

VIVUN BENCHMARK REPORT:

# The State of Presales in Summer 2020

**vivun.**

# Will the Future of Sales be Presales?

Nearly every other part of a high-performance business—outside sales, engineering, product management—has inspired countless books, research papers and analyst reporters documenting standards and practices to the smallest detail. But you will look far and wide for the Presales equivalent.

We thought it was time for that to change, and so we did something about it by conducting the industry's first benchmark study of Presales teams.

And the timing couldn't be more critical. From our standpoint, we see a tectonic shift happening in the world of sales and presales, driven by a convergence of

- Products becoming more sophisticated with foundations in AI/ML, Big Data, and IoT.
- Product-led growth driven by the surge in SaaS products and ease of access through trials, meaning that buyers can easily get their hands on the software.
- Buyers wanting to deal with experts during the evaluation as well as when they become customers.

When these three trends converge, the world of selling changes. The center of gravity shifts away from the “relationship sell,” led by golf club wielding account executives, and over to the people who are experts in both the product as well as the customer's actual requirements—the presales team. Transactional capabilities become much less important than the skills of the experts who understand the customer's use cases, and who are able to show true value.

But as you will see in the results of our study, the perception of Presales is quite different. They continue to be seen as the demo jockeys, and they continue to lack a strategic voice in the organization.

# Key Findings

We surveyed Presales leaders at businesses ranging from startups to Fortune 500 companies with dozens of questions covering topics ranging from average underassign to variable compensation to the amount of time Presales spends supporting CSMs and post-sale activity in different market segments. From all the responses we received, we identified four key insights that we thought were particularly notable.

- 1. **Let Presales talk Forecast.** Presales leaders overwhelmingly feel (91%) that Presales is well-respected at their organization. A positive sign! However, an equal proportion of respondents (91%) say **Presales wants to play a larger role in generating the company's sales forecast**, which raises the question of just how to make that happen.
- 2. **Money Matters.** Compensation is all over the map, and fully 40 percent of Presales teams **don't receive an underassign**. This indicates there are still a lot of businesses that could benefit from building out their Presales compensation plan.

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- 90% of Presales wants a larger role in the sales forecast
- 40% of Presales don't receive an underassign
- 65% of Presales doesn't think they transmit product intelligence well

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- 3. **One size doesn't fit all.** When it comes to managing Presales staff as dedicated or shared resources, **dedicated models still rule the Enterprise and Strategic segments**—a traditional approach, but one that misses the opportunity to achieve the highest utilization and assign the best person based on deal type and use case. As businesses go downmarket, **support ratios and qual-out rates increase, and win rates decrease**. Clearly, considerable dollars are being spent on having Presales engage in smaller segments. Is it worth it?
- 4. **Hey Product Team, If you only knew what we knew.** Only 45% of respondents agreed their organization **does a good job transmitting intelligence** from the Presales team to the Sales and Product teams, suggesting most organizations are not realizing the full strategic value of Presales.

Let's dive into each of these areas.



# 1. Let Presales Affect the Forecast

Despite believing Presales deserved a larger role, respondents didn't feel that Presales was underappreciated overall. The vast majority of respondents (91%) agreed or strongly agreed that Presales is respected at their organization.

And yet, 55% of respondents agreed with the statement, "My organization mainly treats Presales as the demo team."

One area that respondents feel they could do more is in regards to the sales forecast; 91% of participants wanted a much larger role.

That came as no surprise to Marc Gemassmer, chief revenue officer at Vectra.ai, a leader in network detection and response. Throughout his career, he said, he's seen Presales shunted aside in conversations about revenue.

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**"Whenever I'm in a room full of Presales people, one of my favorite questions to ask is, 'How many of you are working on a deal that has 0% chance of closing?' And every single time, every hand in the room goes up. Every time."**  
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"Too often," he said, "Presales are treated as the build jocks." In his view that's a mistake.

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Gemassmer describes the ideal relationship as one where Presales and Sales play an equal role driving strategy, each with a hand on the steering wheel.

"Salespeople are all about structure and process and making things happen. Presales operates in a more fact-based world. If something is wrong with the technology, or if the product isn't differentiated, Presales can tell."

When it comes to forecasting, as Gemassmer sees it the problem isn't so much giving Presales a seat at the table. Presales managers already attend quarterly forecast meetings, he points out. The trouble is that the sales leaders don't incorporate Presales' input and couldn't even if they wanted to. They have no way to field input from the Presales team throughout the quarter, organize it and feed it back into the forecast. By the time the revenue team gets together to review the forecast, all Presales can do is lob in observations from the sidelines, which makes much less of an impact than including Presales' contributions in the main workflow.

