

Growing your Software Development business using direct outreach:

THE FIVE STEPS TO BUILDING A SOLID PIPELINE OF SALES OPPORTUNITIES FROM COLD

INTRODUCTION

You've got great clients, and you've built amazing solutions for them. But for some reason, when you email someone you don't know (or contact them via LinkedIn), they don't seem to be interested. It's really frustrating.

For your business to grow, you need a reliable way to build your sales pipeline - and while there are many ways to do that, this paper outlines a method that is tried and tested from a team that has been doing this for over 20 years.



WHAT YOU WANT

The likelihood is that you've grown your business, you've been using your connections to get new clients - getting referrals from those you've worked with in the past. It's the most common way for new software development companies to get things moving.

And now you're ready to scale up. Your team is in place, you know how to deliver great work. But to take the next step, you need a way to generate business that is predictable - rather than just relying on the next person to refer you at some point

85%

of new businesses report word of mouth referrals as their number one source of new clients

65%

of their new business comes from referrals

What you want is pretty reasonable: there's no point getting 50 meetings in a month because you won't be able to deliver that many projects once you close the deals. Depending on the size of your business, maybe 1-3 good meetings per week is the right number.

And you know that you need to spend some money - so long as it's the right amount: too low and you won't grow; too high and you won't be profitable. But you don't want to waste it on lead generation agencies that don't understand how to deliver on their promises.



WHAT IS STOPPING YOU GETTING THERE?

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Businesses that rely on a single source for new inquiries risk losing up to 80% of their potential customer base if that source fails

80%

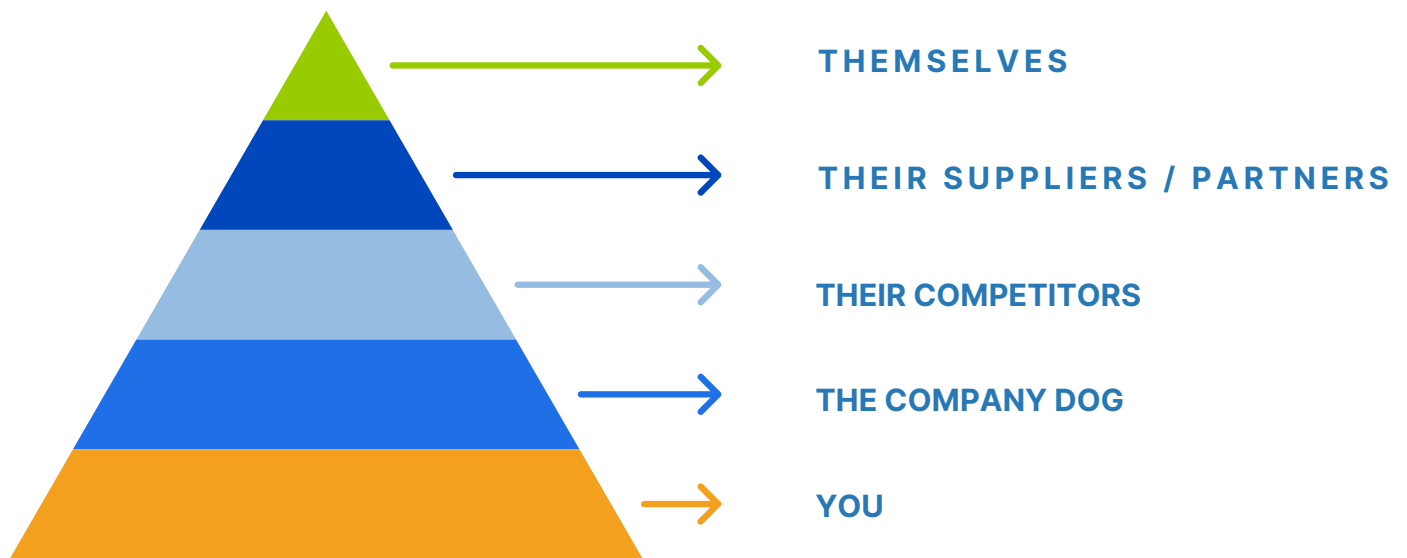
Companies that regularly experiment with new channels and markets grow 2.5 times faster than those that don't.

