

Creating Clarity and Confidence For Your Team in a Year Like No Other

Presented by: Josh Horstmann & Norma Nieto

November 15th, 2022

Agenda

01

SBI's Value Creation Compass

02

Assessing the Maturity of Your Organization

03

Executive Alignment for FY23

04

Next Steps & Recommendations

01 SBI's Value Creation Compass

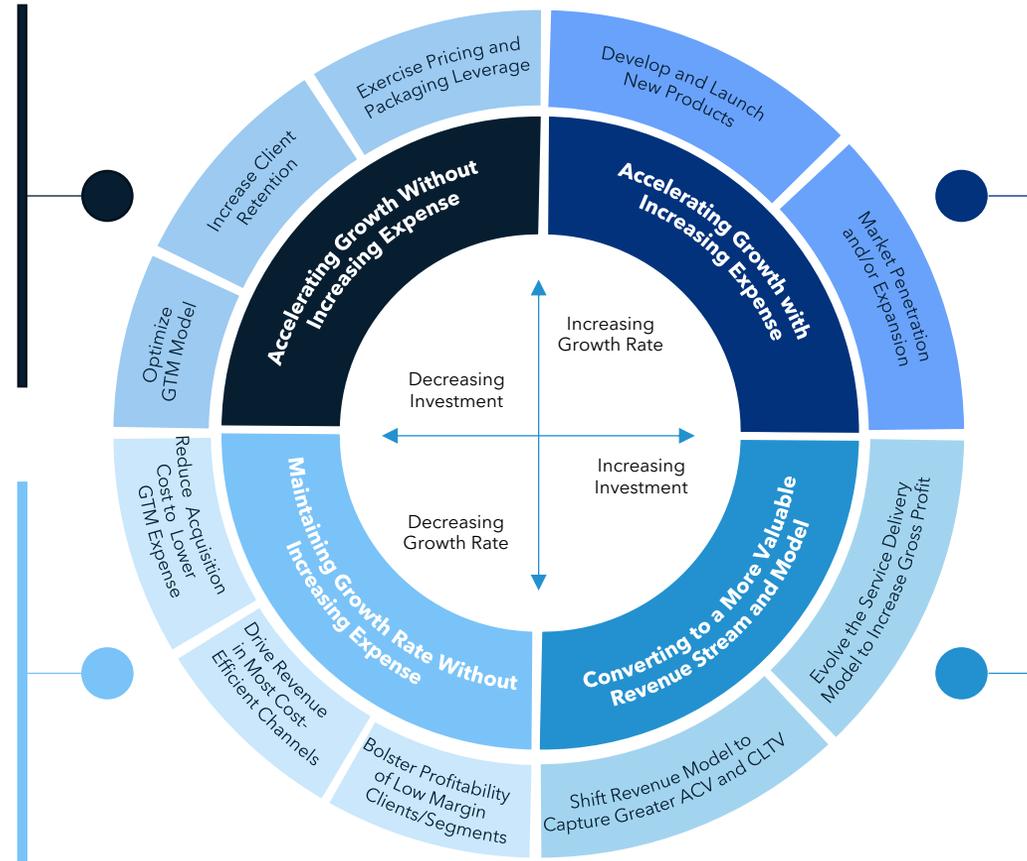
SBI's Growth Oriented Value Creation

SBI helps commercial leaders stitch together a focused growth strategy with the right bets to create the most value

SBI's Value Creation Compass

Accelerating Growth Without Increasing Expense: Companies in this quadrant have commercial spend levels commensurate with peer benchmarks, however, the business is not growing at the expected rate given those investments, requiring productivity gains

Maintaining Growth Rate Without Increasing Expense: Often seen in public-take-private scenarios or large legacy businesses, this quadrant describes businesses that are commercially overspending, yet achieving sub-standard growth rates



Accelerating Growth with Increasing Expense: This is an “art of the possible” thesis for high-growth companies focused on extracting breakout growth with increased investments in commercial functions

