

## SoftwareCEO Exclusives

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### How to recession-proof your software firm, part 2: 18 tips on sales and marketing

by [Sue Anderson](#), Writer, **SoftwareCEO**

Play your cards right during the current recession, and you could actually leapfrog the competition.

That's the overarching message from three software marketing and sales experts who lived through the dot-com bubble as well as more recent recessions.

To prepare this special feature, SoftwareCEO collected practical advice on how to recession-proof your sales and marketing efforts from these three people:

- Steve Kraner of [Sandler Sales Institute](#)
- Judy Schramm of [JMR Consulting](#)
- Guy Smith of [Silicon Strategies Marketing](#)

It was soon clear that our natural instincts during a downturn are not always right.

There are much better ways to act — not react — during a recession, which can be boiled down into three simple rules:

#### **Recession-proofing rule #1: Resist your natural tendency to cut expenses across the board**

Instead, spend smart and invest for the future.

#### **Recession-proofing rule #2: Focus**

Innovative solutions will always be in demand. If the good times caused you to stray from your core market, now is the time to get back to what you do best.

## Recession-proofing rule #3: Resist aggressive sales tactics and drastic discounting

In some ways, a recession can be a salesperson's friend.

But to counter your prospect's natural tendency not to spend, you'll need to move up the food chain, and cultivate relationships with senior managers who still have budget to spend.

And you don't need to give away your software with deep discounts to do it.

Of course the devil's in the details, so let's put these three overall rules to work in 18 practical tips to help weather this global storm.



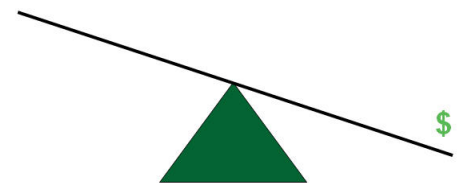
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### Recession-proof your sales and marketing tip #1: Dump your lists of features and benefits

Consider for a moment a seesaw that represents the software you're trying to sell.

The seesaw comes preloaded on the right with your software's price. So it's up to you to balance the left side with enough information to convince prospects that your software is worth it.

#### Traditional Selling



Traditional marketers and salespeople might be tempted to use a big list of features and benefits (F&B). But sales trainer Kraner says this isn't the best way to sell — mainly because it opens the door to negotiation.

"In order to justify price, you'll need to load up the F&B side of your seesaw with bells and whistles that your prospects probably won't need, and won't want to pay for."

So instead of trying to build value with F&B, Kraner recommends embracing the consultative sales approach, switching to a pain-based seesaw that helps prospects see your software as helpful.

#### Pain vs. Price

- The more aware the buyer is of his pain, the less he is aware of the price...
- The less aware he is of his pain, the more aware he is of price.



"Get them to see that the status quo isn't working, with carefully-crafted questions

that help them make up their own minds," he suggests.

F&B won't do that, he says, but pain will.

## **Recession-proof your sales and marketing tip #2: Keep prospects focused on their pain**

Kraner says that buyers are actually taught to flinch on price... and they'll probably flinch even more during a tough economy.

Many buyers know that if they behave like a critical parent — "How do you get off charging so much!?" — most sellers will revert to a child-like state. The salesperson may respond with something like, "Where do we need to be to earn your business?"

Some negotiation seminars, Kraner says, will even go so far as to teach buyers regional and ethnic flinches... like the Texas flinch ("Well, that dog won't hunt") or the New York flinch ("You're killing us here?!").

Salespeople should expect the buyer flinch, and be ready to hold the line on their pricing.

"Buyers don't think price is the real issue. Buyers don't want to buy from the lowest bidder. They just want to buy from *you* at the lowest bidder's price, using whatever trickery they can find to get you on the price end of that seesaw."

Pain-based marketing messages will help drive a fresh crop of leads into your sales funnel. Now that their pain is acute, your salespeople might find these buyers are less likely to flinch.



## **LISTEN Recession-proof your sales and marketing tip #3: Echo the value your customers bring to their own clients**

Strategic marketing consultant Guy Smith's advice follows a similar vein.

When prospects are scared, he says, they will dismiss anything that might take them off-mission. So, help them stay on-mission.

Every successful company, he points out, has at its core one of three [customer value disciplines](#).

For example, [Adobe](#) demonstrates *product leadership* with innovative software, while [IBM](#) strives for *customer intimacy*, and [Amazon](#) is best-known for its *operational efficiency*.

