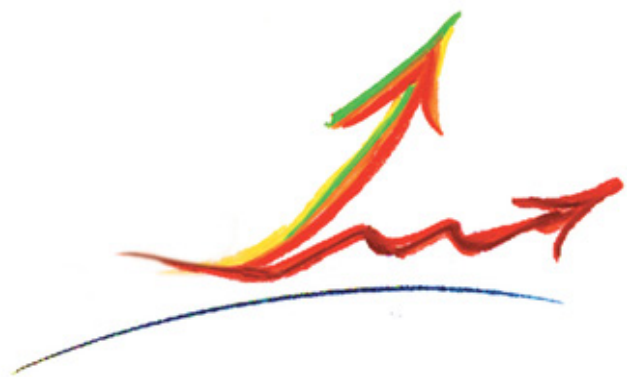


FROM
IMPOSSIBLE
TO
INEVITABLE

REVISED AND UPDATED

How SaaS and Other Hyper-Growth Companies
Create Predictable Revenue



AARON ROSS
Author of Predictable Revenue

AND

JASON LEMKIN
VC and Founder of SaaStr

WILEY

Praise for *From Impossible to Inevitable*

What readers have said about *From Impossible to Inevitable* . . .

“Best book I’ve ever read.”

—**Andrew Gazdecki, CEO, Bizness Apps**

“Simply the best book on successfully creating a startup ever written. As the CEO of a growing SaaS business, I can tell you from personal experience that this is *the* growth bible.”

—**SP Norwell**

“This is a great business book for both small and large organizations.”

—**Robin McKay**

“Over the past eight years, I decided to become really good at sales and lead generation. I’ve read and studied everything I could, practicing several different methods of generating traffic and sales. This book made me feel like a dummy. Wow, it’s amazing – really brilliant. Aaron and Jason outline simple solutions with specific methodologies that make it seem impossible to fail. They tell you why, how, and what can go wrong. Their use of case studies clearly illustrates common growth challenges and how to navigate past or through them. It’s changed my whole method of working.”

—**Fraser Morrison, CEO, Schiffman Morrison Asia**

“At our portfolio company, Agility Recovery, Aaron and Jason’s ‘10× Exercise’ helped us increase our enterprise deal sizes 4.8× in under six months by enhancing our offering, modifying our sales approach, and implementing value-based pricing.”

—**Larry Coble, LLR Partners**

“I was amazed by this book. Aaron and Jason are unbelievable references for anyone working in the SaaS space. They’re not just ‘been there, done that’ professionals, they’re thoughtful leaders in the community. Their sales model math completely changed our business and pricing strategies. For example, it seems obvious in hindsight, but their ‘Double Your Deal Size’ section nailed it for us: We weren’t able to build a big business out of small deals. This book is a must-read for any B2B entrepreneur.”

—**Leo Faria, hustler and founder**

“Most business books tend to be dry and dull. Aaron and Jason’s informal approach is a refreshing change and much more interesting and better: useful. Details and case studies (like the one outlining HTML versus personal, plain-text email campaigns) made it easy for me to put the ideas to work right away. I can see anyone who wants to succeed getting remarkable insights here, as I did.”

—**Sabrina Bianchi, marketing and social media strategist**

“I came to this book wanting to see how these people grew 10×, and I did, but what was truly amazing was how much of that could be applied and adapted by even the smallest businesses, like my own. No 30,000-foot view here; this book is straightforward, very hands-on, very in the trenches, and, because of that, very exciting.”

—**Larry Hicock, CEO, Sparketers**

“The topics within *From Impossible to Inevitable* have brought my own career to new and exciting levels. The book has fed the beast of my yearning for useful revenue tactics and a sharper business acumen. The book also helped me become a better leader in every aspect of my career and life. By applying these principles in your daily life, not just work, you will see changes (for the better) happen faster than you ever could have imagined. *From Impossible to Inevitable* should be not just a business book but a high school text!”

—**Ryan Donohue, director, Agility Recovery**

“I’ve been a huge fan of Aaron and Jason’s ever since I read *Predictable Revenue* and found SaaSr, but they take it to another level in this book. The depth with which they understand the current talent and culture ecosystem in tech (especially sales) is remarkable. I now feel like I know exactly how my boss and my exec team think about my performance, and how to get ahead in my growing career. Before, I was totally ‘renting’ my job, as Aaron and Jason put it, but now I realize I have to become an ‘owner’ when it comes to my role if I really want to get ahead.”

