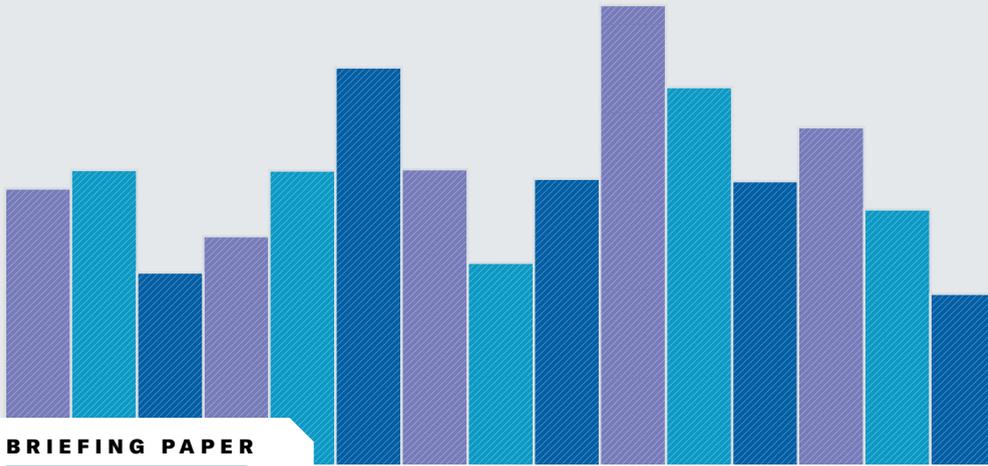




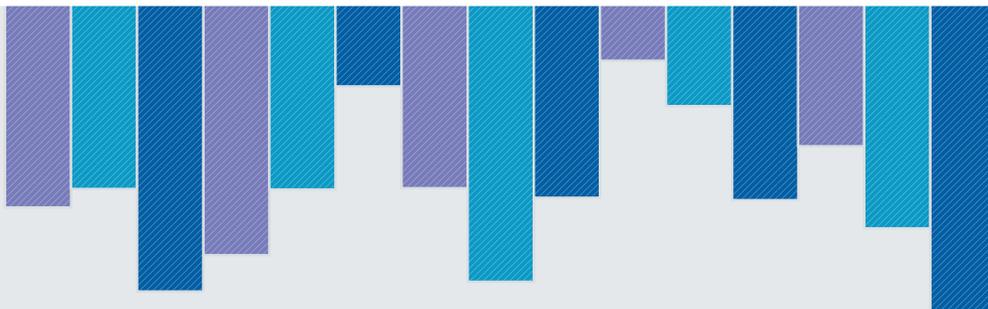
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BRIEFING PAPER

Presales Can Unleash More Revenue Growth for the C-Suite



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Digital transformation is driving the rampant adoption of technologies from buyers across all industries. In response, technology sellers are evolving their processes, skills, and product packages while also investing in tooling specifically designed to make the revenue supply chain more effective.

Marketing, business development, sales, and customer success professionals have a plethora of tools built to streamline their daily work associated with the top and bottom of the funnel. Unfortunately, presales professionals, commonly referred to as sales engineers, have been left behind in terms of purpose-built tools, even though the presales function is a visible and engaged part of the customer purchasing journey.

For example, the presales role is critical to technical selling, because these professionals are out in front of the process, communicating with prospects, forging connections, building trust, and ultimately, helping to close sales.

Studies have shown that even though presales headcounts are low, companies with strong presales capabilities consistently achieve win rates of 40% to 50% when it comes to new business. And rates are even higher for renewal business.

Furthermore, presales professionals are revenue multipliers. Consider that one presales professional can support one enterprise sales rep with a \$2 million sales quota to as many as 15 sales reps, each with a \$1 million sales quota. In both scenarios, one presales professional can support anywhere from a \$2 million to a \$15 million sales quota.

Yet presales professionals have had to make do with general-purpose customer relationship management systems, spreadsheets, or clunky, costly homegrown tools to support their work. This not only disrupts their workflow, requiring them to spend too much time on manual entry or toggling between systems, but it also makes it impossible to get a centralized overview of the business and presales' contribution to the bottom line.

