dealfront

# Win your dream customers: How to Go-to-Market in DACH

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#### How B2B Sales works in the DACH market

Have you already tried to enter the DACH market and perhaps had a rude awakening? Then you might have noticed that selling in this region works differently than in other parts of the world.

Having an amazing sales pitch alone isn't going to cut it. Language and culture can prove to be huge barriers if you haven't done your research. So what really matters to your customers and prospects in the German-speaking market?

This ebook is for you if you want to take a look behind the scenes of B2B in DACH and find out how this market ticks. Whether you're already in DACH or looking to jump in, we'll give you insights on how to sell successfully.

You're here because you've asked yourself how to make your product or service attractive to the German-speaking market. You also want to know the tips and tricks involved in successfully selling in the region.

#### When you're done with this ebook, you'll learn how:

- Germans, Austrians, and the Swiss prefer to do business.
- GDPR and e-privacy-compliant sales work.
- to win customers with the right skills and tools.

Enjoy your reading, and we wish you all the success selling to DACH!

#### The DACH market 101: Learn the basics

#### What does DACH stand for?

**D** = Deutschland (Germany)

A = Austria

**CH** = Switzerland (from the Latin: Confoederatio Helvetica)

Germany isn't just the largest country geographically speaking but also the most robust economy. This makes Germany the first stop for many companies looking to expand into the DACH region.



The DACH region map

Germany's economy, which represents 4.54% of the global market, boasts a strong SME sector. It is also one of the most important players in the European economic market, alongside the United Kingdom and France.

Although Austria and Switzerland aren't necessarily on the same playing field, their economies aren't anything to be sneezed at. Austria is at the 23rd spot on the list of the wealthiest countries in terms of income per capita, and Switzerland is known for its banking and luxury goods sectors.



#### DID YOU KNOW?

Switzerland isn't part of either the EU or the EEA!

### The SME-typically German

You won't ever know Germany without truly understanding the wheels that keep the economy spinning: the small and medium-sized enterprise sector or SME. But what does that mean, and what do they represent?

#### **Small and medium-sized enterprises:**

- have between 10 and 500 employees.
- generate revenues of around, but no more than, 50 million Euro per annum.
- 99% of all German businesses are categorized as SMEs.
- are responsible for 45% of the total GDP
- employ around 60% of the entire workforce in the country.
- are usually family-run businesses focused on long-term sustainability and growth.

An SM	E is			
focused on the	e long term and is sustainable regionally based innovative			
owner run	esponsible a strong exporter stable and crisis-proof			
dedicated to the	he local communities tax compliant the national economy's motor			
94 % of all SMEs are family owned and run.				
70,6 %	of all apprenticeship trainees are trained in an SME.			
8,6 %	of SMEs are self-employed.			
53 %	of SME owners pass the business on to their children or a family member.			
54,5 %	of those that contribute to social security are employed at an SME.			
60 %	of the net value-added is attributed to SMEs.			
99,3 %	of all businesses in Germany are SMEs.			
207 Bil	Ilion € 1.307  The number of "Hidden Champions" come from German SMEs out of the 2,700 globally.			

Source: www.bvmw.de

Understanding small and medium-sized businesses means understanding a core part of German culture, bringing us to our next point.

The focus of many SMEs is on freelance professional services, industrial manufacturing, transportation, commercial trade, production, and skilled labor. Also, many are employed in other industries like tech, construction, retail, and hospitality.

#### **Culture basics: Uncover how DACH ticks**

We're not in the business of confirming stereotypes, so you can't put all the DACH countries in one basket. Just because a language is shared doesn't mean the culture is shared. Often, cultures within a country can be vastly different depending on the region! So, the Head of Sales in Austria will behave differently from their counterpart in Switzerland.

But, there are still some similarities in purchasing behavior in the Germanspeaking market which is what we're going to talk about.

