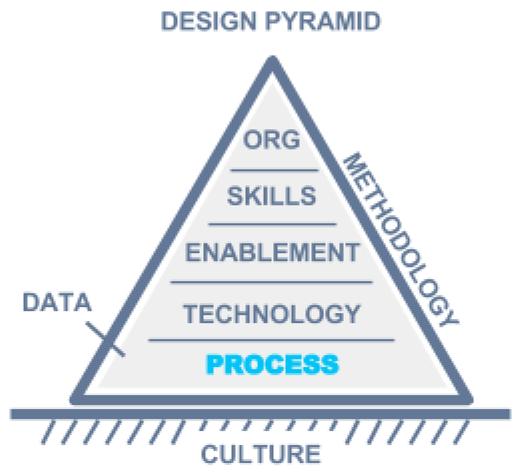
DESIGN BLUEPRINT

PROSPECTING METHODS



The Winning By Design Blueprint Series provides practical advice for parts of a SaaS sales organization. In this blueprint, we provide insights on different prospecting strategies for different go-to-market (GTM) models. Prospecting is about having a conversation with a client. This can be through an email, a call, an in-person meeting etc. A prospect is a company or person who matches the profile of a client.

If you are selling car tires, anyone with a car is a *fit*. If someone has worn tires they have a *pain*. To find the people who have worn tires can be hard. However, you may able to identify people who ski by identifying those who have ski-lift passes or have a ski-box on the roof of their car. In that case, they are likely to have a *pain* thus they are a MQL. Following a short conversation you may learn that they go up the mountain a couple of times a year, and that they hate putting on chains - *Impact* - making them a SQL. Furthermore you learn that they are going next weekend with a snow storm coming in hinting at a *Critical event*. That turns them into an SAL.

Table 1. Definition of lead metrics

Criteria	Prospect	MQL	SQL	SAL
Is a fit, such as number of employees, geographic location, and has the infrastructure.	✔	✔	✔	✔
Has a pain, such as going to their web-site they were hiring, or they lacked feature XYZ on their web-site.		✔	✔	✔
Impact identified, by having a conversation with them we learn that we can impact their business positively.			✔	✔
Has a critical event, following diagnosis of the situation, we realize there is an event that will drive this.				✔

LeadGen Variables

To create or develop a SQL, there is a series of variables:

- **Number of Taps** - The number of times you reach out to a customer; think of an email, a call, a shout-out etc. This is sometimes referred to as number of touches.
- **Different Channels** - Across what kind of channels are you reaching out, just emails and phone calls? Or are you also sending them something per snail-mail, requesting a LinkedIn connection, or liking a Tweet.
- **Time in Days** - Over how many days did you reach out to them? Reaching out to a person three times a day may be way too much, but reaching out to a person three times in a lifetime is likely way too little.
- **Client's Team** - Are you sending it only to their CEO/EVP or are you updating "their team" beforehand?
- **Our Team** - Is it just the SDR or AE reaching out, or can you involve the EVP, CxO, etc.?
- **CR(t)** - The conversion rate as a function of time to get to a single SQL.

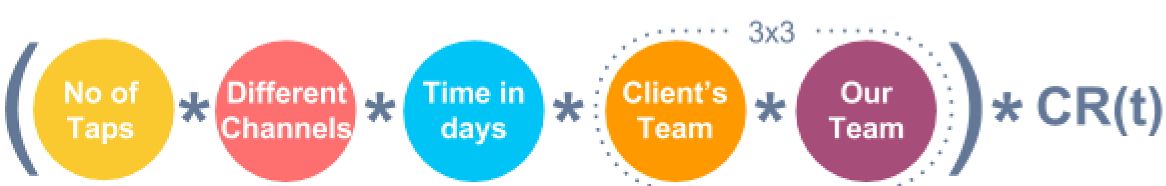


Figure 1. Variables that influence the quantity and quality of MQLS and SQLs

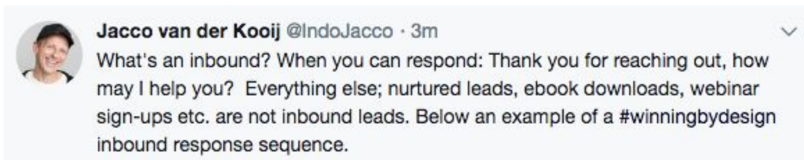
Four Prospecting Approaches

These variables can be used to create SQLs/SALs with four different approaches:

1. **Inbound** Following up to a hand-raise received from a mobile app, website, send you an email etc.
2. **Outbound** Reaching out to people who are a fit, have a pain to identify if you can impact their business
3. **Target** Reaching out to those you have established, you can impact their business
4. **Content** Use of content to educate prospects so they visit your app, website, send you an email etc.

