Selling software in the Financial Crime Risk and Compliance market is hard, so we wrote a playbook.

SOFTWARE SALES PLAYBOOK

Click for a welcome message from David Caruso, Managing Partner at i3strategies®.

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INTRODUCTION

In 2015, after 20 years in private sector FinCrime Compliance roles, one of us, Dave, believed the problems caused by the deluge of screening and transaction monitoring alerts needed better solutions. At the time, he was the CEO of a consulting firm whose lucrative business model was to provide large teams of analysts, investigators, and policy writers to banks under the regulatory thumb. He was skeptical such an approach could last. “This is nuts,” he said to his partners, “There is no way banks are just going to keep throwing people at these same problems.” Something needed to change, and he wanted to be at the front of it.

Better software was the change coming, or so he thought. Software that improved screening and monitoring, reduced false positives, freed up analysts and investigators, and ended the monotony and soul-crushing work of clearing low-value meaningless alerts. Banks will jump at the opportunity to buy better software that reduces inefficiency, saves time and costs, and strengthens compliance.

Dave pictured how much easier selling a product would be than selling regulatory remediation services. “Banks will see the product and see that it works better than what they now use and buy it.” Isn’t this the way consumers act? When something better comes along, they buy it.

How naive.

Co-author Vic had the same idea. Also a lifelong FinCrime Compliance operator (analyst, investigator, FIU Director, and three times Chief AML Officer), he saw a gap in how AML teams gather, access, and use critical regulatory, policy, news, enforcement, and risk rating data. There was no system or application to capture it. No way for risk assessment teams, investigators, and program managers to quickly find needed external data. Everything was ad-hoc, hunt and peck, create your own process, different from your co-workers. He knew that inefficiency and inconsistency were no way to run a FinCrime Compliance program. Build a software product that collects, organizes, and presents this information. Users will be relieved by how easy this part of their job has become. FinCrime Compliance executives will be happy to reduce inefficiency, bring consistency, and save time, effort, and cost.

Yea, right.

While each venture found success, neither took the path imagined. Selling software to the FinCrime Compliance market is hard. Really hard. Much harder than selling multi-million dollar consulting projects. Why is this? Aren’t financial institutions supposed to modernize? Aren’t they sick of the cost and risk of false positives and clunky old systems? Shouldn’t buyers be rushing to buy better software?

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The problem is, according to business author Chet Holmes, that at any one time, only 3% of potential buyers are seriously considering buying. Another 7% are open to the idea. The other 90% are either not interested or are not even thinking about it. Today, over 400 FinCrime Compliance software and data companies compete to find this 3% of buyers.

FinCrime Compliance buyers are inherently cautious and work in a highly regulated environment. Moving slowly is safe. Moving slowly avoids risk. Avoiding risk is in the FinCrime Compliance buyer's DNA. "Move fast and break things" is a cool software startup mantra. Not so much among those responsible for AML, fraud, sanctions, and anti-corruption programs.

So, how do FinCrime Compliance software sellers find buyers? This is why we wrote this playbook.

We wrote this playbook to help FinCrime software, data, and technology sellers succeed in an incredibly tough market. And by "sellers," we mean everyone that works for and funds FinCrime Compliance software and data firms. Business guru Peter Drucker said, "The purpose of a business is to create a customer." This playbook helps sellers find those customers.

Sellers need to compress the time from lead to sale. Start-ups don't have years to figure it out. Established sellers (the incumbents) have more competition, and the market wants new, better products. Resting on your past success means future problems.

In this playbook, you will learn why organizations are reluctant to buy new software despite spending billions of dollars annually on FinCrime Compliance. You will learn about the FinCrime Compliance buyer's mindset, what motivates them, and why this is often the roadblock to modernization and sales. We will share real-world examples of our successes and failures.

This playbook aims to give readers practical advice to craft messaging that finds and connects to the few actual buyers and how to turn those connections into sales and revenue.

There is no "sales magic" in FinCrime Compliance. This guide will help you build systems and routines that improve your chances of success. There are no shortcuts or "hacks" that change the fact most FinCrime Compliance buyers move slowly and the organizations they work for move even slower.

This guide does not tell you what is the one thing that matters most to improve sales tomorrow. There is no one thing. In FinCrime Compliance software sales, everything matters. Every marketing message, piece of content, email, cold call, demo, follow-up, pricing - every little thing because you never know what is that one thing that will attract buyers.

The playbook progresses through each required step to build sustainable marketing, lead generation, and sales systems.

Chapter 1 starts with an overview of today's FinCrime Compliance market landscape.

Chapter 2 helps readers understand a buyer's mind-state and how to create the right buyer persona model.

Chapter 3 walks readers through how to build a winning Product Strategy that aligns a buyer's unmet needs with the improvements your software delivers.

Chapter 4 shows readers how to create a Target Prospect map so sellers spend their time pursuing the right prospects.

In Chapter 5, readers learn how to create marketing and sales messages that attract potential buyers.

Chapter 6 is about Lead Generation and finding what we call "your people" - the ones who will take your phone calls, want to see a demo, and engage in conversation.

Chapter 7 is all things Sales. Here readers learn how to find genuine, actual buyers. (One secret in this market is that many people we think are buyers are not. They are window shoppers or, worse, posers). Readers will take a trip through the FinCrime Compliance sales cycle and learn how to approach and manage each step.

Chapter 8 brings it all together and gives readers the map they need to achieve their individual and business goals - creating customers, generating revenue, and increasing value.

WHY LISTEN TO US?

Thousands of cold emails and calls. Hundreds of sales meetings and demos. Dozens of trials and proofs of concept. More losses than wins. But enough wins to grow companies and have them acquired. From start-ups with $0 in sales and no outside funding to seven figures of Annual Recurring Revenue. And then "the exit" - purchased by a private equity-owned acquirer. All this for seven years, from 2014 and 2021.

Before our FinCrime Compliance software start-ups, product development, and sales, we were Chief AML Officers and Heads of AML Operations at institutions like Riggs Bank, FBOP, Zions, First Republic, and Banc of California. In these roles, we purchased over $10 million of FinCrime Compliance transaction monitoring systems, KYC, adverse media, sanctions screening, case management, and analytics applications.

Between the time that we built and ran AML and Sanctions programs and then started RegTech software firms, we built AML consulting firms where we sold $100+ million in investigations, program building, and regulatory remediation services to banks all over the US.

Our perspective is unique. Our understanding of Financial Crime Risk and Compliance is sharpened from nearly 30 years of experience as buyers, builders, and sellers. As bank executives, compliance officers, and operators and the overlap between these roles, we know firsthand what motivates compliance executives and institutions to buy software and services. We know how to secure a budget and the time, effort, and cost it takes to implement software. We know the obstacles and objections buyers face within their organizations and themselves that make selling such a challenge.

From this experience, we know how to pitch prospects and close deals. We know how to build software and break into a crowded, complex, and reluctant-to-buy market. We know how to start, fund, and sell Regtech companies. We see all sides because we've been on all sides.

LEARN MORE ABOUT US

CHAPTER ONE

THE MARKET

PERSPECTIVE

Before 2003, the Bank Secrecy Act required banks to have a designated person as the BSA Officer, written policies and procedures, CTR and SAR reporting, training, and internal audit review. But BSA *regulatory enforcement* was rare. Once every five years or so, a bank was caught up in a newsworthy international criminal investigation, bringing attention to the problem of money laundering and US banks.

In the early 1990s, Citibank helped set up shell companies and move more than $100 million for the corrupt brother of the Mexican president. The OCC determined none of this violated the BSA. In the late 1990s, The Bank of New York wired nearly $7 billion of funds related to Russian organized crime. The New York Federal Reserve slapped the Bank of New York on the wrist with a "Written Agreement" that required the bank to improve its BSA program.

This lackadaisical approach to BSA/AML enforcement changed in 2004 when the US Senate Permanent Subcommittee on Investigation harshly and publicly scolded the OCC and the Federal Reserve for their oversight failures of Riggs Bank. Riggs, a storied Washington, DC bank, facilitated corruption and money laundering for several notorious dictators. This was too much for a few influential Senators to pass up. Riggs (now part of PNC Bank) pled guilty to a Department of Justice investigation and was fined $25 million, quaint by today's standards. The OCC, Federal Reserve, and FDIC moved to protect themselves from further public beatdowns by making BSA/AML a top examination and enforcement priority.

The regulatory agencies were lit up. Time to pummel some banks, and pummel they did. Between 2004 and 2016, regulators put almost every large and midsized bank in the US under an AML Consent Order. The Department of Justice also investigated a few: Washington Mutual (now JPMorgan Chase), Wachovia (now Wells Fargo), and HSBC, to name just three.

Aggressive US regulatory and enforcement action prompted European authorities to act. Regulatory oversight is often a game of catch-up, with US regulators acting first and then European regulators feeling the pressure to act. Over the past 15 years, UK and European governments fined and punished institutions in London, Scandinavia, the Baltics, Germany, Spain, France, and the Netherlands.

Driven by this focus on AML compliance and enforcement, from 2004 - 2015, US and European financial institutions purchased, implemented, or subscribed to transaction monitoring, case management, sanctions and PEP screening, CIP, KYC, and identity verification systems. Early AML days saw a dozen or so application providers. Today, over 400 software product companies sell in the worldwide FinCrime Compliance market.

MONEY LAUNDERING \ FRAUD \ SANCTIONS \ CORRUPTION \ CYBERCRIME

This product growth parallels the growth of new buyers. Since 2012, thousands of fintechs worldwide started operations, including lending, payment, and Banking as a Service companies, each all directly or indirectly regulated. Twenty years after Riggs Bank, AML enforcement remains a top priority. We see regulators dropping anvils onto crypto companies and institutions that bank them. And many countries are adding entities and individuals like attorneys, investment managers, and accountants to the ranks of the regulated.

Today's FinCrime Compliance Buying Market Size

Investors and sellers like to ask, "What is the Total Addressable Market (or TAM) for FinCrime Compliance software and data sales?" Estimates vary, and calculating accurate market size for FinCrime Compliance software for KYC, risk assessment, Identify Verification, and case management systems is complex. For each seller, TAM depends on the geographic territory to which you sell, your product, and whether provided via cloud or on-premise installation. If a number is important, go with your "Serviceable Addressable Market."

In a 2022 Lexis-Nexis report, their research put the cost of FinCrime Compliance for US and Canadian institutions at $57 billion annually, with more than 35% of this spent on technology. Another Lexis report puts the worldwide cost of FinCrime Compliance at over $210 billion annually. Whether these figures are exact is not critical. The trend is clear - the FinCrime Compliance buying market is growing, and despite current troubles in the banking industry, long-term growth is inevitable.

FinCrime Compliance Software Systems and Data

As FinCrime Compliance regulation and risk grow, so do the types and numbers of software and data applications needed to include:

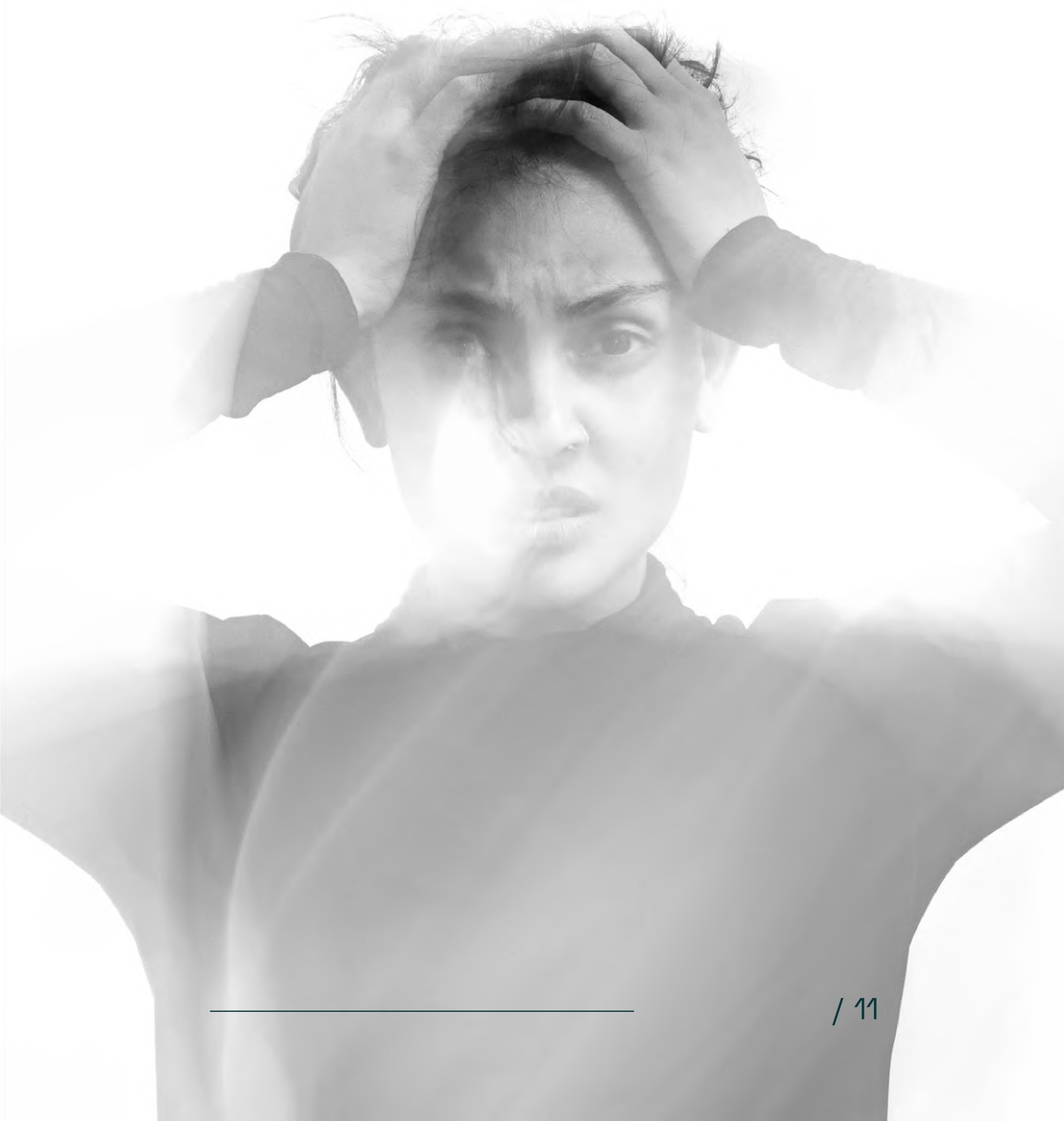
- **Identity verification applications**
- **Public records data applications**
- **Adverse Media data and screening**
- **Sanctions and Watchlist data and screening**
- **Political Exposed Persons data and screening**
- **Transaction Monitoring**
- **Case Management**
- **Post monitoring analytics**
- **Risk Assessment applications**
- **Regulatory news and update applications**
- **Policy management systems**

Confused Buyers

Many FinCrime Compliance buyers find the software and technology market confusing. The market's rapid growth (new companies appear weekly), the fact that most buyers are not technologists and much of the advertising language is buzzwords creates a market where sellers and buyers fail to understand each other. Yet most sellers seem unaware of this problem. This disconnect or misalignment of communication is a leading contributor to why FinCrime Compliance software selling is so difficult.

We spend considerable time studying the FinCrime Compliance software market. We work with sellers to develop better messaging, and we work with buyers, helping them select products that improve FinCrime Compliance operations. We see sellers bewildered why they are not selling more, and we see buyers confused about what products actually do and how they do it.

We want this Playbook to improve understanding between sellers and buyers, reducing confusion, increasing sales, and modernizing FinCrime Compliance. We offer numerous ways to do this in each chapter. First, the foundation for improving sales is for sellers to be clear with the market what their product does and where it sits in the ever-crowded and constantly growing FinCrime Compliance landscape.



VISUALIZE THE MARKET

DATA

Data origins span across government provided information and lists; commercially produced lists and profiles; news reports; corporate and other public records.

SANCTIONS
WATCH LIST
PEPS
NEGATIVE NEWS
PUBLIC RECORDS
UBO

ANALYTICS

Analytics are solutions that require basic to advanced level logic that drive algorithms or models that identify or generate anomalies or ratings specific to risk.

IDENTITY VERIFICATION
TRANSACTION MONITORING
SCREENING
RISK MODELS
ARTIFICAL INTELLIGENCE
MACHINE LEARNING

SOFTWARE

Software solutions provide enablement to business processes like conducting analysis, investigations, and due diligence; and ultimately internal and external reporting capabilities.

RPA+ IDP
GRAPH + NETWORK
CASE MANAGEMENT
REGULATORY REPORTING

What Drives the FinCrime Compliance Market

Fear of regulatory enforcement is the FinCrime Compliance market's primary driver. Regulators exist to regulate. Regulators are driven by self-preservation. Their funding, status, and existence are at risk when financial institutions fail to operate safely and soundly. In our politics, lawmakers cannot allow banks to go unpunished for weak compliance. Regulators must punish lest they be punished. It flows downhill, as they say. And this maintains the FinCrime Compliance market's steady upward growth.

Our regulatory system is based on rules. Lots of rules. Despite what looks like evidence to the contrary, policymakers believe that more rules mean stronger oversight. More rules mean more requirements, and more requirements mean more systems. This will not change in the near-term or medium-term future.

Rules also apply to fintech and crypto as governments, directly and indirectly, extend the same AML and sanctions rules onto these ventures, adding thousands of new covered organizations and the need for each to purchase FinCrime Compliance software.

All this ensures the FinCrime Compliance software market's continued growth. But temper your enthusiasm. Despite the FinCrime Compliance market's inevitable growth, selling will continue to be tough. Why is this? What is it about FinCrime Compliance buyers that make selling such a challenge?

Let's look at the buyers and what drives them.

CHAPTER TWO

BUYER PERSONA

This was going to be so much easier. After ten years of selling AML consulting services, something buyers could not see or touch, I had a software product to demonstrate. It reduced inefficiency, was easy to use, and was much better than what they used. The price was way lower than the seven-figure consulting engagements I'd sold to many of these same prospects. This would be a breeze.

And I was right, in one way. Prospect after prospect did agree the product was better designed, captured more information, was simple to use, and cost less. "Great, how do we get the contract process started?" I asked, already calculating what the additional revenue meant to our start-up's valuation.

Then I would hear, "Well…, not sure we can move forward. The product seems better, and the price is lower, but nah, not now."

"Whaaaat?"

"We're locked into our current provider for two years. Their product isn't great, but it gets the job done. The staff is used to it. I don't want to deal with all the changes or the finance department or vendor onboarding."

This was when I realized selling seven-figure consulting gigs to financial institutions was more straightforward than selling five-figure software deals. It was when I met my biggest competitor - the status quo. And no matter how much the FinCrime Compliance industry, AML in particular, complains about the status quo, changing it is a monumental feat. And it's rare.

FinCrime Compliance Buyer's Mind-state

Sellers want buyers to use reason and logic to see that their products are better than a prospect's existing systems. Our modern technology replaces manual, inefficient human work. We spend hours crafting messaging, arguments, slide presentations, and product demos that prove our product's benefits. Despite daily evidence to the contrary, we assume that once we show the prospect all this, we'll have a sale.

However, our logic and reason matter much less than we believe they do. Buying decisions are emotional. Most occur in the subconscious. People are not rational creatures using logic to make decisions. Our brains drum up logical-sounding reasons in the nano-seconds after making emotion-based decisions. We are not rational creatures; we are *rationalizing* creatures. As FinCrime Compliance software sellers, we are befuddled when prospects fail to see how much better our product is than what they are now using. Knowing emotion is why people buy; how can we use this when selling FinCrime Compliance software? How do emotions impact FinCrime Compliance software, data, and technology purchase decisions?

In the book, "Marketing to Mind-states," Will Leach describes how humans have mental and emotional triggers, mostly in our subconscious. Some things we see pull us forward with interest and excitement, and some push us away because of fear or uncertainty. When uncertain whether to be excited or concerned, we freeze, unable to make decisions. Some of this is hard-wired at birth by nature, and some is learned through life experiences.

