
Process Adoption

Implemented measurement and metrics including:

- Dashboards at all levels with Key Performance Indicators and drill down detail real-time
- Weekly metrics summary report by region and rep
- Monthly marketing, sales, and business development report
- Monthly Board of Directors summary report
- Onboarding "gate check"
- Monthly activity and goal alignment system



Pipeline Above 50% Makeup by Lead Source



Probability Selling

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Benefits of Probability Selling

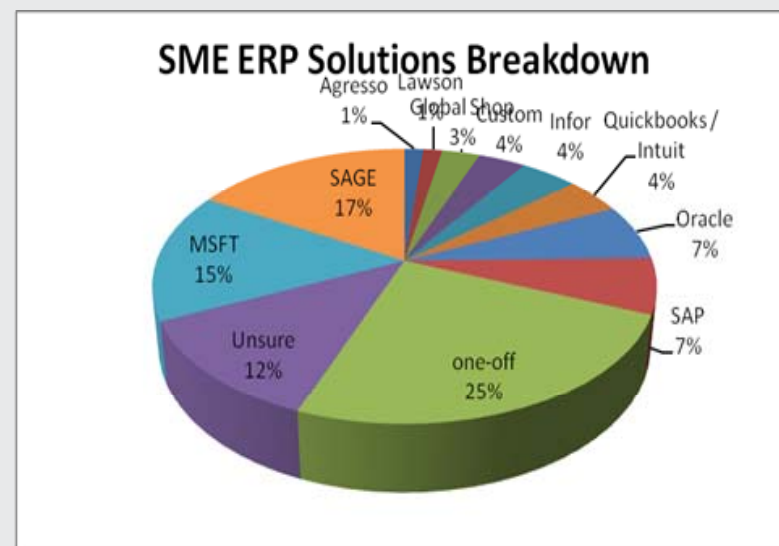
- By implementing a lead nurturing management system LeadLife
- customers have found:
 - • Increase in qualified leads by **78%**
 - • Decrease in sales cycle from **months to weeks**
 - • Increase in first call contact success rate from 12% to **85%**
 - • Decrease in cost of sales by **10%**
 - • Improved conversion rates up to **3x**

Market Segmentation

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Increasing Probability of New Client Success

■ Lead-to-New-Client Conversion Rates

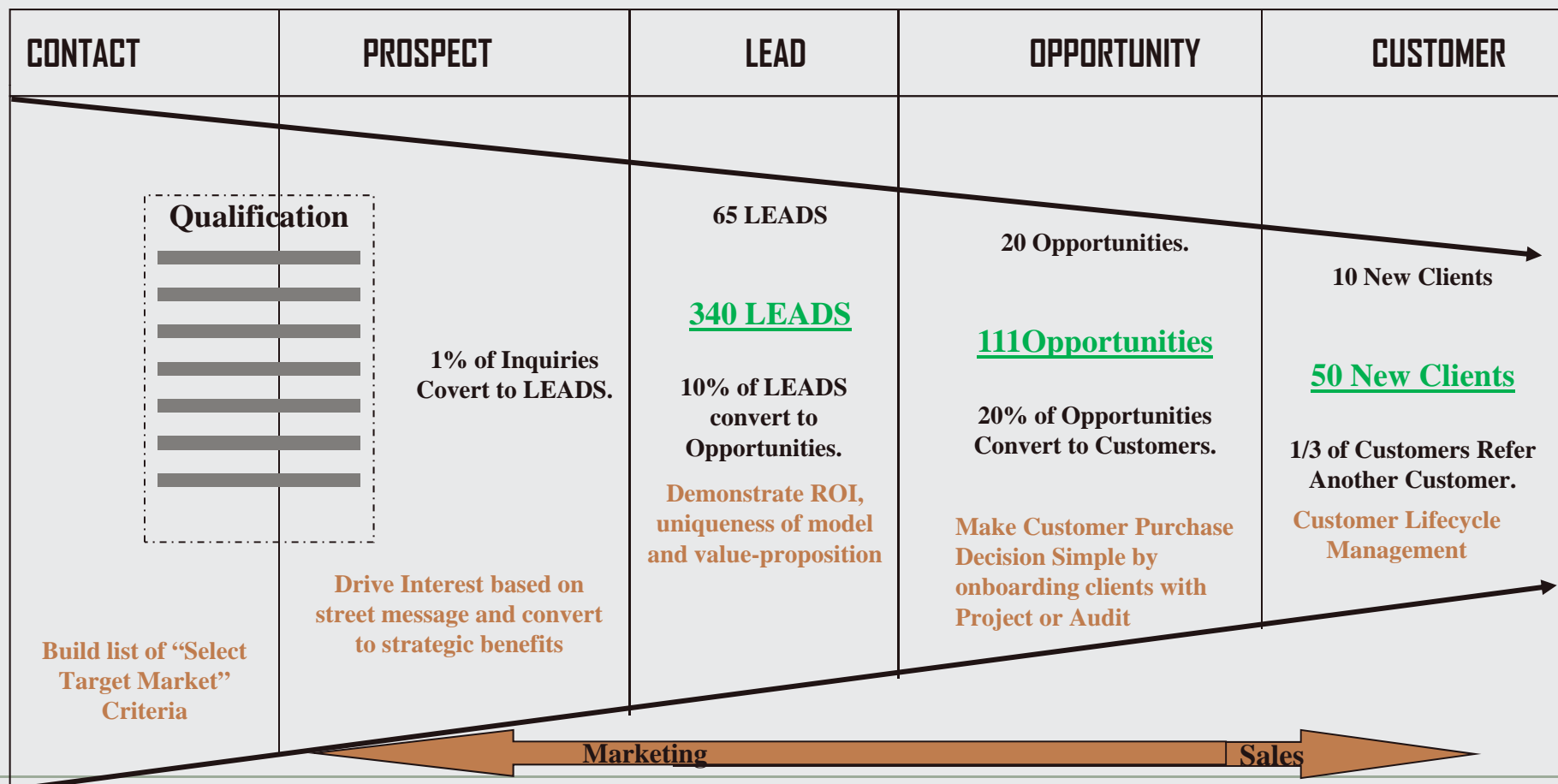
Lead Conversion Rates	Avg. Small Business Rate	Best Practice Small Business Rate	Ephor Small Business Rate
Inquiries to Profiled Leads	12%	17%	33%
Profiled Lead to Qualified Buyer	34%	40%	50%
Qualified Buyer to New Client Within Avg. Sales Cycle Time	16%	20%	25%

