Why B2B SaaS CEOs Struggle with PR and Marketing

SWYFT

Companies that offer business-to-business (B2B) software solutions all share a similar challenge: Longer sales lead times, intense competition, and relatively slow technology refresh rates.

Be they SaaS, custom software or off-the-shelf, B2B software companies often find themselves vying for a smaller number of sales opportunities in an increasingly crowded market vulnerable to disruption.

To thrive, CEOs of these companies must be able to outsmart, outmaneuver and even outspend the competition when it comes to finding and winning more sales opportunities.

Despite these market realities, many CEOs of B2B software companies, particularly ones with annual revenue less than $25 million, struggle to see the value of investing in a robust marketing program capable of bringing in a sufficient volume of leads to fuel sales growth.

Coding is Logical, PR and Marketing is Messy

The reasons B2B software CEOs find it so hard to understand (and properly fund) PR and marketing are complicated. One contributing factor, however, stands out above the others, which is that many CEOs harbor a skepticism bordering on outright distrust of marketing.

You may ask why. I can only say that, based on over 15 years of experience working with technology companies, many of the founders and CEOs come from a software background where coding is a straightforward process. There's a logic to coding. It's part mathematical, part engineering, part architecture. When you write code for a desired function, you tend to get a desired result. Admittedly, you can have well-written code and also crappy code, but for the most part code does what you ask of it.

PR and marketing, on the other hand, are a lot like life itself: Messy, imperfect, ever-changing, subject to emotion, and open to interpretation. For a left-brained, data-driven CEO used to managing software development teams where sprints generally provide desired outcomes, PR and marketing can seem like some ancient religion steeped in mysticism and shrouded in secrecy.

While some aspects of marketing are indeed highly measurable and may, on occasion, deliver fairly 'predictable' results, there are other subsets of marketing (including PR) whose outcomes are not nearly as easy to forecast.

Unable to Scale Growth

Not a few of these B2B software CEOs built their companies from the ground up through sheer will, software expertise and even personal magnetism. Some may have experienced incredibly rapid growth as they expanded their outreach into their professional network, either geographically or in a particular industry vertical.

Ironically, marketing often plays a secondary role to this kind of early-stage growth. If it's used at all, it is often limited to a handful of reinforcing activities like speaking at an annual industry conference, penning a monthly column for a local business publication or running Google AdWords campaigns. Branding, in general, is rarely well conceptualized and executed for many early-stage software companies, rather they prefer to focus on the product or service and making sure they get that right first. Websites, brand assets like logos, and marketing collateral often look like minimum viable marketing efforts.

Rapid growth, however, is a double-edged sword. If past growth results from the CEO's direct involvement in nearly the entire sales cycle — a compelling mix of personal charisma and industry expertise goes a long way — then mid-stage growth rests on the CEO's ability to surround him or herself with the right team. In other words, it becomes progressively harder for CEOs of business software companies to scale the business the larger it becomes.

Leading a business software company toward sustainable growth that is less dependent upon a CEO's personality and influence requires a broad mix of business management skills. The native talent a CEO relied upon in the beginning, plus his or her direct involvement in nearly every aspect of running the company will no longer suffice. If the CEO fails to hire the right talent and build the proper workflows and business culture that breeds success, then it's unlikely the business will sustain its past growth rate for long.

The Marketing Conundrum

For B2B software companies to grow past their initial base of customers, they must build a robust marketing program that encompasses a wide variety of activities. Doing that requires a mix of marketing skills and knowledge at all levels of the organization, from the CMO all the way down to the copywriter.

