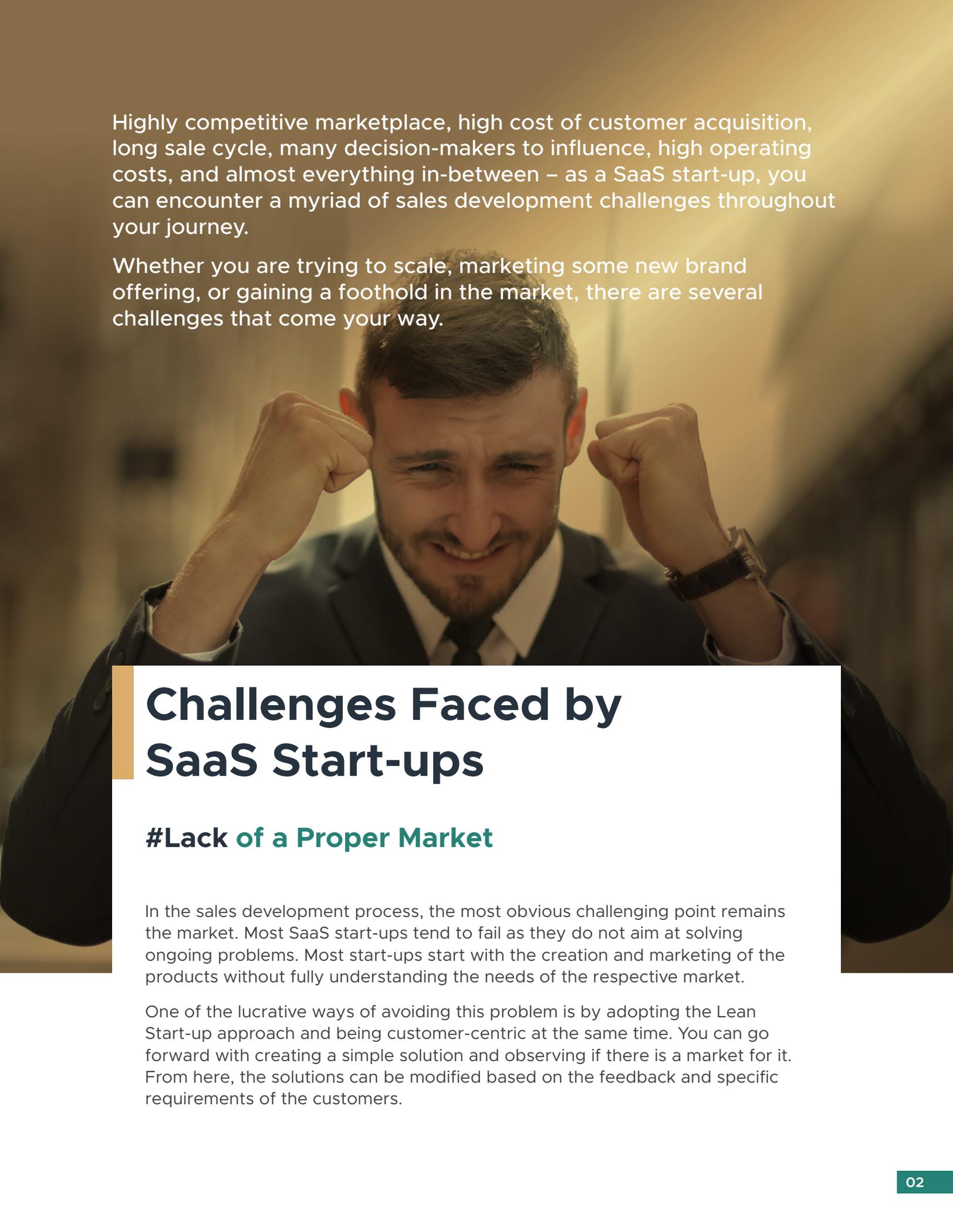




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Sales Development Challenges of Early-Stage SaaS Start-ups

A man in a dark suit and tie is shown from the chest up, smiling broadly with his eyes closed and his fists raised in a celebratory gesture. He is wearing a watch on his left wrist. The background is a blurred, warm-toned indoor setting.

Highly competitive marketplace, high cost of customer acquisition, long sale cycle, many decision-makers to influence, high operating costs, and almost everything in-between – as a SaaS start-up, you can encounter a myriad of sales development challenges throughout your journey.