“If you think of Presales simply as the demo team, it won’t even occur to you to build systems and processes to take advantage of what they know. But as we’ve seen, aligning Sales and Presales is the best way to make sure you’re selling the right products to the right customers at the right time. And on top of all that, it makes forecasting a whole lot more accurate.”

## 2. Money Matters

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“No matter how you design compensation, Presales should have skin in the game.”  
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Our study revealed that a full 40% of Presales doesn’t receive an underassign, which is surprising given the need to incentivize Presales as much as their Account Executive counterparts. While full salary benchmarks will only be available to respondents, we did find that compensation was truly all over the map.

Robert DeMarco, VP of Global Solutions at Xactly, wasn’t surprised by these findings.

“There’s no real standard for compensation in our industry. Whenever I’ve arrived at a new organization, the conversation about Presales compensation seems to begin all over again. There’s no foundation or best practice that drives it uniformly.”

DeMarco identifies two particular ways that companies tend to approach compensation: sales-driven and team based.

“Either you tie it directly to the account executive’s number—in effect, giving the Presales team a commission that lives or dies based on the performance of their counterpart, which is the way Xactly does it—or you do it from a team perspective.”

With the latter approach, the Presales manager or executive comes up with the metrics and benchmarks for variable compensation that may not be necessarily the same success factors that drive Sales commissions.

DeMarco points out, “No matter how you do it, Presales should have skin in the game. They should feel as much urgency as the reps, and when the industry hasn’t agreed on how to do that, it creates a ‘fuzzy’ effect that can slow down the performance productivity of the Presales team.”

# 3. Dedicated Ratios Don't Work in All Markets

One finding comes though crystal-clear in the data: businesses are spending a lot of time chasing leads at the low end of the market that don't pan out.

Median qualified-out rates in deals worked by Presales rise from a median of 10% in the Strategic segment to 28% in Commercial, while win rates follow the opposite trajectory, dropping from a median of 50% in the Strategic segment to 30% in Commercial.

The reasons for this inefficiency may vary from organization to organization, said Vivun CEO Matt Darrow. "It might have to do with junior reps going after the wrong leads, or having trouble closing the right ones. Or Presales might be spread too thin to be much help on any given deal." Just as likely, he said, both factors are at play.

One way to handle this issue is hire salespeople who look more like Presales. Or to put it another way, hire salespeople who look more like the ones at Stripe.

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**Stripe's early salespeople had to be all things to their customers:  
salespeople and tech consultants all at once.**  
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Fittingly, as one of the most innovative companies of the cloud era, Stripe took an unorthodox approach to sales. At first, Stripe sold mainly to venture-backed startups that fell squarely in the Commercial category. The salespeople they hired had unusual skills, some of them former investment bankers or lawyers, looking to make a career change.

"I think of them as dual-sport athletes: people who could get things done, figure stuff out on their own, and do what was best for Stripe," said Matt Dolen, who works in strategic accounts at Stripe.

Selling a technical product to technical buyers, Stripe's early salespeople had to be all things to their customers: salespeople and tech consultants all at once.

As Stripe grew and began selling more to Fortune 1000 companies, it instituted a more traditional division of labor between Sales and Presales. But even now, the Commercial team maintains its tradition of self-sufficiency, needing only light support from Presales. And salespeople in upmarket segments are very much expected to know their tech.



## 4. Presales Knows How to Shape the Product

Branch.io uses Presales as a “secret weapon” to decide how to prioritize new products and features.

Less than 50% of respondents in the benchmark study said their organizations did a good job transmitting data between the Presales and Sales teams. To Vivun CEO Matt Darrow, that’s a telling sign that most organizations are only tapping a small fraction of their Presales team’s potential.

“Information flow is one of the biggest obstacles keeping organizations from getting the full value from Presales. It’s tempting to think you can solve the problem by getting some people to listen more, and other people to talk more. But it’s not just a cultural problem. It’s a strategic problem that demands a strategic approach.”

Some visionary companies have recognized the value of using Presales to gain insight into the product roadmap—including fast-growth startup Branch.io. Matt Hunter, VP of Products at Branch, uses Presales as a “secret weapon” for deciding how to prioritize new products and features.

Nor did this come about by accident. Hunter describes that his team has been drowning in the noise from sales requesting various features without data to support their requests.

But Hunter didn’t want to ignore what Sales was telling him either: “We wanted to tie our work directly to sales opportunities and revenue.”

