



PIPELINE PAUL

THE SILVER BULLET SALES GUY

*“The transition from heroic founder-led sales to professionalized sales is massive. Entrepreneurs often look for the silver bullet by hiring a senior leader with a track record running large sales teams. However, leading a mature team is a far cry from **being** the team. They often fail because they don’t share the founder’s passion and they don’t have what it takes to sell in a startup environment.”*

– **Rand Stagen**, CEO of Stagen Leadership Academy

For many early-stage companies, the entrepreneur IS the sales engine. The business has grown as a result of the founder’s expansive network and reputation. Sure, the operations team does great work that builds relationships and creates satisfied clients, but the initial sale is often related to one (or maybe two) rainmakers.

But relying on the heroic efforts of a few makes next-level growth impossible. Many companies can’t cross the chasm from “scrappy startup” to “scale.” The suggested solutions often range from “we need a junior [insert rainmaker’s name here]” to “let’s hire a bunch of hungry

WHO'S YOUR MIKE?

and aggressive salespeople, throw 'em together, and see who survives!”

There are many potential paths for founders to consider when looking to drive sales. But Rockstar salespeople who end up working out are hard to find and even harder to hire. I've seen so many entrepreneurs struggle hiring salespeople. Partially because most salespeople (even the bad ones) are pretty darn good at selling themselves in the interview process! Unfortunately, those skills don't always translate to selling your product or service.

One common way we've seen this play out is when you end up with a salesperson who talks a good game and is very positive about their sales pipeline—one that always seems to be in the future. They seem to have something **BIG** just around the corner. But for some reason or another, it rarely pans out. You start thinking that even **THEY** don't believe those opportunities will ever come to fruition! But what the hell do you do? At that point, unfortunately, your eggs are truly only in one basket!

If any of this resonates, read on. This particular chapter will focus on “Paul” in a sales role and what to do about him, not necessarily as a sales leader.

The Problem for the Entrepreneur

There are a number of paths that can lead to Pipeline Paul clogging up your business with unfulfilled promises and a “tomorrow” that never seems to come. In my experience, Paul often comes “highly recommended” by a trusted source. Maybe Paul is a friend of a friend, or even someone you feel pressured to please (like an investor).

PIPELINE PAUL

More on that later. Before we get to Paul though, let's talk about what's happening behind the scenes in companies that end up turning to him for answers.

As an entrepreneur, you spent the early days wearing every hat imaginable. Hell, you probably developed the product, led the team, drove sales, and even vacuumed the office floors! You sold AND delivered—people saw you as the brand. Everything went through you.

As a startup, you can thrive on the herculean efforts of a few. But as you grow and evolve, you need more revenue to feed the beast. You realize that the business needs to grow beyond a single rainmaker for it to continue to thrive. I've seen a number of methods used to solve this challenge, and some of them even work!

I once moved one of my key lieutenants over to sales in an effort to take some of the load off of me. She did fairly well, considering the circumstances. One team member told another employee that as long as he was fed a steady diet of referrals and connections from me and my network, he was great! In fact, he jokingly referred to these leads coming from the “revenue fairy,” and he'd sit idly by waiting for them to show up. But the revenue fairy can't save you forever. If you want to scale your business, you have to move beyond the rainmaker's network.

You're forward-thinking, so you see this as an opportunity to move up-market and sell to bigger companies: enterprises with household-name logos you can show off on your website—companies that can write big checks! To do this, you must professionalize your organization, and it starts with your sales process and sales team. Even if you don't have a sales team in the

WHO'S YOUR MIKE?

classical sense, everyone has, or needs, a sales process.

To get to the next level, you'll need investments in systems, processes, and infrastructure. You'll need to develop a compensation structure that aligns the sales team's incentives with the company's goals and the culture you've instilled. In short, you need to do things differently. The approach that got you here definitely won't get you where you want to go!

