EPISODE 1395

[INTRODUCTION]

[00:00:00] KP: The lifeblood of most companies are their sales departments. When you're selling something other than a commodity, it's typically necessary to carefully groom the onboarding experience for inbound future customers. Historically, companies approached this in a one size fits all manner, giving all customers a common experience.

In today's data driven age, a better experience can be provided that is data driven, personalized and automated. In this episode, I interviewed João Batalha, co-founder and CEO of Amplemarket.

[INTERVIEW]

[00:00:31] KP: João, welcome to Software Engineering Daily.

[00:00:34] JB: Thank you for having me, Kyle.

[00:00:36] KP: Well, to kick things off, can you tell me a little bit about where your journey as an entrepreneur begins?

[00:00:41] JB: Yes, so my background is in computer science. And my two co-founders, their background is in physics. We've known each other for quite a few years, actually, one of my co-founders is my brother. And so, we've worked on all sorts of projects together. Really, the way we ended up working on Amplemarket and on the B2B sales stack was really by trying to solve problems that we had faced in the past. So, before Amplemarket, we had built SaaS business where we're selling software to online stores, specifically online stores on top of Shopify, this was a few years ago. And while we were scaling that business, we ran into all sorts of issues with scaling the sales process, and quite a few of those issues had to do with the tooling that was available to us at the time. So, that really got us thinking about it and we sort of took an engineering mindset to it, and ended up taking a fresh look at the space. That's how we got working on Amplemarket.

[00:01:43] KP: So, I know there's some aspiring founder's listeners who are getting pretty good at doing software projects and want to start their own company one day, and they're thinking I just need to launch my site, make it possible to put your credit card in, and that's all there is to it. What do you have to scale about a sales process?

[00:01:59] JB: Yes. So, I think that is a very common – it's a very common way of thinking for a lot of folks, especially if you are coming from an engineering product, I can definitely identify myself with that way of thinking where as an engineer, you'd like to build things. So, I'd much rather spend my time coding or working on the product design, and improving it, rather than being out there and trying to call people and trying to sell the product. That's fine. I think there's nothing wrong with that. But oftentimes, that's not enough, right?

So, for some products, you can actually just build it out, publish it in the website and wait for people to come and sign up. But for some other products, that's not quite possible. So, if you're selling something to the HR department at a hospital, you can't really expect that they're just going to come to your website, sign up, and that will be it. You should expect at some point to have to build a sales process. That's what we're trying to make a whole lot easier with Amplemarket such that this thing that used to be a big bottleneck for a lot of companies, that it was very opaque and hard to implement things, especially for folks coming from an engineering background, we want to make it a whole lot easier, a whole lot more transparent.

[00:03:21] KP: Well, let's imagine we have one of those entrepreneurs, they've got a great product, or at least they think they do. It's time to open the doors and get people interested and see what kind of market reaction there is. Do you have any advice for how to do that for an inexperienced engineer or experienced engineer who's inexperienced in sales?

[00:03:37] JB: Yes. So, I was in that position myself, and definitely at the time, sales didn't come naturally to me and there's definitely a learning process. But I think I have a few tips that I can give folks that are maybe struggling with that. I'd say first, that don't quit too early on sales. I've seen this happen quite a bit where folks get discouraged because they don't see the results within a few weeks of starting out to reach out and trying to do sales. But don't get discouraged. That's completely normal. It can take quite some time until you really figure out the right audience to reach out to, how to reach out to them, the right person within companies to reach out to, and what messaging resonates with them.

So, before you say, “Hey, sales don’t work for us. We're just going to hope that people come to our website and sign up.” Before you make that call, be mindful of that, that it can take a while until you really nail that sales motion and can land your first few customers via a more traditional outbound sales process. So, don't quit too early would be my first tip.

Second tip would be, it's useful to be mindful of what stage you are in as a company. So, what I mean by it is that sometimes the problem is not so much optimizing the sales process. But it could be that maybe it's might be a problem see with your product, this is also something that we see where folks just – they start trying to sell and it's not working out. And then they spend a lot of time trying to optimize their sales process and optimizing their messaging and all that. I think that a good analogy could be if you're in the business of selling candy bars, and things weren't going so great, and all that you did was try to optimize your packaging, and maybe your position in the supermarket aisle. Sometimes you have to change what's actually in the candy bar. Because if you have a crappy candy bar, people won't buy it even if you are in the perfect position in the supermarket aisle.