Speaking broadly, your prospects and customers in DACH all like the following:

- Punctuality: being late by 5 mins can sometimes be too much.
- Structure: having a beginning, middle, and end in your dealings.
- Tact and empathy
- Facts & figures: Show rather than tell

The thing is, numbers can drive DACH customers and prospects. If your product or service isn't reliable or doesn't perform as expected, you'll be met with skepticism. Your DACH prospects—like everywhere else—are also driven by emotions in business dealings. But you're always expected, especially when large sums of money are at stake, that you always know what you're talking about.

"If you want to conquer the DACH market, the first thing you have to do is learn about the culture. Germans are very business and information-driven. Decisions (especially in B2B) require much patience. But don't be tricked into thinking that the DACH sales environment is conservative. A lot has changed in recent years, especially regarding expertise in the tool landscape."



**Marvin Karis** 

Director New Business Sales DACH Midmarket, Benelux & France @ Dealfront.

If you use a creative approach (we'll get to GDPR compliance in outreach later), prepare your calls well, make your prospect the star, and show your expertise, you will gain recognition from your targets. Personalize your dealings—there is no one-size-fits-all approach!

Country	Dress Code	Language	Formality
	Industry-dependent. Casual in Startups and more formal (suits) in the more traditional industries.	Attempting to sell in English won't get you far. Have a German sales team in place if you want to succeed.	It depends. In German, sometimes the informal "Du" is ok and other times the formal "Sie" is called for. When in doubt, lead with "Sie"—it's the safest option.
<b>+</b>	More formal. Think suit and tie!	Depends on where you are in Switzerland. French, Italian and Romansch are all official languages besides German.	It also depends, however, the more formal "Sie" is more on par for Switzerland. Never use "Du" without asking for permission first.
=	More formal. Think suit and tie!	A lot of local/regional dialect usage. Many terms you may have to clarify!	Tends toward being more formal. But here, title usage such as Dr. or Professor is important. Never use "Du" without asking for permission first.

"The biggest mistake in DACH sales? Thinking that Swiss, Germans, and Austrians are the same just because they speak the same language. You wouldn't culturally compare people from Oxford to people from Texas either."



Country	Company Profiles	Famous Companies
•	When you think "Made in Germany" big business like the automobile and tech industries come to mind.	Volkswagen, Daimler, BMW, Bosch, BASF, Siemens, Lufthansa, Telekom, Bayer, SAP
		Startups: Ankerkraut, Blinkist, N26, Personio
	But, 99% of SMEs are startups and small businesses rather than the big players. But you will recognize some bigger names. Many export/import companies.	
•	Known for its banking, luxury and pharmaceutical industries.	Vitoll, Cargill, Nestlé, Roche, Novartis
		Startups: Flyability, Chimpy, Wemakeit,
	Regional, then national, then externally-focused trade.	Flatev
=	Focus on tourism.	OMV, Red Bull, XXXL Lutz, Starbag, Steinacher
	You'll experience a lot of indirect	
	communication. What Germans find impolite, Austrians find elusive.	Startups: Shpock, BitpandaRuntastic

This brings us to another important factor in your success: language! The DACH region may not speak the same kind of German, but what they have in common is that they don't like to deal outside of their native language. So be sure to hire native German speakers or at least those with a <u>C1 level</u> for your sales and customer support teams.

We recommend localizing your product, website, and documentation in German. This will give your brand a boost in trust in the DACH region and make your buyers more comfortable doing business with you.

# The million dollar question: How do you do GDPR-compliant sales in DACH?

#### ! DISCLAIMER

This document can serve as a helpful guide to understanding data protection and e-privacy restrictions, but it is important to note that this is not legal advice. After reading this post, if you require legal advice, we recommend you consult a lawyer who can guide and answer any specific questions related to your case.

All cultural nuances aside, more than anything else, your approach to sales **must** be GDPR compliant. More importantly, **UWG compliant**, which we'll expand on later. Based on the regulations created for the German-speaking market, one thing is for sure: people in DACH do NOT want to be spammed or called relentlessly.

For the whole of the EU, the **General Data Protection Regulation** (GDPR) regulates how personal data is stored and processed. Personal data is data that relates directly or indirectly to a natural person.