Of the 18 buyer mindstates Leach defines, one jumps out that most resembles FinCrime Compliance buyers. It is what he calls the "Cautious Security Mindstate." Every FinCrime Compliance prospect is unique, but sellers should know that the majority are what Leach describes here as the "Cautious Security" buyer. These buyers:

→ Seek to minimize the chances of mistakes. Keep their risk low.
→ Measure 18 times, and cut once. Want to know every precaution taken.
→ Value predictability and the known. Like specific plans, not "vision" claims.
→ Prefer slow and methodical. Not looking to "reimagine" or be "cutting edge."
→ Find comfort in tried and known solutions, even if slow and cumbersome.

What is a FinCrime Compliance Officer's Real Goal?

FinCrime Compliance officers manage dozens of moving parts: risk assessments, monitoring systems, hiring and training workers, KYC processes, and SAR reporting. Done correctly, they achieve their ultimate performance measure - passing internal audits and regulatory exams. I'll never forget the feeling of triumph when, during a board of directors meeting at my first BSA Officer job, the OCC reported its full-scope examination findings. With the tension in the air thick, my lifelong dream was realized: The OCC Examiner in Charge announced they found the bank's BSA Compliance program "adequate." "Yes!" I exclaimed, slamming my hand on the runway-length board table. A few of the directors tuned into my sarcasm and smiled. Everyone else, humorless, did not know what was happening.

Once given the okay by auditors and examiners, FinCrime Compliance leaders and their teams must then repeat this year after year. It is the measure they must meet. As a result, a status quo is created. Maintaining this status quo becomes their top priority and the priority of the CEO and board of directors. The same systems, processes, and people remain in place. This ensures job security for everyone. This is not to suggest FinCrime Compliance workers do not also want to contribute to preventing and fighting crime. But fighting crime comes second. Compliance comes first.

Now, imagine what these FinCrime Compliance officers think when they receive an email, a cold call, a LinkedIn message, or see a marketing display at a conference that suggests it's time to "reimagine," "disrupt," or "innovate?" Do you think their brains spot opportunity or risk?

Sellers think buyers want to be "cutting edge." This is rarely true. Yet sellers, believing everyone wants to modernize, approach the market thinking buyers are eager to try new approaches.

Compliance professionals, by nature, are cautious and attracted to what feels safe and secure. Compliance professionals who want to "disrupt" put their jobs at risk. Sellers who use change and disruption as their core message will struggle to find buyers.

Who Are the Buyers?

There a three direct FinCrime Compliance buyers; the person who runs the department, their boss, and their staff. Indirect buyers include the finance department (procurement), IT security, and vendor management. FinCrime Compliance selling is "complex" selling, which means there are anywhere from a handful to two handfuls of decision makers. Sellers must understand what motivates and repels each of these decision-makers and then appeals to their aspirations and avoids their triggers.

Pinpointing decision-makers is the first obstacle sellers face. In FinCrime Compliance departments, sellers find VPs, Directors, Officers, Heads, Managing Directors, Senior Vice Presidents, and Executive Vice Presidents. It's a guess whether any people with these titles have decision-making and budget authority. Sellers must learn who has buying authority and who influences purchasing decisions.

Without convincing the head of the FinCrime Compliance department of the need for a new product, there is no sale. But sellers should not be fooled into believing because the "head" or "director" wants to buy, that they have the authority to do so. This is not a nice thing to say, but it must be said - there are a lot of posers in FinCrime Compliance. Sellers must not equate title with authority. Those with authority know how to put their neck out to get a budget, navigate purchasing approvals, and make decisions. Not everyone with a title is willing to do this.

Modernization Collides with Status Quo

Much is written about how FinCrime Compliance must modernize. Regulators publish guidance encouraging institutions to update systems and processes. Congress even passed a law, The Anti-Money Laundering Act of 2020, which calls explicitly for FinCrime Compliance modernization.

Ambitious software developers see this and set out to build products that address issues afflicting FinCrime Compliance, particularly those created by outdated and inefficient technology. But, FinCrime Compliance sellers and buyers see the market differently, and this causes confusion.

By nature, buyers are risk-averse. Before AML programs report suspicious activity, sanctions programs block transactions, and fraud investigators stem losses, management must ensure compliance with a long list of technical requirements. Otherwise, their jobs are at risk.

A FinCrime Compliance program keeping pace with peers makes for good results. Examiners, being examiners, compare the banks they regulate to each other. If there are no significant differences, the results are positive. Examiners always have a few "recommendations for improvement," but when no significant differences exist from their compliant peers, FinCrime Compliance management is winning.

Management strives to keep pace with their peers to ensure they keep winning. The safest place for FinCrime Compliance teams is with their pack. Packs survive by sticking together. Straying from the pack is risky. You stand out and garner too much attention. For regulated financial institutions, standing apart makes no sense. FinCrime Compliance survival is about getting those "Satisfactory" examination and audit reports. Selling new technology and software into a market with this mindstate like this is tough.

What confuses sellers, however, is this: FinCrime Compliance executives are often eager to see new product demos. This is not because these leaders are interested in purchasing; it is because their motivation to remain with the pack makes them curious about new products. They want to monitor what is "out there" that others are seeing. It is a sound approach - don't be the first mover, but know what is in the market. If they sense the pack is shifting, they are ready to shift too. As a result, FinCrime Compliance management often says "yes" to seeing new product demos.

For sellers, this situation creates mismatched expectations. Sellers think they have a prospect making a buying decision when they do not. The disconnect frustrates sellers who think they have an interested buyer, but the buyer is only "seeing what is out there."

When Do Buyers Buy?

FinCrime buyers are a “need to have,” not a “nice to have” group. Because of their cautious nature, adding applications seen as nice but unnecessary does not motivate buyers. “Need to have” situations are created when regulators cite FinCrime Compliance weaknesses or failures.

In 2006, we advised National City Bank in Cleveland (absorbed in PNC during the 2008 Great Financial Crisis). Sitting with the AML officer and OCC, the examiners expressed concern about the bank’s existing monitoring approach, a combination of legacy fraud monitoring software and SQL reports. Without understanding the significance of what she said, a senior examiner remarked, “Have you thought about a better monitoring system like Searchspace or Mantas?” “Oh, man,” I thought, “I wonder if she knows how happy she just made some salesperson?”

Sure enough, as soon as the examiners left the room, the AML officer turned to his deputy and said, “Get meetings with Searchspace and Mantas as soon as possible.”

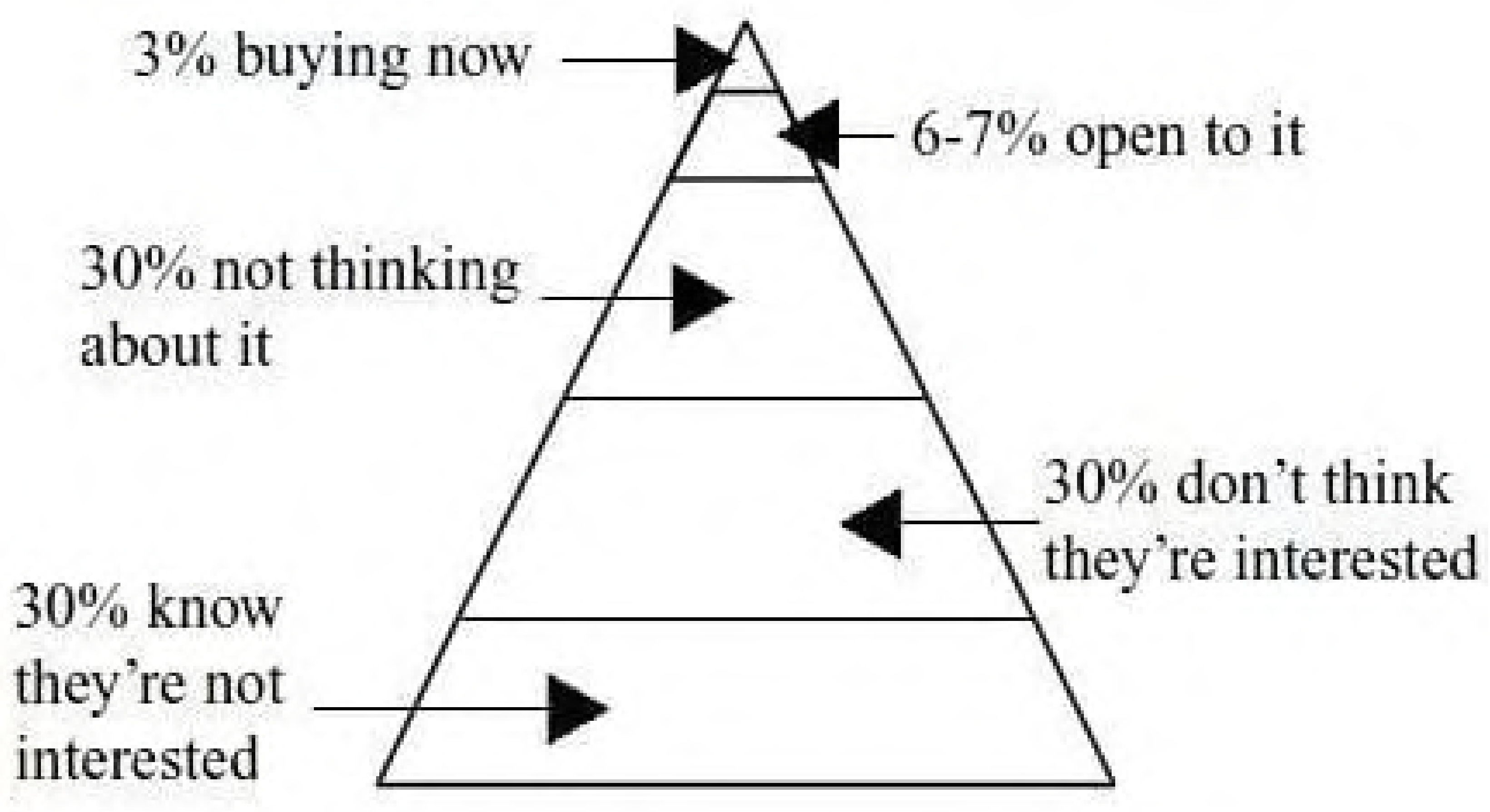
That is a real need.

Contrast this with selling an application that tracks legislative and regulatory updates, organizes FinCEN bulletins, and catalogs past enforcement actions. This is data and information that programs require to complete risk assessments, select transaction monitoring scenarios, and fine-tune country risk ratings. But potential buyers think they can get this information by setting Google alerts and going to www.fincen.gov. Those approaches are inefficient and prone to human error, omission, and inconsistency. But in a buyer’s mind, they’re “good enough.” And if the audit or examiners do not criticize this ad-hoc approach, then there is no problem, and no new solution is needed.

So does this mean without a potential buyer receiving a regulatory spanking, FinCrime Compliance software sellers cannot win deals? No, it does not. But it does mean it takes a lot of work, perseverance, great messaging, a strong sales team, and some luck.

In his book “The Ultimate Sales Machine,” Chet Holmes tells about how his research and experience show that at any one time, only three in 100 potential customers are actually buying. Our 25 years of FinCrime Compliance selling and buying experiences validate this.

In his “Buyer’s Pryamind,” Holmes breaks down the potential market as follows:



The “must haves” are the 3% group. Seller’s job #1 is to find this 3% and the next 7% open to buying. Without some share of these small groups, it is unlikely your company will survive.

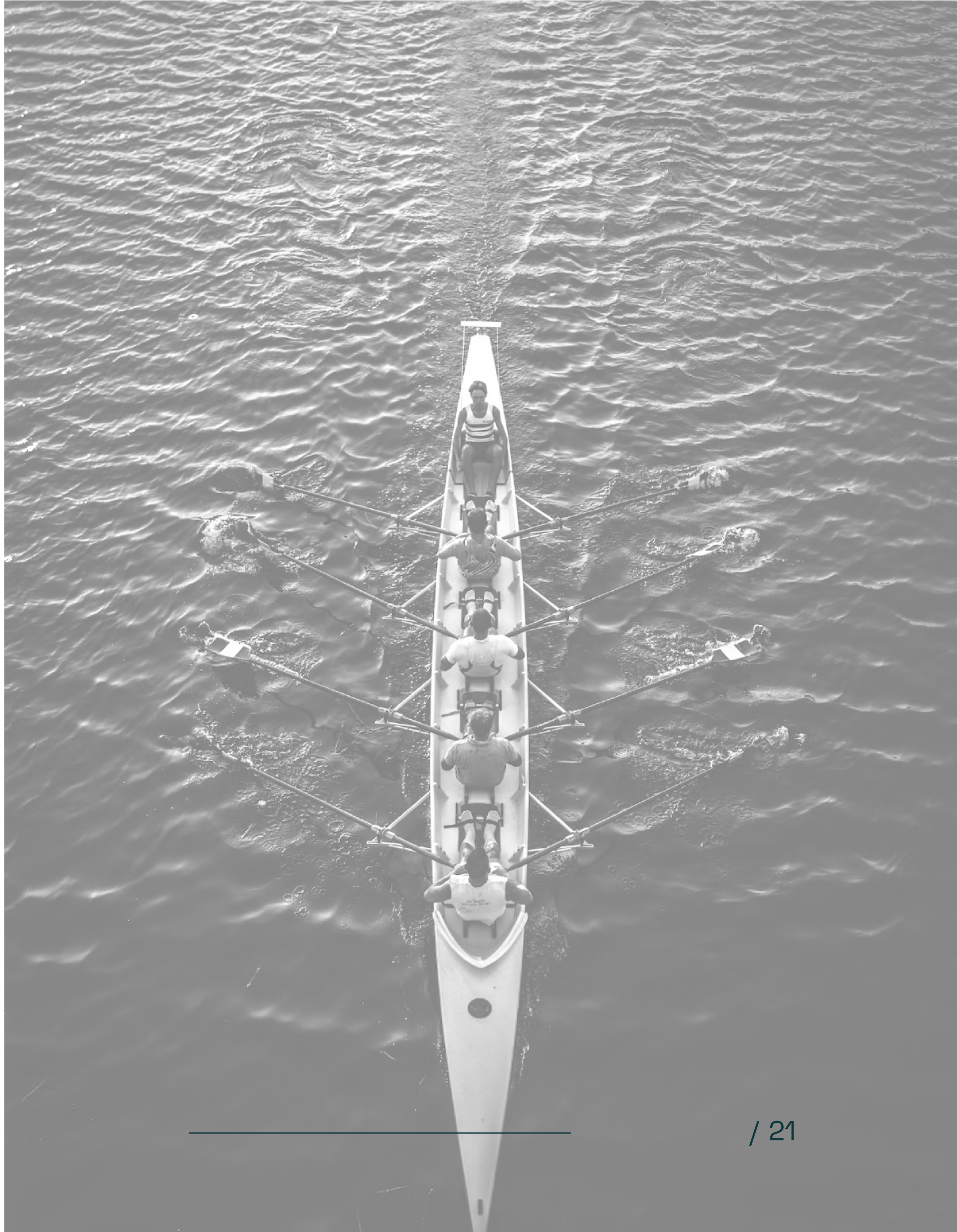
Does this mean that the remaining 90% are ignored? Of course not. It is the seller’s job to spark interest in this group and for great sellers to either create a “must have” need for buyers or help them uncover a “must have” situation they are unaware of. We like to visualize the “pebble in the shoe” approach - something that, at the moment, is small and seems insignificant but, over time, is debilitating.

Successful FinCrime Compliance product sellers must understand financial crime and the details of FinCrime Compliance programs. Imagine selling surgical equipment to surgeons and not understanding surgery. Or how about selling tools to auto mechanics without knowing how car engines operate? FinCrime Compliance sellers must know the laws, rules, regulations, and day-to-day operations of a FinCrime Compliance department. This is baseline credibility. Without it, skeptical buyers shut you out. And without this deep understanding, sellers cannot identify the pebbles in the shoe that will grow into big problems. The inability to see these means fewer sales.

Buyers Also Need to Sell

Consider a FinCrime Compliance buyer's Cautious Security mindstate. In addition to their normal apprehension about buying, consider their anxiety when asking executive management for money. The critical part of selling occurs when the seller is not there.

Sellers must equip buyers with support material that makes a buyer's case. Sellers must learn if a prospective buyer has a budget for new software. If they do not, the seller must work with the buyer to assemble a supporting business case for the software purchase. Good buyers know this and will enlist the seller's help. Where buyers do not request the seller's assistance, they must offer it. Even if the buyer turns down the offer of help, the seller must send the buyer supporting material that includes, at minimum, easy-to-understand information about improved outcomes realized with the software, the ease of implementation, and cost-benefit analysis.



Buying Obstacles

All sellers must overcome some common buying obstacles. Be prepared to deal with all of these:

"We're A Cost Center"

FinCrime Compliance buyers who see themselves as a cost center and not critical contributors to a business's financial success present more challenges for sellers. When qualifying prospects, ask questions that help you make an educated guess about the prospect's mindstate. Be attentive to how a prospect speaks about their organization's decision-making and budget approval process. Do you see a confident person, or do you see slumping shoulders, lack of eye contact, and a sense the prospect is anxious about their own institution's budget process?

FinCrime Compliance and Profit & Loss

FinCrime Compliance buyers know they work for organizations whose purpose is revenue and profit. Without both, there are no FinCrime Compliance jobs. But, focus on revenue and profit are not typically part of the daily routine of FinCrime Compliance management and workers. This creates a selling obstacle -the further a buyer is removed from the P&L, the harder it is to sell to them. This is just a fact, and FinCrime Compliance sellers must incorporate this reality into their sales programs.

Winning deals, meeting quotas, and earning commissions motivate sellers. These are unfamiliar concepts to many FinCrime Compliance buyers, whose daily work is focused elsewhere. Humans focus on themselves, their desires, and their needs, making it rare to think about what motivates others. And unfortunately, some buyers see a seller's goals (making money) as a negative - it primes buyers to think sellers are pushy, obnoxious, and untrustworthy.

Sellers must understand buyers often do not share your sense of urgency. Undisciplined sellers want to push deals fast. Every fresh opportunity ignites images of commission checks. This is great. It's motivating and keeps sellers hunting for new business. But this mismatch of motivation between sellers and buyers can lead sellers to push too hard and buyers to recoil.

Budget Approval & Vendor Management

A prospect's reluctance to work with other departments in their organization hurts sales. Except in rare situations, buyers must work through a formal (or at least semi-formal)budget and vendor management process before any new technology contracts are signed. This includes working with the finance department, Vendor Management team, legal, contracting, Information Security, and the Information Technology department. All of this is a pain and creates a risk for the seller.

After the 2008 financial crisis, policymakers bolstered regulations around vetting, onboarding, and monitoring vendor relationships. Whether outside vendors and software created the Great Financial Crisis is beside the point. When bad stuff happens to financial markets, regulators react with more regulations. Post-2008 GFC, onerous vendor management rules were positioned as part of the fix. This means a buyer's vendor management process is audited and examined, just like an AML or Sanctions program.

Auditors and regulators want to see vendor management policies, procedures, and processes. They want to examine systems. They select samples of new vendor relationships to examine. The Vendor Management team is as concerned about their program as the AML officer is about theirs. This means that the buyer, your customer, needs to endure a lengthy, rules-driven process that is frustrating and overbearing. How do you think your prospect feels about this? It impacts their buying behavior, and this impacts you as a seller.

Impact on Staff and Operations

FinCrime Compliance executives are often wedded to the status quo because their team is. Whether an existing system is full of inefficiencies, like requiring users to screenshot, copy, paste, and manually create PDFs, workers know how to do these tasks, and most do them fast enough. Humans have an uncanny ability to adapt to inconvenience. And once they do, breaking them from their systems and routines is challenging. Their brains react like you are taking something from them, not giving them something better. Psychology experiments prove the fear of loss is greater than the hope of gain. Most of us can point to something we do that takes too much time, but we stick with it anyway. We just get used to the inefficiency and don't see problems with it.

