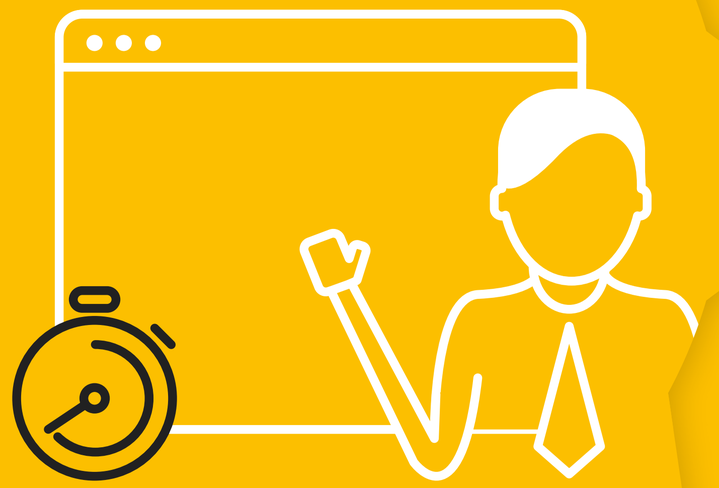

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Convert 22x More With Immediate Software Demos

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Find out more about CrankWheel: Generate 22x More Conversions **Give us a Call**

Introduction

Software is big business. Gartner estimates that IT spending will exceed $3.5 trillion in 2017, with $357 billion of that spent on software services, a 7.2% increase in 2016 global software revenues, which were around $333 billion.

Unfortunately, as many startup founders soon discover when they start recruiting a sales team, throwing more resources at the problem of grabbing a larger slice of that pie does not guarantee success. Once you've raised a seed or series A round, the clock is ticking. You need sales people who can deliver, every day, every week, every quarter.

Not all salespeople hit targets. Numerous studies show that, on average, around 67% - 75% of sales people miss target. A series of poor performing weeks soon add up. One or two bad quarters could spell disaster, so you need your team equipped with tools, a strategy and skills that can get the job done. Your sales team also need a steady supply of qualified, high-quality leads. Together, marketing and sales need to work as one team to drive revenue forward.

Time is everything. Speed is essential. Calling a potential lead within 5 minutes of an inquiry (e.g. them handing over an email or phone number through a landing page) increases the chance of successful contact 100 times. This prospect is 22x more likely to enter the sales pipeline, according to the Lead Response Management Study.

Harvard Business Review (HBR) studied 1.25 million inbound sales leads received by 29 B2C and 13 B2B companies in America. From that data, HBR found that those who called a lead within an hour were "seven times as likely to qualify the lead as those that tried to contact the customer even an hour later—and more than 60 times as likely as companies that waited 24 hours or longer."

In this eBook, you will find out **how to massively increase the chance of closing more deals, how to generate more revenue from smart pricing, how to assess whether you've hired enough - or too many - salespeople, how to increase sales with instant demos, and much more.** Keep on reading if you want to increase sales and revenues for your startup.

01 Introduction to Software Sales

01 Introduction to Software Sales

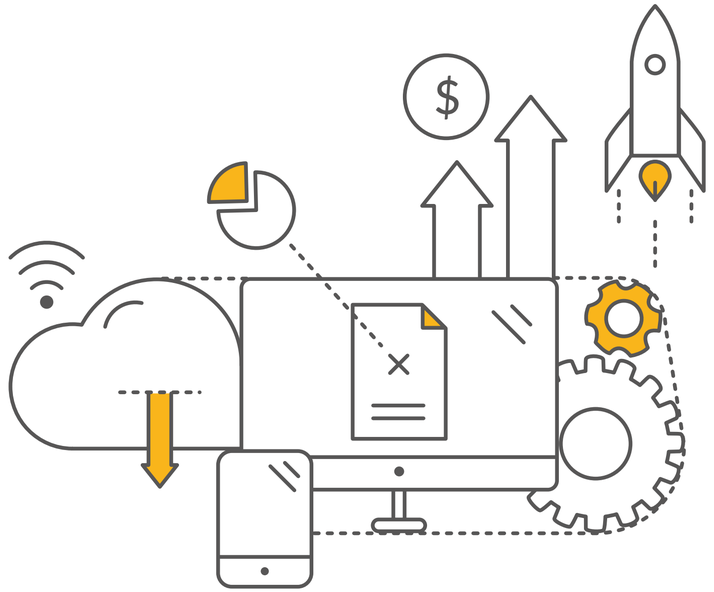
April 06, 2017 / by CrankWheel

Software is big business. Gartner estimates that IT spending will exceed $3.5 trillion in 2017, with $357 billion of that spent on software services, a 7.2% increase in 2016 global software revenues, which were around $333 billion.

Faster Response Times: Warmer Leads

Around the world, a considerable amount of Venture Capital (VC) money was invested in software, with 22% of global VC deals (totalling $134 billion) going into software companies, worth around $29 billion. Those figures don't include money startups raised from friends, family, angel investors and crowd-funding platforms.

Without sales people, sales tools, sales training, and processes to manage the sales pipeline, this massive, multi--billion dollar market would collapse. Millions of people around the world are employed by software companies, with millions more directly or indirectly benefiting from the sector. In the UK alone, 1.64 million are employed in the digital tech sector, with a total Gross Value Added (GVA) of £97 billion, according to a recent Tech Nation report. None of that would exist without digital, technology and software companies.



Software is Everywhere

Sales are the bedrock of every business. Even when a company has investors, it is the customers who are

paying everyone's salary. The role of a salesperson, or team, is to ensure revenue keeps flowing in, at a reliable pace to grow and scale the business.
When we think about software, we rarely think about the technology as a standalone sector. Instead, we think about the role it plays in our economy and society. Developers and designers create the products, but it is the job of sales and marketing professionals to sell the benefits - and the services - into target sectors and markets. There are software products and solutions for nearly every sector. Software that improves HR and recruitment processes. Software as a Service (SaaS) - the most popular form of pricing and delivering technology services - products are playing key roles in the healthcare, health and safety, marketing, retail, travel, property, advertising sectors, and dozens of other markets.

Entrepreneurs and developers who create software products are attempting to solve problems, create more value and help others work more efficiently.

It is the role of sales teams to bring these products to market, win customers, and grow market share within the sector(s) the product is designed to serve. In this series of articles, and supporting eBook, we will walk you through how to sell software, how to increase sales and how to manage the sales pipeline and [demo](crankwheel.com/instant-demos) process to close deals faster.

Outline of the Software Sales Cycle

In every sector, sales involves a familiar, repetitive pattern. Generally speaking, sales is split between hunting and farming activities: Also known as prospecting (for new leads, business development) and account management (generating more revenue from existing customers).

Depending on priorities - fast growth (a common demand in the software sector) - or steadier growth, a sales executive will probably spend more time bringing in new business than working on increasing revenue from customers. It also depends on the size of the company and number of customers. Some need dedicated account managers, to ensure customers can be looked after and they can up-sell other products and services when the need arises.

For the sake of this article series and eBook, we will focus on the work that goes into generating revenue from entirely new prospects; therefore, we will apply everything from the perspective of business development teams and managers. Here is a traditional sales cycle that should be familiar to anyone who is experienced in selling software:

Download The New Software Sales Funnel Infographic

1: Prospecting

One way or another, you need cold or warm leads in the pipeline. Cold prospecting usually involves making your own database - scraping contact details from target prospect websites and social networks - or buying data. Sometimes prospecting involves both.

Software companies are also heavily invested in inbound marketing. Money is poured into marketing efforts and leads come out the other end. A combination of efforts - usually content, social media, advertising - can result in potential prospects voluntarily handing over email addresses and phone numbers. At least this way, a prospect is warmer and more receptive to a call: Your company has already given them something of value - an insightful article, or eBook, for example - which makes the job of selling the value the software creates somewhat easier.