#### **OUR ADVICE**

We recommend using GDPR-ready tools and CRM systems!

Data of legal entities, like the registered office of an LLC or an email address that doesn't isn't personalized (*sales@company.de*), isn't considered personal data. However, if you've been in B2B sales long enough, you're probably used to dealing with companies and their employees.

Another regulation apart from GDPR, which applies to all EU member states, the e-Privacy Directive is especially relevant for Sales. Unlike the GDPR, the e-Privacy Directive isn't a blanket regulation for the EU but has to be independently implemented by each of the EU member states.

Germany implemented the e-Privacy Directive as the UWG (Unfair Competition Act) and Austria, the Telecommunications Act 2021 (TKG).

Under the GDPR, a lot of marketing or sales activities can be based on <u>legitimate interest</u> of the company doing the outreach in the marketing of their products or services, improving and promoting said products and services, and growing their business (such interest is expressly referenced in recital 47 of the GDPR).

#### **WHAT IS LEGITIMATE INTEREST?**

Legitimate interest means a company can collect and process personal data for a legitimate reason. The individual's rights and freedoms do not override this legitimate interest. A company must consider whether their reasons for processing an individual's information are more important than their right to privacy and protection of personal data.

#### Switzerland is the exception

Since Switzerland isn't a member of the EU, the GDPR and e-Privacy Directive don't apply.

#### The Swiss have their own regulations:

- The Federal Act on Data Protection (FADP)
- The Federal Act on Unfair Competition (UCA)

Because Switzerland is located in the heart of Europe and has close economic ties with the EU member states, Swiss law is still heavily influenced by EU lawboth in the context of content and interpretation.

As of September 1st, 2023, the Swiss Federal Data Protection Act will come into effect, and it will be primarily based on provisions found within the GDPR. So, when we refer to GDPR, we mean the new Swiss Federal Data Protection Act.

#### ! PLEASE NOTE

The FADP regulates data processing by federal bodies in Switzerland, including private companies and individuals. In Switzerland's cantons (or administrative districts), data processing is handled at the cantonal level. This means each canton in Switzerland has its own data protection regulations!

Unlike the GDPR, the FADP does not require a legal basis for processing personal data by non-public bodies. It works solely on an opt-out basis. In short, if the individual doesn't want their personal data processed, they must object to it. As long as you adhere to the regulations of the FADP and the individual has not objected, non-public entities (private companies, etc.) can process personal data.

So, you've observed the GDPR and FADP, and your prospect hasn't objected/ opted out of data processing. Smooth sailing for your outreach, right?

**Wrong.** The GDPR and FADP only cover how you process your prospect's personal data. The UWG, the TKG in Austria. or Switzerland's UCA-The Federal Act on Unfair Competition-covers how your sales team reaches out.

#### In short:

- The GDPR and FADP regulate how you handle a prospect's data.
- The UWG, TKA, or UCA regulates how you reach out to that prospect.

Here's a breakdown of the outreach regulations for each DACH country:

#### **Country Telephone EMail** Social Media (business networks) Cold calling is common. Be No cold emails without consent. A A gray area! Although recent case sure your product or service double opt-in is required. law in German indicates that courts will benefit your prospect's might qualify electronic messages in company (presumed **Exception:** social networks as emails which If you collected the email address would mean that the same consent). through a previous sale, and you requirements apply to messages in business networks like LinkedIn as intend to email for cross or upselling to cold emailing. purposes, then you can email. Your email must then give your customer Be sure to monitor further the option to opt out. developments and also review the Terms of Use for the network you're using. Some special rules may apply. + Cold calling is common. No cold emails without consent. A gray area! Since business Be sure your product or The double opt-in is required. networks like LinkedIn are set up service will benefit your for business dealings, reaching out prospect's company **Exception:** via direct message is usually ok. (presumed consent). If you collected the email address through a previous sale, and you Presumed consent comes into play intend to email for cross or here so be sure your offering upselling purposes, then you can matches your prospect's needs. email. Your email must then give your customer the option to opt Be sure to review the Terms of Use out. for the network you're using. Some special rules may apply! Cold calling is common. No cold emails without consent. A gray area! Since business Be sure your product or Unlike in Germany or Switzerland, networks like LinkedIn are set up service will benefit your the double opt-in isn't required in for business dealings, reaching out prospect's company. Austria but recommended. via direct message is usually ok. Presumed consent applies here since sales calling **Exception:** Presumed consent comes into play requires prior consent from If you collected the email address here so be sure your offering your prospect. through a previous sale, and you matches your prospect's needs. intend to email for cross or upselling purposes, then you can Be sure to review the Terms of Use

