

## Episode Transcript:

**Brian Graf:** Welcome to Episode 81 of B2B SaaS Marketing Snacks. I'm Brian Graf, CEO of Kalungi, and today I'm joined by Stijn Hendrikse, SaaS marketing expert and former Microsoft product marketing leader. And Cecilia Pérez-Muskus, one of Kalungi's very own fractional CMOs.

In this episode, we're continuing our deep dive into account expansion, a critical, yet often underutilized strategy for scaling revenue in B2B SaaS.

While most companies focus on new customer acquisition, the best performing SaaS businesses generate over 50% of their revenue from expansion. So how can you maximize the potential from within your existing customer base?

While taking pressure off your new revenue efforts, we'll cover the biggest mistakes SaaS companies make with expansion key tactics like land and expand, multi-location growth and price optimization, and how to leverage customer success, product usage data and ABM strategies to drive upsells and cross sells if you're looking to boost revenue without chasing new logos.

This episode is packed with actionable insights. Let's get into it.

Welcome back everyone. Cecilia and I did a podcast on basically scaling beyond acquisition and how you can focus on revenue expansion strategies as a B2B SaaS company and thought it was a really good conversation, but then I looked back on it and realized that we, we didn't get into as many specifics as we probably could have, so I wanted to bring it back and focus on some specifics and really talk through some tactics and strategies that that B2B SaaS companies can use.

To increase revenue through revenue expansion and account expansion. So I wanted to throw out some stats too, just to help to set the stage. Only 28% of SaaS revenue comes from expansion on average, but the best performing companies usually generate over 50% from existing customers and upsells.

So you can see that there's a huge opportunity. If you could just snap your fingers and without growing your customer base, make 25% more revenue. You'd jump at the chance. And the strategies that can be used there can vary from anything from a land and expand to even just a price increase. But each is a kind of high lift, high reward initiative.

So it's really important to focus on some of the different options that you have and what can work and how to go about it. So, I wanted to bring my guests in. The fan favorite Stijn Hendrikse is back again, who has a ton of experience with B2B SaaS marketing, but this area of expertise as well.

And then we are bringing back Cecilia Pérez-Muskus to carry us home with the topic. So welcome back both of you and thank you for joining me.

**Cecilia Pérez-Muskus:** Thank you, Brian.

**Brian Graf:** Great to be here. Brian. So let's start with Stijn and we'll start with the bad side and a high level overview.

Like you've, you've seen a ton of different B2B SaaS companies and a ton of different industries and focuses. What have you seen as being the biggest mistake that those companies have made when they're trying to tackle revenue expansion?

**Stijn Hendrikse:** When we get to the point in a company's growth curve that you can scale up, where you can really accelerate is one of the most important things to do is to not only nail the niche that you have, which product market fit in, but to also build some form of moat around it and become the undisputed leader in that niche.

Because that's what helps you keep your prices at a relatively premium level to not be kind of chased down by people copying what you do and then being a race to the bottom for a commoditized product.

And the way you do that starts with taking care of your existing clients. There's of course the lifeblood of a SaaS business. The whole formula of SaaS is to drive growth from your

existing clients, make sure you retain them right, and then try to get more. But that's so obvious that I don't want to spend too much time on that.

I think sales will do a really good job addressing “how do you do that”? How do you nurture, how do you upsell, cross sell, et cetera. But the more strategic side to that is that your existing clients will tell you what they're still in need of, what are the things that you haven't done really great for them yet?

And that's how you keep building your value prop in a way that keeps you ahead of the competition. We will copy what you did yesterday. So I think that's one of the things, Brian, when we come in and we do an audit and we look at where are the strengths and the challenges for our client is that when they're neglecting their existing clients a little bit, they're kind of taking it for granted that they renew every year, is that you're also neglecting what these clients are asking for.

They don't get it from you yet. That might not only be a missed revenue opportunity, that might actually be a reason for them to, at some point, maybe even consider going to a competitor.

**Brian Graf:** Exactly. One of the first things that we'll do, to your point, is we will run an extensive go to market workshop and we'll get all of the information that we can from the executive teams.

