The Gears of Growth

**Description**

# The Gears of Growth: A Framework for Maximizing Revenue Growth

*"How do I maximize and sustain revenue growth?"*

This is perhaps the most important and vexing question for the majority of business leaders. Of course, the answer to this question is never simple. We find that the leaders who seek simple answers in the vain of "just hire more salespeople," are almost always disappointed with the lackluster results of their investments. We have found that **sustainable revenue growth cannot be achieved by hiring a handful of superstars, achieving individual acts of heroism, or by implementing a single hack.** Rather, it is a set of interconnected decisions and compounding actions made by multiple people in multiple departments. It is the right strategy, the right organization design, the right process design, the right hiring and training, *and* then you have to beat the competition with excellent execution. In other words, it's complicated.

In an attempt to simplify this conundrum, we've created a repeatable framework for Revenue Growth
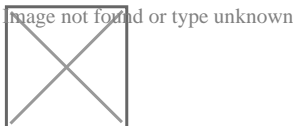


**Gear 1 – Market Focus:** This is the most important gear (and often the least talked about one) that will set the tone for the entire organization. If we get this wrong, we will always be under-optimized. In this step, we must choose where and how to compete and determine the *real* market opportunity.
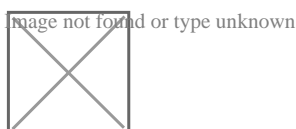
Key Items Include:

- Target Market and Ideal Customer Profile – who am I serving? Who is a good prospect, who is a bad prospect and why?

- Customer Pain and Opportunity – what problem am I solving for the customer? What are their alternatives to buying from me? What is the *consequential pain* that I resolve?
- Buying Center Roles and Buyer's Journey – how do these customers purchase and make decisions? Who is involved in the process? What are their budgets for my area?
- Our Unique Business Value – what is our unique business value and differentiation? What customer job are we doing? What pain are we addressing or what benefit are we providing?, and how does it differ from others providing similar solutions?
- Our Story and Messaging – how will we communicate this consistently in our marketing materials and sales activity in a way that will create urgency and motivate buying?

Key Metrics and Tools Include:

- Market Size, Market Penetration, Market Share
- Ideal Customer Profile – Target Segments/ Accounts/ Contacts
- Competitive Overview and Product Comparison
- Messaging Guide



**Gear 2 – Go To Market Design:** In this step, we must determine how to and where to invest in growth and how to organize to capture the market opportunity.
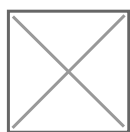
Key Items Include:

- What Can We Afford Analysis? – Based on unit economics, sales cycle, and customer acquisition cost, what type of Sales and Marketing organization do I need long term and what can I afford today?
- Budget and Targets – How much do I have to spend on growth? What is my target ROI and payback?
- Team Structure – How will I organize? Do I need a VP of Sales, VP Marketing? At what stage do I I need Sales Operations?
- Product / Pricing / Legal – Is this product "bought" or "sold"? Is it a negotiated transaction or a click-thru agreement? What are the term of my agreements?
- Direct vs Indirect Sales – Do I hire my own sales team or do I go through channels or distribution?
- Market and Account Coverage – how many salespeople do I need to cover my geographies? Do I need a vertical sales team?
- Outbound Marketing (Spears) vs Inbound Marketing (Nets) – Do I create "nets" to capture customers or do I use "spears" to go hunt them? What is the optimal mix?

Key Metrics and Tools Include:

- Unit economics
- Customer Acquisition Cost (CAC) and CAC Payback
- Lifetime Value / Customer Acquisition Cost (LTV/CAC)
- Revenue Growth Goals and Capital Efficiency Requirements

- Sales and Marketing investment / Revenue



**Gear 3 – Lead Acquisition:** In this step, we determine how to capture the number of leads needed to power the growth engine

Key Items Include:

- Inbound Lead Gen "Nets" – how do you get customers to come to your website and convert? Includes content marketing, thought leadership, and advertising
- Outbound Lead Gen "Spears" – systematically reaching out by email, events, or calling to get prospects interested in your offering
- Channel Lead Gen – getting affiliates and partners to find prospects for you
- Foundational Marketing – how do I build my brand to "set the tone" for my growth initiatives?

Key Metrics and Tools Include:

- Leads Per Month (raw and qualified)
- Lead Growth Rate – if you want to continue to grow sales off a bigger base, your leads have to keep increasing!
- Lead Conversion Rate
- Cost Per Lead
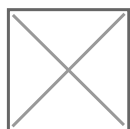


**Gear 4 – Sales Execution:** In this step, we determine the sales motion and management to WIN a *disproportionate* share of the business in our target segments and key accounts
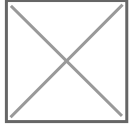
Key Items Include:

- Lead Qualification – what is a good lead and a bad lead?  How do I not waste time on deals that we have no chance of winning?
- Sales Process – given my ideal customer profile, the buyer's process, and my product attributes, what is my ideal selling motion to maximize my chances of winning?
- Sales Hiring and Enablement – finding and training the very best in your market segment, and getting productive as fast as possible
- Sales Ops, Coaching, and Management – managing pipeline, forecasting and maximizing productivity of your team
- Contracting and Closing Process – getting to "yes" and removing friction in the last mile

Key Metrics and Tools Include:

- Bookings per month/quarter and Bookings Growth

- Pipeline Growth
- Win Rate
- Sales Productivity
- Sales Forecast Accuracy
- Sales Presentations, Tools & Playbooks



**Gear 5 – Customer Success and Retention:** In this step, we maximize the lifetime value of our customer base.  We cannot achieve breakout growth if we are losing customers just as fast as we get them!

Key Items Include:

- Fulfillment / Onboarding – after we make the sale, how do we remove friction and shorten time-to-value?
- Retention – minimize the triggers that make customers want to leave
- Cross-sell / Upsell – increase share of wallet by expanding usage of core product or by solving more problems for the customer
- Product Utilization & Feedback – making our product better by listening to users
- Advocacy – getting our best customers to advocate on our behalf

Key Metrics and Tools Include:

- Billings / Collections
- Revenue Retention / Logo Churn
- Customer Lifetime Value (LTV)
- Net Promoter Score (NPS)
- Case Studies and Other Advocacy

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