—**Eric Taylor, sales, HackerRank**

“I have been following Aaron’s and Jason’s work for quite a while. For example, when *Predictable Revenue* came out, I devoured it during a flight to London. Upon landing, I sent an email to my team to have

Aaron interviewed for our blog. That interview had the highest measurable traffic, stickiness, and time on page of any other piece of content at the time. And I'm a devout SaaStr reader. Their new book is even better. Its approachable style, with easily identifiable actions that any company could take, makes it my go-to present for any new executive I meet. As someone who's been working in sales and marketing for 20 years, my favorite quote from the book is 'Your VP Sales has a quota—why doesn't your VP Marketing?'"

—**Erik W. Charles, incentives expert, ErikCharles.com**

"From Impossible to Inevitable helped me see exactly how to focus on what I am best at. The Sales Specialization section inspired and showed me how to rework my sales system. It's unlike any other sales methodology I've encountered. Most trainers are helping you improve phone or email techniques, but those are a waste of time if the underlying system isn't efficient. I'm already recommending this book to all my sales and marketing friends."

—**Mike Smith, director of partnerships, Touchpoints**

"My previous job was running my first subscription business and I learned the hard way that in the new economy, you can't just sell a customer and walk away. I haven't seen a better case for investing in customer success than the way Aaron and Jason lay it out in Part II of this book. They demonstrate why Customer Success is about revenue growth, not customer satisfaction. They include useful details on how to structure a team, including examples of tiered levels of service. I bought this book for my whole team, and many extra copies to give to customers."

—**Nick Mehta, CEO, Gainsight**

"If you have ever had a conversation with Aaron about his personal life, you know he is a simple man focused on what is truly important. The same holds true when he writes about how to be successful in the business world. 'Don't let your exciting vision get in the way of taking the daily baby steps needed to get customers today.' Such a simple but important truth."

—**Trish Bertuzzi, CEO, The Bridge Group and author, *The Sales Development Playbook***

“Aaron and Jason are rare experts, who combine real-world (not theoretical) expertise as keynote speakers with an ability to skillfully teach the complexities associated with conquering Big Revenue Goals in a busy world.”

—**Barrett Cordero, president, BigSpeak Inc.**

“I thought the book would be the same old ideas (invest in people, embrace failure, etc.) I’ve heard over and over again, but as I pushed through I discovered how many new ideas were here and how old ideas were revitalized and combined with useful details demonstrating how to actually implement them.”

—**Kyle Romaniuk, partner, The CHR Group**

“As we worked through the Niche Matrix (in Part I) for our key verticals, it was amazing to watch the team learn how to truly value-sell our service to solve our customer pain points and significantly increase our deal sizes in the process. The Embrace Employee Ownership section was also powerful. By asking who owns upgrades and how, our account management leader took ownership of upselling our base, committed the team to double monthly upgrades (a Forcing Function), and worked with the team to decide on key activities to drive results. Within two months, they doubled our monthly upgrade revenue.”

—**Larry Coble, LLR Partners**

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How SaaS and Other Hyper-Growth Companies
Create Predictable Revenue

Second Edition

AARON ROSS AND JASON LEMKIN

WILEY

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Preface: Systematizing Success

There's never been an easier time to grow a business. Ironically, though, while everyone else around you seems to be crushing their goals, does it feel like a struggle for you?

If you needed to triple your revenue in the next year or three, would you know exactly how you would do it?

Tripling isn't magic. It's not about the school you went to, luck, or working harder. There's a template that the world's fastest-growing companies follow to achieve and sustain hypergrowth.

Whether you want to add \$1 million or \$100 million, the fundamentals are the same. You can grow your business 2 to 10 times faster in honorable ways that feel good to you, your employees, and your customers. (In fact, the truth is the best form of sales and marketing.)

This book shows you how to break growth plateaus and get off the up-and-down revenue rollercoaster, showing you how to answer:

1. "Why aren't you growing faster?"
2. "What does it take to get to hypergrowth?"
3. "How do you sustain it?"

