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No VP's in a Start-up

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Start-ups are not junior versions of larger companies. It's a different animal, says serial entrepreneur Steve Blank. Rather than developing a sales team or a marketing team from the get-go, Blank believes that a launching company should bring them together under the umbrella of customer development.
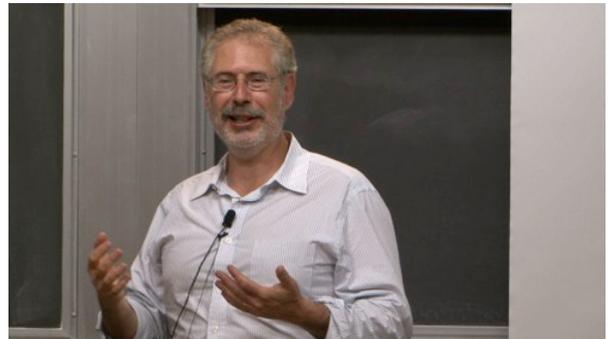
Transcript

This is a great question. One of the problems with entrepreneurship and I think I'll kind of answer your question, is that we treat startups as junior versions of large companies. I mean just fundamentally that's wrong. Think about it. In a startup, like a big company, we say, "Oh, big companies have VPs of Sales, we need VPs of Sales. Big companies have VPs of Marketing, we need VPs of marketing. This is just a junior version that if we water correctly, will grow into a big company. This is just like IBM but smaller or just like Google but smaller." It turns out that until you have your first customers, all the tools and tricks that large companies use are divided by zero. They really don't work in small startups because you're actually a different type of animal. And so I'm just riffing on the should we use saleforce.com or other CRM stuff, that implies that you actually have a sales force that's just a smaller version of a larger company.

And my experience is no. Actually, the titles are wrong. If you really want to get into it, one of the first tools I do now with startups are, really, VP of Sales? No, you're not. VP of Marketing, nope. You're all in the customer development team. Holy cow! What's a customer development team? Well, VP of Sales assumes that all we have to do is drop in an additional salesperson and sales will go up at a fixed increment. Customer development says, "We don't even know who are customers or markets are. So therefore the titles that says VP of Sales, which implies we're scaling a sales organization, is just wrong.