



10 Laws of Building a SaaS Company in Israel

Part II: Selling SaaS Online

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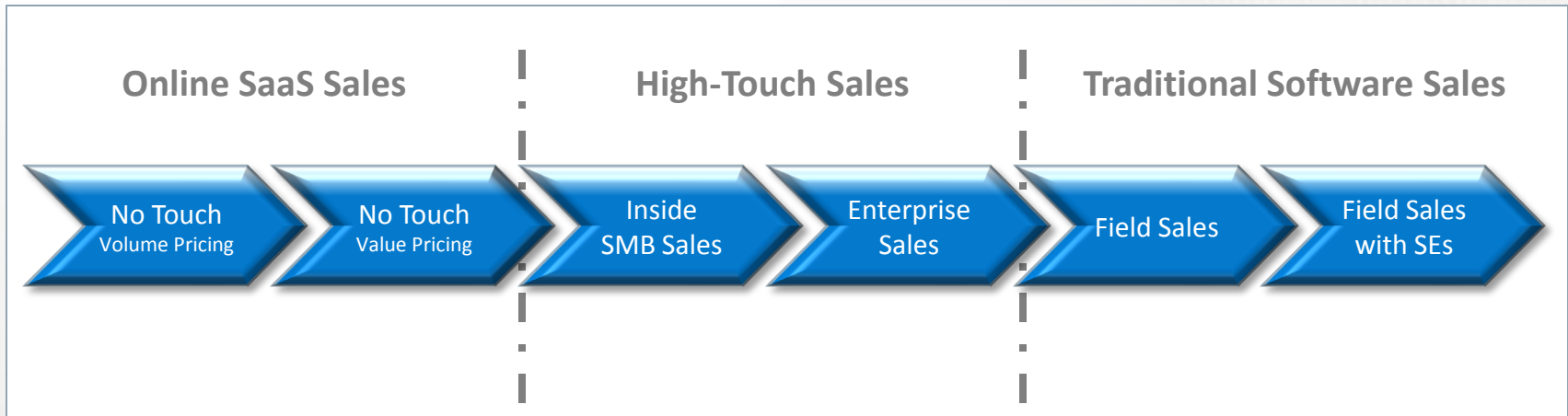
Agenda

- Introduction
- SaaS Online Sales Definition
- Online Sales Business Model Basics

Top 10 SaaS Rules

- #1 Know your Business Metrics
- #2 Select the right “Go To Market” strategy
- #3 Freemium is Not a Business Model
- #4 Product Development
- #5 Price Correctly
- #6 Inbound Marketing
- #7 Separate your Hunters and Farmers
- #8 “Sell a Service, Not a Product”
- #9 SaaS CFOs need to be exceptional
- #10 Stay in Israel as long as you can

Putting SaaS Online Sales in Context



- B2C vs. B2B

Sales Complexity Impacts Your Startup's Viability

↓ CAC (Customer Acquisition Cost)

↑ LTV (Lifetime Value of a Customer)