**Avg. SMB and Best Practices SMB data from 2007 Marketing Sherpa report.*

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Go-To-Market Baseline Benchmarks

■ Industry Average Benchmarks in Black font.

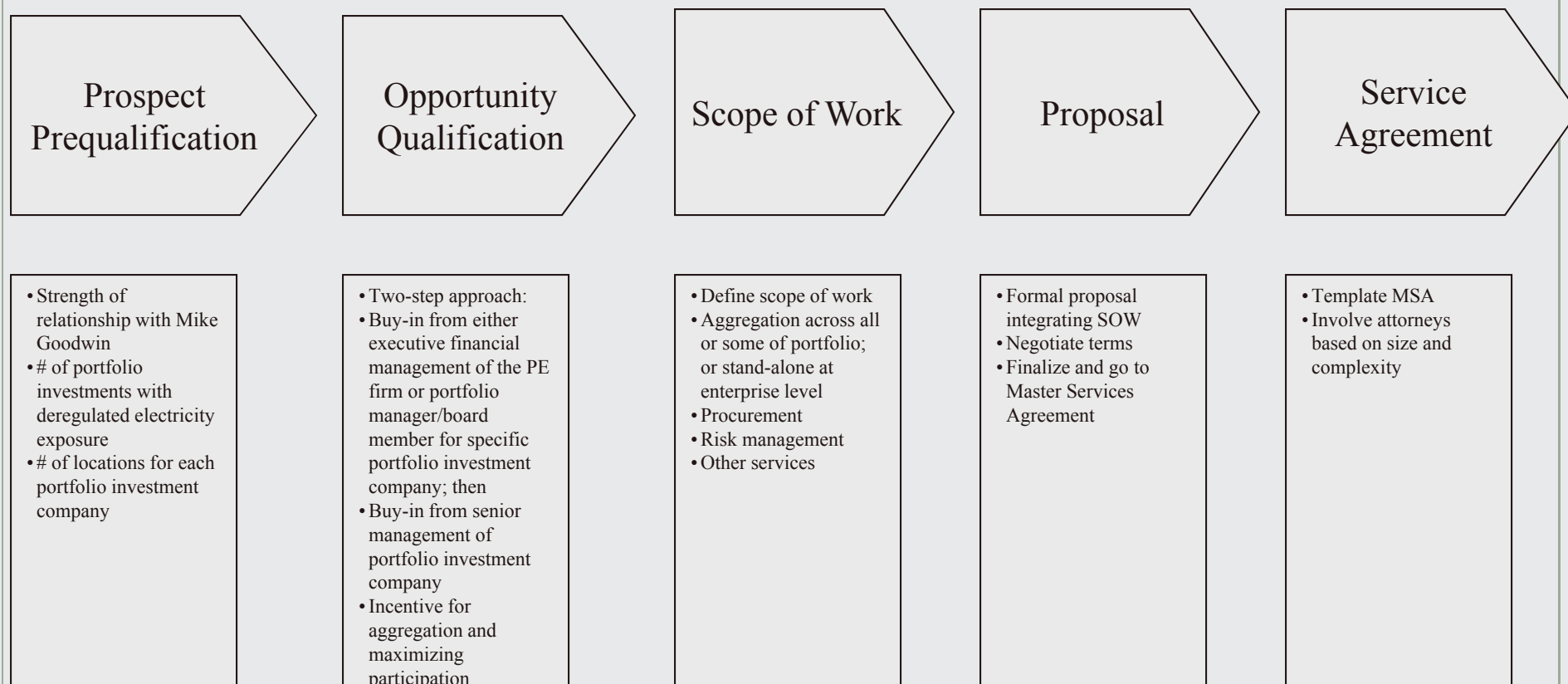


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Qualification, Selling and Agreement Process



2010 Marketing Budget Request

solving the value equation

Events	Q1	Q2	Q3	Q4	Gross Total	Net Total
U of M Alumnus	-	\$2,500	\$2,500	\$2,500	\$7,500	\$7,500
Speed Dating	-	\$8,000	\$8,000	-	\$16,000	\$0
Rodeo Houston	\$11,000	-	-	-	\$11,000	\$5,500
March Madness	\$13,300	-	-	-	\$13,300	\$6,700
ACG	\$800	\$7,000	-	-	\$7,800	\$7,800
TMA	\$6,000	-	-	-	\$6,000	\$6,000
Totals	\$31,100	\$17,500	\$10,500	\$2,500	\$61,600	\$33,500

Notes:

- (1) Speed Dating events – Costs will be completely subsidized by co-sponsors or no-go.
- (2) Rodeo Houston – Costs will be 50% subsidized by co-sponsors or no-go
- (3) March Madness – Costs will be 50% subsidized by co-sponsors or no-go
- (4) ACG Events – Will review attendee lists before committing to attendance

Metrics to Monitor and Measure Success

solving the value equation

	Q1	Q2	Q3	Q4	Total
Meetings/ PE Influencers	32	21	-	-	53
Meetings/ Company Decision-Makers	10	32	41	41	124
Contract Value (\$000)	0	50	100	250	500
Realized Revenues (\$000)	0	15	30	75	120