LESSONS FROM THE WORLD'S FASTEST-GROWING COMPANIES

The Internet's filled with advice on how to grow your company – some great, some harmful, mostly outdated, or just nice to have. How do you sort through the clutter to figure out the few, big things that will change and sustain your growth rate?

Whatever your business is, rather than a 2% or 20% increase in sales, we want you to find ways to get a 200–1,000% increase in growth by learning from companies like:

- **Salesforce.com**, the multibillion-dollar, fastest-growing big software company

- **EchoSign (now Adobe Document Services)**, growing from \$0 to \$144 million in seven years
- . . . and other hypergrowth companies such as Acquia (a #1 fastest-growing private software company), HubSpot, Marketo, Twilio, and Zuora who've broken (well) past \$100 million revenue and billion-dollar valuation marks in record times.

Now if you're like us, you want to know *how the heck did they do that?*

It wasn't from posting a video that went viral or anything else that would make you say, "oh, they got lucky." Instead, there are repeatable lessons any company can learn from.

Success can be a system, not random. Revenue and growth can be (mostly) predictable. And they have to be, to take *impossible goals* and turn them into *inevitable success*, success far bigger than you can imagine from where you're sitting today.

The Seven Ingredients of Hypergrowth

1. *You're not ready to grow . . . until you **Nail a Niche**.*
2. *Overnight success is a fairy tale.* You're not going to be magically discovered, so you need sustainable systems that **Create Predictable Pipeline**.
3. *Speeding up growth creates more problems than it solves.* Growth exposes your weaknesses. Things will actually get worse until you **Make Sales Scalable**.
4. *It's hard to build a big business out of small deals . . .* so figure out how to **Double Your Deal Size**.
5. *It'll take years longer than you want . . .* don't quit too soon or let a Year of Hell discourage you. Be prepared to **Do the Time**.
6. *Your employees are renting, not owning, their jobs.* **Embrace Employee Ownership** to develop a culture of taking initiative beyond a job description.
7. *If you're an employee, you're letting frustrations stop, rather than motivate, you.* Stop waiting for someone else to fix it; flip your frustrations to your advantage and **Define Your Destiny**.

Follow the Impossible recipe to kick off your biggest growth spurt yet and make success Inevitable.

PART

Nail a Niche

The Painful Truth: You've been struggling to grow because you're not ready to grow.



CHAPTER 1

“Niche” Doesn’t Mean Small

How do you know whether you’re ready to grow? Don’t let a big vision, or wanting to serve too many kinds of customers, trap you into sounding vague or confusing.

ARE YOU SURE YOU’RE READY TO GROW FASTER?

You’re excited about your business, your ideas, products, and services . . . and you’re ready to grow faster. You might be a startup, a consultant, or a Fortune 100 brand.

And you know that lead generation is *the* #1 lever that drives revenue growth and can create hypergrowth. You’ve been trying to grow your leads, and thus sales, but it’s been harder than you expected . . . maybe a lot harder.

Are you *sure you’re ready* to grow faster?

Because when it feels like you’re swimming upstream every day to generate leads, or to sign new customers from the ones you do get, you usually have a bigger problem. All that time, energy, and money invested in growing new leads and closing sales can be poured into a black hole—if you haven’t Nailed a Niche.

You can be a Fortune 100 company, or the greatest expert at organization design, or have a killer SaaS (software as a service) subscription model app for managing employees. But, if you can’t *predictably* go out and generate *leads and opportunities* where you’re *needed*, *win* them, and do it *profitably*, you’re gonna struggle. It’s frustrating. But there’s no shortcut here, whether you’re a business or an individual. Struggles often mean there’s a niche problem, either at the company, marketing department, or salesperson level.

Clues You Aren’t Ready to Grow (Regardless of What the CEO or Board Expects)

- You’ve grown mostly through referrals, word of mouth, and up-/cross-selling.
- Inbound or outbound lead generation has been disappointing . . . or abysmal.
- You realize, looking back, that you’re dependent on preexisting relationships or a recognized brand to get in the door, even if your product or service is amazing.
- You’re good at too many things, and struggle focusing on the one best opportunity to sell and deliver over and over again.
- Even when you get quality appointments, too few people buy.

If you can’t *predictably* generate leads and opportunities where you’re *needed*, win them, and do it *profitably*, you’re gonna struggle.

Most Frequently Seen When. . .