Prospecting Method #1: Responding to an Inbound

An inbound lead is also referred to as a Marketing Qualified Lead. There is a common misunderstanding what is an inbound lead. Let's clarify that up.



If we look at when you can say "How may I help you?" the following standout as true inbounds:

- [*Sign-up*] for a trial
- [*Contact Sales*] on the web-site, which in some cases, is used as an "emergency hotline" for customers
- [*Schedule a Demo*] on the web-site
- [*Visit at a Tradeshow*] and wanting to learn more
- [*Word of Mouth*], a new prospect reaches out to you via email at the referral of an existing customer

What all of these have in common is that they are time sensitive. B2C statistics indicate a sharp drop-off in response rate beyond two minutes. I rest assured that anyone who has ever signed-up for something online is familiar with the frustration when the confirmation email does not arrive immediately. But sometimes you may get frustrated if the phone immediately rings. For example, if you download that 40-page whitepaper, you do not want to be called immediately. Over the years, we have noticed that the following are commonly mistaken as inbound leads:

- [*Download*] a whitepaper, ebook, etc.
- [*Sign-up*] for a webinar and social events
- [*Nurtured*] leads such as by visiting a pricing page

The above three actions provide great context for an outbound call but they are NOT a time sensitive inbound.

In order to respond to an inbound, we respond within minutes, thus the same day (day = 1), assign this to a single person (our team = 1) and contact only the person who reached out (clients team = 1).

Figure 2. The Inbound Sequence

As a result we have a simple formula left. This means you can simplify an inbound to number of taps across different channels.

Figure 3. Simplified Inbound Sequence

Putting a series of taps or touches together across different channels is referred to as a sequence or cadence. Below is an example of such a sequence in which a SDR is reaching out to a person; first via visiting the client's LinkedIn profile, then a phone call; if the client does not respond, (s)he leaves a voicemail; and in follow-up to the voicemail, immediately sends an email...all in a single day. Clearly this makes it very intrusive, and thus can only be used when a client has reached out to you asking for help; also known as a hand-raise in trade language.

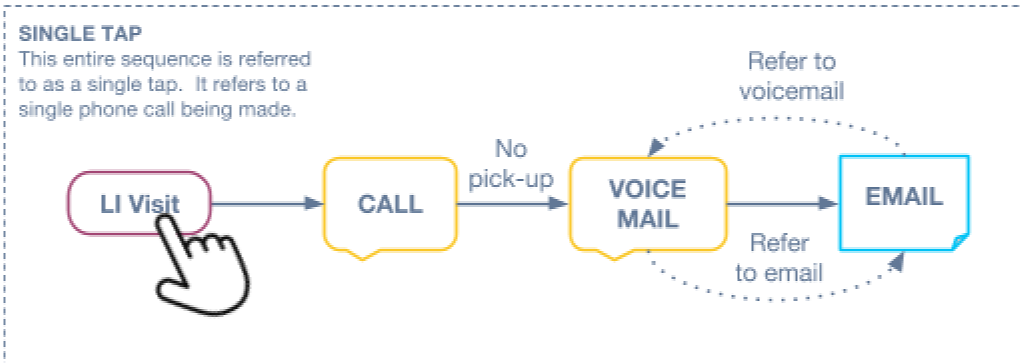


Figure 4. Example of a SingleTap; a sequence of taps across different channels using an in-person outreach

In order to provide a response in less than five minutes, you must always be "on." Many organizations struggle to staff an organization for this. So how do you respond within five minutes to a request for a meeting on Sunday night at 2 am? You can use a setup in which tools provide you an effective response time in an efficient way.