Production Risks

Whatever system and processes the buyer and their team have now, many believe they work well enough. In many cases, as inefficient and outdated as the technology is, workers operate sufficiently enough that backlogs never materialize. When hearing about a new system, a buyer's mind pictures work slowing as workers transition from an old system to a new one. They imagine frustrated managers sweating over piles of work and the stress it causes everyone.

Whether these imagined work slowdowns become a reality is beside the point. If the buyer pictures a backlog - the prospect of a deal wanes.

Sellers must address this issue before the buyer imagines it. Good sellers get into the buyers' thoughts before the buyer does. A good seller says, "You may wonder how implementing our application affects work production in the first few weeks. We know this can be a concern, so let me share how we train new users and the full-time, always-available training assistance we provide. We've done this twenty times and ensure work doesn't slow down in those first few weeks."

Now that you have assuaged management's concerns, sellers must understand that changing systems and processes evoke some level of complaints from workers. Caution here. The staff's opinion influences buyers. If the work team does not like your product, regardless of their reasoning, the deal likely dies. Address this by getting some end-users involved in the sale. Ask the buyer to include a few staff members in the decision-making process.

Additional Costs

Beyond the product's cost, what additional costs must buyers consider? For example, are third-party integrators and consultants required? During the ramp-up period, will buyers augment staff with contractors to manage workload and avoid backlogs? In some scenarios, buyers may also have to hire subject matter expert consultants to help design, test, and implement transaction monitoring or KYC models. Don't run from bringing up these issues. Just because buyers are silent does not mean they are not thinking about them.

Impact on Other Departments

The buyer also wonders how new products impact other areas of their organization. If you sell Identity Verification or a KYC product, does this impact account opening? If so, what other systems and processes must change? Is this feasible for a buyer, or will he incur so much wrath from other departments he gives up on the purchase?

Within their operation, does your product change processes? Does the IDV or KYC application gather different types of information analysts generally do not review? If you sell a Case Management Platform, does it change how the bank files SARs?

Know what you will say about these obstacles when prospects bring them up. Be prepared with examples and data to support your explanations.

Building Buyer Personas

A buyer persona represents your ideal customer. It is based on research and data, including demographics, psychographics (a buyer's psychological and cognitive attributes that reveal their beliefs, values, and goals), and behavioral information. Good buyer personas help sellers build better products, tailor marketing and sales messages, craft demos, and manage conversations.

The best Buyer Personas are created from experience. If you've never sold to FinCrime Compliance buyers before, you can use surveys, focus groups, or interviews to construct your persona, but relying on experienced sellers remains the better approach.

Some Persona builders like to construct "avatars" of fictional buyers, including age, gender, interests, and purchase habits. Whether you do this or not is not important. It is important that whatever persona approach you take, you start with understanding the Cautious Security Mindstate and build from there. Include data on the following as a start:

→ How do your buyers spend their workdays? Are they proactive or reactive? Do they attend a lot of meetings? Are they focused on big-picture strategy or in-the-weeds tactics?

→ What prompts interest in new technology? Are they driven to solve problems before they become acute? When was the last time they purchased new software? Are they tech-savvy?

→ What stands in their way of saying “yes” to purchasing software? Who on their team do they turn to for decision-making help? What part of the buyer’s internal approval process are they reluctant to take on? Who in the buyer’s organization is a roadblock for a deal?

→ What are their fears and concerns? What do they want to avoid? What do they want to promote? What is their relationship with audit and their regulator?

→ What motivates them? Are they compliance-focused or risk management-focused? How do they view technology? Are they status-conscious?

Lastly, buyer personas must be updated as you have more conversations and pitches. Every encounter teaches you something. Consider all the little things you hear and see in discussions. A deep understanding of buyers is what will make you a successful seller. Something else that will make you a successful seller is a product buyers want to buy. Let’s turn now to that.

CHAPTER THREE

PRODUCT MARKET BUYER FIT

Some products don't fit the market, yet many builders and sellers are convinced they do. They feel it. They are excited about it. They see the market struggling with problems like false positives, manual work, and rising costs. Sellers know their product can solve these problems.

But can sellers convince skeptical buyers?

We hear about "product-market" fit. But thinking about the "market" causes sellers to forget the individual people known as "buyers." A market is, of course, made up of buyers. However, in FinCrime Compliance, there is a difference between the two. The "market" is not only buyers. The market is regulators, conference and event organizers, lawmakers, corporate media, training associations, and LinkedIn. Each market participant says the industry must solve this problem or that problem. If you look closely, you will notice the "problem" each market participant says needs solving is the one they are best positioned to benefit from the solution. Notice how certification, conference, and training participants talk about how the "market" needs more certifications, conferences, and training? Or how about policymakers and regulators? Ever notice how they say more policies and regulations are required? Do the buyers truly need these problems solved?

There is a difference between what the "market" and what "buyers" say. The market is loud, publishes frequently, and profits from pushing particular messages. Buyers are quiet. They speak primarily by saying "no," "not interested," or ignoring sales outreach.

As a builder or seller, do not be fooled by what the market says. The only voice that matters is the buyer, and they speak in the only way that matters - by buying.

Aligning your product to what buyers will buy is where product strategy comes in.

What is Your Product Strategy?

Discussions of Product Strategy typically include the purpose for a product (what problem is being solved), defining target markets, creating value messaging, and developing marketing. In this chapter we will focus just on the reasons for developing the product in the first place. In upcoming chapters we discuss prospect targeting, messaging and marketing.

As mentioned above, if buyers do not perceive a product as addressing one or more of their needs, there are no sales, and businesses risk investing time, resources, and money into products that fail. This happens every day in businesses. More products flop, and more companies fail than succeed. This is a sobering reminder that your chances of success in FinCrime Compliance selling are not overwhelming. So getting everything right, starting with the product built, is essential.

Product Strategy, as we think about it, is the collection of market knowledge + market intelligence + the understanding of unmet buyer needs. Product Strategy then takes this information and connects, or maps, it to outcomes (benefits) achieved when buyers use your product. For example, a prospective buyer cannot figure out how to identify real-time risk among their customer base, and you have an application that tracks news and other risk data in real time. Success is uncertain, but at least you should get a few sales meetings.

Building a Product Strategy

Product Strategy steps are:

1. Market Knowledge - Know what creates and drives a market. Understand the macro and micro trends affecting budgets and decision-making. Return to Chapter 1 for an overview if needed.
2. Market Intelligence - Collect, analyze, and interpret data and information about the FinCrime Compliance market. It involves gathering data on competitors, prospective customers, industry trends, and market conditions to gain insights about problems needing solutions. Gathering market intelligence involves collecting firsthand data (conversations with prospects are the best) and incorporating data from reliable industry reports, market research studies, and government publications if necessary. The outcome of the market intelligence phase (which never should end) is to identify patterns, trends, and emerging opportunities and risks. It also identifies gaps in the market where you can position your product.
3. Isolate a problem that needs to be solved and the current obstacles that prevent a solution. If there is no problem to be solved, ask if a new product (or your existing product) is needed.
4. Define Product Features: The next step is defining your product's capabilities, key benefits, design, and functionality. Define what sets it apart from competitors.
5. Align Buyer Needs to Product Capabilities. Take what you know from your market intelligence work and buyer needs (Chapter 2) and align this with your product's capabilities. The more alignment, the better. If you find there is no alignment, you have a problem.
6. Determine Product Positioning: Your Promotion Plan (Chapter 5) will define your product's unique selling proposition and how to communicate it to your target prospects. Effective product positioning differentiates your product from competitors and creates a strong brand. Selecting this positioning relies on which "market play" you choose (more on this shortly).

A Product Strategy Assessment Exercise

For companies looking to build new products or existing product companies looking to improve sales, consider this exercise - Ask yourself these questions:

→ What is it? What is the problem you see needing a solution? How does solving this problem improve a potential buyer's life? If this problem exists, why has it yet to be solved? Is it unsolvable? Are others saying they and their product solve it? If so, do they? How many other companies solve it?

→ What is your solution/approach to solving this problem? Can you describe how it solves the problem in three or fewer sentences? Can you show where your solution maps to a buyer's needs? If so, why is it not working? If it works with some prospects but not others, why?

→ What outcome does your solution give a buyer? Is it saving money? Is it saving time? Is it creating a better end-customer experience? Is it strengthening compliance? Does it uncover unknown risks?

→ How does it work? Does it require implementation, or is it cloud-based? Is it easy to use? What are the risks to the buyer if it fails? How long does it take to implement and operate? What effort is required of the buyer and their staff to get it up and running? Why does your product work where others have yet to?

→ Are you certain? Can you prove your product works, solves a problem, and does it benefit the buyer? Can they see this? Can they understand?

→ Who else is doing this? What other companies say they solve this problem? Do they have paying customers? Why do they not dominate the market? If they do dominate the market, how does your company succeed? Is there a buyer need if there are other competitors and no one has customers?

→ What is missing to make your product the best? Does the market see the problem as you do? Do buyers worry about personal consequences if the problem they see is not solved? If so, why have they yet to solve the problem?

→ How are you different? What does your product do that other products do not? How does your product change existing approaches? Is the outcome faster, cheaper, and more complete? Does it use different technology? Will prospects understand the difference? Can you explain it simply?

Break down each question. Be specific and transparent in your answers. You should need at most three short sentences to answer a question. If you need more than three short sentences, refine your answer - it's too complicated. Long, meandering answers mean you don't have an answer. Don't BS yourself. Challenge your thinking, or bring in someone who can.

Bring skepticism to this exercise. Assume the status quo is acceptable for buyers. Paint a picture of the buyer in your mind (Chapter 2). Picture them sitting across from you during a sales meeting. Imagine they sit quietly, reluctant to engage in conversation. Get in their head and determine what it takes to get them interested in your product.

An exercise like this helps bring context and some detachment from the natural enthusiasm product companies feel about their solutions.

Asking yourself hard questions at every product development and selling stage is good practice. Buyers ask hard questions. You close deals with good answers. It's better to ask and answer them yourself first. It saves time, frustration and sharpens your message.

Picking Your Product Plays

Once a Product Strategy is complete, next up is to select Product Plays. Product Plays are how a company positions its product in the market - what are the product's characteristics that sellers believe will best appeal to buyers?

These include:

→ **Price Plays:** Price plays involve pricing a product to attract customers. Companies use different pricing strategies, such as discounts, bundles, and value pricing, to make their products more appealing to customers.

→ **Differentiation:** Many companies use the Differentiation Play because they believe their product differs. The challenge in the FinCrime Compliance market is to convince potential customers there is a difference. With so much of the marketing sounding the same ("AI," "Machine Learning," "Reduce False Positives"), distinguishing your product from all others is a challenge. If you can, though, and you can demonstrate this clearly, then use this play. (The test for "demonstrating difference clearly" is whether you win a lot of new customers. If you don't, you're not demonstrating a clear difference).

→ **Place Plays:** Place plays involve selecting the most appropriate distribution channels for a product. For FinCrime Compliance software, this often means using "Channel Partners" to help market and sell your application. Relying on another company or individual to promote and sell your product to FinCrime Compliance buyers is risky. In a market with long sales cycles, multiple decision-makers, and skeptical buyers, betting on third parties to hone messaging and endure months of pitches and delays is a lot to ask. For FinCrime Compliance Data providers (sanctions, watchlist, PEPs, adverse media), the Place Play means selling to data aggregators, screening software vendors, and KYC vendors instead of selling directly to financial institutions and other end users. We suggest the partner approach is more successful for data providers than for direct selling.

→ **Focus Plays:** Here, sellers determine a specific buyer type, segment to pursue, or product feature. A focus play aims to gain a competitive advantage by becoming the best at serving a particular customer segment or providing a unique feature or service.

→ **Quality Plays:** A quality play in product strategy is a deliberate effort to differentiate a product by focusing on delivering exceptional quality. More common when selling physical products, quality plays with FinCrime Compliance software are challenging. Unless you build a reputation in the market, with numerous testimonials backing you up, claiming better quality is hard to prove and unlikely to sway skeptical buyers. If you are fortunate enough to establish unmatched quality as a sales play, you must invest in resources that ensure this consistently high level. Nothing kills a quality play faster than bad deliveries, implementations, or results.

→ **Service Plays:** Service Plays focus on creating and delivering new or enhanced services to customers. Examples of Service Plays include offering consulting services, providing training and support services, or creating new subscription-based services that complement existing products. As one recent example we've seen, screening compliance providers offer review and clearing services.

Where Do You Fit?

We spend considerable time researching and learning about new FinCrime Compliance product companies. Whenever we see a new company sponsoring a conference or event, read they raised a seed round of funding, or come across them in some other way, the first question we ask is, "What do they do?" The first place we visit is, of course, their website. In more than half the cases, we struggle to find an answer to our question. The website visit and even conversations with founders and salespeople leave us confused. In Chapter 5, where we discuss building a great Go To Market strategy, we share how to create better messaging and marketing. But to create great messaging, a company must know where they fit in the FinCrime Compliance product landscape.

Are you a product for onboarding, investigation, case management, screening, a bit of each, or something else?

Revisit Chapter 1, where we discuss the product landscape. Get clear on where your product sits. It could be that it sits in more than one place. That is fine, but know that. Know that for many buyers, the landscape picture is hazy. Even practitioners - immersed in FinCrime Compliance daily - need clarification about what precisely new products do, how they differ, and how they fit into day-to-day operations.

Only companies in the tough FinCrime Compliance marketplace with great product and product strategies succeed. Spend the time and effort needed to get this right. Always be ingesting market feedback and feedback from marketing and sales. Use this to create products that buyers will buy. Let's turn to finding the right buyers and building a Prospect Target strategy to make this happen.

BONUS

MAKE YOUR SOFTWARE SIMPLE TO USE

Potential buyers have problems that need solving. For some, it's reducing false positives; for others, it's faster identity verification; for others, case management or data analysis needs. Regardless, the software products best positioned to find buyers are *simple*.

By simple, we mean applications that are simple to explain, simple to understand, simple to sell, simple to deploy (or subscribe to), simple to use, and simple to price.

Most product marketing, including websites and sales presentations, do not clearly describe what an application does. Most software demonstrations don't convince prospects to buy. Most sales meetings don't lead to sales.

The win rate is low when selling expensive software that seeks to replace existing applications. But when financial institutions use systems 15 to 20 years old, complain about poor output, and are frustrated by expensive manual work, shouldn't the win rate be better?

Simple Sells.

Let's say a seller and buyer understand each other, and the buyer is interested in buying; this is where simple now really matters.

Buyers need software *they* see as simple to deploy. Buyers weigh the need to improve their operations against the risk disruption creates. Disruption upsets staff, slows operations, and increases compliance risk.

What features do software providers include that reduce the perceived risk of disruption?

Cloud-based solutions may be a more straightforward option for many buyers. Using the cloud avoids lengthy implementations, battles with the IT department, and inevitable cost overruns. However, getting the Information Security and Privacy Department's approval for cloud solutions is a headache. Adept sellers devote resources to support buyers as they navigate their required vendor management and onboarding bureaucracy. Sellers must keep the deal momentum even after the buyer says "yes."

Easy-to-use APIs. Data integration is always a concern with new financial crime compliance software. This issue alone is what often stops buyers from purchasing new applications. Software that easily integrates with in-house and third-party data systems has a significant advantage. Data providers must have simple APIs to feed adverse media data, sanctions lists, watchlists, PEP, and other data. If your application supports case investigations by automatically fetching third-party data, it must integrate easily with case management platforms. If your application is a platform, it must be simple for other applications to integrate. To a technologist, this sounds elementary, but non-technical buyers need to understand how APIs work, how you prove it, and how they can assure their management installing or subscribing to your software succeeds and stays within budget and schedule.

Easy to Use Applications. In addition to making applications simple to understand, communicate, and deploy, they must be simple to use. Although many systems that analysts and investigators now use should be faster, updated, and more manageable, users feel comfortable using them. They've created shortcuts to make their work feel more efficient. If users perceive replacing existing systems as too big a change, this causes problems. Workers will complain, slow down, and sometimes fail to perform as needed to maintain compliance. However, every worker uses modern technology in their personal lives, so trying something new is not unusual. Sellers should remember while people try new applications, they discard them when running into even a tiny amount of friction. Sellers must remember that the FinCrime Compliance leader is influenced by how their staff thinks about your software. Get key analysts, investigators, and other users involved during the sale process.

Simple Pricing. Buyers must convince others in their organization your software is a good investment. Executives want to know what it costs. Equip the buyer with the information to answer this question confidently and clearly. If executives and the board of directors don't feel pricing information is straightforward, deals don't close.

CHAPTER FOUR

IDENTIFYING TARGET MARKET

You now understand the FinCrime Compliance product landscape, buyer mind-state, and completed or updated a Product Strategy. Now, let's identify your target market.

Thousands of organizations must comply with AML regulations. Sanctions laws apply to all US (and many other) companies. Sellers don't have the time or budget to pursue all these thousands of prospects.

Sales pros call the absence of a targeting plan "spray and pray." Science validates prayer works wonders in our minds. And it may land a few new customers. But spray and pray a not a sustainable approach to growing a business. If you try selling to everyone, you cannot craft messaging, sales pitches, or demos. The Product Strategy identifies where your product best aligns with a buyer's unmet needs. Now it is time to build a Prospect Target plan.

Finding Your Targets

In a risk-averse, slow-to-buy market with many competitors, correctly identifying your target market determines if your company thrives or dies.

The "niching down" concept in business gets a lot of attention these days. This approach is based on the theory the more specific your target market, the greater your likelihood of finding buyers because sellers can refine messaging and optimize outreach. We encourage sellers to use the "niching down" approach when building their target plan. The rigor of this exercise helps refine the target list, leading to more sales. In the end, sellers may find their product appeals to buyers beyond one niche. This is great. But building your target plan from the bottom up (niche to a different niche and onto non-niche) is a sound approach.

Here are some suggestions for how to identify a target market niche.

Persona - Theirs and Yours.

If you are a start-up or young company, do you think of yourself as "new," "modern," or "advanced?" If so, consider targeting buyers that see themselves this same way. This includes fintech, neobanks, and BaaS buyers. Sometimes, your company and theirs may share a workspace in cities like New York, Miami, Austin, or San Francisco.

Are your product and company more well-established? Do you work for a "household" FinCrime Compliance name? If so, what prospects are best for you? On the one hand, the established, risk-averse, status quo-oriented larger buyers find comfort in long-serving vendors.

Aside from aligning your product and company's persona with the ethos of the firm to whom you sell, consider how you align with individual buyers. Research specific buyers in the market. Find out if they publicly share their views about technology and software through writing, speaking, or LinkedIn posts. If they talk about modernization and new technology, they may align with your product, even when they don't work at a start-up or new fintech.

Technology Type - Is your solution a SaaS subscription, cloud-hosted, or on-premise installation? The technology you sell drives your targeting plan. If you install on-premise, you may do well with mid-size and large banks but not neobanks and fintechs. Offering SaaS subscriptions means greater appeal to fintechs. Niche accordingly.

Location - Does selling just in a specific geographic region make sense? This may work in a major city like New York, London, or Miami. More in-person sales meetings, networking opportunities, and being right around the corner appeal to some buyers. Are you a Europe-based company? Are there locations to target and those to ignore?

Pricing - Smaller buyers have smaller budgets. Align your pricing with a buyer's budget. If you sell a six-figure (or more) product, expect longer sales cycles and a smaller target market of large financial institutions.

Unmet Needs - Your Solution - This framework remains your targeting plan's foundation. The pinnacle of prospecting is finding the "must-have" buyers. These are rare. Can you figure out the segment with buyers who want better software and have the fortitude to navigate their organization's budgeting, approval, and purchasing process?

