



SALES FOR SAAS SUCCESS IN THE CLOUD OR HEAD IN THE CLOUDS?

A MAVEN TM WHITEPAPER



INTRODUCTION

The Software as a Service (SaaS) model has revolutionised the software industry. By removing the need to physically ship software and having to set up an in-country support infrastructure, it is now possible to sell software at consistent profit levels, regardless of the location of the customer.

As a result, it is now possible for small, emerging companies to compete on an equal footing with larger international rivals.

Unlike traditional software companies, the SaaS business model is based on long term, guaranteed revenues, rather than a large upfront purchase and has led to a new approach to pricing. Free trials, demos on demand and low entry level pricing are used to entice new customers. Once signed up, the challenge for the company is to sell additional functionality and user licences.

The low level of pricing has also meant functionality that was previously only available as part of larger enterprise software suites, is now readily available as specialist software solutions to an entirely new type of corporate customer.

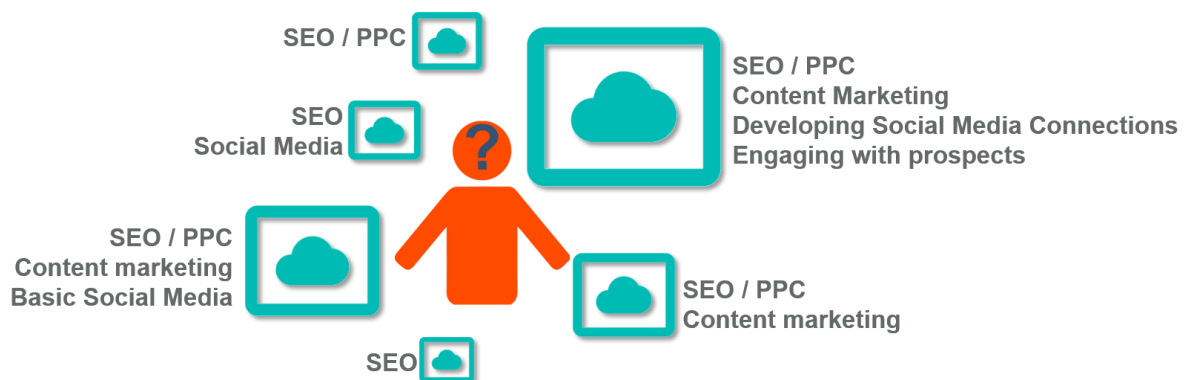
Because of the initial low price points, the traditional sales model does not apply as this can be cost prohibitive, but these companies still need sales to survive and develop.

While SaaS companies obviously invest in well-optimised sites and are typically very comfortable in working across social media and other online channels, there is still a “build it and they will come” attitude.

INCREASINGLY COMPETITIVE MARKET

As new SaaS solutions are launched – seemingly daily – the market is becoming increasingly crowded. Companies that only recently were seen as the new kids on the block challenging incumbent players, are themselves now the challenged.

How to make your SaaS solution stand out from the competition



This increasingly competitive landscape means that SaaS companies need to work harder to attract – and retain – customers. The main attraction of the SaaS model is the ease of signing up customers but it is also the greatest risk, as it is just as easy for them to move on somewhere else.

To overcome these risks, companies need to invest in awareness and lead generation, while also focusing on customer care. As has previously been indicated, many specialist SaaS providers - especially in their first couple of years in business - typically do not have the time, staff, money or inclination to spend their time on mundane lead generation work.

These constraints also mean that they do not have the resources to regularly engage with the customers. As a result, they miss out on the opportunity to understand any customer issues and resolve misunderstandings. This lack of interaction means they are missing out on the opportunity to build the relationships that will guarantee long term customers and to upsell to generate additional revenues.

So the real dilemma facing SaaS providers is how to adapt the methods and techniques of the older enterprise software sales model at a cost that works within the new SaaS business model.

There are three main customer steps to a successful SaaS business – Find, On-board, Nurture.

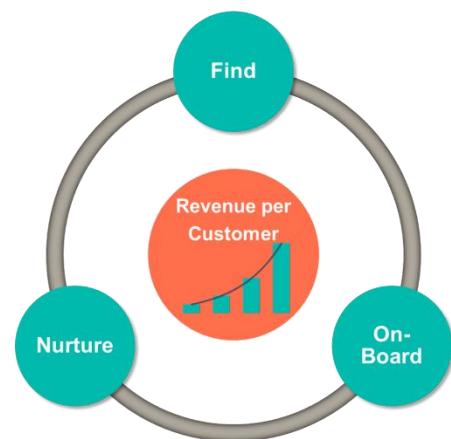
FIND

While SEO and PPC advertising have an important role in finding new customers, you need to ensure that they are looking for what you can provide. With new and innovative services, this can be difficult.