The good news is there's a way forward. When the C-suite and board of directors invest in presales training, tooling, and support, they optimize the company's land-and-expand sales efforts. That's why I encourage high-tech sellers to read this report, sponsored by Hub Technical Sales Inc. It provides insights from presales leaders on the evolution of the presales role and the value these professionals bring to the revenue supply chain, in both sales-led and product-led growth. And it offers clear examples of revenue opportunities and positive business outcomes that result from presales' involvement in middle-of-the-funnel sales activities.

The contributions of presales to the business may currently be a blind spot for the C-suite, but it doesn't have to stay that way. I encourage leadership teams interested in growing their business and increasing their company's enterprise value to read on.



Freddy Jose Mangum
Chief Executive Officer
Hub aka Hub Technical Sales Inc.

Presales Can Unleash More Revenue Growth for the C-Suite



Digital transformation initiatives are underway at just about every enterprise and organization worldwide. In 2022, spending on digital transformation globally is projected to reach \$1.78 trillion, according to market data provider Statista. This rapid-pace investment in new technologies means that the role of presales—also known as sales engineering, solution architecture, solution consulting, and system engineering—has become more important. In fact, the value of presales has become even clearer in today’s economy as all businesses embrace technology to evolve. Because of this shift, the C-suite must pay more attention to the role of the presales professional since doing so can unlock more revenue growth.

Presales professionals are on the front line of customer engagement and must understand their customers’ needs and challenges. As a result, it’s essential for presales professionals to build relationships and cement themselves as trusted technical advisors to potential customers when they evaluate the technical merits of a product or solution.

The changing nature of technical purchasing today means buyers often self-educate and sometimes must experience the product on their own. This discovery process has only elevated the need for sales to sell technology more effectively. Presales professionals are directly responsible for technical discovery, presentation, product demonstration, solutions development, and evaluation management—so much so that the sales team increasingly relies

HIGHLIGHTS

The C-suite must pay more attention to the role of the **presales** professional since doing so can **unlock more revenue growth**.

Presales professionals are directly responsible for technical discovery, presentation, product demonstration, solutions development, and evaluation management—so much so that the sales team increasingly **relies on presales to drive this highly technical phase of the sales process**, and to do so much earlier than before.

The **influence of presales** and its reach into revenue-generating activities are deep, but these activities are **undervalued**.



“Demand is off the charts now for presales professionals. Covid has accelerated digital transformation, and there is a higher demand for software solutions and automation. And who are the individuals helping B2B [business-to-business] consumers navigate the buying processes? Presales,” says TechSalesAdvisors’ founder, Chris White.

on presales to drive this highly technical phase of the sales process, and to do so much earlier than before. Presales is also valuable in both sales-led growth and product-led growth for an organization.

“In the last few years, we have seen a presales renaissance,” says Chris White, founder of Washington, D.C.-based sales training firm TechSalesAdvisors and author of the book *The Six Habits of Highly Effective Sales Engineers*. “Demand is off the charts now for presales professionals. Covid has accelerated digital transformation, and there is a higher demand for software solutions and automation. And who are the individuals helping B2B [business-to-business] consumers navigate the buying processes? Presales. That’s why there is a higher need for presales than ever before.”

But the presales function is still somewhat of a blind spot when it comes to the C-suite. The C-suite knows that presales is a valuable part of the sales and go-to-market (GTM) process. Executive management also struggles to fully understand presales and how it contributes to top-line growth, margin profitability, and enterprise value. This void in understanding may cost executive management when it comes to taking full advantage of an opportunity to significantly increase top-line and margin profitability by optimizing middle-of-the-funnel (MOF) conversions and derive further value from this section of the revenue supply chain. MOF presales activities can also involve securing new customers and expanding business through upselling and cross-selling of new products to existing customers. The influence of presales and its reach into revenue-generating activities are deep, but these activities are undervalued.

“Most of the investment is still made in sales. Businesses think that is where the dollars should be spent. I can’t emphasize enough how much presales has been underserved,” says White. “It is the most underserved role in the sales organization by the sales training and sales enablement industries and has been for years.”