email. Your email must then give

your customer the option to opt

out.

for the network you're using. Some

special rules may apply!

Country	Mail	Trade Shows
_	The most UWG compliant outreach method.	A great way to generate leads.
	You can send flyers or a prospectus via post, but	Some of the more popular trade shows:
	if your potential customer has a "No soliciting" sticker on their mailbox, your mail won't reach them.	IAA, Hannover Messe, bauma, dmexco, OMR, Essen Motor Show, IFA.
•	The most UCA compliant outreach method.	A great way to generate leads.
	You can send flyers or a prospectus via post, but if your potential customer has a "No soliciting" sticker on their mailbox, your mail won't reach them.	Some of the more popular trade shows: BEA, Swissbau, Geneva International Motor Show, Inventions Geneva, Olma Messe St. Gallen, Baselworld
=	The most TKG compliant outreach method.	A great way to generate leads.
	You can send flyers or a prospectus via post, but if your potential customer has a "No soliciting" sticker on their mailbox, your mail won't reach them.	Some of the more popular trade shows: Euromat, Austropharm, Renexpo Austria, Smart Automation Austria

#### How to reduce your risk of penalties in 7 steps

#### 1. Outreach

Personalize your outreach message and address your prospect with the appropriate salutation.

#### 2. Proofread

If you send out automated marketing emails, be sure you've cleaned everything up. Nothing looks less professional than an email to someone that starts with "Dear [Name]" and will end up in the trash!

#### 3. Addressee

Is the person you're reaching out to the one you wanted to contact? Is the email address going to someone else? Be sure to clean up your data records.

#### 4. Channel

Ensure you're allowed to use the outreach method to contact your prospect.

#### 5. Subject line

Check if a pre-contractual agreement is in place, if there's a recommendation, or if legitimate interest comes into play. Then, hit them with a great hook using any new or current information about their company: "I'm reaching out today because...".

#### 6. Disclosure obligation

Be sure to inform your prospects about your privacy policy when processing their data— no later than during your first contact. Make sure your policy only contains the necessary fields and values for the sake of information minimisation.

#### 7. Seek legal advice

If you need more clarification, seek legal advice to ensure you know all the risks beforehand.

## Real tips for cold outreach in the DACH market

What kind of GTM ebook would this be if we didn't give you actionable tips for your next pitch on LinkedIn or a sales call? If you need help reaching out to the German-speaking market, don't worry! We've got you covered with some examples but don't forget to make your pitch specific, friendly, and tailored to your prospect's needs.

#### 3 Pitch templates for your next DACH cold call

#### 01. Short 'n' sweet

Hello <your prospect's name>; great that I reached you today. My name is <your first and last name> from <your company>. <Your prospect's name>, I'm calling because many sales managers contact us to learn more about lead generation. Since there are many people here from <your counterpart's industry>, I wanted to find out if this is also something you're currently interested in.

#### 02. More detailed

Hello **<your prospect's name>**. I'm **<your first and last name>** from **<your company>**. We are a(n) **<industry>** company specializing in **<your area of expertise>**.

Our customers typically use our solution for **<customer use cases>**. So, **<your service/product>** is a great way to leverage **<your advantage>** more efficiently, and approach the subject **<your area of expertise>**. Do you also feel this is a great jumping off point?

#### 03. Following up on a lead that went nowhere

**Lead's name>**, a while back, you signed up for a **demo/free test account>** and were in contact with my colleague **colleague's name>**. I wanted to revisit this and ask if you are still familiar with **your company's name>**.