Figure 5. Example of a response to a time-sensitive inbound using technology

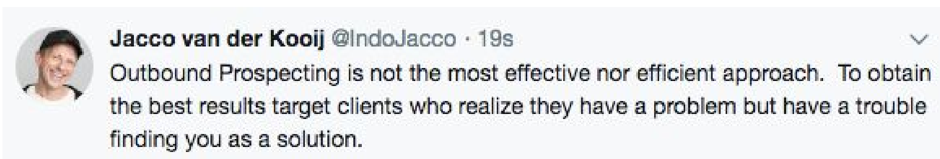
In this case, an inbound request results in an immediate Email (#1). This email contains a brief Thank You message and instructions to pick one of two calendly links in the email; a 15-minute call or 30-minute demo, for example. The customer clicks on the link of choice, books a call/demo, and receives immediately a confirmation email (#2). This email contains the confirmation, and some valuable insights to get the client going immediately. Think of a demo video, and/or white paper. The sequence in the above figure provides a response in less than five minutes, and can be implemented almost immediately with little to no cost.

Prospecting Method 2: Outbound Prospecting

Many sales organizations do not have the luxury of hundreds of inbounds each day. These companies need to reach out to prospective clients to interest them to take a look into their solution. For this, you need to orchestrate an outbound campaign.

Figure 6. An outbound sequence goes across multiple days and often weeks

An outbound sequence consists of a number of taps across different channels such as social, media and phone taps AND across multiple days. The efficiency of tools that can automate an outbound campaign of a thousand messages easily traps you into believing this is effective.



However, every company today, big and small, is creating these campaigns. To stand out among the crowd, a level of sophistication and discipline is needed. Below, we are creating a sequence based on Winning By Design principles:

Table 2. The Winning By Design principles of customer centric outbound prospecting

#1 Pain *NOT Fit*	**#2 Emotional** *BEFORE Rational*	**#3 Educate** *DO NOT Pitch*	**#4 Assist buying** *DO NOT sell*	**#5 Give** *TO Get*
Do your research and only reach out to those who have a **Pain,** not to those who are a **Fit**!	Share vision pitches, and people sharing ideas, before sharing increases in savings or revenue.	Help your customer think through the problem they are experiencing, share best practices.	Don't sell to people who do not want to be sold. Assist people who want to buy.	Provide value in every interaction, info, insights, etc. before you ask for the meeting.

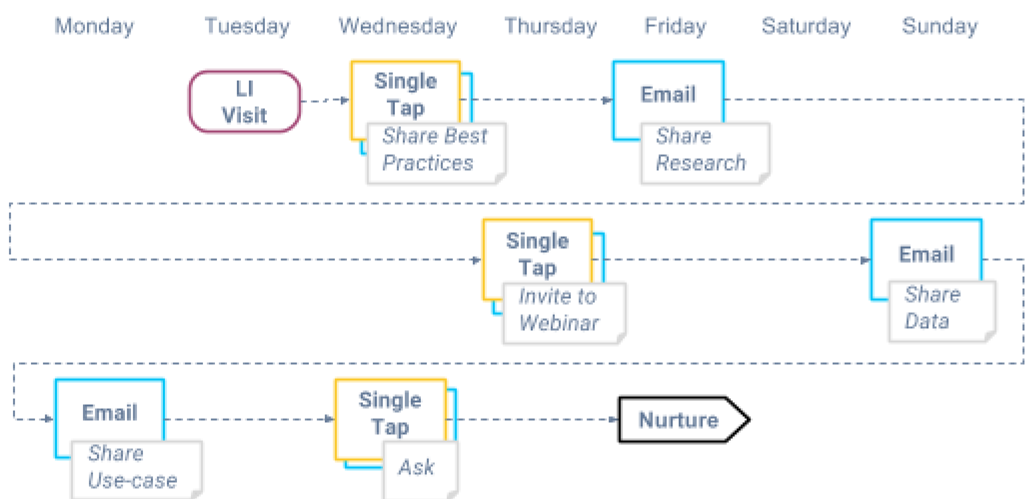


Figure 7. A 3-dimensional outbound sequence with 7 touches across 3 channels in the span of 3 weeks (7 x 3 x 21)

Prospecting Method 3: Targeting OR Account Based Prospecting

The outbound prospecting approach is focused on reaching a single person, often in a particular role, across a number of companies. This may work well in a market with an unlimited amount of companies to sell into. However, most B2B businesses sell in a relatively small market, and a single-digit churn on a database with every campaign will wreak havoc on the total available market.