But the second that we do that, the next question is, okay, where are your customer interviews? How close are you to them? How many times? Are you interviewing customers per month, per quarter, et cetera. To make sure that you are staying super close to customer wants and what customers need.

Because if you're not, there's no way that you forget revenue expansion. Then you're just struggling to retain.

**Stijn Hendrikse:** Yes, and there's an interesting tell. If you find that a client hasn't spent a lot of time with their existing customers, you have to kind of consider. Why are they chasing new logos?

Because their churn is such a problem that they don't really trust they can do something about it. But the biggest tell is if they haven't raised their price for a couple of years. Because when you really dig into that, it's usually a combination of not having paid attention, not having given a lot of thought, not having given a lot priority.

But when you hear the reason being that they don't dare to. That's another tell. Hey, then you may not be adding enough value every year. Mm-hmm. To be able to warrant the price increase, because in the end, you have to be able to at least keep up with inflation. If your product gets better, your company is getting more credible.

You're building basically an organization that is able to serve these clients better and then the price will go up. If not, you're probably not doing a good job learning from these clients how you can service them better over and over again.

**Brian Graf:** And even to take it to a more extreme scenario, we've come into clients who have just discounted their price in the hopes of increasing new sales because they were struggling to.

Match the value of their product to what their customers need. So it can even go further than staying stagnant. Which is absolutely not what you want.,

**Stijn Hendrikse:** Of course, if your growth strategy is a disruption strategy where you feel, hey, there is a part of the market that is getting too much and we can give them a little less and for a lower price, and then we can win that part of the market, then maybe that's an okay strategy.

If there's a real conscious choice to do so. But usually the best strategy is to keep differentiating, To keep ahead. The others who are maybe not able to keep up with your price point because they're just not as complete and as nothing.

**Brian Graf:** Everyone can cut prices.

Cutting prices is easy. It quickly can become a race to the bottom if you go that way in the wrong strategy.

Okay. Let's switch over to Cecilia. So let's get into specifics a little bit on revenue expansion. We all agree it's a good idea. So let's talk about some of the tactics and specifics. What's your go-to account expansion strategy? If you're a queen of the universe and had the perfect client, where would you start and what would you do?

**Cecilia Pérez-Muskus:** I think, well, as you've been saying and highlighting all of these numbers, obviously land and expand is one of the most profitable ways to drive account growth for B2B SaaS. If I had to pick a favorite approach, one that I really like pursuing is going for multi-location or, or multi-department expansion, especially in the B2B world.

You see, and you know, especially larger organizations, they have multiple departments, they have multiple locations, and oftentimes they have different budgets. It's not uncommon for us to see multiple leads coming in organically from the same company without even knowing about each other. And so why not be intentional about it?

If you're looking to expand within an existing customer, you know you're doing it where you've already seen success. And I think that doing it within the same company, and again, tackling a different department gives you at least three big advantages. The way that I see it, you have a built-in success story, so you have real tangible.

Wins that you can point out that you have great content that you can write and that you can use when you're launching campaigns. You likely already have an internal champion, someone who can actually sit down on a call and vouch for your product. I will borrow some of Stijn's words.

He always says that people love to help. So maybe you're not tapping into them to expand their own account or spend more money or go for a higher tier product, but you are tapping

them too for them to support you in helping other departments across their own organization. And then for the benefit of your own product you already know the use case.

You're not starting from scratch. It's a you've tried and tested and proven the fact that your product can actually work for these companies which makes adoption also very much easier. So, yeah, I think that expanding across other teams and locations becomes a natural approach to take.

**Brian Graf:** Yeah, I like that a lot and I think the land and expand strategy is a fantastic place to start. What you're referring to would apply most to a B2B SaaS company that is selling into enterprise companies. Multi, multi branch, multi-team. And I think it's worth noting that the other approach to get into that would be to go through an enterprise sale.

Which can take six months to a year plus. It has multiple STA stakeholders and it can be really complex and difficult to get through. And then of course, even once you sell it, then you have to get through the implementation, which can be tough if you try and do it all at once. So the land and expand can be a really nice way to break into a company with less friction while also getting some revenue.