- You hit a plateau between \$1 and \$10 million in revenue, and you start trying new kinds of leadgen programs.
- When you launch a new product or service or enter a new market.
- In getting your first 10–50 customers, getting to product-market fit or a minimum sellable product.
- You’re in consulting or professional services.
- Your company offers a wide range of products and services (Portfolio Attention Deficit Disorder).

Everyone Hates to Admit They’re Not Ready to Grow

Swallowing the “we’re not ready to grow yet” pill is bitter. Especially when you have a board or CEO breathing down your neck, a payroll to meet, or big family bills.

No one likes admitting they’re a nice-to-have rather than a need-to-have. Or that the elevator pitch the CEO came up with is totally off-base and confuses prospects. Or that you can’t yet measure or document other customers’ results.

Companies with a large portfolio of products face the same problem. Do your salespeople or customers get confused by all the product options? They don't know what to buy or sell first, and so they struggle along trying to buy or sell a little bit of everything. Confusion stunts growth. A lack of focus distracts you from being “insanely great” at just one thing.

HOW TO KNOW IF YOU'VE NAILED A NICHE

When you're a startup getting to your first million, or launching a new product, lead generation program, or market—one of the indicators that you've Nailed a Niche is that you are able to find and sign up unaffiliated customers. Unaffiliated. Paying. Customers.

One of the indicators that you've Nailed a Niche is that you're consistently able to find and sign up unaffiliated customers.

We don't mean friends of your investors, or your old coworkers or boss. They aren't past customers, partners, or part of your LinkedIn network. They weren't referred to you; they didn't hear about you from a group. They started out “cold” without the advantage of prior relationships.

Whether they found you by coming in through the ether, or whether you went out and pounded the (physical or virtual) pavement to source and close them.

And now they're paying you—profitably.

Because here's the thing: Ten customers may not seem like much. We called these guys “beer money” in the early days at EchoSign. Ten customers was \$200 a month, which didn't come close to paying the bills for four engineers and three other guys—it barely paid for beer. But 10 clients are actually amazing. Yes, you may still fail, of course, because of cash-flow issues. But 10 is a first sign of presuccess—even though it's very likely that more than one will turn out to be a dud, while you're learning which customers you can make successful. Because it means three things:

1. Since you have 10, you can definitely get 20. . . and then 100. If you can get 10 unaffiliated customers to pay you (no small feat), I guarantee you can get 20. And if you keep going at it, you will get at least

to 100. And then 200, at least. At a minimum, you can keep doubling and doubling. I’m not saying it’s easy, but it’s possible.

2. More importantly, it’s amazing you got those 10. Ten is not a small number! Because why the heck should they trust you, and pay for your product? It stands on its own without you needing a prior relationship. It’s a huge vote of confidence. Maybe you were on TechCrunch, Reddit, Bob’s Insurance Newsletter, or some blog—great. But in the real world, with Mainstream Buyers, no one has ever heard of you. You’re not “the thing” all their friends are buying, making them feel that without it they’re being left behind.
3. This means you built something real. Something valued. Most importantly, it’s something you can build on. These 10 customers will give you a roadmap, feedback, and indeed, the path to 1,000 more customers—if you listen carefully. You won’t heed all their advice, of course, but the feedback from these first 10 customers won’t be from outliers. It will be transformational. I guarantee it.

Because your 1,000th customer most likely will be just like your 10th, in concept and spirit, in category and core problem solved.

At EchoSign, the first unaffiliated customer was a distributed sales manager of a telesales team. The exact industry she was in was unusual (debt consolidation), but digging deeper, the actual use case was exactly the same, in spirit if not in workflow, as 80% or more of the customers that came later. The same as Facebook, as Twitter, as Groupon, as Google, as Verizon, as BT, as Oracle . . . the same as all of them.

The same core “goodness” that you’ve built attracts all of them. Of course, you’re going to need to build tons more features, mature your product dramatically, and so forth. But the core will be the same goodness as customers 1–10 experienced.

Trust us. Ten customers may not pay the bills. But if you got them from scratch, you have the start of organic leadflow or of some leadgen process that you can replicate. That’s really special, and something you can actually build on.

So this is your first time to double down, after Customer 10 . . . even if it seems way, way smaller than your goals and vision. Forget 1,000: Double them to 20, then to 40, and so on. Compound that 10 month after month, year after year, get the flywheel cranking, and you’ll make your big vision inevitable.