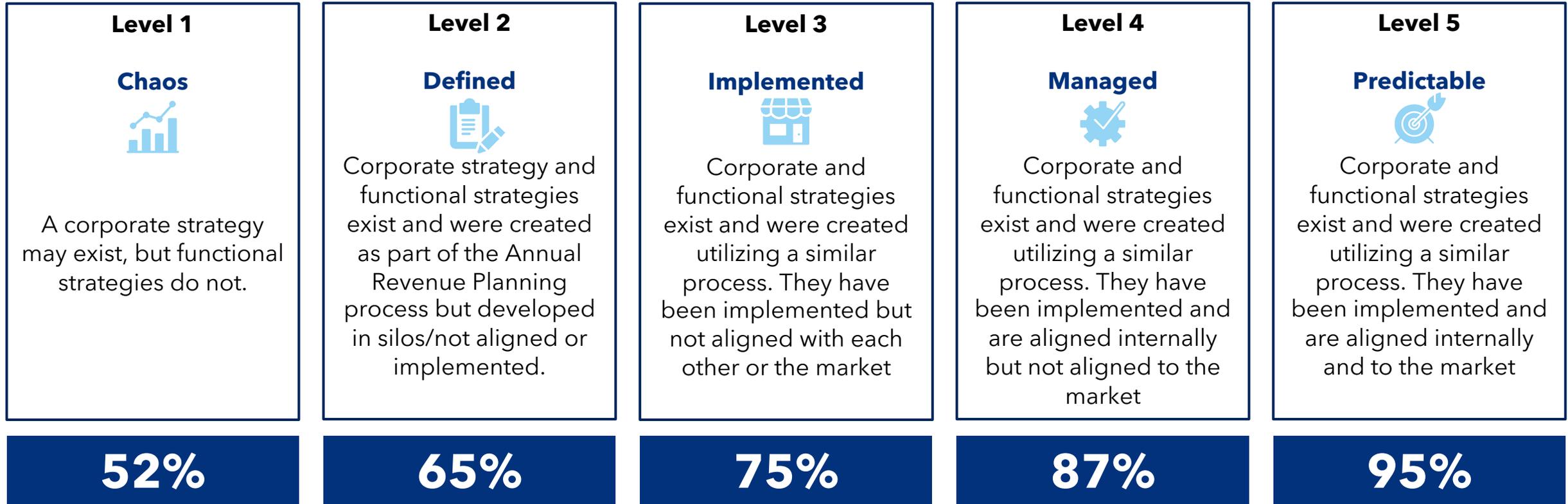
Converting to a More Valuable Revenue Stream and Model: Often a use case for shifting the revenue model dramatically (e.g., on-prem to SaaS revenue model conversions), these companies focus on making a step-change in their revenue model to drive future growth and enterprise value creation

Once You Have Identified the Growth Imperatives, the Next Step Is to Review the Growth Levers That Will Move the Needle in '23

Commercial Strategy & Structure	Growth Office	Commercial Talent	Marketing	Sales	Customer Success	Pricing
Growth Lever Identification	Charter & Structure Design	Commercial Talent Strategy	Marketing Strategy	Sales Strategy	Customer Success Strategy	Pricing Strategy
Growth Lever Design	Governance & Accountability	Role Profile & Metrics	Buyer Segmentation, Personas, Journeys	Account Segmentation	Customer Success Org. Design	Competitive Value & Price Analysis
Revenue Model Identification	Operating Cadence	Sourcing & Recruiting	Marketing Org Design	Buyer Segmentation	Customer Onboarding	Willingness to Pay and Value Analysis
Revenue Model Design	Metrics, Analytics & Reporting	Onboarding	Product & Solution Marketing	Sales Org Design	Renewals	Margin Leakage Analysis
Go-to-Market Strategy	Data & Technology Activation	Competency & Capability Assessments	Brand & Awareness	Channel, Partner, & Ecosystem	Customer Advocacy	Price Setting
Go-to-Market Design		Performance Management	Value Prop & Messaging	Territory Design & Quota Setting	Enablement & Training	Deal Desk
Customer Experience Design		Employee Experience	Content Marketing	Compensation Planning	Customer Success Operations	Negotiations Capability or COE
Customer Experience Planning		Competency-Based Training	Demand Creation	Sales Process		
		Coaching Program Design & Execution	Account Based & Customer Marketing	Prospecting & New Logo Generation		
			Marketing Process Management	Sales Pipeline & Forecasting		
			Marketing Operations	Sales Operations		