Ultimately, Hunter began capturing the intelligence gathered by Presales—the people on the front lines, who truly understood the technical blockers that could impact revenue—and using that intelligence to inform the Branch product roadmap.

The results have been startling. “We now understand which features and enhancements will affect the largest number of opportunities for the greatest contract value, and what’s more, we have the ability to be transparent to all stakeholders about why product decisions are made. We still take feedback, but people understand that it’s a data-driven process now.”

Branch.io may have figured out how to unlock the strategic value of Presales, but the survey suggests that this is the exception, rather than the rule.

## Time for Action

If our survey suggests that many organizations continue to underestimate the power of Presales—not giving them a voice in the forecast, not unifying compensation, not figuring out ratios by market, and not using them to drive the product roadmap—then it may be useful to quickly discuss companies that are doing the complete opposite. These are the companies that support our view that the role of Presales will change dramatically due to the perfect storm of sophisticated products, product-led growth, and self-service SaaS—buyers will want experts, not transactional salespeople.

Take the case of Atlassian. This is a company that proudly proclaimed that they didn't have salespeople, back in the early days. But now they have hundreds of openings for Presales. That's because they reached a tipping point where they had to speak to enterprise buyers, and they needed technical people to do it.

Matt Dolen at Stripe sees the same thing. Over the long term, he recognizes that enterprise software is trending toward self-service and ease of use, which means the skill set for sales will need to change as well. Sales may never need a computer science degree the way Presales does at Stripe, but they'll need to have more of Presales' jack-of-all-trades quality—and not just in downmarket segments.

“As software starts to look more and more like Stripe or Atlassian, the more sales is going to look like it does at those companies. The more you can solve problems, get your hands dirty and basically make it obvious that you're not just a contract monkey, the more valuable you're going to be, the more sales you're going to make and the more longevity you're going to have in this business.”

The role of Presales is changing. Product trends are causing an inflection point that's reinforcing the importance of highly technical people who also know how to sell. And the way to help accelerate that change—as with everything—is with data.

We invite you to be a part of our next Benchmark Report and receive a full report on all the answers to our questions (some samples provided below). When you sign up, we'll send you our next Benchmark Survey—then ensure that you receive a full list of answers with all the respondent data.

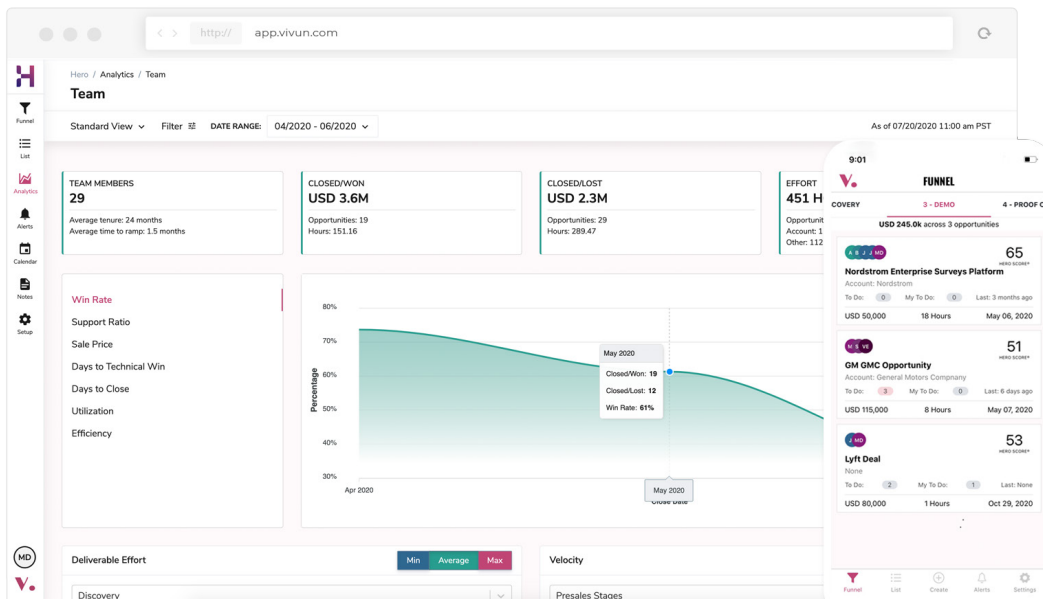
Let's unlock the full strategic value of Presales together!

