

B2B SAAS SALES

Chapter:

PRESSURE TO ACT – REQUIRED TO SELL/REPEAT



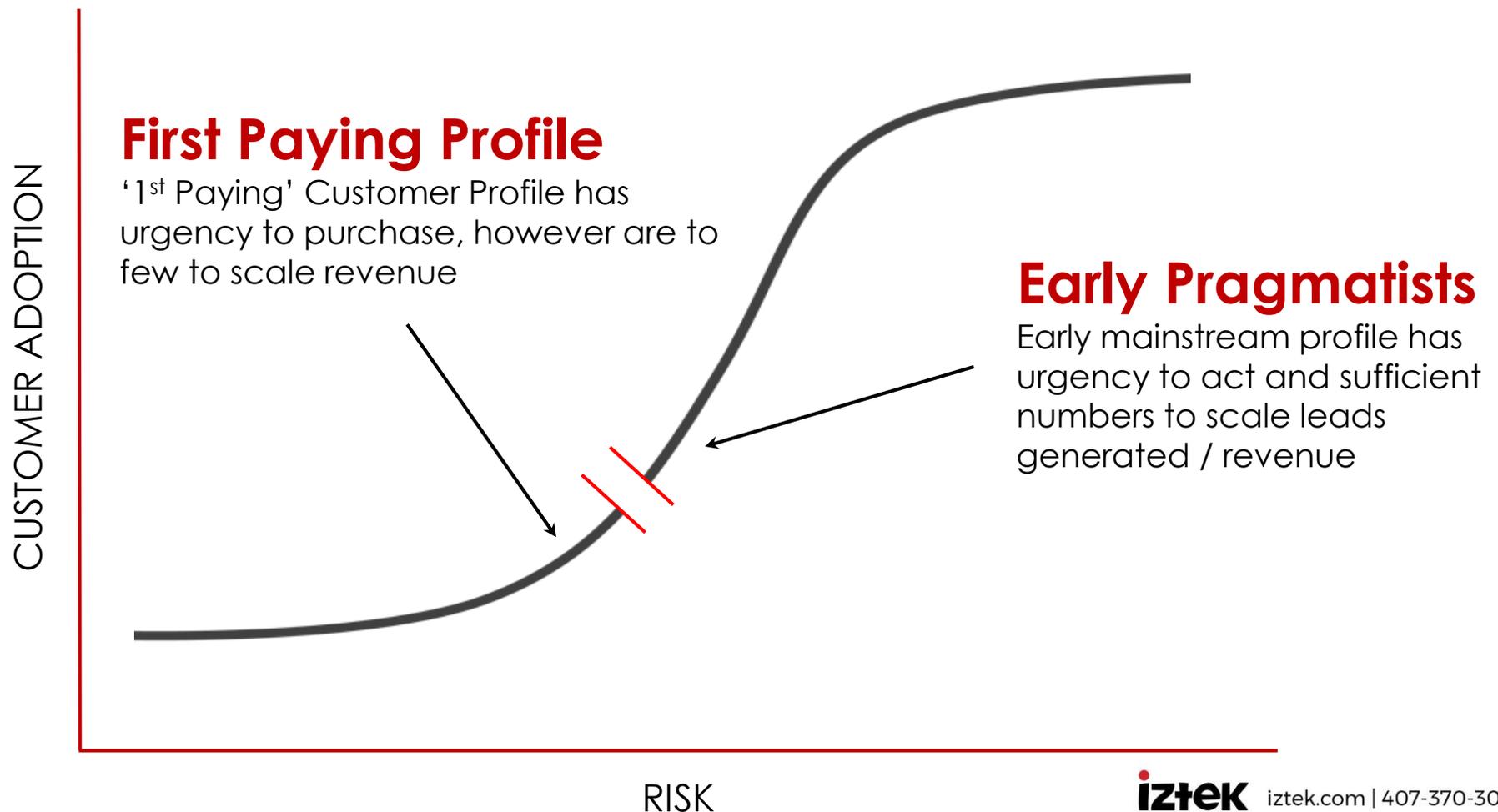
Geoff Moore wrote 'Crossing the Chasm' about early stage companies crossing the chasm to find their first scalable mainstream customer. He points out that potential customers with urgency act different than those that don't.

Yes, they purchase.

Pressure to act, also known as Urgency, is required for a B2B lead to be qualified. Without urgency, most B2B leads should be disqualified.