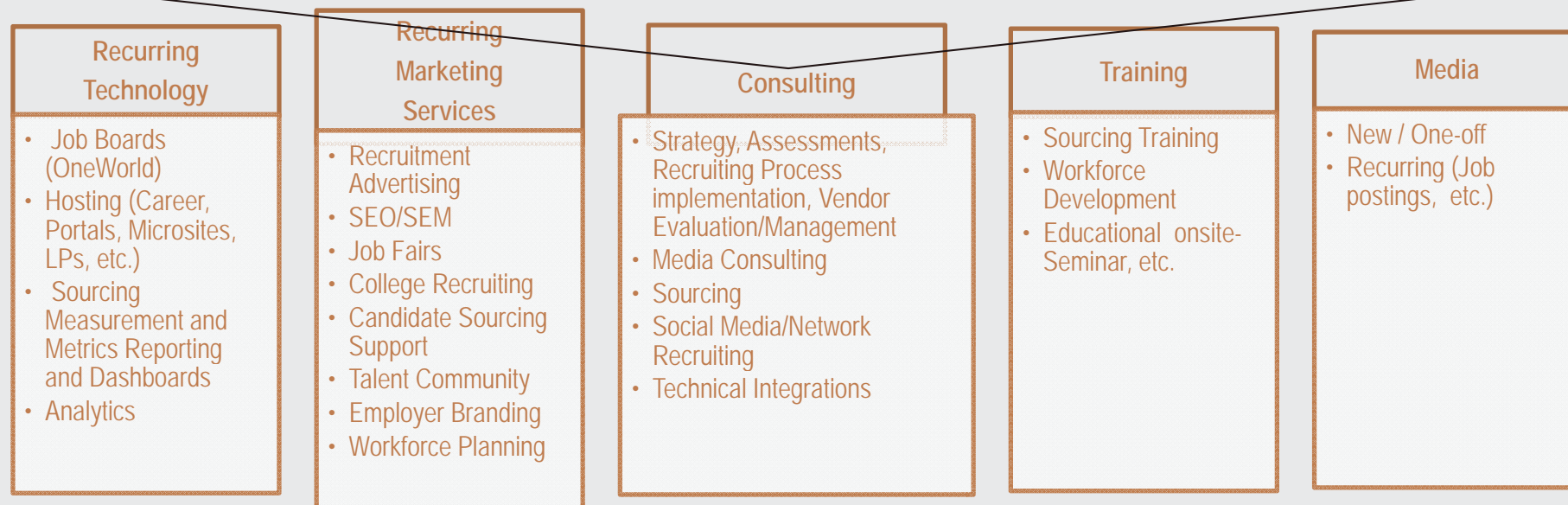
Key Operating Indicators

<i>Improvement Initiative</i>	<i>Goal</i>	<i>Measures</i>	2007	208 Goal
<i>Revenue</i>	Predictable, cost-effective revenue.	<ul style="list-style-type: none"> # of Raving Fans by vertical 	<ul style="list-style-type: none"> 7 	<ul style="list-style-type: none"> 30+
<i>Operations</i>	Efficiency and scale.	<ul style="list-style-type: none"> Revenue per Operations Employee (Profit Per Employee Quality Scores/Client satisfaction/At-risk clients 		
<i>Workforce</i>	Motivated, Capable of Growth, and Productive.	<ul style="list-style-type: none"> Revenue Under Management Per Account Manager Days from onboarding to references (marketing results realized) 		
<i>Management Science</i>	Platform for growth.	<ul style="list-style-type: none"> % of operations with process mapping and documented instruction Balanced portfolio of revenue streams % of 'A' and 'B Players' 		

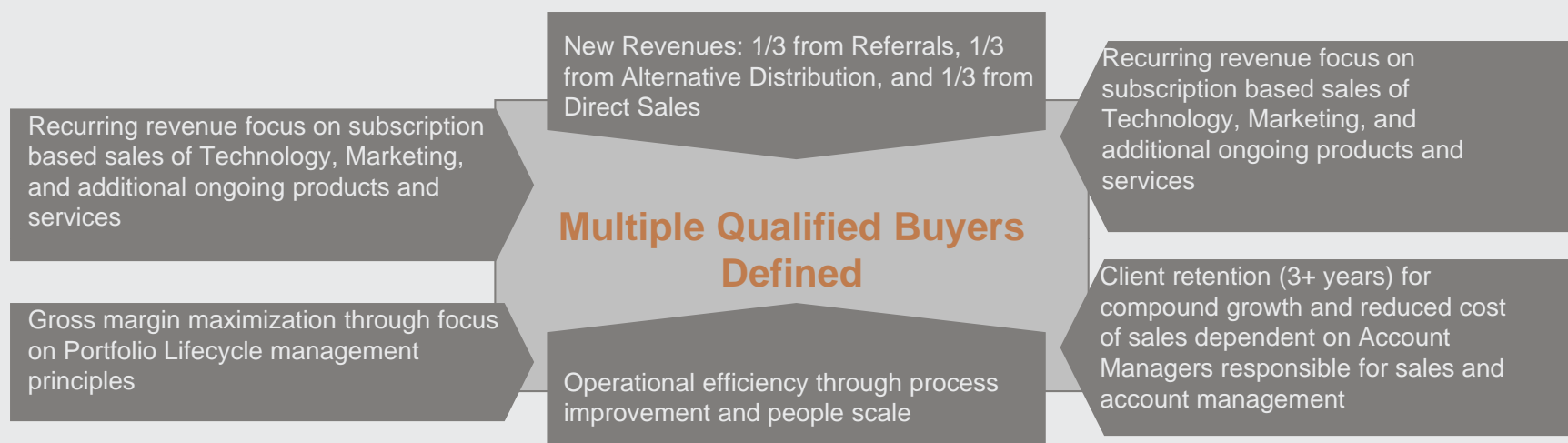
Recruiting Marketing Platform Transformation

(Current P&L Needs Additional Products)

Arbita Subscriptions	Media	Projects	Other
Annual recurring revenue from customers that subscribe to services from the OneWorld bundle	Online media purchases on behalf of customers	Custom technical integrations, system configuration, or any marketing design work	Educational and workforce development



Composite Growth Strategy



TARGETING SEGMENTATION: Everybody has pain, so step #1 is identifying the prospects' primary business goal. Identify top 100 highest probability targets for each of the following Buyer Profiles:

- a) **The "Innovator"** – highly skilled workforce with real challenges in developing a talent pipeline. \$25 to \$250M rapidly growing, already outsourcing recruiting functions/services, minimum 500 hires per year.
 - b) **High-Volume Staffing** – contingent workforce, turnover-centric – looking for different results (metrics, analytics, and platform) so true "outsourcing" value
 - c) **"I HAVE TO HAVE the latest Social Network Killer App. Executive"**
 - d) **BRAND CHAMPIONS** (strategy first, aim before fire analogy).
 - e) **Mature** firms in mature industries with a mandate of "Spend less and do more"
 - f) **Staffing Providers** (Provides "Holistic" solution value-proposition to these partners)
 - g) **Partners** (Consulting, Technology, Media)
- *Size each segment and prioritize and then create products/services mix.