In other words, these three values revolve around what a business offers to customers, how customers feel about the business, and how efficiently it operates.

It's possible that your best customers already share one of these in common, and that your software (deliberately or not) supports that discipline.

Smith recommends that ISVs look for a common discipline among your top 10 customers, and then retool your marketing and sales messages to align with this core discipline.

"Mirror the market disciplines of the prospect, and you become part of their value culture," says Smith.

If your marketing reinforces what they're trying to achieve in their company, they will feel pre-disposed to doing business with you.

And as an added bonus, you'll attract more prospects like your "Top 10."

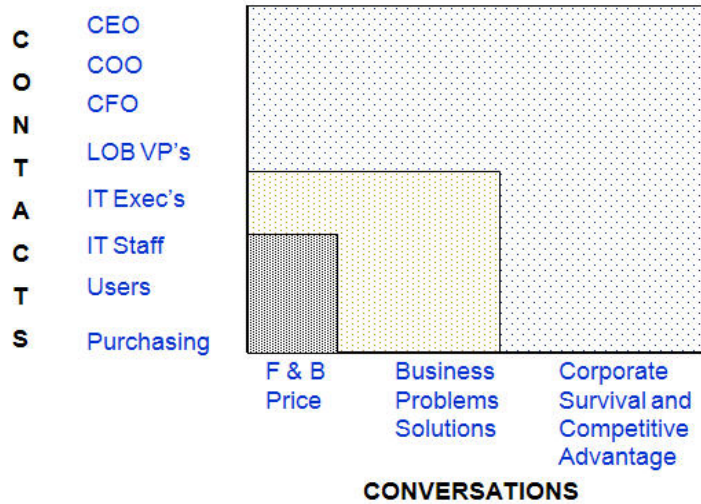
## **Recession-proof your sales and marketing tip #4: Move up the food chain to senior people who still have budget**

It's true that budgets get slashed during a recession, but it usually starts at the bottom. Mid- to lower-level managers more often lose some (or all) of their purchasing power.

Kraner encourages salespeople to move up the food chain, building higher-level relationships with people who still have budget to spend.

As you do, be sure to adjust your sales conversation to match the level of the person in the organization. Here's a handy chart Kraner put together to help salespeople match conversation to level.

### Comfort Zone



Before you schedule that first meeting with a senior executive, do some cross-functional selling to tease out the real cost of specific departmental pains.

Two reasons: You'll be able to use this knowledge during your meeting to build value, and you'll gain a broader base of support for your solution.

### **Recession-proof your sales and marketing tip #5: Don't lead with an ROI analysis**

One marketing tool that's less effective during a recession, says Smith, is the ROI analysis.

ISVs who lead with them are shooting themselves in the foot, he says, because when companies are in survival mode, they're looking to cut costs, not invest for the future.

SoftwareCEO isn't suggesting that you throw out your ROI analysis. But pull it out *after* your prospect is convinced that your product can help them. Use it to seal the deal, not start the conversation.



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### **Recession-proof your sales and marketing tip #6: Realize prospects have concerns about your staying power**

The recession threatens to bring down giant firms like the Big Three, so it's only natural for prospects to question your little firm's ability to survive.

To address their concerns when they're online, marketing expert Schramm suggests building more credibility into your website.

That means posting testimonials, client lists, case studies, awards, article reprints, industry association memberships on your site. A clear privacy policy that's easy to find also helps.

You'll find more credibility-boosting ideas in this 2002 [Stanford University](#) report: "[How Do People Evaluate a Web Site's Credibility? Results from a Large Study.](#)"

While this study is a few years old, in reality, it probably hasn't changed much.

For example, almost half the visitors evaluated a site's credibility partly on its

visual appeal. So if your site needs a refresh to be more attractive, now would be a good time to do it.

Once prospects are in your funnel, Smith says ISVs can demonstrate their longevity by sharing their product roadmaps.

Prospects will see that you're in it for the long haul, because you're actively investing for the future.

### **Recession-proof your sales and marketing tip #7: Stop telling, and start asking**

But if the question of longevity comes up during a sales conversation, Kraner has a sure-fire method to turn it around, and draw your prospect back into the conversation.

Stop pitching and pushing, he says, and instead start asking your prospects questions. For instance, ask what you could show them that would make them comfortable about your firm's future.

[Click here for an audio demonstration of Kraner's simple yet powerful technique.](#)

### **Recession-proof your sales and marketing tip #8: Shift trade show dollars to more effective tactics**

Attendance at trade shows usually plummets during a recession, so you may not want to sign up for any in the near future.

