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INTRO-DUCTION

"if you build it, they will come"

The SaaS Founder Guide to Go-to-Market Growth Strategies



How to get B2B SaaS sales, marketing and product alignment right from the start and grow your business into a success

Being a founder is a tough gig. You have to be an expert in everything. Every decision, every action falls to you. To grow your business, you have to put the foundations in place from day one. Fundamentally, this means building processes that can scale. But, that's a hugely challenging task.

With all of the struggles founders face getting their product out the door, it is unsurprising that many fall back on the belief that "if you build it, they will come". Although it is nice to think that a good product naturally translates into sales, product-centric founders often forget that customers need to

find your product in the first place. Beyond that, customers need to go through the trouble of learning about your product and giving it a try, to find out how good it actually is. Having a quality product is central to success, but there are many steps between that quality product and a loyal customer base.

Linking/Solving customer problems with your solution is the key to defining your brand and maintaining a stable product that people value and want to acquire. Good messaging, however, is not enough. Marketing teams are equally vulnerable to misguided 'tunnel-vision' — believing that a product narrative will automatically generate demand, and that 'demand' will automatically transform leads into sales.

INTRO-DUCTION



To be successful, your marketing efforts need to align with the needs of the people who will actually benefit from your product — stemming from a robust understanding of the product itself and its appeal to specific audiences. You then need a system in place to turn leads into customers and collect data in order to refine and improve that sales cycle. To build a successful business, you need a plan that goes even further — a plan that minimises churn rates, maintains a pipeline that matches your distribution capabilities and generates an ever-expanding revenue stream.

To build a plan that works, you need to take into account the specific nature of your product, its market and the cost of acquiring customers. You need to align those factors with sales and marketing processes that won't overspend, but will still win business and allow you to turn a profit. Every element of your sales and marketing apparatus needs to come together with your product team under a unified go-to-market strategy to be successful.

This book will provide SaaS founders with the framework needed to answer important questions about their business, enabling you to start the process of sustainable growth. We will explain how to bring product development, sales and marketing together in a single 'go-to-market' team that can scale and deliver the success that your hard work deserves.



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The Basics: Terms and Strategies That You Should Know

As the founder of your business, you will almost certainly be your first 'Head' of both marketing and sales, if not product development as well. That means your sales and marketing strategies will begin life aligned in a single person (you!), but it also means you are responsible for setting everything off on the right foot.

You most likely already understand your product.
This is important because the specifics of that product will dictate how your go-to-market strategy should be formed.
But, there are some basics we need to cover before diving into the details.

Brand Proposition, Buyer Personas and Product Market Fit (PMF)

The first of these basics is your 'brand proposition'. This is the messaging you use to align your services with the needs and expectations of your buyers. You can research products similar to yours, but you and your team most likely hold the key to developing a successful brand proposition.

Start by thinking about your 'ideal buyers', what marketers call your ICP — an 'ideal customer profile'. This is the second marketing 'basic' that you need to understand.

Your ICP is the person (or business) that will benefit the most from your product. Aligning your brand propositions with viable customers is called your 'product market fit' (PMF).

Your ICP should then be subdivided across 'buyer personas'. These are fictitious characters that you create to hone messaging and who represent all of the individual stakeholders that stand between you and a successful sale. Assign them characteristics (motivations, buying patterns, search patterns, likely objections and needs) and then create messaging that speaks to these requirements.

You will most likely have multiple 'target personas' within each ideal customer profile, and potentially multiple ICPs driven by different motivations to seek out your product. Think about all of the people who will buy and use your product, as well as the people who influence those buyers. Think about why they want your product, how they are likely to find your product and how they will use your product on a day-to-day basis.

Sales/Marketing Methodologies

Sales/Marketing methodology frameworks help you guide communication with customers. There are two main categories, 'inbound' and 'outbound'. Inbound techniques focus on bringing customers

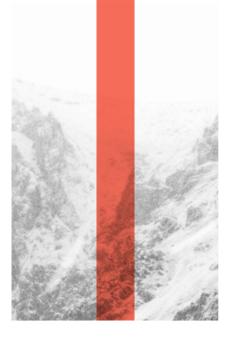


to you. Outbound focuses on actively establishing contact. Most modern sales strategies use some combination of both approaches. For all but the most expensive SaaS products, you will need a heavy emphasis on inbound, with minimal outbound retargeting. We are going to come back to this.

'Sales methodologies' also describe techniques used to frame inbound and outbound messaging. These include several broad categories from which you can pick and choose, all of which you can investigate in excruciating detail elsewhere.

Problem/Solution Sales emphasise pain point resolution, not the product itself. The focus can be on active pain points, as is encouraged by SPIN selling (Situation, Problem, Implication and Need/Payoff), or prioritising core needs such as NEAT selling (Need, Economics, Access, Timeline).

Problem/solution methodologies can either emphasise 'teaching' a client, or leading them on a journey of 'self-discovery'. Both NEAT and SPIN selling focus on self-discovery. The Challenger Sale is an example that stresses adopting the role of 'teacher'.



Consultative Sales take the collaborative approach of some problem/solution methods one step further. Objections such as timelines, pricing and compatibility are front and centre. The idea is to only accept clients that create mutual benefit.

Conceptual Sales are an abstract group of methodologies that focus less on identifying the specific characteristics of your prospect's problems and your solution, and seek to place your solution in a conceptual framework that has already been identified by your buyer as the desired outcome. From a B2C perspective, this is considered lifestyle marketing'.

Section 1: The Basics: Terms and Strategies That You Should Know

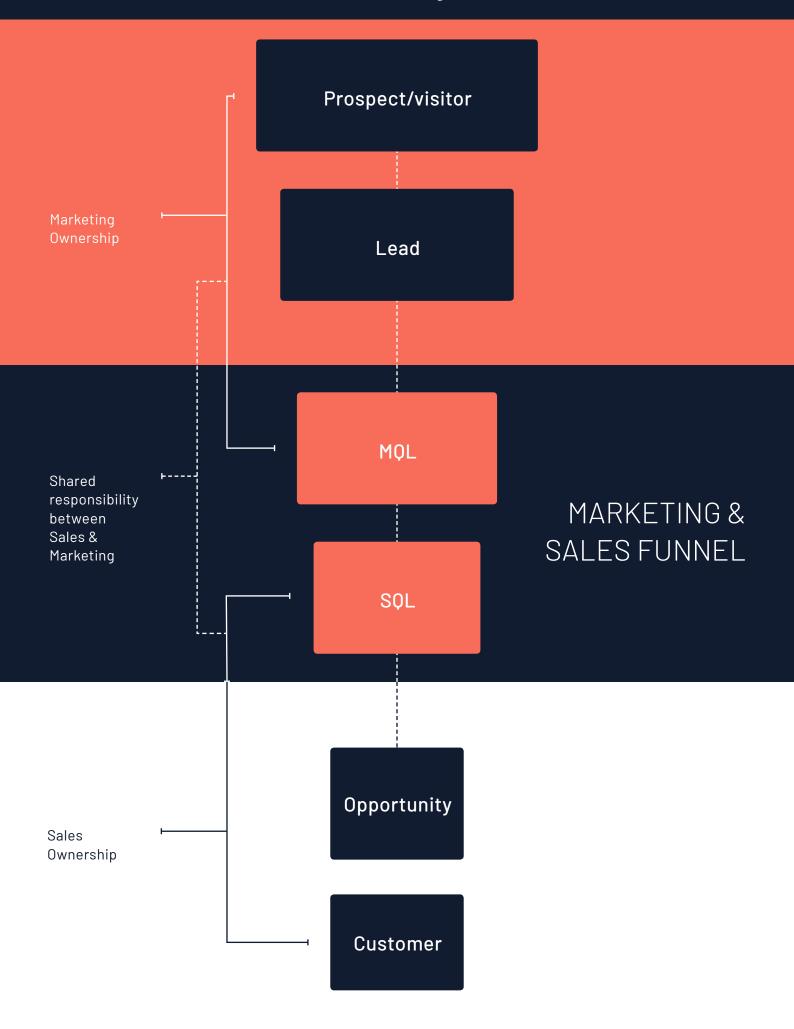
The B2B Sales/ Marketing Journey of the Modern Buyer

The internet destroyed the illusion that sales and marketing are two separate functions. Analytics tools have made marketing accountable for its actions in the way that sales always has been. The lines between what is an ad and what is a sales pitch have been blurred. The online culture of 'information on demand' is forcing customer-centric sales engagements and thoroughly changed buyer habits.



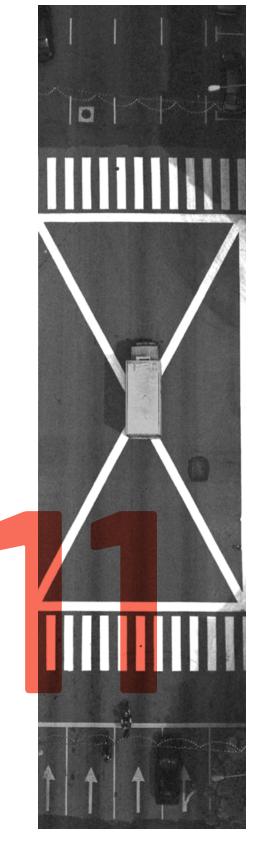
To be effective, sales and marketing teams need to work side by side using tools crafted for this new reality. That means delivering value to customers within every interaction and developing a seamless process that 'attracts', 'converts', 'closes' and then 'delights' new leads. To be truly effective, this process needs to align with your product and its relationship to customers.

Section 1: The Basics: Terms and Strategies That You Should Know



Your marketing/sales priorities will depend on your product. Marketing-led lead generation is always critical to gathering the information needed by sales teams. Traditional and complex B2B products require a hands-on sales touch to nurture and close deals. In most cases, however, this is not a strategy that can be sustained in SaaS. Most SaaS businesses need to focus on marketing-driven approaches to repeatable and self-directed sales journeys. Either way, this means creating a go-to-market strategy that encompasses every function under a single tent, creating a coordinated approach to customer acquisition and building sustainable revenue streams for your business.





Annual Contract Value (ACV)

Annual contract value (ACV) is one of several metrics that you need to understand when developing a strategy for any subscription-based business. Most SaaS businesses operate this way, making ACV a near-universal metric within the SaaS world. By itself, ACV does not tell you much. But, when viewed in the context of other factors, it will have a large impact on how you approach your go-to-market strategy.

Your ACV is the average annualised revenue you receive per customer. For example, if you have one customer that signed an annual contract for £24,000, you have an ACV of £24,000. If you have 100 customers, each on monthly contracts of £2,000, you still have an ACV of £24,000.

We will return to how this figure should impact your go-to-market strategy. But, the very basics are that your **Customer Acquisition Cost** (CAC) cannot outstrip your ACV, particularly in the larger context of your churn rate. A low ACV means that you need to spend less acquiring each customer and acquire more customers to build vour business. However, a low ACV also means it will likely be easier to acquire those customers.

B2B SAAS SALES 101

B2B SaaS isn't like normal B2B sales. You have to approach the market with many of the same techniques — inbound information gathering and outbound retargeting. However, the details and expectations are different.



First, B2B sales cycles are fast. For cheap B2B SaaS products, the sales cycle might be a few hours and entirely self-directed. Compared to traditional B2B products, even the most complex, expensive and drawn out SaaS purchases happen at lightning speed. There are three for reasons for this:

Software is an everevolving landscape. Long-term investigations are difficult because updates keep moving the goalposts.

SaaS operates on a subscription-basis and generally requires no infrastructure investments. This removes a whole level of consideration normally associated with technology purchases.

SaaS products are easy to investigate and trial, making the decisioning process straightforward.

Freemium and free trials

The most powerful sales tool a SaaS business has is the product itself. Unlike most marketers, SaaS marketers should work to give away much of their product for free.

The most common versions of this are free-trials for limited time periods and 'freemium models' where the product is offered on unlimited release with limited features.

Sometimes this includes a 'free-to-paid-pipeline' requiring credit card information, but the common denominator is some level of free.

Freemium and free trials allow buyers to try your product firsthand. Freemium, particularly, can create a pool of users, all of whom have the potential to be organic advocates for your product. Free versions allow you to collect contact information on prospective buyers for direct sales and marketing follow up. This fits within a wider B2B marketing strategy called 'gated' or 'premium' content that also includes eBooks, white papers and templates.

With all of these types of content (freemium and trials included), make sure to exchange access for an email address or more contact information. For traditional gated content, you want to require a business email. For freemium and free trials, this decision is not so clear. The right choice will depend on your ability to engage in handson outbound marketing.

The Veblen Demand Paradox in SaaS (Price = Quality)

When selling to enterprise customers, cheap is not always a good idea. Although 'cheap' sounds like a competitive advantage, it can actually hurt your image in the high-end market. This is in addition to the fact that cheap products make it hard to invest in sales.

SaaS markets align more closely with a 'Veblen Supply & Demand Curve' (a theory developed to explain the prices of luxury goods) than traditional theories of 'Supply & Demand'. Under Veblen influences, price is equated with quality and demand simply grows as prices increase.

This influence creates a 'death zone' of pricing. Cheap SaaS products do well - they are easy to try and have a large prospect customer base. Expensive SaaS products also do well — they have an 'air' of quality that is particularly appealing to the large enterprise customers that can afford them. Middle ground products falter small businesses are drawn to the low-end of the market and enterprise customers will dismiss your product as unsuited to their 'enormous' and complex needs.

For example, Zendesk holds nearly 70% of the help desk market. Their former CMO, Bill Macaitis, has been open about the company's experimental and strategic price increases to capture the enterprise market. Their enterprise solution now costs 10x their basic team offering and 30x their 'Essential' service.



Although their product costs more than the alternatives, their market presence remains dominant.