CAC < LTV = Good Business

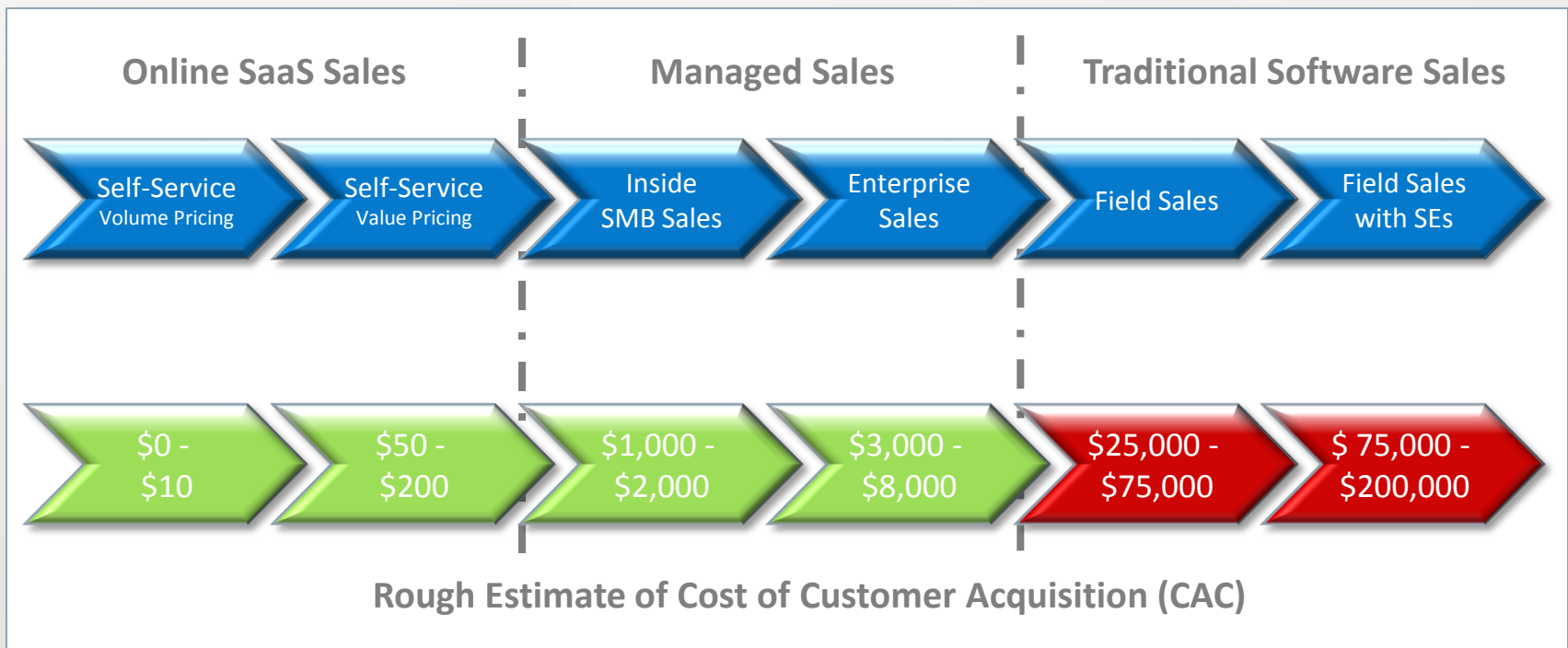
CAC > LTV = You are in trouble!

Putting SaaS Online Sales in Context

		No Touch Sales	No Touch Sales SMB Pricing
Questions to ask yourself before selecting your "go to Market"	Market size	Very Large	Large
	Capital Raised	Medium	Medium
	Product	Quick Implementation	Quick Implementation
		Easy to use	Easy to use
	Pricing Point	Low (\$9-\$50 MRR)	Medium (\$79-\$1000 MRR)
	Self-Service Sale	Yes	up to \$350 MRR
	Sales Lifecycle	Automatic	Automatic / Semi Automatic
	Inbound Marketing	High Importance	High Importance
	Outbound Sales Team	N/A	N/A
	Sales Team	N/A	N/A
	MRR Quota / Sales Rep	N/A	N/A
	Professional Services	N/A	Success Managers (Pre-Sales)
	Commission	N/A	Reduced Churn
	Churn	High	High
	Sales Compexity	Low	Medium
CAC	Low	Low+	
LTV	Short	Short	
Additional influencing data	HR - main people you need	Inbound Marketing, Product	Inbound Marketing, Product
	How hard to find in Israel	Very	Very
Marketing Options	Freemium	Yes	Yes
	Free	Yes	Yes
	Free Trial Limited in time	Yes	Yes
	Free Trial Limited in service	Yes	Yes
	Bundles	Yes	Yes
	Buy Now	Yes	Yes
	Request a Demo / Contact us	No	No

Sales Complexity Impacts Your Startup's Viability

- Complexity of the sales process
- CAC increases with the complexity of the sales process:



Sales Complexity impacts your Startup's Viability

Reducing CAC by reducing Sales Complexity

- Change your sales model from:
 - Inside Sales → No Touch
 - Direct Field Sales → Inside Sales
- Optimize your Sales Funnel

Increasing LTV

- Move monthly to yearly and upsell
- Add services and support
- Rethink your packages... consider: time and price
- Rethink your product... consider: value, pain and urgency

What causes Sales Complexity?