Because of this out-of-date investment perspective, the presales function is not fully understood, and the role lacks the proper support and tooling to manage the work process of such professionals. In fact, a wide array of general-purpose

tools, including spreadsheets, email, chat, and customer relationship management (CRM) systems, are wrangled by presales to perform daily work. As a result, technical sales needs are not adequately met, nor do they scale when presales professionals must perform their work with scattered tooling that does not adequately support their workflow and MOF activities.

This paper examines the role of presales and the evolution of its importance within the organization. It explores why it still has a relatively low profile at the C-suite level and why it needs to be elevated and supported properly to drive sales efficiency. Finally, it highlights what improved business outcomes an organization can expect to see when presales receives proper tooling and training to optimize the technical sales stages it touches to drive more growth and improve margins throughout the sales process.

A C-Suite Blind Spot

In a survey of its client companies conducted by McKinsey & Co. in February 2015, the consulting firm found that presales accounts for 30% to 50% of overall commercial head count but does not receive nearly the level of executive attention to match its presence and impact in the organization. And yet McKinsey also found that companies with strong presales capabilities consistently achieve win rates of 40% to 50% when it comes to new business and 80% to 90% when it comes to renewal business. Investing in presales can lead to a five-point improvement in conversion rates, the survey discovered, as well as a 6% to 13% improvement in revenue and a 10% to 20% improvement in the speed of moving prospects through the sales process.

Such results raise questions about how well organizations are running their presales line of business. The C-suite, with the backing of boards of directors, typically provides purpose-based tools to their practitioners that allow for effective data capture, support their day-to-day work activities, and streamline reporting on sales stages associated at the top of the funnel and the bottom of the funnel. But with MOF technical sales, support from the C-suite is not as pervasive



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because this area of the sales process has historically been perceived as a black box and has not been well understood.

The reason for this blind spot is that the technical sales activities, knowledge, and processes are not effectively orchestrated in general-purpose systems like spreadsheets and CRM. General-purpose systems like spreadsheets and CRM were not designed to support presales knowledge, processes, and technical sales activities, which is why data is not effectively captured. As a result, these general-purpose systems and spreadsheets further perpetuate the presales blind spot. In fact, presales workflow and data become scattered, unstructured, and incomplete, which makes it difficult to effectively manage MOF sales. Presales processes, knowledge, and stages, with a dedicated system to manage them, may allow businesses to obtain meaningful data and run their presales business more effectively in order to manage the complete funnel more effectively. Given the lack of true MOF ownership—manifested through empty representation of presales at the C-suite level—tooling for presales is deficient and only reinforces its low profile among top management.

Misunderstanding when it comes to presales' importance can be linked to its historic roots in many organizations, according to Peter Cohan, principal with Trinidad, Calif.-based Great Demo!, a firm that helps companies improve their software demonstrations. For far too long, he says, presales has been subservient to sales and viewed “almost as a sales service organization.”

In reality, presales has a more expansive mission, including gaining the most insightful perspective on what makes current and potential customers tick. “Presales practitioners are deeply involved in sales activities as well as many other customer-facing and internal roles. As part of the sales team, their focus is on ‘the technical sale,’ but the extent of their effort is often much broader,” Cohan asserts. “Presales is frequently involved

with everything from helping to qualify prospects—a top-of-funnel action—to executing key middle-of-funnel tasks such as demos, solutioning, and proofs of concepts, to ensuring customer success post-sale, to providing critical feature/function and implementation requests to product teams. Presales teams often have the single best view of prospects and customers compared to anyone else in the organization. This is frequently underappreciated and underutilized—and represents opportunities where change can make substantive positive impact.”

According to Cohan, the emphasis over the past 30 years has been on improving sales effectiveness through investing in sales methodology training, sales operations, sales enablement, and associated tools. “All of these efforts are focused on salespeople, with scarcely a look at presales along the way,” he notes. “It is now ripe for organizations to establish sustainable competitive advantages by investing in presales tools and training now—ahead of the competition.”

Leadership Must Evolve the Revenue Supply Chain

Adam Freeman, a presales leader at The Access Group, a Loughborough, U.K.-based provider of business intelligence software, says the Covid-19 pandemic accelerated the need for technology sales because of increased demand for more support for remote and widely spread workforces. The pandemic also forced a change in the way buyers evaluate technology. They now require the ability to evaluate from home—or wherever they may be—and at all times. But because of a lack of presales investment in organizations, presales teams are not equipped to meet these kinds of remote and immediate demands in a dynamic, compelling way and to sell the way buyers want them to sell today.