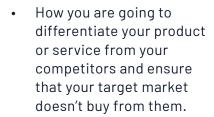
Even companies that target the low-end of the market will create 'enterprise-specific solutions' that cost a lot more. Slack, for example (a self-service freemium driven business), has three normal price points: 'free', £5.25 monthly per user and £9.75 monthly per user. But, they also sell an 'enterprise solution' rebranded as 'Grid' that doesn't list its prices and simply encourages buyers to make direct contact.

Go-to-Market: A Step **Back to Understanding** The Strategy of Success

The importance of the phrase 'go-to-market' warrants defining the term in greater detail, along with why it is so critical to your success as a business. So, simply put: what is go-to-market?

Go-to-market is a combination of all of the commercial arms of your business. A go-tomarket strategy consists of an awareness of:

- What the product is and how it is positioned and priced
- Who you are selling to. Not just your target market, but the different buyer personas within that market and even specific businesses and individuals within that business.
- How you are going to get in front of these individuals.
- How to make sure that those people understand the proposition.



- How people are going to use your product once they have bought it.
- How you are going to retain customers.

When sales, marketing and product are aligned under the same objectives, they become driven by one and the same thing. Being aware of your go-to-market strategy means that everyday conversations and problems are put into the wider context of your entire business. At face value, a problem might seem to be obviously a sales, marketing or product issue. But, without stepping back, you can be led to the wrong conclusion.

For example: If a customer complains that your product is missing a feature, that could easily be seen as simply product issues. But, by looking at this in the context of your go-to-market strategy, other answers jump out. Perhaps you're selling to the wrong people, perhaps marketing has attracted leads that are not suited to your product or don't fit your ideal customer profile (ICP).

In this way, your go-to-market strategy makes it easier to assess why your business may not be growing at the rate you wish. It also ensures that sales, marketing and product are all working towards the same thing, rather than working against one another. Without this higher vantage point, you can self-sabotage or simply chase yourself in circles. The same goes for executing a plan.

For example: Sales might be taking an enterprise approach, whereby they've got a relatively short list of named, target customers they are looking to sell to. However, if marketing is focused on driving a large volume of demand in the general market, this could not be a more misaligned strategy. From a product team perspective, if they build a gated trial, they are misaligned with marketing, but a freemium version puts them at odds with sales.

The entire point of a 'go-to-market' strategy is to avoid this waste of resources. A new business has limited money, people, time and focus. Even large and established businesses cannot indefinitely survive with a misaligned sales process. You need to understand who you are selling to, why and how. These calculations might change as the business grows.



Every step of the way, each element of your team needs to coordinate their efforts to achieve best effect.

If you fail to do this, you will not only fail to get the growth results you need, you won't even gain valuable information about what works and what does not. Your process will be so misaligned that you will never be able to tell which element was the bad idea — the lack of alignment is more damaging than any single failure to predict what your target market audience actually wants or needs.



Without go-to-market alignment, you risk low conversion rates and high churn — all without gaining a deeper understanding of your customer base. It will doom you to failure. At the very least, it will prevent you from achieving your true potential.

The Role of Marketing, Sales and Product

A solid go-to-market strategy will align sales, marketing and product under the same objective: growing the business. But, that does not mean that these functions cease to be separate disciplines.

Sales teams are responsible for feeding micro information from customers into Product, while Marketing is responsible for macro information. A good marketing team will provide solid insight into the shape of the market. They should provide insight on who to target, why they're being targeted and what messages resonate best with them. These insights will be based on an understanding of market data and market trends.

A salesperson will likely be motivated to please prospects and sell to them to their best ability, pulling and manipulating the product to fit the needs of who they are talking to. Every customer is likely to be motivated in slightly different ways, and want to use the product in slightly different ways. It is important for sales teams to be able to identify these subtle differences and speak to different individual customers accordingly. However, this micro level should not dictate your entire marketing strategy or the product itself.

Sales feedback is invaluable. But, it is best understood in the context of a wider marketing-driven perspective. Marketing is motivated by targeting customers — the right customers — in the best way. The two teams can work together to aggregate the information they have, about the market and what customers want, and feed it back to product.

Working together in this way, Marketing and Sales form a checks and balances system when feeding back to Product. Sales feedback will be filtered through Marketing, to place customers' objections in the context of the market and your buyer personas. Using this method will ensure that your product does not get pulled in different directions by different customers wanting to use the product in different ways.

Often, the product is not the issue, the issue is how the product is being used. If this is a consistent issue and Sales are having to do too much legwork to fit the product to leads, the leads generated by Marketing could be the problem and your messaging may be resonating with the wrong people.

Seeing the sales process in the context of Product and Marketing, rather than just Sales, allows you to have a deeper understanding of why your business may not be growing at the rate it should be and will hopefully maintain the integrity of your product.





Getting Started: Your Go-to-Market Blueprint

Everything seems complex if you try to look at it as a whole. Go-to-market strategies are intimidating because they touch on so many aspects of a business. But, by breaking your strategy into key principles of growth, you can create something that can handle future complexity one simple step at a time. Let us walk you through this.

Start by writing everything down, and by starting at the beginning. Okay, this sounds obvious, but, in our experience, very rarely do people write down their growth strategy. They might write down a product roadmap or a marketing plan. However, they never get down on paper the core principles of the approach they're going to take: the structure, the process and the methodology they are following.

This is often because founders are itching to get towards tactics. However, making decisions at a strategic level about who you're targeting and what benefit those people get from your product makes everything from that point on

much easier.

Determine who your product is for, why they want to buy it and set out a plan to build your business. Think about how you will match your commercial model and the structure of your product to the commercial models of the businesses you wish to make customers. This overarching objective will then form the foundation of your sales, marketing and product strategies. Ask yourself:

- How do you match your sales methodology to the way in which your target customers want to be sold to?
- How do you match your marketing messages to what those people want to hear?
- How do you make sure the underlying product aligns with that person's business?

We need to look at this in greater detail:

Step 1: Define Your Value Proposition, Buyer Personas and Product Market Fit (PMF)

For founders, it is obvious why their product will change the world. However, sometimes people need some convincing to get out of the comfort zone, especially if your product is ahead of the curve or your product disrupts incumbent behaviours.

Make sure you can explain to prospects the value of your product in a clear and simple way. This doesn't have to be hard. You have probably included your value proposition in your elevator pitch. This can become the foundation of your sales process.

Once you have articulated this message in a clear and consistent way that you can explain to others, go one step further and develop 'unique value propositions'. These are tailored value propositions that speak to individual segments within your target market audience. Divide your customers by buyer personas, markets, industry etc. Then think about specific messages that address their unique pain points, knowledge base and characteristics.

5 Tips for Creating Value Propositions:

Be clear. Creating unique and detailed value propositions is great, but make sure you keep it simple. Too much detail might make prospects lose focus.

Be specific. Broad claims are not very compelling. Generic statements that you can increase efficiency or decrease time wasted are nowhere as gripping as specific statistics. Stating that you can increase efficiency by 30% or cut time wasted in half will be much more effective. Simply make sure that you can back up those claims.

Be an expert. Show that you understand the industry you are selling to and how your product sits within this industry. Your value proposition can be informed by the changing landscape of that industry, the disruptors that have emerged, etc.

Be focused. Focus on what matters most to the customer. Speaking directly to their needs will elicit the best response. You need to pick your strongest selling points for any given persona and put those front and centre. You will have time later to get bogged down in the details. Especially focus on underserved or unresolved pain points.

Be targeted. If you try to appeal to everyone, you will end up appealing to no one.



Section 2: Getting Started: Your Go-to-Market Blueprint

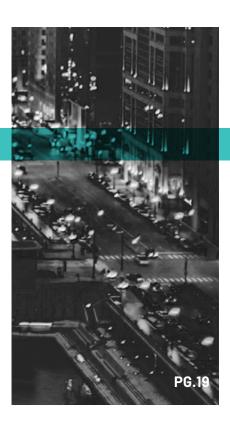
Sometimes the person you are selling to, who holds the buying power within an organisation, doesn't experience the pain you are solving directly. This will change the way they relate to your product and should be reflected in your marketing and sales efforts. Instead of focusing on specific pain points, you should focus on how your product benefits the company process overall.

Getting specific about your value proposition and successfully moving into sales requires research. Research your targets. Define your ideal customer and the companies which are best fit for your product. It is important to write this down and for it to be clear. While your team may be small today, you need to be able to share your thinking with others. As your business grows, there will be lots of debate over what features should be added or how your product should behave. It is useful to be able to refer back to what problem this product is supposed to solve in the first place. This will help you avoid going off in tangents and remain focused on what you're trying to do.



A helpful way of realising product market fit is imagining that you are hiring a person, rather than your product, and thinking about what the job description would look like. Writing a job spec for what your product does is a really good way of bringing your product to life. Think about what your product will do for someone.

Finding the right B2B SaaS customer is about being disciplined in how you look at the market. You need to identify the group(s) of people who have a problem that your product solves, and then recognise that, of those people, only a subset will want to solve that problem in the way that your product does. Those people are your ideal customers, and are likely to both convert and remain customers with little effort on your part once you can get compelling messaging in front of them.



Step 2: Study the Competitive Terrain

Lots of founders in the early stages of their business will tell you that there are no competitors to their product. This is often misguided and poorly prepares founders for selling their product and makes it difficult to differentiate themselves.

There is always a competitor. Sometimes competitors offer a completely alternative solution. But, it is important to be aware of them so you understand where you fit in the market. If you don't understand the competitive terrain, then you're setting yourself up to fail. It's not about using competitors as a benchmark, but being able to articulate why the way you approach things is better or different.

Better is much more appealing than different to another product. But, fundamentally, if competitors take you by surprise, you will be underprepared to explain why you are the better choice. It is also an indication that you are underprepared in other elements of your planning and research.



Step 3: Study the Market at Large

In addition to the competitive terrain, founders should research and understand the market in general. If you've got a product that is aimed at a particular vertical, for example, then you shouldn't class yourself as simply a SaaS business. You should think of your business as part of that vertical. Embedding yourself within that vertical is critical to

prospects within that vertical taking you seriously.

In vertical markets, key people know each other. They may change jobs, but they remain in the same market and have a really clear understanding of the businesses and business model. Matching this level of in-depth expertise is your route to establishing yourself as a genuine centrepiece of that vertical market. Without that complementary understanding of the market's unique pain points, business models and customers, you will struggle to embed yourself and convince prospects that your product can actually match their needs.



Step 4: Find or Create a Niche



Aside from exceptions like Salesforce and HubSpot, B2B SaaS businesses need to find a niche.

That niche, normally, would bedefined as a vertical market. If it's not a vertical market, or you can't define a vertical market, then you should make up your own niche.

This could be as simple as businesses that operate a service or subscription model. That is a niche, despite businesses within that niche probably offering very different services or products. All businesses with subscription models are likely to have similar core functions and characteristics, regardless of what they deliver.

Once you have defined your niche, you can increase your businesses relevancy by incorporating things that are important to those types of businesses. For example, if your product helps businesses

communicate with customers, you will deliver additional and relevant value by making sure subscription businesses are easily able to assign attribution categories to subscribers and track churn rates.

Having a niche will allow you to think more clearly about your 'product use cases' and sidestep competition by developing the most valuable product for your target market audience.

Section 2: Getting Started: Your Go-to-Market Blueprint

Step 5: Sell a Methodology, Not a Product

All of the fast-growing B2B products (Salesforce, HubSpot, GitHub, DataBox, Slack, SurveyMonkey, ZenDesk etc.) don't sell a product. They sell a methodology. Their focus is on the function or process that their product supports, not the product itself. Developing a methodology that your product can embody is key to creating a narrative that customers will value.

For example, inbound marketing was a phrase before HubSpot turned it into a methodology. HubSpot sells and markets the methodology, and their product supports you in delivering that methodology. If HubSpot simply sold a product, they would not be such a unique platform. They would find themselves directly competing against far more complex products like Marketo, which has been retrofitted to a methodology. They would simply be selling a thing, rather than a process, operation and (most importantly!) a solution.

This differentiates them in the market. It also takes away the expectation that what they sell will decrease in price, year on year. Products get cheaper, methodologies retain their value. Instead, HubSpot is a way of achieving inbound marketing; they are one and the same thing. That kind of transcendent value is

gold when it comes to go-to-market strategies.

There are companies out there with a problem that you are trying to solve. Software is one part of it, people and processes are the other part of it. Address these things. If you can address all three, you're on to a winner. If you ignore any of them, it will take you a long time to establish a position. Whenever possible, try to frame your solution as a methodology rather than simply a product.

To do this effectively, you will also need a plan for helping customers execute that methodology. Many customers buy software believing that it will solve all of their problems as simply as snapping their fingers. In truth, meaningful results rely on implementing that software solution in the right way — adopting the methodology that the software supports.

Often, this requires assistance.

Successful SaaS businesses either deliver this necessary support through in-house teams or professional service partners who will help their customers adopt the process and strategic changes required to get the results promised by your product. You need to pick which strategy best matches your business and market.





Step 6: Identify How Your Product Fits into the Different Go-to-Market Strategies

Now that you have identified your product market fit, surveyed the competitive landscape and have an idea of your ideal buyers, you need to start thinking about different go-to-market strategies. From this point of understanding, it should become clear what role marketing, sales and product play in relation to that buyer, and in relation to each other.



Just to recap, Go-to-market strategies focus on:

- Your ICP (ideal customer profile)
- Why your ICP will buy your product, rather than a competitor's
- What is preventing someone from buying your product

Every go-to-market strategy will be unique — tailored to your product, business, team and identified ideal buyers. But, there are three broad types of go-to-market strategies that will help you identify the best way to approach the market: differentiated, dominant and disruptive

PG.23

The big growth matrix of success and domination

Gets Job Done
BETTER

Gets Job Done **WORSE**



Change More

Change **Less**

Dominant Growth Strategy

The dominant growth strategy is suited to businesses with a product that offers greater value than any of its competition. This can be from a total value standpoint, or simply better value formoney — undercutting that market.

