Heather O'Neill 0:09

Hello, everyone, you are listening to the tech thinking aloud podcast. Each episode we bring tech articles to life by reading them aloud and discussing their importance to the tech community and the world. We're your hosts, Heather and Jim O'Neill. Today's article is titled, why successful SAS startups fumble and fail to scale. It's written by Georgiana loud. And I'm Heather and it's featured on medium and you can find the article in two minutes pull up.

Heather O'Neill 0:39

We've all heard the reasons startups fail. No market need run out of cash, not the right team competition. But these are largely preventable if SAS companies can identify and pull the right levers in time. When I left my VP marketing role after five years in house, I quickly became overwhelmed with the demand from Sam founders and executives desperate to add senior talent to their team to tap into the strategic experience of someone who'd whether the startup to scale up phase before we need to strategy, they'd say our team is great, but they've never done this before. Marketing isn't my background. I don't know what I don't know. It was right around that time I met Claire who was experiencing much of the same thing as I was also having just left her and house Director of Marketing role. So in early 2017, Claire and I launched the forget the frontal workshop series. with the goal of chipping away at the big marketing problems we repeatedly saw SAS companies face, namely text anti marketing bias, which often results in an underestimation of marketing's value, combined with a severe lack of senior tech marketing talent. Since then, our workshop and our training program have helped over 4000 marketers and founders get out of the weeds. Think more strategically and directly impact revenue. For their companies. While we're proud of the impact of forget the funnel has made, we're seeing an even more pervasive and detrimental issue needing solving at company after company, namely, or reliance on piecemeal tactics that worked in gaining traction early on, and a failure or painful fumbling to pull the levers required next to transition out of startup mode and into scalable growth. What got you here won't get you there, you'd think that most startups fail in their first year, but 70% of startups fail between year two and year five of the approximately 5000 startups founded every year 15 to 20% raise their series A investment round, and of those who raise their series a less than 10% reach the next stage of investment. Now taking investment is far from the only measure of success, but 90% is a massive drop off. Considering series A investment is all about revenue. new growth YR funded company selling out even after securing traction during the startup phase. We've all heard the 20 reasons founders say their startups fail. No market need ran out of cash, not the right team competition, etc. But so many of those reasons are preventable. If the root causes that we see so often could be caught and fixed in time, there's a laundry list of things to fix after moving fast and breaking things. The scrappiness so crucial to the success in a company's early days is often a double edged sword that results in compounded confusion. When the team grows beyond the 30 to 50 Mark, everything gets a lot harder, and the team members responsibilities change every few months, the product matures. But engagement KPIs are never updated from daily active users or monthly active users despite the likely irrelevant of daily or monthly usage to a customer receiving value. That is Customer shifts, or maybe you never really knew who it was to begin with. But there's still no reliable customer research for the team to learn from and leverage. Growth does not equal acquisition. Many of the biggest startup failures in recent history have come from an overall reliance on top of funnel tactics. while increasing efficiency