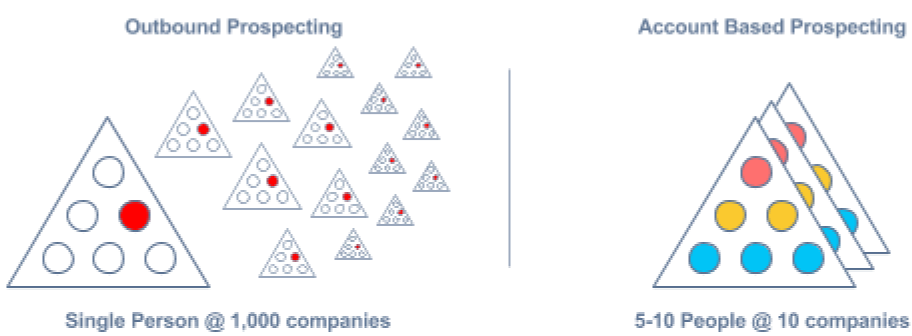


Figure 8. Difference between Outbound Prospecting to a single person vs. Prospecting to a few targeted accounts

In Account Based, you select only a few accounts, say 5-10 per account executive. The marketing qualified accounts (MQAs) are pre-selected to be a fit for your service, to have a pain you can impact - and for whom you need to identify a critical event. What is left is only a few selected accounts. In these accounts, you reach out to multiple people across the organization.

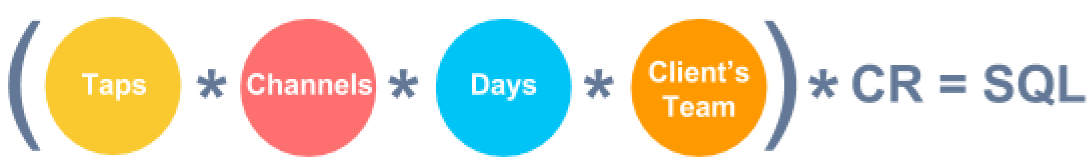


Figure 9. Account Based Prospecting Sequence as you target multiple people on their team

In many cases, we deal with three different types of people on the client's team; An Executive, a manager, and a user. There are two ways of approaching a client:

- **Hierarchical:** In this approach, it is paramount to understand that you cannot reach out to all three at the same time with the same "pitch" or "value proposition." You have to line-up the right kind of insights to match the value proposition of each individual stakeholder. This approach is renowned for going as "high" as possible into the organization.

Over the years, the hierarchical approach has run into some specific issues. First, many (SaaS) decisions are no longer made by a single person on top of a hierarchy. They are made by a group; the person on top of the hierarchy is responsible for following the process, NOT making the decision. Second, senior executives when they even do read/listen to your outreach, they "kick it down." If the next person has never heard of you - they can dismiss your efforts with a simple "never heard of them, will take a look… " And last but not least, it pins one of the lesser qualified people on your team against the most qualified person on their team. A new approach is required:

- **Chronological:** In this approach, we ensure that the right steps are taken at the right time, and by the most qualified person on our team. This is to overcome that a client's CxO reads your message and directs his/her staff to check it out, without the staff having ever heard of you and dismiss it as spam, leaving the CxO with the gratification that proper action was taken.

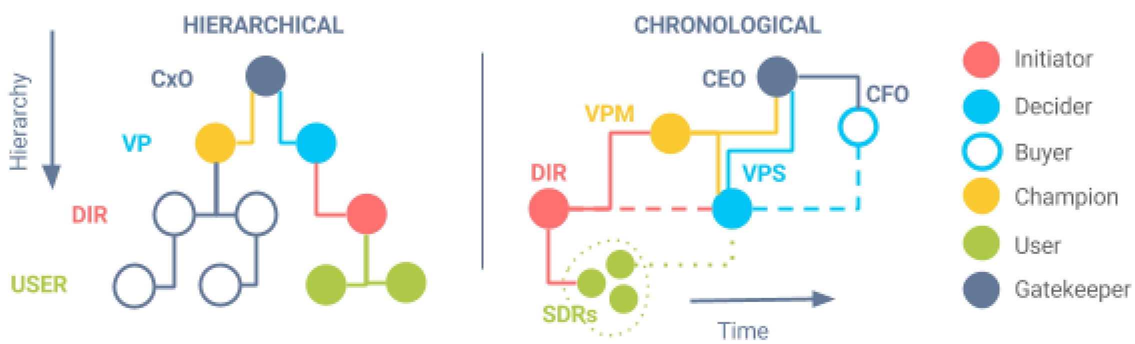


Figure 10. Hierarchical vs. Chronological campaigns

In some cases, you may decide you wish your CEO/Founder to be involved to address some of the senior decision makers. This adds another dimension to the equation and, more importantly, with multiple people involved on your team targeting multiple people on their team, and this requires orchestration.