#### Two scenarios can come into play now:

#### If their answer is no:

At the time, you were interested in (your product/service) that offers (your area of expertise)—so everything related to (your topic). Does this all seem familiar to you?

#### If their answer is yes:

Great! Glad to hear that. Please give me a brief overview of the issue you were trying to solve. It must have been acute enough for you to seek a solution, so what changed?

DACH

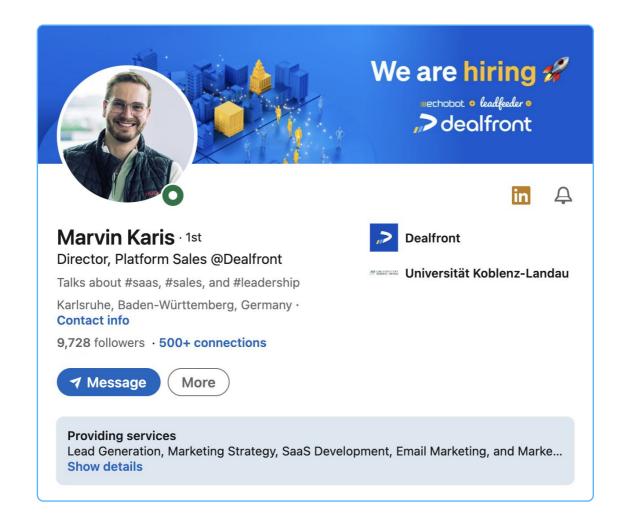
## 4 Tips on how to optimize social selling

An obvious first step would be to actually be on one of the business networks like LinkedIn or sometimes preferred for DACH: XING. Network with your colleagues, friends, customers, and prospects!

Here are four concrete ways you can find success in social selling in DACH:

#### 1. Optimize your profile

Don't begin your journey on business networks spamming people with DMs. Instead, be sure your profile represents you accurately. Choose a headshot that clearly shows the friendly person you are, with good lighting, and that's not blurry! Use keywords that represent what you talk about and your area(s) of expertise. This is your opportunity to get people interested in more.



Your location and how people can contact you should be visible at the top of your profile in the "About" section.

#### 2. Be active and engage with your target audience

You'll be on the fast track to building out your network if you regularly comment or like posts from people in your network. We're not talking about "Hey Sarah, great post!". Instead, **show** how you can contribute meaningfully to a conversation with your expertise and opinions.

**Our tip:** spend around 30-45 minutes building your business network presence daily.

#### 3. Create your own posts and content on a regular basis

If you're serious about getting into social selling, you must understand that social media is an entirely different animal than cold calling or speaking to people at a trade show. The reality is that your chance at **success via a DM on social media is relatively small**.

However, if you post regularly and engage with your audience, you become visible as someone who they can also engage with. They will start seeing you as your area's go-to person and want to know more. Let your posts and comments speak for themselves—you will find your people.

#### 4. Send DMs that don't get sent to the trash

You've definitely experienced this: your InMail is flooded with all kinds of offers, and **you can't tell one from the other**. If you're going to use LinkedIn to send your pitch, you better be creative with it! Craft a message that makes your prospect curious enough to click on your profile.

#### Here are 3 hacks to wow your prospects in an InMail:

- 1 This is a DM, not an email, so ditch the salutation and the "kind regards".
- 2 Did you find a comment or post that your prospect made interesting? Talk about it in the DM! Sometimes the best pitch is no pitch.
- 3 Build rapport and share valuable tips that helped you. Or, perhaps you noticed that your prospect tends to like memes/fun content on LinkedIn-include one in your message.

#### **HEADS-UP**

When sending a direct message to a potential customer with whom you've had no prior business connection, keep in mind the terms and conditions of the social media platform you are using and any local laws regarding "cold outreach" that may apply!

So, we've given you actionable tips on how to reach out compliantly and where to be active. How about some recommendations for tools? *Coming right up!* 

## Tools to run your well-oiled sales machine in DACH

You may have heard that the German-speaking market is fairly traditional, if not downright old-fashioned. But the thing is, even those kinds of businesses need tools to get the job done.