during activation, retention and expansion go ignored. Expansion revenue should make up 20% to 30% or more of monthly revenue. But for most subscription companies, it's less than 10%. acquisition is disproportionately relied on for growth by SAS C level executives and founders who spend nearly 75% of their time on acquisition. Team members are quietly drowning in the Kool Aid. The team may be giving it their all, but the results are rarely what you hope they'll be. There's the hum of stress in the background as vague targets loom there's still plenty of kool aid to go around. But sometimes unbeknownst to The founders morale is well unclear. Since launching forget the funnel, we've heard from hundreds of SAS marketers about what they struggle with lack of trust from their stakeholders, lack of mentorship, and lack of strategy. Team members who were brought on during the company's startup phase were often hired early in their career and are now taking on responsibilities. They may not have enough experiencing or bandwidth for tech and doesn't exactly have the best employee retention track record. And there's a notable Exodus among marketers, women and underrepresented groups ignore these problems long enough and growth starts flatlining. revenue goals go unmet. Frustrated hires leave New Features launched to crickets pressure mounts to acquire more customers yesterday, how startups can actually scale up. The SAS business model lives and dies by customer relationships and loyalty. The fate of your SAS company depends on your ability to grow valuable, consistent experience to customers across their entire journey with your brand over time, you need to do this more and more cost effectively as a company grows. Failure to do this equals failure to grow. Moving beyond initial traction to to growth requires, number one, looking to your best customers for insights. And then based on those insights, shining a light into the gaps in your strategies, your messaging, and potentially even how you've positioned your product in the market number to operationalize using those insights to democratize understanding, so your team can consistently create valuable experiences at critical Customer Success milestones, even as headcount increases rapidly. Number three, graduating from handicapped marketing practices as a primary vehicle for increasing annual recurring revenue. Unlocking revenue needs to happen across the entire customer excellence Number four, putting the right people in the right roles or giving them the resources they need to grow in their current ones. For fun, let's do some math. We're going to keep it simple by looking at just one traffic source. Pretend your SAS company currently acquires new customers via paid marketing at the following rates $500 a month on paid marketing 5000 monthly website visitors from paid marketing campaigns 5% monthly conversion rate from website visits to trial signups 5% monthly conversion rate from trial signups to new paying customers in a CV annual contract value of 1200 dollars per customer $100 a month times 12 months. This generates $15,000 and new AR every month shown below. Now let's pretend your goal is to double that amount to $30,000 and new AR monthly from a quick comparison It's clear that doubling the paid acquisition is the least effective way to reach this goal. Not only do improving KPIs further along the customer journey, cut acquisition costs in half. They also continue driving improved results indefinitely, whereas paid spend stops working well as soon as you stop paying. Keep in mind this simplified example doesn't account for improving touch points further along the customer journey, like reducing churn, increasing the amount of new customers referred by existing ones etc. But again, moving the needle on metrics like trial signups new customers lifetime value, churn etc. isn't a game of random guessing check. It requires deeply understanding what your customer needs to feel valued at each of those touch points. Eric wires operationalize that customer understanding for your team. And it requires giving your team the tools and skills they need to build high value and revenue generation. experiences for your customers. since at least one and more often, several of these growth lovers are neglected by scaling companies. The over Alliance on top of funnel tactics continues indefinitely until it

eventually does lasting damage to the business. Don't let this be you. Companies need to take the big leap from viewing customers through a macro lens and account holder, a subscriber a segment or a persona to viewing customers as a single sentient human being and then operationalize that view. Victor Milligan cmo Forrester. This article is written by Georgiana alaoui, a SAS marketing and growth advisor. Her website is hey elevate calm where she works with Claire selling trap. She is also the co host of forget the funnel

Heather O'Neill 10:01

Everyone, we're very excited today to be here with Gilardi, who wrote the article that we just heard. Jia will be able to give us a bit of perspective on the conversation that we're having today. Would you like to give us a bit of your background?

Gia Laudi 10:14

Sure, yes. First of all, thank you so much for inviting me on. I am honored. And I'm so glad that you liked the article. Yeah, so a bit of my background, I've been doing marketing for about 20 years. And I hate using that number because it's such a big one. And it makes me feel really old. But I really have been, you know, it's it's been since like the late 90s, early 2000s that I've been in the digital marketing space. And for the last 10 years, I've been really sort of razor focused on software as a service businesses because I just fell in love with the business models sort of dependency on customers. value. And I just I haven't been able to sort of get away from it. I just love SAS. And so I've worked basically exclusively with SAS companies for the last 10 years.

Heather O'Neill 11:12

That's awesome. And rather than feel old, feel very wise and experience. I, I personally love getting older. So my cats have arrived. You mentioned that one of the things you loved about being working with SAS companies is the dependency on customer value. What do you mean by that?

Gia Laudi 11:31

Well, I mean, just the the subscription model basically has built into it that you have to prove value and be valuable over and over and over again and sort of on repeat, and as soon as you're not valuable or delivering value, your customers will turn so.