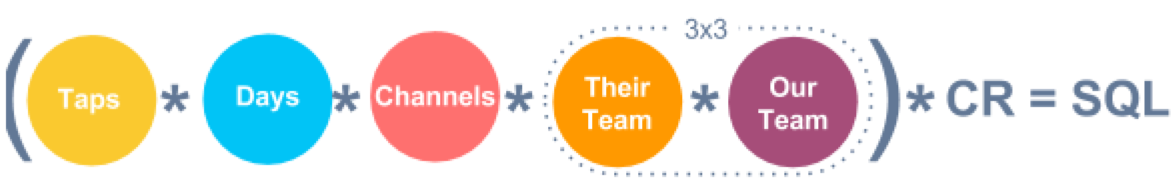


Figure 11. Using a 3 x 3 to address the needs of multiple people inside a client's organization

What you want to avoid is a single-threaded relationship in which an account is maintained only by a relationship between the champion on the client side and your account manager. This is account *3 x 3*, a term coming from organizational selling. It refers to three people on your team being involved with three people on your client's team.

Table 3. A 3 x 3 to orchestrate relationships between 3 qualified people on your side with 3 on the client side

Client team	Your team
Championed by User VP 1. ……….Client CEO ………….. 2. ………Client VP of IT………..	**Championed by YOU** 1. ………Mark our CEO…………….. 2. ………Mary our VP of Eng……….

3. ………User Manager………..	3. ………Alex Head of Product………

Prospecting Method 4: Content Based Prospecting

Content based prospecting can be used to create interest with new accounts OR develop interest with existing accounts.

Create Interest: The use of Content as an Outbound Call to generate an Inbound (Outbound Prospecting)
In this approach, we curate and create content around pain, impact and critical event. The client who experiences the pain is expected to engage with the content as organic or paid search points them to the content. The role of sales development no longer is to set up a meeting through emails/calls but rather to distribute content in places where a client is most likely to find them. In effect, content is used as the "outbound" call.
The development rep monitors who engages with the content and reaches out.

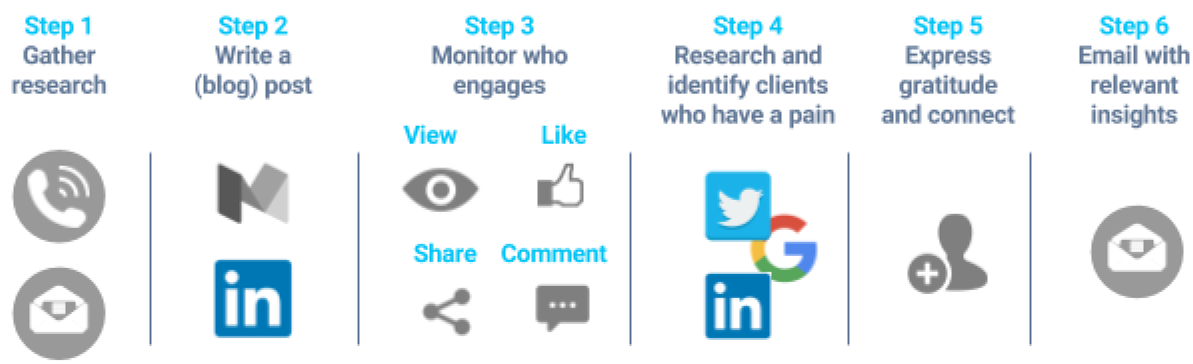


Figure 12. Content Based Prospecting

In innovative markets, this effort is very worthwhile as many first movers are seeking for ideas and insights. Today these efforts can be outsourced to specialized firms that can generate a steady flow of qualified leads in the form of meetings with executives.