But let's first return to the love-hate relationships many CEO's have with marketing. Because of their lack of understanding of B2B marketing and PR, they often start by hiring an intern or low-level resource and ask that person to kick-start the marketing process. Sadly, the first hire is rarely the right hire, nor is the second and sometimes even the third. Some CEOs assign marketing to an office admin or even a project manager, while others pick somebody off the street with some consumer marketing experience but zero knowledge of how to conduct B2B marketing. The point is that it's not enough to hire an intern or entry-level marketing professional and expect positive results.
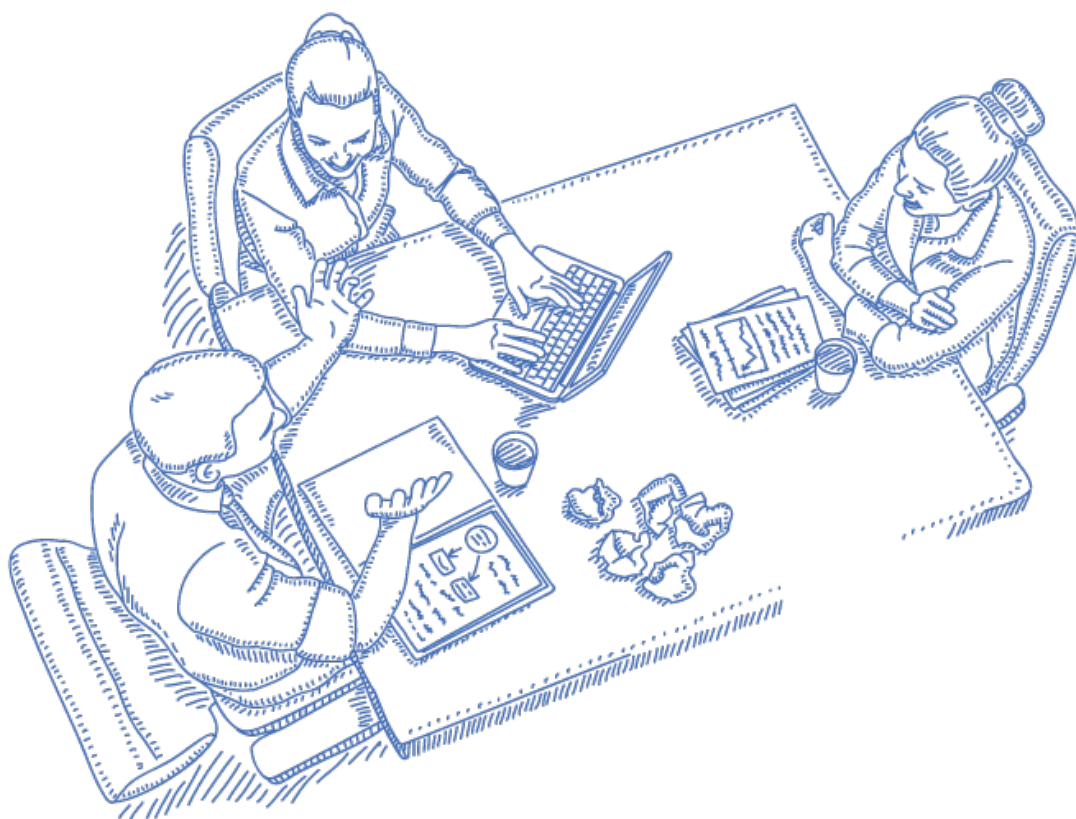
Bottom-line: Effective B2B marketing is not accomplished by simply adding content to social media feeds, throwing out a few blog posts and carpet bombing your contact list with randomly themed emails.

A B2B software company must have an overarching marketing strategy to ensure that all activities support the same goals. It starts with a thorough understanding of an organization's market strengths, defining who its primary buyers are, and refining the brand such that it resonates with the greatest number of target buyers possible.

In short, B2B software companies need big-picture knowledge from the likes of a seasoned marketing executive to help discover, design and oversee an effective marketing program. Also needed: Experts at tactical execution to ensure the plan actually gets implemented effectively; Marketing automation tools to ensure the delivery of various marketing activities; Analytical tools to measure and interpret the effectiveness of each activity and determine what aspects of the marketing mix need to be tweaked or discarded and replaced.

A CEO with either a distrust of or lack of familiarity with the scope and complexity of marketing will often find it challenging to build a marketing team needed for sustained, profitable growth. After all, marketing is not something done in a single sprint. There's an unpredictable, even experimental, element to it that requires a great deal of patience and willingness to take financial risks. Even the best-constructed, objectives-driven marketing campaigns won't completely eliminate the need for quick pivots and corresponding 'learning' investments.

It can't be emphasized enough that finding and hiring the right team with the right qualifications is one of the single greatest challenges facing CEOs of growing B2B software companies. Compounding that challenge are some recent hiring trends. The past several years have seen a scarcity of skilled marketing professionals. According to a 2016 survey from Bullhorn, 71% of respondents said that they experienced difficulties finding talent for marketing roles. The talent scarcity is particularly acute in digital marketing, where average annual salaries can be as high as $102,000 for SEO specialists and $74,000 for content and inbound marketing specialists according to the most recent marketing salary findings from Indeed.