Finding the Anchor or Marque customer - FinCrime Compliance buyers want to keep up with their pack. Midsized banks want to know what other mid-size banks are doing. This goes for fintechs, MSBs, payment processors, global banks, and casinos. No one wants to fall behind. The concept of "social proof" is where buyers feel safer buying products they know others that look like them buy. Does your targeting plan identify a few critical prospects for your product which, if you were able to sell them, will be the social proof needed to pique the other buyer's interest in this niche? Nothing gets the prospect's attention more than hearing a peer (or competitor) uses a new product.

Existing Customer Profile - Who are your existing customers? Is there a pattern or similarity between them? If so, you should target prospects like them. Sometimes those buying your product differ from those you suspected would. Great news. The market is telling you to focus. Wanted to sell to midsize banks in the Midwest, but you're getting more calls, meetings, and deals with smaller banks on the coasts? Get to the coasts and get more meetings. Are you a data company trying to sell to end users but getting calls from data resellers instead? Change plans and find every data reseller you can.

Deal speed - Are you a young company with no funding or only funding for the next year or two? If so, you must target prospects that buy fast. You cannot sell to buyers with 18 to 24-month buying cycles. Target lists must include fintech, MSB, neo bank, and BaaS buyers. If you are a young company and your product is for large banks, rethink your plan or get funding for at least three years. It takes this long to break through.

Building Your Target List

Identifying your target market is critical. The absence of defined targets negatively impacts how you craft and disseminate your messaging (Chapter 5), how you build and execute lead generation strategies (Chapter 6), and how you sell (Chapter 7). To maximize the outcome of the effort you put into developing messaging, lead generation, and selling, now is the time to take your understanding of the market and what drives it (Chapter 1), combined with your knowledge of why buyers buy and why they don't (Chapter 2), and overlay your Product Strategy (Chapter 3) to hone in on prospects whose needs align with the outcomes your application provides. The best way to do this is to build a target list. One helpful way to do this is by creating and using a Prospect Map.

A Prospect Map borrows from something more common, a Market Map. The purpose of a Market Map is to create a visual representation of a market to help businesses identify the players in a particular industry. It allows you to see where your business sits relative to your competitors and identify opportunities to build new product features.

In the context of building your Go To Market plan, we suggest using the concept of a Market Map (visualization, market assessment) to develop your target list, identifying the companies most likely to be interested in your products.

To create a Prospect Map for sales hunting, you should follow these initial steps:

Identify each potential prospect segment - Traditional financial institutions, fintech, neobanks, payment processors, money service businesses, broker-dealers, insurance, credit union, mortgage originators, wealth management, trust, attorneys, accountants, non-financial corporations (oil & gas, mining & minerals, auto, telco, pharma, electronics, etc.)

Select the segment(s) where you will focus. You cannot sell to every segment simultaneously unless you have a huge sales staff and a larger selling budget. Narrowing the segments requires you to consider your market assessment - is there a driver for a specific segment to buy now? Is there a natural fit for particular segments? Will buyers know why you are contacting them?

Build lists of specific companies in each segment and consider other factors like:

→ **Location:** Are you staying in one country, region, or city or selling worldwide?
→ **Number of targets:** Do the segment and location have enough targets to pursue?
→ **Regulated status:** How important of a driver is it that your targets be regulated, and by which regulator?
→ **Size:** Larger prospects may have more budget but slower decision-making processes. Smaller targets may have less budget but can buy faster.
→ **Stage:** If your segment includes fintech, neobanks, and start-ups, what stage are they in their business? Did they recently receive venture or private equity funding?

As you begin to bring focus on who you will target, start listing specific companies. Add a column for “Decision-Makers” because you must know who they are as you build your list or as soon as you begin your market outreach.

Add a column labeled “need(s).” Without a need, the prospect is not buying. Then add another column that aligns with a product feature that addresses that need. Here is an excellent time to point out that this Prospect Map is a living document everyone should use in the sales process, including lead generation, marketing, sales, and even product staff.

Picture a scene from history (or a movie about history) where military leaders are huddled around a table looking at battle maps, assessing the current state of engagements, seeing where resistance is blocking troop advances, and what is needed to move to the next target. This is an excellent way to picture the purpose of your Prospect Map. It is a plan that evolves as conditions on the ground (i.e., the market) evolve. It enables leaders to see what is working where, and what is not, and where. Plans can be adjusted accordingly to devote resources to higher probability targets.

A few more considerations for your Prospect Map.

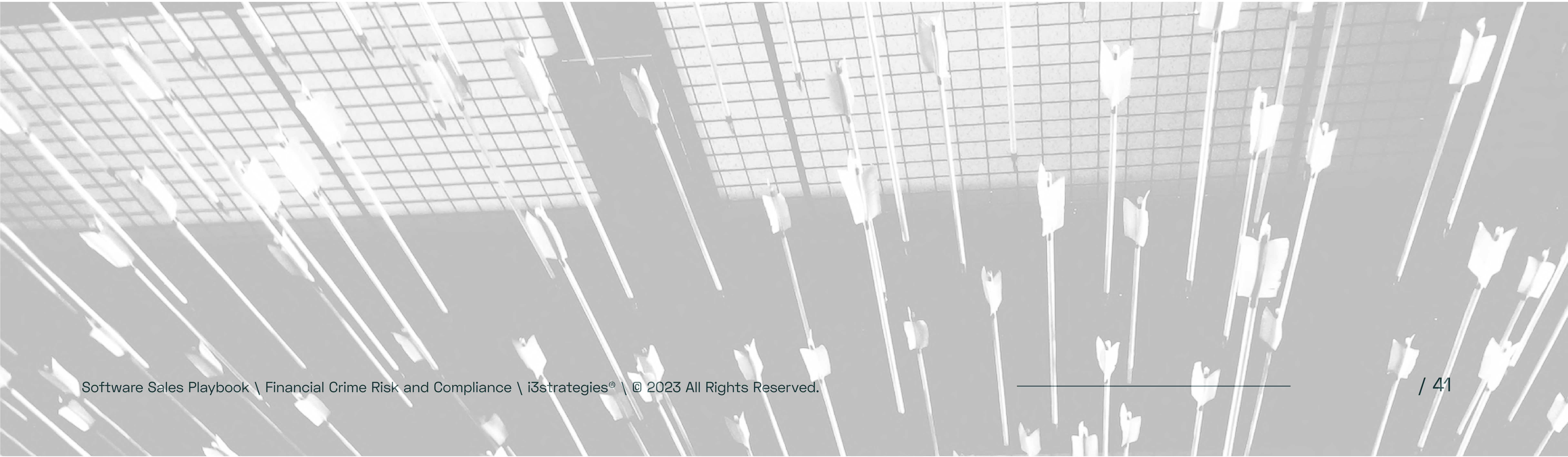
Plot your competitors. This gives you a better understanding of the competitive landscape and helps you identify the areas where your product differentiates. You should also identify companies that are currently working with your competitors. Suppose you know the weaknesses of your competitor’s products. In that case, you can use this as an element of the Prospect Map, assuming that if you improve on a competitor’s weakness, you should spark interest in the buyer.

Gather Intel - The Prospect Map is created and evolves through something called Market Intelligence, something discussed in Chapter 3. We’re not talking about some covert operation with Liam Neesom. It is about a systematic and consistent approach to learning as much as possible about the market and buyers. There is no magic here. It’s reading and staying current on events that impact your prospects, like policy updates, current events, changes in management at their institution, and thousands of other tidbits. Intelligence gathering also means conversing with prospects and people who interact and influence decision-makers, including the workers using your product. What do you know about them and the needs they feel are unmet?

Intelligence gathering also means capturing what lead generation staff hear in their conversations. Intelligence includes feedback from marketing efforts - which blogs get the most engagement? Who is reading a white paper? Who attended a webinar? All this information and much more must be captured and incorporated into your Prospect Map, as well as your messaging, lead generation, and selling plans.

Your Target List Always Changes

Once you complete the Prospect Map, messaging and lead generation work begins. From that point forward, the Map changes all the time. What messages are landing? Who is engaging with outreach efforts? Who is ignoring you? Who wants to see demos? Every step your team takes, and every piece of information you learn from these efforts should update the Prospect Map. Potential buyers tell you things every day, even when they don't respond or don't engage with you. And getting them to engage is about creating a Go To Market plan that attracts buyers. Let's dive in.



CHAPTER FIVE

GO-TO-MARKET PLAN

The potential FinCrime Compliance software market is enormous. Billions will be spent over the next decade improving outdated and inefficient systems and processes. Buyers know this but remain reluctant to buy. They are uncertain about which software to purchase and how new applications impact their program, staff, and careers. If you speak to these concerns using the language of buyers, that sets you apart. The problem is that so much software vendor marketing and communication confuses buyers.

A multi-billion dollar FinCrime Compliance software market presents a lot of opportunities. It also draws competition, dropping a marketing deluge on the same buyer pool you seek to attract. In this marketplace, you need a plan that gets attention. Without attention, you don't get meetings; without meetings, you don't get sales. This is why a Promotion Plan is critical.

A well-planned Promotion Plan boosts brand recognition, sparks buyer's interest, and leads to leads. By "Plan" we mean a set of coherent, coordinated, and properly sequenced actions that is designed to address the selling obstacles the market and buyers pose.

A Promotion Plan has five parts:

01 Defining the target market

02 Creating messaging

03 Selecting promotion channels

04 Execution - Doing it

05 Measuring, assessing, and adapting

01 Defining the target market

If you completed your Product Strategy (Chapter 3) and your Prospect Map (Chapter 4), you finished this first step. If not, go back to chapters 3 and 4 and get at it.

02 Creating messaging

Defining a message is critical in a crowded, risk-averse buying market. Your message must break through the barrage of other messages your prospects receive all week. You used the Product Strategy to identify the buyer needs your product(s) address(es). These needs form the basis of your messaging. Speaking about things that don't matter to your prospects means you don't matter to your prospects. Do you care about stuff you don't care about?

Pull out the prospect buyer persona(s) you created in Chapter 2. Picture a prospect reading your email, LinkedIn post, or marketing material. Picture them listening to your voicemail. Look at the things that they care about.

Now write something that gets their attention. This is the objective. Sales is persuasion. The first step in persuasion is getting attention. Get the prospect to open the email, respond to the LinkedIn message, or return your voicemail. Without getting a buyer's attention, there is no phone call, meeting, demo, or sale.

Messages about the buyer, not about you, work. This is difficult to do. Most product companies create messaging and marketing that centers on the product's features and benefits. It is all about you (and your product). Sellers think once a prospect hears the benefits, they will be interested. Instead, the messaging falls flat. Nothing in the wording or imaginary is connecting to the buyer's emotion.

Today, everyone discusses using Artificial Intelligence and Machine Learning as if these terms mean something to a FinCrime Compliance buyer. Most product companies also want to discuss "reducing false positives." These approaches are so common they're now just noise to the audience. Your LinkedIn post, email, and advertisements sound like the adult characters from Charlie Brown holiday TV specials - gibberish.

Knowing the typical buyer persona - risk-averse, status quo oriented, seeking security among the pack - you must decide what messages resonate with this audience.

Here is the messaging framework:

→ Outcome-based - the buyer's life after using your product, not about product features or you.
→ Them, them, them - focused on them, not your product (your product gets them the outcome, but the outcome is the message).
→ Key themes on which to build messages

Talk About Outcomes

What happens to your product's buyers? Does it free up their time? Make them feel confident and secure. Reduce audit and examination tension and stress? Create fulfilling work for them and their teams? Help the business onboard customers faster, with less friction? Help the company increase revenue and profit?

Look past your product's features ("we gather information from multiple public records sources") and even what it does ("puts all the information on the investigator's screen") and talk about what this means - "No more frustrated investigators wasting time, losing interest in their work, and quitting."

When you created your product, it was to solve a problem. Think about commercials on TV and what they sell. Cough medicine commercials start by showing someone looking sick and hacking up their lunges. It ends with the same person on the sideline at their kid's soccer game jumping and cheering. That is what the medicine is selling - seeing your kids play soccer on the weekend, screaming at the ref, and wondering what off-sides is.

FInCrime Compliance software is less personal than cough medicine. Or is it? Can you think of your product's impact on each user? If so, paint that picture for a prospect.

And remember, sick people have options to buy dozens of cough syrups. The ones that market better sell more. It's likely dozens of other applications in FinCrime that do what your application does - if your messaging sounds the same ('we reduce false positives" or "We use AI"), you don't stand out. You have to stand out. Connect with them by showing them how your product improves their work lives.

Back to business master Peter Drucker and what he says about marketing: "Because the purpose of business is to create a customer, the business enterprise has two--and only two--basic functions: marketing and innovation. Marketing and innovation produce results; all the rest are costs. Marketing is the distinguishing, unique function of the business."

It’s About Them, Not You

This brings us to them, them, them, which is the focus of your messaging. Cold emails or voice mails and conference displays that say, in essence, “Look at me and my product, we’re awesome” do not work as well as messages that appeal to a buyer’s ego, concerns, or sense of humor. Think about dating. If you still do or once did, what works (or worked) better - talking about yourself incessantly or asking questions and getting the other person to talk about themselves? If you sell, you want the buyer to talk about themselves. When this happens, and you keep your mouth shut, they tell you the problems they need solving. From here, you ask more questions and learn more.

Here are some things to consider when crafting messages about THEM, the buyers.

Buyers See The World Different Than Sellers

Entrepreneurs who start new software companies are, by definition, risk-takers. They see a problem like too many false positives and say, ”I can fix that with better code.” They believe in themselves and their fellow developers. Moreover, they see themselves as ”disruptors.” To them, ”disruption” is awesome. They want to change things and do so with flair. This enthusiasm shows on their websites and marketing, touting how their product upends old, weak, and slow systems.

Contrast this ”let’s disrupt!” ethos with a compliance officer buyer whose professional existence rests upon a foundation of risk aversion. Their job is to identify and mitigate risk. Imagine a pitch for a new transaction monitoring or case management, or KYC system that ”disrupts” or ”reimagines” everything your team now does. The buyer retreats safely to the status quo when the inevitable mental collision occurs. Despite concerns about inefficiency, false positives, and manual work processes, the status quo is still safe. So while motivated to improve, buyers weigh the cost and impact of change and often decide staying the course is acceptable. Do FinCrime Compliance decision-makers really want to “disrupt” their lives?

Buyers Are Not Technologists

Don’t make the disconnect between a seller and buyer worse by using “tech-speak” language in marketing and sales presentations. Sellers work for a company excited about its products. They are well-versed in the language of technology and eager to sell. FinCrime Compliance buyers are rarely technologists themselves. Terms like ”AI,” ”machine learning,” ”distributed cloud architecture,” “low-code, no-code,” and “integrated contextual decisioning” are used so often, and in so much nonsense marketing, they lack meaning. Many sales presentations rely on these and other tech-heavy words assuming buyers understand them. This is a problem. Like most humans, buyers are reluctant to say, “I don’t understand what you are saying.” Instead, people feel insecure when others are bloviating about some new cool tech thingy. The bloviator thinks everyone is impressed, but instead, everyone is lost yet unwilling to speak up. So everyone just nods their head while simultaneously tuning you out.

Avoid jargon, but If you use it, describe it in FinCrime Compliance's context. For example, "Our systems use Machine Learning to detect Adverse Media better. We developed this by having AML experts read over 1,000 known adverse media articles. They then tagged the relevant words in the article, teaching our machines to spot real negative news." For buzzwords like "disrupt" or "reimagine," - just stay away from those; they sound like BS. And avoid using the BS buzzwords and phrases listed here.

Don't Threaten A Buyer's Income

FinCrime Compliance buying involves multiple decision-makers, including the end-users, aka workers. Most FinCrime Compliance executives don't buy new software applications without hearing their staff's opinion. If your messaging tells these staff that your product reduces headcount, that is a problem.

Reducing inefficiency is the reason software exists. We all know this, but when software threatens our jobs and income, we fight against it. In some cases, the fight is futile. Highway toll booth operators did not stop EZ Pass. Still, an AML analyst can derail a sales opportunity by telling their manager your software doesn't do what it promises. FinCrime Compliance leaders listen to their trusted staff. (This is why trials kill deals when not managed correctly - more on this later).

Key Themes to Build Messaging

We Get it. You Magically Reduce False Positives.

This one is tricky for software sellers. You believe your product reduces false positives. The problem is, every other company thinks this too, and you all sound the same.

Several years ago, we reached a tipping point where the "we reduce false positives" message became background noise. Unfortunately, not all products reduce false positives - it is just marketing. Or, a product reduces false positives after the buyer undertakes a multi-year, multi-million dollar data cleansing project. Both these make buyers skeptical.

So what to do if your product does reduce false positives? Get creative. Can you use humor in marketing and sales meetings? "Here is something you haven't heard in the last few hours, 'We reduce false positives!'"

Consider a short video where, using *clear and simple language, show* your product in action, *explicitly reducing* false positives. Tell the viewer you understand their skepticism, and then *show* them your product is real.

When crafting messaging, organize around critical themes that appeal to buyers. As much as we caution against sounding like everyone else, buyers do face common problems. Sellers are stuck with the industry's problems. You must differentiate how you frame these problems' consequences and the better outcomes you enable.

Here are common themes to build your messaging:

→ Improving and strengthening compliance
→ Reducing waste and inefficiency
→ Replacing outdated technology with modern software
→ Improving the work quality
→ Improving a staff's contribution
→ Discovering or uncovering unknown risks
→ Protecting the institution from abuse or malfeasance
→ Making work fulfilling for staff
→ Supporting an institution's growth plan
→ Contributing to increased profit
→ Enabling expansion into new markets and products
→ Keeping internal auditors off your back
→ Preventing regulatory and enforcement attention

03 Selecting promotion channels

Use different promotional channels to reach target prospects. These include social media, email marketing, content marketing, conference sponsorship, and paid advertising.

Social Media

In FinCrime Compliance, social media marketing, at this point, means LinkedIn. Maybe as younger workers rise to management positions, apps like Twitter and Tik Toc will be places to reach AML buyers, but for now, it's LinkedIn. This is not great. LinkedIn is a mish-mosh of ads, Facebook-like posts, news article reposting, work anniversary balloons, job postings, trade show selfies, ads, awkward self-help-quotes, more ads, and occasional original content. Captivating, LinkedIn is not.

But, it remains the site for virtual business networking and a platform to build a brand.

Develop a LinkedIn promotion plan. Consider using a combination of professionally designed posts that establish or boost your brand and less formal posts written by senior leadership and employees. Determine if paid advertising on LinkedIn makes sense for you. Engage with other people's posts, particularly influencers, and prospects. But be smart here - don't comment on someone's post by marketing your product. That is low class. Make sure your comments on other people's posts contribute to the conversation. Be seen as someone who adds value.

Remember, when creating LinkedIn, or any other social media content, the goal is to get users to stop scrolling. Create written posts with great headlines that capture attention in two seconds or pictures or videos that do the same.

Email

How many marketing emails do you think FinCrime Compliance buyers receive each week? How many do you think they read beyond the subject line? Sending emails is easy because the sender avoids the sting of rejection and records every email on a tracking or "goals" sheet, providing them with a far-fetched hope that maybe someone will someday respond.

Like other types of cold outreach, emails have meager success rates. To have a shot at getting the email opened, read, and responded to, make sure your email is:

→ Interesting - use a subject line that gets attention. "Getting attention" is necessary and difficult. Using offensive or outlandish subject lines gets attention but is unlikely to yield a positive response. A subject line is similar to what writers call a "hook."

Tips for good emails include:

→ Short - Writing a five-paragraph email explaining your company's history and ten product features is not a good idea. Even if it is well written, when a reader's eye sees all the text, do they hit "delete" or settle in for five minutes of reading?

→ About Them: Here is that theme again - make the email appealing to them. Return to your buyer persona and market intelligence, and picture yourself as them. What will appeal?

