

40+ lessons from selling software development – Hacker Noon

Dec 16, 2017 12:25PM

Dec 16, 2017

Three years ago, I left the security of a permanent job and went about working to make a living on my own. It's been an intense ride with many victories and just as many failures, with each experience adding to a list of hard-earned lessons that I hope can be helpful to you in your own journey. This is what I've come to understand so far.

1. **What a business is.** When you start, you think that running a business is about being incorporated, having a website and sending invoices. Building a predictive stream of projects starts by understanding what a business fundamentally is: a set of processes that respectively takes care of *lead generation, lead nurturing, client on-boarding, delivery, bookkeeping* and *accounting*. No sane business exists without these 6 aspects running in parallel. Whatever your industry, it is not acceptable to focus only on the delivery of your work and improvement of your hard skills, and software development services are no different.
2. **What a business isn't:** you might be stuck in contracting or subcontracting. While contracting is a great way to generate cashflow and avoid suffering high administrative overhead, it is at most a form of self-employment and is not a business. There is no doubt that self-employment can support a fun lifestyle; however, you should not think of it a way to build a future-proof business. *Without a solid and repeatable sales funnel, you have an ice cream truck.*
3. **Make your goals clear,** namely whether you want a sellable business or a lifestyle business, a consulting business, a service business or a product business, a high-touch service business or a low-touch service business. Do you want it to be specialised or generalist, bespoke or productised?
4. Freelancing doesn't get you many assets, and since money follows assets, what you are left with is trying to **generate as much value as possible** out of your services.

5. There are **4 phases in the client-consultant relationship**, and not all of them have equal value. At the very top sits *Diagnosis*, where as an expert you can bring immediate and extremely valuable clarity to an existing situation. Then follow *Prescription, Implementation* and *Re-application*. Developers and engineers tend to jump into the third phase and ignore the impact that the former two could have on their client's business. By doing so, they can sometimes come across as confusing at times when a client would rather receive clarity than code. As a developer, you want to force yourself to segregate these 4 fundamental service phases and aim to deliver them separately.
6. Therefore **not all work is implementation work**. There is much more to IT consulting than writing and delivering code. If you're senior in your line of work, refrain yourself from delivering *Implementation* on some projects and keep it to offering *Diagnosis* and *Prescription* instead.
7. You likely operate in B2B, and that is **the business of making businesses better off**. Projects that consist of helping clients to deliver client work (ie subcontracting) should raise a red flag early in your pipeline. Ideally, you'll be working on improving your client's business, eg one of their processes of lead generation, closing, on-boarding etc.
8. Come back to the 6 fundamental parts of a business to deliver **holistic fixing**. Even when working on developing a website, your professional duty as a consultant is to make sure it makes the business better off in its entirety.
9. Business is different to your core craft. If you start asking **"how is business going?"** to random established business owners, you'll be amazed. In a retail shop, to your plumber or at the car rental centre. Invariably they end up chatting about perfecting their processes (hiring faster, setting up better customer support, reducing delivery costs etc). No restaurant owner will end up talking about the process of cooking food in the first place, because that's not what the business challenge is about.
10. Running a **business is not about pride**, and is not about being clever either. Growing/evolving a business is not about sending as many invoices as possible to a wide range of people.
11. **Time-and-material billing is a lunacy** that some professions like law and accountancy cling to, alongside most professional services firms. Start billing for value/output/results/client's improvement and not for effort

or time.

The time-and-material model is unfair at its core, for all parties: it punishes increased productivity and creates a trust fracture by misaligning the direct financial incentives between you and your client. It reduces the chance of a long-term mutually beneficial and productive partnership.