A Path Toward Sustainable Growth

For all the reasons mentioned above, CEOs of fast-growing technology companies have a particular challenge trying to scale. As they sail past annual revenue goals like five million, and even 10 million, they may start to think that they have this 'growth thing' figured out. Perhaps with a recent Inc. 5000 listing under their belt and 20 million in revenue in their sights, what could possibly stop them?

Unfortunately, that's usually when revenue growth hits the wall, or at least a series of speed bumps, and it knocks them out of their groove. CEOs quickly realize that scaling a company to the next level involves a paradigm shift in how the company is run. It means having to build and lead the right team and not rely upon personal charisma and expertise in the trenches. In this scenario, finding the right marketing and sales team becomes paramount as more leads are required to fuel the level of growth the CEO and executive team aspire to.

Sales Funnel Management

Because it's so challenging to hire and build an effective marketing team in the short-term, especially for smaller companies with fewer resources, it is often advisable for B2B software companies to lean on the resources of an agile marketing agency to help manage the sales funnel. An experienced B2B marketing agency represents an on-demand resource that can provide a CEO with everything from crafting the high-level marketing strategy to deploying tactical marketing activities needed to support a company's growth objectives. From implementing marketing automation platforms like HubSpot or Pardot to lead gen and lead nurturing, agencies can assign highly skilled resources to accomplish a wide variety of strategic and tactical activities.

Opting to work with B2B marketing agencies makes financial and operational sense for most smaller technology companies. Marketing engagements can last as long (or short) as needed to meet the growth goals of a company. The various marketing services offered are executed by experts in each discipline, which tends to lead to better outcomes compared to when marketing is handled by company staff with little or no experience. For instance, writing effective email copy is not at all the same as writing a white paper, case study or blog post. Unfortunately, entry-level talent is often assigned the task of doing it all, and they never end up doing any of it very well.

The good news is that CEOs can come to appreciate the power of effective B2B marketing and PR the more advanced their management skills become. They may even find ways to integrate marketing and PR into their product development cycles in order to achieve even more ambitious growth objectives. They will come to trust the ability of marketing to stay on top of the latest trends in lead generation. They will listen to marketing's advice on how to ensure that their brands are positioned well against the competition and respected as a leading provider in their industry. They will learn how to make more rational investments in marketing and PR despite the seeming lack of logic and uncertain future outcomes.

About the Author

Dave Manzer
President and Partner
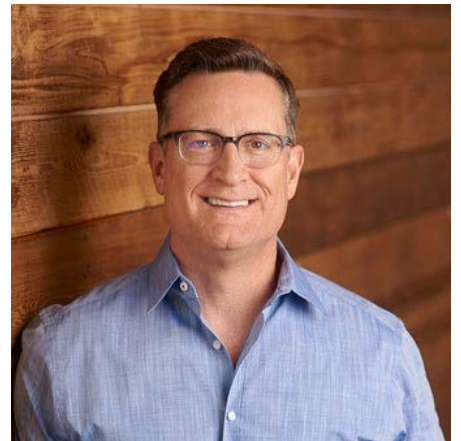
Dave founded Swyft in 2010 as a way to combine his creative storytelling skills and love of disruptive tech companies into one business. As a marketing communications professional, Dave has helped build out marketing and PR strategies for B2B tech companies for over 12 years. His expertise in brand strategy and lead generation has helped many companies see rapid growth in website traffic, brand awareness and marketing qualified leads. Thanks to his deep media connections and creative insight, he has earned his clients valuable exposure in the Wall Street Journal, TechCrunch, Money, Forbes, Huffington Post, USA Today and other well-known news outlets. When not toiling away for clients, you might find Dave hitting the trails on his mountain bike or brushing up on his French during trips to Paris visiting family, friends and his favorite bistros.

About Swyft

www.growswyft.com

Swyft is an agile marketing and PR agency serving B2B technology companies seeking faster growth. Our team is made up of industry veterans who combine creativity, deep tech industry knowledge and marketing expertise to help our customers reach their most important brand goals. We excel at amplifying product and startup launches, revitalizing struggling brands, and enhancing existing corporate growth strategies. With an international agency network to rival some of the largest agencies in the world, our roots are in Austin, but our reach is global.