→ Actionable - Tell them to do something. This takes some thought, however. How motivated will readers be to act after reading one email or social media post? If written well to get attention, the odds are decent. But don't ask them to do too much too soon. This is where having a lead generation plan is essential (Chapter 6). Sending one-off emails is ill-advised. Instead, create a multi-email campaign consisting of five or more messages sent over a few months. Over time you can see who engages with the emails and ask them to take more significant action as they continue to show interest. Maybe the first email doesn't do much more than ask them to "stay tuned" for future information, but the third email asks them to download an infographic or short blog post.

→ Something Different: What can you do differently with the email? Can you send an attention-getting subject line, and the email is an embedded video (a short one?) Novelty works. New things get our brain's attention. Opening an email, seeing zero text, and just a video thumbnail might be novel enough in the FinCrime Compliance buyer space that it gets a click. But DO NOT embed a two-minute product video promo. Make it less than 30 seconds.

Constant Contact, a leading digital marketing and email platform, tracks the average open, click, and bounce rates of close to 200 million monthly emails. For the financial services industry, recipients opened just a bit more than 1 in 4 (28.6% in February 2023). Of the 24 industry segments tracked, only two others have a lower open rate. Find a way to increase those opens. Create a brand and messaging people associate with value and interest.

Content Marketing

Content marketing's purpose is to get a prospect's attention and get the prospect to engage with you. Content marketing keeps everyone (sales, marketing, customer service, C-suite) and everything (website, advertising, emails, slideshows, video, brochures) honed in on the same messaging.

Content marketing includes blogs, newsletters, white papers, infographics, surveys, ebooks, case studies, guides, videos, and webinars.

When building your Content Marketing plan, ask yourself the following questions:

→ What is your company's purpose for content marketing? You should decide what you want to achieve with content. Do you want to introduce and establish a brand with a broad audience? Is content driving inbound leads? Do you want to riff about things you find interesting? Each of these is an acceptable reason, but if you don't know why you're publishing content, you risk confusing the market, wasting time and resources, and harming your brand.

→ How to implement your content marketing plan? One element of the Silicon Valley Venture Capital Playbook is that companies pump out content. The theory is that the more potential buyers see your name, the greater chance they will buy your product. Maybe.

As you decide on content marketing's role, refer to your Product Strategy and buyer personas. What content matters to your potential buyers? Is it daily "listicles" about the "Top 7 reasons AML programs fail" or "What are the experts saying about Model Risk Management?" Could be. But how much does content marketing that feels like it is written by ChatGPT (i.e., boring) help you?

Of course, the question here is, what benefit or result do you seek from your content marketing? Is it to establish a brand and market recognition? If so, what do you want your brand to "say" to the market? What you say should align with your value messaging. If your value message is you are modern and sophisticated technology, do "listicles" or guidebooks on "The Five Pillars of AML Compliance" bolster your message or harm it? (Answer: harms it).

Content, no matter its form, should offer something readers find interesting. By "interesting," we mean valuable. Offer a new perspective on FinCrime Compliance issues. Be specific about a use case that solved a customer's real problem. Try long-form writing like White Papers that unpack complicated issues and offer new approaches. Try short-form blogs or LinkedIn posts that provide insight about issues relevant to the problems your product solves.

A warning here - content marketing is not advertising. Be careful about writing White Papers whose subtitle could be "A White Paper - Why Our Product and Our Company Are Awesome!" Same thing with LinkedIn posts. Have you ever seen vendors who comment on LinkedIn posts by telling everyone about their products? Cheesy, for sure. If you want to advertise on LinkedIn, pay for ads.

When deciding on the right content marketing plan, consider how long writing, editing, and publishing content takes. If your plan calls for a weekly newsletter, daily original LinkedIn post, or video production, do you have the time, budget, and experienced people to make this happen? Creating good content that informs and delivers fresh perspectives takes people with experience and knowledge about FinCrime Compliance.

Paid Advertising

Here, we consider advertising separate from conference exhibitions and sponsorship. Advertising opportunities in FinCrime Compliance are limited. When you think of your buyer persona and target list, what do they read or watch when they encounter paid advertisements? Membership publications, webinar sponsorship, LinkedIn ads, and search engine marketing exist. How do these fit into your plan to build brand awareness and generate leads? How much do buyers read membership organization magazines or attend sponsored webinars?

Is the cost associated with advertising better allocated to content creation, marketing, conference attendance, or traveling for in-person sales meetings?

04 Execution - Doing it

If aligned with the Product Strategy and identified target segments, the Promotion Plan has a strong chance for success. There is no magic to how this project, or any other, succeeds. Stick to good project management, create accountability, devote the right resources - people and money, and keep on top of it. Here is how you do that.

Clear Project Definition
Successful projects are built upon a clear and well-defined project scope. Document the project's objectives, deliverables, timelines, and resource requirements. Ensure that all stakeholders, including the project team, sponsors, and clients, understand the project's purpose and expected outcomes.

Effective Project Planning
Break the project into smaller, manageable tasks and create a detailed plan with milestones and deadlines. Allocate resources appropriately, considering the team members' skills, availability, and capacity. Develop contingency plans to address potential risks and uncertainties, and regularly revisit and update the project plan as necessary. A solid project plan is a roadmap, ensuring all team members are aligned and know their responsibilities.

Strong Communication and Collaboration
Foster a culture of transparency and encourage regular communication among team members, stakeholders, and project sponsors. Utilize collaborative project management tools and platforms to facilitate real-time information sharing, document collaboration, and task tracking. Regularly scheduled meetings, progress updates, and status reports keep everyone informed and provide an opportunity to address any concerns, roadblocks, or changes that may arise during the project.

Risk Management and Adaptability
No project is without risks or uncertainties. Identify potential risks early on, assess their impact and likelihood, and develop appropriate mitigation strategies. Regularly monitor and review risks throughout the project, adjusting as new risks emerge or existing risks evolve.

Remember, even with great planning and execution, writing and producing content takes time.

05 Measuring, assessing, and adapting

Start again here with what you've defined as your content marketing plan's purpose. If your purpose is to get sales leads, then assessing this is simple: How many sales leads did you get?

If your content marketing aims to build brand awareness, use analytical tools like those from Google. For LinkedIn, consider using Shield, which shows which posts got the most engagement and provides great insight into which topics attract the most interest. Build this intelligence into your future posts and content material.

Measure views, likes, and shares. Much of the time, publishing content feels like yelling into the wind - exerting a lot of effort, unsure if anyone hears. Engagement with posts, blogs, white papers, and newsletters is the best sign of what interests readers.

When you see content getting attention, hone in on it and ask why. What is it about this piece that gets likes, shares, or comments? You hit on something. The market is telling you it is interesting. Make more content about this topic. With that topic in the center of the page, think about related or ancillary content that creates interest.

Share information about content engagement with management, everyone in sales, and the product team. Content that gets attention in a market where it's hard to grow is a big clue. Sales messaging needs to adapt. Perhaps the standard product demo changes focus on issues you see getting attention. Should the product team consider building new features and functions based on what potential customers find useful from the content?

Don't forget to engage with those engaging with you. Develop and execute a plan that connects you with the audience that finds your content attractive. If people comment on your posts or publications, connect with them. Ask a question or two about what they found interesting. Develop a relationship and ask what other topics interest them.

To Gate or Not to Gate

We've all clicked on a Call To Action to "read more" or "download now" and sat face to face with a web form asking for our name and email. "Crap," we think, "I just want to read this, not have to endure the marketing email barrage (or worse, a phone call)."

For the content creator, you know this feeling, so you must answer what is more important - as many people reading your content as possible or getting something tangible, like an email address from a smaller number of readers.

Gating content makes sense in some cases and not others. Looking again at your content's purpose, is it to build brand awareness or generate leads? You can generate leads without gating, but that is passive and dependent on the reader contacting you. These are higher-quality leads. After all, they have read your content, are impressed, and contact you. Anyone in sales whose experienced these types of leads knows they are gems. Unless the person contacting you is a total dunce, they understand the next step is that you sell them something.

Realizing gating content reduces readership (or viewership with video), consider not gating routine content like a blog or infographics. Typically for short content pieces, readers don't expect to have to enter their contact information.

However, gating is proper for more valuable content. Readers should understand that creators gate lengthy white papers, e-books, guides, or templates. Here there is a greater expectation of value exchange - you give something they use that improves their work lives, and there is a "cost" for that. In this case, that cost is their contact information.

What you do with their contact information means either commencing a fruitful relationship or creeping them out and ensuring they delete your emails and avoid your calls. (See more on building a contact campaign in Chapter 6).

Messaging Needs To Cause A Buyer Action

Nothing happens without action. Deleting emails and voice mails, scrolling past advertisements, or walking past a vendor booth are NOT the actions we're talking about. Product companies need prospective customers to stop scrolling; open the email, read it; and forward it to their team. You need prospects to pick up the phone when they see your number, sign up for your newsletter, download a white paper, or chat positively about your product with a colleague. Without one or more of these, you have no sales.

Avoid Confusing Messaging

As with all industries, FinCrime Compliance has its unique language, and it's often so confusing even those in the industry aren't sure what certain words mean, creating problems when selling products. It leads to websites, advertising, and conversations that confuse prospects.

Confusion around terminology is problematic in conversations between vendors and potential customers. As one example, in 2019, there was (and is) a startup whose marketing and sales pitch spoke about being able to reduce "monitoring caseloads" by 90% and complete the remaining "cases" in under two minutes. Upon hearing this, we thought we'd stumbled upon a product that would either save the industry billions of dollars a year or the vendor was using the wrong words, in our opinion, in their pitch.

After a few questions, we got the answer. The vendor's product analyzed what most call "alerts" (not 'cases") from "sanctions screening" (not "monitoring"). "Cases" are detailed, time-consuming investigations, and "monitoring" is traditionally used when discussing transaction monitoring. So, in this case, the vendor's product is useful but confuses buyers.

FinCrime Compliance software sellers must understand financial crime and the day-to-day life of financial crime compliance workers.

We realize that we may sound like Grandpa Abe Simpson here. As AML grows, processes like KYC, Identity Verification, and screening are now considered distinct disciplines. In KYC and screening, we see frequent references to "monitoring" and "case management," which were once only associated with transaction surveillance and suspicious activity investigations. Another term whose context has evolved is "risk assessment." When first used in the early 2000s, a "risk assessment" referred to an enterprise project. Some discuss risk assessments about individual customers as part of risk rating and KYC work.

The point is that when product companies craft messaging around their product, they must account for how buyers see and use our industry's language. For old-timers (many of whom are buyers), if they see a product selling better "monitoring" and "case management," they picture large transaction surveillance systems and case investigations, not KYC work. Ensure your Product Strategy and then your Promotion Plan aligns with how the market will see your product.

Do This Test

Part of our job is to keep up with FinCrime Compliance software and data providers. Whenever we see or hear of a new company, the first natural question we ask is, "What do they do?" Marketers and salespeople do this test to understand better the need for clear, simple copy and communication.

Whenever the next big FinCrime Compliance conference is announced, visit its website and find the sponsors and vendors. Click on their logos. Read their website's homepage. Give yourself no more than two minutes. If asked, could you tell a colleague what this company does? What is its product? Where it fits into the FinCrime Compliance product landscape? If not, we suggest most (or all) potential buyers are likewise confused. Now do this with your company's website - or better, find a first-year FInCrime Compliance worker and ask them these questions. If someone with a basic level of FinCrime Compliance cannot say what a product does and where it fits, the messaging is wrong.

If your messaging passes this "clarity test," you are ready to find leads. Let's go.

CHAPTER SIX

LEAD GENERATION

Without leads, no prospects. Without prospects, no clients. No clients, no business.

Before we get into the best ways to find new business, let's discuss the foundation of lead generation - systems and routines. One definition of a system is a formulated, regular plan. Routines are regular, habitual duties. Building a great lead generation plan is like building a great fitness plan - deliberate, habitual acts yield results.

If you've sold FinCrime Compliance software for even just a few months, you know this is not an industry where leads come easily. You must work to find them. If you work for a product company that separates lead generation from sales, you are fortunate (assuming the lead generation system gets you good leads). Pure salespeople need systems and routines as well, so don't speed past this section if you say, "We have Sales Development Reps (SDRs) and Business Development Reps (BDRs), so lead gen isn't my job."

We will not tell you what systems and routines are best for you. After years of developing our own and watching others develop theirs, we know no single best routine exists. Everyone operates differently. You are responsible for finding routines that enable you to find leads, get meetings, and close sales.

FinCrime Compliance software selling is a grind. To succeed, you must be resilient. In situations where the grind is the game, and buyers are rare, defeat and failure are inevitable without a system and routines. Here are some suggestions from our 30 years in the FinCrime Compliance market.

Your health - if you don't eat well, sleep well, and exercise - you're not serious. That may sound harsh, but it's true. Any job that requires this type of grind, like FinCrime Compliance software selling, means you must be physically and mentally fit. If you eat poorly, that impedes brain function. Same with poor sleep and lack of exercise.

Create a work environment that is as free from distractions as possible. Our modern world is built on distractive addictions. Social media, 24-hour news, and lousy food all distract us. Couple those with a job that involves grinding, and our attention is at risk. Figure out a way to avoid distractions. Use web blockers, get a second phone with no apps, and don't have bad snacks available. Working from home makes distractions harder to police. Maybe going back to the office is a better option.

Become aware of your energy cycles. If you rise early, and it's when your brain is most active, arrange your lead generation tasks around your body clock. Act accordingly if you are more of an afternoon or evening energy producer.

Setting your schedule in a corporate environment is not always feasible. But, if you develop routines and systems that demonstrate success (finding more leads than other BDRs, closing more deals than other salespeople, creating more content than other creators), then a reasonable boss will let you adapt your schedule. If they don't, find a better workplace that values your contribution, not just your time.

Many people have an emotional need to look busy. We learn to value "busyness." Business heroes, we read, pack their schedules, running from meeting to meeting and phone call to phone call. If that's what you want, you can do it in sales. A great way is chasing low-value leads.

Or, great salespeople develop systems and routines that, if followed, generate high-quality leads and require method and thoughtful preparation for meetings, demos, pitches, proposals, and conversations that win deals and pay you. Many sales operations have a culture that values busyness. But at some point, the salesperson that sells the most wins. Be that person. And if the company you work for values busyness most, make and act on a plan to find a better workplace.

Now, on to leads.

Leads are good, but not all leads become prospects. Before discussing ways to categorize and assess leads, remember that when selling, your focus and energy are devoted to prospects inclined to become paying customers. This means filtering out and saying "no" to some leads is crucial.

In order of value, here are the leads you should see with a sound lead generation system.

Existing customers - If the rule is that 80% of your revenue comes from 20% of your customers, what are you doing to find additional business from the people who know your product best?

What are the routines for contacting existing customers? What is the "customer success" process at your company? How do you hear about new issues (aka opportunities for you) from your current users?

And remember that current "users" are not just the buying executive. Put processes in place to speak with the users themselves. In addition to identifying their new struggles, it is crucial to identify situations where customers are unhappy with your product. Salespeople are not typically rewarded financially with saving existing customers from leaving, and perhaps you should be, but regardless, losing customers hurts you big time. Not only does it mean less revenue for your company (and you at some point), but it also means a dissatisfied customer out on the FinCrime Compliance streetcorners telling the market your product is weak stuff. How much do you want to face prospects who have heard bad things about your product?

So, communicate regularly with existing customers - management and users - and listen to discover new opportunities. Side note: we know from experience that speaking with FinCrime Compliance workers that use your product is challenging. Many users have never had conversations with a vendor and could feel uncomfortable. For their managers (your buyer), this is also unusual. After a contract is signed, meet with the buyer and explain that you have a system where you like to speak to executives and users to gather feedback, take suggestions, and stay ahead of any potential issues. Tell them you value them as customers and want to ensure they remain one. Agree on a contact and communication schedule.

Warm(er) Lead - Prior Customer, Former Colleague, and Friend

These are the second-best lead. In the Warm Lead group, we put two types.

→ ***Friend/Former Colleague*** - this is an excellent and rare lead. The "friend as lead" is typically a situation where you move from your FinCrime Compliance job at a financial institution into a new role selling FinCrime Compliance software. We know from personal experience, these leads are valuable. But, this type of lead is finite. No matter how many potential buyers a seller considers a friend, only some friends buy. But can you get three or four to buy? If you can, that is actual value, not just from the revenue earned but also from adding new logos, expanding market awareness, and growing the user pool.

Approaching friends to sell is a unique situation, and we don't provide too much advice here except that a great way to lose friends is for them to feel you are pushing too hard.

→ ***Prior Customers*** - FinCrime Compliance workers switch jobs often. New job opportunities for these individuals present new sales opportunities for you.

New software is likely needed if your former customer is hired to build or fix a FinCrime Compliance program. Buyers turn first to systems and applications they know. This is another reason you need a systemized approach to maintain communication with existing customers. At any moment, that existing customer can become a new customer.

Referrals

When people hear good things about products from people they trust, they are likelier to buy. Referrals come in two forms. One, where your customers are so impressed with your product, unknown to you, they tell other FinCrime Compliance buyers. You need to remain in contact with your customers to know they have recommended your product. Yet, another reason to speak with current customers.

A second way to get referrals is to ask for them. Asking for referrals can be tricky if not done thoughtfully. The first step is to provide a great product. The next step is to implement a regular communication plan with your customers (that again). Use these conversations to deepen your relationship. Once you've deepened the relationship, asking for referrals is appropriate.

Inbound leads

How do you know if marketing works? Marketers try to convince us there are many ways to measure success, but ultimately, there is only one way - does marketing increase revenue? Sometimes this is hard to pin down. But, one sure way to know if marketing works is whether people use your website to request product demonstrations.

→ **Demo Requests:** Requesting a product demonstration means at least two things. The first is that the prospect converses with you, the seller. This is no small thing. As sellers know, many in the market want to understand your product but are unwilling to engage in conversation. Remember, many people have a weird relationship with buying. Engaging with salespeople makes them anxious, and they seek to avoid it as much as possible.

For a seller, a request for a product demo is good news, but there is still work to do to qualify the prospect. Like every part of the sales cycle, sellers need a defined approach and routine when communicating with people who request a demo.

When communicating with someone requesting a demo, the primary purpose is determining their buying stage. Are they just beginning to see whether they will even buy, aka window shopping? Or are they in the "will buy, don't know when" mode? Or do they have a budget and a timeline for buying?

→ **Download Your Content:** A second potential, yet weaker, inbound leads include those who visit your website and download content through a "gate" where they must fill in their name and email. They could be downloading a white paper or signing up for a webinar. Whether you should gate content is something we discuss in Chapter 5. Let's assume, in this case, there is a gate, and the person provided their contact information.

At this point, the reader reluctantly enters their contact details, worrying about the deluge of emails they will forever receive. The email they most dread is this: "Can I share with you more about how we solve blah, blah, blah? We can jump on a quick 15 - 20 minute call. How is tomorrow at 10 am?"

Who wants to be on the receiving end of that? Imagine you were at a social event, seeing someone attractive and wanting to meet them. Let's say that person saw you and smiled back. A basic level of interest is there. You should do something.

How about this? You walk over and say, "Hi, I'm Dave. I noticed you smiled at me. That made me excited to think that maybe we can go on a date and I can tell you all about myself. How is Friday at 7 pm? I'll swing by and pick you up. If you don't answer by tomorrow, I will keep contacting you until you either tell me to leave or agree to meet me."

Yikes! Creepy and overbearing. Yet, this is the approach many software sellers use when someone shows interest in their product. It reeks of desperation. Desperation is a turn-off.

Of course, it is derelict if you do not act when a person downloads content. But how about a plan that doesn't barrage them with self-serving emails requesting their time and attention?

Send them a "Thank you for downloading our White Paper on how machine learning helps create better transaction monitoring alerts. We've attached a cool infographic we created on a similar topic."

That's it for now. Again, thank you for showing interest in what we do, and we hope you continue to read and like our content.