For example: AWS, Xero, Salesforce and Zendesk all operate using this strategy.

You should choose a dominant growth strategy if the market is full of solutions that are more expensive and worse than yours. If there is simply a demand within your target audience for lower price points, a dominant growth strategy might also be the right choice. However, this situation also opens the door to a disruptive growth strategy — detailed below.

The defining feature of a dominant growth strategy is widespread appeal in a market that you can compete for on every level. Your product has to deliver a complete package that effectively answers a large number of customer demands. It means outcompeting competitors on a product level and pricing.

A large part of offering customers low prices is to keep your own costs low. This makes freemium and free trials (partnered with inbound marketing and content-driven strategies) critical tools in this type of go-to-market strategy. Conventional sales tactics will likely cost too much, preventing you from keeping customer prices low enough to deliver the kind of added value needed to dominate the market.

That can seem simple enough. But, it is critical to make sure that your annual contract value (ACV) is high enough to support a sales-led approach. The use of freemium requires giving your product away for free. If you are operating in a niche market, this could backfire, resulting in too few conversions from freemium users to paying customers to actually sustain your business. Having a large base of potential users makes this strategy much easier — although it is not essential to a successful dominant growth strategy.

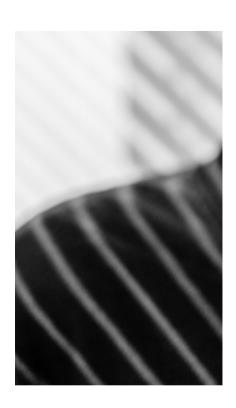


Section 2: Getting Started: Your Go-to-Market Blueprint

Differentiated Growth Strategy

The differentiated growth strategy is defined by specialisation. It is often the go-to strategy for businesses entering a market with well established, big competitors that dominate the industry. If your product is already a specialised tool, aim to improve a specific subsection of your wider market — this is the obvious go-to-market strategy choice. It can also be your route to success if you simply have a quality product, but cannot undercut and dominate the entire industry as is required of a dominant growth strategy. In both cases, your success with a differentiated growth strategy comes down to messaging.

For example: HubSpot operates using this model.



By finding an underserved niche in the market, and creating and targeting a product that narrowly focuses on those specific needs, small businesses can take away part of dominant businesses' market share.



Typically, this strategy revolves around delivering a product that does a much better job than the competition at serving the needs of your niche, and then charges a lot more. This works because prospects are willing to pay more for a solution that gets the job done.

The heavy specialisation of products suited to the differentiated growth strategy means that it can be hard to use a freemium sales model. Just like it can be challenging to deploy a freemium-led dominant growth strategy when serving a small market, the inherently small nature of specialist markets forces businesses to choose more targeted approaches to sales. It might cost more per customer, but you do not undercut yourself by serving a high proportion of your own customer base for free.



The reliance on delivering a specialised outcome also makes it difficult to create a compelling freemium offering that both avoids giving everything away for free but also delivers enough to tantalise customers into wanting the full experience.

With that said, avoiding a freemium approach is not a universal rule to a differentiated growth strategy. Free trials or demos allow you to show off the amazing special features you have created with your specific customers in mind. Just make sure that you are serving underserved customers.

Disruptive Growth Strategy

The disruptive growth strategy is defined by affordable simplicity. The basics revolve around offering an overserved market a less specialised and cheaper product that still gets the job done.

This might seem counterintuitive, because you're effectively offering a less valuable product. However, you are disrupting the status quo by offering a product that better serves a subsection of that market and by widening the market itself.

Effectively, this is the parallel and opposite approach to a differentiated growth strategy. Rather than outperforming the dominant players in the market in one specialist area, you are appealing to customers that don't need the specialist tools already offered by the dominant players and enabling them to pay less. Not only will this allow you to steal existing customers in this space, it will likely allow you to widen the market itself and capture those new entrants yourself. You will attract users who either don't use the dominant products to their full capacity or have always been excluded from the market by costs.

For example: Canva and Freshdesk both operate using this strategy.



The key to a disruptive growth strategy is user-friendliness. For prospects to switch from more complex, existing solutions, they expect a simple transition to a system that it is easy to use.

Combined with the need to keep costs down, this makes freemium a great choice for a disruptive strategy. The ability to trial products for free makes it as easy as possible to eventually make a paid transition. However, because you are already going after customers who don't care about features and want a cheaper service, you need to make sure that your freemium product is not so good that it simply draws dominant business customers away to a free solution.

Again, it is also important to make sure that your market is large enough to support a freemium model. Looking at your competitors is a good way to gauge market size. Following that, make sure you have the resources to support freemium. For smaller markets and enterprise-focused products, free trials still have a space in disruptive growth strategies.

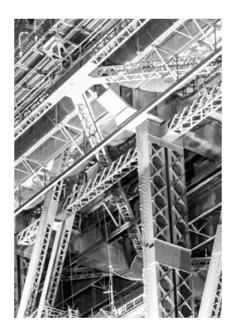


Step 7: Think About Pricing Models — Determine the Nature of Your SaaS Product

In addition to thinking about how you are going to get customers, you need to think about how you are going to generate revenue from people who want to buy your product. This will be impacted by your product and how you intend to go about acquiring customers — in fact the two are interrelated.

This is why, despite the fact that many founders are most interested in getting users and figuring out revenue later on, it is critical to think about pricing from the beginning. Even if you want to focus on giving away your product for free at the beginning, you need to think about future state pricing models and develop a roadmap to revenue generation. If you don't, you can end up making strategic mistakes that will waste money and, perhaps, completely undermine your ability to turn a profit.





If you spend more on customer acquisition than you can realistically rely on making from customers based on their annual contract value (AVC) and your churn rate, you will never make money. All of your sales and marketing decision need to be informed by these estimates — this includes early hires.

Fundamentally, your pricing needs to be based on your product and the market — what it delivers and who it is delivering that solution to. The pricing model that you pick will feedback and impact how you target customers and the customers you should be targeting. On a very basic level, pricing influences everything you do moving forward.



Low-cost, high volume (less than £6,000 per annum)

For products with average annual contract value (ACV) subscriptions of less than £500 per month, it is vital to create a self-service sales model. This means capturing organic traffic and creating a streamlined website journey that leads people from initial contact to repeated and self-directed interactions.

The bedrock sales strategy for this type of product is freemium accessible with an email. You want as many people as possible using your product, evangelising for you on their own initiative and slowly thinking about how their working lives might be better if they purchased the premium version.

Above all, you need to avoid manual sales processes that require direct interactions with the buyer. This will drive up the individual cost of customer acquisition far beyond the value of that contract. All of your marketing investments need to be reusable or widely targeted. Don't be afraid to spend money, but make sure that what you are doing to attract your first clients will also help you attract more.



The middling middle (£6,000 to £100,000 per annum)

These businesses are united by the danger they face in overspending on manual sales processes. Their products are too expensive and complex to rely entirely on self-service but they are cheap enough that it is all too easy to create sales processes that outstrip the lifetime value of customers.

A chatbot can be a great investment for this type of business. This will provide value from both a customer service and sales perspective, reducing the need for expensive contact time. Chatbots have become ever more effective and drastically less expensive. You can now rent chatbot services on a subscription model, or piece together your own chatbot using online resources that require very limited technical coding skills. Investing the necessary time required to pick a quality chatbot service will allow you to function with a significantly reduced sales and customer service team. If you build your own, that initial investment will only scale in value as your business grows.

Within this price range, you need to focus on your ability to upsell. This is important for all SaaS businesses. However, the ability to ramp up revenue after a sale will give you more leeway to splash out on expenses during an extended sales cycle.

Fundamentally, you need to keep a close eye on finances within this category of SaaS products. Opening yourself up to the possibility of engaging in hands-on sales strategies makes it easy to spend far too much attracting clients who will barely pay for themselves throughout their lifecycle.



Enterprise selling (over £100,000 per annum)

When engaging with the high-end of the market, the game and priorities shift dramatically. Everything comes down to face-to-face sales within an extensive and 'account-based' strategy. Products within this price range are often complex enterprise-wide rollouts that are only targeted at the largest businesses. This means getting buy-in from a range of stakeholders (all with different priorities) within businesses already slowed down by the inertia of their size.

You have to expect to engage over a period of months to generate the traction needed to make a sale. Develop personal relationships and leverage contacts to expand your presence within an organisation, creating advocates across different functions.





It is still important to invest in automated and inbound marketing. Make free trials of your product available, but require business emails for access so that you can sort leads by relevance and follow up with automated or direct contact. The expectation for all of your inbound and self-service material should be the initiation of a relationship that will guide retargeting campaigns and eventually





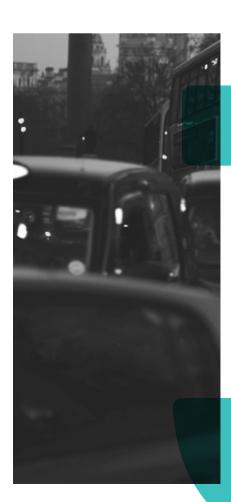
lead to face-to-face contact. Investing in good salespeople is critical to your success in a way that does not apply to other SaaS products.

Referral marketing is a powerful tool in this price range. It is always important to stay in contact with customers, but the personal touch these annual fees allow provides you and your team with a good opportunity to build personal relationships and leverage those to start the sales process within another company. This also opens up lucrative opportunities for upselling and re-selling.

The X-factors: product complexity and disruption

The more disruptive a product is to business processes, the more resistance its adoption will face. The wider minimum adoption a product requires to be effective, the more stakeholders there are to engage.

A product like Slack, although very 'disruptive', can be adopted easily by individual teams for little to no money. This ability to creep into an organisation on a teamby-team basis provides a workaround to the problems of disruption. That has allowed the company to adopt an almost entirely inbound sales strategy driven by references and a freemium version.





A much more complex product, such as an ERP system, requiring company-wide rollout will generate a much longer product assessment period. These types of products often cost much more, but that price is partially driven by the complexity of the sales cycle, not simply the cost of the product itself. Multiple impacted stakeholders have to agree on the purchase, and the organisation will likely have to alter business processes in order to make the most out of their investment. This rules out the possibility of making exploratory purchases, or single teams moving on their own to use the new technology. These factors all have to be taken into account when assessing the viability of your business model.

Section 2: Getting Started: Your Go-to-Market Blueprint

Step 8: Define 'How' You are Going to Charge For Your Product

When thinking about how much you are going to charge for your product, you also need to think about the 'how' you are going to charge for your product. This is a point of practicality more than anything, but is critical to get right in order to prevent wasted revenues and create a smooth and scalable price process moving forward.

In the early days of the internet, software was downloaded onto machines, so it was easier to charge by floppy disk or CD. Then as people start using network machine, it was standard to pay for every machine using the software. Now software has become more cloud-based, it is more typical to pay per user and for each person to have a login. However, this has its own challenges with users sharing logins to get around this. There have also been issues around 'power users', people who use the software loads, who are paying the same kind of license for those that hardly use the software.

So, there has been an evolution in pricing. For example, you can pay to have HubSpot, and then after that you pay per one thousand contacts that are in there. If you're a smaller business with just a small number of contacts, you'll pay a lot less than a big business with thousands of contacts. This shows how you can be a lot more sophisticated now



about how you price for your software, and it's good to start thinking about that up front. This is a good example of success or value-based pricing: the more value you get out, the more you pay.

Consider whether users should pay per person, per instance or by usage. Another way of pricing your product could be how games are priced. They are free to download, but then once you're hooked on them, there are in-app purchases.

This in-app purchase strategy is deployed by freemium products like Slack, Dropbox and Trello. You get a free and functional product, but with limited capabilities. The moment you want more features, you have to unlock them. This method is interesting because you can show users the different features available to them, so they can sense the value, without allowing them to use them.

Mostly, SaaS businesses targeting SME revenue will get a repeating fee on a monthly basis from a customer. But, it is important to decide how this works in specifics from the beginning to make sure that your estimates on revenue are accurate and can correctly inform your investment decisions when it comes to your go-to-market strategy.



Step 9: Understanding and Identify Your Metrics

At a high level, it is important to know what your business should be measuring and the key metrics that sales, marketing and product are going to be assessed on to gauge their effectiveness. Understanding metrics like your annual contract valuation (ACV) are critical to starting off with the right strategy. But, deciding which metrics are important to collect as you progress, and how to interpret them is key to making the right choices and making surethat all sales, marketing and product continue to work together, harmoniously.

Sales has always been very black and white with their success measured by whether or not they reach their target. Marketing has often been more fluffy, as there are a whole host of metrics you can track. But often, these metrics are not useful to the rest of the business.

Marketing success should be tracked alongside sales numbers. If Marketing metrics are all showing positive engagement and clicks but there are declining Sales numbers, then something is clearly wrong. You need to determine which marketing metrics are levers that actually impact sales numbers. Only then will you be able to orchestrate meaningful strategies.

Equally, churn is a metric that may have traditionally sat more on the product side, with attention paid to user adoption as well. However, churn should be a metric that Marketing and Sales pay close attention to, to ensure they are targeting the right people and communicating the product and its uses in the right way.

Rolling these things together (customer acquisition and customer retention) will give you an operating model that you can use to measure the success of your business and ensure that all the different parts of the business are functioning correctly.



Step 10: Take Your CRM Choices Seriously

A good customer relationship management (CRM) tool like HubSpot will help you organise the sales workflow. You can track conversations, email opens and website pages visited, which will help you determine who is interested in your product and when a salesperson should get in touch. This helps you track prospects across the sales funnel and see where you're going wrong — or right.

A good CRM system will help busy founders keep track of their sales workflow and allow you to track progress and success once you have hired salespeople. The sooner you invest in such a tool, the more data it will collect and the sooner you can use that information to direct decision making.