I think it's helpful to keep that in mind, especially if you're early on, if you're not quite sure, if you're at product market fit, your main problem might not be optimizing the sales process. So, don't be discouraged by that. Don't think that sells doesn't work for you guys, just because you're not seeing success early on. So, that would be my second one.

The third one would be that sales, in the end, it's really about setting up a process, and you're inevitably, as all sales reps know, you're going to inevitably be dealing with a lot of people telling you no, and that's completely fine. That's just the nature of the sales process. But this is something that I don't think humans are super used to dealing with, to having that amount of people telling you no, or just dealing with that sort of feeling of rejection. So, I would always keep in mind that you want to trust the process. You want to, above all, understand that you want to follow a certain process that you use, specify that you thought it was going to be a good approach for an audience, and you want to stick to it, and trust that the results would come in, in the long run, and don't be discouraged, just because the steel that I was working on didn't go through. And there might not be anything wrong with your process from that. It might just be, did an app, and like there's a lot of things that are out of your control, and so there's a thousand different reasons why a certain deal might not happen.

So, don’t start changing things around just because you don't get a deal. I think I've seen folks that coming from an engineering background, make that mistake a lot. It's about the process, you got to trust it and you got to expect that you're going to be dealing with a lot of rejection and that's completely normal. So, that would be my third and final tip there for folks getting started with sales.

[00:07:31] KP: Good advice. Could we elaborate a bit more on sales process? I mean, I'm been familiar with cases where I sign up and I get some groomed email campaign where after a few days, there's a follow up and this and that. Is that sales process? Or is there more to it?

[00:07:48] JB: The way I would think about a sales process is really, the salesperson in the end should be your point of contact with the company. They should really be the liaison between whoever is trying to buy a certain product and whoever is trying to sell it. That's really how I would look at it. And oftentimes that can be quite simple, and there's not much to it, and there's just a very standard product that you purchase, and there's little customization. But some other times there can be quite a few things that you need to define before the buyer is comfortable with signing a contract, right?

So, the salesperson should really be the person managing that relationship at the early stages. That can mean quite a few things. But initially, that might be as simple as trying to schedule a call with the right stakeholders. That can be the main job of the salesperson at an initial stage. Later on, maybe few have advanced in those conversations, maybe the salesperson is more in charge of figuring out what are your specs, or what you're going to need to the modifications that you're going to need to a specific product in order to make it work for you as a company. And so, that salesperson will be managing that.

It can span quite a few different areas. But in general, a salesperson is managing that relationship at an early stage between the buyer and the seller. You can divide that up into a bunch of steps and we help you out especially the stuff that happens before you schedule a demo. That's really where we're focusing. There's quite a lot to cover there.

[00:09:29] KP: Yeah, well, there were people taking on this job long before Amplemarket existed. They had available tools like email and to do lists and calendar reminders and CRMs like Salesforce and HubSpot. How does Amplemarket fit into that landscape?

[00:09:46] JB: Yes, so definitely, folks have been doing sales for quite a long time and all sorts of tools have been developed for it. I think a good analogy for what we are trying to do is we're trying to do what Rippling has done for human resources. We're trying to do that for B2B sales. I'm not sure if everybody will be familiar with Rippling. But Rippling is a software company, and they've taken what they call a compound approach to HR software, where they're trying to develop an all in one solution such that when somebody joins a company, you just have to go on Rippling, fill out their details, then Rippling takes care of the rest of provisioning, access to whatever services they need access to, adding them to the benefits plan, all of that.

So, they really came in and change the game, whereas before Rippling folks were using a collection of point solutions, and say, anytime a new employee was onboarded, you had to onboard them on five or six different tools. So, there's something similar going on in the sales space. Where today, in a lot of companies, you have on top of whatever CRM they're using, or Salesforce or HubSpot, they're going to be using 5, 6, 7 different other point solutions for things like helping them with scheduling meetings, email automation, their data needs. The problem is that the solutions don't really do a great job at talking to each other. These are point solutions, they're just trying to be the best in class and the narrow problem that they solve, but then don't really do a good job at talking to each other.

And so, you have this incredible fragmentation in the sales stack that is causing all sorts of issues. What we're trying to do is come in and say, so we're going to develop a compound solution that helps you all the way from the early stages from maybe say, prospecting, until you schedule that first demo, and even help you through closing. But so, we're taking this compound approach to the B2B sales stack.