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## Hero by Vivun

Vivun is the world's first AI-powered platform for presales, unleashing their strategic potential and creating a seamless interlock between sales and product. Vivun helps presales leaders achieve operational excellence by equipping them with the metrics they need as the result of individual contributors having a single place to manage their work. Using Vivun, organizations increase forecast accuracy by leveraging the technical conscience of every deal, find revenue by reviving dormant opportunities, and deliver winning products by tapping into the collective insights from the field. Vivun works with startups like Harness, growth companies like Seismic, and global enterprises like Autodesk. Visit [VIVUN.COM](http://VIVUN.COM) to learn more and [REQUEST A DEMO](#).

Request a demo

		Commercial: 1-50 employees	Mid-market: 51-1,000 employees	Enterprise: 1,001- 5,000 employees	Strategic: 5,001+ employees
What is your average sale price in USD across the following segments?	Min	\$...	\$...	\$...	\$...
	Max	\$...	\$...	\$...	\$...
	Median	\$...	\$...	\$...	\$...
What is your typical Presales attach rate for the following segments?	Min	...%	...%	...%	...%
	Max	...%	...%	...%	...%
	Median	...%	...%	...%	...%
How many AEs do you employ for each Presales staffer in the following market segments?	Min	...	...	...	...
	Max	...	...	...	...
	Median	...	...	...	...
What is your qualified-out rate (as percentage) for deals worked by Presales in the following market segments?	Min	...%	...%	...%	...%
	Max	...%	...%	...%	...%
	Median	...%	...%	...%	...%
What is your win rate (as percentage) for qualified deals worked by Presales in the following segments?	Min	...%	...%	...%	...%
	Max	...%	...%	...%	...%
	Median	...%	...%	...%	...%
On average, how many presales team members are assigned to support an opportunity in the following segments?	Min	...	...	...	...
	Max	...	...	...	...
	Median	...	...	...	...
How many hours does Presales spend closing a deal with companies in the following segments?	Min	...	...	...	...
	Max	...	...	...	...
	Median	...	...	...	...
How many demos does Presales generally need to close a deal with companies in the following segments?	Min	...	...	...	...
	Max	...	...	...	...
	Median	...	...	...	...
After engagement by Presales, how many weeks on average does it take to close a deal with companies in the following segments?	Min	...	...	...	...
	Max	...	...	...	...
	Median	...	...	...	...

		Individual contributors?	Managers?
What is your company's Presales quota (in USD) for:	Min	\$...	\$...
	Max	\$...	\$...
	Median	\$...	\$...

		For entry-level Presales individual contributors at your company:	For senior Presales individual contributors at your company:	For Presales managers at your company:
What is their average base compensation as a percentage of on target earnings?	Min	...%	...%	...%
	Max	...%	...%	...%
	Median	...%	...%	...%
What is their average variable compensation as a percentage of on target earnings?	Min	...%	...%	...%
	Max	...%	...%	...%
	Median	...%	...%	...%
What is their average base compensation in USD?	Min	\$...	\$...	\$...
	Max	\$...	\$...	\$...
	Median	\$...	\$...	\$...
What is their average variable compensation in USD?	Min	\$...	\$...	\$...
	Max	\$...	\$...	\$...
	Median	\$...	\$...	\$...

		Presales individual contributors?	Presales managers?
In weeks, what is your average time-to-hire for:	Min	...	...
	Max	...	...
	Median	...	...
In weeks, what is your average time-to-ramp for:	Min	...	...
	Max	...	...
	Median	...	...



Open-Ended Response		
In percentage terms, what is your average Presales team underassign?	Min	...%
	Max	...%
	Median	...%
In percentage terms, how does Presales perform against their quota? (e.g. 95% of quota)	Min	...%
	Max	...%
	Median	...%
What % of time does Presales spend supporting CSMs and post-sale activity as opposed to working opportunities?	Min	...%
	Max	...%
	Median	...%
What % of Presales supported opportunities are for existing customers instead of net-new business?	Min	...%
	Max	...%
	Median	...%
In percentage terms, what is your company's Presales commission rate for individual contributors?	Min	...%
	Max	...%
	Median	...%
In percentage terms, what is your company's Presales commission rate for managers?	Min	...%
	Max	...%
	Median	...%
What % of the Presales team is typically eligible for the President's Club or similar yearly rewards trip?	Min	...%
	Max	...%
	Median	...%
How long on average (in months) do Presales individual contributors stay with the company?	Min	...
	Max	...
	Median	...
How long on average (in months) do Presales managers stay with the company?	Min	...
	Max	...
	Median	...