

crunchbase blog

Buy signals in the startup economy

Apr 17, 2017    

In today’s competitive sales landscape, you’re only as good as your next deal. That’s why gathering industry data, researching prospects, and maintaining competitive intelligence is critical to finding the next big prospect to close. As companies grow, there are key moments in their development that can tell you the right moment to reach out.

Which key buy signals should you be looking for in today’s startup economy? The answer is simple: Follow the money.

Buy signals help you develop a target list of potential customers that are most likely to be ready to purchase. They’re an indication that a company is primed to buy what you’re selling, with both the desire and (crucially) the means to do so. Correctly identified, these signals will be at the heart of your BANT approach to lead scoring: **B**udget, **A**uthority, **N**eed, **T**imeline.

A great first step when targeting private companies is to look for those that have recently secured funding. The influx of capital will provide the business with a decent runway to purchase new services and continue operations—even if it is not currently profitable.

Check out this FAQ for a primer on the different funding levels and what they mean. Recent Series A or B funding generally indicates that the business has a working product and/or user base, and simply needs an injection of capital to scale the business model. Depending on the product or service you are offering, you could end up riding the wave of success with them as the partner who made it happen.

Another buy signal to watch for is a change in leadership at a target company. A new CEO or other restructuring of senior leadership often indicates that the company is looking for a fresh perspective and a new tone.

It shows that the company is making an investment in building a solid future and presents a great opportunity for a consultative sales call. Where once you may have received resistance to your pitch, you may now find a receptive audience. Even if you aren’t dealing directly with the new leadership, it’s an excellent excuse for you to open the lines of communication.

A product launch signals another great opportunity for you to make contact. It represents a new revenue stream and the potential for growth at your target company, and your goal should be to take advantage of the budgets to support a new product in market.

For the people working inside the organization, a product launch is a time of relief mixed with uncertainty—many of them may be lifting their heads to breathe for the first time in months—and a chance to reassess their vendor mix. All the better for you to be in the right place at the right time.

For another signal, consider the roles you normally sell to: Head of Product? Director of Marketing? A new hire in one of these crucial positions is a perfect time for you to reach out. Perhaps the company is in the early stages of developing a new product, or looking to move into a new market.

As with senior leadership, a new hire here often signals a change in perspective or focus, and an opportunity for you to build new relationships. A congratulatory message to a new contact may be the light touch you need to gauge whether the time is right to make a full presentation.

Finally, look for any announcement of a new partnership from a prospective customer. As with the previous signals, a new partnership often indicates that the company is taking concrete steps to expand its market, open a new vertical, or achieve stronger growth.

A partnership may add new product lines or specialized knowledge to your target company, or represent an influx of capital that will help scale out existing lines. Either way, investment in these new opportunities represents growth, and your antennae should be alert to the possibilities for future business.

If you are looking to land your next big deal, Crunchbase Pro is your most valuable resource. Countless sales professionals use Crunchbase Pro to identify today’s fastest-growing companies, discover where investment money is going, and research overall market trends.

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