[00:11:52] KP: So, what does that look like from the salesperson's experience? Do they have a dashboard? Or how do they engage with your product?

[00:11:59] JB: Yes. So, we try to be wherever the salesperson is spending most of their day. We have a dashboard, and if you are a salesperson, the Amplemarket dashboard is going to be a dashboard that you're going to be visiting on a daily basis is kind of your main system of action. So, you go there to schedule new campaigns to maybe a new audience that you're trying to reach out to, to see what's coming in your pipeline, to maybe look for a specific data point about an account that you've been working on. So, you're going to be using our dashboard on a daily basis. At the same time, we also have a Chrome extension, a browser extension that adds functionality to your CRM, also on networks like LinkedIn. So, we want to live where the salesperson is spending their time, but we end up being their main system of action.

[00:12:54] KP: Your website describes the solution as being data native. Could you elaborate on that?

[00:12:59] JB: Yes. So, our concept of being a data native solution is that we never want folks to just be uploading, say, a list of emails of the people that are trying to reach out to and be dealing with just that, because that's really pushes you in sort of a spray and pray type of motion, where this is, if you're like a person that has an executive title, for instance, you will be receiving these emails all the time where you're receiving emails, let's say, they're not customized at all that are not really personalized. This is just because the data that these reps are dealing with, might just be somebody's email. So, there's not much that they know about it.

So, what we want is, we want our platform to really enable reps to personalize their approach. One way to do that is to have data baked in to the platform, such that you're never dealing with just an email, but you always have a bigger context of, let's say, the company where that person is working, and you know perhaps the stage of that company is at, if they've raised recent rounds of funding, the technologies that they're using any relevant news. And so that really allows you to personalize your approach and to better decided even if it makes sense to reach out to that person. So, this enables us to improve the experience both on the seller side, which is reaching out to more qualified people that really make sense for them to be reaching out to, and also on the buyer side, because you're getting a messaging that is personalized to your needs. And that you actually find relevant when you see that email on your inbox. So, being data native means that you have the data baked into the platform that allows you to do just that, instead of having to shuffle around CSVs with very little data or incomplete data.

[00:15:02] KP: And as a sales rep, maybe I want to be kind of high touch on some of my deals. How does that experience work in my world?

[00:15:10] JB: So, as I said, we try to live where you're spending your time. And so, for instance, we have a lot of functionality to your inbox. You, as a rep, if you're like in your inbox, and you're looking at an email thread that you have with a few people within a company for an account that you're particularly interested in, we will have a sidebar on your Gmail or outlook that will give you information about that deal. So, you can see relevant data points that might be coming from your CRM, or from our own data that will help you better decide what your next step should be. Once you make that call, we also want that action to be performed via Amplemarket. So, whether you're deciding to call a specific person within that account, or if you're deciding to send them some sales cadence that includes a case study or something like that, we want that action to happen via our platform as well. So, you can just also use that same sidebar to click on a button and that action will go off. So, we really want to help you to get all the information that you need, regardless of where you are, be that in on LinkedIn, on your CRM or your inbox.

[00:16:24] KP: Are there any ways you can quantify the effort and the return on investment in going down a path like this? How is my campaign going to improve if I adopt?

[00:16:32] JB: So, we do have those metrics. It can change wildly, depending on industry, because depending on industry, your bottlenecks can be quite different. As you can imagine, let's say you are a company that is selling just to Fortune 500 companies, your bottleneck is completely different than if you're a company that is selling say to SMBs. So, our metric is very depending on who our user is. But we have seen that our cadence is when folks start using us, we'll do our best to compare our cadences to whatever they were using before our sales motions, whatever they're using before. And on average, we see, after one month of using us, we see a 50% increase in reply rate to their sales cadences.

So, this is on average across our users and it's a pretty good indication that with Amplemarket, the sales reps are able to put out more relevant messaging that people are actually engaging with and that they find relevant. But this is, of course, just the tip of the iceberg because you don't care just about reply rates, as a rep, what we really care about is closing a contract. So, there's a lot more metrics where we keep track off, but that should give you an idea of the lift that we can provide to a company.

[00:17:49] KP: In what ways are you able to leverage machine learning and AI technologies in the process?