Here are our tool recommendations that will help you build and support your strategies in the long term. Most importantly, get tools that fulfill the **data security requirements** of the DACH region.

#### Here are some of our recommendations:

- ✓ A reliable CRM system: SuperOffice / HubSpot / Salesforce
- ✓ A practical prospecting and lead generation tool: Dealfront
- A tool for data hygiene and maintenance: <u>Dealfront</u> / Clearbit
- A sales enablement tool: Calendly / Loom
- A sales engagement tool: InsideSales (formerly Xant) / Outreach
- ✓ A tool to create & sign contracts online: Pandadoc / Docusign

Of course, the tools you choose depend on your organization's size and field of business. **Try different tools and get advice** on what might work best for your company and teams. It's usually only through comparison that you can get a good overview of what works and what doesn't.

# The last step to your success: The sales process and closing in DACH

In terms of decision-making, the German-speaking region is often still fairly traditional. Especially in those family-owned and run businesses, the final decision still lies in the hands of the big boss or, at the very least, a few key decision-makers.

For this reason, in the context of B2B sales in DACH, **it's essential to include all important decision-makers from the beginning** and in the product demo. They place a lot of value on a clear and logical structure during a sales pitch–also concerning the time.

#### That means you must communicate the following:

- · the information you're going to share, and
- when you're going to share it.

And, of course, you've prepared your **logically structured offer** with all the relevant information before you've even gotten that far. Don't make people ask questions you could have already answered! **Keep your promises.** Nothing turns people off in the DACH region like "We'll see - I'll be in touch!".

"Don't make assumptions! Never assume you know all about what your prospect's pains and needs are because you can't lump the Swiss, Germans, and Austrians together. Instead, start every conversation with an open mind, ask lots of questions, and really actively listen!"



**Antina Sommer**Senior Sales Enablement Manager @ Dealfront.

#### Do's When Selling in DACH

- Be well-prepared. Know your industry and prospect.
- Have a logical structure that flows through your process.
- Involve all the decision makers in the sales process as soon as possible.
- Keep your promises.
- On't assume! Always ask if you're unsure.

A well-prepared (pitch) meeting is half the battle won in DACH. Being equipped with information about your prospect's branch/field and their use cases will win you extra points. Of course, a little bit of small talk here and there is ok-your German-speaking prospects aren't robots.

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#### How to win in DACH

Congratulations! You've done it. You've equipped yourself with the knowledge to get started on your successful go-to-market journey in DACH. It wasn't too painful, right? We understand that switching from the English-speaking to German-speaking B2B world can take some time, **but it's absolutely worth it**.

Don't worry. The Swiss, Germans, and Austrians are people like you, and are open to relevant and reputable business propositions that can make their daily work easier.

When you **keep the rules we've outlined in mind**, you'll be on your way to winning over this region. Speak to sales professionals with experience in DACH to get all the insider tips! Otherwise, be authentic, punctual, well-prepared, and a good listener. Finally, remember to observe and implement all our recommended data protection guidelines.

From the Dealfront team to yours—we wish you all the best in your ventures into DACH!

#### Resources

#### Germany's Economy:

- · Statistics on SMEs in Germany
- The German "Mittelstand" as a model for success
- Small and medium-sized enterprises (SME)

#### Austria and Switzerland's Economy:

- 15 Fortune 500 Companies Headquartered in Switzerland
- Austria projection note OECD Economic Outlook November 2022

#### **GDPR and UWG**

- General Data Protection Regulation (GDPR)
- Act Against Unfair Competition (UWG)
- Federal Act on Data Protection (FADP) (for Switzerland)
  - Upcoming (01.09.2023) New Federal Act on Data Protection (nFADP)

#### This ebook was brought to you by Dealfront

Dealfront is the go-to-market platform for Europe that gives businesses everything they need to win leads and close deals.

Dealfront's multilingual Al understands the nuances of European data, so it can access data and insights that other tools can't, all within Europe's complex compliance standards.

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