Kraner himself doesn't put a lot of stock in trade shows, calling them "trick-or-treating for adults."

To move up the food chain, he says, you need access to senior-level people, and they're not the ones going around grabbing tchotchkes at the show?!

But if you've already paid for a show, by all means go, says Schramm. Then use your time to build relationships with analysts and press, learn industry gossip, and size up your competition.

You might be wondering if virtual trade shows are a viable alternative to the live thing. After attending several virtual shows and running a few herself, Schramm believes they've fizzled.

People go to trade shows to interact in person, cement relationships, and meet up with buddies. And you can't do any of these things very well at a virtual show.

## **Recession-proof your sales and marketing tip #9: Start nurturing your ideal customers**

So where do you re-invest those trade show dollars? For starters, Schramm recommends that ISVs nurture your ideal clients.

The fundamental idea is that every company has approximately 100 ideal clients who are perfect for your firm: perfect size, perfect need, perfect location, perfect everything.

Start building relationships with these ideal clients, with a nurture marketing program that periodically sends them valuable literature through direct mail.

That's right, she said *direct mail*. If that seems counter-intuitive in a tight market, hear her out.

Direct mail, she says, gets expensive when you hire a mailing house to send out thousands of pieces.

But if you limit yourself to 100-200 names, it can cost as little as \$500 per mailing. Stuff the envelopes yourself (or pay a kid a few dollars) and recycle existing content such as press releases or case studies, and you can get this down to \$100 a mailing.

Postcards can be equally effective for a brief message, or a call to visit your website.

And because nobody's doing direct mail anymore, Schramm says you'll have a higher likelihood of getting noticed.

To get started, first brainstorm your ideal client list. Once you have your list, chart out six months worth of content and put the program on auto-pilot.

As a general rule of thumb, what you want to do with every direct mail piece, she says, is educate, and build credibility.

That's why you use pieces like press releases that announce your latest big deal, third-party articles that discuss issues your software solves, and case studies that profile businesses like theirs.

Stuff them in an envelope with a hand-written note that says, "Thought you'd be interested in this..." and send them on their way.

How well has it worked for Schramm's clients?

Sometimes, she says, they'll combine mailings with phone calls. Other times they'll let it run and watch as people drop into the sales funnel.

Generally speaking, Schramm says these programs attract one prospect per month... and that's for a six-figure software sale.

### **Recession-proof your sales and marketing tip #10: Beef up your PR investment**

"If you have money to spend, this is the place to spend it," says Schramm.

First off, as others cut back on their PR, it gives you more opportunity to rise above the regular noise.

Second — and this goes back to being prepared for longevity questions — if you're getting good press about your company: articles, product reviews, and so on, that sends the message that you're a successful, stable company that will be around for the long haul.

She estimates that one in 10 ISVs can run a good PR campaign on their own. For the rest, you can expect to pay \$2,000+ per month for at least six months.

But if you don't have \$12,000 in your budget, Schramm has three other low-cost PR suggestions.

### **Low-cost PR tip #1: Raise your LinkedIn profile**

As online social networking sites such as [Facebook](#), [Twitter](#), and [LinkedIn](#) grow in popularity, it makes sense to get in the game.

People will use these sites to check you out before they talk to you, so make sure your profile is complete and puts you in the best possible light.

Of all these sites, most agree that LinkedIn is the best for professionals to focus on. So start with it.

## **Low-cost PR tip #2: Pay it forward; contribute your expertise to online communities**

You can effectively raise your profile as an expert by contributing to online groups.

Through LinkedIn, Facebook, and niche websites like SoftwareCEO, ISVs can converse with people they might not otherwise cross paths with.

But before you start "contributing" take two key rules to heart:

### **Social networking rule #1: Don't try to be someone you're not**

People will see through any phoniness, so cut out the baloney and just be yourself. To gain their respect, you'll need to be transparent.

### **Social networking rule #2: Absolutely no selling — overtly, or covertly**

The fastest way to kill your credibility in an online community (maybe even get banned) is to use the community for your own personal marketing agenda.

Remember, your goal is to demonstrate that you're an expert, so be helpful. When people raise questions, get in there and share, but don't mention how your software resolves their problem.

If you like, says Schramm, you can include an offer in your signature, but make sure your offer is educational, too. Using your sig to advertise a one-week sale, for example, is completely off limits.