X2.5

Introducing HOGAS

THE HIERARCHY OF GIVING A SHIT

There are many things that people care about at work, when they don't yet know you:



THE KEY TO UNDERSTANDING YOUR LEADS

It's a really important concept, because it shows the importance of addressing what people care about, starting from the top.

If you start to talk to people about you and your amazing developers, well that's quite low on the HoGaS. No one actually wants a "software development" company. People just want their problems fixed.

If you can show them you are aligned to their needs then in time, they'll get to know you, and you'll rise up the chart

"Approach each customer with the idea of helping them solve a problem or achieve a goal, not of selling a product or service." - **Brian Tracey** (Author of the Psychology of Selling)

The 5 Step You Need To Take

(TO CLIMB THE HIERARCHY)

PROMOTE WHAT YOU'VE BUILT ALREADY - NOT WHAT YOU CAN POSSIBLY BUILD

You are a founder - you work for an exciting, growing company; you care, you are interested, you want to work hard and make money. But not everyone's the same as you. Some people work for bigger companies and want an easy life: earn money, make sure there's no issues; and if there are, spend someone else's money with minimal work.

If you are selling custom software development, it sounds like a whole lot of work to the buyer. Requirements, projects, testing, fixing. And the time to value sounds longer than they'd like. Above all, they care about themselves first.

Compare that to buying a ready made solution off the shelf, and that's just a lot easier to buy:

- Their problem will be fixed quicker
- The features and benefits are clear (and easy to sell to their management)
- The cost is known - and perceived to be cheaper
- It's tried and tested
- And it's less complicated to oversee, with less management time involved

When people want to get from A to B, they buy a car from a well known brand - not a kit car. It's easier to order a Big Mac, than just to ask for all the constituent parts (2 buns, 2 patties, lettuce, pickles, etc.).

You may not own the IP to what you have built - but that doesn't matter at this point. After all, while it will need to be rebuilt and customised, you already know 70% of the work to do, and the remaining 30% will be unique to each client. Which is pretty much the same as if they buy a product - they'll still want it tailored to their needs.

So the answer is to approach people by telling them about the products you have built. These are exciting, clearly solving problems. When you focus on a very clear solution, it's a much less competitive world. And when you make things easier to buy, they become easier to sell.

88%

of top-performing sales professionals prioritise understanding their customers' needs and provide specific case studies as reference -

LinkedIn State of the Nation Report

IDENTIFY YOUR MOST LIKELY BUYERS AND RESEARCH THEM

You will have a clear picture of your Ideal Customer Profile. Certain company features, certain departments, certain job titles. Zero in on those that are most likely to buy, and have a look at what they're talking about.

The amount of information given away on Social Media and elsewhere means this is a treasure trove for sellers. You want to look for people that are discussing business challenges which you know you can fix.

Sometimes it won't be obvious, but you'll get to see the "triggers" - maybe they're hiring for particular roles, maybe they're using a particular technology already but they've grown a lot or have raised money.

You want to speak to the right people, but also at the right time - and the more data you can use to identify that timing, the better the chance of success.

The sort of messaging that will work is along these lines: "I noticed you were... For a lot of people that means they're struggling with... How are you fixing this? Have you tried..."



According to **InsideSales.com**, Reaching out to prospects at the right time (when they are most likely to be engaged or in need of a solution) can increase conversion rates by

49%

WHO LOOKS THE MOST LIKE A CURRENT CLIENT?

Even if someone isn't actively talking about problems, you can still approach them. They may just be quiet about it! There's a decent chance that they will have a similar challenge to a business that is similar - ie a competitor. And of course, in the above Hierarchy, we know they care about their competitors more than you at this point.

You've fixed some amazing problems for some fantastic clients. And any buyer would love to find out more about that - because if the problem is similar to one they've got, they want your solution; or your client is a competitor, that will be interesting to learn about as well.

Let's say the first project you've completed - thanks to a referral - is an app to help BMW in Spain manage their website enquiries better.

Who do you target next? Those who will appreciate the app the most.

In this instance, start with every other BMW operation in countries around the world. You've done work for them, there's an agreement in place, and geography really doesn't matter. Then after that, you target the other car manufacturers who run websites in Spain; and so on.

(Phase 2 had a client recently who wanted us to target all other Spanish companies based on the above case study, but they were persuaded that the Spain bit wasn't the key element to build trust).

