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Expansion and Renewal Demos

“Land and Expand” is the major sales strategy for many software companies and great attention is focused on customer acquisition and on corresponding demos. But what about securing renewals and expanding your footprint?

What strategies and positionings are appropriate and how do you frame your demos for the range of renewal and expansion situations?

We’ll discuss:

- Renewals – When Things Are Good
- Renewals – When There Was Low or No Usage
- Renewals – Positioning and Presenting Product Improvements
- Expansion – Same Department, Same Use Cases, More Users
- Expansion – Upselling and Cross-Selling to Existing Customers
- Expansion – Different Departments

For Great Demo! practitioners we’ll call out specific Great Demo! tactics with the designation **[GD]**.

Renewals – When Things Are Good

STRATEGY: Reinforce Value and Status Quo

Your customer likely went through difficult buying and implementation processes when they first purchased your software (see our [article](#) on this for details). It was a lot of work!

Your strategy for securing a renew is to celebrate their choice, emphasize the value already enjoyed and remind the customer of the energy invested in implementation – and that they don’t need to (a) go through that again and (b) that it was a substantial investment to get to their current status.

You may need to do a bit of Discovery to uncover the value, if it has not already been documented. One way to accomplish this is via a “Why Did You Buy?” exercise – see our [article](#) on this for details (you’ll be glad you did!).

If you've been working with your customer since their "Go Live" date and ensuring that they have been achieving their Value Realization Events, you should be well-positioned to secure the renewal, without the need for any demonstration – a discussion may be all that is required.

[GD] Use a Situation Slide to capture and describe the reasons why the customer originally made the purchase. Recall (gently, but firmly!) the depth and breadth of the pain previously suffered by the customer, then describe the capabilities currently in use that address the problems.

[GD] Next, call out the V.R.E. (Value Realization Event) elements initially achieved and reinforce the ongoing value gained by the customer – this is key!

[GD] Use Illustrations – particularly "before and after" scenarios – to reinforce their wise choice of your solution and their movement from their previous painful state to their current positive position (presented with the sound of angels singing).

[GD] Stay in "you" mode as you communicate all of this information. Your customer is the hero in this story...!

A live demo is likely unnecessary, other than to clarify software operation and address user questions.

POSITIONING: You guys are doing great; let's continue our productive partnership.

Renewals – When There Was Low or No Usage

What if your customer has not been using your software or use is insufficient? Here's a simple rubric: No use, no value; no value, no renewal.

STRATEGY: Assess, Apologize, Address, and Restart.

Your strategy here should be the following:

1. Determine *as early as possible* after Go Live why the customer is not using your software. Is it a lack of awareness? Training? An implementation problem? A poor handoff from sales to implementation or to customer success?
2. Address this right away! Find the root cause and fix it – the longer you wait, the harder it will be to secure the renewal.
3. Apologize for any failures on your side in the implementation process.
4. Restart the rollout process – identify where the lapse(s) took place and reach agreement on a revised plan to enable your customer to achieve their initial Value Realization Events and longer-term goals.
5. **[GD]** You may need to refresh the key customer players of the risk of not achieving their Critical Business Issues. [Vision Generation Demos](#) may be in order to reinvigorate these folks. Reset the plan for completing the customer's Value Realization Events.
6. **[GD]** Similarly, you may need to reengage the key customer users. Again, [Vision Generation Demos](#) may be an initial solution, followed by any necessary training (or retraining).
7. Stay engaged! The account management and/or customer success team should track on customer progress, *proactively* providing help and guidance.

You will likely need to apologize for any errors in your implementation or follow-through process – be prepared to “fall on your sword”, as appropriate. A professional, heartfelt apology (sometimes with compensation) can go a long way. Note: if you weren’t tracking on your customer’s progress, you are *definitely* in the wrong...!

Now, rebuild your position by reviewing the progress and energy invested so far. Revisit the steps taken, addressing any errors or omissions while reinforcing the positive points. For example, you may say, “So, it looks like all of the data migration went really well and the configuration all looks great, but we dropped the ball in training the users. Let’s tackle that and get you going again – and we will absorb the cost of doing the training this time around...”

POSITIONING: We’re sorry we let this happen, let’s build on the [foundation](#) implemented so far and restart. We’ll make sure to work closely with you in this process, monitoring to keep things moving forward so that you can achieve your objectives.