Pay it forward with every post, and you will likely attract a few new prospects along the way.

## **Low-cost PR tip #3: Start blogging**

This fall, a [Wired](#) writer [argued that it's time to pull the plug on blogs](#), calling them "so 2004."

But [Technorati](#)'s ["State of the Blogosphere 2008"](#) paints a very different picture.

More than half (54 percent) of the professional and corporate bloggers surveyed for Technorati's report say blogging has helped them become better known in their industry.

Moreover, blogging "has brought many unique opportunities to these bloggers that otherwise would not have been available.

"One in four have been invited to participate in an event as a result of their blog, one in five have contributed to a print publication as a result of their blog, and almost as many have found themselves on TV and/or on the radio."

That's why blogging is on our low-cost PR list.

To get started, Schramm recommends new bloggers choose a theme or topic that will help them demonstrate thought leadership in their industry. Then, pick a blogging tool and start writing.

[WordPress.com](https://www.wordpress.com) offers a free blog service that includes three gigabytes of storage and your choice of three customizable designs. Extra storage and other advanced features range anywhere from \$10 to \$90 per year.

Last but not least, use some audience-building strategies.

Tag your posts so people (and search engines) can find your content.

List your blog on Technorati, [Google](https://www.google.com), or any of the other 234 (and counting) websites you'll find in this [Master New Media](#) article "[RSSTop55: Best Blog Directory And RSS Submission Sites.](#)"

### **Recession-proof your sales and marketing tip #11: Tailor your Pay Per Click campaign to buyers at different stages**

Schramm says she often hears people say "the market is saturated" or "We tried Google ads, but they didn't work."

The problem with most PPC campaigns, she says, is that they only target people who know they have a problem.

Schramm suggests that ISVs scoop up the entire universe of prospects by creating targeted PPC campaigns for buyers at different stages:

- The initial "I have a problem" group will search online using common, everyday language
- The "I know what the solution is" group will use industry buzzwords when they search

- The "I'm ready to buy" group will use very specific, detailed keywords to find exactly what they're after.

The first group can be the trickiest to capture, because they're not using well-known industry terms to search.

To attract these early-stage buyers with a PPC campaign, Schramm recommends that you talk to your customer service people. Find out what language they use when they talk to these early-stage prospects, and you'll know which keywords to buy.

### **Recession-proof your sales and marketing tip #12: Don't cut all the fun out of your budget**

Of course, SoftwareCEO isn't advocating boondoggles like [American International Group's \(AIG\) \\$440,000 weeklong retreat at a posh California resort](#) for top-performing insurance agents, or [its \\$86,000 hunting trip in England for top executives](#).

There's a lot of fun to be had for next-to-no dollars.

"Invest in your people. Do a little training. Hold a fun event. Bring in an interesting speaker. Or just make sure you're being positive yourself," says Kraner.

"As a leader," he says, "you're always subconsciously broadcasting your current emotional conditions, and if you do it unconsciously, then it's a random event.

"Down-times are the times to make sure you're aware of the signals you're sending. And you should consciously, proactively try to send messages that are positive and encouraging."

### **Recession-proof your sales and marketing tip #13: Recruit top sales talent from the competition**

Other than fun, Kraner suggests that the down market might be a good time to hire top sales talent.

The best salespeople are out there, he says, but they've probably got golden handcuffs on.

You're not going to find them by posting a job on [Monster](#), but you unknowingly encounter them each time you lose a deal to the competition.

Next time you lose a deal, he says, find out who the winning salesperson was, and then go out and recruit them for your team.

### **Bonus resources**

If you found these tips helpful, here's four places to find more free advice from these experts.

- Steve Kraner has a three-minute audio clip called, "[Selling Adjustments for Tough Times – Why Forecasts are Inaccurate](#)"
- Judy Schramm has packaged her own set of tips in a free, 30-minute teleseminar entitled "[Software Marketing in a Recession](#)"
- Guy Smith has opened up his [Software Business](#) 2008 presentation called "[Technology Marketing in Troubled Times](#)" to the SoftwareCEO community

And of course, SoftwareCEO readers can get quick, direct help from Kraner and Schramm in our free online forums.

You'll find Kraner in the [Sales & Distribution forum](#), and Schramm in the [Marketing & PR forum](#).

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***About the author:*** Sue Anderson is a 23+ year software veteran who writes articles and marketing collateral for the high-tech industry. She helps clients transform convoluted tech jargon into meaningful copy through [eVoice Marketing and Communications](#).