ACHIEVE WORLD DOMINATION ONE NICHE AT A TIME

Let's address a misperception right now about the word "niche." When you Nail a Niche, you're *not* "thinking small." You're not limiting your dream. You're not permanently shrinking your addressable market.

Niche here means *focused*. On a *specific* target customer with a *specific* pain. Regardless of how many types of customers you *could* help, or how many of their problems you *could* solve.

Don't let your exciting vision or big, hairy, audacious goal get in the way of taking the daily baby steps needed to get customers today.

Hypergrowth doesn't come from selling many things to many markets, covering all your bases (really, dividing your energies). Hypergrowth comes from focusing on where you have the best chances of winning customers, making them successful, building a reputation of tangible results, and then growing from there. For example:

- Salesforce.com started with Sales Force Automation.
- Facebook began with Ivy League schools.
- PayPal took off with eBay users.
- Amazon started with books.
- Zappos focused on shoes.

Where's the easiest place for you to build momentum *now*? What's the *path of least resistance to money* for you?

Focusing on specific industries or types of customers—like banks, software companies, or large businesses—is part, but not all of it. It also means focusing your *unique* strengths (not *all* your strengths) where they can create the most value (not any value), and:

- Solve a specific *pain* for
- An *ideal* target customer in
- A *believable, repeatable* way,
- With predictable methods to (a) *find* and (b) *interest* them.

Any kind of specialization that helps you to break through the clutter, stand out, be the best, win, or be unique is valuable.

For example: If you're a company that creates customized solutions for every client, and you need to re-create the wheel from scratch each time, you're going to struggle with a double whammy. First, it'll be harder to market yourself, because really—what problem do you solve?

Second, unless you have some kind of repeatable solution, framework, or system—growth is going to be *hard*. You have to be one stubborn S.O.B. to grow that kind of company. Or lucky—but luck doesn’t create sustained success.

If you focus on solving a single problem really well and can adapt as the market evolves, the sky’s your limit.

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THE ARC OF ATTENTION

Why is there a niche problem in the first place? It has to do with how people’s brains and attention spans work. The *Arc of Attention* and *Trust Gap* ideas are vital to understanding why there’s a problem, and what to do about it.

When you start a business, most people begin with Early Adopters, as they should. These include networks, friends, friends of friends, and people whom instinctively “get it.” Then, once you hit \$1–\$10 million in revenue, you usually hit a wall as word-of-mouth and referrals start to plateau. Or, as a large company you might plateau when your new leadgen program, product launch, or market struggles. At some point you will run out of Early Adopters, and will need to figure out how to click with Mainstream Buyers, who don’t already know you and don’t intuitively get it like Early Adopters.

There’s a painful difference to evolve from selling to Early Adopters who trust you, to Mainstream Buyers who don’t. Geoff Moore called this “crossing the chasm.” We call it bridging a Trust Gap. Whatever it’s called, when you understand why this gap exists in the first place, you’ll better know how to cross it.

There’s a painful difference to evolve from selling to Early Adopters who trust you, to Mainstream Buyers who don’t.

Enter the Arc of Attention (see Figure 1.1).

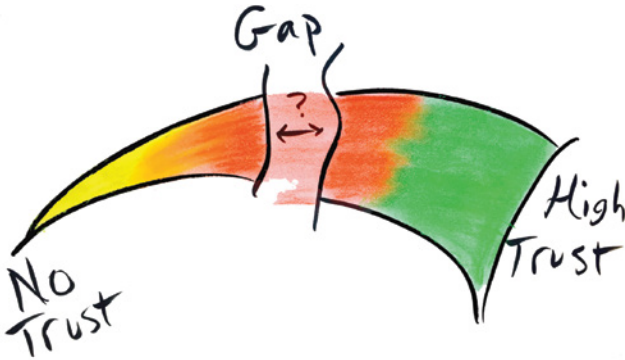


FIGURE 1.1 Arc of Attention

The Right Side—High Trust

On the right side of the spectrum are “Mom/Dad/Best Friends”—the people who know and trust you (or your company/brand), and are therefore willing to give you a big slice of attention just because you asked for it. If you call up a best friend and ask them to meet with you for two hours to review a demo, product, blog post or talk, they will—even if it makes zero sense to them.