2: Qualify the Prospect

Before you pick up the phone, send a LinkedIn message or an email, you need to know that this prospect won't waste your time. You only have so many hours in the day to make sales call, meetings and book demos.

Check that they are likely to have the problem(s) that the software solves. Does it look like they have the budget? Who do you need to speak to? Who are the decision makers or other staff that might play a role in making the decision?

Find out everything you can, and then make contact.

Don't give up after one attempt. An effective sales process should involve multiple attempts since research shows that 80% of sales require five emails and calls to close the deal. Getting someone's attention could also involve multiple calls and emails.

3: Book a call / Demo or Meeting

Once you've spoken to the prospect - or they have confirmed interest via email - you need to book the sales demo, call or face-to-face meeting. Many software companies are already selling globally, or the sales process requires potential clients see the software.

What we're describing here is the standard process, but note that with CrankWheel's Instant Demos you can skip ahead several steps and go straight to the demo within seconds, when a prospect requests a demo on your website.

Demos involving screen sharing are the most cost effective way to sell the value of software and increase the chances of closing the sale. Either go live instantly or set up a meeting in the near future.

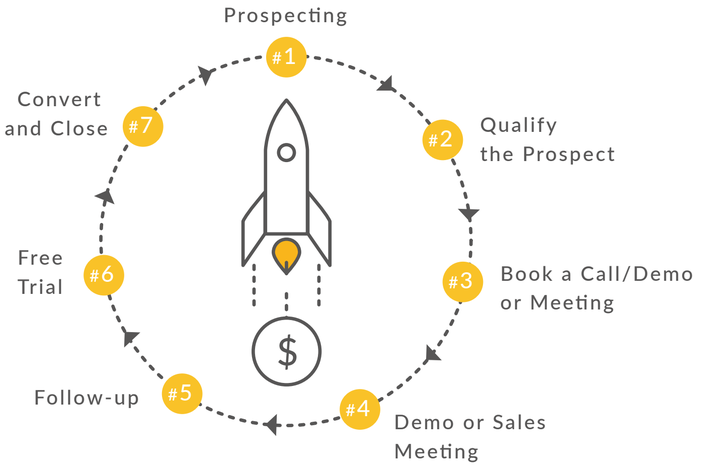
4: Demo or Sales Meeting

Some sales meetings involve a face-to-face demo if you are working with prospects in your surrounding area. However, most involve a headset and the ability to share a screen with a potential client.

Now is your time to impress them. Show you understand their pain points. Listen. Demonstrate what the software can do for them. Answer their questions. Build rapport. Overcome objections. Make sure you finish the call on a positive note so that you know if you can offer the right price, or they are happy with the results of a free trial that they will convert into a paying customer.

Traditional

SOFTWARE SALES CYCLE



Instant Demos at any moment

5: Follow-up

Prospects rarely start free trials straight away. It takes more work to move them through the pipeline. There are often other stakeholders who need to be consulted, questions and concerns that need to be overcome. Be persistent. It can take up to five follow-up calls and emails to get a prospect to sign-up to a free trial.

6: Free Trial

One of the most common sales techniques in software is to provide a free trial, usually 14 or 30 days in duration. Once signed-up, make sure they are actually using the software during this period.

Work with other team members to assist in this, with technical help, content - such as FAQs and Onboarding articles - and customer support, to ensure they have a successful trial experience.

7: Convert and Close

Once the trial is about to expire, you need to know if they are going to start paying. It all comes down to one question, one answer: Yes or No.

Make sure you either convert and close the deal, or get feedback as to why the product isn't suitable for them at this point. Either way, you've learned something valuable, or have a new customer and the commission earnings to show for it.

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02

How to Massively Increase the Chances of Qualifying Sales Leads?

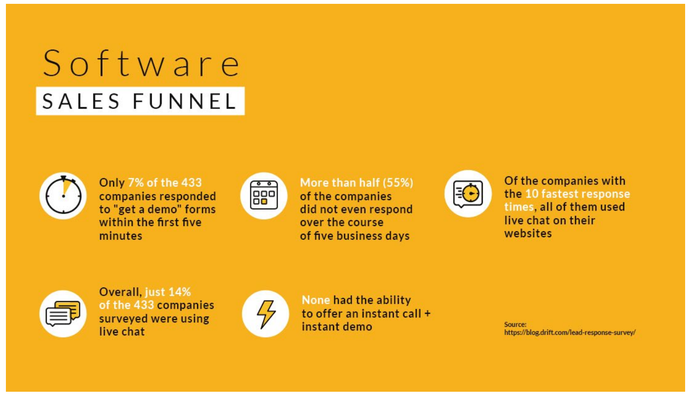
How to Massively Increase the Chances of Qualifying Sales Leads?

March 16, 2017 / by CrankWheel

Calling a potential lead within 5 minutes of an inquiry (or them handing over an email or phone number through a landing page) increases the chance of successful contact 100 times. This lead is 22 times more likely to enter the sales pipeline, according to the Lead Response Management Study.

How to make a good lead go bad?

That isn't the opening line of a Rihanna inspired sales joke. Good leads go bad when sales teams take too long to respond.



Faster Response Times: Warmer Leads

Online sales leads have a short shelf life. As anyone who has worked with an inbound pipeline knows, getting an email address and phone number is only part of the battle. Getting past gatekeepers and having a meaningful conversation with a decision maker is crucial for qualifying a lead.

Harvard Business Review (HBR) studied 1.25 million inbound sales leads received by 29 B2C and 13 B2B companies in America. From that data, HBR found that those who called a lead within an hour were "seven times as likely to qualify the lead as those that tried to contact the customer even an hour later—and more than 60 times as likely as companies that waited 24 hours or longer."

Why is time such a crucial factor? Not so long ago, leads would wait days for a call. Now several hours is a potential deal breaker. We have the Internet to blame. Consumers and decision makers want instant gratification. They have done their homework. Effectively, they have already 'pre-qualified' themselves, researching solutions, reading reviews, reading articles, assessing the options.

When leads make contact, they are, in many respects, asking for you to validate their opinion that your company can solve their particular problem.

Deals move at different speeds in different sectors. In healthcare, where deal sizes are large and go through multiple stages, the average response time is 2 hours 5 minutes. In telecoms, 16 minutes is the average response time. So factor that in, but remember that those who respond quickly have the upper hand. Screen Sharing gives an extra edge to that as it adds visuals to purely verbal communications.

How to Increase Your Sales Qualifying Rates

- Directly connect marketing and sales. Emails and phone numbers that sit in a CRM are useless. Handing them over to the sales week once a week serves no purpose, as we see from the data. Instead, make sure your marketing funnel feeds directly into the sales pipeline in real-time.
- Train your team to sell. Part of this problem is that sales agents can't always pick up the phone in 5 minutes. They could be in a sales meeting. Making a sale. Business owners could also be busy. And yet, the clock is ticking. Ensure someone - anyone who is in the office with access to a phone - can pick it up and qualify new leads, straight away.

Download The New Software Sales Funnel Infographic

- Align marketing around optimal days/times. According to Lead Response study data, Wednesday and Thursday, morning (8-9am) and afternoon (4-5pm) are the best days to pick up the phone and qualify a lead. Remember that, when planning the days/times to launch outbound marketing, email and advertising campaigns.

Time and speed matters. Providing you have effective processes and team members to deliver the results, you can increase lead qualifying rates 100 times, with a few strategic changes.

Software sales demand instant communications

Last time we interviewed sales professionals and evaluated how a perfect sales conversation should look like. This time we wanted to learn what the industry thinks of the issue of immediate gratification in modern sales. It seems that everybody in the industry is trying to solve the same problem - maintaining the attention of the ever-distracted buyer. You know our take on that (instant demos) but have a look at what our peers have to say:

Sujan Patel, CEO at Webprofits

"The average human has an attention span of between six and eight seconds. That's less than that of a goldfish. Your call-to-action really needs to stand out to get the attention of your visitors. If the content targets visitors at the „awareness" stage, your primary goal is (probably) to ensure that the visitor remembers you. You wouldn't ask a visitor at this point to buy something."