You're basically letting them sell for you and getting some revenue along the way. I think one of the keys though, is going back to Stijn's point. As long as you are super close to what that customer wants. And building the Product for them. I think it can be really useful, but let's dig into that for a second.

So what are the tactics that you use to basically push that forward? It sounds like that would have to be a very targeted approach. So what, what channels are you using? What are you, what are you, kind of what? What sequences or, or campaigns are you running to make that work?

**Cecilia Pérez-Muskus:** Well as the, as the name kind of like reveals itself.

I think a BM is the most important one. We can't lose sight of the fact that this is an account specific type of approach that you have to take. So it's a one-to-one approach. I think I

brought this up in the previous episode. I think step one, the first thing that anybody should be doing is pulling the list of all of the accounts that you have, really identifying what's the upsell or cross sell opportunity for each one.

Sitting down with your customer success team and with your sales team, and picking and choosing which are the accounts that you're gonna be pursuing, I think that's definitely step one. And then obviously, depending on the industry that you're in, depending on the channels that you are already using and that you know, that your audience is in, doing a kind of like a, like a mixture.

Email campaigns are always going to be a key one. It's typically the main communication channel that we have, that you are going to have with your customers, but also don't assume that they're, they're reading. Absolutely everything that you're sending out. So individual outreach, making sure that you're reaching out and sitting down on actual calls with them.

Again, going back to what Stijn is saying, it's very, very important to continue to be in touch with what exactly their needs are. So creating, creating those spaces to have a conversation is very, very essential. Before actually trying to push a sale, you wanna make sure that you really understand their needs.

Where is it that we are thriving in their account? Or is it that we perhaps could be doing more and then well can as depending on how those conversations go, continuing to create content for them as well. I don't think that we should underestimate the value of creating content for accounts that you already have.

It's obviously a very typical thing that you try to do when you're trying to capture demand, but it's also one of the things that is going to help you communicate better how they can actually benefit from going for a higher tier product or. Upselling their account, et cetera.

**Brian Graf:** Why you mentioned something right at the beginning is a great framework to use. But you mentioned something in the beginning that maybe some companies are doing,

but I feel like many might not be, and I think it's a key detail. Why did you go after one-to-one versus one to many?

It's so much more manual. There's a lot more work involved. Why do you think that the juice is worth the squeeze there?

**Cecilia Pérez-Muskus:** In the end, you don't wanna spray and pray. When you're talking about expanding to your current customer base, if you don't actually have enough information about them to be able to pick and choose, it's not really worth the risk.

You would be spending way too much time with something that would not necessarily yield results. And like we've been saying if you are expanding an account, it's because you've been successful. So you're more likely to win over these opportunities.

So the more documented that they can be, the more personalized that they can be. If you're investing your time somewhere, it should be there.

**Brian Graf:** I think that's very true. You have more to gain, but you also have more to lose in a strategy like this. Like your brand reputation is really important and you do not want to be spraying and praying.

An existing customer is where the chances can increase in where you send the wrong message or something like that and make yourself look bad. So I think that's another great point, but also, I think it's at the point that you've gotten into a customer, you know the exact personas that you should be working with.

You know, what works and what doesn't. And so you can take that really specific approach. And so I think that it's well worth it.

**Cecilia Pérez-Muskus:** And I think that the worst thing that could happen is that you could uncover a couple of things about the account that even if you're not able to upsell, you'll definitely be able to make them happier and not risk churn.



So even again, if you were pursuing a cross-sell or an upsell that doesn't crystallize. You're just gonna gain good things out of having these conversations.

**Brian Graf:** And even the education about your ICP is invaluable. Even if you run into blockers and can't sell into the organization more, you're understanding why in a way that you'd never would've been able to otherwise.

One more question just to dig into this and then we can move on. What types of content help facilitate this? Two questions for you. Are you treating this type of campaign, kind of like a nurture where you're starting them at top of funnel and then bringing them down slowly but surely with the right messaging offers, et cetera?

If so, talk through that a little bit. And what types of content do you think really support a campaign like this?