- Complex to understand and/or evaluate, install and configure
- Requires multiple people to make purchasing decision (frequently caused by a high price)
- Is mission critical
- Has high cost if it fails (e.g. data loss, significant financial impact) and/or the risks of failure are high
- Expensive (high cost to purchaser, and/or takes a long time to see ROI)
- Affects many other IT systems, people or departments
- Requires significant change to the way people work
- Requires purchase of other elements, or integration/development work to make a complete solution
- Lack of customer references with same usage needs as buyer
- Pricing complexity (buyer cannot easily understand correct configuration)
- Custom contracts need to be negotiated

“Build it and they will come”



Putting it all into practice...

Identify	Identify people involved in purchase decision
Understand	Address their buying process and concerns
Entice	Design actions to pull them through the buying process...
Align	Ensure funnel actions lead directly to sales
Link	Link every funnel action to the next step
Automate	Use software to automate and reduce CAC
Measure	Measure key funnel metrics
Analyze	Identify points of blockages or leaks
Improve	Brainstorm better enticements and ways to address concerns

What is your online customer looking for?

The customer is in charge

- Comparison shopping
- Press and customer reviews

Understanding your customer behavior and needs

Product:

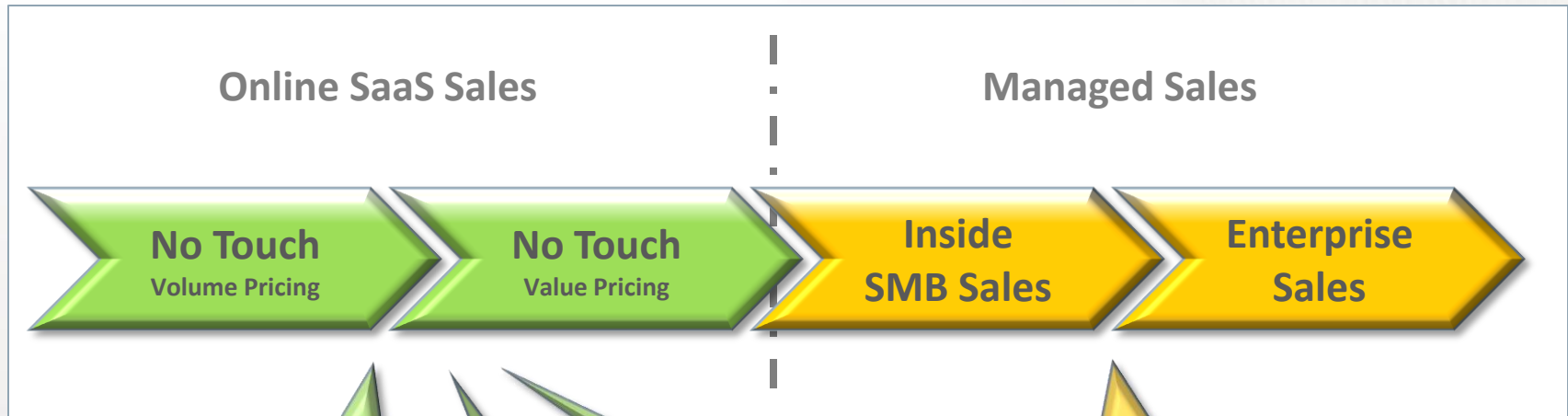
- Ease of implementation / use
- Product worked well

Process:

- Rules of the game
- Provide true product experience
- Clear instructions on how to use
- Great success management support
- Show the ROI during the free trial
- Easy self-service sign-up / upgrade



Select what's best for your business



Freemium
Free
Free Trial Limited in Time
Free Trial Limited in Service Bundles

Demo Account

Buy now

Request a Demo / Contact us

It's the CUSTOMER that is giving you a free trial!

Tip 1:

- When everyone else giving also free trials...your free trial is a task not a gift

Tip 2:

- Don't measure free trial signup. Measure free trial usage.

Summary

- The human touch in your sales process will grow your CAC
- Get a clear understanding of the sales complexity of your proposed new business
- Look for ways to decrease complexity (redesigning product/service)
- Viable business model = $LTV > CAC$
- Reducing sales complexity should be an ongoing process



Thank You for Your Attention

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