Gia Laudi 11:51

I especially appreciate that from a marketing perspective, because

Gia Laudi 11:56

it's the focus isn't entirely on the acquisition. side of things it is, you know, marketing has a huge role to play in sort of that post acquisition world because of that subscription model. And I really love that this business model sort of forces marketing to evolve. And I mean, there's other industries that have forced marketing to evolve, obviously, I know that, you know, ecommerce, and there's no point getting into the industry's there, but on the SAS side of things, and marketers have a ton of value to provide in that continued delivering a value and I think that marketers are uniquely sort of qualified to do that. And they there may be different sort of roles or titles. A lot of people in customer success, do marketing, a lot of people in product, do marketing, but it's still that same sort of marketing hat that gets worn, which I really love and I love helping Companies sort of uncover and or unlock sort of growth opportunities beyond just acquisition. Don't get me wrong. I love acquisition marketing as well. That's where I've spent the majority of my career, mind you, but there's just so much room for growth on the other side of things. And the more that I can help companies sort of recognize those that all better.

Heather O'Neill 13:21

I think that's a really smart point. I'm not sure if you know, Patrick Campbell from profit. Well,

Gia Laudi 13:27

yeah, so he talks about this a lot as well. And it's actually at profit Well, a couple weeks ago doing an event. And that's a talking with him about how so much of people's time is wasted or not wasted. But so much of the effort that we put out in SAS companies is on acquiring new customers. And once they become our customers, guess we have customer success, but it's almost like we forget about the fact that we still have to prove ourselves to them over and over again and that there's yet so much opportunity to keep customers that We're we're turning, that would cost us a lot less and give us that revenue that we're looking for. So I think that's a really smart point. I cite Patrick Campbell, probably too often guilty of citing him in like decks. And even actually, in this article, the stats about how I think it's all the ones that that I that I cite often because I've seen this be so so true time and time again is that most sea level execs inside of SAS companies are spending about 75% of their time on acquisition. And to your point, actually, I think most the most recent stat that I heard from him was that it's like four to eight times the impact on growth that like on the expansion and retention side of things. So if you can invest there the you know, the impact is much much larger. Additionally, it was like the amount of revenue that should be represented from expansion is should be somewhere around 20 to 30 percent, but typically it's about 10%. That is also care of Patrick him. Yeah,

Heather O'Neill 15:03

he's a lot of data.

Gia Laudi 15:05

Yeah, absolutely. I'm constantly reading his stuff.

Jim O'Neill 15:09

I would love to pick up on that thing that you mentioned about expansion and retention and how they need more focus. So I came at this article from a very non marketing background. And so I would love to have you sort of dig in a little bit more to what does that look like? And what is what does it look like to focus on those activities?

Gia Laudi 15:28

what I've seen is a lot of companies don't focus on expansion, revenue or or that sort of opportunity, because there's so much like it feels like on the acquisition side, or even potentially the activation side, there's almost never ending opportunity to improve there. There's always more that can be done. And so I feel like there's just a hard sort of, sort of mindset shift to make to equate expensive strategies with the same level of importance as acquisition strategies or activation strategies, or even retention strategies because retention gets a lot of love to right. But expansion seems to be one of those areas that enemy and call it we want to because a lot of people have have different names for expansion that they may, you know refer to it as like monetization or you know, they have different names for it. But there are very valid you know, room there's very valid time to be to be dedicated and spent there. For more mature companies, I think there tends to be or I think there's an opportunity rather, for more mature companies to think about what job does my customer have now that we've solved maybe their first job so so one of the ways that you know, Claire and I love to work with companies is is to sort of identify their jobs to be done which I realized that I don't need to explain to you guys in any way, shape or form I think there's a lot of opportunities for companies to think about, okay, now that we've solved, you know, that first job for them, or now that we've helped them sort of achieve that. Now, what is their job? Right? What how has this person's role changed? What are they focused on next, or now that we've solved this thing for them, and it's possible that they've evolved in their role, it's possible that you know, how your product is involved in their, you know, day to day life has changed, and is due for maybe expansion, there's ways to potentially develop not only the product, but customer communications or customer marketing around helping them be more successful with your product, potentially expanding usage within a company. You know, there there could be add on or upgrade opportunities there. Like I'm getting down to sort of brass tacks of that, yes, there's, there's upgrade and add on potential there. But if you're thinking about like, how can I continue to offer value here, and how can I expand on that value to these customers by helping them be more effective or helping more people in their company use this tool, then it's a very valid way to spend your time just try to solve for those things. And that's in sort of a more established company. But in a more in a earlier stage company, I think there's a lot of pressure to feel like we need to solve all of our customers problems, right out of the gates. And so there could be an opportunity if you're early enough stage. And obviously, I would defer to you on this, for sure. But, you know, I think there is an opportunity to lower the barrier to entry, solve a more specific problem and bake into your longer term strategy, how to provide more value later and expand on that value. You know, being being realized within the company later that later expansion has to be baked into your strategy. Of course, you can't, you know, lower your price point or go