There are two common mistakes people can make with CRM. One is choosing not to use a CRM system in the first place. A CRM system might seem redundant when you, as the founder, are dominating and leading the sales processes. But, as we have stressed throughout, this is an unsustainable strategy. The goal is to pass the sales process off to others. To bring others onboard, you need to be able to track prospects and your company's engagement with those individuals. Tracking your conversations allow you to forecast your sales, as well as understand how well you are performing.

The second common mistake is using a CRM system that is the wrong size. If you are a smaller business using something relatively detailed and complex, this is probably costing you too much and overly complicating the process. There are both paid and free CRM tools. When starting out, it is almost always best to opt for a simple solution that is easy to use and cheap to maintain. You just need something that gets the job done — look for 'disruptors in the CRM market!'

What a good CRM system will deliver

A good CRM will help you manage your pipeline, and understand cash-flow. It will make clear the steps you want to take a prospect through. Your process will adapt and change when you learn more about your market and your prospects, but this can all be built into your CRM. In fact, having this process mapped out will make it easier to develop and evolve your sales process. It will certainly make it easier to gather input from multiple people and eventually delegate that process to others. As your team grows, a CRM will help founders manage multiple people interacting with a customer at any point while allowing you to keep track of how you are nurturing leads.

At Gripped, we use HubSpot CRM. It's free and we use it in a relatively light way so it's not too onerous. It does give us good indications of forecasting which means, as a business, we can go about planning resource allocation in a better way. But equally, Pipedrive is a good option for younger businesses.



Some people choose to invest in more expensive CRM like Salesforce. This is a good option as long as you're not buying it for the sake of it. Even if you have used it before and are familiar with how it runs, Salesforce will cost you more than is necessary unless you build a bespoke structure within it that is tailored to your specific needs and the scale of your operation requires the investment. We're not anti-Salesforce. But, many people buy it for the sake of having it, and at great cost. You need to understand what value it will add to the sales process and business; otherwise you are buying an expensive product in a market with far cheaper solutions.

SEC: 03

Learn From Your First Real-World Interactions

Once you have a plan in place, you need to go out there and get customers. However, rather than simply creating a go-to-market strategy and then throwing everything you have at it, start small and ramp things up. Although it is critical to have a plan from the beginning, it is also important to be flexible with how that plan unveils.

You can't be dragged this way and that by the whims of every customer complaint or failed sales pitch. But, equally, don't ignore feedback.

Your early customers will be good proving grounds for the customer acquisition and goto-market strategy that you have developed, along with your product itself. Use this as an opportunity to get realworld feedback and tweak your plans and product accordingly.





Find the Right B2B SaaS Customers

All the effort you put in beforehand thinking up ideal personas is important, but it is also just conjecture. It is important to put in this legwork. But, don't discount the reality that you will end up selling to people who don't fit that outline.

That being said, there are definitely right and wrong customers. Early on, it is best to avoid selling to customers who have got the capability to bend you out of shape. This can often happen when startups win deals with large, enterprise companies. As a founder, you will feel compelled to accept almost any early deal, and having a big name on your book will be enticing and may allow you to clear your annual financial target in one go.

However, large clients that go beyond your ideal customer have the ability to break your business. After taking on a client like this, a business can end up spending all of their product resources developing things their new client wants because they're desperate to retain them. But this will drag your product away from its initial value proposition to a market position that is only really valuable to this one client. You can end up becoming a satellite provider for that one client, never reaching your full potential and putting yourself at risk of folding if your one client decides to take their business elsewhere.

It is much better to have a healthy mix of customers and revenue within your base. In the early days, it might not be unusual to have a customer that is 20% of your overall revenue. But, it's important to ensure you're spreading that risk between your customers moving forwards.

The decision to say no is always the hardest to make. Saying yes is really easy, but knowing when to say no takes strength and determination.

Feedback and Your Product Market Fit

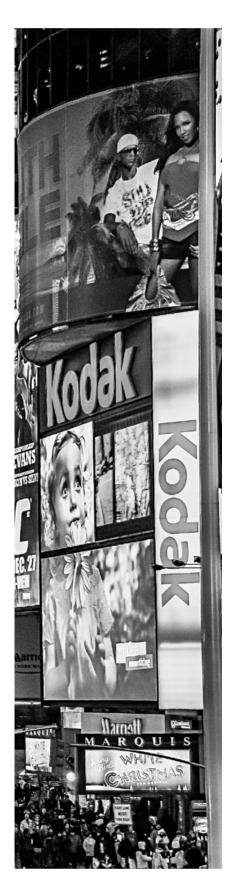
Ideally, you want people to be using your product early. Take their advice onboard to improve — honing the product market fit you developed from the beginning. It is easy to find lots of people to demo and trial it. However, the most important feedback comes from people who aren't just demoing and trialling your product, but really engaging with the product for the purpose it was meant to provide. Make sure to segment your feedback based on these factors.

Also evaluate whether or not you have shown your product to enough customers. If you have and the majority of them are feeding back that you are missing some features, go ahead and make those changes. However, your original idea and product may be good but you just haven't been able to try out your product on enough customers. Your early product and go-to-market strategy might sell well, you just need to get it in front of more people.

If you do change your product, decide to add features or alter it entirely, you need to think about why and how you are going to go about doing that. Adding features, or expanding a product's use, is a much smaller task than pivoting all together. But, you still need to make sure that you are adding new features for a good reason and are not alienating your core market by doing so. You don't want to make your product more complicated to use or increase the pricing for an audience that won't want or need those new features.



Fundamentally, you need to make sure that the changes you make do not alter the category of SaaS product in which you fit, or the type of go-to-market strategy you are pursuing. If it does, you need to identify this and make broader changes accordingly.



Adding New Features

A good product provides a simple solution. The problem could be simple, but ideally it's complex. Either way, the simplicity of the solution is the reason good products are easily understood and quickly adopted. As products grow, people ask for new features and push for different things. While this is normal, and not necessarily a problem, be careful that you don't dilute your product. Adding too much can make people lose sight of the power of the original product. Lots of features and complexity make it harder for new users to quickly adopt your product and find the core features they're looking for.

People that have grown up with your product will adjust to the new changes as they come. However, new users that engage with your product later down the line will not be fluent in your product and therefore may not see its value if you have made it too complex.

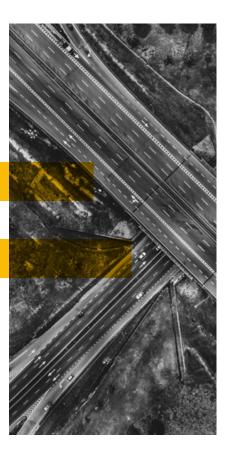


A good example is Salesforce. Effectively spearheading the SaaS model, their product began laser-focused on delivering a CRM solution. Customer relationship management remains central to what Salesforce provides. But, in the intervening decades, the platform has dramatically expanded how they deliver CRM outcomes for example, integrating Al solution into their platform. They have even expanded into areas only marginally related to their core delivery. For example, with their acquisition of Quip in 2016, Salesforce entered the workplace collaboration market.

The result of all this expansion is a much more comprehensive and powerful business solution. But, it has also created a platform that is more complex to learn and challenging to even purchase, with dozens of packaged options and different capabilities. Although Salesforce is in no danger of losing their market dominance within the CRM sphere, this complexity and associated cost has created room for disruptive and differentiated competitors to take hold among businesses that simply do not need many of the services Salesforce now offers.

Pivoting: The Importance of Getting Feedback

If you decide to fundamentally change your product to suit a different audience, you must quickly test a new hypothesis and get some feedback before investing a lot of engineering time and money in making those changes.



Create some prototypes and get someone familiar with your software to test it out and run your theories past them. Ask them, based on their knowledge of how your software works at present, would it satisfy them if the product was improved in this way. It is really valuable to prototype your product, so people can see it in action rather than just discussing it. If you're getting consistent positive feedback, you can be more confident in the direction you're taking and invest some time in making a better version of your pivoted product or adding new features.

Making lots of assumptions about your product, and the direction it should go in, may mean investing lots of time and effort into rewriting products unnecessarily. Without consulting your customers and thinking about your prospects, you may waste product and development cycles.

Research and Continue to Refine Your Messaging and Personas

Finding the right customers is an ongoing process. Learn from sales and the onboarding process of each new client. Feed this insight back into the business. That will leave you better prepared for the next customers and allow you to assess if your new customers is, in fact, the right kind of customers for your business, or whether you would do something differently or avoid them next time.

The key is to continually capture and review this information. A lot of businesses go through this process only every 12-18 months and don't go to the effort to capture the relevant information. This value can cause you to end up in a cul-de-sac somewhere that you need to back out of. Make sure that you are cognisant of the reasons why people buy from you and how they derive value from your product. Make sure to review this regularly, particularly at the beginning. There is also an opportunity to learn from customers who fit well with your product, and those who didn't. It is often easier, and safer, to alter the personas you are targeting than your product itself.

Create a list of customers who didn't work out. Try and ascertain why these customers didn't work out so you don't keep repeating the same mistakes. Go for quality over quantity here, because these ill-fitting customers were most likely driving up your churn rates.

From this research you should be able to see certain industries, types of businesses and sizes of businesses, all with certain pain points that fit your product best. Now you can gear your product, marketing and sales strategies towards these ideal and best-fit customers. Narrow your scope as much as possible for the best results.

This will allow you to get more specific about the types of people within these target organisations who would buy your product. Create buyer personas (fictional characters) of the different types of people who buy your product. Think about their needs, pain points, reasons for buying your product and how your product changes their life. However, this doesn't mean your understanding of the pain is irrelevant. Engaging with the people who experience the pain directly can be useful entry points into an account.



The Basics of Demand Generation:

Understanding Your Product, Freemium and Product Trials

It might be possible for you to find your first customers simply through your existing professional network. But to grow your business, you need to deploy marketing strategies that will get your product in front of your ideal buyer personas. Depending on the nature of your SaaS product, these marketing strategies may also act as a main asset within your sales structure. But, marketing is a key factor for all SaaS business. You need to know how to generate demand.

Creating demand is a combined effort between product, marketing and sales. There is no one size fits all for creating demand. If you've got a "me too" product and you're trying to steal demand from competitors, you need to understand what it is that competitors are doing and copy it, while also differentiating yourself.



Perhaps your product doesn't exist and it's a completely new thing. However, this is less frequent than people think it is. Driving demand for a new product is a big education piece. You're going to have to educate the market about the problem that you're solving and then translate that into an understanding of the solution your business offers.

If you have got unstructured demand, your job is to define a segment and give it a name,



creating a category in itself. You know you're winning when competitors start to copy you and define themselves as the category you have created. If this is successful, you will attain a leadership position in that market because everybody else is a follower. Your business is first to be this type of platform. But this relies on a relatively unstructured market.



Revisiting Freemium and Product Trials in Detail

No matter what broader path you choose, freemium and/ or product trials will almost certainly play a role in the marketing of your SaaS product. At the very least, it will for the bedrock of your lead generation strategy, and if you have a low annual contract valuation (ACV), it will play a pivotal role in your sales process as well. Therefore, from a practical standpoint, it is important to go into this in more detail and explain when you should choose freemium vs. a product trial, and how to create a quality version of both.

Open freemium or corporate trials

The two big choices in free versions of SaaS are freemium or free trials, and whether or not a business email is required to access that promotion. The right decision generally cuts along similar lines — simple products with a low price tag should offer freemium versions open to public emails while complex/expensive products do better as trials only accessible by a corporate email.

Although standard practice for 'gated content' is to require a business email, this is only to

manually follow up on leads. Low-end SaaS products are only sustainable with self-service sales funnels. They also have more crossover into the B2C market than standard B2B products. Access to these potential customers and advocates is closed off by segregating your freemium users to only corporate customers.

For example, a product like Grammarly sits in a grey zone where it is entirely unclear if it is B2B or B2C. It has wide appeal within the consumer market. However, its revenue streams come from premium subscribers, most of whom are making those purchases for professional reasons and in many cases, a business is the one paying the fee. Slack and Trello are solid B2B products, but will allow freemium access with a private email address because they understand their appeal to freelancers.

In both cases, this is the smart move. It generates the widest possible user base, all of whom are potential organic advocates for professional and premium adoption within a variety of workplaces.

On the other side, accessing a free trial of Salesforce requires a business email. Salesforce



is a comparably expensive product, providing the budget for a much more involved sales process. They probably even expect to engage in direct sales contact at some point during their sales funnel.

The smaller default market size for high-end SaaS products and ability to actively pursue leads diminishes the disadvantages of closing trial pools to people with corporate emails. The companies benefit from the ability to sort trial users by type, and then have the ability to follow up with sales/marketing material as that person nears the end of their trial to maximise conversions.

How to make quality freemium and free trials

For freemium products, you obviously can't give away the whole thing. But you also cannot provide a trial service that is so scaled back that it fails to impress. You need a freemium product that 'wows' users, but leaves them wondering how their lives might be better if they splashed out and made the premium purchase. You need to identify the core reason people access your product, and leave that untouched.

Ideally, your product should naturally remind users that there is a better alternative lurking behind a paywall. But, again, the key is finesse — if these reminders are obnoxious or intrusive, you will lose customers.

One of the best ways to do this is to leave in the interface options to access the premium features but simply revert to a paywall when they are clicked. HubSpot does this by surfacing premium features within the product that have a 'locked' icon next to the feature. When you select the locked feature you will be sent

to a landing page that allows you to upgrade or speak to sales. Grammarly does a great job in telling you that there are advanced issues with your text on which it can offer advice with an upgrade. Both programs are good examples of freemium that retain 90% of their functionality with missing features that would specifically entice their real B2B audiences.