Social Media can help with this through the sharing of interesting content that proves you understand the issues your potential customers are facing – but it can be a slog to find people to connect with and also to generate and find relevant content to keep them interested.

Remember, just because you are ready to sell, does not mean they are ready to buy – so you need to keep your name and message in front of them. Unfortunately, this takes time - and for SaaS entrepreneurs building out their product and trying to keep competitive, time is the one thing they don't have!

Good old fashioned sales techniques such as prospecting – and actually talking to people - also have an important role to play in attracting new customers so this has to be added to the mix.

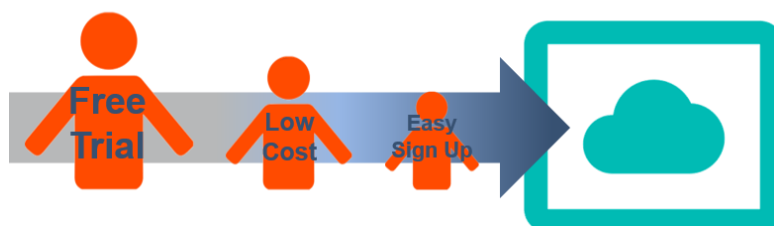


ON-BOARD

This is the stage that most SaaS companies get absolutely right as on-boarding is built into the software and is effectively self-service. By getting the customers to do the work themselves, costs to the supplier are minimised and the time from customer decision to go-live is reduced to mere minutes.

Coupled with free trials or low entry costs, this approach reduces the opportunities for customers to pull out, so it is easy to gain customers once they are looking at your site.

Quick Customer Acquisition Route



Unfortunately, this stage does not work in isolation. On-Boarding can only work once a prospect has found you. Also, some people, especially in more conservative markets and industries, still feel the need to talk to someone before making a purchase and the automated, self-service SaaS model does not often include this element.

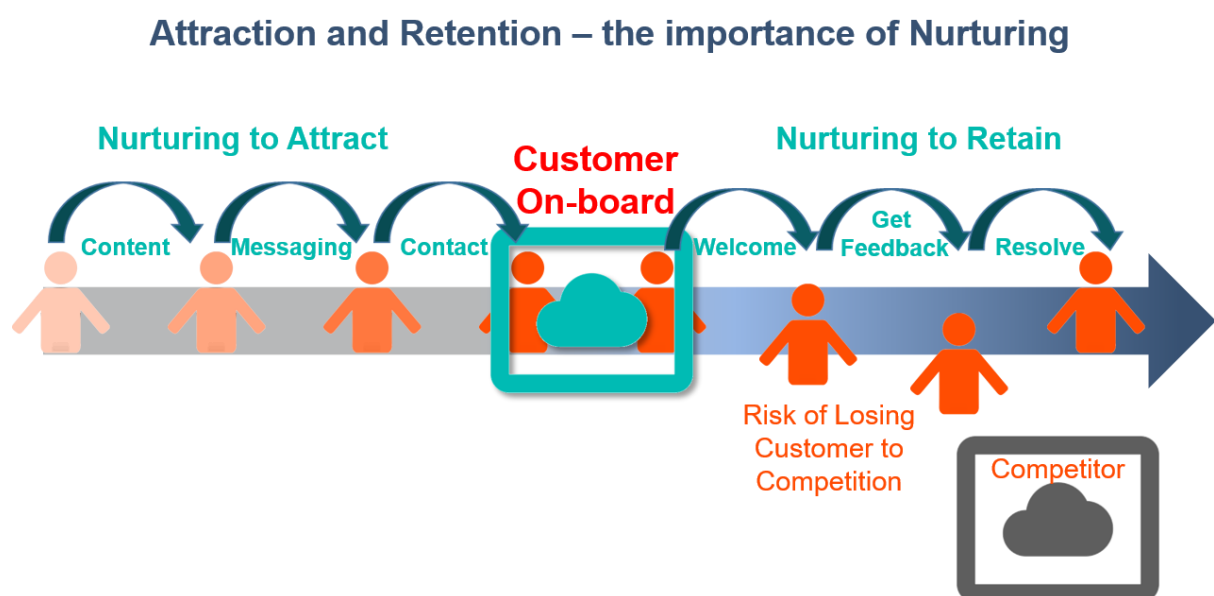
The most overlooked aspect, however, is how to treat the customers once they have signed up. While automated emails generically welcoming a new user may work for some, it is guaranteed that what has been crafted as warm, friendly messaging, will be regarded as patronising spam by a proportion of your customers.

NURTURE

While nurturing is typically used to describe the process of keeping potential customers warm before they sign on the dotted line, in the SaaS model it has an additional and arguably more important role.

In this model, nurturing should extend beyond initial customer acquisition and focus on getting customers to stay for the long term, extend their use of the solution and ultimately, spend more.