“Presales teams have an opportunity to get more credibility as a trusted technical, industry, and solution advisor if they adapt to how buyers want to buy,” he explains. “Customers want product and technical information when they want it. If presales delivers information to match how buyers want to buy, they stand the chance to win more business.”

Freeman says those presales teams that are succeeding amid these new buying patterns are the ones looking at new and innovative ways to enable buyers to get the information they want, how they want to receive it, and when they want to receive it.

“More established presales leaders are trying to get their heads around, for example: How do I get video out there?” he says. “How do I invest in new platforms and a new suite of KPIs [key performance indicators]?”

Because of the now widespread need for remote sales, presales is even more critical in helping customers understand the technology that businesses are selling. The process is



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It's also about speed. Indeed, another challenge for presales professionals today is that they are working in an environment that does not value quality and focuses instead on speed of sale as many sales leaders often expect high numbers of sales to be made quickly.

Mind the Gap: Why Misplaced Investments Matter

As a presales veteran who has been in the role for decades, TechSalesAdvisors' White says there were times when he almost felt he was held in higher regard by customers than by his own organization.

"Internally, we don't have the reputation as the superstar salesperson," he says. "But to customers, we are viewed as a trusted advisor. The secret weapon." Corporate leaders now have begun to recognize this slight. As the role of the presales professional expands, those in the role are getting involved in the sales process earlier and are more involved in expanding, upselling, and cross-selling to customers.

White says the entire organization has now begun to see the expanded value in presales. "I think there is an awakening in sales organizations of the importance of the presales role and that it is a significant lever in the sales engine," says White.

To meet this demand, White thinks the C-suite and boards of directors should stop trying to grow by adding more sales reps and instead refine their GTM strategy by examining ways to optimize MOF activities by leveraging presales. "Most deals stall somewhere in the middle of the funnel, so smart companies are starting to invest there," says White.

White says simply investing in people doesn't bring results, usually because the investment starts in the wrong place.

"I like to use a restaurant analogy," he says. "I want to increase revenue in a restaurant. Maybe if we get more tables, we can serve more people. Maybe if we get more servers and hosts, we can serve people faster. But if we don't invest in the kitchen and kitchen staff, the rest of the investment is pointless, because we can't make food. Without the food, it doesn't matter how many people we get in the seats. That's a good analogy for why investing in sales and not in the sales engineer doesn't make sense."

The Opportunity for More Revenue

Failing to invest in proper training and tooling for presales professionals may not only be unwise but also represents a major strategic error. Insufficient presales investment impacts organizational ability to track and measure presales MOF activities, making it difficult for presales leadership and the



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C-suite to establish a baseline, Cohan of Great Demo! says. "Establishing a baseline is the information the organization needs to identify areas to improve and optimize MOF conversions," he adds.

"When I'm doing discovery with my prospects, I learn that most do not have concrete information on the activities and success rates of their presales teams. They are managing by gut," he asserts. "They don't know what they don't know. And opinions have little value in the C-suite."

For years, investment in sales teams has been much higher than the attention paid and the money provided to presales. But failing to invest in presales now is a major misstep because it can result in significant missed revenue growth and customer churn, Cohan says.

"While tools and skills training have been available and utilized for sales for at least 30 years, there haven't been tools and skills training developed specifically for presales, largely, until recently," he says. "Sales tools and training are great for sales and have helped to improve sales' processes accordingly but have had little impact on presales actions. The emergence of presales-specific tools and skills training represents an opportunity for earlier-adopting organizations to accelerate ahead of their non-adopting peers and establish a significant competitive advantage, focusing on MOF strategies and activities in particular. Tools enable insights to be uncovered; skills training enables targeted action."

Tooling, according to The Access Group's Freeman, has been the biggest change and is now the biggest need for presales professionals. "It used to be you just needed Zoom or a phone," he notes. "We just needed our knowledge to get in front of someone. Now you need a video platform. You need platforms that can help you understand your metrics, so you know where you are moving the needle."

