



## **The Achilles Heel of Growing SaaS Companies: Overpromising and Underdelivering**

Oftentimes, aspiring SaaS companies – particularly those with low revenues and headcounts (1,000 or fewer) – fight tooth and nail to acquire as many customers as possible to hit their growth targets, gain market share, maximize revenue, and ultimately please their investors.

What usually takes a back seat in the mad rush for clientele and revenue growth is a focus on transparency and customer experience. Overpromising and underdelivering (or delivering on-time, defect-laden products) is a counterproductive growth strategy. Unfortunately, many product implementations are in the red as soon as they come down the pipe from sales to professional services due to unaligned priorities and incentives, poor communication and the subsequent lack of required resources.



Industries are small worlds and their C-suite executives talk with one another. The last thing a potential customer wants to hear from an industry peer is "In the end, we got what we needed but the experience was a nightmare." Even if you agree to absorb cost overruns, the impact of missed target dates and extended schedules can be devastating to customers – and even worse for your reputation.

To establish long-term growth, don't overpromise to hook customers with the expectation that they will stick with you to avoid the embarrassment of sunk costs. Even if they do, they will rightfully rant and prospective customers will avoid you and look for competitors who do business with integrity.

Early momentum is not worth ultimate stagnation - or even demise – regardless how good your product is. Make sure your sales and professional services departments are tied at the hip, not only working together to ensure that all contractual agreements are feasible (based on existing



capacity) but also iteratively forecasting demand and growing your resource pool accordingly.

Customer experience is just as, if not more, critical than the quality of your product. It turns transactions into partnerships, establishing a reputation conducive to a revolving door of additional customers. Be prudent and honorable, never setting expectations you can't meet.

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