02 Assessing the Maturity of Your Organization for FY23

A higher maturity score equates to increased effectiveness and the likelihood of meeting your REVENUE GOAL



% chance to make the number



As you execute your prioritized growth initiatives, track your progress over time

	Level 1 - Chaos 	Level 2 - Defined 	Level 3 - Implemented 	Level 4 - Managed 	Level 5 - Predictable 
Growth Strategy & Interlock	Corporate documented.	Corporate deployed, functional documented and cascaded.	Corporate and functional built collaboratively but executed in silos.	All strategies reflect customer and market insights, and functions are interlocked.	Market and customer-focused strategies documented, cascaded, and iterated quarterly or faster.
Annual Planning	Fire drill.	Siloed, disparate views of fact base.	Well managed project with agreed upon fact base, clear ownership.	Programmatic multi-year view aligned to strategy.	Program that is dynamically aligned to changes in the industry and market.
Customer Experience (CX)	Customer Journey not considered or understood.	Components of Customer Journey documented.	End to end Customer Journey well documented, and key points of friction identified.	Tiger teams addressing the most impactful points of friction.	Solutions command price premiums because of meaningfully differentiated customer experience.
Sales	Misaligned approach to coverage.	Deployed multiple sales channels to align to customer value.	Multiple routes to market in place, including Partner, Inside, Field, and Strategic Accounts.	Digital transaction capability in place for "long-tail" customers.	Dynamic coverage model aligned to changes in CLTV and CAC.
Customer Success	Customer Success team not yet deployed.	Customer Success team deployed.	Documented renewal processes in place.	Proactive onboarding, value messaging, and expansion processes in place.	Processes aligned to Customer Journey and preferences..
Pricing & Packaging	Reactive pricing & discounting.	Willingness to pay by customer segment is understood.	Packages tailored for different customer segments implemented.	EBITDA / NPS impact of pricing actions are understood.	Revenue maximized by fully implemented pricing & packaging strategy.
Revenue Marketing	Haphazard approach in place.	Defined marketing strategy tied to revenue objectives.	Disciplined campaigns with content tailored to buyer segment and buyer journey.	Orchestrated and purposeful motions across all channels and full alignment with sales.	Attribution modeling that articulates return on marketing investment to inform agile marketing planning.
Growth rate relative to industry & competitors	Below industry and competitors.	At industry, behind some competitors.	On par with industry, some competitors outpacing.	Ahead of industry and some competitors.	Ahead of industry and all competitors.

SBI Maturity Model Overview- If you need help...

What is it?

The SBI Maturity Model is a scored self-assessment for your whole team to identify if your executive team is aligned

What areas do we assess?

Commercial Strategy & Structure

Growth Office

Commercial Talent

Marketing

Sales

Customer Success

Pricing

1

Take the Assessment

2

You will get an immediate response of how you scored on the assessment.

3

The output will identify areas that you should focus on.

4

In addition, SBI can review the responses across your executive team and provide feedback on where the team is aligned or mis-aligned.

5

This will provide you with additional analysis of opportunities the executive team may want to spend time improving

Once you have completed your assessment, you can focus on the areas that are gaps within the executive team impacting revenue growth.

- ✓ Use the SBI Maturity Model to Measure Company Effectiveness As your organization moves up the maturity model, Customer Acquisition Cost (CAC) will decrease and Customer Lifetime Value (CLTV) will improve.
- ✓ Companies that reach Level 5 accelerate revenue growth faster than their industry and their competitors. Because they have a 95% chance of making their number, they can predict their future with accuracy.
- ✓ Use this model to determine which strategies and tools can be deployed, and in what sequence, to effectively drive change within the organization.



03 Areas of Executive Alignment for FY23

How would you rate your readiness on the following statements?

	Statement
Revenue Growth Strategy	Our organization tracks key KPIs to align our go-to-market strategy.
	We clearly define a plan for how we will achieve our annual and quarterly revenue goals.
	We have a market/competitive intelligence program with outlined goals and objectives to determine needed product innovations and new go-to-market approaches.
	We have documented our buying personas and their buyer journeys to get a more objective response.
	We have performed account segmentation and know the current and potential revenue of each account.
	We maintain alignment of our functional strategies to ensure all groups are working together to achieve the same revenue growth objectives.
	We proactively collect insights and feedback directly from customers to measure, manage, and predict the customer's experience.