[00:17:54] JB: So, it's funny because I mean, it's become such a buzzword these days that a lot of companies will mention AI and machine learning on their website. But then when you dip into it, it doesn't really look a lot like AI or machine learning. But in our case, we're actually leveraging it. It's a core part of our product for a number of the features that we offer to our customers. But to run you through an example, for instance, one of the things that we do is we analyze every single interaction that a sales rep has with a prospect. So, you can imagine if you have, say a sales team of 20 sales reps, maybe sending dozens of emails per week to new customers, and they are getting responses, there's a lot of data that comes out of that activity.

Unfortunately, today, that is mostly lost in the inbox of sales reps. What we do is we analyze every single interaction, and we apply labels to those interactions and also try to perform feature extraction from the replies that reps are getting. And so, this allows us to uncover a number of insights that before we're just out of reach. But as a team, you can see exactly, okay, this is the breakdown of our approaches over the past month and you not only can see okay, this is like how many replies we got. But you can see exactly okay, this is a category of replies. This is how many people told us that they're not the right person for us to be reaching out. Many people told us that they're using a competitor of ours, or many folks told us that our pricing isn't quite right.

So, we can apply these labels to these interactions and you can extract insights from that. At the same time, from that, you can start creating also what we call these smart actions, which is these Zapier style automations based on those labels. So, you can set up these flows where if somebody engages with your sales communication, and let's say if somebody tells you that they are not interested, maybe you can reply automatically asking them why they're not interested.

Or if they tell you that they're not interested, maybe you want to add that person to some sort of exclusion list so that somebody else in your team doesn't contact them in a few weeks. But you can do all this automatically and that's only possible because we've developed these natural language processing models that allow us to do this.

This is really just the tip of the iceberg here. There's really a wealth of information that today, people are just not leveraging. And that by applying these machine learning models, we can bring it to the forefront and actually make it actionable, and really change the day to day of both managers and sales rep. A sales rep with Amplemarket goes really from arriving at their inbox with say, 50 unread emails that are completely unprioritized. This is kind of what sales reps deal with today. And then they just go one by one and figure out and handle and reply to whatever questions they're being asked. So, they go from this to just landing on their inbox, and Amplemarket has already sorted all the messages that they got, already handled a bunch of them automatically, and then maybe they just have three or four at the top that are high priority that they can focus on and it really can completely change their day.

[00:21:32] KP: The auto replying functionality is something very interesting. You earlier mentioned that yeah, it's very common to see a lot of companies promising big things with AI and not necessarily delivering, especially historically, before the time of transformer models and attention and stuff, people did a lot of basic keyword matching. Maybe they would look for the phrase not interested, which would sound like someone you'd send that follow up, why not message to. But if it's someone saying, I wouldn't say I'm not interested, I just need my budget. Can you get in touch with me next week? False positive if we do some simple stuff. Do your clients want to kick the tires or experiment with that? Are there any concerns about the degree to which you'll match? What's the experience like in general?

[00:22:15] JB: That's a great question, Kyle. And one of our key insights, when we were looking at this problem was actually, that for the initial stages of sales conversations, you can really classify conversations into a finite number of buckets. This will account for over 90% of initial sales conversations. And so, these buckets are like, this person is interested, or they're saying that this is not the right time, or they are telling you that they're not the right person, but there's a finite set of buckets, around 12, I'd say, that really account for over 90% of initial sales communications. This is actually a pretty key insight, because we don't have to develop a different model for each one of our customers in order for them to leverage value from it. We can have one single model that from day one can start providing value, and this is not the case.

If you're to think about maybe an analogous problem, let's say if you were to try to have the same sort of automatic reply, let's say to support tickets, that could be a much harder problem, because the support tickets for Uber might be wildly different than a support ticket for Amazon. There's a lot of context there in order for you to be able to answer to one of those automatically. So, you're probably going to need to train a different model for each one of your users. That's not the case for us. So, we can provide a model that works out of the box for all of our customers. That's unique to this problem.

Once we realize that, and once we really narrowed down the problem that actually made it a lot more tractable, and allowed us to develop these models that could reach the level of accuracy that would allow our customers to be confident with using them on a day to day basis. The other aspect to it is that this problem is not like say self-driving, right? Where self-driving, you really need to be right, pretty close to 100% of the time, because otherwise you've run into problem. In our case, if there's an email message that we're not sure how to interpret or how to classify, that's fine. We just don't really apply any labels to it, don't trigger any automation, and we just leave you unclassified. This happens. Even like for a human some situations might not be quite obvious, how you classify them, or if they say if they are expressing interest or not and that's fine. If we don't see a certain threshold of confidence, our model will just not classify and will not trigger any automation. But if we're able to actually classify over 75% or over 80% of the conversations, that's already most of the value that we can provide. So, it actually turns out to be a great application of NLP here.