**Cecilia Pérez-Muskus:** I also think that in the same process of evaluating each of your accounts, you are going to find that each of them are probably going to be at a different point of their journeys.

So you might find that there are some that perhaps you have a closer relationship to. You're much more aware of the way that they're using your product. Perhaps the sale has been a little bit more recent. Maybe you're talking to an account that everything's been working smoothly for the past three years and you haven't really needed to have a conversation with them.

So I think that in tandem too, performing that exercise of putting a number to what that opportunity could look like. I think you can also, to your point, you can identify where in the funnel they would be. So you could likely have a different process to each of them in regards to content and tying that back to that process.

Videos are always great. Videos are always great. Making sure that whenever we do like expansion, we always try to find ways to make video as scalable as possible, because like we've been saying, this is a unique strategy.

So you wanna make sure that you're not just pushing out a generic video to somebody, making sure that it's as adaptable as possible to each of your accounts. So video, I think, in general, and not just for land and expand. Probably all of our listeners are seeing this everywhere. It's kind of like a hero form of content nowadays.

It's visual. It really showcases products, which are in the end what's gonna catch people and get them, get their buy-in. So videos are a great one. We really like doing how-to guides or for example, FAQs. That's always like a very digestible sort of thing that you can do. It allows you to get much faster to the questions and the answers that people are gonna be asking throughout this process.

And well, like I said, typical nurture. Typical nurture, making sure that you are continuing the conversation. That you're evaluating engagement through emails, for example. So those are some of the ones that I would highlight.

**Brian Graf:** So a lot of really focusing on making sure that the prospect/customer really gets the most out of the product possible.

It sees the most value, but also I think you mentioned on the video side, I feel like social proof and testimonials would be huge here as well. Especially if it has the same logo of the company that you work for. I think that would go a long way.

Okay, so let's zoom back out and go back to Stijn and think about this at a little bit higher level. So what Cecilia was just talking about, and I think we went into some good detail on, was the land and expand strategy that can be used for an enterprise sale. I'd love to hear from you.

How does that revenue expansion strategy change from more of a sales led approach, which Cecilia was talking about, to maybe a marketing led or a product led where you don't have multiple geographies to go after. The businesses are smaller. What types of strategies and tactics have you seen be effective there?

**Stijn Hendrikse:** Yeah, I know, it's a great question. I think when you're thinking of traditional customer success, the customer success teams have gotten to be almost like your second sales force in some companies.

It's like you don't sell them. At first, you kind of, oh, let's just do a trial, let's get a couple of seats. And then suddenly customer success is your new sales organization then the real seller. Long term value. And that is not very economical. And so marketing led growth, product led growth, or all these capabilities that you can build that make you less dependent on people actually doing the customer success work to still drive the same level of expansion.

And it could be, when you think of marketing-led growth, it could be the same simple things like pricing and packaging strategy, all the way to campaigns that you do. Or in the case of product led growth, is there a way where the product itself can become more valuable and drive usage of certain things that you can then monetize?

You can maybe have customers pay for pay per usage instead of pay per user. So those are good examples of that. But you're hitting on a bigger theme here that I think the world of land and expands that got so popular in the 2020, 2021 timeframe because it was an alternative for not having to sell initially.

With the world of going from growth at any cost to getting to EBITDA positive and rule authority, customer suggestive, have to find ways to grow their existing client base. Mm-hmm. The NRR, that revenue retention without just adding people. So that's a great point.

**Brian Graf:** Correct me if I'm wrong, but I feel like a lot of those strategies lean heavily on something like customer success. To help clients unlock the product as much, but a lot of almost in-app messaging and making sure that people are engaged and evangelism focus from a marketing standpoint.

And then it just goes into basically making sure that your pricing is either based on usage or making sure that you run through something like the feature matrix, the right way to package your product in a way that there are, there are still features that customers want to use, but just maybe don't want to initially 'cause they wanna try you out.

I feel like it is as simple and as complicated as that for the more product-led growth or marketing-led growth companies.