Renewals – Positioning and Presenting Product Improvements

STRATEGY: Reinforce Value, Leverage, Evolve

Context here is key...! While you, the vendor, may be excited about the recently released new features, your customer may (1) have no clue of their existence and (2) not visualize the capabilities as useful.

[Note: we are assuming the new capabilities are major improvements that enable new use cases, for example, not small changes to or expanded options for existing capabilities.]

Accordingly, if you present piles of new capabilities, you put yourself at risk of:

1. Buying it back (the customer feels they will be paying for capabilities they will not consume).
2. Opening the door to competitors (“If we are going to re-evaluate using this product, we might as well look at other options...”).

The best way to avoid these pitfalls is (yes, you guessed it) doing Discovery. These can be mini-Discovery sessions designed to uncover the need for the new use cases your offering supports. Uncover your customer’s goals, pains, value objectives and relevant timelines for these use cases.

[GD] Great Demo! Situation Slide format is excellent for capturing this information in a structured format. Note that these Situation Slides likely represent refined use case examples, as opposed to what might be suppositional use cases originally coming from marketing or the product team. Add these customer-derived Situation Slides to your internal library and alert the balance of the field...!

Careful – it is quite possible that your customer may not *have* all of the needs or problems your new capabilities support. Only present the use cases that are actually relevant!

When presenting these new capabilities, the first step in your demo is to reinforce the successes to-date, the value enjoyed, and present a reminder of the energy [investment](#) they made to evaluate, purchase and implement – just as in a straight renewal.

A timeline slide can be a good mechanism to accomplish this, showing:

- When your customer began their evaluation process
- The date they chose your offering
- Implementation kickoff
- Key implementation steps
- Go Live
- Dates when initial Value Realization Events were achieved
- Current date
- Current value gained
- Renewal date

Next, introduce the candidate use case(s), following a [Vision Generation Demos](#) model (“Here’s how other customers, who are similar to you, have been using these new capabilities…”).

[GD] For Great Demo! practitioners, you can use Situation Slides to summarize the new use case(s), initially in a Vision Generation Demo mode, as noted above. Be sure to have compelling Illustrations ready and communicate *what* the customer is seeing, *how* they could use the new capabilities to address these (new) problems, and the *value* that they might expect to gain.

[GD] Once the customer shows real interest, you can prove capabilities as necessary, with Do It pathways (everyone say it together, “Fewest number of clicks!”), followed by going as deep into the new features and workflows as the customer has interest (Peeling Back the Layers).

POSITIONING: Remind the customer of their decision to go with your product and reinforce the value they are enjoying from its use. Position the new capabilities as leveraging your customer’s existing investment. It’s what your customer should expect from an evolving product – changing, improving, and adapting to embrace broader customer needs more completely and more effectively.

Expansion – Same Department, Same Use Cases, More Users

Strategy: Reinforce Value and Success, Leverage

Your situation here is very similar to “Renewals – When Things Are Good”. You have a great track record delivering on your promises and your customer has been enjoying the value gained using your product with the existing user population. In principle, expanding deployment to more users in the same department (or small organization) should be simple – but there is an “if” case to consider.

Are the expansion users in the same situation – and have the same use cases – as the existing users before the original sale? If so, then you may only need a discussion, focusing on the opportunity for your customer to increase the value obtained by enrolling new users. (If not, you are really in an upsell or cross-sell mode – read the next section!).

Recall the success enjoyed to-date and the value gained. Remind your customer of the purchasing and implementation [foundation](#) already in place. Additionally, “power-users” from the initial rollout may be available to help with the new process. Contemplate using two timeline slides – one for the initial process and a second for the proposed plan.

You may also want to consider revisiting the previous rollout steps to tune the process, based on the earlier experience. Reuse and update the customer's Value Realization Events in accord with your learnings and set plans in place to enable your customer to achieve those Value Realization Events more rapidly and with more certainty, if possible.

Your Champion should be an excellent spokesperson to help drive this expansion effort – and it will likely help the Champion's cause as well (success, promotion, raises, bonuses...).