THAT IS IT. No "Hey, you sure look kinda pretty, wanna meet me later" creepy messaging associating you and your brand with desperation. We understand this may veer off the Start-Up Marketing Play Book pages, where investors expect to see a daily Gatlin gun of content. If that works, go ahead with it. We just know from experience as buyers and sellers that it doesn't.

Instead, you need a plan that involves useful, fresh, and interesting content. One approach is a schedule where prospects get an email once over two to four weeks. After four or five emails, you invite them to an invitation-only webinar.

The purpose is to first not to repel someone showing an interest in what your company has to say. Second, differentiate yourself from the overbearing, desperate competitors whose constant "me, me, me" messaging is a turn-off. Third, build trust between you and the prospect. Fourth, offering value to them and hope they are interested in speaking at some point. Yes, this takes time, effort, routine, consistency, and a real plan.

If all this sounds too much, don't do it. But don't gate your content, then, and try not to be creepy.

Conference and Events

Everyone whose badge you scanned or who swiped your giveaway swag is not a prospect. This doesn't mean you ignore the swag seekers. Get them in a communication routine as you do with those who download content. Provide useful, engaging, and valuable information to them. Maybe a few are more than weird people collecting free pens, stress balls, and water bottles.

There are, however, real prospects you'll meet at a conference. In some cases, it is easy to know - they tell you. ”We are looking at new [whatever your product does] solutions. Tell me about yours?' Others won't be as clear, but they ask to see a short demo or ask you questions and show interest in your product, which is the starting point for developing a relationship. Keep in mind that your focus remains on them and their interests. Knowing more about them than you would if you had not met face-to-face, what content or insight can you provide? Are you asking good questions that uncover their buying timeline? If so, are you building a communication plan accordingly as a way to follow up after the conference is over?

Partners

Channel sales refer to third-party partners or intermediaries selling products on your behalf. Channel partners include resellers, distributors, or agents. The hope is that you extend the reach of your lead generation and sales teams by enlisting these third parties.

Why Consider Channel Partners?

→ **Increased Market Reach:** Channel sellers may reach new markets your company does not. Channel partners may also have existing customer relationships, which helps your business expand its reach. A partner may operatein a country or region where you are not.

→ **Reduced Sales Costs:** Selling through channel partners can be less expensive than hiring a direct-to-market sales team. Companies may save sales and marketing costs by leveraging a channel partner's existing relationships and customer base.

→ **More Revenue:** By leveraging channel partner expertise, companies may increase their sales revenue. Channel partners can help businesses identify opportunities for cross-selling and upselling, leading to higher sales volumes and increased revenue.

We believe that selling via channel partners in the FinCrime Compliance market has limited benefits despite these possible advantages. However, many tech start-ups devote time and effort to channel partnership development.
For anyone with even a little FinCrime Compliance product selling experience, you know the challenges of selling to risk-averse, status-quo-oriented buyers. You know the time and effort needed to find leads, begin and nurture a relationship and move, hopefully, to a sale.

Before going all-in on channel selling, assess the likelihood of enabling a third party to execute your sales cycle (Chapter 7). Determine how third-party partner relationships can help. There are some instances where it may benefit, for example,

→ **White Labeling:** Do you have a product you want to "white label?" White labeling is where the product producer allows another company to use its logo and branding to market and sell your product. This is not common in FinCrime Compliance software application sales, but possible. However, by White Labeling, a producer saves marketing, lead generation, and sales costs and can devote more resources to product development.

→ **Data Sales:** Do you sell data for sanctions, watchlists, PEPs, or adverse media? In this case, it may make sense to partner with screening software sellers who see a benefit in combining their software with your data for an easier sale. The challenge here is that many screening software providers like to say they are "data agnostic," believing the "Bring Your Own Data" is a better approach (we don't think this, but find ourselves in the minority).

→ **KYC and SAR platforms:** If you sell a point solution like customer risk rating or public records research, explore partnering with KYC and SAR platforms whose applications are designed to connect to your product. Platform sellers benefit from offering the market solutions with more capability.

Outreach - Cold Calling, Emailing, Texting, Lead-Gen Vendors

You are fortunate if you sell a product where the bulk of your leads are inbound. It also means you probably work for a long-established provider and spend your days harvesting opportunities. For most others in this space, you spend your days hunting.

At some point, and for many, that point is daily; you must pick up a phone and make cold calls. Few people like making cold calls, and few people like receiving them. They are, however, a part of sales. When cold calling is part of your life, it is essential to have a system and routines that work for you. By work for you, we mean motivate you to do it repeatedly and find messaging or scripts that work.

Make calling a routine. It does get easier with repetition. Humans don't like rejection, and cold calling is an invitation to rejection. With time and practice, your level of anxiety decreases. There is no magic to it. It is part of the grind. Cold calling does, though, have many benefits.

First, it builds resilience. There is power in that. It builds confidence. Every salesperson needs this to succeed. It leads to opportunities and deals, meaning more rewards for you. Keep this in mind when making cold calls - tell yourself, "It's my world. I can call whoever I want."

The good news is that many AML buyers are receptive to calls. Remember, a crucial part of their job is to keep up to date with what products are in the market. They must ensure they and their programs remain "in the pack." Use this information to craft your cold call scripts.

And the last thing about cold calling: most people don't answer their phones anymore, so be prepared to leave a voicemail. Here are some suggestions for voicemails:

→ Make it short. 30 - 45 seconds.
→ Make it about them. What do they get (learn) if they call you back?
→ Don't sound like everyone else ("false positives, machine learning, AI").
→ Don't forget to give your name, who you work for, and why you are calling (about them).
→ Speak clearly. People tend to rush voicemails.
→ Leave your phone number.
→ Watch out with being too gimmicky. (Humor can fall flat in voicemails, but if you're good at it, try it).

Make cold calls and leave voicemails in conjunction with other forms of outreach, specifically emails. Don't leave a voicemail without also sending an email. What you do first is up to you. Try both. Send 25 emails and then make a call and see your results. Then try 25 phone calls, followed by an email, and see what you get.

In hunting for leads, you must try different approaches, track each, and see what to learn from this data.

Email is the most common approach to cold outreach. While email campaigns reach many potential buyers, only a few ever respond. Hundreds of FinCrime Compliance products fight for a buyer's attention, leaving the buyer with so many messages they all blend together. The likelihood is that the recipient ignores or deletes your message.

To get your email read, it must get attention. This first requires you to understand the person to whom you are sending the email. It requires some amount of personalization. We know that there are more and more applications that automate sending emails. These have their place, and some offer critical features like tracking opens, forwards, and other interactions. But to get your email read, there needs to be something in the subject line that makes the reader stop, preview the message, or click to open it. If you cannot get that response, the email is useless.

The subject line and message must connect with the buyer to get them to stop and look. Researching the buyer, their organization, and what you can learn about their current software product situation takes work. Connect something you learn about them with something you and your product can do to improve their lives. To do this, you balance personalization without being creepy. Think twice (or more) about writing things you may learn about their personal life. But, if they post personal information on their company's website or LinkedIn profile, consider using that. For example, if they mention local civic organizations or causes they support, or post a picture of themselves on LinkedIn finishing a 10k, consider how to craft a message and subject line. But if you make your message personal, make it genuine. Don't say you like running a 10k if you don't run 10k's.

Incorporate your content marketing here. Is there an issue you learn the prospect is trying to resolve or an issue where they show interest - do you have a blog, webinar video, or white paper on the topic? For example, did you notice they are speaking at an industry conference about high-risk countries, and you produced an infographic about country risk? Send that to them, and then don't do anything else. That's right. Don't pitch them or tell them about you or your product. Play the long game. You are giving them something of value. When you don't ask for something in return, guess what they will do? They will look you up. They will see who you are and read about your product.

Whether you have something personal to connect with, whatever email you send must be short. Writing four or five paragraphs about you, your company, and your product wastes time. No one is going to read it.

People have short attention spans, and even more so with marketing emails. Keep your emails short and focused on better outcomes for the reader. Incorporate all we wrote in Chapter 5 about building great content. Use plain language. Use short paragraphs, bullet points, and images to break up your content and make it more visually appealing. Also, ensure that you include images or links that are mobile-friendly.

Do you need a "call to action?" Some advocate that every email should have a clear call to action (CTA) that tells readers what you want them to do next. "Read More," "Click Here," "Call Me," and "Sign up for our newsletter" are all examples of "calling the reader to act." The idea behind the CTA is to get the reader to take action that impacts their conscious and subconscious.

Our brains expect a CTA and find some reward in clicking. That makes sense on a website; you want visitors to "Learn More!" However, with emails, think through using specific CTAs. If your subject line grabs their attention and your message hits the mark, their brains should direct them to act without being prompted. You should ensure your signature includes a link to your website and bio. Or even better, provide a link to content like a blog, video, or white paper. Make these present but don't push readers to them. An email campaign is a way to build a relationship, and no one likes to be in relationships with pushy people.

Don't forget that depending on the jurisdictions in which you operate or send emails. Many countries have specific laws around privacy and spam.

Explore LinkedIn Navigator and see if it is right for you. Regardless of whether you decide to use Navigator or rely on making connections and sending messages, follow the suggestions about creating content (Chapter 5) and reaching out by email (above) and text (below). LinkedIn is another communication platform. Finding prospects and building relationships on the site requires the same thought and effort.

Let me share a sales expert's opinion on texting. Jeb Blount is an author, speaker, and advisor on better selling. Here is an excerpt from a recent blog he wrote:

THE FAMILIARITY FACTOR IS EVERYTHING WITH TEXT

We talk to strangers on the phone, email strangers, and meet strangers in person, but rarely text strangers. This is why more than any other prospecting channel, familiarity is critical for prospecting via text. The probability of your text message converting – compelling your prospect to take action – increases exponentially if your reader comes after prior contact through another channel.

Text messaging works best as an integrated part of a larger prospecting system and strategy rather than a stand-alone channel. According to the Lead 360 study, that covered 3.5 million lead records from more than 400 companies, a text message sent alone converts at 4.8%. That same message, sent after a phone contact increases conversion by 112.6%. Why? Because, once you cross what Sean Burke from Kite Desk calls the Familiarity Threshold, your response rate increases exponentially.

You can amplify that impact even further when your text message follows an email contact or social media interaction. You gain even more traction when you text following a positive in-person networking interaction. The better the prospect knows you, the more effective your prospecting text message will be. The less they know you, the more likely you will cause offense. People are averse to getting random text messages from people they don't know – especially salespeople.

Combine Jeb's point of view with what you know about FinCrime Compliance software buyers and see if texting makes sense.

Lead Generation Service Providers

You can retain numerous services to make calls and send emails to prospects. In some cases, they provide valuable leads. They also have data files of prospect contact information you can purchase for your calls and emails. Our experience with these firms is so-so. Many of the meetings they secure are from smaller financial institutions that rarely buy. If you have a small lead generation staff, these firms can place more calls in a shorter period.

Keep Spinning Up Leads

Lead generation is a challenging and time-consuming process that decides whether your business thrives or withers. Generating leads requires a system. Think of your lead generation program as a flywheel.

Flywheels are mechanical devices that operate when a smaller force generates enough power to spin a large wheel. Once spinning, the subsequent efforts to maintain momentum require less energy. Picture a potter's wheel powered by a foot pedal or rowing machine at the gym with a handle and chain. Both take a lot of energy (foot pressing or pulling) to get spinning. But once spinning, keeping them moving takes less energy as long as it's constant.

Just as potters need the clay to spin and exercisers need the rower to spin, software sellers need constant energy to generate new leads. The continuous flow of new leads is critical because it provides new opportunities and enables sellers to cull out weak leads allowing focus on strong ones. FinCrime Compliance software sellers must devote time to serious buyers and scrap unserious window shoppers. Follow the plan in this chapter and build a high-volume, high-quality lead generation program. The best thing about great lead generation is not relying on one opportunity, giving sellers leverage and confidence. Exuding confidence is appealing to buyers. Confident sellers sell more.

Let's turn to how to sell more to the FinCrime Compliance market.

CHAPTER SEVEN

SELLING

You've scheduled a one-hour in-person or virtual sales meeting. You're ready to go. The laptop and presentation are all set. "Where are they?" you wonder as the clock hits the top of the hour. One by one, the prospect and their staff file in. First, a minute late, then another two minutes, and a few more show up. Finally, five minutes past the hour, everyone is there. Except you sense not everyone is really "there." If it's in person, you see half the people scrolling through their phones. If online, you see people typing and reading something on their screens.

You've prepared a 20-slide presentation and practiced your pitch repeatedly. You think you can do this in 45 minutes, leaving 15 minutes for questions. But you're getting anxious because 5 minutes are already gone, and not everyone is paying attention. After a few more minutes of introductions, you feel antsy. You need to get moving. At 12 minutes past the hour, you begin. For the next 45 minutes, you monologue. Dazzling, you think, the attendees with beautiful slides telling everyone about your company, impressively explaining all the product's features, showcasing system screenshots, and pulling up the demoware to show the system in action. You pause every eight or nine minutes and ask, "Any questions?" Or "Does this make sense?"

You're on a roll, hitting all your lines and bombarding the prospects with all the fantastic things your application does. You lose track of time. When you reach slide 17, you notice just five minutes left. A few people fidget, looking at their phones to check the time and Instagram. You sprint through the last two slides with two minutes left.

"So, any questions?"

This is not a pitch. It's a disaster. Unfortunately, it's how many sales meetings go. If this is you, stop it immediately.

Successful sales result from a planned, systematic process and coherent actions. Let's dive in.

Sales Cycles

Sales cycles are the time it takes from when you first engage a prospect to when they sign a contract. In between, there are multiple steps. What are these steps, and how long does a FinCrime Compliance software sales cycle take?

Five main factors determine the sales cycle.

Type of buyer (from which industry and segment)
1. Size of buyer
2. Type of product
3. Decision drivers - why are they buying?
4. Number of Decision-Makers

Type of Buyer

Banks, securities dealers, and insurance companies have long sales cycles. Regulated institutions must comply with mandated vendor selection and onboarding policies and procedures, slowing buying to a crawl. The last thing the head of FinCrime Compliance needs is to get jammed up with an audit or exam that shows they failed to follow vendor selection, due diligence, and onboarding policy.

Fintech, neo bank, BaaS, and payment processors have shorter sales cycles than large regulated financial institutions. We will refer to this group of potential buyers as "fintech" for purposes here. For many product companies, a separate fintech sales strategy is critical to building a pipeline, closing more deals, getting more logos for their website, and generating revenue. If you are a startup enduring year-long sales cycles waiting for banks to pick a product, this may not work for you or your investors.

Fintechs buy faster for several reasons. Some are not directly regulated. (They are regulated indirectly through their partner bank relationships, but for purchasing purposes, they can act faster). When selling to banks, broker-dealers, and insurance companies, sellers try to dislodge or replace existing applications or systems. With fintechs, dislodging incumbent applications is not always needed, particularly for start-up fintechs, who do not have existing products to replace.

Other financial services buyers include firms like asset managers and financial advisors. These are smaller sales (both in price and number of users) but potential revenue nonetheless. Depending in which country or region you sell, other potential clients could include attorneys, accounting firms, and real estate agents.

KYC, data providers, and case management product sellers should look outside financial services for companies that must screen for sanctions and trade compliance. Any company with international trade or supply chains from any industry is a potential client. Sales can be more challenging here because many non-bank organizations are not as familiar with laws and regulations as they should be. The sales process may involve more education on the seller's part.

Buyer Size

Generally, the larger the buyer, the longer the sales cycle.

For large banks, broker-dealers, and insurance companies (defined here as those with over $100 billion in assets and assets under management), sales cycles for any product, even simpler SaaS tools, can take 12 months. Larger applications can take between 12 to 36 months. Yes, three years for new transaction monitoring or case management systems.

The rest of the bank market breaks down like this:
$1 - $100 billion in assets: 6 - 24 months
$1 billion and less: 6 - 12 months

For fintechs sales, cycles are between 3 - 12 months, depending on the fintech's size and stage of operation (i.e., startup vs. established).

For non-bank financial-related businesses and gatekeepers such as asset managers, hedge funds, remitters, casinos, attorneys, and accountants, sales cycles range from 3 - 12 months.

For non-bank corporations, sales cycles range from six to 24 months, depending on the buyer's understanding of their legal obligations and the maturation of their risk management program.

Type of Product

The type of product sold also impacts the duration of the sales cycle. No surprise here. Point solutions see faster sales cycles than platform products. For example, a new investigation research application that uncovers business ownership records will likely sell faster than a new KYC lifecycle platform product. Simple vs. complex sales change sales cycle duration.

Even though point solutions historically have shorter sales cycles, in 2023, we are seeing buyers considering these applications less often. Even with point solutions, buyers perceive too potential disruption and change needed to implement and thus stay away.

Decision Drivers

The following factors influence the buyer's decision:

→ **Regulatory findings** - The best buying driver. Written criticism from the institution's regulators citing program weakness where new software is needed.

→ **Audit findings** - Not as significant as a regulatory finding, but still an important driver. Buyers know that examiners read audit reports, and having repeated audit findings on issues requiring new software will draw the regulator's attention.

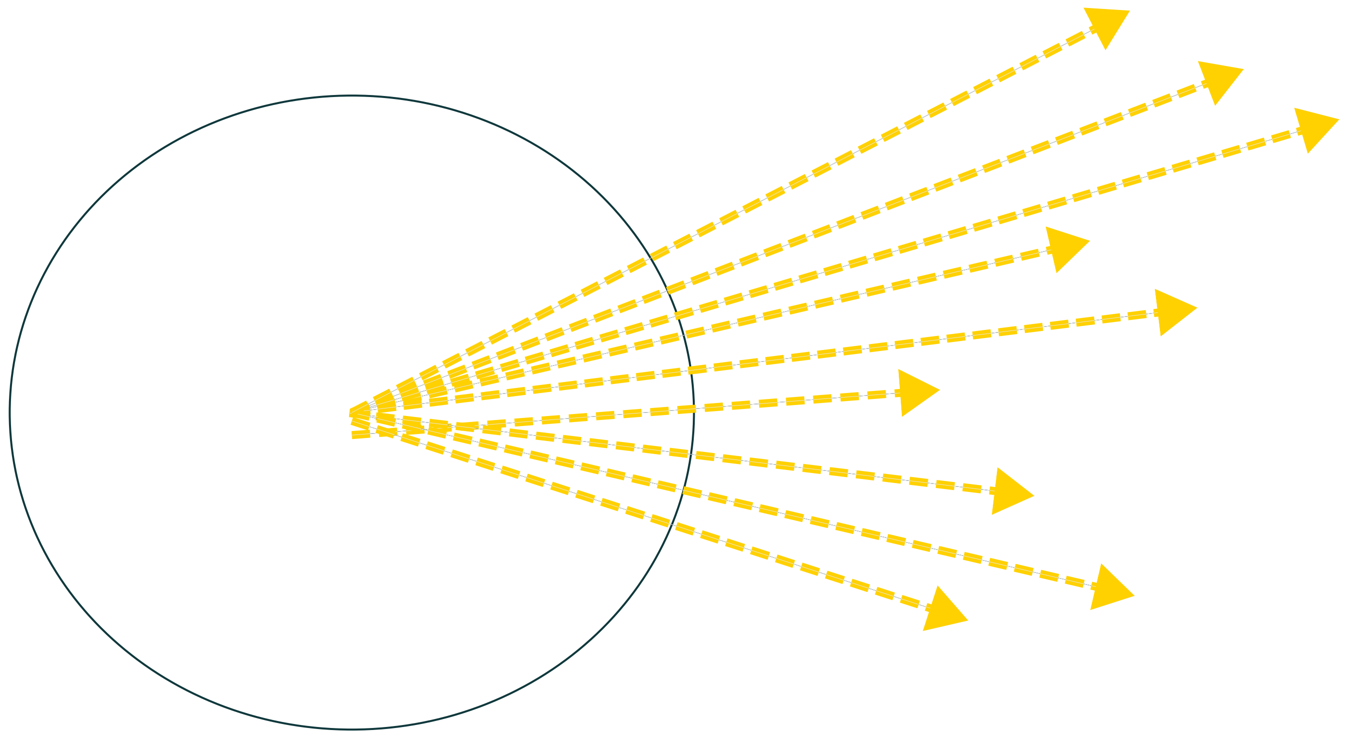
→ **Incumbent product license is expiring** - Users are either unhappy with an existing system or willing to consider new solutions before renewing. These opportunities are often available through RFPs, mainly involving transaction monitoring, KYC, and case management systems.