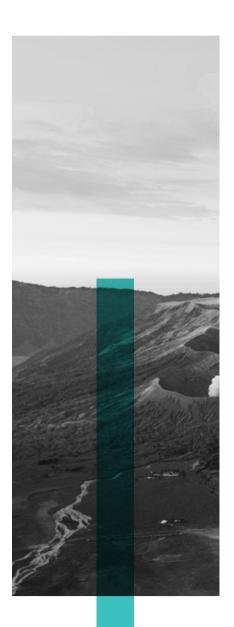


For free trials, the only real consideration for removing features is operating costs. If you operate a help desk, customer service or other costly manual processes, it may be advisable to exclude that from your trial. The choice you have to make, however, is how these subtractions impact the quality of your product and how integral these features are to your buying audience. Like with freemium, if you scale down your product too much, your trial will be underwhelming and fail to induce conversions.

Advertisements are a common feature in B2C freemium. This is not an advisable strategy for B2B. Businesses expect a cleaner interface.



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Getting Your Freemium in Front of People Who Count

For many SaaS businesses, product trials are effectively their sales teams. If you can 'wow' people with a free version of your product, you will set the wheels in motion to build a successful business. But, if you can't spread the word and get users engaged with your trial, it won't matter how free it is.

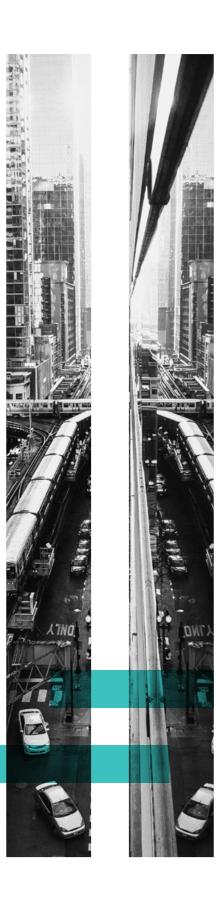
A successful freemium product isn't as simple as creating a landing page and waiting for the money to start rolling in. You need to develop a whole marketing apparatus to draw in traffic and guide people towards engaging in that trial. To create a sales process that can scale, you need the foundations of marketing already put in place.



Content Marketing

Customers seek to educate themselves online about products prior to making a purchase. They even use the internet to seek solutions to complex business issues before ever being able to identify a product that can help them create a solution. According to research by CEB and Google, B2B buyers have already completed 57% of their purchase journey before ever contacting a supplier.

Freemium and product trials are a form of content. They are very compelling, but they will only help you convert customers once they have identified you as a solution to their problem. You need to go beyond that. You need to think about the issues that your product solves and write content (generally in the form of a blog) that answers those questions. This will draw people to your site before they even know what they are looking for, improve your brand awareness and ingratiate yourself with prospects by adding value.



For example, type 'how to increase sales cycle speeds' into Google — the first two results (c. 28/01/19) are Salesforce Blogs and the third is HubSpot. Type 'what is a CRM system' into Google — you get two Salesforce blogs, both ranking higher than Wikipedia. That is how you dominate a market.

What makes content marketing such an effective strategy is that it compounds in value the longer it sits online. Unlike paid advertising that disappears once you stop paying for it, quality content slowly climbs in search engine ranking as more people view it, link to it, make comments and share. It is a long-term strategy that, if invested in early, can create a self-supporting web of marketing material that will slowly rise in SEO (search engine optimisation) ranking.

This will increase the visibility of your entire web presence and bring in inbound contacts for years to come. If those people can be self-directed to your free trial, you will create a self-sustaining sales and marketing funnel that will pull in prospects and turn them into customers with little active intervention.

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Writing effective content marketing

Writing content comes down to writing about what you know — your product and your customers. To make truly effective content, you need to think about your 'target personas'. Think about what they want to know and answer those questions. Every conceivable question a prospective buyer might have about your product should be answered in detail on your website. FAQ and product pages are part of that delivery. However, blogs often provide a better medium through which to deliver answers.

Blogs remove the pressure associated with sales and the contrivance of product pages. They are a long-form platform to dive into the depth required to really supply added value to the reader. They also provide the ability to write about topics only peripherally related to your products. This is critical to drawing in prospects that haven't yet identified your product as an answer to their problem.

You can either invest in specialists to write content or consider content creation as a key skill in your early hires. As a founder, you should consider writing one short blog article every week for your website. Once you can create a marketing team, you can make that someone else's job. Ideally, your company should publish two blogs a week. Ensure you still post many of them under your name, even if you entirely cease to be a writer. Those insights will have more weight coming from you, the CEO, than someone working in your marketing team.



Section 5: Getting Your Freemium in Front of People Who Count

Go deeper using the 'buyer's journey'

You can sculpt your content to meet the interests of your target personas even more specifically by subdividing them across the 'buyer's journey'. This is the process buyers go through as they become aware of, evaluate and then purchase a product or service. It includes three steps:

Awareness: This is when a buyer might first become aware of your brand. They are looking to solve a problem, find an answer or meet a need. They want high-level educational content to get them pointed at an answer.

Consideration: At this point, the buyer has defined their problem and is looking for specific information to solve it.

They want more detailed information roadmapping an actionable solution.

Decision: At this point, the buyer has made a decision and is simply looking for confirmation that what they have chosen is the right choice.

Ideally, you want at least one piece of content directed at each stage of the buyer's journey for every identified persona in your marketing strategy. It is then important to continue posting, but those core pieces will form the bedrock of your content marketing strategy.



A crash course in SEO

SEO (search engine optimisation) is vital to content visibility. A lot of your SEO ranking will be determined by how the outside world interacts with your content — external links, traffic, comments and shares. There is not a lot you can do about this other than write good content and wait. From an internal perspective, there are a number of things you should be doing from the start. However, it is a little bit complicated.

First, SEO is an evolving landscape. Google makes about 500-600 search algorithm changes every year and a major system update about once a year. SEO used to be all about keyword cramming, internal links and meta descriptions. These things still matter but not like they did in the early 2000s.

The latest major change struck in August 2018, called Medic. Like with most updates, specific information about what has changed is scarce and unofficial. SEO experts believe that Medic is the first update in a coming sea change that will make 'intent' (rather than specific keywords) central to how Google works. Driven by advances in algorithms and the search tendencies of an everexpanding population using 'voice search', this is where 'search' is headed either way.



Section 5: Getting Your Freemium in Front of People Who Count

You can, however, improve results by remembering four simple things:

Use long tail and short tail keywords. This is the technique of mimicking phrases in titles and text that people searching for your blog are likely to use. Short tail keywords are common search terms like 'CRM'. Long tail keywords are more specific phrases like 'best CRM system for small businesses'. Don't damage readability to include these, but getting your key phrase in your title will help.

Write longer content. 80% of content marketing that ranks on the first page of Google is 2,000 words or longer. This is for two reasons:

A. More words means more places for your keywords to lurk.

B. Longer content is often more helpful. Writing a good article is not simply about writing a long article. But, the two outcomes are related. Include two or three links to popular and relevant external sites in each post. This will give you a slight boost by association. Make sure, however, to set those links to open in another tab to minimise the pull of readers away from your blog. Also consider placing them near the end of your text.

Remember H1 and H2 tags for titles. This helps Google understand your content and appropriately weight phrases you use in titles.

There are also little tricks like renaming pictures with filenames that match your keywords or phrases, and remembering to get a 'secure' 'HTTPS' rather than a standard 'HTTP' — although as a SaaS provider, this is key anyway. It is then important to keep posting. Active websites receive an SEO boost.

Fundamentally, SEO is becoming more about writing content that is relevant to your target market audience. That is what you need to be doing anyway. You should also make sure that you accurately describe that content with an

enticing title (ideally between four and nine words).

Central to SEO is cracking the human element of your target market audience and personas, and writing quality content that they will value. Good content keeps readers on the page longer (something that will dramatically help ranking), encourage repeat visits, share comments and more. Your ability to hit all of those 'technical' SEO outcomes can actually be hurt by focusing on the algorithms. Your customers, their wants, their needs - these are the keys to SEO.

There is more you can do, but SEO best practices constantly change. Specialists can help you stay on top of those alterations if you are struggling to gain traction. Here is a link to an in-depth SEO guide if you want to learn more. However, your central takeaway should be to focus on understanding your buyers and delivering content that they will genuinely value. This is the key to picking the right keywords, grabbing traffic, increasing page retention and climbing the Google ladder for search results that will actually translate into conversations.



Calls-to-Action (CTAs)

Calls-to-action (CTAs) are critical to turning traffic into customers. These are messages that invite visitors to engage further with your brand. These should be placed within your content marketing, on your main web pages and the auxiliary pages of your website. They need to be relevant to the context in which they sit.

For a SaaS business, they should be focused on pulling people to your main selling tool — your free product trial/freemium software. However, there are a number of ways that they can be framed. CTAs are effectively your main tool for guiding visitor experiences on your website towards the areas that you want them to visit.

Direct to Sign Up CTAs take visitors directly to a landing page where they can sign up for something. This will primarily be trialling your software or subscribing to a newsletter. They can also take visitors to other forms of premium content, such as eBooks or white papers.

Curiosity CTAs are framed as 'learn more' statements. These are pitched at first-time visitors to your webpage. Companies will often frame their 'about page' link on their home pages as a 'What is [insert company name]?' rather than a simple statement. They can also take visitors to product pages or free trials.

Popup CTAs are popular. They are effective because they force the user to interact with them. However, they can damage your SEO ranking and are seen as annoying. Unless really struggling to gain traction with visitors to your website, we recommend avoiding pop-ups. Otherwise, CTAs are either placed in sidebars, at the top or bottom of the screen, interspersed throughout the text or are integrated into menus.





Paid Advertising

Paid advertising allows you to cut through competition and temporarily improve your SEO ranking. You can buy ranking for search phrases with Google Ads, or visibility on social platforms with LinkedIn Paid Ads, Twitter Ads, Facebook Lead Ads or Quora for Business. There are then 'banner ad' options that are triggered by an event, such as someone visiting your website, other websites or using specific search phrases.

Paid advertising is a vital part of any sales/marketing strategy. It should not, however, become your marketing strategy. It is simply one function within a wider marketing operation.

Paid advertising is most effective when used with other forms of online marketing techniques, particularly content marketing. Whenever engaging in paid advertising, think about both its short-term and long-term impacts. An important goal for the use of paid ads is to drive the necessary traffic to jump start your organic search rankings.

You should also think about long tail and short tail keyword strategies to paid advertisements. If your product has a specific focus, targeting long tail phrases for ad placements will most likely be cheaper and will be targeted at the exact people you are looking to attract to your website, increasing conversion rates.

Pricing models

There are different pricing models for paid advertising. The most common is pay-perclick (PPC) — you pay for an ad when it is clicked on. This is standard on social media platforms and Google. }Pay-per-view (PPV) and price-per-thousand impressions (PPM) are the next most common billing



methods. They, again, are what they sound like. PPV should be approached with scrutiny, however, because different providers offer different calculations of what qualifies as a 'view'. More specific PPV style plans include 'cost-per-like' payment options used on social media and pay-per-action (PPA) programmes where you are charged for specific actions, such as downloading an app or filling out a form.

Section 5: Getting Your Freemium in Front of People Who Count

Social Media: Paid and Organic

Social media is a wellestablished part of B2C marketing. Its relationship to B2B businesses is more complicated but nonetheless critical. It can be used organically through personal accounts or with paid advertising placements. There is no hard and fast conversion rate.

Paid placements offer a greater guarantee of getting in front of the right person. However, the added benefit of both paid and organic social media use is that it generates a boost in your SEO ranking. Online 'activity' is an important factor that contributes to how search algorithms judge your entire network.

Social media is itself divided into subcategories, all of which have different value to different audiences. For B2B businesses, LinkedIn, Twitter and Facebook are your primary assets. 94% of B2B businesses engage on LinkedIn.

You need to do two things to make social media work for you. The first is to be a regular user and develop a network. Paid advertisements are great, but curating a personal network of people who are interested in your brand provides a cheap and effective method of communication. The more you use social media, the more your influence will grow.

The second factor is to make compelling offers. Simply linking your website isn't enough. You need to provide something interesting. That could be news articles that are relevant to your business or target market audience. Social media works particularly well to promote content marketing. For SaaS businesses, that particularly means Freemium.



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Customer Evangelism

Harnessing successful customer experiences to expand brand awareness and convert prospect clients is one of the most effective marketing techniques available. It is not only relatively cheap, it is effective and credible. Prospect customers will take the statements of existing customers much more seriously than those of your sales team.

To be undertaken with effect, however, customer evangelism does require planning. It starts with a great product, but it fundamentally revolves around framing. You need to get customers to think about your product as a 'lifestyle' choice, rather than a necessity.

Your product has to be something that they are excited to share because it reflects well on them — it makes them look knowledgeable, professional or in an 'in' crowd. A lot of this comes down to your brand proposition, as does so much of marketing. Novel products (including technology) often have an easier time courting customer evangelists. This puts SaaS businesses in a good position.

Creating a community is key.
One of the cheapest ways
to do this is to repurpose
your inbound content as
a newsletter. You can add
personalised messages as a
forward, keeping customers
updated on your company.
But, that regular contact,
all by itself, will create an
environment that encourages
self-motivated customer
evangelism. A lot of this
contact can be automated
through a CRM system.

You can also create community groups on social media or onsite forums/comment sections. This has the added benefit of generating intelligence on your customers. Keeping updated on their needs and wants is key to delivering quality products and harnessing customer evangelists.

Quality content is another way that you can indirectly harness evangelism. Writing content marketing that people want to share will spread awareness of your brand further. You also want to make it easy for customers to share your content marketing by making 'easy share' embed links.

For SaaS businesses, free trials (and freemium particularly) are again a main tool. Creating a giant pool of free users will simply increase your number of customer evangelists through an odds game. If your free product provides productivity boosts to workers, they are likely to bother their employers about buying them the premium version. Not only do they want the extra features, that type of proactive concern about their productivity (and ability to showcase their knowledge about a cuttingedge SaaS product) will be motivation enough for them to spread the word within their business.