The messaging we should suggest is: "I was looking at your website, and I think your business is similar to XYZ, one of our clients. They just finished a project that gave them ABC benefits. Can I share with you some more info on what they did to achieve this?"

Note: this message is all about the client, not about you. (because of the HoGaS!). When you send the follow up information, include details on problems they had, the solution they found, the benefits they received (as specific as possible - they saved 30 hours per week, they found 15 new clients, they saw 10% fewer errors) and what they did (including using you) to get that benefit. If it's sent via a video testimonial, bonus points for that. And once sent, offer a call to go through it in detail.

70%

of buyers say that salespeople who listen to their needs and provide relevant information are key to a positive sales experience. (Hubspot)

WHAT IF THEY DON'T REPLY

There's still a chance of that of course. (actually, to be fair, if you get 20% reply to the above message, that's pretty good, but still leaves 80% that didn't).

If they don't reply, then it's either because they missed your first message (one follow up only please - with some more information - you don't want to be annoying!), or more like they don't have a need at the moment.

In which case nurture the relationship. Wait a month (the need won't have changed in 4 days), and offer them something interesting. Think about what would be loads of value to them, but low cost to you.

Some companies offer a free audit. The problem with that is you need to consider the needs of the reader - it sounds like work on their side and hence reduces the value to them.

HERE ARE SOME IDEAS:

- Online quiz: "Can Your In-House Team Handle This Project, or Is Outsourcing the Better Option"
- E-book: "10 Common Pitfalls in Outsourced Software Development and How to Avoid Them"
- Checklist: "How to Choose the Right Software Development Partner"
- Calculator: "Estimate Your Software Development Costs"
- Template: "Sample Software Development Contract"



If they ask to receive it, you know they're potentially interested. The aim at this stage is simply to get on their radar and get them asking questions.

"Nurturing your prospects is not just about keeping in touch—it's about providing ongoing value and guidance to help them reach a decision when they are ready."
— **Mark Hunter**, Sales expert and author of "High-Profit Prospecting"

TALK ABOUT YOURSELF WHEN THE TIME IS RIGHT

Too often, people send a message and ask for a call. And what they don't realise is people read that message and think: who the f*ck are you?

"Let's hop on a 15 minute call". Why would they spend any time with you? And everyone knows a sales call is never 15 minutes.

But once you've sent them something valuable, and they've shown some interest, then of course, ask if they'd like to discuss that information a bit more: "can I take you through the work they did?", "can I talk you through the results of the quiz?", "can I customise this template for you?".

That's a conversation that is of value. And once you are talking, then continue to talk about them. Fully understand their needs - challenge them if what they are looking for isn't going to work - teach them something new about how to approach a particular challenge. Make their time with you as valuable as possible.

Only when you've listened and understood their needs, then ask: "can I tell you about us and how we would fix this?" and if they're interested, ask if they'd like a quote to do the work.



"The key is not to call the decision-maker too early, but not to wait too long either. The right time to ask for the sale is when you've demonstrated enough value that saying no would be the prospect's loss."

— **Jill Konrath**, *Sales strategist and author of "Selling to Big Companies"*

SUMMARY

Sales is a journey - don't rush things, but take one step at a time and you'll build the pipeline you need to grow your business.

The biggest mistake people make is talking about themselves and the work they can do too early.

People do have problems that you can fix, and show them clearly that very similar people have fixed problems by using a very cool app (that you happen to be the builder of). Follow up with helpful information and resources that will allow you to start a conversation. And from there, you can start to understand their needs in more detail and get them in that sales pipeline.

PHASE 2

ABOUT US

Phase 2 has worked with software development companies from across the world and helped them grow. Over the last 6 years, we've been fortunate enough to work with companies from Argentina, Brazil, the USA, the UK, across the Balkans, the Middle East and south Asia. Our clients have met with 1000s of potential clients and as a result generated millions in revenue.

We do this by running their LinkedIn accounts: writing and posting educational content, building a network and messaging leads directly (without being annoying!) and continuing the conversation until they are ready to take that call. Not all meetings are equal and the ones we book are with people that know the problems you can fix, and are keen to talk.

IF YOU'D LIKE SOME CASE STUDIES, PLEASE CONTACT US AND WE'LL HAPPILY SEND SOME OVER:

ELLIOT@PHASE2GROWTH.COM