→ **New Company (i.e., fintech startup)** - New fintech needs FinCrime Compliance software (fraud, KYC, monitoring, reporting) to operate.

→ **Strategic reasons**
- Efficiency gains - Buyers see a need to improve existing processes and systems, providing an opportunity for new software.
- Modernization - Similar to efficiency needs, buyers are willing to consider adding new or upgrading existing software applications.
- Keeping up with peer pack - Learning peer institutions or organizations are upgrading existing systems drives concern buyers will appear to fall behind and draw the attention of regulators.

The Number of Decision-Makers

Typically, the number of decision-makers correlates to the buyer's size. With larger buyers, more decision-makers. Smaller fintech, non-bank financial institutions mean fewer gatekeepers and decision-makers. However, when selling to a large institution, the FinCrime Compliance officer may have purchase authority up to an amount where they can make buying decisions independently. These are usually point applications with lower price tags. If you are someone selling one of these, be sure to have a few questions to uncover whether your buyer has such authority.



The Sales Cycle is up to nine or more steps. These include

1. Initial contact with buying prospect - Inbound or outbound leads
2. First meeting with buying prospect - Discovery & Finding Fit
3. Sales Pitch
    a. Product demonstration
    b. Identifying additional decision-makers
4. Trial or Proof of Concept discussion
    a. With proof of concept, further discussions, and possible Statement of Work defining processes, data access, outcomes, budgets, etc.
    b. For a trial, additional discussions and training for trial participants
    c. Trial or proof of concept launch to end
    d. Trial or proof of concept wrap-up and delivery meetings
5. Pricing discussions
6. Decision-making process - prospect's meetings without the seller present
7. Negotiating price and terms
8. Vendor screening, due diligence, and approval process
9. Contract signed

There is a lot here, and it is easy to see why sales cycles can be six, 12, 24, or 36 months.

Preparing for Each Step

Remember that at each step of the sales cycle, the prospect for a deal increases or decreases, whether you see it or not.

Create a Sale Cycle plan. Each step should incorporate the concept of "gates" required to pass through before moving on to the next step. To pass through each step's gates, salespeople must gather specific information. Think of it this way:

→ Define the "Must have's" for you, the seller. For example, before agreeing to a trial, you must have written agreed objectives shared with the buyer. If you tout your product reduces investigative time, you must agree to a baseline from which to compare your product. You must agree to targets the trial participants will hit (more on trials later). Another example of a gate is the self-imposed requirement to know who is part of the prospect's decision-making team. If you do not know who the decision makers are after a certain point in the sales process (defined by you), you do not proceed to the next selling step.
→ When "must haves" are not achieved, sellers must remain disciplined to find them. It is easy for sellers to allow hope to get in the way of disciplined selling. Creating gates sorts strong prospects from the weak. If you allow the hope of a deal to offset your failure to obtain the required information at each step, there is a good chance you're wasting your time.

→ "Deal Killers" - define the potential deal killers for each stage. One deal killer could be that the prospect reveals they do not have a budget or authority to get a budget. Another deal killer could be price - if the prospect has a $50,000 budget and your minimum product price is $150,000, this will not work. Every stage has "deal-killers." Know what they are and actively seek them out. Don't ignore or avoid bad news. Find it fast, fix it, or move on to the next opportunity.

Sales Methods

Over the past 40 years, sales methodologies have proliferated, including, The Challenger Sale, SPIN Selling, MEDDIC, SNAP Selling, the Sandler Method (David, not Adam), and GAP Selling. Each is valuable to learn. There are differences between each, but their main points overlap. Selling FinCrime Compliance software is a complex Business to Business sale. Every buyer has unique issues, and each buyer and every sales method requires the same basic tenants. These are:

→ Understanding the needs of a prospective buyer.
→ Ability to identify and discuss implications of unmet needs on the prospect's business.
→ Building relationships and trust through clear communication.
→ Educating buyers on solutions to their problems - providing insight and usefulness.
→ Proof and validation of the solution you offer.

Achieving these five objectives, regardless of whichever sales approach, requires asking thoughtful questions, strong listening skills, and engaging in conversation that benefits the buyer. Sales formulas only work when sellers do these five things.

Sales Meetings and Your Pitch

A sales cycle is a linear progression—one step after the other. Complete one step, and move to the next. Every meeting and conversation must answer the questions you and the prospect need answered at that point. Sellers and buyers who move to the next stage with unanswered critical questions are sabotaging the deal. In sales, when both sides lack the necessary information to make the final buying (and selling) decision, the process halts at some point, regardless of how well either side believes things are progressing. You don't want to be four meetings and two months into a sales cycle and find out the buyer has critical, unanswered questions.

First Meeting & Finding Fit

First meetings can be on the telephone, via video, or in person. Some are scheduled, and others are impromptu. Some may last 30 or more minutes, others as short as five or ten minutes. Some first meetings are between SDRs and the prospect with no salesperson involved. Regardless of how long, where, and whether scheduled, the first meeting aims to determine if there is a potential fit for your product. It's a first date.

First meetings occur from introductions from an existing client, the prospect may have completed a web form requesting more about your product or service, or they answered a cold call or email.

For the First Meeting, sellers need a few key questions to determine if this is a serious or unserious buyer. How you word your questions is a personal style preference. We emphasize these questions occur at the first meeting and seek answers to the following:

→ Why is the prospect interested in learning about your company and product?
→ What issues is the prospect experiencing that motivated them to meet with you?
→ What is the current state of applications used by the prospect?
→ What are the buying drivers (regulatory finding, modernization project, etc.)?
→ Who will be part of the discussion between you and the prospect, and what roles do they plan in today's FinCrime Compliance operation?
→ Are other decision-makers not participating in the sales meetings and demos?

Without answers to these questions, you are not ready to move to the next sales phase - your "pitch."

The Pitch

Everything up to this point is crucial - product strategy, targeting, messaging, and lead generation. Without each, there is no pitch. But, without a great pitch, there are no clients.

Purpose - Get your mind right. The purpose of a pitch is to:
→ Spark interest and intrigue in the buyers
→ Motivate the buyer to engage with you during the pitch
→ Have the buyer connect their issues and needs with the outcomes provided by your product
→ Lead to "buy signs" from the prospect, including

- Asking about price
- Asking about the time it takes to implement
- Asking about training and how long it takes users to be up and running
- Asking about trials or proofs of concepts
- Giving you the contact information for purchasing and vendor management

Preparation - A great pitch begins with preparation. By this point, you should know a lot about the prospect individually and their business. You should know who is attending the pitch and each of their roles in the FinCrime Compliance program. You should have a good idea of the top issues the prospects want to be solved. You should have mapped those issues to your product's capabilities. You should have written out five to ten good discovery and implication questions. You should know what systems the prospect currently uses.

Rapport - As salespeople and humans, we know people buy from people they like. This doesn't mean you must see how the prospect's son is doing in little league. It means you must communicate in a way that makes the prospect feel confident that you know what you are talking about. People are attracted to confidence and want to buy from confident people. This is not arrogance or a power game. It is good relationship development. And what is a great way to build relationships and confidence?

Ask Questions - A great way to build rapport and confidence is to ask well-formed questions to the prospect and the new people in the room. When you ask intelligent questions, people see that you know what you are talking about. They feel that you understand them. If a buyer thinks you lack knowledge and understanding about their world, the chance of a successful sale is low.

Confirm the issues you learned in prior conversations. Explore the impact these issues have on the workers and the risks they pose. Get the other people to chime in. And most of all, don't interrupt. If they are talking, shut up and listen. They will reveal the depth of their concerns. They will raise other concerns of which you were unaware. While we say don't interrupt, you do lead the meeting - showing confidence. Time management is critical. Practice bringing the question period to a close without interrupting or making it feel like you are abruptly ending.

Connect Them to Your Product - This is where you shine. It is where you take what you knew about their issues before the meeting and additional information you learned in the Q&A session and weave a story that connects their issues and desired outcomes to your product. There are different approaches here to consider. Tell a story of an existing client, how they faced the same challenges, and how your product solved them. Maybe your company's origin story - why you created the company and the product - connects to the problems they want to be solved. Tell a story from the user's perspective. Tell how analysts (or whoever uses your product) now get more done, with less frustration and higher quality. Use vivid, active language that puts the prospect into the scene.

When pitching, use a prospect's language. Be attentive to the words and phrases they use when describing the problems they want solved, and use that same or similar language with them.

The purpose is to showcase your product in the buyer's context and connect with them. You aren't spewing out a greatest features hit list. You show them that you've listened to what they've said and connect it to what your product does to help. These are relationship fundamentals.

The struggle for you and all sellers is to keep the pitch focused on the prospect's issues. The urge is to jump into a canned presentation and show feature after feature. Don't do this. It negatively affects your pitch in several ways. First, it sends a message that you are not listening. If they say their concern is losing track of individual nations' changing regulations, and your presentation shows a customer risk rating feature, you tell them, "I am not listening to you." How do you think this turns out?

Your selling expertise comes in when delivering the pitch and demo that clearly address their issues. Then, if time permits, weave in a discussion of other features that make your product stand out. But these are secondary to the first mission - solving their specific concerns.

More on Demos

Salespeople love their canned demos. Don't do it. Do not present what everyone will know is a pre-packaged demo. There is no better way to hurt a sale than to have engaged in conversation with a prospect, sought to understand their needs, asked about decision-making criteria, and then flash up on the screen a demo they know you've delivered a hundred times before to a hundred different prospects.

In writing this Playbook, we sought out stories from some buyer friends. This one stood out as a sales horror story. The buyer is a 15-year AML executive veteran. He understands technology. He was a consultant, so he understood the basics of selling, and to remove any ambiguity between himself and the seller, he met with them the day before the sales pitch and demo. He was explicit - "We need case management. DO NOT show me a demo on Transaction Monitoring. I know you offer that too, but we want to see your case management." It was as clear as could be.

The next day, everyone was sitting in the conference room, vendor ready to go, buyer set to hear some case management pitch. "Hello everyone, I'm [name redacted] from [hot as sh*t Bay Area regtech who are the smartest guys in the room]. I can't wait to show you our Transaction Monitoring system."

The buyer thought it was an attempt at humor. It wasn't. The seller was so enamored with his product and his canned demo he could not adjust. Two bad things happened as a result. They lost this opportunity, and the buyer, a well-regarded senior AML executive, now gets a kick out of telling the story to other buyers and harming the seller's reputation and product.

A customized and well-prepared demo is the way to connect with a buyer.

Organization and Timing - Great pitch meetings feel like natural conversations. They are not monologues, and they should not feel rushed. So you must manage your time. If you have an hour to meet, break it into segments and keep everyone on time. A presentation or demo should last at most 20 minutes, and those 20 minutes must be engaging. Boring kills deals. For an hour meeting, break it down like this:

0 - 5 minutes: People filing in late. It's unfortunate, but people do not show up on time. If they do, great - you have an extra five minutes.
5 - 8 minutes: Introductions. If there are participants you did not know would be attending, ask a question to learn what they do. Ideally, if your prep is thorough, this won't happen because you should know who will be there.
8 - 20 minutes: Ask questions, get answers, listen.
20 - 40 minutes: Pitch
40 - 50 minutes: Questions, engagement. Notice during the pitch any listener's body language that indicates an area of interest. Ask questions about that.
50 - 55 minutes: Wrap up and define specific and clear next steps.
55 minutes: End meeting. Give them back five minutes. They will appreciate it.

For shorter meetings, adjust accordingly. We suggest you first trim the pitch. If the meeting is 30 minutes, the demo lasts 10 minutes at most.

Some readers may think, “20 minutes for my demo/pitch? That is no way enough time.” Yes, it is. Here is why: Your demo needs to be tailored to the issues the prospect cares about, requiring you to craft a demo for every prospect meeting. This means preparation - learning the prospect’s significant issues beforehand. It also requires great skill and adaptability - in the meeting, you will likely hear a few more issues from the new attendees. On the fly, you must incorporate these into the demo.

This adaptability and customization are why we discourage long slide presentations. Slide presentations should support the pitch meeting. We recommend five slides, which should be simple, rely on graphics, and have as few words as possible. And please don’t have a bunch of “About us” slides. Have one slide among the five. If you want them to know more about you, you can have another slide to give them at the end of the meeting that they can read at their desk later.

The slides you do have should include a summation of the prospect’s issues you knew before the meeting. Include one slide with a few facts about the product and, if you can, one slide with the logos of other users. This slide conveys a critical component needed in sales: the social proof that a prospect is not alone in using your product.

A Word About Your Words

We emphasize that sales meetings are best when they are conversations. Step aside from yourself as a seller and consider what type of conversations you find enjoyable. They involve back-and-forth communication. You get to learn something about the other person, and they learn something about you. You feel heard, and they feel listened to. There is eye contact and body language that says you and they are comfortable - things like smiles, sitting upright, eyes, and facial expressions that move naturally. You find it interesting.

Now picture some of your less-than-successful sales meetings. How much of this was absent?

Revisit Chapter 5 on how to craft good messaging. Build this into your sales pitch - and avoid lots of BS buzzwords. Remember, you are immersed in your product, technology, and selling daily. Your prospects are not. Many of them don’t know much about technology. Don’t make them feel dumb.

People want to avoid appearing foolish. It is rare for a buyer to stop the seller during a pitch and say, "We hear these technology terms all the time. I understand you are excited about your product. But for our sake, can you define the terms you're using with some simple examples? Or, can we stick to basic language that explains how you solve false positives?" Instead of speaking up, buyers listen to the sales pitch and scan the slides but feel lost. The meeting ends, and the prospects just want to get out. There is no commitment to the next steps. You are wondering what went wrong.

Strive to be unique. Don't sound like every other product salesperson blabbing on and on about false positives and inefficiency. If your product is about solving false positives, find unique ways to speak about it and demonstrate it. Otherwise, you sound like everyone else.

Product Trials

There is a scene in the great American movie classic Field of Dreams where the main character, Ray Kinsella (Kevin Coster), regales his young daughter with tales of Shoeless Joe Jackson, one of baseball's greatest outfielders. "They said his glove was where triples go to die," Ray tells his daughter. We feel this way about FinCrime Compliance product trials - They're the place deals go to die.

That doesn't sound right. Your product is fantastic, and it will dazzle users. They want a trial? The deal is as good as closed, you think. Start spending the commission check. Nope. There is much at play with trials, much beneath the surface, and most of it is emotional.

Here is why trials are risky, and you must do everything you can to set them up to succeed: Users, the people in the trial, are okay with the applications they now use. That doesn't sound right because aren't you at this sales meeting because the existing products stink? Isn't the AML officer tired of the false positives and the inefficiency? They are, but despite most day-to-day users agreeing that inefficiency is bad, they have mixed feelings about changing systems for several reasons.

First, users know the current system and build their work steps around it. Like most people, they resist change, including opposing applications that change how they work. Humans adapt to inefficiency, and then we no longer see it as a problem. FinCrime Compliance users create "workarounds" to the inefficiency and see these as making them more secure in their jobs. As a result, as this audience watches your demo, they see a potential risk to their jobs. If your product replaces work they now do, what does this mean for them?

“Okay, but so what. These are just users. They aren’t the decision-makers,” you may be saying. Ooof! The AML Officer or whoever is the “decider-in-chief” listen more to their staff than they will you. If the feedback the boss gets is negative or lukewarm - “Yea, the system is okay, but it didn’t really save me time.” Or, “I was able to find what I needed in our current system just as easily as the new system,” - your deal is dying. You will occasionally run into a decision-maker who weighs their staff’s feedback and then overrules their opinion. But this is rare. Review Chapter 2 and refresh your memory on FinCrime Compliance buyer personas. They do not like to rock the status quo. They are risk-averse. By nature, most compliance professionals are not forward-leaning and aggressive. They assuage their concern about “modernizing” by sitting in sales pitches and doing trials but don’t actually buy anything.

A Trial Failure Story

In 2016, we had a trial with a top 10 US-based bank. We were selling our Adverse Media, PEP, and Sanctions screening software and data product, TransparINT (acquired by Steele Compliance in 2018). Winning this deal meant $150,000 in new revenue and a major bank logo to flash on our website. We knew our product was superior to what the bank then used - a two-decade-old system spitting out endless false positives. Users relied on Google for their adverse media, and none of the several hundred investigators followed the same research process. On its face, it seemed like an excellent chance for a win. But, during the two-week trial, we sensed something was off. Just a few of the participants were using our system. They were not engaging with us by email or phone. The decision-makers were standing back, relying on the feedback from their line workers.

The wrap-up call with the participants and the decision-maker at the end of the trial was painful. It was challenging to get the participants to offer comments. Even when explicitly asked, they hesitated. The decision-maker was no help. He, too, sat quietly. Finally, one of the participants spoke up. “Yea, TransparINT is okay. We tested about 20 names, and your system found them, but between our three systems, we found the information too.”

Silence as my colleague and I exchange some sideways glances. “Yes. So you are saying that using just our one system, you found all the same information you found after going into three different other systems.” The point (or irony) was utterly lost in the room. I was then more direct. “Is using one system better than using three?” Pin drops. Nothing. Blank stares. End of call. No deal.

The next day when I cornered the head of AML, the decision maker, the person responsible for AML risk and compliance at a $200+ billion institution, he said, and I’m paraphrasing, “I really don’t want to deal with my staff on this one.” His deciding factor was whether or not he wanted to endure bickering and complaining from his staff.

An education in FinCrime Compliance trials and sales shoved right down our throats.

To increase the odds of a trial's success, do the following:

→ Discuss your observations about trials with the decision maker (captured in the above paragraphs). Inform the prospect of the inherent issues involved in trials. After our painful experiences on failed trials, we would share with the decider-in-chief what their staff would likely say beforehand. When the users said those exact things, the buyer was prepped for that (and it reinforced their belief that we, as the sellers, know our stuff).

→ Agree with the prospect about the trial's purpose and the specific outcomes to measure. Memorialize this agreement in writing and send it to them. For example, if you claim your product finds more KYC information in your one application than the client's current three systems, make this a test in the trial. Consider creating a "contract" for the trial (not a legally binding document) but written objectives, procedures, and proposed actions based on results.

→ Spend time with each trial participant before the trial. This may feel weird to the trial participants because it's likely their first time doing something like this. Your relationship development skills and building confidence are vital here. You are pitching and selling the users who can make or break your deal.

→ Set clear start and end dates for the trial. Track the trial activity. See who is in the system and who is not.

→ Have a communication plan, including a "welcome to the trial" email, training aides, and user guides. Connect with the users throughout the trial. Establish this communication plan at the outset. The decision maker and users know you will call, email, or text and be expected to engage with you.

All this may sound overwrought. But trials require significant time and effort on your part. Do you want to spend that time and effort just to hear a few users kill your deal?

BONUS RESOURCE

Sales Insights: Product Demos

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Decision-Making Criteria

You feel lost if you don't know how a prospect makes buying decisions. A seller's job is to learn a buyer's requirements when deciding whether to purchase or subscribe to your product.

Getting clear buyer decision-making criteria should be done at every sales cycle stage from the first contact until the signed contract. If you do not know the buying decision criteria, how are you crafting the right demo? How are you organizing and delivering the right pitch? How are you passing through the sales cycle "gates" we urged earlier?