You can also introduce some sort of incentivised loyalty scheme, giving existing customers a reason to go out and spread the word. For lowend products, however, you need to remember to keep your customer acquisition costs low to non-existent.



Customer references

Customer references aren't quite the same as 'evangelism'. This strategy is more applicable to high-end SaaS products that can afford long and manually involved sales cycles. Creating customer references requires curating a pool of users that you want to put front and centre during the sales process. Get them to write case studies or even speak directly with prospect buyers on your behalf. This requires dedicated analysis of your customer base to identify the most willing and credible people for the task, and then directly liaisoning with them for sales purposes.



Section 5: Getting Your Freemium in Front of People Who Count

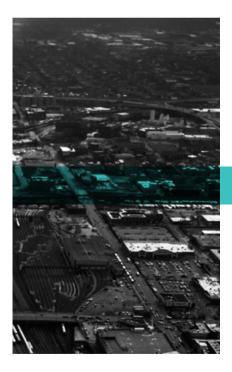
Retargeting Campaigns

The typical SaaS enterprise customer will require 10-30 interactions with a company prior to making a purchase. Most people who visit your website will likely never return under natural circumstances. Tactful retargeting campaigns significantly improve the likelihood that you can transform a single online visit into an ongoing relationship that will result in a sale. You should use direct promotional material and content marketing to initiate contact. As SaaS businesses move towards the higher-end of the market, this becomes ever more critical.

There are two types of retargeting campaigns: 'pixel-based' retargeting and 'list-based' retargeting. Pixel-based retargeting is centred on 'cookies'. The actions of an individual on your website trigger automated actions within your retargeting platform. Pixel-based retargeting can also be focused on wider actions on the internet, for example, triggering banner ads based on search terms.

List-based retargeting is centred around information that you already have. Most commonly, this information is generated by 'gated'/'premium content' or purchases from data resellers. In the wake of new data protection regulation such as GDPR, purchasing data is something that you need to be careful about, but it is nonetheless a useful option to understand.

To use inbound information, you need the ability to categorise visitors to your website, align them with the appropriate messaging and instigate a number of automated and manual means of retargeting. The most common direct retargeting techniques are to make contact by email (drip email campaigns) or targeted ads on social media.



It is important to take advantage of both pixel-based and list-based retargeting strategies, along with broader strategic decisions such as site retargeting, search retargeting and the use of different retargeting platforms to automate your retargeting campaigns. These include AdRoll, Google Adwords Remarketing, LinkedIn Retargeting, Facebook Retargeting.

Retargeting needs to be used in combination with both inbound, organic and paid tactics within a wider account-based marketing (ABM) strategy. As with all SaaS decisions, the lower your annual contract valuations (ACVs), the more you need to steer towards automated strategies.

Section 5: Getting Your Freemium in Front of People Who Count

PR: Focus On The Industry

PR can be a great investment. But, it can also be a waste of money. Where people often go wrong with PR is forgetting about the importance of your audience. For B2B products, general press coverage may raise awareness, maybe even leading to an uptick in website traffic or form fills. But, the audience impacted by such a campaign is likely to be diluted, containing very few individuals who are actually likely to ever buy your product.



To avoid this, you need to keep your personas and target market audience in mind when it comes to any PR investments. Otherwise, you are simply throwing money at 'awareness' projects without any specific plan for turning that investment into customers.



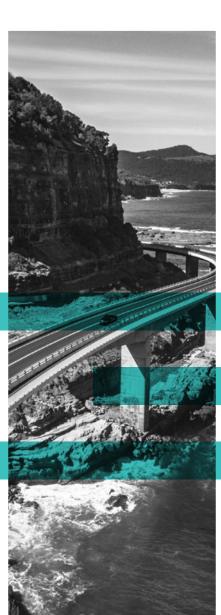
What 'targeting' means when it comes to PR depends heavily on your product. General press coverage might be useful. But, more likely, you need to focus on industry press. Equally, investing in content marketing and blogging may be a better use of your resources. No matter what you do, always think about your customers and prospects, creating awareness that will actually lead to meaningful conversions.

Events: Only Sometimes

The utility of events are directed by many of the same principles that impact PR. If you are not motivated by vanity they can be positive, but only in a limited capacity. Think:

- Is your target market there?
- Are you ideal customers there?
- Are your key buyer personas there?

Engaging with people likely to become clients is always positive. Engaging with anyone else is probably a waste of time. Filling a room is not the objective — filling a room with the right people is. Once you have done this, demoing your product to a room of people is definitely not what people want to see. Instead, fill a room with your ideal customers and talk to them about their industry, their job and the trends in the market. Providing prospects with industry insight is what they want to hear.



If you've got a methodology to go alongside your software, you can essentially talk about product without talking about product. Talk about your methodology and teach people how to do something.

The kind of insight that will resonate at events depends on the level and experience of your buyer. If you've got a more junior buyer, maybe more operational, they're going to want to hear things about how to do their job. If they're more senior, they're going to want to know about market transition and strategy.

Getting the right tone is massively important. If you talk to mid-level managers about strategy, they're not going to find it valuable. If you tell them how to do their job better or how they can manage their team better, then they'll find it valuable.

Defining the Sales Process

You need marketing to generate leads, but you need a sales process in place to turn those leads into customers. Depending on the nature of your SaaS product, your sales process might be entirely led by marketing — creating a self-directed funnel that uses freemium and content marketing to turn leads into customers.

For other SaaS products, a much more robust sales process will be required. Either way, you need to identify how involved your sales team should be and create a repeatable and structured process for addressing and interacting with qualified leads. Like with everything, the first step to defining the sales process is literally mapping out the stages you're going to take somebody through from the first conversation to making a sale and retaining that customer.





Tailor Your Sales Process to Your Product and Identified Customers

The creation of your sales process will be informed by the judgments you have made up to this point. Think about your buyer personas: what they want, what they need and how you will be communicating with them at every stage of your sales funnel.

You might want to subdivide your sales process across target personas. But, for every persona, you need to ask yourself: what information do you need to give to this person and what kind of things are you asking from them? This should give you an idea of the assets you need to arm salespeople with to have successful conversations, and the steps salespeople themselves need to go through to take someone to sale.





For a self-directed sales cycle, this might simply be about how your freemium product trial interacts with the user. How does it remind them that there are paid options, and will it periodically ask the user if they want to 'upgrade' for more features? Will you execute automated email campaigns, targeting free users with information about upgrades?

For more complex and expensive products, your sales cycle will increase in complexity and cost.
The underlying theme, however, will be the same — show the prospect that they will benefit from engaging with your product. However, the introduction of direct interactions with sales representatives allows for many more steps and considerations.



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Following Up On Leads, Chasing Down Deals

There is always pressure on marketing to deliver leads. However, this pressure drops off when it comes to following up on those leads properly. Depending on your sales process, this might be warranted because the responsibility to pursue leads shifts to sales. However, what is critical is that there is a process in place to follow up leads and everyone involved knows what they are doing and does it.

Acting fast will give you first mover advantage when it comes to dealing with customers. If someone is on the hunt for a solution to a problem, then they're going to be speaking to your competitors and looking to compare solutions. You want to be the first one to tell that person you can solve their problem and give them an idea of how much it's going to cost. So engage with them immediately. Often, when someone has

filled in their details and are researching a problem, they have set time aside to do so. Take advantage of the moment when they have set time aside to focus on this issue, and have your product fresh in their mind. You've got a window of 48-hours but ideally, you should contact them within a day.

If someone new comes to your website, fills in their details and fit your target market and ICP, you need to follow up, and fast. What exactly you need to do will be different depending on your product. But the number one rule is that something needs to be done. If your process is poorly defined and responsibilities aren't clearly delineated, potential customers will fall between the cracks.



Getting a system in place to help you do this is important. This could be a CRM or just a simple spreadsheet early on. However, it is essential that when someone has become a lead, it is known who is owning that person and what the next steps are. A pipeline management system can assist with this, but it's really about ownership and responsibility — these are the key things to set in stone.



Understand the Importance of Life Cycle Nurturing

Upselling, cross-selling and reselling generate a large chunk of SaaS revenues. Upselling alone accounts for 16% of new annual contract value (ACV) for the average SaaS business. However, for the largest SaaS sellers (those pulling in annual revenue in excess of £60 million), that number jumps to 28%, while the smallest SaaS companies only generate 11% of their ACV through upselling. Similar disparities are seen in all bands of annual revenue split between growth rates.

Customer acquisition costs are much lower for cross-selling and upselling — £0.28 per £1, rather than the average £1.18 spent to acquire £1 of new revenue. Re-selling is even cheaper — only £0.13 per £1. The larger your customer base, the more re-selling and upselling opportunities you have.

Keeping churn low is fundamentally critical to your success as a subscription-based business. If your churn rate outstrips the average customer break-even time, you will lose money and eventually fail. A net-revenue churn (NRC) above 2% a month indicates





that you have a problem. The top quartile performers in SaaS have an NRC of 14%-23% lower than average performing companies.

When creeping into the enterprise market, it is important to start putting in some face time. However, for most SaaS companies, you want to find automated ways to stay in touch and push upselling and re-selling. If you can add value to every interaction where you are also making a sales pitch, you can do so without annoying customers. For example, rather than directly telling customers about a product, write a blog that explains the productivity values of a new feature.

Your customers already know you and they already like your product, so make sure that you are getting the most you can out of those relationships. SaaS founders need to put in place the foundations of upselling campaigns from the beginning in order to scale their business.

Make Sure to Qualify Leads Within Complex and Expensive Sales Processes

When sales teams become directly involved in the sales process, qualification becomes central to most steps. Even where your ACV allows for the investment in a 'hands-on' sales team, sales reps are still expensive, and their time is valuable.





You need to make sure that Sales is pursuing the right customers. Some of this comes down to making sure that Marketing is generating the right kind of leads. But, it is also about creating way-points and processes that are designed to limit the poor allocation of resources. This is what is known as 'qualifying' leads.

What is a qualified lead?

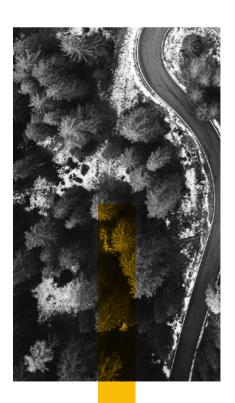
Effectively, a 'qualified lead' is a lead that fits a 'buyer persona' — a lead that actually has a high chance of converting into a sale. Leads are normally identified by people who express interest in your product — download a free trial, subscribe to your blog or otherwise put their details in a 'gate'.



You can then rank these leads based on their seniority within an organisation and ability to actually execute a purchase themselves. But, what is really important is that they express interest in your product and fit a persona within your target market audience.

How to qualify a lead

There are a number of methods commonly used to qualify leads. Most, simply involve asking yourself a number of questions about the prospect. The standard lead qualifying strategy is called 'BANT' — Budget, Authority, Need, Timing. Simply, BANT involves questioning how these four criteria lineup with your prospect. For example, ask yourself:





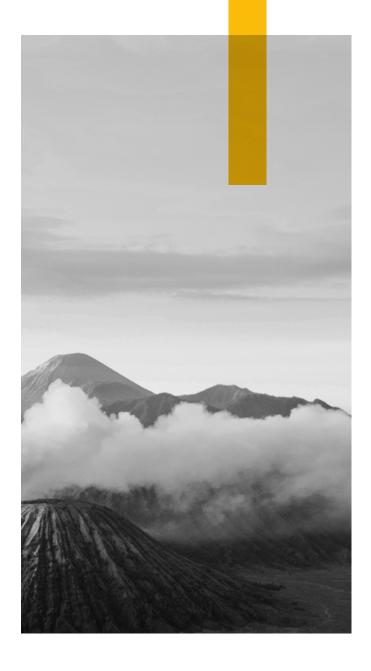
Does this business have the budget to buy our product?

Does this person have the authority to make that purchase or influence that purchase?

Does their business genuinely need our product?

Is the timing good for us and them to strike a deal?

There are dozens of these systems and acronyms, but most direct you to focus on a very similar set of criteria. If you are struggling to gain traction with your qualified leads, more indepth research into this topic will help. But, BANT is not a bad place to start.



Keep different stages in mind

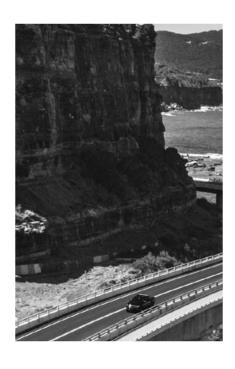
Do not jump the gun. Your sales funnel will have multiple stages and you do not need to rush someone from their first positive contact all of the way to a sale. For example, if in the first meeting you have agreed to undertake an audit of their processes and show them how your product will function, you will have needed to get them to agree to provide you data about their business. Your next job in the sales process is not to close the deal, but to get them to fulfil those commitments.

Construct multiple checkpoints at which you re-evaluate
leads within a repeatable
cycle. What this looks like will
depend on the specifics of
your product and market.
It might include stages on
limited contact, or periods
of intense support using a
free trial. Your first sales can
teach you a lot about what
you should expect moving
forward — pay attention!

Disqualifying Leads

Part of keeping your sales teams on the right track is knowing when to pull the plug. Make sure to review leads that sit within your sales funnel for too long. If a prospect has been flaky, take them back a stage and go through the process again. If they're still flaky, you might want to disqualify them all together. At the very least, stop expending expensive human resources on direct communication. Send them your newsletter. But, eventually, you will need to





Evaluating if a prospect is going to buy as quickly as possible will save time and money. Every interaction you have with a prospect should tell you something. Don't waste time selling to prospects that are never going to buy, or onboarding customers that don't fit your product and won't stay for long. Minimising churn rate is another goal of qualifying leads.



