BLUEPRINT

The SaaS Sales Method

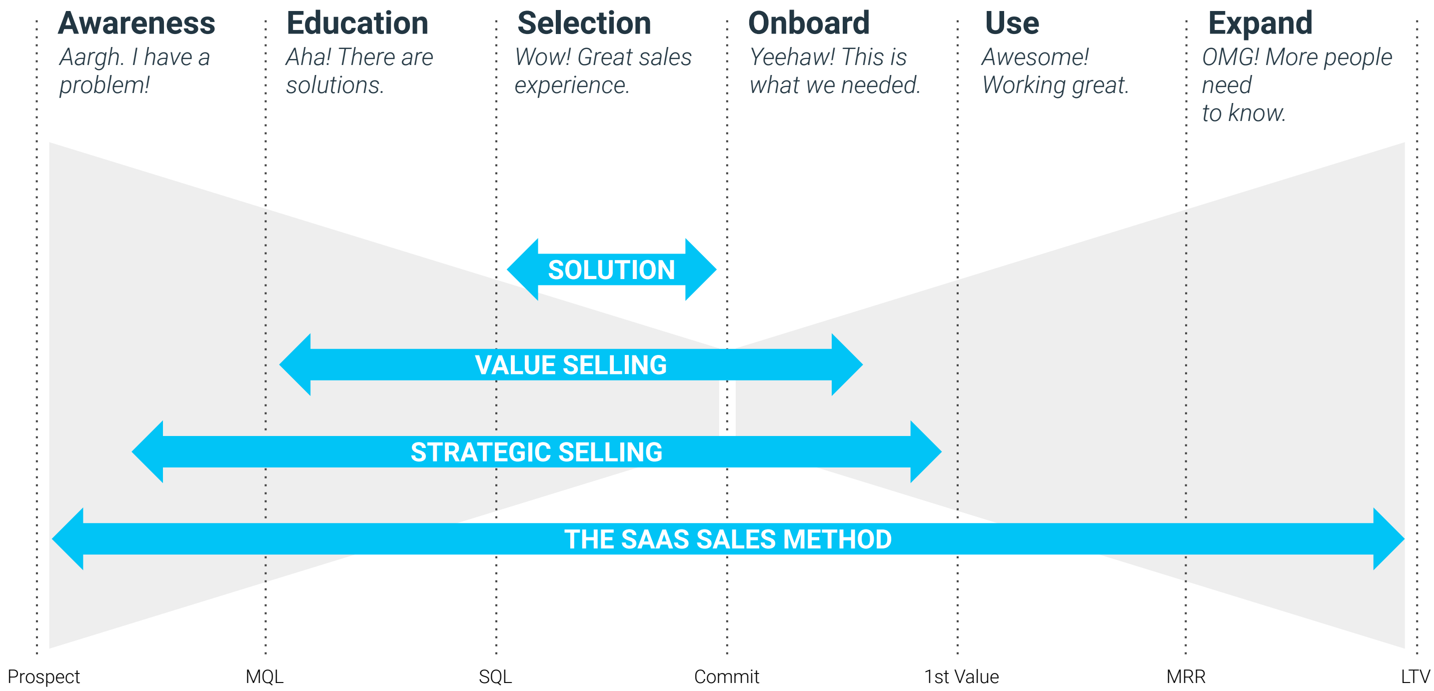


Figure 1. Visualization of different selling methodologies

The SaaS Sales Method involves the cumulative application of fundamental skills and processes by all customer-facing employees. It emphasizes the importance of discovering, communicating, and delivering business impact consistently across the entire customer journey.

Consultative Selling

Consultative selling involves selling solutions for known problems, optimized around the highest price at a high win rate. One of the earmarks of consultative selling is avoiding (or influencing) the RFP/RFQ process. This methodology includes a hierarchical buying process in which sellers focus their efforts on identifying and influencing a decision-maker.

Strategic Selling

Strategic selling involves selling innovative solutions to specific accounts — even if they do not experience a problem. One of the earmarks of strategic selling is an on-site "workshop" with executives from the prospect's team who are motivated to optimize or overhaul their business. This methodology often requires organizational selling — when executives from the seller reach out to the executives from the buyer.

The SaaS Sales Method

The SaaS Sales Method commonly involves selling disruptive solutions. It is optimized around lifetime value and requires selling based on priority. SaaS sales typically operate at a high velocity and use online selling techniques. This method is focused on a consensus-driven decision process in which the executive is not enforcing a decision but a buying process.