You will read how to ask about a prospect's budget momentarily, a topic wrought with risk and anxiety. Asking for a buyer's purchase decision requirement is not. From the first moment you hear a prospect is considering a new application or system, sellers need to ask what the criteria are most important to a buyer when considering whether to purchase. Sellers should also learn which criteria are required and which are optional. If sellers are unable or unwilling to share these, be wary. Why? Are they not serious buyers? Are they serious about buying but don't know how? Are they window shopping with no intent to purchase? Sellers must find this out as soon as possible.

Once you learn the buying decision-making criteria, you validate them throughout the remaining sales cycle stages. One way to do this is to re-state them to the buyer and their team. "In our first conversation, you said you wanted an application that integrates easily with your case management platform. Is that still critical for you?" - is one example. "When we started the demo 20 minutes ago, you said it was important to see how the system risk ranked each result. Now that you've seen that, do you feel we've met that requirement?" - is another example.

Craft different versions of these statements that work for your style. And demand of yourself that you keep bringing them up with buyers. You've got to ensure their minds remain focused on how your product achieves their objectives. As you align your product's capabilities to the buyer's decision-making criteria, point this out. Send written follow-up messages after a conversation, meeting, or demo where they agree your product meets their decision criteria.

It's critical that during decision-making discussions, your sales spidey-sense antenna is up. When validating sales criteria, are you sensing the buyer becoming timid? Is their body language assertive and affirmative or withdrawn and wimpy? Are they engaging with you when you ask specific questions, or are they responding with a shoulder shrug or a weak, "Yea, I guess" type mush mouth answer? If they are, you need to buck up and address this then. Do not procrastinate, and hope everything is okay. Keep in mind that the majority of communication is non-verbal. We've evolved over several hundred million years to notice this. If you sense a problem, trust your senses, and act.

Asking About a Budget

Sellers must ask questions that uncover details about a buyer's budget. Not knowing whether the prospect has the money to purchase your product is unacceptable. Why are you pursuing a lead if a prospect has no budget and is unsure if they can secure one?

Bringing up questions about a prospect's budget creates anxiety for sellers and buyers. Money talk makes people nervous. This is understandable. Ask budget questions too soon may make a seller seem pushy. Ask too late, and the buyer may be shocked when they learn the cost is more than they imagined. Or worse, the seller is smacked because the buyer does not have a budget.

There may be no exact right time to ask a budget question, but there is a wrong time. The wrong time is when you're drafting a contract. If neither side has discussed the price before sending an agreement, this is a problem. As a seller, you risk providing a figure too high or too low. In the first case, the buyer walks away after your hard work. In the second case, the seller leaves money on the table.

The right time to bring up a budget depends on a few factors. Sometimes, raising it soon after the prospect engages with a seller is fine. For example, if the buyer contacts the seller to learn more about a product, it is natural to ask the buyer at this point whether they have a budget approved and allocated.

We don't necessarily recommend that you ask for a specific amount they have allocated so soon in a discussion, as this could push them away - and make this clear: "I am not asking what your budget is at this point. However, all institutions have their budget processes. May I ask if you've started or completed that process?"

Many sellers will ask whether a prospective buyer has a "range in mind" for what they are willing to pay. Offering the prospect the opportunity to provide a range gives them some leeway and gives you, the seller, an idea of whether this opportunity is viable. In cases where the range is way too low, use this opportunity to ask questions about how they arrived at that range. Say the range is below the starting point, but you don't want to walk away. You want to spend a few minutes asking more questions and validating the issues the prospect is facing. You want to take what they tell you and translate that into the value your product provides. The opportunity here is to get the prospect to re-think the significance of resolving their concerns and whether their budget expectations should be reassessed.

You should ask about the prospect's budget process and range no later than right after the pitch and demo. Established that your product fits their needs. Ask, "After seeing the demo and learning more about our product, can you see this as part of the solution to [fix]/[modernize]/[improve] [whatever the need is]?" When they say yes, ask, "Can you share with me your bank's [fintech, etc.] budgeting process?" and, "Where are you in this process currently?" And, then, ask, "What is the budget range you've requested (or had approved)?'

If prospects are unwilling or unable to answer these questions, you must consider whether continuing makes sense. We think it does not. If a buyer seems unaware your product costs money, they are not a serious buyer. Move on to your next lead.

Clear Pricing

One reason that budget discussions occur too late, not at all, or when they do, they feel awkward and create confusion is because you are unclear on how your product is priced and what that price is. Be clear on pricing or risk losing the confidence of the buyer.

When you ask whether a prospect has secured funding, be prepared for them to ask what your product costs. When they do, avoid this answer: “It depends.” With those two words, you activate their “oh boy, this guy (or girl) is about to BS me” radar. You are now in the category of untrustworthy salesperson. You must be ready to discuss pricing at any point.

When asked, be clear and confident in your response. This doesn’t mean you must blurt out the exact price figure. You may not know that because how your product is priced is based on numerous factors. If this is the case, you must tell them about those factors. If you sell screening software, tell them your pricing model. If it’s the number of names screened, say this and then tell them the pricing tiers. If you price by the asset size of the buyer, tell them and then tell them where they sit in your price bands.

If you can give precise pricing, do that. If you can provide pricing ranges, do that.

Do not wait to provide pricing with your written proposal or draft contract. This game of “price surprise” is too risky. What if you have no idea about their budget and they have no idea how you price? How much time and effort will you devote to a pursuit, preparing demos, having numerous conversations, and drafting proposals, all to find out you’re miles apart on price?

Budget Season

Many prospects have a budget season, during which they allocate funds for next year’s purchases. Between October and December, FinCrime Compliance buyers submit the following year’s capital and operating budget for approval. Sellers must plan with this calendar in mind.

Annual budget seasons drive a seller’s sales approach, raising the primary question - when do you begin outreach, pitches, and proposals? We’ve had great meetings with prospective buyers in January and February. We then must develop plans to remain relevant to them until October. The buying calendar presents a lot of challenges to sellers. It reinforces that everything from messaging, marketing, outreach, lead generation, and pitching is part of a system you must develop, test, refine, and execute.

Getting a buyer’s attention is great. Keeping it is even more critical.

Requests For Proposals (RFPs)

Because of vendor management rules and regulations and deal size, RFPs are more common in FinCrime Compliance today than they were years ago. This is too bad. RFPs sometimes prohibit the relationship development needed to win sales. Buying organizations view this as good. In the procurement mindset, removing or reducing interaction with salespeople removes bias or favoritism from the purchase decision. It's believed this ensures the best product is selected based on its capabilities and nothing else. This is faulty thinking. It leaves both sellers and buyers unclear. Everyone on the seller or buyer side knows there is too much mystery and guesswork with RFPs. Because RFPs often prohibit buyers and sellers from building solid relationships, RFP decisions can come down to whose presentation slides are the slickest.

To give yourself a chance at winning RFPs, buyers must know you, and you must have engaged in meaningful conversations with the buyers before the RFP is issued. If you get a blind RFP (without prior discussions), consider not wasting your time responding. The chance of you winning is a single-digit percentage at best. You are selected to participate because the buyer's policies require each RFP to have a certain number of bidders. Your invitation helps someone in procurement check their box.

If you want, before walking away, request that you meet with the decision-makers in person or by video. You want to ask if you can send written questions before the meeting, have at least an hour-long session, one follow-up 30-minute meeting, and have the right to submit follow-up questions within a set period. If the buyers reject these, walk away. If they allow them, then proceed.

If you have engaged with the buyer before the RFP is issued, pursue those opportunities. Chances are they, if they know you, are considering your product as a potential solution. Go ahead and submit your RFP response. In the best cases, you've been working to develop a relationship, have pitched the buyer, and the buyer wants to select your product but to do so, they must follow their organization's RFP process. But beware, even in these instances, no RFP is easy. Even though you start as the preferred choice, once the RFP bureaucracy gets rolling, don't take anything for granted. Stay locked in.

Objections

Many salespeople live in the false world of "hope." In this world, they find leads, engage with them, deliver pitches, answer questions, and magic happens - a contract is signed. Your mind is focused on everything you will do as a seller and doesn't focus on what most prospects will likely do, which is NOT to buy your product. Objections in sales are near certainties. On occasion, objections are absent, and a deal moves fast. Enjoy these. But don't prepare as if that is the norm. You must prepare to handle buyer objections.

The best place to start is in Chapter 2, understanding the Buyer Persona. Sun Tzu, Machiavelli, and Liam Neeson know that the best offense is knowing your opponent. Your opponent here is not the buyer; it's the objections they raise. If you build a comprehensive Buyer Persona profile, you will know what prospects think even before they think it. (Note, the Buyer Persona is not a 'one and done' exercise. Personas should be updated as you learn more about buyers from your daily interactions).

Good sellers also build profiles of everyone on the prospect's decision-making team. You can do public research at the start. As you meet them, ask questions, and listen to them speak, then update these profiles to include each decision maker's specific issues of concern, the keywords and phrases they use, and personality traits. You need to connect with each and have them see you as competent.

Because you know buyers, your marketing and sales pitch material needs to anticipate reasons for objections and address them before the prospect does. Doing so is a fundamental principle we push for during sales meetings - bring up potential objections and get them out in the open for discussion before the buyer raises them. This approach has several advantages.

If you bring up the objections, you do so in your language and at the time you choose. Doing this sounds counterintuitive to some sellers. "If the prospect isn't bringing it up, maybe they are not thinking about it. Why would I then bring it up?" Experience shows us they or someone on their team is thinking about it. The worst scenario is that the buyer does not bring up their objections. Instead, they talk about it amongst themselves after you've left. You now have no influence or input on the debate. They are talking themselves out of buying without you knowing it. Then you feel blindsided when they ghost you.

If, instead, you raise common objections, you are there to influence that discussion. Let's look at how this might happen.

Raising objections is best done after the pitch when the prospect has offered positive feedback about the product and expressed interest in moving forward. You thank them for their interest and highlight, using their words, a few (or all) positive things they've said. "It is good to hear you see how our system will speed up work and bring high consistency across all your analysts. These were a few significant issues you said you wanted to solve.

I'm excited to hear this and move things forward. As part of moving to the next step in the decision-making process, I want to bring up a few things I've seen over my years of selling that are important to discuss. The first is…."

Using this conversation template, let's review common objections raised by FinCrime Compliance buyers and some suggestions for working through them.

The Status Quo - A prospect's existing solutions are your product's most significant competitor. Do not underestimate the status quo's power. Unless specific audit or examination findings require the buyer to change software, maintaining existing systems will typically be "good enough" for most FinCrime Compliance buyers.

Early in the sales process, ask the buyer their views on introducing change within their department. Ask how they think their team will respond to change.

You ask about change for two reasons. First, to listen to their answer and gauge whether they have thought through the potential impact of buying your software, and second, to get their minds primed to consider a change.

At this point, it is wise to mention that sometimes organizations struggle with changing the status quo. Validate that their concerns about change are natural and that you encounter it often. Tell them that you've never had a client later tell you they wish they had stayed with their original system. All were glad they made the change. Because you realize that change evokes different responses in different people, let them know you and your team will play an active role in getting all new users comfortable and confident with your product.

Switching Costs - Even buyers genuinely interested in purchasing new software are thinking about all the associated "costs." These include the actual price of the software and implementation charges but also other intangible costs.

A few things on a buyer's mind include the impact of new software on existing processes and the effort needed to roll out a new system. Buyers are also thinking about everything involved in training staff, writing new procedures, updating auditors and regulators about plans to wind down existing systems, and seeking budget approval. Remember, while you are working on painting a picture of a better future - more efficient, robust compliance, and modern, the buyer could be thinking about all the hassles along the way and weighing whether switching systems is worth it.

Uncertainty: Sometimes buyers don't act because they are uncertain that your software will help them. In these cases, you should always blame yourself. No matter how good of a job you feel you did explaining the value of your product, the buyer is not seeing it, meaning you have not communicated it in a way that resonates with them.

Be concerned a prospect cannot see the value in your product when they ask no questions. This is a big clue. Even if you are the most incredible pitch person and demo deliverer of all time, why would a serious buyer have zero questions? Zero questions mean either the buyer is a dunce (and therefore not a buyer) or the buyer is disengaged because you confused them, and you're the dunce. Your "sales sixth sense" radar must always be up and operational. If you do not see and feel engagement, then something is wrong. Fix it. Revert to asking good questions - prompt them to re-engage about their issues of concern.

When the Prospect Voices Objections

You must plan to handle objections if prospects raise them before you do. When a prospect raises objections, the most important thing is to remain calm, ensuring you appear confident. When hearing objections, especially if a prospect's tone of voice seems confrontational, our brains detect a threat. As a result, we tense up our posture, change our facial expressions, and sometimes fail to control our verbal responses, including raising our voices and increasing our speech rate. It takes practice and planning for these situations. You must be aware of that limbic brain response, and use your thinking brain to subdue it and switch to a calm, reasoned demeanor.

As part of this, reframe what objections mean. Instead of seeing them as a threat, see them as evidence the prospect is paying attention and engaged. It's much worse when your prospects ignore you, check their phones, or stare into space. Think of the objection as a way for you to remove one more buying obstacle and a step closer to a "yes."

Would you rather a buyer keep objections to themselves and then wonder why they are not returning your calls? Use the fact the prospect objected to elicit additional objections. Keep it rolling and deal with all potential roadblocks.

Like there are different sales methodologies, there are different objection-handling approaches. Most share the same elements: listen, acknowledge, or validate, explore (ask questions), and respond.

Regardless of your approach, none will work if you don't have a mental routine to remain calm when you hear objections. It's terrible if your brain short circuits, you get flustered, your heart rate increases, and you fail to hear everything the buyer says. Learn how pausing and taking a few deep breaths can settle down your mind and keep you focused.

To ensure you heard the objection correctly, re-state it to the prospect. "Thank you for bringing that up, Robert; let me repeat that to ensure I got everything you said."

Now, you must, at this moment, assess the face value of the objection and the hidden reason for it. People say they object to a particular feature ("I don't like that not all the results are scored with a numeric system"), but it isn't always the feature they don't like. They may be concerned about, for example, slowing down production. Good sellers quickly assess if the objection is the only objection voiced and not another underlying issue.

In cases where the prospect has a specific objection for which you have no answer, you must assure the prospect you will have a response within 24 hours of the meeting. View this as an opportunity to commit and follow through, demonstrating your trustworthiness.

Vendor Management and Contracting

Hearing "Yes" from a prospect is a great feeling. You celebrate that you closed a deal. But have you? Selling to financial institutions changed a decade ago in response to the Great Financial Crisis. Strict new vendor onboarding rules now make this final part of sales painful. Typically, the time from hearing "Yes" to signing an agreement takes three or more months. In our experience, the most prolonged period between "Yes" and the contract was 18 months. That sucked.

Vendor management teams have as many rules, regulations, and processes as AML teams do. The many months of back and forth with information security, vendor management questionnaires, and procurement is not easy.

How can sellers speed up a vendor management process as best they can?

The main thing is to have a vendor management "package" ready to go when you hear "Yes." Once you've been through one vendor approval process, you should have most of what you need for the next vendor process. Copies of software and data schema, API docs, information security certifications, pricing, user agreements, terms and conditions, company financials and history, and copies of prior vendor management questionnaires that enable your team to respond quickly.

Consider having designated staff to address vendor management onboarding so salespeople can move on to the next lead.

Make the job of Vendor Management as easy as possible. Remember, they are concerned about auditors and regulators, just like your FinCrime Compliance buyer.

Don’t Be Afraid of Ghosts

Every salesperson experiences it. At some point, there is a prospect that ignores your emails, phone calls, and text messages. It’s frustrating. If you let it get to you, it wastes hours of your time, messes with your confidence, and makes you angry at the market. These are normal feelings, and it’s necessary to accept the emotion, spend a few minutes dissecting it, and then act.

The first thing to do is ask when you see ghosts in the sales cycle. Those in lead generation see ghosts all day long. Most people don’t respond. In this case, revisit the messaging and marketing. Is it confusing, irrelevant, or uninteresting? If so, try writing new copy. A/B test it and see if anything works.

For ghosts that appear after the first meeting, particularly after the pitch, don’t slip into the nasty mind game of telling yourself you’re being purposefully ignored. Some prospects might be, but it’s just as likely they have not forgotten. Their attention is elsewhere at the moment. Getting yourself riled up is counterproductive.

Review where you left it off after the last conversation. Did you deliver everything you committed to deliver? If you did, then have a plan on how best to pursue the ghosts. Have emails and voice mail templates ready to go. Start with low-key reminders that show you see the world from their perspective. Acknowledge they are likely busy and remind them you are awaiting a specific action on their part. Don’t send annoying “just checking in” messages. Be clear on what is needed to move to the next step. Don’t assume they remember.

Have some patience, and don’t give up. Have three or four follow-ups in a queue. Space them out over a few weeks. If there is still no response, is there someone else with whom you’ve built a relationship that you can contact? If this is after the pitch, you should know more people to call or email. Ask them to help.

Now what to do if none of this works? You’ve sent a handful of emails, left a few voicemails, and tried enlisting others to help, and still nothing. At this point, you must decide your last move. One approach that often works is to send an email with the subject line “Are you still interested?” Don’t include any text in the email body. The whole message is just the subject line. By asking a question, most people feel an obligation to answer. If they do and say, “Sorry, we are no longer interested,” it sucks, but you have your answer. Suppose they say, “OMG, so sorry. Yes, we are still interested.” Then respond immediately, asking to speak that day.

Do not keep chasing if they don’t respond to this final email. At this point, if you keep chasing, you reek of desperation, and that is unappealing to them and demeaning to you. We know some sellers will disagree with this. Some sellers take the “never give up” approach. We find that it is better to move on. This is why you must have a great lead generation system - so there is always another opportunity.

When confronted with ghosts, remain steady and detached emotionally. Fight against the tendency to ruminate about all the possible reasons they are not responding. In these moments, it helps to remind yourself of the great 2009 ensemble film starring Drew Barrymore, Jennifer Aniston, and Bradley Cooper, “He’s Just Not That Into You.” Sometimes they just aren’t.

“Hope is not a course of action” is a quote attributed to the US Marines. It applies to FinCrime Compliance software sellers too. Too many sellers believe fancy demos or slide presentations sell products. They don’t.

FinCrime Compliance software, data, and technology sales result from a planned and systematic approach. Great salespeople focus on pre-sales planning, asking great questions, and becoming great listeners. Be confident, turn on your brain, and adapt to the moment. Success follows.

CHAPTER EIGHT

CONCLUSION

"How can I get someone to answer my emails?"
"How can I find better leads?"
"How can I get more meetings scheduled?"
"How do I know if they are serious buyers?"
"Why are they ghosting me?"
"The demo was great. Why haven't they called me back?"
"Do they have purchasing authority?"
"Who else needs to approve a purchase?"
"Are we priced too high?"

These are just some of the questions every FinCrime Compliance seller ponders as they work to find new leads, prepare for sales meetings, and follow up with prospects.

We wrote this book to answer these and many more questions about why selling FinCrime Compliance software is so tough. Sellers think because of how much we hear about dissatisfaction with existing applications, selling should be easier. Where is the modernization we read so much about it? We offer AI and Machine Learning; why can't I get prospects to buy?

There seems to exist in the FinCrime Compliance market a collective cognitive dissonance - a situation where everyone knows that current approaches to screening, monitoring, detection, investigation, and reporting cannot continue, yet those same people trapped by old systems rarely buy new products designed to solve the very problems that weaken operations and jeopardize compliance.

Great sellers overcome the prevailing buyer mind-state by knowing how to work through the fear that change evokes in buyers. Great sellers understand that most institutions are not buying today and may not buy for years. They weed out the posers from worthwhile pursuits. They know what questions to ask buyers when and how to adapt to unforeseen objections.

Great sellers build systems and routines that keep them physically and mentally sharp. They know FinCrime Compliance sales has more downs than ups. They know how to endure and persevere. They know how to let go of weak leads, regroup, and get at it again tomorrow.

This book is a meaningful contribution to these sellers. This book will transform novice sellers into successful sellers, and it will sharpen successful sellers into even more successful sellers.

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