Keep Yourself Involved

Although we have stressed throughout the importance of building scalable processes and removing yourself (as a founder) from the sales and marketing process, it is still important to maintain a hands-on approach, particularly at the beginning.

The reality is that you will remain the best salesperson in your team for a long time — maybe forever. It is hard to match the gravitas that a founder can bring to the sale cycle. If you have built a sales process that includes face-to-face contact, make sure that your face is in there, at least for your first dozen clients.

Founders are always the best salespeople for their product. They should be able to pitch, they understand the problem they are solving and they have the power to change the pitch when needed. They have an understanding of commercials and can make quick decisions.



Fundamentally, founders almost always possess a dynamic magnetism and belief in what they are doing — backed up by a detailed understanding of how those things get done. Your knowledge of the product, problem and the market cannot truly be replicated in a sales team. For that reason, especially in the early stages of growth, founders should be selling their product.

Founders have a lot on their plate, so when growing your business, you need to make strategic hires to ease your workload. That means building a sales team, but it also means hiring account managers, marketers, product developers and administrative support — allowing you to dip in and add your expertise everywhere. Just remember that sales is a critical area that you cannot afford to neglect.

Hire Your Marketing Team First

Hiring sales representatives is critical, particularly if your product is complex and reliant on face-to-face meetings to sell. However, your first hires should not be sales. Building a sales team before a marketing team can damage your SaaS business early on.

If you only have a sales team, they will be pressured to drive demand on their own. This is a critical error that can undermine all of the high-level work you have done to create a product market fit and a broad understanding of your ideal customer personas.

To be of value, sales teams need leads. That puts them further down the priority chain than marketing. Sales teams will also pull your business, and product, in the direction of their contacts. Their role is to meet those demands on a micro level. This is good, but only where it is counterbalanced by a higher-level understanding of what your product does and its place in the market.

If you make decisions today just to win deals, they have the potential to hinder your business in the future.

This kind of misalignment occurring in such an early stage of growing your business can slow down your growth for a long period of time, and is hard to get out of once you have gained clients in those early days that don't fit your target market.

To begin with, you as a founder can take on the customer-facing interactions with the first leads that come through the door, and build a sales team from there.







Account for Your Distribution Model

This comes back to understanding your product and building a sales process that fits. It may seem redundant to keep coming back to this point but the hard truth is that the number one reason SaaS businesses fail is a failure to understand their distribution model and the limitations/ requirements that places on their go-to-market strategy. Sales is a major area where this falls apart.



Fundamentally, you need to make sure that your sales process matches your product, budget and average annual contract value (ACV). Failure to do this can undermine your entire business. If successful conversions and sales don't actually make you any money because of how much you spent on customer acquisition, there is almost nowhere to go from that point other than bankruptcy.

SEC: 07



Make Sure That You Are Sure Before Hiring Someone

To actually put any of this into action, you will need help.
That means staff. It can be difficult to pass on the product and business knowledge that you possess as a founder.
Critical lessons were learned winning your first clients and developing your product. We would never suggest that it is easy for a founder to step away. But, that task will be much easier if you make the right hiring choices.

The reverse is also true — make the wrong hiring choices and your whole business could

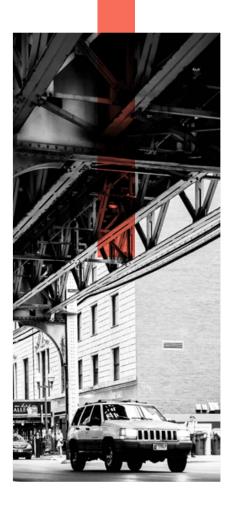
come crashing down. A lot goes into a new member of staff. Beyond the recruitment process, you need to train them and they need to become familiar with your processes and product. Lastly, you need to develop a trust in their capabilities that will enable you to really delegate responsibilities without worrying that things will get done, and that they will get done right. Put in the necessary resources and attention to make the right hiring choices from the beginning.



Never hire for the sake of it: recruitment is a process

Recruitment can take a long time. Fundamentally, you need to be patient and wait for the right candidates, keeping your product, your market and the relevant job description in mind. Pace your growth accordingly so that it matches the expansion of your team. Never hire simply for the sake of it, and whenever possible, avoid being forced into a hire because of customer demand.





That means starting your recruitment process early and continuing the process even after you fill the first few roles. Business should effectively always be recruiting. That does not necessarily mean that you will always be hiring people. But, to find the 'right' person, you are going to need to meet a lot of 'wrong' people. Be methodical and never hire someone simply because you have a vacant position.

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Look beyond the CV and be personally involved

As founder, you should be personally involved in every hire. In fact, maintaining at least a degree of involvement will serve you well even as your business scales. You can learn a lot by meeting people. You can probably learn a lot more than you can simply by looking at someone's CV.

CVs play an obvious and important role in the hiring process. They are a quick way to gauge someone's basic qualifications for the job. But, one thing that you need to remember is that people lie on their CV — they lie all of the time. One study by HireRight found that 84% of employers have caught applicants lying on their resume.

You can only tell so much about a candidate by a CV, even if you can count on everything on it being true. The CV is only your first screening mechanism. You need to meet people face to face, know skills-based questions to ask them and see how they react in person.

Lastly, remember that this is someone who you are going to have to be working with personally. Particularly when it comes to your early hires, these people are likely to be directly involved with you and may become important pillars within your business as it grows — helping train staff and managing hires you make down the road. Hire people that you want to work with and that you like. This is no replacement for hiring someone who is competent. But, you are going to be spending a lot of time at work - make sure that vou don't create a team of people that you can't stand being around.



Look for people who can grow with your business

You need to put a lot of time into your new hires. If you can choose people who will stick with your growing business throughout its development, that will make your continued scaling easier and more effective. It can also open up the opportunity to make much more cost-effective hiring decisions.

It might seem like a good idea for your first hire to be a highly skilled professional with years of experience as the head of a department for another company. But, this comes with two downsides. One, you probably won't be able to afford this person, and two, they will have a set way of doing things that may not match your vision for a go-to-market strategy.



You already bring that 'head of department' experience to your team. If your business grows to the point that it fully transitions away from being a startup, or even a mediumsized business, you will need to look into bringing in people with experience in managing teams in the hundreds. In reality, that might also mean removing yourself as CEO.

To start with, however, looking for smart people with some experience but a strong dedication and capability to learn will serve you much better. They will cost less, be more adaptive to your processes and bring an enthusiasm to the role that only people at the beginning of their career really possess.

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Know when to let people go

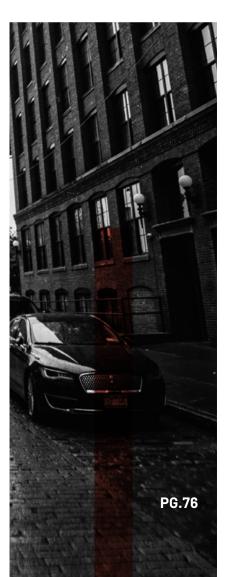
Once you have given a candidate a shot, pay attention and identify when things aren't working out. The level of involvement that founders have with the first few hires often makes this easier. But, make sure to maintain this vigilant approach even as your team scales.

It is usually clear very early on if a new hire is going to be successful. Even for candidates that are a success, you will be able to identify within the first week what it is about a candidate that will annoy you — either regarding their performance or attitude. Think clearly about this information and make the decision to fire them as soon as possible. Often, not firing someone sooner comes down





to not wanting to be seen as having made the wrong decisions, or hoping things will change. As with relationships, people don't tend to change. Once you realise that someone isn't right for your business, make the decision quickly. At the very least, review all hires after three months; if their performance is not good enough, and they're not giving you any confidence on how they're going to improve, move on. Otherwise, it will be an expensive mistake. The sooner you can make the decision, the less expensive the mistake will be.



Recruit people in the right order: maybe

Broadly speaking, you should try and recruit people in an order that makes sense. You need to develop your product first — supplementing your own development weakness with strong product team hires prior to any thought of actually taking your product to market.

When it comes to the sales and marketing apparatus of your company, it is generally a good idea to hire marketing roles first and then expand into sales. As we have described before, hiring a sales team first can predispose you to deviate from your high-level go-to-market strategy and altering your product to simply fit the whims of an early customer — or even a lead.



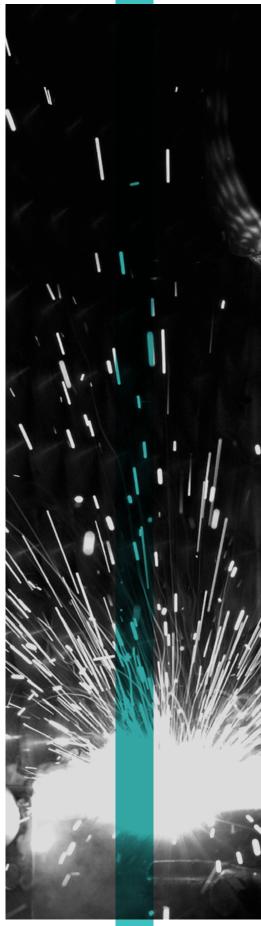
However, it is also important to recognise the long-game process of recruitment and not close yourself off to a perfect candidate just because it has come slightly out of order. From the beginning, you should put out recruitment notices for almost every department and keep them live even after you make a hire. You should never hire someone for the sake of it when it comes to filling a role. But the reverse isn't necessarily true. Sometimes it can work hiring someone for the sake of it, simply to capture a talented person that you think is a great fit for your business, even if you don't have their role perfectly sketched out at that moment.

SEC: 08

Don't Forget to Build a Killer Website

As a technology firm, you need a good website. And that doesn't just mean something that works, but rather something that will blow prospects away. Being a SaaS business with a bad website just screams incompetence. This isn't necessarily an easy thing to do, and website development might not have anything to do with your product, but it is still essential. Your categorisation as a tech firm will make your website reflect doubly on the character of your brand. Here is what you need to keep in mind.

While it's always important to get a good deal, web design is not the area that you should skimp on. Because websites are completely customisable, the cost can vary depending on a variety of factors. Here are some of the most prevalent factors that can affect the cost of website redesign and that you need to consider to create a website that can retain and convert traffic.



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Who is creating the website?

One of the biggest determining factors as to how well made your website will be is determined by who builds it. Website redesign is not really an area where you should cut corners. We highly recommend hiring a professional web designer who knows what they're doing and can customise your website to your specifications.

Due to the complexity
of website design, less
experienced web designers
may completely overlook
important aspects. Only an
experienced, professional
web designer will know how to
determine the psychological
effects that copywriting and
images will have on online

users. Most importantly, experienced web designers will know how to use these effects to increase traffic to your website.

An important question to ask yourself when researching potential web designers to work with is: what niche do they typically work with? For example, if you are a software company, it would be most logical to hire a web designer that has experience creating websites for software companies. Although finding a speciality web designer can sometimes be an additional expense, it is well worth it to hire someone that understands your industry.

Section 8: Don't Forget to Build a Killer Website

How is the website design delivered and the site created?

It is crucial to pick a website designer that is best suited to your needs, but it is equally as important that they have a set procedure that they follow. Knowledge must be coupled with experience in web design. With experience, a web designer is able to determine the best procedure to follow with all of their clients.

It requires more than an introductory meeting to determine how to create a website that caters to a customer's precise needs. An experienced web designer should have a multi-stage procedure to follow which

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should include: determining the website's goals and the best content to meet these goals, discovering the best strategy to implement, UI/UX testing, user testing and much more. Each of these stages will require separate meetings to plan and execute.

Skilled web designers will invest the proper amount of time, energy and brain-power into your project. Though hiring web designers who are the best at their craft will come at an additional cost, it is well worth it to work with someone who truly cares about your company's marketing success.

What functions will be included in the web design?

As previously mentioned, websites are completely customisable. An expert web designer will know how to make each website they create completely unique and catered to their customers' needs. An important aspect to consider when hiring someone to design a website for you is what kinds of functions and integrations you will need for your website. These can range from the most basic functions to more complex systems.

For example, if your website requires a user registration system, calendar or forum, these complex functions will come at a higher cost. A useful strategy to implement prior to hiring a web designer would be to create both a list of functions that your website needs and a list of functions that you would like your website to have. This will be useful to the web designer so they can determine an accurate quote for the website's overall cost.

Furthermore, if you would like your website to integrate CRM, ERP, eCommerce or any other 3rd party system, this will also be an additional expense. Every system is wired differently and interacts with other systems differently; it is easy to get some systems to interact with each other and harder for others. For this reason, the costs of integration can vary.





Who is developing the website's content?

Content creation is critical to your website. Website content is comprised of the text, images and videos that you use to attract users and gain support. Successful website copywriting requires a careful balance of getting your message across while also being visually pleasing. Copywriting that is attractive to a website user is inspirational, concise, wellwritten and incorporates psychological triggers. Website pages that feature more important content usually take anywhere from 2-4 hours to create, including time for revisions. With this estimate, it's not hard to imagine how long it can take to create highquality content for an entire website

A successful website is one that features entirely unique content. For this reason, when trying to attract users, it is ineffective to simply use stock pages on your website and recycle textual content. The creation of an effective website often requires holding separate photo and video shoots with professionals, which means putting in extra time and budgeting for an extra cost.

An easy way to save money in this area is for the company to create their own website content. However, companies often underestimate the amount of time, effort and resources that go into making high-quality content. Unfortunately, we have seen this result in either the creation of poor-quality content or lengthy delays in the completion of the content.

If you do decide to create your own website content to save the cost of hiring a professional in this area, we have some suggestions. We recommend that you begin creating your content as soon as possible, but that you also get trained to do so. Be sure that you allow for plenty of time to edit and revise content before expecting to be satisfied with the content.



Section 8: Don't Forget to Build a Killer Website

Additional Factors

The below list is comprised of the major factors that go into determining the cost of a website redesign, but it is by no means an exhaustive list. Other factors that can influence price include the specific

tools and platforms used for your website, migrations and specific SEO tasks like URL mapping. However, all of these factors are typically discussed in an initial consultation with a web designer.