Heather R Morgan, CEO at SalesFolk

"The salespeople who make solving their customers' problems their mission are always the most successful. Similarly, companies who strive to add value to their prospective customers throughout the sales cycle tend to generate more leads, see shorter sales cycles, have higher close rates, and have customers with greater LTV. This 'value-driven approach' also helps you win in the long-run, since not everyone you have a sales conversation with is ready to buy, but when they are, they'll remember the value you added, and that sense of reciprocity will bring them back to you when they're ready to do business."

Cory Bray, CEO at Careersofia

"Today's prospects demand instant, personalized action. If inbound leads aren't followed up with immediately, you'll lose them. If you don't discover serious pain in the first 5 minutes of a call, you'll lose them. If a demo isn't highly-relevant, they're gone. Your competitors are offering highly-relevant solutions to solve their immediate throbbing pain...are you?"

Conor Lee, CEO at Hiplead

"Treat replies from outbound like inbound leads: call them within 5 minutes. Just because someone is interested now doesn't mean they'll be interested an hour from now. They might get hit with emergencies and decide that your call isn't urgent. Or they might just forget about you. So be sure to call as soon as possible, while they still remember what you wrote."

Brandon Bornancin, CEO at Webprofits

"Social listening is a great way to maximize your social selling success and by listening for strategic keywords that are used by your audience across the socialsphere, you will be able to identify new hot opportunities right at the time your audience is looking to purchase. AI can help leverage these opportunities through automated, relevant and instant social pitches."

Justyna Polaczyk, Content Writer at LiveChat

"Typically our users request a chat within the first minute of their browsing session. I can't imagine driving traffic to the site and not having an instant communication channel available for them!"

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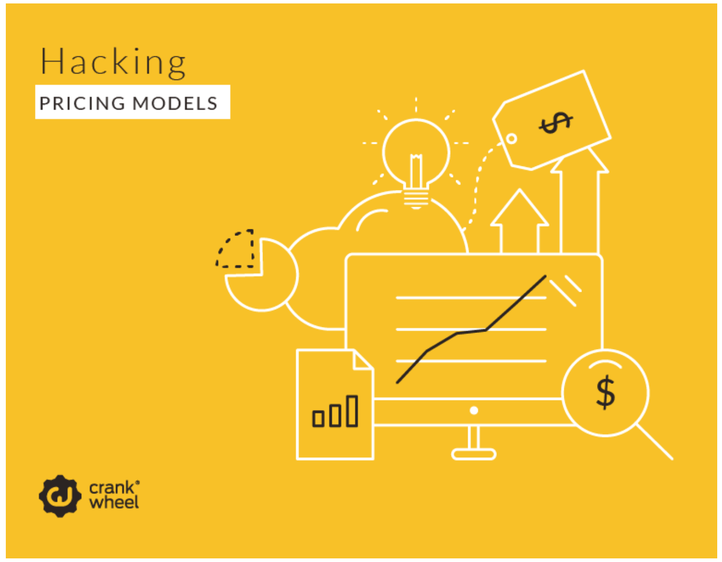
03

Making sense and making more money from software pricing models

Making sense and making more money from software pricing models

April 18, 2017 / by CrankWheel

Software companies don't always adopt the same pricing models, even when they are selling a similar service to competitors in the same market or sector. There is a psychology behind why different pricing models are adopted, which is what we will explore in this article.



A formal pricing structure is needed

In the early days of any software company, knowing how much to charge is one of the biggest challenges. Many products emerge from problem-solving exercises. From side-projects, even hobbies; therefore, for a developer, pricing can seem like an academic question. Enough to cover costs, but not so much that it seems greedy.

Once a company evolves, either as a result of clients eager to hand over their money, or an investor getting onboard, a formal pricing structure is needed. Deciding this can take time, which is often something that happens before sales staff are hired. Pricing needs to result in revenue that covers costs as a company grows and generate profit.

Download The New Software Sales Funnel Infographic

Cashflow is everything, so pricing models also need to reflect that sustainable monthly revenue is preferable to unpredictable income. Now, how this model is applied is where it gets tricky. Here are some of the most popular options for software companies.

Before establishing a subscription-based pricing model it's worth to determine prices that will allow your business to grow. Keeping it simple at this stage is crucial to building an easy to understand business model foundation.

Cost-Plus

This formula accounts all material, labor and overhead costs, then adds it to a markup percentage to create a profit margin. This model is based on one's intuition and can be used to quickly grow within markets well understood by the seller. It is however vulnerable to competition that may steal your customers with lower margins - hence lower costs.

Competitor-Based

There is a certain dynamic to this model. Not only does it require in-depth understanding of who your competitors are, it also sets out to reverse-engineer their pricing models, value propositions behind those models, and then puts it all together, preferably with a lower price tag. But what if your competitors have it all wrong? You have probably seen your rivals experiment with costs of the exact same service, varying from $10 to $500+ monthly. This poses two problems.
There may be more money on the table than you think and a seemingly overpriced competitor can be dominating the market. The other problem is that clients will always compare you with a cheaper competitor. Selling software means you can't really do 1:1 feature comparisons and thus buyers do tend to be anchored to a fixed base price established by the cheapest provider they can find.

Value-Based

Similar to competitor-based pricing, this model focuses on differentiation and segmentation. Providing unique software that solves a very particular problem, especially in a niche market, is a good condition to leverage this model. It allows for a high profit margin that sets the cost bar much higher than competitive offers.

This model takes market positioning very seriously. If you're building a premium software brand for Enterprises you will want to avoid cognitive dissonance from charging low prices. Instead, focus on a value-based pricing model and charge what you think you're worth.

Demand-Based

We're getting used to this dynamic model thanks to Uber charging a premium for rides during rush hours. It boils down to elementary economics of the supply and demand relationship. Essentially the more your services are required, the higher the price tag. To maintain a solid revenue stream, when times are tough or simply there isn't sufficient demand (eg. for seasonal businesses) prices can drop significantly.

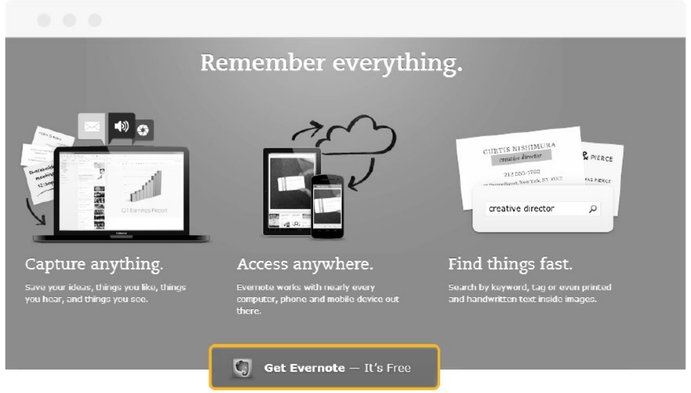
Using this in software sales is possible thanks to performance analysis that helps determine the actual required resources that will be utilized to serve a customer. While this isn't really efficiency-based pricing, it does make sense to combine both models mentally to ensure cash flow regardless of demand fluctuation.

So how do you software companies generally sell?

1: Freemium

This is a popular choice with apps, particularly consumer apps. Whenever you download something that says 'Offers In-App Purchases', it means the company behind

the app is using the freemium model. Free to download and use, but with features that come with an added charge.



Software Pricing Evernote Freemium pricing model at Evernote.com

Whilst popular with B2C brands, most B2B companies only use the 'free' aspect of this model during the free trial period, when prospects can use all or most of the features without charge, to get them used to the software. Free Trial sign-up buttons are a prominent feature of many software and SaaS pricing pages.