Finally, you may also be able position the value gained through expansion as an acceleration function. (OK, go with me on this...) Many software packages enable increased value non-linearly as more users are deployed – for both time-to-value and total value returned – in two modes:

1. Much or all of the original implementation effort can be leveraged – no need to repeat the investment. Much or all of the data migration, loading, rules, policies, database fields, form definitions, etc. is likely already be in place. The costs associated with this are have already been paid; new users may roll out much faster than the original implementation and achieve Value Realization Events much faster, as well.
2. With some software, the value increases non-linearly with increasing users. For example, the value of a database accelerates as the amount of information it contains increases. More users contributing more data into the database accelerates the value of using the database. See our article on [The Database Breakeven Point](#) for more details.

An example can be found with tools like Amazon, Yelp or Google Reviews. No reviews on a product or business provide no value to prospective customers. One or two reviews begin to be helpful, but we often don't trust them fully – the "N" is too small. With 50 reviews of a product or business, we likely have a good sampling of people who rave (positively) about the offering, those who are more moderate, and those who had a bad experience. By comparing ourselves to the reviews and reviewers we gain more value from using the tool.

As another example, human capital management software is of limited value if you only have a handful of employees. However, when an organization has hundreds or thousands of employee users, the value of the system accelerates as users leverage existing job descriptions, learning programs, onboarding and provisioning processes, certification management, performance management, etc. Larger user pools also mean richer opportunities for managers to fill openings internally and for employees to explore growth opportunities without leaving the company. Value grows non-linearly with the number of users.

[GD] Once again, Situation Slides are excellent tools for summarizing the success of the initial investment and for presenting the case for expansion. Plan to have Situation Slides for the relevant use cases for each key job title (and corresponding Illustrations). A terrific best practice is to teach your Champion to present this information, rather than you the vendor – it's much more compelling!

NO TOUCH OPPORTUNITY: Automated technology may provide you with help in reaching potential users and exploring and measuring interest in specific use cases. [Consensus'](#) intelligent demo automation platform enables you to send "choose your own adventure" automated demos to these hypothetical users, offering them the opportunity to explore brief Vision Generation examples of the

use cases themselves. Information about users' job titles and the use cases they investigated is returned to you, providing you with a pre-qualified list of potential users and their interests. Fabulous!

[GD] The Consensus tool offers users a list of use cases to choose from (as many as they want), then presents brief video demos of about 2 minutes for each use case of interest. Plan to use Situation Slides and Illustrations in Vision Generation mode. When using Consensus for this project, position the use cases as success stories from other, similar users from *within* the customer's organization – these serve as internal references.

POSITIONING: Remind the customer of their wise decision to go with your product and reinforce the value they are already gaining from its use. Position the new users as leveraging your customer's existing investment and adding accelerated value.

Expansion – Upselling and Cross-Selling to Existing Customers

STRATEGY: Reinforce Value and Success, Leverage

Your existing customers should be happy with their current implementation, first of all – if they aren't, go back to "Renewals – When There Was Low or No Usage"! There's no way they will buy more if they are displeased with your product.

So, let's assume they are happy customers. This means that they should be getting good value for their initial investment. Make sure to quantify this value and reach agreement with your customer that the value numbers are accurate. Schedule "[Why Did You Buy?](#)" discussions with your customer to help uncover this information, if not already known.

An upsell of new capabilities or a cross-sell of additional products are sales cycles, similar to your original sale, but with several [advantages](#):

- You are an approved vendor, which makes subsequent purchases by the customer *much* easier.
- You've delivered on your promises of product capabilities, implementation and value – so you are trustworthy and believable.
- You've done substantial Discovery for the previous sale, so Discovery for the upsell should be easier ("How have things changed since last year...?" or "Let's explore some other opportunities with you...").
- You likely have one or more Champions ready to support the evaluation and purchasing process.
- You are entrenched – the incumbent – with the advantages associated with that position.

Have the original goals been met? Pains alleviated? Value gained? Timeline met? If the answers are all "yes", then your position is excellent! Now execute your new Discovery and generate a summary of your customer's new goals, pains, desired capabilities, value objectives and timeline.

For the demo meeting, start by reminding your customer of the previous buying process, outlining their original situation, goals, pains, capabilities needed, value desires and timeline – and recalling the successes enjoyed so far. Again, a timeline slide is an excellent approach to refreshing and reinforcing this information.

Now you can leverage this success by introducing the upsell or cross-sell use cases, followed by a demo that maps specifically to the new challenges, showing the new capabilities needed and deliverables desired, and outlining the value expected.

