

What the heck is revenue architecture?

It's 2021, and many companies have already hired a Chief Revenue Officer. But, for most startups and scale-ups, the notion of revenue is still all about having a well-oiled sales machine. In this piece, I have revived Hannibal Smith (aka CRO) and his A-team through the customer-facing departments. If you have a problem that no one else can solve. Maybe you can hire the A Team.

Flickr © Gameraboy

Hannibal, who loves it when a plan comes together, leads a close-knit team of elite operatives and, when he isn't going rogue to clear his team's name, things usually run pretty smoothly.

When the CRO is responsible for the leadership of the entire customer-facing team, they can define how all departments should be working towards the common goal of increasing revenue. Enabling collaboration, strategies, and initiatives to attract prospects, convert them into customers, educate them towards a maturity matrix, upselling, cross-selling, and retaining them as long-term clients is no longer a fragmented job. Instead, it is a well-planned job and perfectly executed mission.

In the SaaS world, closing deals is no longer enough. Companies bring Annual

Recurring Revenue. It is essential to approach the revenue from a broader perspective: repeatability, capacity to grow and scalability (customer satisfaction at scale), and vision (expand the Total Addressable Market).

This path requires time to 1) plan the strategy 2) execute the processes. Two things startups and scale-ups tend to overlook. Too early in the process, they believe other priorities are more important, even when, all of a sudden, scaling has created a giant mess of divergent goals and conflicting KPIs. Time is always the excuse, and urgency almost always prevails over essential matters in a fast-paced environment.

“Give me a minute, I’m good. Give me an hour, I’m great. Give me six months, I’m unbeatable.” Col. John ‘Hannibal’ Smith

In the scheme of realities, the revenue architecture is a myth. Even though I have purposefully marked the trait of the following stereotypes, I’d be surprised if it did not seem familiar to many.

“Ladies and gentlemen we are expecting some slight turbulence so please remain in your seats until the captain has turned off the fasten seatbelts sign. Don’t worry boys, turbulence has never brought down a plane!” Capt. ‘Howling Mad’ Murdock: [Flying the C-130]

Sales Development Representatives (SDRs/BDRs) recruits are often young, junior, and asked to cold-call at a high volume, send emails with a low opening rate, and try to schedule meetings. Occasionally they are tasked with account research. Rarely are they coached or routinely developed to elevate their tactics. Much like marketing, they are expected to be lead generators, and judged by volume. The top performers are often a natural combination of art and determination and tend to leave quickly to join another company that will offer them the chance to develop into an account executive role.

Sales representatives generally fall into two categories: Account Executives (AEs) and Account Managers (AMs). Account Executives look for new prospects and Account Managers inherit open and existing accounts. This way, AEs have the responsibility to chase new logos. They are under pressure to create pipelines and close deals. For the sake of time, their account knowledge is minimal at best. When a salesperson is given a territory a prioritisation of the

accounts is immediately expected. However, this task is too often completed with lack of information/data and complete gut feel. At best, the existing deals in the sales pipeline will be considered as well as previous interactions, and insights from the managers. When this data is unavailable, then it is primarily gut feeling.

“Overkill is underrated.” Col. John ‘Hannibal’ Smith

AAMs are under pressure to renew and scale their accounts. For them, account plans are mandatory, which are often cumbersome, mainly when they focus on org charts. Rare are the ones who look into previous contracts to understand how they can align with their customer business strategies and plan with their customer success. Most Customer Success Managers are scared of sales messing up their customer satisfaction.

“You’re dangerous, I like you!” Capt. ‘Howling Mad’ Murdock: [after setting Face’s arm on fire]

Pre-sales/ Sales consultants (SCs) are the bait. SDRs, AEs and AMs will offer the prospect the possibility of a demo of the tool for lack of better ideas of a next step. The SCs find themselves in the uncomfortable position of showing a tool with a standard demo (that could honestly be pre recorded). Thus, creating absolutely no added value for the prospect since there is no attachment of the solution to their technical issues.

SCs also suffer from last-minute Request For Proposal (RFP) responses they know nothing about and deliver Proof Of Concepts (POC) for which the client executive team is unaware.

“The only reason I don’t kick y’all asses is ‘cause y’all outrank me.” Sgt. Bosco ‘B.A.’ Baracus

Customer success inherits the garbage of poorly qualified deals with no executive commitment – meaning the way the sales sold what they sold... with a bit of made-up story-. They are, therefore, rarely fond of the sales team. Measured on renewals, churn rate, and NPS score, they must create intimacy with the customers by being at their beck and call after hours, fixing issues and resolving disappointments that they did not create. Consequently, it is natural that when an account manager asks for an introduction to the customer, they perceive it as a red alert.

“You guys should see these bullets in 3D! It’s like we’re actually being shot at!”
“Howling Mad” Murdock:

“We are getting shot at you crazy ass fool!” B.A. Baracus

Last but not least: the boss who can either be a do-er or an excel expert. The balance is just rare. They are either overdoing it or they’re just absent and screaming bloody murder when the revenue does not match the forecast.

“Lynch is a paradox. He’s a guy who needs animosity, but he loves theatricality. He’s an administrator, he’s not an operator. So he stays as far away from the point of impact as possible, and never gets his hands dirty if he can help it. But we’re gonna change all that.” Lt. Templeton ‘Faceman’ Peck

What is the ideal revenue architecture then?

Complete understanding of each role and alignment of their objectives and KPIs.

AEs understand the typical pains their company can fix and align their prospecting efforts on look-alike prospects of their existing top spenders to serve them in the best way possible.

AMs start by reviewing existing contracts and conditions, understanding them, seeking explanations, researching the current business strategies, meeting with all the tech and service partners of their accounts before meeting the customer.

AEs & AMs consistently transfer this knowledge to the SDRs to help them understand the prospecting strategy: who do we target, why, and coach them how. After all, aren't sales supposed to do some active prospecting as well?

SDRs feel entirely aligned with their AE/AM counterpart in penetrating accounts, winning customers, learning from their seniority, and gaining confidence.

Pre Sales/ Sales Consultants are actively participating in the discovery process, deepening their understanding of the prospect's issues and crafting the technical requirements to fix them.

Customer success receives a comprehensive and detailed briefing on why the customer has bought the company solution. The storytelling allows the customer to strongly onboard the new customer and craft a success plan in alignment.

And more: the marketing supports sales with their prospecting strategies by focusing on the top spenders pains while the product team consistently work on crafting new unique differentiators to support a growing vision (and upsell/cross sell opportunities)

"Sorry to steal your line, sir. But I love it when a plan comes together." Lt. Templeton "Faceman" Peck

Caroline Franczia is a regular columnist for Maddynews and the founder of Uppercut First. Experienced in working for large companies such as Oracle, Computer Associates, and BMC, Caroline also lived in Silicon Valley for four years before moving to startups (Sprinklr, Datadog, Confluent) where she witnessed on the ground the benefits of a well-thought sales strategy. These are the foundations of UF: a structure that accompanies the European startups in their sales strategy by giving them an undeniable advantage in their go-to-

market.

Buy now

Article by CAROLINE FRANZIA