Whether you are trying to scale, marketing some new brand offering, or gaining a foothold in the market, there are several challenges that come your way.

Challenges Faced by SaaS Start-ups

#Lack of a Proper Market

In the sales development process, the most obvious challenging point remains the market. Most SaaS start-ups tend to fail as they do not aim at solving ongoing problems. Most start-ups start with the creation and marketing of the products without fully understanding the needs of the respective market.

One of the lucrative ways of avoiding this problem is by adopting the Lean Start-up approach and being customer-centric at the same time. You can go forward with creating a simple solution and observing if there is a market for it. From here, the solutions can be modified based on the feedback and specific requirements of the customers.

#Complex Product

By definition, enterprises in the modern era are complex with hundreds and even thousands of employees. They usually operate across multiple time zones and locations while spanning multiple languages.

Enterprise SaaS also turns out to be a complex solution. It should be capable of supporting multiple users as well as user roles. Moreover, it is also expected to integrate with several other enterprise-grade applications –right from marketing platforms to enterprise resource planning, payroll management, human resource management, and customer support.

The more complex the product is, the harder it becomes to sell. With enterprise SaaS, there is no delivery of free demonstrations or free versions. Enterprise SaaS requires in-depth customizations as well as configuration.

As the product is complex, sales teams are required to spend more time in educating prospects, conducting personalized product demonstrations, answering questions, and delivering access to relevant support packages.

#Buyers Running the Sale

Traditionally, the only way a potential customer could investigate a SaaS-based startup solution was through talking with a sales representative. Sales teams had the keys to the entire SaaS kingdom. Sales representatives played a vital role during the early stages of educating prospects, fielding questions, and the entire sales cycle.

In the modern era, buyers tend to run the sale process. As per a recent study report, it was revealed that around **70% of B2B buyers** specifically define the respective needs before they engage with the sales representative. Almost half of them identify solutions before they reach out to the representatives.

This implies that most buyers consider waiting while contacting sellers until quite late in the entire sales process. Indeed, it serves to be a major challenge for SaaS-based sales teams. When a wide section of the potential buyers do not consider a reliable source for solving problems, you should try harder for demonstrating relevance, resolving buyers' concerns, exceeding buyers' expectations, and differentiating the offering.

#Lack of Compelling Content for Different Stages of the Buyers' Journey

In the modern era, SaaS buyers look for quality content. They are interested in going through white papers, watching product demonstration videos, downloading case studies, reviewing original research, and reading blog posts. They are interested in content that aims at addressing the existing challenges and concerns they might have at different stages of the buying journey.

The major challenge that most SaaS start-ups face is that they are sellers and not content creators. They can effectively pitch products, not provide quality content. Therefore most sales teams do not have access to content that their buyers are looking for.

Sales teams that aim at engaging and challenging prospects are twice likely to hit the targets. This is done with content that gets mapped to every single stage in the entire buyers' journey –right from consideration to awareness to the final decision.

When sales teams will deliver relevant content to the right potential buyers at the right moment, they can generate as much as 50 percent more sales.

#Losing Leads Due to Poor Follow-up

As per a recent sales survey, a high percentage of around **63% of individuals** requesting information about your SaaS product or service might not make the purchase for another 3 months. This implies that you should be highly focused on your follow-up strategies more than the lead generation strategy.

Enterprise SaaS sales representatives might end up ignoring leads that might not be sales-ready. As per another report, around **50% of sales** occur after multiple touches. In a SaaS-based business model, your success depends on follow-ups.

As a start-up organization, you are expected to keep following up with non-sales-ready leads while nurturing them until they are ready to take the next step in their purchase journey. You should aim at developing and deploying a strategic way of keeping in touch with these potential leads over time. Aim for nurturing leads by educating them, answering their questions, addressing their concerns, and moving them across the sales pipeline towards a successful sales conversion.

Conclusion

What is your roadmap to accelerate your SaaS start-up sales traction?

You need to develop a comprehensive understanding of the underlying challenges that might be unique to your customer base and to the sales cycle of your enterprise.

Uncovering the complexities of selling an enterprise-class solution with a high deal value with a large number of evaluators, influencers, recommenders, users and economic buyers (with approval and signing authority), and a long sales cycle, you and your team will need to navigate your course with a flexible and disciplined approach. Managing the challenges in your path to building your business is an ongoing and never-ending journey and not a fixed destination.