freemium without a strategy to expand on that and build on that. But there's absolutely a way to do that. And I think a lot of people Sort of skip that and they go right to, well, when this is a fully featured product, we want to be able to charge, I don't know, $1,000 a month or $500 a month or whatever, and they've got this sort of value sort of in their head of what they think this is worth. But I think if you're very strategic about your expansion strategies, you can lower the barrier and still be very, you know, profitable if you're if you're adequately planning for that expansion strategy.

Heather O'Neill 19:26

Yeah. And I think one of the things that you said about doing that strategy really is something I talked about a lot, especially as I do a lot of mentoring with newer startups. And you're absolutely right. They're always trying to solve all the things and include all the features we call it feature is on the product side. But one of the examples I love to give is Instagram, Instagram came onto the scene. There was 100 different ways to share and categorize and in have photos Facebook was around and doing photos Google had their photo sharing thing. was around smug mug was big deal. You know, when Instagram showed up, there was already so many ways to do photos. And Instagram said, Now we're just doing photos. And that's what we do. And it was so powerful even to this day, you know, people are all over the place on Instagram. And they haven't expanded that much like they, they've moved on to including video, and they keep expanding slowly over time. But it's so much more intentional. And it maps really well to, like you said the problem that they initially solved and then helping solve the next piece of that. And the next piece of that they really, I think more than many other large scale products have taken the time to a focus and be really understand what their customers need. So I think that's a really good point. Jim, you had a follow up?

Jim O'Neill 20:46

Yeah, well, one of the things that was sort of music to my ears coming at this from a sort of a design background and a very, you know, as somebody who's sort of a lot of marketing to me feels like black magic that I don't understand the idea that a lot of the opportunities to grow and to expand your marketing and your audience happened within the product itself. And that there are tons of opportunities in there to, you know, expand with existing customers and and, you know, help help with retention and everything like that. That makes me happy because it feels like there's so much for everybody on the team to do and to get engaged in that effort.

Gia Laudi 21:23

Yeah, absolutely. And that's why I always come back to there's so much value, I believe, for marketers to provide post acquisition because there's so many opportunities to, like communicate that value and demonstrate that value. I don't think that can happen inside the product only necessarily, like maybe it could, but should it really, you know, can we sort of build on that make it more valuable and add on, you know, a sort of a customer experience strategy that lives inside and outside of the product that

addresses not only what life looks like when you're using your tool, but what life looks like outside of using tool and addressing the entire sort of relationship as opposed to just like the user experience.

Heather O'Neill 22:07

Yeah. And I think that ties in really nicely to more of a movement that's been coming around service design and customer journey maps and sort of looking at the holistic experience. Something else that you said earlier, gee, I thought was also really great. And really important to sort of call out was the idea that once you've helped people sort of solve their first problem, you need to go back and talk to them again, because their world has changed. And I see this a lot of times where people say, Oh, yes, I've talked to my customers, and I now know what to build and I built the thing they want. I don't need to do that again. And I think there's this tendency to forget that no, people, the world everything has. It's constantly changing. It's constantly moving. And so if you're not constantly engaging your customers, and you're not constantly finding out what's going on, some young upstart company in three years is going to blow you out of the water. Like it's going to happen. Yep. That's a really important point.

Gia Laudi 23:04

Yeah, I mean, again, this is like the subscription model is we don't like to think that our customers making a new decision every month, but in a lot of situations they are right. Like, the,

Heather O'Neill 23:15

let's not ever, depending. I think it's Sorry, I was gonna say it's not every month, it's more like, oh, five months have gone by. And I'm not using that anymore. I should cancel it because I just paid for five months I didn't need and so there's this like, low period of non usage where you have an opportunity to like bring them back that I think a lot of companies Miss.