Urgency by Adoption Curve Position

The first set of paying customers has urgency to purchase. These early enthusiasts are too few in number to scale revenue. A scalable set of customers needs to be defined.



Urgency – Defined

A common lead generation mistake is to list all the problems a product can solve and assume this means the customer has urgency to purchase. Not correct.

Urgency are those top problems [2-3] that have such pressure that the target customer is already acting to solve the problem.

Proof of this pressure is provided by the prospect. When they learn of the company's solution, they respond with “where have you been for the last ___ months!”

The road to lead gen. failure starts with the lead gen. team needing to ‘create’ urgency.

Urgency Defines Ideal Customer

Of all marketing/lead generation work, we believe that finding urgency is the single most important.

Selling to mainstream customers with urgency is when sales gets exciting. Working to find the right profile with enough urgency is often a struggle. This effort is paid off when the pressure is fully defined. Compared to the struggle to find urgency, selling to pressure to act feels easy.

Product Customer Fit is selling in a defined product niche. In which your expertise is clearly understood and accepted. And the prospects are motivated to act by the pressure they want to remove. This is your 'ideal customer profile.'

'Creating' Urgency – An Opportunity Killer

Creating urgency has many costs:

- Budget
- CXO time
- Cash flow
- Sales team skill

Of all of these costs, we suggest by far the most damaging is the opportunity cost of not deploying successful into the marketplace within the available window. Creating urgency takes massive amounts of effort, which takes massive amounts of time.

Few funded startups can afford the opportunity time cost to create urgency. [Even when run by Ivy League MBA's.]

Cost of Minimal Urgency

When Per contracted to American Express Financial Advisors, Amex took 5.5 years to break even on the cost of acquiring a new financial planning client. The industry average was 5 years.

Financial planning and life insurance are two well known industries which have little natural urgency.

Getting married and having a child are the standard points of urgency for life insurance. Getting a million dollars from a deceased relative is the equivalent in financial planning.

Absent those life events, little urgency exists. Thus the cost of client acquisition is measured in a half decade. As powerful as recurring revenue is, can you wait 5 years for your break even?

Amex finds Urgency – Defines Niche

American Express Financial Advisors created the idea that financial planning should be an employee benefit. Launched as a financial planning innovation, the sales results were minimal. Per was contract to help determine why and how to successfully implement.

The key sales hurdle was a lack of urgency. As a 'nice to have' benefit companies had no pressure to act. Then the Supreme Court ruled companies could be held liable for their employees' retirement. When a company changed their 401 provider the court ruled that employees must be given an opportunity for education on their retirement options.

With this urgency defined we met with those companies that had announced a 401k change. Assets acquired from the new way of selling went up 5,280%.

Urgency Absent – B2G

A note on B2G. In our experience, government agencies have little to no urgency to improve their results.

A B2G engineering firm recently said that it takes a year for their request for a RFP to be acknowledged. They have a signed contract from 2007 that has not be implemented.

In B2G sales we have found that Professional Value [one of the attributes in the iZtek value prop model] is most important to qualify a prospect. If you can define this value, the sales process might take less than several years.

We recommend adding B2B target customers as soon as is feasible.

Defining Urgency Improves All Work

Pressure to act is a foundational piece to all revenue growth work. Better defining this pressure improves all marketing, lead generation and sales work.

Next steps

1. Define urgency for each target customer profile
 - Summarize company's experience with selling to prospects with pressure
 - Read article 'B2B Value Prop Model'
2. Disqualify prospects who lack urgency
3. Call a lead gen. expert, we suggest iZtek

Per Heistad, B2B Sales Expert

Per Heistad is the principal of iZtek, he has Fortune 500 experience in sales team lead generation. For 7 years he was contracted to American Express Financial Advisors where his work improved their sales team prospecting. In the 12 years since Amex he has worked with dozens of early stage companies. Per's sales system expertise includes defining Product Customer Fit, value proposition models, target customer profiling, lead generation campaigns/messaging and management structure.

Two key lessons from Per's Amex experience:

- Lead gen. is a science just as marketing and sales is a science. This science is well understood by \$40M tech companies.
- The greatest opportunity to grow revenue is always outside of the company. Internal company improvements are the lowest hanging fruit so those are the first to be made. That leaves the greatest opportunity to grow revenue outside of the company, e.g. better defining the customer's urgency and value.

When not generating leads, Per is well known for his wood fire cooking skills, his sport is free diving, Haiti is a favorite county to visit and he is hoping to find a lady for whom he can be her trophy husband.

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Seamless Integration with Sales System