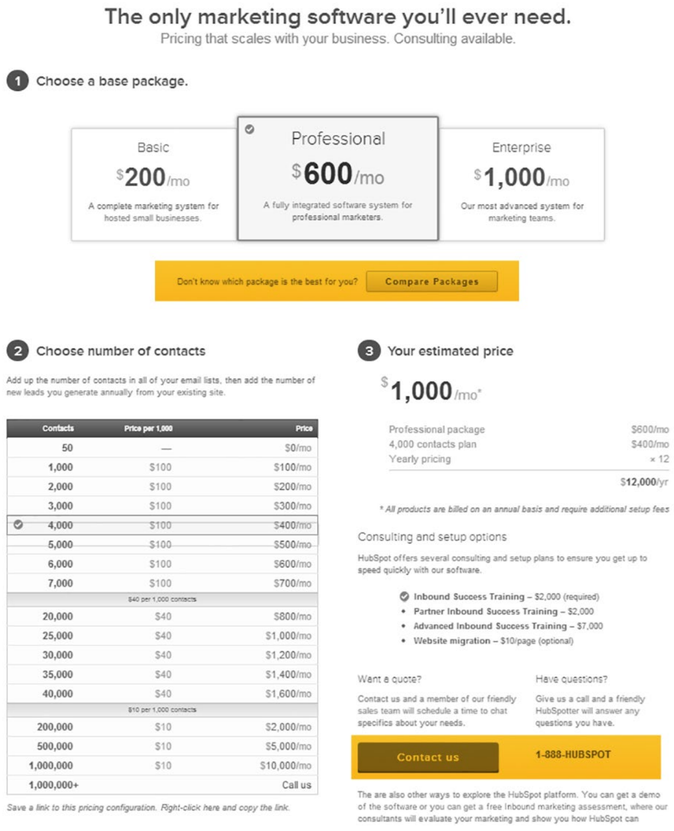
2: Subscription (tiered)

Tiered subscription pricing is one of the most effective models that software companies use. We have included multiple examples below.

Pricing can depend on a range of factors: number of user accounts, the number of times software completes a task (e.g. sending 2000 emails), the level of support provided, and the features customers can access at different price points.

Generally speaking, software companies aim to sell to startups and small businesses at lower price points, whilst reserving the highest prices for 'Enterprise' customers, where they need something customized or are providing a service to a large number of users.

Below are examples from some of the most widely used SaaS products on the market: Salesforce, Evernote, HubSpot and Basecamp.



Software Pricing HubSpot Tiered subscription model at HubSpot.com

3: Bespoke Pricing

Software companies, such as Salesforce, can also charge for additional services, such as customization, training or support. This means adopting a billable hour model for pricing, therefore multiplying the hourly rate of development or training staff by the number of hours a client needs that service.

When a client needs something bespoke, software companies can give a price for a one-off project, which is usually billed 50% at the start of the project and 50% on completion.

How software is priced depends on the needs of the business, the value of the service provided (ROI), client budgets - which includes what they would expect to pay - and competitor pricing models. Try and avoid over or under-charging. It is easier to spot when you are over-charging. Prospects will tell you they can't afford the software.

Whereas, an extreme example of under-charging is trying to sell a large corporation on a $10 per month deal when they would willingly pay $1000. Position your pricing according to the perceived value a client can generate from the problem you are solving. If a client can save $1,000,000 annually from using your software, then $120 a year is far too cheap. Never forget, that markets set the price of everything. What customers actually pay is the most reliable litmus test of a pricing strategy.

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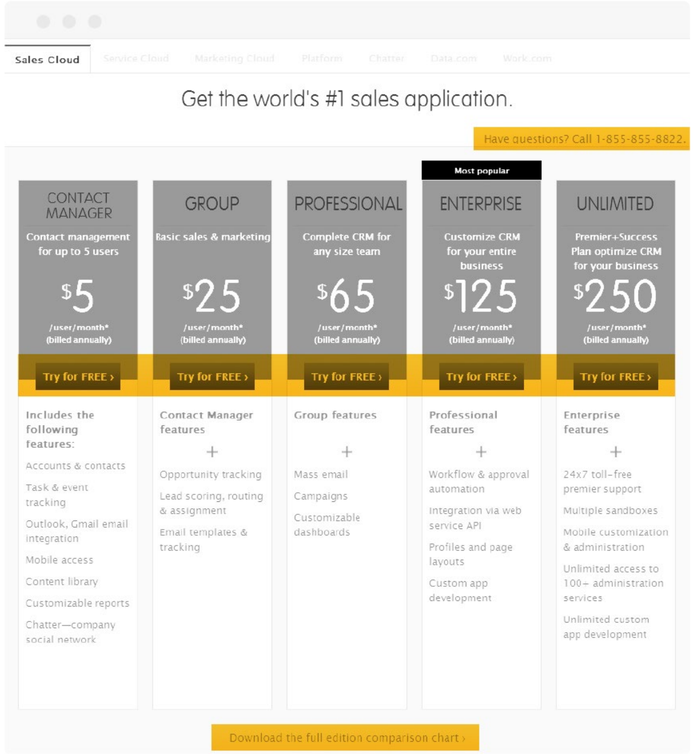


Software Pricing Salesforce Tiered + Bespoke subscription model at Salesforce.com

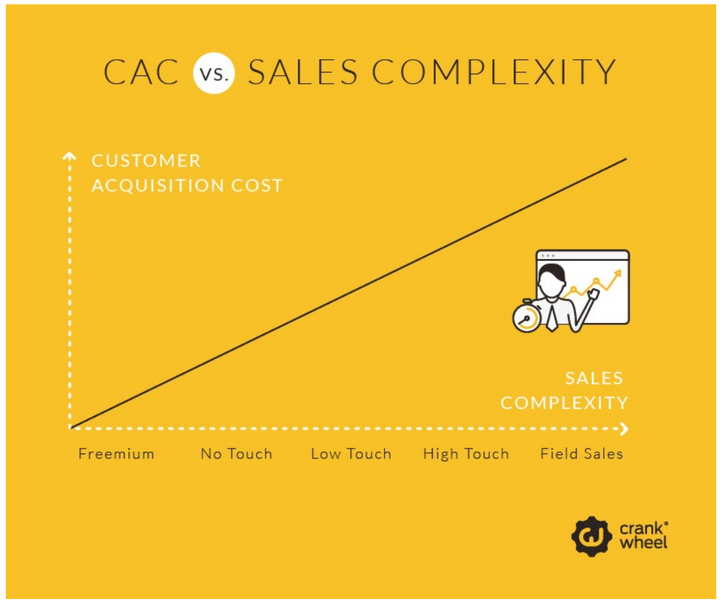
04

How to Generate More Revenue: High-Touch vs. Low-Touch Sales

How to Generate More Revenue: High-Touch vs. Low-Touch Sales

May 09, 2017 / by CrankWheel

David Skok, a serial entrepreneur turned VC, with Matrix Partners, coined the phrase, "touchless conversion sales model" around seven years ago, with an article that neatly summed up the low-touch sales model. Something software founders and entrepreneurs should aim towards, since the lower their customer acquisition costs, the more they will make over the lifetime of each customer.

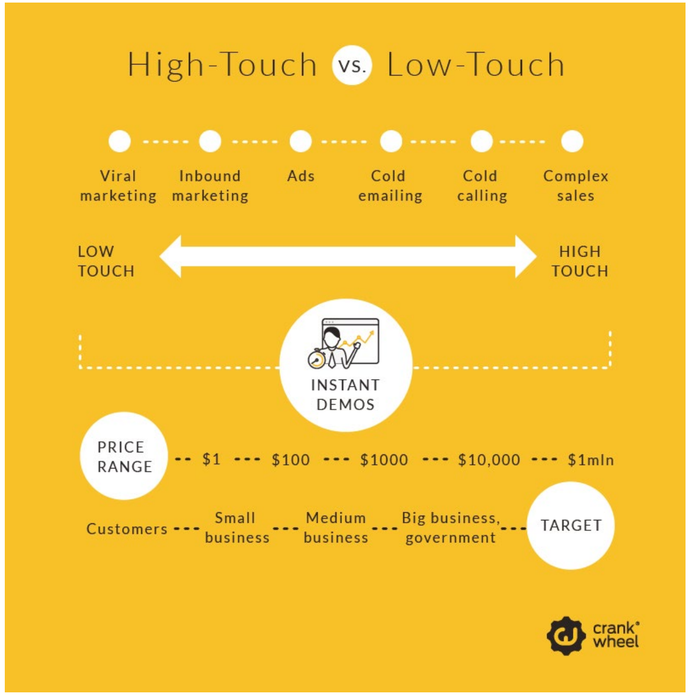


What Does a Low-Touch Model Need?