Gia Laudi 23:36

Yeah, absolutely. For sure. I mean, the the continuous value in the in the that continuous improvement. I mean, this is the idea is not like build a wall. I mean, maybe for some people if the idea is just to build a product and then walk away from it. And I'm sure that's maybe a scenario for some, but I think the vast majority are looking to continuously, you know, provide value and retain customers over the long term and you know, continue a really high value relationship with their customers. And the only way to do that is to continue to consistently be valuable to them and build on that relationship and continue improving your product.

Heather O'Neill 24:17

Yeah, I completely agree. So one of the things you talked about in your article is the pitfalls that can occur when companies start to scale beyond like 30 to 50 people, which is similar to what I've seen, there's always what you say it really well, you know, what got you there isn't going to get you to the next level. And so I want to talk about what I wanted to ask you about, what does it look like, when you're in this phase of shifting from a really small team where you know, everyone to growing at the size? What does it look like when things are going right versus how it's going wrong? As you outlined in your article?

Gia Laudi 24:54

would know who would know the answer to that question? I don't know if anybody would be like, I lived through that and was completely smooth sailing i don't i don't think it's possible to do everything right i think like mess ups and chaos and are sort of par for the course a little bit. And I think you know having a team that has a comfort with chaos I talked about comfort with chaos a lot like I like I repeat myself there but I think that is I I an absolute, like non negotiable piece especially for early team members they have to have a comfort level with things are going to get messy, they have to have a comfort level with giving away their Legos. You're right, so that infinite now infamous first round article about giving away your Legos, I mean, that, that just that article sort of encapsulates this so so well and actually I link out to it when I site to that the growing pains from you know, 30 to 50. So, there's a lot of things that can go wrong. Obviously as you know, we know very well but if your if your team can sort of anticipate what's coming understand that their roles are going to change, potentially, you know, monthly, their titles are going to change. The You know, they're they're going to go from wearing many hats to fewer hats. And that's a good thing. And why is that a good thing? You know, the communication of the leadership team in particular, obviously, like the CEO, having really clear sort of strategy and clear goals, I think is one of the things that there's a lot of pain around when you don't have clear goals or when you know, moving goalposts, something I hear a lot from the teams that I work with. And so if you know if everybody is sort of over communicated to and there's very sort of clear understanding about where the company is headed, and the change that is inevitably ahead for you, and being able to anticipate that and sort of prepared, brace yourself for it. I think things go on. lot better. Also, I really love the actually the one thing actually I'll add to that is that a team's sense of sort of identity and purpose, I think are sort of baked in there. I don't want to say culture because it's not cultural thing. But it is sort of the idea that the thing that everybody gives a shit to sort of solve for the reason why that that people are sort of excited, do the work that they're doing. The customers, they're excited to serve. I think if everybody can sort of maintain their eye on that and their identity and their purpose, I think that helps a lot as well and it helps you sort of weather the blows that come. And then the other thing that I would say that I think really helps sort of mitigate some of the the feelings of chaos is when you can, as a team, create some sort of foundational tools like customer journey maps, or you know, style guides or Obviously strategic planning goes without saying, but I particularly love does it though? Well, I

Heather O'Neill 28:08

would be nice if it did. I don't know who you're talking to.

Gia Laudi 28:12

Me, I like to pretend that every, you know, company has this really sort of clear strategic planning framework that they rely on and they have like this go to way that they tackle that. But you're absolutely right. They don't always and obviously, there's, you know, the the important pieces like communicating as much as possible how each company sort of, you know, whether or not it's like top down or bottom up is sort of, you know, depends on on the company, but I would assume that co creating strategies or being part of the strategy, like having the whole team feel like they are invested in the strategy and are contributing to the strategy and can see themselves in it. I think that's critical, obviously. But then I would say that customer journey mapping or customer mapping is another piece that if you can co create that from, you know, marketing, customer success, product, obviously, potentially sales and sort of have those pillars sort of create this sort of democratized understanding of, of your customers that everybody can see themselves represented in and see their role and see the value they provide to the company and that if you can crew co create something like that, I think that's really, really powerful. And it's something that can be built on and scale along with the team as things start to get, you know, chaotic and rules change and people get added or removed.

