

Will the dogs like the dog food?

Discovering product/market fit for B2B products



Harris CMO Partners
DEMAND GEN FOR B2B

Discovering product/market fit

Does your product or idea **really** answer a question someone is asking?

Your product/market fit will determine whether you grow fast, slow or not at all. Remember, a B2B product or service exists for only two reasons:

- saves time
- saves money

You must prove to yourself and your investors that your idea will fly in the marketplace. But the typical Catch 22 is that you don't have a ton of money for formal market research.

You don't need it. Use these no/low cost techniques to determine your product/market fit, before you open the vault to develop it.



Why am I doing this?

1. To see your product's value from the prospect's standpoint.
2. To see what your salespeople will encounter.
3. To learn how to align your new product with the marketplace.

5-Point Strategy Model

Too many companies get tangled over market strategy.

It's really not that difficult if you use these five questions to frame a strategy:

- What are the trends in my industry?
- What's driving the trends?
- What are we doing about the trends?
- What are our competitors doing about the trends?

- What *should* we be doing about the trends?

It's that simple.

Business is a social process

The first thing to understand (and many people don't) is that business is a social process. To do this successfully you'll be spending the bulk of your time talking with people...not staring at a laptop screen.

If this provokes anxiety you're in good company. Many people are hesitant to reach out to strangers. If you take the plunge, however, you'll find it gets much easier as you go along.

Do this first

Work through the model applying what you already know, or strongly suspect, is true about the market.



Support each assumption with whatever market information you have on hand.

Now you have a baseline.

Unbiased market information

There are a couple of ways to approach this task. It's recommended that you use both methods so that your information will be balanced between primary (straight from the customer) and secondary (conclusions from experts). Your primary information will come from talking with the right people. Your secondary information will

come from published information.

The objective here is to clearly understand whether you have a WOW! and how you'll prove it.

Step 1 - Secondary research

To establish a beachhead, spend a small portion of your time on web searches.

Here you are adding to your baseline by finding published information about current offerings and substitutes in this market space.

It's especially good to know about substitute choices your prospects could make, instead of considering your product.

Suggested searches

You'll find out what's available by doing these searches:

- "financial analysts [industry]

Creating a discussion guide



- "[product] [competitor]"
- "market research [industry] [product] [competitor]"
- "Hoovers-Bloomberg-Manta [industry] [product] [competitor]"
- "business news [industry] [product] [competitor]"
- "industry news [industry] [product] [competitor]"

- "experts [industry] [product] [competitor]"

If something about your market space has been written, podcasted, YouTube'd, tweeted, blogged or discussed at a conference you will find it with these searches.

Sift through what you find and plug your information into the 5-point strategy model we're using. Now

you'll start to see gaps in the information you have versus the information you need.

Step 2: Create a discussion guide

Most of your work will be on the phone. It's fast, efficient and doesn't cost anything you're not already spending. The discussion guide serves as a compass when you're chatting with people.

The care and thought you put into this step will determine whether your new information is accurate. These are the objectives:

1. *Understand whether your WOW! is really a WOW! before you start developing it.*
2. *Understand purchasing trends and what's driving those trends.*

Structure your guide so that it results



in a free flowing discussion. People are more likely to loosen up and talk freely if you're not reading a script.

Sketch out five key areas of information that you want. These might include:

1. What do you think about the concept I described?

- Ask them about advantages

and disadvantages.

- Ask them what would make it better.

2. What are the substitutes or alternatives including do-it-yourself and in-house solutions?
3. How do you typically learn about new products such as this?

- Word of mouth (Colleagues,

friends & family)

- Digital (Web searches, favorite web and blog sites)
- Traditional (print ads, trade shows, conferences, et. al.)

4. If you were interested, how would you initiate a review of the product?
5. Who is involved in making the purchase decision? Who is the decision maker?



Remember that B2B purchases often involve multiple decision makers and influencers.

The complex sale

If you're selling B2B products, the people you need to talk with can hold one or more of the following roles:

- Decision maker
- Influencer
- Approver
- User
- Deal killer

In a complex sale, like enterprise software, you'll be selling to several people in the same organization. If you don't know about complex sales you'll need to learn about them.

Your strengths and weaknesses

You want to visualize the best possible

purchasing scenario for your concept.

Don't think about what your company can or cannot do at this stage. You can parse internal strengths and weaknesses in the next step.