The Silver Bullet: Most entrepreneurs don't think about investments in systems, processes, and infrastructure—they usually go right to bringing in the silver bullet hire to solve everything, especially in sales. Check out Intermission I for some best hiring practices.

Everyone Has a "Perfect" Candidate

Once you've determined it's time to find that Rockstar, you do what you've always done. You start talking to people you trust. You tell your friends, peers, and business partners that you're looking to upgrade sales—and free advice flows! First, your YPO or Vistage group advises you to hire a sales leader and your executive coach encourages you to “work ON your business, not IN your business.” Someone even gives you a job description they used for their VP of sales search last year.

And once you've decided to start looking for a new

PIPELINE PAUL

salesperson, something weird happens. Everyone and their dog has candidates for you. Your banker, your lawyer, and your benefits broker walk into a bar—wait, no, this isn't a joke. They all tell you they know “a guy who is perfect for you!” Seems like every sales guy who is “in transition” (or out of work) is referred to you!

You try to listen and nod along to all of these “perfect” fits, but candidly, it's become very noisy. Then someone you really respect tells you about Pipeline Paul—and she's adamant that Paul is your guy. You meet Paul and boy, are you impressed. You fall in love with him and shortly thereafter, he's your new VP of Sales! Thus begins the story of Pipeline Paul.

Who is Pipeline Paul?

Paul is a sales guy. He seems to be a damn good one. Everyone seems to like him. If you ask his neighbors, they'll say he's fun to be around, he has a million-dollar smile, and he's great at parties. He brings a good bottle of wine and becomes friends with all the important people by the end of the night. He looks you in the eyes when he shakes your hand, and he remembers your name.

Paul sounds great on the surface; that's why you fell in love with him! But now that you've gotten to know him, work with him, and dig deeper into who he is, things start falling apart. You find out he's “all hat and no cattle,” as we say in Texas—all show and no substance. He talks a big game. He's always **JUST ABOUT** to close the next million-dollar deal, “just waiting on final approval.” He's built an impressive pipeline of enterprise-level

WHO'S YOUR MIKE?

deals. He tells you about potential deals with your dream companies—feeding right into your desire to put some high-profile pelts on the wall.

But as great as those deals sound, they stay in the pipeline. He tells you they “should close next week,” then “next week” . . . and then “next week.” Paul just keeps pushing the dates back, saying things like, “These are complicated deals!” or “This is the big leagues, these aren’t mom-and-pop deals anymore.” or “Be patient, everything will be fine.” He keeps promising BIG results soon.

But “soon” never seems to come. With Paul, it’s always in the pipeline. And no matter how much you want to believe (and, oh boy, do you want to believe!), no matter how much time, leeway, and resources you give him, it never seems to work out.

Hope Is Not a Strategy

If you find yourself constantly waiting for deals in the pipeline to close—and days turn into weeks, which stretch into months—you have a serious problem on your hands. It’s not just that Pipeline Paul isn’t doing his job, he’s preventing your business from moving forward. You’re not really sure whether the deals Paul’s promising will come through. As a result, you simply can’t plan for the future when you can’t trust your sales projections.

This is where it gets really hard. You WANT to believe that Paul will come through, but you fear he’s full of crap. You’ve invested so much time, energy, and hope in Paul, praying he’ll come through. Not to mention the money you’ve invested; probably hundreds of thousands

PIPELINE PAUL

of dollars in salary and benefits at this point. But what hurts the most is the time—time you’ll never get back.

For entrepreneurial companies, time is a precious commodity. And Paul always seems to need more of it. But with every Pipeline Paul, the clock eventually strikes midnight. You’ve seen enough, and you decide something has to be done.

Real-World Example

Kyle’s a close friend, founder and CEO of Zivea, a healthcare software company. In just a few years, his team developed a stellar product and had acquired a number of name-recognizable healthcare clients off the back of Kyle’s personal brand and network. The company’s reputation grew.