Many SaaS companies overlook this stage. This may be because of a lack of staff or resources, but they are forgetting one essential fact. If it is easy for new customers to sign up, then it is just as easy for them to leave and sign up with someone else!



A NEW SALES MODEL FOR SAAS

A new sales approach, combining the best aspects of the old enterprise software sales model with the advantages that SaaS can deliver, is essential for SaaS sales success. What will this look like?

There are clear techniques suitable for each of the stages described above that take into consideration the unique skillsets and practical limitations of the SaaS business model.

HOW TO FIND CUSTOMERS?

SaaS companies have an immediate advantage because they understand and are fluent in online and digital techniques that are still a mystery for some of their non-SaaS competitors.

As SaaS companies are built around a website, they can build in optimisation from the ground up, ensuring that popular and appropriate SEO-friendly terms are included and utilised properly in all text throughout the site. Not only will this ensure good search engine rankings, but will also provide an excellent foundation for an effective pay per click campaign.

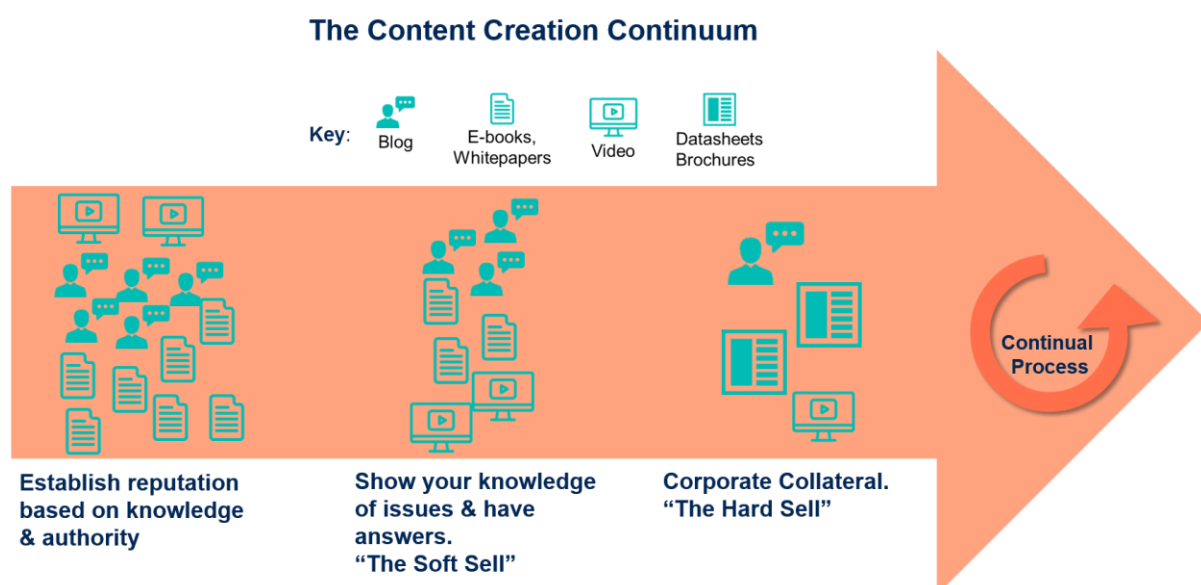
Unfortunately, this is only really beneficial if the service is a solution to an existing issue – i.e. one linked to likely search terms. If the service is new and innovative, then there is no guarantee that potential customers are looking for it.

To make sure potential customers find new SaaS companies, then those companies need to raise awareness of what they offer.

Content marketing is key to this. While new players in any market need to create awareness, they also need to establish credentials as experts who understand their market. This unfortunately will require some investment in time – producing content to help demonstrate they understand the industry and problems that players within it can face.

One mistake that new companies can make is to focus on overt sales collateral such as datasheets and product brochures. While these are important, they should, at least at the beginning should make up just a small proportion of the content created.

The focus should be on content that demonstrates credibility mixed in with some containing subtle sales messaging. In this type of content there is also a place for unsubtle messaging but it should be used sparingly.



This illustration shows the three types of content needed for a successful content marketing strategy and the rough proportion of content, of whatever type, throughout the mix. This is shown here as a 3:2:1 ratio. While this is not a prescriptive amount, it reflects the amount of effort recommended for each phase.

Establish Reputation

The main effort should be spent on producing general educational and informational content. This has two main purposes, particularly for new solutions;

- 1) To demonstrate both corporate and individual (for key personnel) knowledge, expertise and understanding of the market the solution is targeting.
- 2) To establish a source of information for people wishing to learn more about the subject in which the company operates. While most, if not all, of those consuming this content are not prospective customers at the time – this creates a sense of goodwill and keeps the company name to the forefront of these people, some of whom will eventually be looking to buy at some point in the future.