From Qualification to Impact

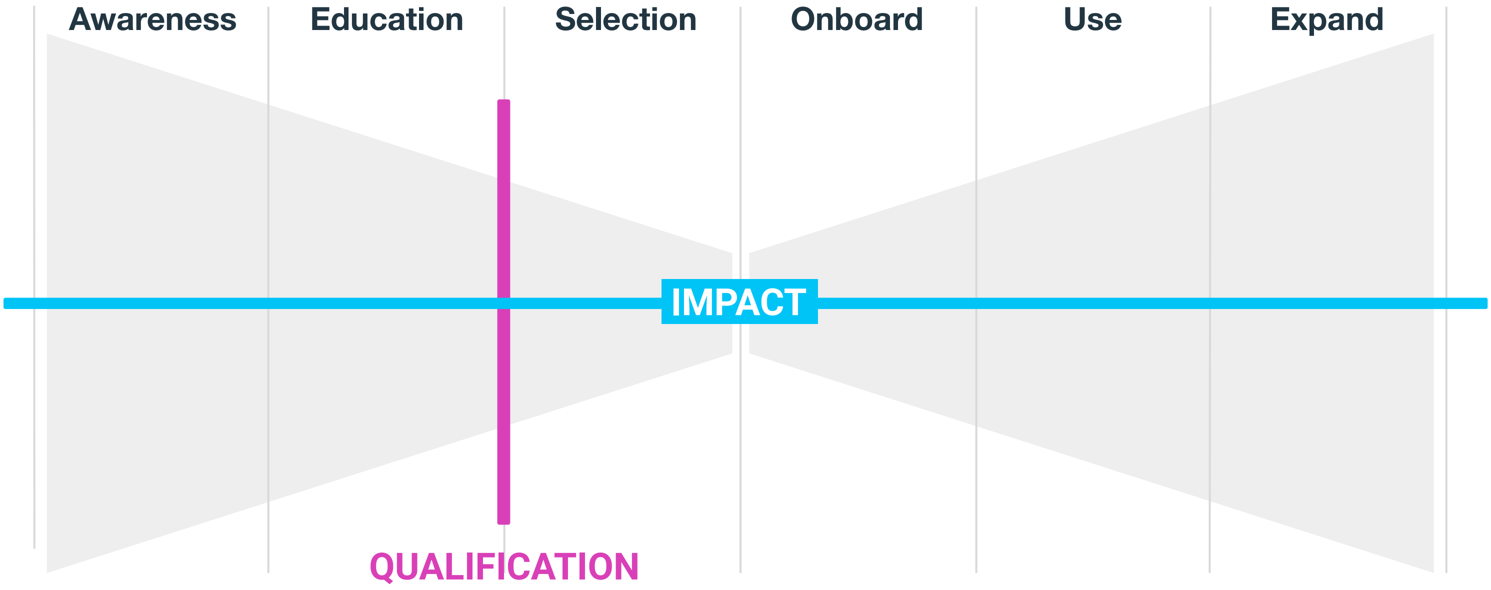


Figure 2. The difference in qualification criteria based on budget (one-time) vs. priority (anytime).

Marketing and sales have traditionally operated in silos, which resulted in hand-off points where qualification criteria were used. For example, the Sales Qualified Lead (SQL) often uses a version of BANT for qualification.

Qualification Driven (BANT)	Impact Driven
Buyer has a **budget**. The salesperson must find the budget owner and assist in allocating the budget (buyer buys one or two software solutions a year, priced in the millions).	**Priority** of the project is the most important criteria (the prospect buys dozens of projects a year, and needs to prioritize; budget is not an issue).
Hierarchical decision process: you must find the senior decision-maker who has the **authority** to overrule the decision of lower levels if needed.	**Consensus**-driven sales process: a single user can overrule the decision, so you must make sure everyone is happy.
Uses value as the basis of **need**.	Uses **impact** as the basis of need (see Fig. 3)
Achieves value in a specified **time** — such as quarters or years.	Achieves impact in **weeks to months.**
In consultative selling, BANT is used as a gating function between **Lead** and **Opportunity.**	In SaaS selling, there is a focus on achieving **impact** at any point in time.