Zivea evolved from a scrappy startup to a “real” company looking to scale and grow from \$5 to \$20 million in annual sales. Zivea had the perfect combination of great product, fantastic service, and solid reputation. Once one hospital in a system adopted the software, other hospital administrators in the system followed suit. In a relatively short period of time, Zivea’s software was being used in three of the top ten healthcare systems in the country. Excited to take his company to the next level, Kyle began to think about seizing the opportunity by professionalizing his sales team with Rockstar talent.

As usual, when a founder starts looking for top talent, Kyle’s network became an echo chamber of “you gotta meet this guy!” and “she’s the best salesperson I’ve ever worked with!” In short order, “perfect” candidates were

WHO'S YOUR MIKE?

coming at him from all angles.

Enter Pipeline Paul. His background was stellar. He worked at three of America's largest healthcare companies, so he had relationships with many of the people Kyle wanted to sell to. In retrospect, there was one red flag on Paul's resume: his tenure at each of his last three employers was just under two years. In Kyle's defense, it's easy to overlook some details when you fall in love with the idea of that silver bullet.

And Paul was impressive! Dare I say it—he was a STUD. He said all the right things, name-dropped the right people, and talked extensively about the relationships he had with numerous other top companies. Hell, he played golf last week with a key executive at Zivea's top target! If there was a playbook for how to impress in an interview, Paul would've written it. Oh, and he had plausible answers for leaving at the two-year mark for his last three roles (one company was sold, the next one was “borderline unethical,” and the last one “simply couldn't deliver on what I was selling!”).

Kyle quickly hired Paul, excited to cash in on his relationships. During his first thirty days, things seemed on track. Paul spent time getting to know the product, the company, and existing client relationships. But Kyle's an entrepreneur who spends more time doing than thinking—and he wanted Paul doing more doing. In weekly meetings, Kyle encouraged Paul to reach out to his contacts, but Paul had excuses at the ready. Saying things like, “I don't want to until we have first-class marketing collateral, this stuff isn't professional. We need to make a great first impression.” Kyle didn't understand. He wanted Paul

PIPELINE PAUL

to just DO it, not sit around waiting for perfection!

Finally, Paul did start setting up meetings with his big-company contacts. A weekend of golf here, a fancy dinner there, and even a trip to the US Open—but nothing resulted in the big deals Paul promised. In the weekly meetings, he seemed to be getting more defensive: “These big deals take time. I’m working on a whale, dammit.” He sure did sound impressive, but Kyle wanted results. And that expense account—holy smokes!

One year in, and Kyle was growing more and more frustrated. But Paul had a huge opportunity that looked very promising (and intoxicating!). In sixty days, he would present Zivea’s software solution to the leadership team of a very large hospital system: one deal would make everything worthwhile! Kyle was cautiously optimistic. Over the next few months, the meeting got pushed back, then canceled, then rescheduled with a sub-segment of the leadership team. Kyle was losing his mind!

Eighteen months into Paul’s tenure, Kyle was beginning to see why Paul left each of those companies after two years: it didn’t appear that he could close. And once that became clear, his very large expense account and huge salary weighed very heavily on the books.

Around that time, the economy shifted, and Kyle’s hand was forced. He had to cut costs and letting Paul go was an obvious choice. Paul still had big deals in the pipeline even as he left, but Kyle had ZERO confidence that he would have been able to bag any of the elephants he was hunting.

After letting Paul go, Kyle was surprised when another member of the sales team approached him—someone

WHO'S YOUR MIKE?

who reported directly to Paul. “What took you so long?” he asked. Other team members made similar comments. “Remember that presentation he gave a couple months ago? I was actually the one who put it all together!” This is actually very common; the entrepreneur is the last to know!

Keeping Paul Out of Your Pipeline

Want some tips on how to keep Paul out of your pipeline or what to do once you realize you're saddled with a Pipeline Paul? Check out *Intermission II* for tips, tidbits, and things to think about. Lord knows I've seen a ton of these guys in my career—either with clients or my own damn business! No one is immune, but hopefully we can help you dodge a bullet or fix the problem quickly.