Never base a go/no-go decision on your weaknesses! Just get the information and then think about next steps.

Limit time to 15 - 30 minutes

You may think of many other categories of questions. Just remember that most people will want to limit your time with them to 15-30 minutes, so keep the number of categories low and focus on going deep in each category.

You can always substitute different categories in subsequent calls with different people. Again, after three or four calls you'll have a much

better idea of which categories of information are the best for your purposes.

Step 3: Create a list of potential customers

The next step is to create a list of potential customers and reach out to them by phone. Email should only be used as a secondary resource.

You'll learn more about your market concept in a day of doing this than just about anything else you might choose to do.

The objectives for this stage are:

1. Learn what's missing from current offerings and substitutes
2. Learn what triggers someone to seek your type of solution
3. Learn how they get information about your type of solution



Step 4: Talk to people!

Your objective is to talk to at least 100 people who can influence the sale or decide to buy your product.

Example: if you're assessing product/market fit for enterprise software you must talk to CIOs, IT managers, function heads and users.

Example: if your product concept

is a new and better alternative to traditional inventory control systems in mid-tier manufacturing companies, you will need to talk to people in logistics, purchasing, operations and accounting.

25 word elevator pitch

Create and memorize a 25 word elevator pitch to use.

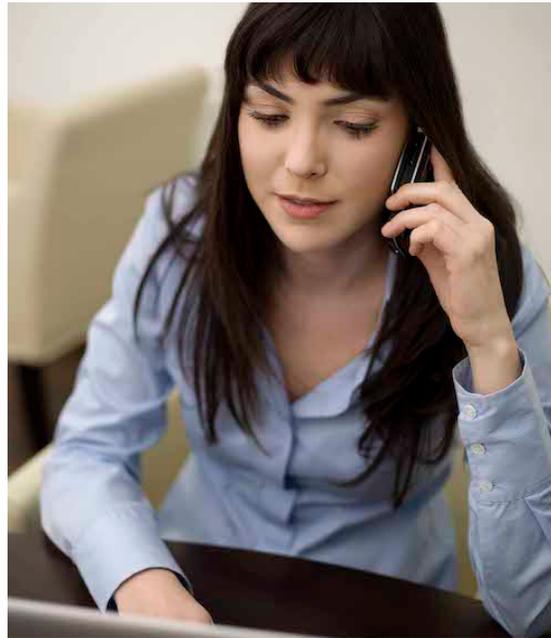
Example: “Hi, I’m Joe Smith and I want to understand product/market fit for a new widget we’re developing. Are you familiar with these type products?”

Talk to the right people

Start first with your own contacts who may know something about the market space. It’s easier if your first conversations are with people you know. Then expand to their networks with their help.

To contact people outside your circle start with LinkedIn, company websites, ZoomInfo and other people sites. Be persistent and know that you may have to reach out 5-7 times before they respond (if they respond).

Always be up front about your mission and never disguise yourself as a student doing research for a term paper or project. Just be yourself and



be honest in describing what you’re doing.

Regardless of with whom you talk, just give them your 25-word elevator pitch to who you should speak. You will discover that after calling three or four companies your comfort level will rise dramatically and you’ll start getting through more often.



Case Study

A Silicon Valley startup has a new idea for data storage file management software.

Their value proposition is a platform agnostic storage file management software for the enterprise that moves file management from the IT department to the end user.

Their objective is to arrive at an early stage go or no-go decision.

Their discussion guide includes:

1. Do the trends suggest a market opportunity for our concept?
2. Which competitors currently have the strongest market presence?
3. How would our offering solve a current challenge better than other offerings?
4. What other departments or functions would be involved in evaluating a product like this?
5. What are the key purchase criteria?

Next, our company will assess competitive offerings. They quickly discover there are several adjacent market spaces including file sharing, file storage and more.

Here are some of their findings:

1. Current substitutes are mostly manual and involve the IT department.
2. The new product will have strong appeal to big name enterprise storage sellers like Dell EMC.
3. Sales will not depend on proving ROI. It will depend on showing how enabling end users takes a labor burden off the IT department.
4. Enterprise storage is a mature industry with many outdated tools and processes. It's a good time to



introduce new products that push file management to the user and away from the IT department.

About Mike Harris

Mike is the founder of Harris CMO Partners, a Nashville based firm serving technology and manufacturing companies with B2B marketing solutions and services.

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