[GD] Situation Slides are excellent tools for summarizing the success of the initial investment and for presenting the case for the upsell. Plan to have Situation Slides for *both* the existing product and the new offering for each key job title (and corresponding Illustrations).

POSITIONING: Make sure to position (gently but firmly) the advantages your customer will gain by working with you, the [incumbent](#) – Purchasing, Data privacy, Security and Governance, Legal, IT, etc. have vetted you as a business. Comment about how you are now intimate with your customer’s team, culture, and processes, and how that closeness is mutually advantageous. Reference the existing successes and value gained to-date, then present your proposed new use cases and solutions.

Expansion – Different Department

Strategy: Reinforce Success and Value, Leverage Existing Investment and Your Internal References

This is really a new sales process, in many cases. The larger the customer and the further “apart” the new department or business unit is from the existing implementation, the more this sale should be treated as “new” business. It is also possible that the existing group competes with the new one for funds, prestige, turf, etc. So, what is the starting point?

Discovery! You can leverage your existing Champion and contacts to sponsor you to other parts of the organization, make introductions and offer internal references to enable these Discovery discussions to take place.

Keep in mind that any use cases uncovered in the new department may be the same or similar to those in the existing deployment. These can represent persuasive internal references for your cause in both Vision Generation meetings and in securing proof – it may only take an internal phone call or email to convince the executive(s) leading the new department of the efficacy of your solution.

Note that while you are not the incumbent, with respect to the new group, you *are* an approved vendor – which offers substantial advantages. You are already “in the system” with Purchasing, IT has already approved your fit with their internal architecture, Data Privacy, Security and Governance has vetted you, etc. This dramatically lowers the cost of purchasing from you vs. a vendor that is new to your customer.

It also represents shortening the time required for a purchasing process – this could be particularly important for time-sensitive solutions (e.g., upcoming audit or similar Critical Events).

Similarly, any existing implementation that can be leveraged should also be highlighted as investment already paid for (likely by another department) and used to jump-start and speed a new rollout. An implementation and rollout timeline slide can help communicate these ideas, showing what is already in place for the new department to leverage.

As you’d expect with many new-name opportunities, you may have two sets of demo meetings. The first could be a Vision Generation Demo meeting, designed to communicate what’s possible – and to

enable Discovery conversations to take place. The second would occur after Discovery is complete to secure the technical win – a Technical Proof Demo.

A comment about POCs – particularly if a POC was run for the first piece of business: you may *not* need to run a second POC...! Make sure you understand why a POC was run for the initial order and leverage that information accordingly. The architecture fit, capabilities proof, and risk reduction testing previously executed may be sufficient for the new department.

[GD] The Great Demo! process here is just like new business, with Discovery and Vision Generation discussions, followed (as needed) by Technical Proof Demos. Be sure to use [Transition Vision](#) conversations to define and agree upon Value Realization Events to set you and your customer up for successful outcomes.

[GD] If possible, enroll your existing Champion to provide you with introductions to the new group – and to educate you regarding the business and political climate in the new organization. Your Champion may also help identify candidate Champions within the new team.

[GD] Similarly, consider asking your Champion to present the success stories (via Situation Slides and Illustrations) for the relevant use cases – it is *much* more compelling to hear these stories from an employee in the same company than the vendor!

NO TOUCH OPPORTUNITY: Expansion to different departments is where [Consensus'](#) automated demo platform can dramatically reduce the time to uncover members of the buying committee, potential champions, “mavens” and “connectors”, and to begin to scope out a receptive user community. As with the previous expansion strategy, position the use cases as success stories from other, potentially similar users from *within* the customer.

[GD] Use Situation Slides and Illustrations in Vision Generation mode for the Consensus use case micro-demos, based on job title (and industry or vertical, if relevant).

POSITIONING: “You may not know us but your colleagues do. Here’s how we helped them solve their business challenges...”

Summary

We’ve covered a lot of best practices in this article and hope you will be able to put them into day to day use. Please do [contact us](#) if you have questions or encounter new situations you’d like to discuss.

Renewals and expansion are huge business drivers, particularly with SaaS offerings. Take advantage of your incumbent advantages. Assess each opportunity, apply the appropriate strategy and positioning accordingly, and enjoy the rewards of increased renewals, decreased churn, and expanded footprint.

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