The Soft Sell

The next stage of content is where sales messaging can be introduced. It is designed to convert people from casual consumers of content to potential sales leads by adding product specific messaging linked to educational content, i.e. “Describe an issue relevant to the market segment and demonstrate how your product can be used to deliver improvements and other benefits.”

Ideally, this content should still be interesting enough for those wishing to learn more about the subject, while having enough information to convert these people into prospective customers.

The Hard Sell

Once someone has expressed an interest in the product, then they need to be presented with specific sales-focused content to help drive them along the buying process. It should be designed to answer any questions or objections that may arise as a prospect makes the final buying decision.

Sharing the content

The main challenge with content marketing is to make sure it reaches the appropriate audience. Again SaaS companies have an inbuilt advantage with their knowledge and understanding of Search Engine Optimisation so people can find it.

However, if they are offering a new product in a new area, this needs to be supplemented by more proactive techniques such as Social Marketing – sharing all content with followers, joining LinkedIn groups containing the target audience and maybe using social media advertising if budgets are available to target the correct audience.

There are also a lot of content sharing or aggregation sites with millions of subscribers that should be investigated and utilised where possible.

The Never Ending Story!

Creating content is a continual process. New content is essential to maintain interest and it shows you are in tune with changes in the market. Blogs are a useful way of producing this new content quickly but it is not always necessary to produce brand new content.

Some content can be repurposed and there is nothing to stop you recycling older content (updated if necessary) by re-promoting it.

It will also take time to build up social media – and other - followers so it may look as if all the effort spent in content creation is not delivering results. Be patient – success will come!

HOW TO GET CUSTOMERS ON-BOARD?

One of the key advantages of the SaaS business model is the simplicity of on-boarding customers. It is important to keep this as simple as possible. Do not have complex sign up procedures, or demand credit card details with a long commitment. The idea is to hook the customer quickly.

The main advantage of the SaaS model is the ability to offer free trials and free basic service tiers. These are key tactics to encourage users to sign up.

However simple the process is or how automated the sign up process is, prospective customers will still have questions. SaaS companies are often not set up to answer these in a timely fashion so customers could fall at the last hurdle.

It is important that you have mechanisms in place to get these people on-board as customers.

HOW TO MAINTAIN REVENUE FROM CUSTOMERS?

Maintaining revenue comprises two elements – keeping them as customer and then trying to get them to gradually increase their spend with you.

Keeping the Customer

While it is easy to sign up customers to a SaaS service, it is also easy for them to leave and sign up to an equally easy competitor. While contract limitations can help slow this down, it is important that the contract terms are not so onerous as to prevent customers from signing up in the first place.

The other danger is that if customers are signing up for free, they are not invested in the product and so can simply stop using or switch to an alternative in an instant.

The only way to prevent customers (paid or free) from leaving is to create meaningful contact with them. Many SaaS companies believe that automated welcome emails meet this requirement. Most users recognise automated communications and so this does not make them valued as a customer.

Of course the low (or no) price point of many of these services may make it not economically viable to build an internal customer service team. However, it is important that there is some mechanism to enable meaningful contact.

Increasing Revenues

While the short term business realities may not make it feasible to have internal teams maintaining contact with customers, the long term benefit is that it builds relationships and it is only in the context of a relationship that the usage can be embedded in, and extended throughout, the customer's company. This also creates the opportunity and context in which to upsell additional functionality.

In short, keeping in touch with the customer is the only way to ensure your revenues are maintained.

SUPPORTING A LOW PRICED PRODUCT WITH A HIGH VALUE SERVICE - HOW MAVEN TM CAN HELP

Success in the SaaS area still depends to some extent on traditional sales techniques – but these can be costly and resource intensive. Maven TM's unique range of services designed for SaaS companies allows companies to offer the level of customer contact and service needed, at an affordable, scalable cost.

Content marketing – such a major part of lead generation activity – and the social media placement and monitoring needed to expose it to the widest possible audience is very time consuming – and not something that many SaaS companies will be able to properly resource. Maven TM can build this into a fully integrated lead generation plan.

Maven TM can even take over your entire sales cycle to free up your time to ensure that your business is the best it can be. Our expert staff can provide a full funnel wide inside sales service where they will represent you as if they were a direct employee. We have a great track record of doing this to the highest professional standards, so you can relax knowing your reputation is in safe hands.

We find the prospects, provide demos, respond to queries, guide prospects to the right subscription plan and sign them up – while keeping you fully informed through regular and open reporting.

Maven TM can be with you throughout your business journey – even providing a flexible multi lingual service when you are ready to expand into new markets.

To find out more, contact us today.

Funnel Wide Inside Sales for SaaS