Table 1. BANT Qualification vs. Uncovering Impact

Key Moments that Matter

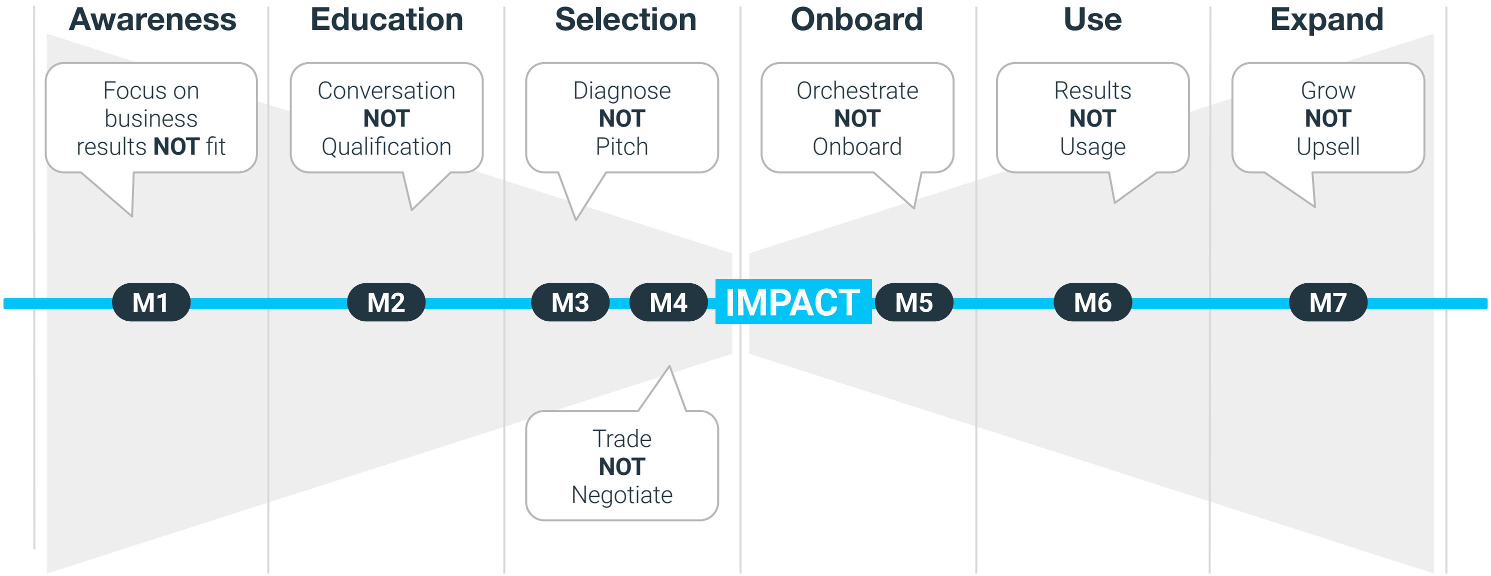
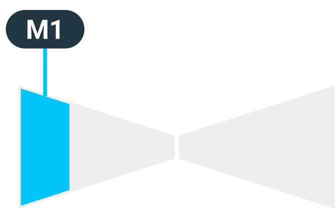


Figure 3. The seven Key Moments that Matter.

Focus on business results, not fit

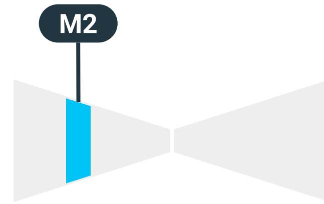


Before talking to a single customer, before sending any emails, and before displaying any advertising, the sales leader, team, and each individual salesperson must develop an understanding of the customer's pain points and how their solution can deliver real business results to alleviate those pains. In the SaaS Sales Method, the concept of "fit" is reframed by impact.

EXAMPLE

A car salesman must understand that he is not selling a car — he is selling his customers the ability to get to work and provide for their family. In fact, Uber actually realized that impact could be unbundled from the car itself. Uber now sells pure impact — the ability to get around — to its customers.

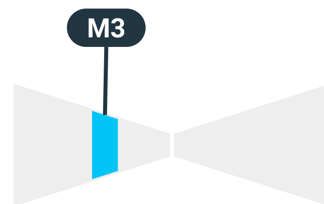
Conversation, not qualification



Depending on your team's size and structure, you may have SDRs who determine whether a prospect is "qualified" for your solution. Instead of qualification, we recommend focusing on the fundamental skill of conversation. Conversation is a more natural, more human activity. It helps you connect with the prospect on an emotional level and further uncovers their real, pressing pain points.

After this key moment, your SDR should have a clear idea of whether, when, and how your solution can have an impact on the prospect's business. More importantly, they should have managed the conversation in a way that pushed the prospect to verbalize the problem themselves and envision a potential solution.

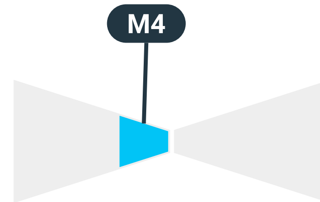
Diagnosing, not pitching



We're not the first to say "prescription without diagnosis is malpractice," but it is still very true. During the education process, the prospect already realizes they have a problem, and the conversation they had with your SDR helped crystallize that fact. This is not the time for a hard sell — nor is it ever, anymore.