Develop Interest: The use of Content to further engagement (Account Based Prospecting)
Once a contact has been established with a company, a more dedicated approach can be deployed in a content board. In this approach, a development rep prepares the right content for each person/role in the account.

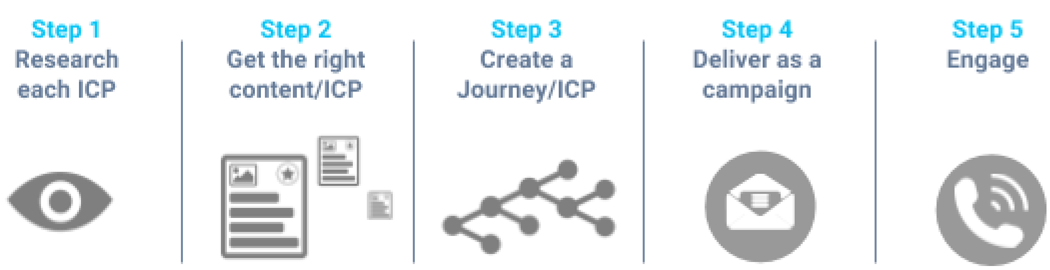


Figure 13. Use content to create a journey and engage a client

This approach is extremely useful in Target Account Selling. It is a form of ABM that can be used by Account Executives rather than Development Reps.

Efficiency and Effectiveness

Each of the aforementioned prospecting approaches has different efficiency and effectiveness;

- **Effectiveness:** The ability to produce a desired or intended result, in this case to create and develop a SQL. For example, Account Based Prospecting (ABP) is very effective in creating a SQL.
- **Efficiency:** The ability to create a result with with a minimum expenditure of time and effort. In this case, it takes a lot more effort generating a single SQL.

In the figure below you see the different prospecting processes mapped to effectiveness and efficiency. This is an artistic impression of the writers experience working with different approaches over the past five years. Feel free to provide feedback to improve on this picture.

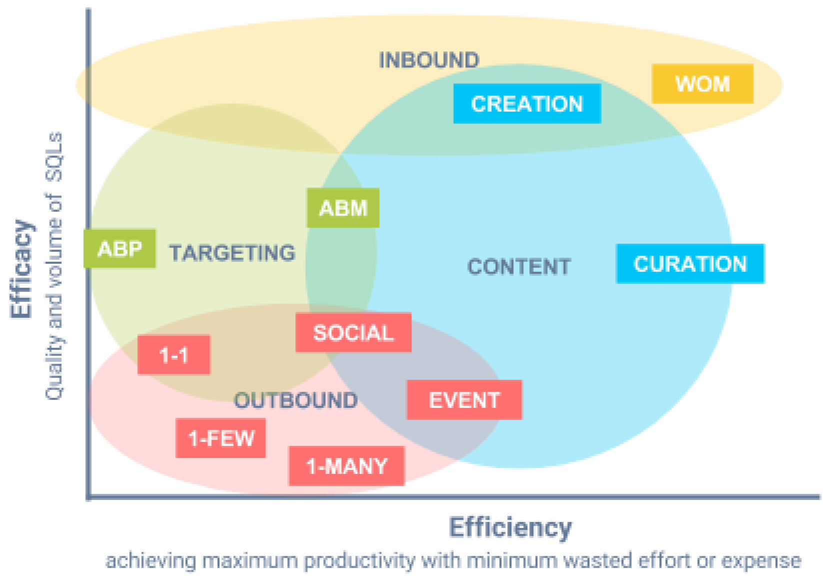


Figure 14 Visualization of effectiveness and efficiency of different prospecting processes

As presented in earlier blueprints, the decision to use a specific approach needs to be data driven. For this, you need to obtain conversion rates and investments made for each approach.