The perfect low touch model is when you walk into a shop, buy what you want, through an automated checkout and leave. Amazon is a prime example of the low-touch model. In comparison, making a higher-value purchase, such as a car, a house, or an expensive piece of software, involves multiple interactions between people. Consequently, these extra costs are factored into the price.

For Enterprise software companies, the high-touch model is factored into the cost of doing business. Field sales agents, account managers and post-sale engineers are often needed when selling into large corporate accounts. These deals take time and involve multiple stakeholders. On the other hand, when you are selling into small and medium companies, the sales cycle is shorter, and therefore, it's easier to implement a low-touch model to acquire leads and convert customers.

Let's take a look at the components of an effective low-touch model for SaaS and tech companies.



1: A source of leads

Most startups, working with a combination of internal (founders, plus staff) and external resources (agencies and freelancers), invest in a mix of organic and paid campaigns across a range of channels and platforms, usually no more than ten.

As startups grow, the immediate hustle of the early days is replaced by a more structured, metric-driven approach. Buying or scraping data is dropped for more effective, opt-in permission marketing approaches, which means ramping up on content, email and social media marketing.

Every decision you make when designing a marketing campaign needs to centre around getting noticed by potential buyers. Know your decision makers, budget holders and end-users. Create content that appeals to them, educates them and makes them want to share with stakeholders in their organisation. This means placing the content carefully across the Internet: Focus on channels where these potential buyers and stakeholders spend time online, from forums to sector-specific media, blogs and social networks. Add value at every stage.

Download The New Software Sales Funnel Infographic

2: Sales Leads Pipeline

Now that you have a scalable source of leads you need to qualify them as a sales prospect. Do they fit your customer profile? Do they need your software, and if so, can they pay?

Qualifying a lead is one of the most challenging aspects of scaling a sales pipeline. Leads are more than names and contact details in CRMs and Excel documents. We should only classify leads as active when they are a decision maker, budget holder or end-user: therefore, they will either use or pay for the product you are selling. The sooner you can confirm this, the quicker you can input these prospects into your sales pipeline.

One of the most effective ways is to arrange an Instant Demo. Most potential prospects rarely respond after one email. Ideally, you should filter your prospects into an automated sales email campaign, while sending them content they will find useful. Keep on their radar, without annoying them. An entire inbound marketing industry, including companies like HubSpot, are built on this concept.

Time and persistence are key. Companies that respond quicker have a much higher chance of converting a potential customer. Keep in contact after a demo, and if you haven't yet talked with a budget holder or decision maker, encourage your point of contact (normally an end-user) to share content with them, or arrange another instant demo.

3: Self-service for new users

We believe that every potential buyer should be able to implement software solutions before becoming contract--bound. The problem with this approach however is that it enforces fully-featured trial periods. While these are great for some types of products, they can drastically increase the cost per acquisition, in turn inflating final costs. This is especially true for software that needs to utilize 3rd party channels that have a significant cost, such as phone conferencing. Not to mention trial abandonment rates and the work salespeople need to do to maintain such a leaky funnel!

Locking away access to the bolts and joints of a particular product behind a paywall or even necessity to contact a sales rep for an Instant Demo can result in an empty pipeline. It's not an ideal alternative to trials, still it allows you to focus on organizational leads who actually want to try your software.

Ourselves, we're experimenting with a 30-day money back guarantee which allows thorough, unsupervised tests, however with a fallback mechanism. There's also a limited Free plan for users who don't quite fit our ideal customer profile but still declare they need our software.

Unfortunately figuring out what's best for self-service, whether it's a trial or freemium model depends very much on the specifics of your product or service and is therefore totally up to you. Experiment with pricing, make assumptions and implement models that work for your business.

Get a Demo of CrankWheel

05

How to Increase Software Sales Conversion Rates? Free Trial vs. Demo

How to Increase Software Sales Conversion Rates? Free Trial vs. Demo

June 05, 2017 / by CrankWheel

Digital marketing, thankfully, is playing a role in ensuring you can reach a much wider audience of potential buyers. Websites and digital sales funnels make it easier to reach a wider group of buyers. With social media, content, email marketing, landing pages, and digital advertising, your product can reach hundreds or thousands of potential buyers every day. Reaching them is only the first step.

Embedding a Sales Cycle Online

When it comes to software sales, you need to remember that every interaction point is in service of closing deals. Every Tweet. Every Blog. Every FAQ, instructional article (part of the Onboarding process), video, image, screenshot, landing page, testimonial and other online asset is designed to make it easier to make a sale.

In marketing and sales, we have more tools than ever at our disposal to increase conversion rates. And best of all, many of them are entirely automated. Potential customers can also experience video walkthroughs, removing another barrier for those who want to take a closer look at a product.

Educating new users is still a massive challenge for many software companies. Trial and Demo abandonment rates are much higher when potential customers don't understand how to use new software. You don't need to invest in every tool on the market, but it pays to spend time to make it easier - one way or another - for trial users to familiarize themselves with the value your product creates.

This is why a free trial or demo proves immensely useful, usually after a potential customer has seen more of the

product through a presentation meeting or Instant Demo call. But first, you need to get them on that call.

Download The New Software Sales Funnel Infographic

How to Increase Demo Call Uptake

Without a doubt, the most important feature of any software website is the calls-to-action (CTA). Most have several: Free Trial, Get a Demo and Contact Us. Live chat features are also popular, and another way to encourage web visitors to take a demo call or sign-up for a free trial.

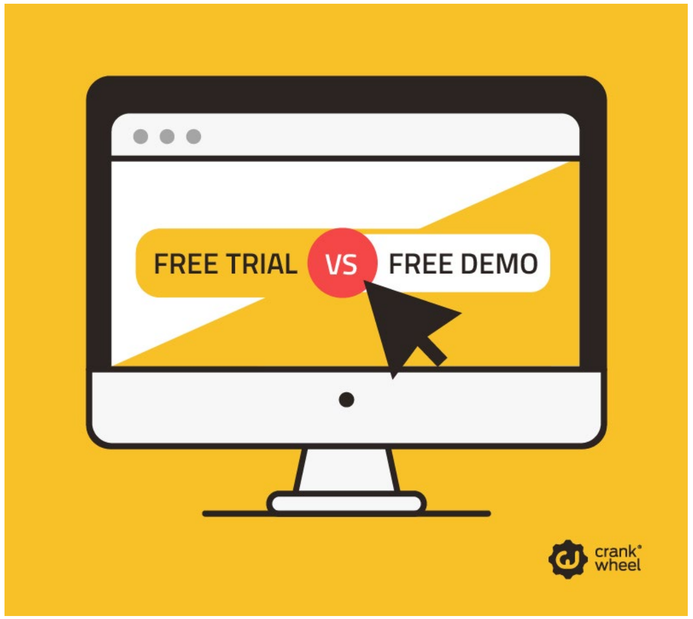
Every single CTA plays a crucial role in conversion rate optimisation (CRO). Once a company has scaled enough, many have sufficient internal resources and processes to implement continuous A/B testing. But what happens when everyone is busy, and you don't have the budget to put a CRO consultant on retainer?

Focus on core challenges. Look at your entire funnel and decide where to invest in A/B testing. Make this a quarterly marketing task, to make changes then test the impact. When I Work, an online employee scheduling tool, implemented a series of A/B tests using Optimizely, until one made a positive impact, resulting in 48% more demos.