[00:25:29] KP: What if I have two possible messages coming from my marketing team, and I'd like to do some AB testing, can Amplemarket be the right tool for that?

[00:25:39] JB: Yes. That's definitely something that we encourage our customers to always be testing new messaging and changing their approaches. And so, we've built our tool with that in mind, not just testing different types of messaging, but even testing different channels and how you want to approach people. Maybe, for instance, earlier this year, we launched our dialer. So, for a lot of folks, we've been encouraging folks to also leverage phone in the later stages of their sales conversations more. So, we're encouraging more experimentation there. But we really built our tool with that in mind, and to encourage AB testing and make it as data driven as possible.

[00:26:25] KP: I'm curious where you see the company going, you're in kind of maybe a new market, in some sense. You're not a CRM, you sit on top my CRM. Is this a class that you're creating, and where's the company headed?

[00:26:37] JB: So, the way we look at it is, you can basically break down the problem into two main things, or two main sides, where, on one side, we are collecting all of these signals, and these signals might be external to the company. An example of those could be okay, this company just raised a round of financing, or they just hired a new executive or double their sales team over the last three months. These are some examples of external signals, or some of the signals might be internal to the company. So, those could be things coming from product like growth, like, okay, these three people signed up for your free trial, or it might be something coming from your marketing efforts.

That's one side of what we do. We're collecting the signals. And then on the other side, we are enabling you to act on those signals. And that usually means that an account or a specific prospect is being assigned to a sales rep, and that will usually mean that okay, that sales rep is going to be trying to reach out to that account or to that specific person. So, we want to make that as easy and allow for as personalized of a messaging as possible. That's really how we break it down as these two main pieces, collecting signals and acting on them.

Today, it's really hard to set up a system that does this, and it's really hard to configure it all, because you're going to have to use, as I said, five or six different points, solutions that don't really do a good job at talking to each other. So, in that sense, we're really coming in and proposing a new solution, a compound solution, that should be able to become the main system of action for your sales team, and which would allow your sales team to scale in a much more predictable, transparent way. And at the same time, also make the experience better for the buyer, and such that the messaging that they're getting is more personalized, and so that things happen quicker, and such that the tasks that shouldn't be performed, that you're better off just having a computer do those tasks can be done by a computer, and then the stuff that humans are really good at. But we want to enable them to spend more time doing those things. So, that's really our mission. And we really think that, especially with the explosion of SaaS, there's going to be a lot more companies dealing with these types of problems and trying to scale their sales efforts. We want to help those companies, while at the same time, as I said, improve the experience for both sides. Both for the sales rep and also for the buyer.

[00:29:38] KP: If I'm a sales rep on a medium or large team, is this a solution that my team is going to acquire and I'm going to get installed on? Or do I pick this up in my toolbox? What's the typical onboarding?

[00:29:49] JB: So usually, we start our conversation with somebody that might be a head of sales or a sales manager or, VP of sales. Partly, because as I said, we tend to be the main system of action for sales teams where sales reps are spending a good chunk of their time. So, this decision, usually you need to have the buy in from whoever is managing that team. We started investing more time into also having light versions of some of the features that our product has, such that reps can pick up those light versions of our product by themselves and start leveraging those, just because we've had a lot of conversations where sometimes the rep really loves our product and maybe he was using it at a previous company where they worked, and now they go to a new company. And they tell us, “Hey, like, I really love the functionalities that you guys have. But it might take me a while to convince my manager to move and start using you guys. So, is there any way that I can just pay for this with my personal budget and start leveraging some of these features?” We want to make that possible. So, that's going to be one of the things that we're going to be working on for 2022 is having these lighter versions of our product that reps can just pick up by themselves.

[00:31:12] KP: Where can people follow up if they want to learn more about Amplemarket?

[00:31:15] JB: You can follow us on LinkedIn, that’s where we share most of our content, and also, Twitter. I think those would be the two best places to keep up with what we’re doing and the new features that we’re launching.

[00:31:28] KP: João, thanks for coming on Software Engineering Daily.

[00:31:30] JB: Thank you very much for having me, Kyle.

[END]

