



PRODUCE  
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# Network Strategy Gives New Product a Foothold in Competitive Market

## CASE CONTEXT

An experienced sales manager in the competitive enterprise software market uses internal networks, external ties and carefully built relationships to move from product launch to an established business.



MALE

Level: FIRST-LEVEL  
LEADER

Industry: TECHNOLOGY

## HIGH-PERFORMING LEADERS LEVERAGE NETWORKS TO DO 5 THINGS

Based on 20 years of research in more than 300 organizations, we know that the quality of your professional relationship play a significant role in your success. We have extended this research to describe the way high-performing leaders leverage their networks to: Innovate, Execute, Scale, Thrive and Adapt.



## Elijah was tapped to head up national sales for a new product line for an enterprise software company whose

prior success was associated with a single product and market. The type of software was a core system, something essential to a company's operations, such as supply chain, financial or human resources software. For Elijah, the challenge in starting up a new sales effort was two-fold. "First, it's hard to get companies to change their core systems. They don't make decisions around those systems easily. So, how do we find companies who are willing to make any sort of a change? Second, how do we get them to have the confidence in us to take a pretty big leap? How do we get them comfortable with us as the provider for something that's mission critical, will cost them a lot of money and takes a lot of internal resources? For both challenges, I absolutely relied on my network."

To begin, Elijah and the sales team tapped into their personal networks to gain warm leads. "How do you get to the key decision makers? The C-level, the top executives, they are not going to take cold calls. So, we created a set of criteria for the kind of customer we want. Then when we had good targets, we asked, *Who do we know at these accounts?*"

LinkedIn became a core selling tool. "Do we have a first-degree or second-degree connection on LinkedIn? I handed reps a list of key accounts and had them go through LinkedIn. We pulled in our extended team too ... people in our product management organization, our solutions team, our lead generation group ... Literally, in a quarterly business review, we'd say, here are our deals and here are our top prospects. In real time, we'd ask them to pull up LinkedIn and see if they knew anybody."

Elijah focused on potential networks when hiring a new sales person, too. "Once I've determined a person is an effective seller and is the right person for the role, I ask about networks. When I hire new people, before they even start, I send them a list of accounts and ask them, *Who do you know?* They may say, *Oh, I know the controller or my neighbor works there.* I want to construct a territory that leverages the network they already have. That sets them up for success."

External networks were also part of identifying potential customers. The company engaged with major networking events and associations. As sponsors, members or presenters, the sales team received access to information and opportunities to meet potential customers. Existing partner relationships proved valuable, too. Fueled by mutual interest,

Elijah's team actively worked with partner account teams to identify and pitch new business. "If we find the deal together, we will close it together ... We relied very heavily on these partners ... We couldn't have done it without their help. They gave us credibility." Even current customers—the early adopters—were asked, and often were eager, to give references or referrals. "Our existing customers actually wanted us to have more customers. They knew the more we had, the more investment we would make, the better the product would become. It was good for them."

Importantly, the team tracked the network, the interactions and detailed account information using Salesforce.com. In addition to basic company facts, Elijah's team added detail for every customer and every lead: "Who has the connections, who called on them in the past, the meetings we've had, any interaction we've had. If you are assigned a new account there's going to be some history over the course of years ... all the information is in there."

In signing new business, networks were also crucial. Elijah understood that the product itself mattered, but that customers needed to feel they could trust the company and key people. "We were asking leaders to make a multi-million dollar commitment with a company that had good credentials but wasn't totally proven out. So, our sales team was the tip of the spear to get that started, but there were many, many people that were involved in making those deals happen. All of our deals took a village."

Fortunately, Elijah had strong, trusted ties within the company, including the president and senior team. "We built the network at headquarters and leveraged that out in the field. I would ask the president or our head of implementation to make a trip to meet with a president or C-Suite executive. They needed that top-to-top relationship. When you make one of these big bets you have to really believe in the people on the other side."

The network approach gave Elijah's company a foothold in an important new market. Within three years the number of customers increased four-fold. One year later, that number doubled. "We hit a turning point. The interest and credibility was there. Sales accelerated dramatically."

## Network Insights

**Personal networks bring value to teams and organizations.** Ask your team and people elsewhere in the organization about their networks; leverage them for specific needs or projects. Consider whether your hiring process could benefit by understanding a candidate's or new employee's network.

**External partners may become an essential extended network.** Find points of synergy and mutual benefit to encourage sharing of contacts and collaboration. Consultants may be interested in joint sales; current customers may value sales growth or extending a product suite.

**Networking tools help find, create and track useful networks.** Elijah's group, for example, relied heavily on LinkedIn for network development purposes and Salesforce.com for relationship maintenance and continuity over time.

**Personal reputation and sense of trust within your organization are differentiators.** Building genuine ties gives you the ability to mobilize influential people for projects, internal efforts or external roles in a way that sets you apart.

## How Networks Inside an Organization Enable External Sales

In the early days pitching the new enterprise software, Elijah's well-established internal network proved essential to close the deal with a high-profile customer. Lessons learned include:

1. Internal networks help you take risks. "We weren't really ready to run their business; we hadn't operated yet on the scale of what they needed. We convinced them we were the future of software. And that took tons of our people—engineering worked very closely with them to build confidence that we understood the technical challenge that was ahead."
2. Internal networks help you build trust. "The other company's CEO, CFO and CIO met with our executive management team. It was important to be able to look them in the eye. They need to believe this person will make me successful, this is the kind of company I want to do business with and these executives are behind me."
3. Internal networks make you more than your expertise. "I had a great sales guy running the deal. But being able to leverage relationships made the difference ... I could go straight to the C-level. When we went to the table together, we built confidence with the prospect."

### ABOUT THE RESEARCH & ROB CROSS

Building on 20 years of research with more than 300 organizations, the Network Leader Research Project seeks to understand the approach and strategies that enable certain leaders to consistently achieve peak performance. The research includes 160 in-depth interviews conducted by Rob Cross, a Professor of Management at University of Virginia's McIntire School of Commerce. The Connected Commons is currently focusing its research on leadership effectiveness, talent optimization and organizational alignment and change—three areas where network insights can clearly drive performance. For more information visit [www.connectedcommons.com](http://www.connectedcommons.com) or email Rob at [rlcrossjr@gmail.com](mailto:rlcrossjr@gmail.com).