Table 4. Mapping efficacy and efficiency of different prospecting programs

PROSPECTING PROCESS	EFFICACY	EFFICIENCY
Inbound/Word of Mouth	1 WOM	2 Calls + 2 Emails
Content Based (Create)	10 MQLs/Article	$18/MQL on FB
Targeted Outreach (1 - 1)	12 SQLs/month per SDR	5 Emails Calls/day + 4 hr research
Volume Outreach (1 - Many)	10 - 15 SQLs/month per SDR	100 Emails/calls/day
Event Based Outbound	1 - 2 SQLs/event	5 days of prep per Event
Account Based Prospecting	10 Accounts	40 Activities per Account
Account Based Marketing	20 Accounts	20 Activities per Account
Social Selling	2 Blog Posts/100 Likes	4 Hours/Blog + 2hrs/day

Matching the Prospecting Methods to the Market Segments

To scale growth, a company must determine which prospecting method it is going to apply. It cannot copy its hacking techniques used to get to 1M in ARR. Similar to its product, its GTM must be design-based on data obtained during testing. Below you will see a variety of GTM methods we know per today as a function of Annual Contract Volume and Volume of Deals/Month. Each of these methods is modeled against the best customer experience. For Web-sales, that may be optimized for speed (online); and Local Sales for complexity (integration in existing infrastructure).

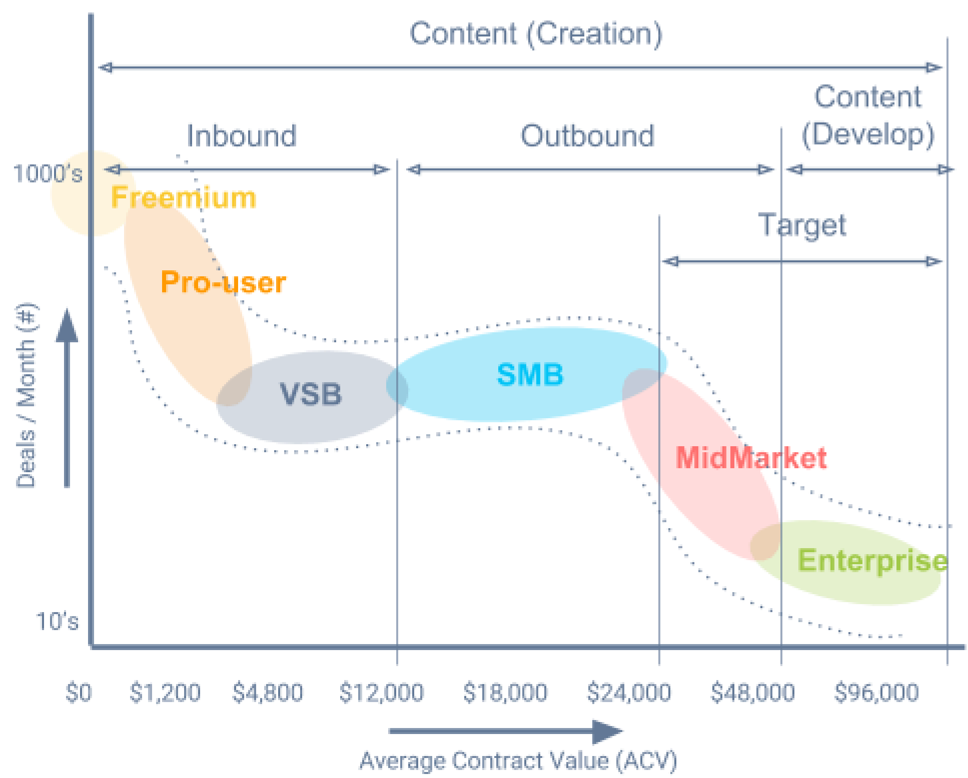


Figure 15. Where the different Prospecting Methods may work the best

Identifying effectiveness and efficiency of different prospecting approaches must be part of the Product Market Fit phase!

Learn More?

Winning By Design has gained insights working with hundreds of SaaS start-ups over the past 3 years. We share these insights through three kinds of blueprints; Design Blueprints (DBP) - How to build an organization, Manager Blueprints (MBP) - How to manage an organization, and Blueprints (BP) - How to perform key actions for individual performers. This paper is part of the Design Blueprint series, other topics include:

- **DBP Growth** - How to achieve growth by creating multiple layers of revenue
- **DBP GTM** - The us of different GTM models for a variety of markets to achieve growth
- **DBP Dat**a - How to setup a data infrastructure for your organization
- **DBP Prospecting** - How to implement a variety of prospecting methods across different GTM strategies
- **DBP Selling** - How to implement a variety of selling methods across different GTM strategies
- **DBP Sales PODs** - How to build a cross functional sales team to fuel your growth
- **DBP Compensation** - How to implement a compensation plan across different roles

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