12. **There is another way**, a sweet spot between freelancing from project to project and a scalable business. If you abandon time-and-material for monthly retainers scoped around the long-term goals of your client, you will get off the feast-and-famine cycle and feel instead like you're building something; and that'll be business relationships.
13. IMO a much better alternative for a freelance developer to set up a web agency would be to ditch one-off full-time projects and stick to **monthly retainer engagements** where multiple long-term clients can be serviced in parallel, eliminating on the way the dreaded feast-and-famine cycle.
14. **If you're in business, you're in the marketing business.** Half of the work will be about marketing your business. Marketing is doing the work of uncovering and perfecting service-market fit, and that is your job. And since you won't change the market...
15. You have to **generate the fit** in your conversations. By adjusting who you service, and adjusting what you do. Marketing comes from both ends, where on the first hand, the service provider must get out of her shoes and understand the client's complete situation, and on the second hand, must educate the client on the best practices in its craft.
16. **Stop pitching.** Those who are shopping for a pitch are not open for a conversation. Unlearn the sales bibles from the last decades and stop trying to "win" or "convince".
17. **Pitching is a conversation killer** (on top of being annoying). It is a monologue inviting them to reply with a nice "We'll come back to you". They won't and you'll be back to square one, less valuable time.
18. **Look for the fit, not the sale.** Another way to look at marketing is to work towards starting conversations with the people that could benefit the most from your services. If it might not generously benefit both parties, then you are not a good fit. Once you are on the phone with them, remember you do not want to sell something. Instead you'll be actively researching with them if and how your service can provide them as much value as possible, with reasonable input from you.
19. **Know how time-sensitive your service is.** If it solves a problem that your ideal client only rarely runs into, it means it's very unlikely you'll get in touch at the right time. In such case, you'll want to have another offer — such as an advisory retainer — which will let you start engaging in a business relationship until the right time comes for your higher level engagement option.
20. Stop feeding the gurus of content marketing. There are heaps of consultants doing perfectly fine without any of it.
21. **Consider Outbound, not Inbound.** As a solo consultant, you probably don't need that many clients at the same time anyway, and you'll probably get much luckier outreaching to your ideal clients than spraying content and praying that they'll come. Why don't you start by asking them for their business?
22. **Your network is not your list of prospects.** It is the list of people who know and understand what you are offering and are capable of. They should be able to see a fit for you and proceed to refer to you.
23. Help your network by **getting a Laser Focused Positioning Statement.** I help <SOMEONE> achieve <SOMETHING> by doing <SOMETHING>. It's much better for you to introduce yourself this way instead of a role name as you'll get them closer to a "Rolodex moment". The best smell test for your positioning is whether your network finds it easy to (and actually do) explain to third parties what you are providing.
24. Use your LFPS to **start conversations** that discover issues, uncover your prospect's deeper goals and explore the fit. No good sales happen outside of a powerful conversation.
25. While you're at it, use the conversation to also **look for the pain.** You should challenge an interesting prospect if she is not clearly in pain with one of her processes, and pass on it if you're not about to fix anything painful.
26. If your prospect starts the conversation (eg approaches you through your website), your job is to turn it into a "**why**" **conversation.** This will uncover problems and qualify your lead. Qualify the pain by challenging "why do this project at all?" Qualify the urgency by asking "why now?" Challenge the fit by asking "why me?"
27. Guide your prospects into being **descriptive instead of prescriptive.** They might come to you with a ready solution that needs to be applied, but you need to turn the conversation into having them telling you the problem to be fixed in the first place and the pain they experience. If they

won't hear anything, keep pushing for the solution they picked themselves, and provided you consider yourself more than a pair of hands, you need to move on. This leads to...

28. What you sell is not you, your hands nor your brains. **You sell the client's ability to improve.** More precisely you should sell the change management.
29. It's about your growth too and the second way to serve your future clients is to achieve improved service/market fit by specialising. You will never be able to provide a stellar *generalist* service, so do specialise.
30. Great business does not happen by closing a random project and protecting your margins. It is instead when both parties grow together: the client by being successfully accompanied along a critical change, the provider by specialising further, building a long-term relationship with the client plus doing a healthy profit or growth. **This is the Highest Form Of Business.**
31. **Negotiating is not a sales tactic** and is instead how you achieve the Highest Form Of Business. It is crucial that especially the terms of business are to be negotiated, until everybody is happy with the conditions. As such, you should *never split the difference*.
32. **Write proposals the right way.** Proposals aren't a place to try to convince but instead should be a contract setting the scope and terms of your engagement, as they have been agreed to in your last conversation. If you're a solo consultant, you can probably replace your contracts with proposals.
33. **Don't blame them for scope creep**, blame yourself for being a Scope Sip. Learn to say no politely.
34. **No one cares about your portfolio** and redirecting your leads to it hurts yourself by pausing the conversation which is so hard to create. People will ask for your portfolio only when what you're offering is not clear enough, and they have objections they expect your portfolio to confirm. So

when they ask for it, ask them what they would like to see and be reassured with and bust that objection right there.

35. **Niching is not about targeting a smaller group of prospects.** It is about painting the picture of what the result of your work looks like, instead of the work itself. This is easier done when the result is explained in the context of a market vertical, but picking a market vertical is only half of the niching!
36. **The freelancing rollercoaster is created by the lack of positioning and an overuse of hourly billing**, generally by focusing on Implementation before the rest (see lesson #1).
37. **Don't get FOMO** with all there is to read about marketing tactics and productivity out there. Good work never goes out of style and *there is no traffic jam on the extra mile*.
38. **Play Digital Nomad at your own risk.** Would you really trust a strategic part of your business to someone consistently taking your calls in a noisy coffee shop somewhere abroad over a crappy internet connection?
39. **Talk to mentors.**
40. **Trade books for podcasts** and podcasts for IRL conversations.
41. **Work-life balance** is like juggling many balls at the same time. Work duties and relationships are like rubber balls that will bounce back if you miss one. Family duties and close relationships are like crystal balls and they won't.
42. **Start your journey.** It takes time and trial and error before we can get our professional lives filled with enriching relationships and exciting technical challenges. Start with something.

<https://hackernoon.com/40-lessons-from-selling-software-development-e1b3062b9341>