

Presales Leadership Budget:

Position your value to get funding you need for success

7 simple steps to obtain the optimal presales budget:

Step 1: Frame your value beyond the bottom line and focus on the top line

Presales provide a tremendous amount of leverage on quota and growth.

	NUMBER OF PRESALES AND SALES ENGINEERING PROFESSIONALS					
ANNUAL	10	50	100	250	500	1,000
Expense	1,750,000	8,750,000	17,500,000	43,750,000	87,500,000	175,000,000
Revenue	\$30,000,000	\$150,000,000	\$300,000,000	\$750,000,000	\$1,500,000,000	\$3,000,000,000
Margin	\$28,250,000	\$141,250,000	\$282,500,000	\$706,250,000	\$1,412,500,000	\$2,825,000,000

For illustration purposes, assume an account executive (AE) has an annual quota of \$1 million, 1 sales engineer (SE) supports 3 AEs, SE has an annual salary of \$175,000, and each SE essentially has influence of \$3 million per year. Presales and sales engineers have a tremendous amount of leverage on quota; be sure to **highlight** the top-line potential.

ANNUAL	
AE Quota	\$1,000,000
SE: AE Ratio	1:3
SE Salary	\$175,000
SE Quota	\$3,000,000

Frame your own expense, revenue and margin profile of your presales organization before discussing budget requests.

Step 2: Budget in investing, building, nurturing and retaining your talent

Strong presales and sales engineers are talented technical sales professionals who must be rewarded in line with market rates.



Compensate: Ensure that the right financial and non-financial incentives are in place to keep your talent highly motivated.



Retain: Minimize the churn of your A-level talent to preserve continuity and performance throughout your whole presales team.



Develop: Train both product and technical presales skills of your team members to uplevel their performance so they can perform their daily tasks better.



Recruit: Hire the right talent as you scale and uplevel your presales organization to improve your performance.

Budgeting compensation is foundational. At the same time, allocating additive investments to retain, develop and recruit is a must.

Step 3: Budget to refine and evolve your presales processes

Account for how digital transformation associated with remote selling and SaaS product packaging is changing how presales sell.



Discovery: Have a methodical playbook to conduct technical discovery by vertical, product and prospect to qualify or disqualify early in the sales process.



Presentation: Develop prescriptive playbooks and tips that show the art of the possible while also addressing why change is necessary, why now and why you.



Demo: Create a suite of demo scripts and playbooks that are situational to the prospect and mindful of the competition.



Solutioning: Have a streamlined workflow and process to create solutions within your company's key constituents, such as product management and subject matter experts.



Services: Scope the right professional services to accelerate your offering time to value for your prospect.



Evaluations: Manage proof of concepts (POCs), proof of values (POVs), guided trials and workshops with robust and flexible playbooks that capture processes optimized to win.

Investing in the ability to tackle daily work using playbooks, in a flexible way, will increase the probability of winning more business.

Step 4: Procure the right tooling

It's time to go beyond spreadsheets and entering data into a customer relationship management (CRM) systems. Get tools built for you.



Workflow: Attain tooling that complements your day-to-day workflows without introducing more mundane work or distractions from high-value tasks.



Personal: Find tooling that is specifically built for presales and supports your workflows needs.



Unify: Unify your technical tool set into a platform to avoid cobbling together several point products and asking for budget multiple times.



Automate: Find tools to automate mundane tasks, like CRM data entry.



Easy To Use: Select products that are highly intuitive, have stellar user interfaces and are easy to use.



Integrate: Ensure that your tooling is able to coexist with your existing productivity suite, your sales source of truth (SOT) – which is typically a customer relationship management (CRM) system – and other sources of record (SOR) used by your peers.



Secure: Make sure that your tooling protects your company's and prospects' data and meets the security controls within your company.



Time To Value: Ensure that your tooling is able to deliver value to your presales organization quickly.



Control: Invest in a system that allows you to modify it as you see fit to keep delivering value to your presales organization.

Control your own tech stack so you can focus on the things that matter and be more productive.

Step 5: Get political sponsorship for your budget

Map how your budget request helps your peers and the company be more successful.



C-Suite: How does your budget request help deliver on growth, manage costs, and improve gross and contribution margin to increase the company's enterprise value?



Sales: How does your budget request help win more business, exceed quota, enter new markets, and sell new products faster?



Customer Success: How does your budget request onboard new business faster, drive up customer satisfaction, and set the foundation for renewals, upsells and cross sells?



Product: How does your budget request establish better collaboration on influencing the roadmap, creating product differentiation, and removing features and solutions that block opportunities?

Convey a clear story of what's in it for the C-suite, sales, customer success, product and the organization as a whole.

Step 6: Show the return on investment and provide operational data

Obtaining a budget starts with a plan but is reinforced with results.



Cost: Track expense metrics relative to the jobs being performed by your presales professionals and subject matter experts.



Revenue: Track booking and growth metrics relative to jobs performed by your presales professionals and subject matter experts.



Margin: Calculate margin generated by opportunities at each stage of the presales funnel, including technical discovery, presentation, demos, solutioning and evaluations.



Outliers: Identify high performers who contribute to growth and margin and low performers who are costing the company money and bringing down your performance.



Capacity: Quantify your presales capacity that's capable of supporting current and future growth demands by top-line quota objectives and account executives.



Real-Time: Track key performance indicators and return on investment metrics in real time to take budgetary corrective actions faster.



Teamwork: Identify high- and low-performing presales and account executive pairs to effectively manage budget.

Your budget exercise never ends, and continuous proof points are required.

Step 7: Manage the business and the budget

Providing an ongoing pulse of the presales business strengthens your position for current and future budget requests.



Analysis: Get a continuous view of the business and track revenues and expenses related to opportunities being supported.



Insights: Get more visibility on things you already know, get data on things you know you don't know, and uncover new revenue-to-expense insights on things you don't know you don't know.



Gaps: Manage technical gaps blocking business while further demonstrating a compelling return on investment on the presales budget.



Forecast: Complement the presales point of view on opportunity forecast by providing deeper visibility into the middle-of-the-funnel activities to more effectively manage the overall sales and marketing budget.



Investments: Deliver real-time data on the business to reallocate budget on areas within your business that can deliver the greatest return on investment.



Action: Take corrective budgetary actions based on leading indicators and reliable data on your business.

Your pulse of the presales business will ensure you get the budget you need to run a successful business.



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