Jim O'Neill 29:43

Yeah, that's awesome. I one of the things that I really like about that is, you're talking about aspects of scaling up that have to do on the one hand with sort of alignment throughout the company, which is one of the watchwords that we've been paying a lot of attention to late In our work with clients, but not just sort of alignment in terms of building shared understanding, but also the aspect of belonging, yeah, the whole company and sort of like, see themselves in the overall effort, and, and, and contribute that way for sure.

Gia Laudi 30:15

And I mean that that's, that is part of the creation process. And it's also part of the like, put it into actual use day to day process. But I think like, the, even who you have involved in creating that type of, I'll call it a document or like resource is really, really critical. Because if if just marketing goes off, and does it or just product goes off and does it, it won't get the, for lack of a better expression, sort of like buying across the company and people will feel less invested in it because they don't see themselves represented or they don't see it as an opportunity for them to contribute.

Heather O'Neill 30:56

Yeah, and I think this harkens back to something that Jim was Jim is always drawing some art. And he and I were talking about, you know, when you grow, then suddenly one of the things that happens is you have a lot more options for what to do next and sort of some of the idea of what give away the Legos, but on a different scale. And what Jim drew is, is like the square, and everybody's going in, like

different directions, right? But then what you really want is everybody to go in a focused direction. And I think that when companies grow, they suddenly have like, either more revenue or more team members or more funding, like there's something that's gotten bigger, or many things probably that have gotten bigger. And it's like, oh, we can go anywhere. And if you don't bring the team back and align around one direction, you end up with more chaos. And I think that's exactly what you're talking about.

Gia Laudi 31:45

Is pandemic like, it's crazy. It's crazy. And I it's amazing that even the most customer centric teams, I will get into conversations about Well, we can't do XYZ because this team is responsible for that, or this person is responsible for that, or, you know, there, there's, you know, red tape this red tape that and I'm like, what are we talking about? We're talking about a customer experience here. And at the end of the day, like, there's no other sort of common denominator that should be more important than what customer experience are you building which is why I always land back on customer journey mapping or customer experience mapping as this sort of critical foundational piece because that's how every decision should be made. At the end of the day, it shouldn't be about credit card entered, it shouldn't be about, you know, frequency of use necessarily of your product or shouldn't be about you know, click through on a paid ad campaign for you know, if I can think of the worst case scenario but like, you know, equating business metrics with a company's success as Especially inside of a SAS, you know, business model is really dangerous. And if you don't have a sort of central place to think about KPIs as they relate to your customer success milestones, then how teams are incentivized is just, it's a, it's just spaghetti. And it becomes really, really messy unless you have this sort of centralized view of, Okay, these are our most critical sort of pieces that as a business to be successful in, they have to be representative of your customer achieving value, otherwise, what are we doing,

Heather O'Neill 33:37

they're not going to stick around. And I think that the other thing I say a lot to people is like, customers don't care that you have five departments and you need this in triplicate. They want to get their job done. If you can't do that, then it's not ever going to be successful for them in the long term. And that's what they're looking for. They don't want to know your corporate infrastructure. They don't want to know how you run things behind The scene they want things to work for them. And if it doesn't, they're going to go elsewhere.

Gia Laudi 34:04

Mm hmm. And it's a mate. It never ceases to amaze me, amaze me how even the most well intentioned sort of teams and the teams that are customer centricity, you know, will fail somehow to do this. Because your day to day becomes a lot of you know,

Heather O'Neill 34:21

these other checkbox. Exactly, yeah.

Jim O'Neill 34:24

Cool. So we would love to bring this back to some, you know, kind of concrete takeaways. And in the article you have for really excellent ones, specifically for I think, sort of companies in general, but with a marketing focus, you know, in terms of the marketing, the role that marketing plays, and we were wondering if we could sort of take that and ask you to speak about, you know, for other folks at a company at a SAS company, who, you know, maybe on the product team, or, you know, management or don't consider marketing to be sort of their core role. how those things folks can kind of engage with the folks who are doing the marketing role to pursue some of those takeaways and those tactics that you've mentioned.