When I Work made those changes before they could employ anyone with CRO management responsibilities. And yet, founders, marketing managers, sales and contractors/agencies all play a role in the CRO funnel. Once you start to scale - for example, after a series A - make sure your marketing plan is closely aligned with sales goals. Next, break this down into a series of quarterly and monthly KPIs. Assign these to relevant team members and contractors; e.g. designers implement A/B testing alongside copywriters, with input from sales. One of these targets should focus on increasing the number of instant demos from web visitors, as a way of getting more prospects into the pipeline.

Free Trial vs. Demo: What Approach Should We Use?

It depends on your software and target market. As a rule, software that is 'off-the-shelf', that requires little - if any - customization from one customer to the next and has numerous automated features, including an onboarding process, is ideally suited to a free trial.



Giving potential customers 14 or 30 days to use the software for free is one of the most effective and commonly used methods (in SaaS) to increase conversion rates. Now, more than ever, you need to look after them as prospects. Answer questions. Make sure customer service or marketing is providing them with the information they need to get the best use out of the software.

Don’t assume that every free trial user is a software wizard. Some require more handholding. This can make all the difference between a sale or a fail. However, not every software product fits so easily into the free trial model. Startups and SaaS companies - those with small and medium customers, or price points that make them low-budget purchases for large corporates - have been quick to adopt the relatively cheap free trial approach.

Remember about the downsides of trials, too. Not every product, and this concerns the simple ones too, is going to succeed when offered for free for a period of time. It’s not always about the variables of time or features, but rather the inherent inability of users to see value in products they need to institutionalize, but can’t due to internal formalities that essentially can make your trial non-viable.

Companies that sell into the mid-market and corporates, those that need to heavily customize software products, should consider the Instant Demo approach. Potential buyers generally need to convey more information. Workflows can be complex. A certain amount of one-on-one time is required to clarify key data points and sell specific, tailored areas of value to each prospect.

In both cases, you need a process that involves swift follow-up when a potential customer registers interest, analytics to track the flow of leads through the pipeline and the ability to give a prospect a quick demo as soon as they want more information.

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06

Software Sales Pipeline Management: Increase Sales With A Free Trial

Software Sales Pipeline Management: Increase Sales With A Free Trial

06

June 19, 2017 / by CrankWheel

When you work with and around enough software startups, you often hear similar phrases, from staff and founders confident that a free trial is a final stage in the sales funnel.

“Once they try, they always buy.”

“Our product practically sells itself.”

“Free trials sell the value so quickly; we don’t need to do much after that.”

After that, prospects will almost certainly turn into paying customers.

Free trials are, without a doubt, an important stage in the sales funnel. Almost the end of the process, providing every asset and advantage is leveraged to ensure potential customers experience the value enough that they will convert. Giving them an account and letting them get on with it is not enough, not after the work you’ve already put in to get them on a free trial.

Firstly, you need to be sure your software and target market are suitable for a free trial.

Free Trial Criteria

Not every software product and tool is an ideal candidate for giving potential customers a free trial experience. Have a think through this checklist before implementing a trial program:

Does it require much customization? Or is it an ‘off-the--shelf’ product that works for the majority of our customers?

What is our price point and who are our target customers? Enterprise or small and medium companies?

How quickly can a new user get used to the product's features, and how soon will they integrate these into their average working day?

Products that are plug and play, easy to set up and start using, with a small and medium target customer-base and users that need the product on a semi-regular basis (certainly within the timescale of a trial) are far more suitable for free trials than software with a higher price point that involves a lot of customisation.

Once you've made that decision - or this confirms you were right to offer free trials already - you need to think about how to ensure trial users have the best experience possible, so that they convert on or before the trial period - usually 14 or 30 days.

How to Increase Conversions From Free Trials

Getting the right team members and marketing materials in place is vital. Leaving a free trial user to try out the software, without some assistance, hand holding or self-service materials or content is the road to ruin. Even if your software is ridiculously easy and intuitive, you can't assume this is going to be the case for everyone who starts a trial.

1: Do you have the right team in place?

Sales: Introduce them to the product, usually through an online Demo or Instant Demo

Marketing: Create the material they need to help them get the most of the trial: Onboarding articles, FAQs, 'How to' articles, and other content that supports their journey.

Customer Services (also known as Success, Happiness or Support staff or teams): People who know your product inside and out, who can immediately support customers with questions and concerns. No free trial is complete without appropriate hand holding.

Founders or managers need to oversee the process that ensures an effective handover between one functional area and the next. If customers have questions that need a developers or designers attention, it should receive top priority. The same applies if there are any problems: A manager or co-founder should respond to show the company cares and takes any issues seriously.

Download The New Software Sales Funnel Infographic

Of course, it helps to document every interaction and message, so have an effective and robust comms tool (and CRM, if necessary) to keep track of feedback and update customer accounts.

2: Do you have the right conversion triggers in place?

Don't forget, the aim of a free trial is to convert as many prospects as possible.

Whenever relevant and possible, insert a Call-to-Action in the process. In the product. In emails - don't take them out of the pipeline at this stage. Keep free trial users in the pipeline, just on a different drip email campaign, one that gives them lots of useful onboarding content, so you are giving them every opportunity to maximise their trial experience.

Train those supporting them through this experience to respond appropriately to questions about price, value, ROI and other keyword triggers that indicate they are interested in starting to pay. Don't miss out on sale opportunities.

3: Make the trial realistic

Software without data or inputs is useless. Imagine Hootsuite without social media content, or MailChimp without emails, or LinkedIn without connections? Utterly pointless.

Potential customers can only experience your software properly when they've input the relevant data. So help them do that. Make sure they're ready before starting a trial or have a dummy batch of data they can use, to get a feel for the product using the right inputs.

As soon as they can experience the product in an 'every day' setting, they should have a much clearer idea how it will create value and, therefore, be more inclined to get out a debit or credit card and end the trial as a new customer.

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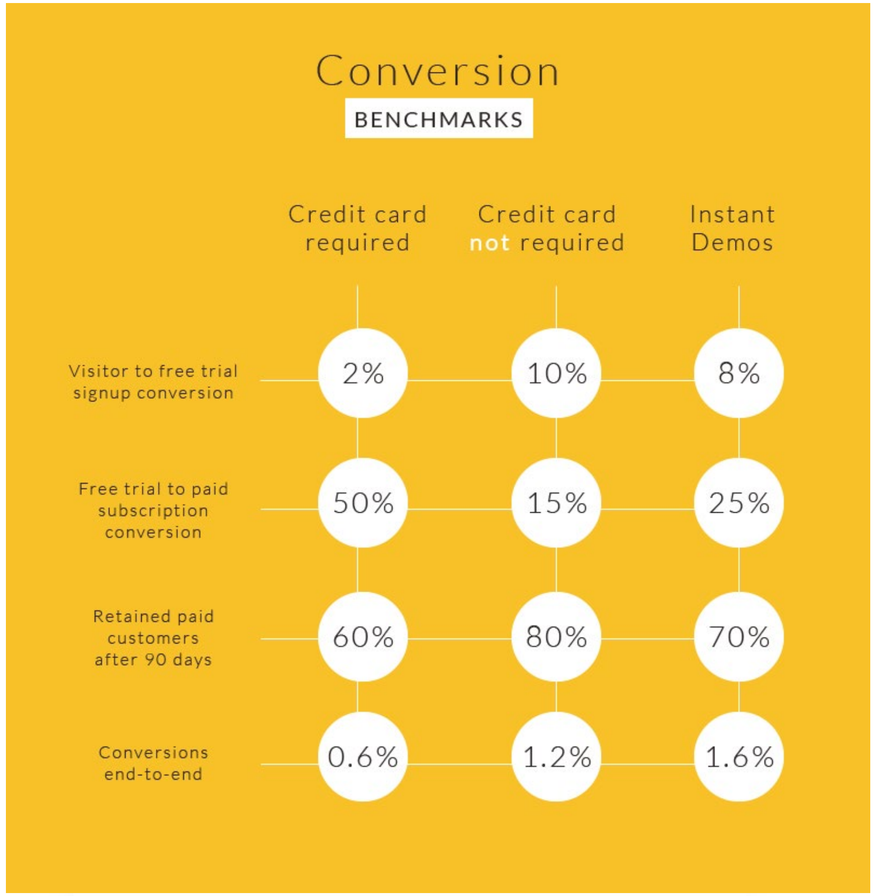

07

Software Sales:
Winning More Clients With Demos

Software Sales: Winning More Clients With Demos

07

June 28, 2017 / by CrankWheel

Potential clients want to see how your software can do what you claim. Demos are an effective and popular way to give prospects a tour, wherever they are in the world.

