

10 mistakes microSVs make

SIC 2009

Andy Brice

July-2009

Abstract

In my experience as a vendor of software, buyer of software, member of the microISV community and consultant to microISVs, there are a number of errors that microISVs consistently make. This paper is a quick sprint through ten errors that are particularly common, harmful and/or easy to fix.

Mistake #1. Too much focus on the technology

“For a list of all the ways technology has failed to improve the quality of life, please press three.” Alice Kahn

Most microISVs start off their professional life as pure software developers and acquire marketing skills along the way. As such, they care deeply about languages, frameworks, operating systems, methodologies and the rest of the paraphernalia of the professional software developer with an almost religious fervour. But your customer probably doesn't care whether you are using Silverlight or C. They just want their problem solved.

A common side effect of focussing too much on the technology is to start with a 'cool' technology and then try and work back to a problem. This is putting the cart before the horse and often results in solving problems that don't really exist (and therefore people won't pay for).

Mistake #2. Only thinking about marketing after v1.0 is released

“Marketing is not a Post-Processing Step” Eric Sink

For a commercial product, everything you do should be informed by the marketing. Marketing decisions such as who your customer is, your positioning and pricing will (or, at least, should) have a direct impact on the product, including:

- Features implemented
- Platforms supported
- Aesthetics
- Type of user interface
- Segmentation (e.g. separate 'lite' and 'pro' editions)
- Licensing
- Trial restrictions

So it is crazy to only start thinking about the marketing once you have completed the coding of v1.0.

Decide who you think you should be selling to and find out as much about them as you can. Get out from behind the safety of your computer and meet them. Go to their industry conferences and networking events, read their magazines and forums.

Mistake #3. Insufficient focus

"I don't know the key to success, but the key to failure is trying to please everybody." Bill Cosby

A laser can cut through steel using only the same energy as 4 incandescent light bulbs, because of the way it focuses the energy.

As a microISV your resources are limited and you need to pick a problem that is small enough that you can provide a great solution, but big enough that people will pay to have it solved.

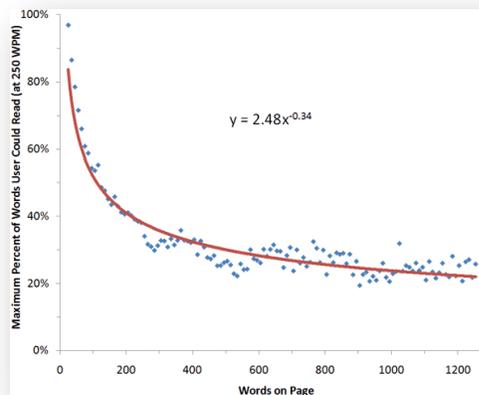
Focussing in on a smaller problem has additional benefits that you have less competition and a clearer marketing message. This in turn means you are more likely to be successful with SEO and Adwords.

Mistake #4. Lack of a clear message

"We can clearly see that there is no bi-univocal correspondence between linear signifying links or archi-writing, depending on the author, and this multireferential, multi-dimensional machinic catalysis." Félix Guattar

Web surfers have Attention Deficit Disorder. If you can't communicate to them in a few seconds what your product can do for them, they are going to click the 'back' button and go to the next page Google suggested.

Surfers don't read web pages, they skim them. A study showed that 17% of surfers leave a page after less than 4 seconds[1]. Usability expert Jacob Nielsen has used the average time on a page vs the amount of text to calculate the maximum percentage of text a visitor could read in the time they spend. Even for pages with only 111 words the average surfer stays only long enough to read a maximum of 50% of the text[1]. The percentage of text read falls off rapidly as the amount of text increases (see the graph below). When it comes to conveying a message, less is often more.



% of text on page read vs amount of text[1]

Often it isn't at all clear from a website what a product even does. The microISV has spent so long working on their product that they are unable to see it through the eyes of someone who has arrived at their site for the first time.

Mistake #5. No obvious call to action

"Fortune favours the bold" Proverb

Subtlety is overrated. You have lured them to your website to get them to do something (try and/or buy your product). Make it clear what you want them to do. Be bold. The effects can be dramatic.

The spike in the graph below shows the change in downloads when Steve McLeod of www.pokercopilot.com replaced a text download hyperlink with a big shiny button [2].



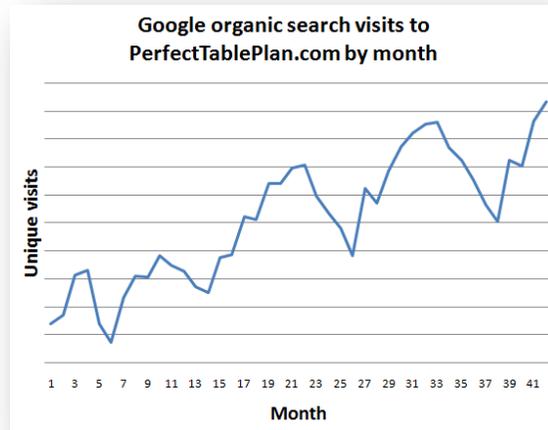
Others have reported similar improvements.

Mistake #6. Not doing basic SEO

"We are currently not planning on conquering the world." Sergey Brin

An endless stream of targeted customers being sent to your website for free. Who wouldn't want that? SEO is the gift that just keeps giving. But you need to give Google some help. The basics of on-page search engine optimization are pretty straightforward. You just need to set page names, page titles, page descriptions, ALT tags, H1 headers, body text etc to contain the sorts of words that prospective customers might type into a search engine.