Gia Laudi 35:11

So many

Gia Laudi 35:14

obviously, creating you know, building bridges between product and marketing and customer success and sales is pretty critical. And I think that you know, inside of SAS companies product is sort of the epicenter of of that and there's a you know, I talked to a lot of marketers and we hear you know, from forget the funnel, we hear from a lot of marketers who have chests, so many pains around product and the product team and wanting to better understand how to get more involved and feel more valuable, you know, provide more value and feel more valuable and just sort of play a larger role and stop being sort of thought of as the the arts and crafts Or you know, the selling pins awareness only type marketing, right they, most SAS marketers I think are pretty well indoctrinated into this idea that post acquisition marketing is really important customer marketing is a should be a big component of any SAS company, but I think a lot of them sort of struggle to communicate the value they can provide to product teams and the product managers in particular. So one of the things that I know there's a lot of pain around is like this understanding of like, what is product marketing? Is it a person? Is it a function, if you know what, what are those? There's not a person responsible for it. Then what are the components? And what are those components live in marketing? And one of those components live in product and who's responsible for what and where does one start or stop and the other ones sort of pick up and what are those expectations and so getting if there is nobody in a product marketing role, I think product managers would be You know, and I say this to heads of marketing as well, like, you should be meeting with your product manager as, as regularly as they will let you like, you know, get have a regular one on one with them weekly if they have the bandwidth for it. But definitely a lot of communication needs to be made between those two departments, particularly if there's nobody in a product marketing role. And really understanding like, what are the expectations there? I think is really critical and does not happen. Honestly, I have not seen many companies do this right? If I'm being honest, which is really sad. But it Product Marketing still feels a little bit like the Wild West like should it

live in Perth? Should I live in product should live in marketing, you know, should it live in either one of those departments like should it be its own little island like there's just so many different ways to address it that I think in absence of somebody in that role, or an absence of of having a sort of clear process for this having a really close ties between Product Marketing, I think it's all This is really critical. And I would add customer success to that as well. Because obviously, you can't have one without the other. So that clarifying the role of product marketing, or at least the function of product marketing, involving marketing earlier in

Gia Laudi 38:17

product launches, and even Actually, I would even back up further than that into the product roadmap and why decisions are being made about the product. It's, it happens a lot that like the business case, for a certain feature, for example, is like lost over time and fails to get communicated to marketing. And so marketing is like, Alright, so we've got this feature like we're doing with this thing, who is this forward? And what was the idea behind this and why did product think this was a good idea? And it just landed in my lap all of a sudden, and now I'm expected to go sell this thing and I'm going to disappoint the entire company. If I can't get you know, people jazzed about this and my, you know, the, the my favorite sort of going Two sort of solution to that is the tiered product launches approach, which I know that intercom has talked about quite a bit. HubSpot talks about it sometimes as well this sort of like a p one p two p three before having being like, very well defined within a company, I think serves both product and marketing very, very well if you can get that defined. My favorite example of like, when that went really well, for me when I was in house leading up marketing was when I knew that my product teams expectation for a certain launch weren't on marketing at all, like it was like, it was like a, I don't remember what the launch was. This probably is testament to the fact that it wasn't a like public facing. I think it was actually a speed thing. They rolled this thing out and they knew like, we're not writing press releases about this. We're not even probably going to be telling our customers about this. But we're for product is a huge deal needs to be celebrated and so they've celebrated it accordingly. Like there wasn't any Eyes on marketing or customer marketing like Why didn't you tell? Why didn't you scream this from a mountain top like there's nothing to say about this. And so having that understanding between product and marketing customer success, I think is really really critical. That's an extreme example. But the you know, the the intercom, the P the P one p two p threes, I don't even know what it's called, like the tiered launches, I think go a really long way to solving a lot of communications problem communication problems. Also another thing that I would love to see more product teams do. I can obviously ramble on about this, like all day long is an Theresa Torres from product talk. She has a opportunity solution tree that she talks about for product teams and making decisions about product development product strategy, that if some if my like product manager or any product manager could like communicate that back to marketing