Demos aren't suitable for every software product. Some solutions are either too simple, too cheap, or too complex and too expensive.

Relatively inexpensive and simple software - such as Basecamp or Grammarly - win customers without demos. Instead, they are designed to demonstrate value using the Freemium and/or Free Trial approach (some use both), with browser plugins, apps and cloud solutions that new users can understand and start using fairly quickly.

Whereas, more expensive software that needs extensive customisation usually involves the traditional pitching process, with companies deploying case studies and examples instead of demos and free trials.

Demos, on the other hand, are ideal for companies aiming at the small and medium enterprise market. This is normally when software costs a few hundred to a thousand or more every month, usually when there is more than one person involved in the deal at each end, with a demo acting as the gateway to a Free Trial or tailored proposal.

How to Increase Conversions From Demos Sales Professionals

How you measure the success of a demo depends on the next stage in the sales cycle. After a demo, do you want them to start a Free Trial? Or do you need to send a pitch, hoping they say yes and start paying straight away?

When it comes to demos, success is measured according to your market, sales goals, process and price-point. Either way, you are aiming for a result - a conversion - from this conversation. Here are a few ways you can increase your conversion rates from demos:

1: Act Fast

Traditional demos involve scheduling a time, confirming that day/time and then making sure your prospect is on the call. As we all know, that doesn't always happen. More often than not, you are chasing to reschedule, or waiting for someone who's late making the call.

Instant Demos are an effective and efficient alternative to the game of endless chasing, scheduling and rescheduling. Not every prospect is going to have the time for an Instant Demos, but for those with a quiet 20 to 30-minutes (everyone has some time to spare in their day), you can showcase your software quickly and massively increase the chance of converting a prospect.

2: Be Prepared

Whether your demos are instant or scheduled, you need to be ready. Have a plan and format. Don't take the robotic sales-script approach. Be human - start the demo getting to know your prospect - and then move into an agenda.

Let them know what is involved in the demo, what they can expect from the journey; it makes people less nervous about what they are getting themselves into and how much time it will take.

3: Ask Questions

Questions are fundamental to the sales process. You need to know the prospect's goals, plans, challenges and timeline (GPCT), which can only come from asking the right questions. Use previous demos, review mistakes and successes. Demonstrate how your software solves problems, helps a prospect achieve their goals and plans within a timescale that work for them.

You may not be able to do this in one call, but if you can get the information from a demo then you can follow-up with a proposal, or give them access to a free trial.

Don't just ask questions, answer them too. Showcase the company's background. Establish social validation: Give them examples of similar companies, or businesses in their sector, who are already using and benefiting from your product. And, of course, include all of that in follow-up emails, links to case studies and sales pitches/material.

Demos are a wonderful opportunity to sell the benefits of your software to a new potential client. Now is your chance to show them that you have the right solution for their needs, challenges and aims.

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08

How To Tell If You Need More Sales Executives?

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08

August 01, 2017 / by CrankWheel

When it comes to scaling a Venture-backed startup, figuring out staffing numbers isn't an exact science. Founders are keen to increase marketing and sales team numbers since these directly contribute to revenue. Or at least, that is the idea.

Sadly and sometimes tragically, extra sales team members don't always generate the revenue ambitious growth targets need to succeed. More input does not necessarily increase outputs.

Time and again, we have noticed that sales in one area that founders and managers don't invest enough time in trying to quantify. We call this a revenue blindspot. Founders are so eager to generate revenue and hit target that anyone who claims to be good at selling is a potential hire, especially in a post-fundraising mindset when everything kicks up a gear.

Poor hiring choices are not the only factor creating this revenue blindspot. Weak reasoning, or not thinking enough about why you are taking a certain course of action - e.g. hiring a whole team of sales agents - contributes to many startup failures.

Before you hire an eager team of sales executives, stop and think about how many you actually need. This isn't something that should take too long - we've already done the heavy lifting. Time to play the sales numbers game.

How Many Sales Execs Do We Need?

Firstly, let's assume that you have a short-ish sales cycle, but you don't need more than one or two demos/calls to encourage a prospect to signup to a free trial. For this numbers game, we are estimating that this is for a startup with 300 average-sized (SMB) clients and one sales exec. Now they are looking to recruit more, but don't know how many.

Secondly, let's also assume that each client needs at least one catch-up call every quarter, within an account management/customer success campaign. Potential up-sell opportunities exist.

Thirdly, we need to work out the sales campaign timescale. Most larger organisations plan this on a quarterly basis, which also makes it easier when reporting to a board/investors. One-quarter is twelve weeks. Within this timescale, a sales exec has time for five demos/calls every day. Each should take no more than one hour.

And finally, you need to factor in your sales targets. This is and isn't in your control. It depends on what your investors want, what is achievable, current burn rate (and time until you run out of money), current monthly recurring revenue (MRR) and projected cost increase. Hiring more sales executives increase your costs, but also potentially - and that is a crucial but overlooked word when recruiting anyone in sales - will increase your revenue.

In the case of this fictional startup, they have 300 clients - all paying about the same - and they need to signup another 200 in one year, to break even and avoid exhausting investor funds. Now back to our quarterly planning, which in turn should solve the question:

How many sales execs do we need?

Campaign Timescale: 12 Weeks

Calls/Demos per week: 25 (300 every Quarter)

Now we need to remove a few days, to make this realistic:

300 calls/demos:

6 holiday days (average) - 30 calls 4 days for admin, training, etc. - 20 calls Account management calls (if required?)

In this example, customers need one call every quarter. One sales agent - who would effectively become an account manager - could handle most of those. However, with a second sales exec, they could divide the calls between them: 150 account management calls per agent, every quarter.

With two sales execs, they would have 150 customer calls and 100 prospecting calls every quarter. On that basis, each agent needs to convert 25% of their prospecting demos/calls in one year (to hit target: 200 new customers). Maybe that is realistic, maybe not. It depends on your product, target customers, sales cycle, onboarding process, pricing, sales teams abilities and how many prospects come through the pipeline.

What is the formula we can use/adapt?

Annual (No. of accounts/value) Revenue Target - #

Existing Customers (No. of calls required per quarter - if any?) - #

= Number of sales calls/demos needed per quarter / How many agents can do every day - #

Holidays - # Training, admin days - # Existing customer (account management) calls - #

= Number of calls/demos sales executives can make every quarter - #

Now work out how many calls/demos convert, compared to those that don't. With this data, you should have a much clearer idea how many sales executives you actually need. It is also easier to plan annual and quarterly sales targets, so you can identify those underperforming much sooner.

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09

Software Sales Demos: Live Demo vs. Slides

Software Sales Demos: Live Demo vs. Slides

09

August 07, 2017 / by CrankWheel

Software is created to solve problems. Salespeople work to make sure that as many potential clients see how your software solves their problem. Saves time. Saves money. Makes a process more efficient.

Whatever your software does, whatever problems it was created to fix, you need to know that potential customers understand that this is a solution. Ideally, you want them to clearly see that this is the right solution for their business at a price that makes every sale profitable.

It's easy to mess up a demo

It's even easier to mess up a demo that only involves slides.