The graph below shows the number of visitors from Google organic (non-paid) search to my own website by month (the dips are due to seasonal cycles). I haven't done any 'black hat' SEO, just spent some time sorting out on-page SEO and writing useful content.



If I see another home page with `<title>Home</title>` and no `H1` tag, I might cry.

Mistake #7. Using Adwords without proper understanding or monitoring

“Furious activity is no substitute for understanding.” H. H. Williams

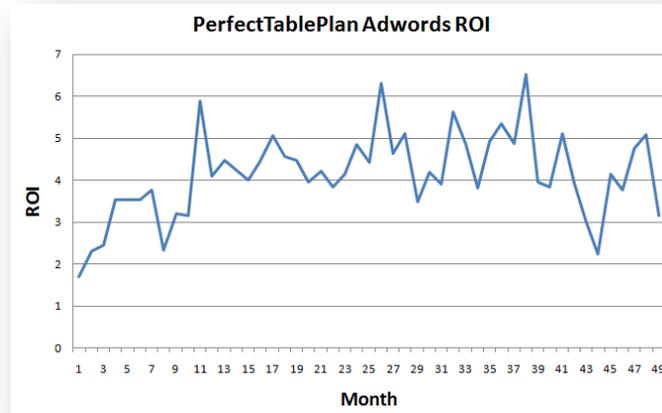
Adwords is an amazing tool for online marketing. But you need to understand what you are doing if you don't want to waste a lot of money.

Make sure you understand the basics of:

- search ads vs content ads
- broad vs phrase vs exact match
- negative keywords
- geographic targeting
- A/B testing of ads

And don't believe the defaults. Of course Google wants you to advertise your \$30 product for \$10 a click in China!

The graph below shows my own return on investment on Adwords over the last 4 years. It shows that it took me about 4 months of experimenting to get a good ROI. I spend about an hour a month on Adwords now, but it was a lot more to start with.



Be prepared to spend time tweaking your phrases, bids and ads. If you aren't prepared to learn the rules of the game and to spend the time tweaking, give Adwords a miss (or pay someone else to do it).

Mistake #8. Not offering a money-back guarantee

"A person who trusts no one can't be trusted." Jerome Blattner

We are all a lot more ready to try something if we know 'Edit>Undo' functionality is available. Offering a guarantee could easily make the difference between making a sale or not, especially if you offer a money back guarantee and your competitor doesn't.

Vendors worry about being cheated. But, in my experience, the number of customers who ask for their money back is only about 0.5%. And I am confident I get more than 0.5% additional conversions. Anyway, if someone buys your software with a credit card, they can get their money back via a chargeback (often resulting in an additional fee). So you might as well offer them a money back guarantee and be up-front about it.

Mistake #9. Not releasing v1.0 soon enough

"If I had to live my life again, I'd make the same mistakes, only sooner." Tallulah Bankhead

It is important to think about what your market wants. But it is equally important to realise that you are almost certainly wrong. The book 'Founders at work'[3] shows that many successful companies end up doing something quite different to what they originally envisaged. For example, PayPal started out trying to sell a crypto library for the PalmPilot. They went through at least 5 changes of direction until they realised that what the market really wanted was a way to make payments via the web. PayPal were successful because they listened to what the market wanted and adapted.

To find out what the market really wants, you need to release your product and start asking people for money. Get it out the door as soon as you have a minimal set of features that solves a problem and is robust. Then iterate like crazy based on the feedback you get.

Hollywood has been making films for nearly 100 years. They still don't know which films are going to be blockbusters and which will be flops. What chance do you have of knowing if your product will be a success? If you are going to fail it is better to release sooner and fail fast.

Any software product is a work in progress and is never going to be 'perfect'. Get over it. If you aren't embarrassed by v1.0, you didn't release it early enough.

Mistake #10. Not focussing enough on the initial experience

"You never get a second chance to make a first impression" Will Rogers

When you have spent months or years creating a product, it is easy to forget that prospective customers are probably going to decide whether they like it within the first few minutes. An awkward install or a lack of a 'soft landing' when they first start the product may be enough to make them look elsewhere. Your competitors are only a few clicks away. All those late nights you spent adding advanced features and improving the performance of your algorithms won't count for much if they give up in frustration after 5 minutes.

The good news is that it is relatively easy to carry out usability testing to identify these problems. All you need is a few willing victims in your target market who haven't already used your product and some patience. Krug describes the process in his book "Don't make me think" [4].

Conclusion

"A wise man learns from the mistakes of others." Proverb

Some of these mistakes are easy for an outsider to see, but difficult for the microISV. We are so immersed in the minutiae of our businesses we often can't 'see the wood for the trees'. Often all we need is a fresh set of eyes to give us a different, higher-level perspective.

The good news is that many of these problems are relatively easy to fix. The bad news is that none of them can be solved by writing more code!

About the author

Andy Brice has been developing software professionally for over 20 years. Since 2005 he has been running a successful microISV (

www.perfecttableplan.com). He also offers one day consultancy packages to other microISVs who want an independent review of their product and marketing from someone who has 'been there' (and is still there!). His blog is www.successfulsoftware.net . Some of the above topics are covered in more depth on the blog.

References

- [1] <http://www.useit.com/alertbox/percent-text-read.html>
- [2] <http://blog.pokercopilot.com/2008/10/do-big-shiny-download-buttons-work.html>
- [3] <http://www.foundersatwork.com/>
- [4] <http://www.sensible.com/buythebook.html>