Gia Laudi 40:58

could help

Gia Laudi 41:00

So, so much in sort of connecting dots and fixing the lines of communications between all departments, not just marketing and product, obviously, sharing customer research, the you know, the the findings and sort of making that research and the customer data collected accessible to marketing, I think is critical and very, very often left out. Often I'm talking to marketers who are like, I know, I should be running more targeted onboarding campaigns, but I don't know what job my customer had. I don't know when they do. I don't know what what they're doing inside the product had no visibility into that. And so obviously, that's a huge opportunity that almost every company could stand to benefit from and build on. And then obviously, I'd say customer experience mapping process and co creating that is the other sort of big opportunity to build up a co created foundational sort of piece that everybody can actually understand their role in I think is another really critical sort of resource to build.

Heather O'Neill 42:06

Yeah, definitely a lot of really great ideas there. And it's funny because you say marketing gets dumped with these updates. And they don't know why I feel like that happens to product teams a lot to or somebody else somewhere else made a decision. And half of product team is like fighting to like, Hey, could you tell us what we're actually solving here? Because we might be able to solve it better. That's why you hired us. And so I think that it's funny that that's also something that happens in marketing. I also think

Gia Laudi 42:33

so imagine what happens when it's down all of a sudden marketing's like, Okay, if product doesn't know why.

Heather O'Neill 42:40

or telephone for sure, you know, um, I also think that something I talk about a lot is when you do a product launch, please go train your customer service on the how it works now because they're getting so many calls and they don't know either. And I also say and tune your sales people but now also entering your market. People like please make sure everybody knows what's happening here. Don't just go. Okay, well, we built it and we get it. So we're launching it. And I think that's an important part. Yeah, probably.

Gia Laudi 43:09

Yeah. I mean, if if you have a product marketer that lives inside the product team, then you you've got a built in sort of solution for that, right? Like that person's core responsibility is making sure that customer success and customer support and marketing and sales have all those answers. But an absence of that, then, that I mean, that 100% false of Product Manager, and obviously serves no one

Heather O'Neill 43:34

that lives only inside product, right? Yeah, for sure. So GO before we go, I know that you and your business partner, Claire soul, and trop have just launched something new and exciting, and I wanted to just give you a quick minute to share that with our audience before we go.

Gia Laudi 43:50

Sure. Awesome. Thanks. Yeah. So Claire, and I've been working together for a number of years on these SAS marketing workshops. Forget the funnel and We were working sort of independently, as with companies, Claire in a more sort of project based approach and me and a more sort of one on one coaching and mentoring sort of advisory approach. And recently, which is kind of silly, because in retrospect, like we should have done this a long time ago. But Claire's sort of deep expertise and customer insight, and mine on the sort of operational side of things are just such a natural match. And we've sort of married the two, not only, not only sort of skill sets and experience but also approaches to working with companies. So we're now offering growth, road mapping for SAS companies to address a lot of these core problems that, you know, haven't been solved for because, you know, maybe a company is coming out of its initial sort of traction phase or maybe the the, the team doesn't have, you know, the experience to execute on the necessarily, or maybe there's just sort of a lack of understanding what customers need or where that those biggest levers are. And so we're like, we absolutely love, love, love, like doing this work and helping companies with this. So it's like, we have a hard time sort of holding ourselves back from this type of work, which is the best kind of work to do, obviously. Yeah. So it's really awesome that we're sort of, you know, combining our powers now to to help solve all of these problems for for SAS companies.

Heather O'Neill 45:28

Yeah, absolutely. And I can't wait. I do recommend anybody who's out there listening. definitely connect with Claire and Jia. The link will be below in the comments or if you're listening on Spotify or iTunes, you can go to tech thinking aloud, calm and find all the details there. Yeah, I want to thank you for being such a wonderful guest. It's been absolutely lovely to talk with you to hear all your insights and to have this conversation. So thank you so much for joining and for writing an article.

Gia Laudi 45:55

Thank you so much. I was so excited to be on here and and to be a part of it.

Heather O'Neill 46:02

A big thanks to this week's author for sharing their article. And thank you also to our producer Melanie Scroggins. To get details about anything we referenced in this episode, or to recommend an article for a future episode, visit tech thinking aloud.com. We'll see you in the next episode.