Robert Falcone, now VP Sales at Zoomer, experienced this many, many times when he was Co-founder of his own startup. "I thought it was just as easy as telling people what the product was and what it did," Falcone said in an interview. "But then I'd finish and people would either be confused or just politely say, 'Thank you,' and we'd never hear from them again."

It took time, but he understood he was too focused on what the product did, the technology, and what was exciting for the founders, rather than what the potential customer needed to know: How does this solve my problem? He learned from this experience, even went onto write a book about it, Just F*ing Demo!

One takeaway from his experiences that anyone responsible for selling and marketing software ought to know: "Good demos don't have to be perfect for the product. They have to be perfect for the audience."

How you present the software - whether you use slides or a live demo - won't put the right words in the mouth of your sales team. That requires training. A clear understanding of the problem and solution. Marketing and sales materials, case studies and other documents and articles that can support the sales campaign. However, if you want prospects to see how your software solves their

problems, then you are at a disadvantage if they can't experience the product.

Advantages of a Live Demo: 1. Speed

Potential clients don't need to wait until the free trial to get a feel for the product. Seeing static images on a screen isn't the same as navigating around the user-experience. Software demos are even more effective when they are instant, which you can do with CrankWheel - conversion rates are 22x higher with Instant Demos.

Sell when the interest exists. Don't wait for that interest to cool. Good leads go bad when sales teams don't respond quickly enough. Even a few hours is enough time for a prospect to move onto other things.

Advantages of a Live Demo: 2. Problem Solving

Screenshots are not an adequate substitute for a live software experience. Potential customers need to understand the features that will make their life easier. They want to see the software in action. More importantly, they need you to answer questions with real examples, on the call, how it solves specific pain points.

Software is designed to scale. But it's pointless explaining to a small business owner with a team of twelve how great your product is at solving problems for teams of three hundred. Salespeople need to listen to the challenges a potential customer is experiencing before explaining how the product solves those. Live Demos are the best way to show someone this in real-time, making it easier for them to make a decision.

Advantages of a Live Demo: 3. Faster Trials

With a demo, you are already giving a potential buyer an idea how the product performs. You need them to see this. It will help them make a decision on a free trial quicker since they can report back to their team and budget holder (unless you are speaking to them). Slides don't achieve the same results.

When it comes to closing a sale: Show don't tell, listen and solve problems and make sure they can see themselves using the product; all of which is easier to achieve with a demo.

Get a Demo of CrankWheel

Conclusion

Startups don't scale without a successful sales campaign. Hustling is always useful. Every salesperson should approach sales with a similar mindset to the founders: Spot opportunities and take action, quickly. Marketing is equally important. Social selling is also useful, within the context of marketing, hustling and getting more sales into the pipeline. So are partnerships, when you've got something to offer, such as commission.

But none of that will make a difference unless you have salespeople who can jump on a call, go to a meeting, make a presentation, or do an instant demo for a potential client, and consistently hit targets. Instant demos give salespeople the crucial advantage of speed. Responding faster to a prospect means they are 22x more likely to close a deal.

Other Key Takeaways:

• Demos are a wonderful opportunity to sell the benefits of your software to a new potential client. Now is your chance to show them that you have the right solution for their needs, challenges and aims.

• Giving potential customers 14 or 30 days to use the software for free is one of the most effective and commonly used methods (in SaaS) to increase conversion rates. However, don't assume that every free trial user is a software wizard. Some require more handholding. This can make all the difference between a sale or a fail. Pick a model that works for your business.

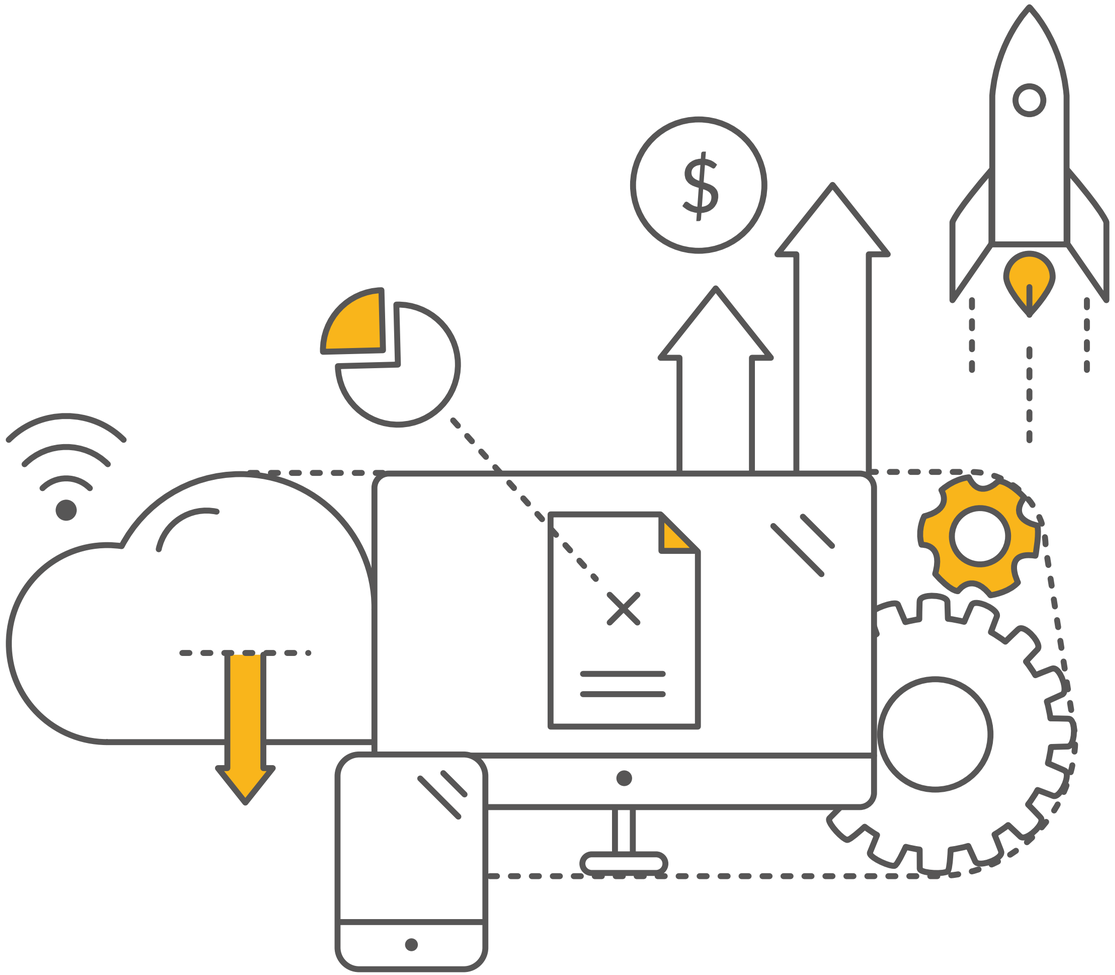
• When you have potential customers on a free trial, make sure they can experience the software in an 'everyday' setting, so they have a much clearer idea how it will create value, how it solves a particular pain point.

• When you have software that sells into small and medium clients, that doesn't need customisation and a free trial is cost effective, aim for low-touch sales and conversion model. When a higher degree of interaction is required - enterprise software - you need a high-touch model to move prospects through the pipeline.

• Never knowingly under or over-charge for software. Position your pricing according to the perceived value a client can generate from the problem you are solving. If a client can save $1,000,000 annually from using your software, then $120 a year is far too cheap. Never forget, that markets set the price of everything. What customers actually pay is the most reliable litmus test of a pricing strategy.

• Always follow-up after a Demo. Prospects rarely start free trials straight away. It takes more work to move them through the pipeline. Be persistent. It can take up to five follow-up calls and emails to get a prospect to sign-up to a free trial.

• Time and speed matters. Providing you have effective processes and team members to deliver the results, you can increase lead qualifying rates 100 times, with a few strategic changes.



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