Freeman says the need for tooling to enhance the presales process is even more critical now as the role faces a skills shortage. There are simply not enough candidates to fill the demand for presales professionals around the globe. "Without

sufficient manpower, I need to get more out of my people,” he says. “I need platforms that can extend my coverage and that can get more out of my team. Do I invest in people or technology? If there aren’t enough people out there, I need to invest in technology now.”



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Outcomes Justify the Investment

Certainly, given the findings from the McKinsey survey, the C-suite has a stake in making the presales function as viable as possible. There are several areas where presales professionals are setting the stage for revenue opportunities or other positive business outcomes.

Technical Discovery

The sales engineer often qualifies a prospect to ensure they are a technical fit for an organization’s products and solutions, allowing sales to avoid wasting time on prospects that are not an appropriate fit. Business outcome: Better discovery helps sales find opportunities worth pursuing more efficiently. Automating activity tracking of presales’ contribution to the presale’s stages can increase capacity of the presales professional to focus on generating more revenue while providing the appropriate data to presales leadership to make data-driven decisions on where to invest, when to invest, and how much to invest.

Product Presentation

Because the presales professional understands the technology intricately, that person is most equipped to present to potential customers. The presales professional can tailor the presentation so it fits with the unique needs of the prospect and establishes the seller’s technical credibility so it can be seen as a trusted source moving forward in the process. Business outcome: A strong product presentation can help motivate prospects to trust the vendor and move them to the next stage of the buying journey.

Product Demonstration

Presales is also called upon to demonstrate the product or solution. With that group’s technical understanding of the features and functions, it can show that the product can meet the potential customer’s needs and determine whether the prospect wants to experience or, in some cases, buy the product. During the product demonstration, the presales professional establishes credibility as a “trusted technical advisor” and identifies ways to map features to value that the prospect cares about. This point in the demonstration process requires presales engineers to tell a compelling story that resonates with the prospect. Business outcome: Product value is more apparent through a comprehensive demo and customers are driven closer to a sale once viewing a demo.

Solution Development

Presales often must develop solutions that are composed of various products—also referred to as “solutioning.” Solutioning requires an understanding of the prospect’s architectural needs and of any relevant products’ strengths and weaknesses. Business outcome: This step allows the presales professional to showcase the various products in the portfolio and tailor solutions to make a sale that is specific to the prospect’s needs and goals.

Evaluation Management

Presales is called upon to establish the value of a product in the prospect’s mind. As part of this process, presales professionals manage proof of concepts, proof of values, and guided trials, pilots, and workshops. Business outcome: Before you can move to a sales win, you need a technical win. This technical victory typically happens through an evaluation. Effectively managing evaluations increases technical win rates and sets up post-sales teams for success.

Conclusion

Presales is essential to acquiring new and repeat business and building bridges to prospects that become customers, creating relationships that last for years. The presales team is a visible and engaged part of the buyer’s purchasing journey. It is out in front of the process, communicating with buyers, forging connections, building trust, and ultimately, helping to close sales. This role also has significant influence over other sales professionals and assists them with driving revenue.

Given the potential for positive business outcomes, including revenue possibilities, and amid the fast pace of digital transformation and on-demand purchasing needs of today’s businesses, C-suites may find themselves under even more pressure to empower presales professionals to do what



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they need to—more demos and more personal involvement. But the C-suite will also need to equip presales departments with more training and specialized tooling that can support their daily workflows and/or operational needs.

Presales professionals may be unsung, but they remain crucial to increasing conversions and revenues. When the C-suite invests in presales and adds meaning to their organization, that work can impact the presales activities that optimize the middle of the funnel. This effort can lead to enhanced sales productivity and more growth and revenue for the business in the future.

Presales professionals are critical assets when it comes to unleashing more revenue and growth for an organization.

Amid today's widespread digital transformation efforts, their role has increased in importance and influence within the revenue supply chain—and the sales team now relies on presales as a critical part of the technical phase of the sale, and engages them earlier in the process. Presales is also valuable in both sales-led growth and product-led growth for an organization.

The C-suite has a significant opportunity to drive more revenue through this role by paying more attention to presales and investing in the right training and technologies for these professionals. With proper tooling and training, presales can drive more growth and improve margins throughout the sales process.



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