This side of the arc also includes the few people who somehow run across your product, as crappy or obtuse as your website is—and just get it. You don’t need to explain anything to them, because intuitively they know what you can do, why it matters and how to use your service. All of these Early Adopters are willing to invest a lot more mental energy to figure out what you’re doing and how they can benefit. They give you a *lot* of leeway—which is invaluable in getting a new company, product, or leadgen program off the ground.

But it becomes a liability—and often a rude awakening—when you start expecting everyone to give you that same leeway.

The Left Side—No Trust

On the opposite end, there are the people who have never heard of you or your company. When people don’t know you, they’ll only give you a tiny sliver of their attention to figure you out. If they don’t click with you within that window, they move on.

The more connection you have with them right away, the more leeway they’ll give you. The less you have, the faster you lose them. Some sample (nonscientific) windows:

- A cold email or online ad: A 0.3- to 3-second window before they engage or move on
- A cold call: A 3- to 30-second window
- Walking door-to-door: A 3- to 60-second window

Compare these to:

- A referral: 15 minutes–1 hour
- A best friend or parent: Unlimited (in fact, you may be the one who wants to limit the time!)

This is the Trust Gap: The difference between marketing to people who already know us or our brand, and people who don’t, and aren’t willing to invest anything to figure us out. And the difference between being able to market to Early Adopters (15% of the market) versus Mainstream Buyers (85% of the market). It affects everything related to how you market and sell.

This difference between Early Adopters and Mainstream Buyers can be *huge* and easily underestimated. You may expect jumping the gap to be doable, like crossing a river from one side to the other. But it’s more likely to be the Grand Canyon. Or if you’re completely dependent on relationships, it’s an Earth-to-Moon-sized gap.

The whole point of Nailing a Niche is to help you cross the Trust Gap, moving from depending on buyers on the right side (trust) to being able to better market and sell to buyers on the left side (no trust).

You have to either (a) find a way to fit your message into that slice of attention, or (b) expand the amount of attention they’re willing to give you.

Everything we’re doing in the Niche part of the book is to help you cross this gap.

Assume You Are Marketing to Fourth Graders

With those tiny slices of attention that “cold” people are willing to give you, it’s similar to the mental investment of a third- or fourth grader. So

your message has to be simple for them to both *understand* and easily *act* on, or else they'll move on before ever giving it a chance.

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This is why short and sweet emails and videos tend to work better than long emails and videos as first touches with new people. People see a long email or video from someone they don't know, and they just aren't willing to invest in consuming it.

Perhaps if you're a genius copywriter, you can make them work, but for us regular people, shorter is better—at least for first contact. The more your messages are *simple to understand* and *easy to answer*, so that they'll fit into your prospects' window of attention, the more effective they'll be.

You can watch this in yourself: What goes through your head when you get a long note from someone, even someone you know? What about a short one? Do you see how the effort you're willing to give that messages changes so dramatically depending on who it comes from, how simple it is, and what they are asking for?

It's also why appealing to their dinosaur brains—rather than the purely logical brain—works.

Speak to the Dinosaur Brain

Reptiles think with their eyes, not their brains—and so do we! Dinosaur-brain thinking (the same thing, but dinosaurs are cooler than reptiles) isn't about thinking consciously and making logical decisions—it's about *reacting*.

There are different reasons something appeals to us at the dinosaur brain level, before our conscious minds have time to process it, such as:

- Newness
- Contrast (“There’s a bucket of blue pens with one orange pen on the top”)
- Movement/speed

- Surprises
- Details
- Visuals

This is why you’ll see banner ads with a color that’s different from the page background and with moving pictures, to combine the attention-getting elements of visuals, contrast, and movement. Or why video-sharing sites have so many videos titled like *He Hated His Boss for Two Years until This Happened* with a picture, combining visuals and anticipated surprise and detail. And it works, at least until you learn from watching several that the videos are rarely as interesting as the titles, and you start ignoring them.

So, be intriguing and attractive, without overpromising—at least not too often.

Learning how to reframe your ideas to appeal to people’s dinosaur brains makes sense when you consider the tiny window of attention you get. Even if it’s frustratingly hard to do at first, or feels sales-y. You can’t fight the Arc of Attention, even if you believe “My stuff is so amazing and necessary that it shouldn’t need to be sold. Plus we’re donating money to save trees, so there’s no reason anyone won’t want to buy!”