Okay. Now let's go back to Cecilia and think about some of the campaigns that we could run. I feel like with a lot of this, both honestly in sales led growth and in product led growth, the key to being successful with a lot of these campaigns is really like understanding not only your ICP ideal customer profile, but your personas and a lot of it, you think about like the job to be done, but really it's the customer journey map.

Like, where is the customer in their journey with your software? What are their pain points? What do they care about and how can you help them solve their problems? I. How, I guess how important is that to you when you're developing some of these strategies? And maybe you can go into a little bit more depth in terms of how you get that information past and talk to your customers.

Go a little bit deeper there.

**Cecilia Pérez-Muskus:** I think that for account expansion, it's all about really knowing what your customer needs. So how do you do that? I think the two more basic ways of doing that is making sure that you're evaluating product usage. There are tons of tools that you can use to make sure that you're identifying what are the features that are being most used and underused.

And then specific to accounts so that you really understand what it is that they're finding most common for their particular usage. Maybe you're able to identify something that could benefit them, but they're not even tapping into it. So the first element there is to continue

understanding what it is that they're actually using the product for, and their jobs to be done are... making sure that you're keeping track of all of those metrics.

And that you're being proactive about it. Of course, it's not just a matter of, ah, they're using it this way or not that way, but actually coming up with a plan and communicating and helping them out and making the most out of it.

That's one of the things that you can do. And then the other one, keeping that conversation open. Whereas what I mean by that is making sure that you're having those conversations and that you're encouraging feedback. That you're pushing out surveys so that they're actually evaluating the potential of your platform that you're engaging them with Q&A sessions or help sessions.

So not only are they engaging with you, but perhaps other users of your platform so they can learn about other jobs to be done that people are solving with your product. I think that's a great one as well. Having a nice help desk so that you are tracking exactly what are the common questions that people are having.

What are the common roadblocks that they're having, understanding what are some of the potential improvements or enhancements that you could be doing to your product by listening in. So yes, those two would be the most essential ones I would say. I don't know if any of you would add another item to that list.

**Brian Graf:** I think all that stuff is absolutely true. Like keeping track of the help desk and the tickets that come in are really good pain points. That you need to focus on as marketing, but as a company. As customers onboard themselves into the product. But I think also even just digging into what it means to actually talk to a customer is really important.

I feel like everyone wants to talk to customers to get testimonials, and testimonials are important. But there's so many more pieces of information that you can gain from those types of interviews. Even in our testimonial question list, right about probably, I don't know, a quarter of it is focused on what was the state that you were in before the product.

What were the pains that you were experiencing? How did you view the market, all that stuff, which is so educational for knowing that customer journey. And I think the same thing can be said for looking at a customer's onboarding experience into the product. Like what were you looking for initially when you bought the product?

How has that changed over time? What were the pain points that you were feeling even in the onboarding process, et cetera. And I feel like having those conversations and even like focusing that backwards looking lens, I guess even into the product usage I think is really useful for building out the right customer journey maps that go well into closed won.

Okay. Let's just end it there. I think that was a good conversation. Thank you guys so much for the insights. I think listeners can get from this how to look at some of these strategies and a lot of the tactics that can go into one. Especially on the enterprise side.

It will vary heavily company to company and industry to industry. But following that framework can really set you up for success. Know your customers really well, know their customer journey and their pain points. And then to Cecilia's point... really focus on them on a custom one-to-one basis.

Like talking to them individually and really trying to help them get the most value out of the product and see the value in either using it more or, but in terms of usage or in terms of features, I think you'll be well on your way. Anything else to add before we close?

**Cecilia Pérez-Muskus:** No. Thank you for the invitation.

**Brian Graf:** Thank you both so much for being here. It was a great conversation.

**Stijn Hendrikse:** Thanks guys.

**Brian Graf:** Thank you to Adriano Valerio for producing this episode and the Kalungi team for helping us make this whole thing work and of course, you for choosing to spend your time with us. As a reminder, all the links we mentioned in this episode can be found in the

show notes, and if you wanna submit or vote on a question you'd like us to answer, you can do that at [kalungi.com/podcast](http://kalungi.com/podcast).

Every time we record, we take one of the top three topics and jam on it. Thanks again.