Project /site size	General Base Price	Website Migration	Website Marketing Strategy	Custom Template	Custom Functionality	Agency Creates Content
Large	£20,500 - £45,000	+£6,000 - £10,000	+£6,000- £8,000	+£3,000- £8,000	Varies on Functionality	+£6,000- +£10,000
Medium	£9,000 -	+£4,000-	+£3,000-	+£3,000-	Varies on	+£4,000-
	£20,500	£6,000	£7,000	£7,000	Functionality	£7,000
Small	£5,000 -	+£2,000-	+£3,000-	+£2,000-	Varies on	+£2,000-
	£9,000	£5,000	£5,000	£5,000	Functionality	£4,000

Overall Website Redesign Cost

The next step would be to contact a web design agency to discuss what exactly you are looking for.

Once you have flushed out the specifics of your goals and website needs, you will be able to get the most accurate quote.



Optimising an existing website

Your website is not a brochure, something that is created and forgotten about. It should not remain static for months at a time. It is important to have somebody changing the website on an ongoing basis so it adapts to how the user behaviour tells you they are converting.





This is not about design but about optimisation. A good example is the website Basecamp. Basecamp take a scientific approach to the way in which they make changes on the website. It's not about what looks nice but instead what is converting. They have a big image on their homepage that sums up how you, as their ideal customer, feel without their software. This image has changed every month for four years — they add or take something away and watch how that impacts users when they arrive on the site.

Calls to Action

Clearly structured calls to action mean that, when somebody arrives on your site, it is easy to understand what you want them to do next. People don't want to make decisions — they want you to tell them what to do next. For example, if you want users to use a free trial or set up an account, tell them that and just focus on giving them that instruction.

You don't need to overarticulate your message or tell them everything about your product. Certainly in SaaS, people want to figure out for themselves whether your product is going to solve their problem, so get them using your product as quickly as possible and they will tell you whether they want it or not.



Ultimately, you need to think about the journey that a user goes through from entering the site to leads or users. How are you going to get someone from reading a blog article to signing up for a free trial or buying the service? Think about this path, which may well include multiple visits to the site, and make it as seamless as possible. Depending on your market, software and who you serve, this journey may be relatively simple - or it might include multiple steps. It's important to map out those journeys really clearly so you can assess the effectiveness of your website.

From a demand generation perspective, people need to engage with your brand and your content around eight times before they're willing to give you any details. Think about how you will get useful and relevant content in front of them, and lead them to a point where they are comfortable enough to reach out to a salesperson. These are all things that are answered by the structure of your website and must be assessed on an ongoing basis.

SEC: 09

Conclusion

Where to Invest/When to Invest: Your Go-to-Market Strategy in Action

You shouldn't look at your startup as a mini version of the company it will become. Its main purpose is to validate a product or service. But, part of that validation has to be focused on the development of scalable processes that fit your product. Without those foundations at the beginning, there is likely to be serious trouble moving forward.

Although SaaS is often referenced collectively, product valuations are so significantly varied that sales/ marketing strategies need to be approached differently depending on the cost band in which your product sits. These price points can range from £10 per month to over £100,000 per month.

As a startup, your main metric shouldn't be revenue but gross margin. [FYI: gross margin = (revenue - cost of goods sold)/revenue]. This is what is directly tied to your company's ability to grow. That figure dictates what you can profitably invest in customer acquisition. This will be directly tied to your price points. Fundamentally, suppliers of more expensive products will be able to invest more per customer on sales and marketing. They may, however, also be required to do so because of the complexity of their products.

High-end SaaS providers need to invest in face-to-face sales. Low-end SaaS providers need to create self-service sales/ marketing funnels. Mid-range SaaS providers need to do both at the same time without accidentally overspending on customer acquisition. For this reason, mid-range SaaS providers face the largest challenge. They may also struggle to engage with both enterprise customers and small businesses because of the price=quality 'Veblen' mentality of large companies and the deal chasing of SMEs.

This does not mean that midrange products are impossible to make profitable, but it does mean being careful when spending money to make a sale. Chatbots can be a good investment to limit direct customer interactions. It may also be advisable to artificially inflate prices for enterprisespecific products that come with a few expanded services and features for both midrange and low-range suppliers.

Everything about your go-to-market plan needs to be about you — your business, your product, your buyer personas, your market. That means that at the heart of it, we can't tell you what to do — at least not without meeting you in person. But, we can make this easier for you by mapping out everything that needs to be done.

Fundamentally, that is what this eBook has been all about — giving you the basics of a plan, redirecting your focus to the right questions and giving you confidence that all bases are covered. To make this as simple as possible moving forward, here is your go-to-market checklist to help you stay on track and build a successful B2B SaaS business.

Your Go-to-Market Checklist for Success

Start with your product market fit

Everything about go-to-market comes back to product market fit. What separates a go-to-market strategy from standard sales and marketing processes is the focus on how your product, marketing and sales functions operate within the wider context of your business. You need to think about what your product is, who will value it, the channels of communication that they will find compelling, and how all of this impacts pricing, marketing and sales.

Start by creating a core value proposition and then expand to develop target personas — each of which with tailored messaging that speaks directly to their needs and how they relate to your product. No matter how you end up communicating with your target audiences, the first critical step is to make sure that you have identified the right audience(s).



Align your strategy with pricing

So many of your go-to-market choices will be impacted by pricing. The more expensive your product, the more you will be able to invest in customer acquisition. Equally, however, the harder it will be to convert leads into customers and the smaller your customer pool will probably be. No matter what, you need to make sure that you do not spend more on customer acquisition than you earn from your average customer.

For more expensive products, your main customer base will be enterprise organisations, and hands-on sales techniques will need to play a significant role in your sales funnel. For low-cost products, you will likely want to target endusers directly, within a self-directed, freemium-based and marketing-led sales funnel.

By looking at your product market fit within the context of pricing, you will also be able to identify if your product fits within a dominant, differentiated or disruptive growth strategy. This is another crucial aspect of determining how you need to approach leads and where your investment strategies should sit.

Revisit your target market in even greater detail

You will have already thought about your ideal customer profile, buyer personas and target market audience — all effectively terms for the same thing at different levels of granularity. But, you can never take these calculations too seriously, and it is important to look at them in the context of your pricing.

Different sized companies will have different pain points that will attract them to different product features. When selling to a small company, you're likely to be selling directly to someone who can buy your product. Whereas with enterprise, your entry point into the business may not be the person in control of buying new tools.

The price of your product will likely dictate how you approach these organisations and the people within them. But, the size of the organisation will dictate the end goal that you need to strive to create. Fundamentally, however, you don't need to be limited to one choice or the other. But, you do need to account for these differences when approaching each target market individually.

Invest in marketing first

No matter what strategy you choose, marketing will play a critical role in your go-to-market strategy. Even enterprise products, with a heavy face-to-face component within their sales funnel will rely on quality product trials and content marketing to capture initial leads and fuel positive interactions. These are two facets that you need to nail from the beginning — in addition to developing a quality and functional product.

Marketing teams are also your high-level visionaries. They will help you identify a product market fit and keep your processes and investments aligned with that larger vision of the role your product should play within the market. Sales teams operate on a much more granular level and will be far more likely to be swayed by the desires of an individual client. Both roles (and perspectives) are important. But, the latter has the potential to throw you off course if operating without a counterbalance.



Take analytics seriously and create a review process

Any proper sales and marketing strategy depends on analytics. Without the ability to track what you are doing, you will be unable to improve. Building analytics capabilities should be one of your first priorities. You need someone on staff who can use tools such as Convertro, Google Analytics, Infer, Optimizely and DemandBase. To start with, this person can undertake different tasks as well. But, these are critical skills that you should look for in early sales and marketing hires.

The reliance on inbound and automated retargeting in much of the SaaS market makes this essential to improving sales processes. You need to be able to quantify and understand impressions, and categorise those impressions into effective and ineffective sales journeys. There is no 'gut' that sales reps can rely on to improve their meetings.

Invest early and invest heavily in analytics capabilities so that you understand what works and improve as you grow. Decide on the metrics that matter and determine a process for interpreting and discussing these metrics within every arm of your business.

Learn from your first customers

Everything about a successful business is a process. You need to learn as you go and account for the feedback you receive. Start small and grow. Trial your product and sales process, take on feedback and perfect the system before ramping up to a full-blown campaign.

You will learn a lot from your first customers. You will learn about what customers will and won't accept. Specifically, how far you can push in terms of price point but also the way in which you package up your different modules or services. You don't want to lose perspective on the hard work you put in creating a product market fit. But, you need to recognise that you will not have been able to foresee everything. It is important to be humble and learn.



Remember that sales does not end with a sale

You need to continue to invest in your customers and realise that your go-to-market strategy does not stop when a deal is signed. As an 'all arms' approach to growth, a go-to-market strategy looks at all options for continued development. That means paying particular attention to the lifecycle of customers, grabbing opportunities to upsell, re-sell, cross-sell and, above all, maintain a customer contract.

Most SaaS businesses operate on subscription models. A customer is as valuable as the length of their contract. Fundamentally, if you can keep average churn rates low, you will open up the possibility for greater sales investments even for a low ACV product. It is still risky to overspend when selling a low-priced service. But, the longer businesses stay customers, the greater return you will receive on any customer acquisition investments. The fastest growing and most stable SaaS businesses invest in customer retention and upselling - you should too. acquisition investments. The fastest growing and most stable SaaS businesses invest in customer retention and upselling - you should too.

Tips for Generating Demand on a Budget

When you're an early-stage startup, driving demand while keeping costs low can be a challenge. Once you have a clear idea of the segment of the market you're targeting, here are some low-cost marketing strategies that will drive demand without taking up too much of your budget:

Customer Advocacy

Genuine recommendations from early customers are really valuable. To do this, you must have a great product backed up with great customer service. If your customers have a fantastic experience using your product, it encourages people to become brand ambassadors. Make sure you nurture your customers and let them know they are important to you, and they may reciprocate.

Free Trials

Offering free trials means prospects don't have to make laboured decisions about trying out your product. Potential customers don't have to wait for a demo or think too long about whether they really want to switch from existing solutions. Instead, they can test out your product and see its value without a huge level of commitment. Once they're in your funnel, all you need to do is convert them into paid customers.



Demo Videos

A short video on your website that gives prospects all the key information about your product is an effective way of showing its value without taking up too much time. The buying decision process for SaaS products is often short, as prospects don't want to spend a lot of time decision making. They are looking for the best solution to their problem that's worth the cost — encapsulating the reasons your product is this solution in a short video is a great way of giving them the information they need to make a decision in a simple format.



Content Marketing

If you have a tight budget, content marketing is a good investment because it maintains its value even after you stop actively spending on it. It is also a great way to drive traffic to your website if you get it right. The more you update your website, the more Google will reward your website in the rankings. Aim to get two new things on your website per week and you should see a difference.

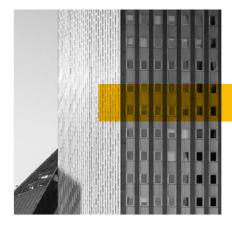
When considering what to write, focus on creating value for the reader. Writing content that aims to answer questions your target audience wants to know the answer to offers them real value and will keep them coming back.

Once you have implemented one of these marketing strategies, make sure you track and measure its effectiveness so you can keep improving your process.

Your First Year Running a SaaS Startup

Many SaaS businesses incur significant losses in their first year because of the requirement to invest in new customers. Subscription-based commercial models mean that you have to wait a while to recoup costs. That is something you should remember, expect and anticipate.





The faster you attempt to grow, the more money you will lose up front. That can sometimes lead to confrontational relationships with investors who are looking at the mounting losses and not seeing the immediate revenue. However, it can be important to keep up the momentum and simply continue to spend.

A fundamental reality of subscription-based revenue is that the more customers you acquire, the faster you will spring back into profits. You will also develop the pool of customers you need to begin profitable upselling and cross-selling. Investing early in customer acquisition will pay off if you can then turn around and deliver to those customers.

What You Need to Do: Remember the Basics

What are the lessons you should take from the book?

Collaboration, scalability, accountability and flexibility should sit at the heart of your planning. Most of the problems that early stage SaaS businesses face grow out of an overreliance on processes that won't scale and/or a lopsided focus on a single business function.

Success comes from aligning Sales, Market and Product under a single banner that takes into account a business strategy and pricing model. You need to take a holistic view of your product, your customers and your market to build a process that fits your ACV (annual contract value) and can scale. Then, target your efforts on people who need and can afford your product. Build your team around these outcomes.

Everything relies on a deep understanding of your own product. That is the secret to understanding your market and your buyers. Once you understand all three of these factors, you will be able to craft a go-to-market strategy that will reach your

target market audience and convert prospects without overspending.

As founder, you have the intangible piece — you understand your product.

Within you is the vision that willed this business into existence. That is the key to turning your idea into a scalable success. It all hinges on what your product delivers. That tells you who would buy it, why they need it and the value of that outcome.

All you need to do is formalise your perspective on your own product. Use the context outlined here to grab insights about your customers and the channels available to you. Think about the narratives that will be compelling and the most effective ways to communicate those messages at different stages of a sales cycle. Remember that selling a methodology is more powerful than simply selling a product, and make sure to build your strategy around a pricing model that fits your product.

Once started, remain flexible and open to data. Track your progress, identify key metrics, pick the strategies that work the best and ditch those that fail. Your product may even change. In fact, over time, it almost certainly will. Just keep in mind the core problem you are solving

and how you relate to your market. Shifts that change your growth strategy and change your value proposition should not be taken lightly.

Your first step, however, is to identify and write down that value proposition, develop and target market audience and begin thinking about your buyer personas. Everything stems from here. Start planning and good luck!



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