Online Resources: www.FromImpossible.com/resources.

CHAPTER 2

Signs of Slogging

If growing is harder than slogging through mud, it's probably because of one these reasons.

ARE YOU A NICE-TO-HAVE?

Do you believe your intended buyers *need* what you're offering? Or are you a nice-to-have? One clear sign that you're a nice-to-have: Everyone you show your product to says "cool!" but no one buys.

Consumers don't buy what they need; they buy what they want. How much do consumers spend on Porsches and ice cream compared to broccoli and psychotherapy?

But businesses don't buy nice-to-haves. For example:

- Marketers *want* a beautiful website—but they *need* a website that converts visitors to outcomes such as leads or purchases.
- CEOs *want* happy employees—but they *need* people to show up and do their jobs, for products to be released on time, or for cash flow to be improved.
- VPs of Sales *want* increased sales productivity—but they *need* and *buy* what contributes to it, such as leads, accurate reporting tools, and training.
- Venture capitalists *want* to invest in honorable founders—but they *need* to generate above-average returns, which may or may not come from companies with honorable founders.

It takes a lot of energy to buy *and use* something new, so if you're a nice-to-have, it won't stick. Nice-to-haves fall to the bottom of the "must do" list.

If the buyer doesn't *need* your solution, they won't be motivated to go through all the work to convince their people, justify the purchase, roll it out, and get people to use it.

- What problem is painful enough that a team of people will spend both their money and time to fix it?
- If you are solving a need, how can you describe what you do differently, so prospects also see it that way?
- What differentiates the customers who *need* you from the ones who don't?
- Where can you create the most financial value?
- Where can you get permission to create case studies or get references? (With some types of markets or customers these are almost impossible to get.)
- How can you “sell money”?
- How can you sell “things”?

“Sell money” means proving to customers that your product will help them make more money, spend less of it, reduce the risk of losing it, or stay compliant (avoiding fines and legal risk). Demonstrate how spending money with you will make them more money.

Make money by proving to customers that your product will help them make more money, spend less of it, reduce the risk of losing it, or stay compliant.

If you say you'll “increase revenue” or “decrease costs,” you sound just like everyone else. What's equivalent to money in their mind—leads? Close rates? Social activity? Collections?

Employee engagement or fulfillment? Although we know engaged employees and fulfillment are vital, how do you prove to customers that you can help them make money with better employee relations, or with better resources and tools for their employees? How can you make the case that your product is *needed*?

Example: What ACME Learned from Failing at Outbound Lead Generation

A \$15 million SaaS company, let's call them ACME Corp., came to us and said, "We need to grow, we need more leads!" ACME had grown to that point by being a partner of Salesforce.com and getting referrals from them. These referrals closed at a high rate, quickly. Clearly it was because they were referrals. ACME was growing, but wanted to grow faster, to double their rate with paid lead generation. Referrals and organic growth weren't enough. But ACME assumed that if they just got twice as many leads, they could grow twice as fast.

- *Trouble Clue #1:* They'd been trying different online and offline marketing campaigns for the past three years, with results ranging from abysmal to crummy.
- *Trouble Clue #2:* They started an outbound prospecting program (with Aaron's help) and totally failed. A total *zero*. It took four months (well, on top of the prior three years), but the key learning was that *ACME wasn't ready to grow faster*.

This company hadn't Nailed a Niche. The signs were there before. But they didn't want to accept it until they tried outbound marketing and hit a wall. Any kind of paid or nonorganic lead generation (like marketing or prospecting) can be a forcing function that makes you confront the reality of whether you've nailed a niche or not. If it doesn't work, you need to rethink your target customer . . . and possibly your solution.

ACME was in a noisy, commoditized market. All of ACME's target prospects already had something "good enough." Their targets' pains weren't ones ACME could credibly solve. To the prospects, anything ACME could offer beyond what they already had was just a nice-to-have, and not worth the pain of switching systems. However excited the ACME team was about their own stuff, prospects didn't get it. They didn't *need* ACME's solution

Target, Pain, and Solution

Your niche isn't just picking an industry vertical or target, though being selective about whom you're targeting is important. It also sits at the intersection of the *pain* they have and your *solution* (Figure 2.1).