The more a salesperson can do to understand the customer's pain and the potential business impacts they'd like to achieve, the better the salesperson can recommend a solution that actually benefits the customer and their business.

Trading, not negotiating

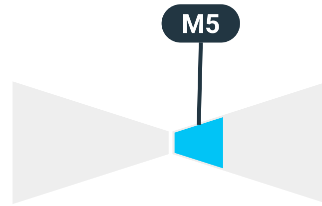


This single change in wording and emphasis can have one of the greatest effects on your cumulative sales. When salespeople sit down to negotiate, they tend to think in terms of dollars and percentages increasing or decreasing. They often give away discounts far more than they should — and often for little or nothing in return. Our experience shows that most deals that reach the negotiation stage seldom turn on price.

We recommend that salespeople think of negotiation as “trading.” With trading, both parties give up something of value in order to benefit. There are any number of things a customer can do for you that could significantly benefit your business. References, case studies, social media mentions, PR quotes, and other items should be included on your menu of trading options at different discount levels.

This also helps put a price on discounts. When we pay attention to the price of something, a market is created and its value becomes clear. For example, when a customer isn’t willing to do a PR mention and turns down the discount, the discount rate goes down. This single change may cause the average discount to drop — say, from 20% to 10%.

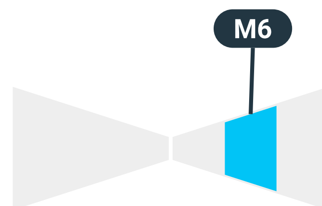
Orchestrating, not onboarding



The term "onboarding" has lost its meaning through overuse. While the technical setup of the solution might be both the buyer's and seller's immediate concern, it does not cover the larger missed opportunity that this first big customer interaction after having made a commitment represents.

Rather than just onboarding the customer onto the solution, consider this engagement as an opportunity to orchestrate the entire business relationship going forward. During Orchestration, while the customer is still sold on the solution, you should guide how the relationship will develop, set the milestones at which the customer judges success, and ultimately ensure the relationship has a real impact on their business.

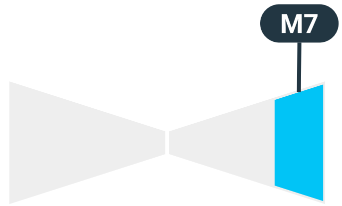
Results, not usage



Many customer success software platforms track product usage. Whether measured in terms of percentage of seats used, number of logins, or number of features used, product usage is often a proxy for success. This is a bit ironic, because the software doesn't measure the success of the customer, but rather the success of the product itself.

A more impact-focused approach would be to explore whether the customer is getting the results they need from the product. After all, from the customer's standpoint, what could be better than solving their pains with the minimum amount of usage possible? We recommend that Customer Success Managers (CSMs) and Account Managers (AMs) focus on the fact that the customer is buying impact, not usage.

Growing, not upselling



“Land and expand” is a buzzword and, while useful, it’s a metaphor rooted in conflict — it implies that the customer is like a territory that should be mapped, flanked, and conquered. And it is reasonable to assume that this is not how the customer views your relationship.

Instead, we recommend that expansion teams (usually Account Managers) think about growing the customer relationship and growing the customer’s business by expanding the positive impact your solution provides. Whether that impact is lower cost, higher revenue, or improved customer experience, it is the impact that matters to the customer. The more impact that’s delivered, the more the customer will want to use (and buy!) the solution.

EXERCISE

1. **Create a simple table with metrics for each of your teams. See an example below:**

ACV: $12,000	Prospects	CR1	MQLs	CR2	SQLs	WR	WINs	Disc.	ARR
Team -2	1,000	28%	280	18%	50	17%	8	20%	$921,600
Team -1	1,000	29%	290	19%	55	18%	10	15%	$1,224,000
Average team	1,000	30%	300	20%	60	20%	12	10%	$1,555,200
Team +1	1,000	31%	310	21%	65	22%	14	5%	$1,915,200
Team +2	1,000	32%	320	22%	70	25%	18	0%	$2,592,000

2. **Try varying each Conversion Rate (CR1, CR2, WR, and Discount) by a few points. Can you calculate which one of the Conversion Rates by itself has the most impact on ARR?**

3. **Calculate the impact on ARR if all of your Teams improve at the same time. Compare Team -1 against Team +1. What happens to the ARR?**

4. **Using the Key Moments discussed above, come up with a plan to improve each moment by 1-2%.**

Conclusion

The compound impact of each department making a small improvement is hard to imagine, but it's an exercise that every executive team should perform—it often gets everyone on the same page. Come up with a plan for how your teams can improve each of these conversion rates with a few basic actions.

- JACCO VAN DER KOOIJ

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