How would you rate your readiness on the following statements?

	Statement
Commercial Strategy & Structure	We have prioritized a manageable set of organic and inorganic growth levers (market penetration, market development, new product introduction, etc.) we will pursue in the next 2-3 years
	We have quantified the impact of each lever on our revenue over the next three to five years
	Our leadership team agrees our revenue model maximizes customer lifetime value
	Our revenue model is designed to maximize company valuation
	Our GTM/distribution model is designed to make it easy for customers to buy from us
	Our GTM/distribution model is optimized for customer acquisition cost
	Our GTM/distribution model gives us optimal coverage of our total addressable market

How would you rate your readiness on the following statements?

	Statement
Marketing	Our revenue marketing budget is data-driven, and carefully tied to return on marketing investment (ROMI)
	We have clearly defined Marketing's contribution to revenue goal
	We have modeled the impact of marketing in creating lower customer acquisition costs and increased funnel velocity
	We have modeled the impact of marketing in expanding customer lifetime value
	Our martech stack is governed by a clear roadmap, with analytics scrutinizing the return on marketing investment (ROMI) of these tools
	Our marketing spend and tactics (e.g., inbound vs outbound demand gen, ABM, partner activation, etc.) are driven by analytics, and vary according to market segment

How would you rate your readiness on the following statements?

	Statement
Sales	Our sales force is capable of delivering insightful conversations with our target buyers that naturally lead them to value our products and services
	Our sales capacity is deliberately aligned to target market segments, and our coverage model ruthlessly prioritizes our highest growth potential
	Our current sales coverage and capacity modeling present a credible path to growth goals at the margin targets required by our business
	We have a data-driven approach to operating our sales organization, with capacity, coverage, territory, and quota disciplines tightly aligned to growth mandates
	We are able to assess the success of sales enablement initiatives, systematically directing investment toward effective practices, and away from suboptimal ones
	Our sales tech stack is governed by a clear roadmap, with analytics scrutinizing impact on sales productivity and account growth

How would you rate your readiness on the following statements?

	Statement
Sales	Our sales compensation plans are market competitive.
	Our sales compensation plans enable the company to achieve revenue targets.
	We deploy consistent commercial processes that allow us to reliably predict our future performance based upon our current pipeline of opportunities.
	We drive more revenue through our key partnerships.
	We have assigned the right commercial resource(s) to each type of account.
	We have designed an education plan that equips the commercial team with the knowledge and tools to effectively deliver on our revenue targets.
	We have the right headcount assigned to each type of account.

How would you rate your readiness on the following statements?

	Statement
Customer Success	We collect customer experience data at both the point of transaction, as well as broader relationship health
	We have defined processes and capabilities to rapidly act on customer experience data and friction points
	We have established an omni-channel engagement model, allowing customers to interact with us in a consistent manner across digital and live channels
	We have defined the optimal customer lifecycle and experience to ensure rapid time-to-value, ongoing value realization, retention, and expansion
	Our customer success team demonstrably increases client engagement with our products and services
	We have established clear governance for customer success which minimizes redundancy in our service model and account ownership disputes
	Our customer success team has reduced time-to-value (TTV) for our clients over the past 1-2 years
	We are able to demonstrate both account retention improvements and account growth/wallet expansion resulting from our customer success interactions

How would you rate your readiness on the following statements?

	Statement
Commercial Talent	We have critically evaluated our GTM talent competencies against proven best-practice standards for today's GTM dynamics (i.e., digital buying, virtual selling, and highly informed customers)
	Time to productivity for a new seller in a new territory is appreciably lower than industry standard
	Our revenue generated per sales/marketing/CS headcount is above industry standard within our sector, highlighting our ability to activate our talent
	Our staff retention rates are in line with our industry and geos, demonstrating our ability to appropriately retain talent
	Our time to fill empty sales territories is rapid enough to mitigate empty/unworked territory, demonstrating a sufficiently strong talent pipeline to ensure sustained growth rates

How would you rate your readiness on the following statements?

	Statement
Commercial Talent	We assess individuals by role against a customized profile to identify strengths and gaps using the top-grading methodology.
	We identify and develop high-potential candidates and groom them to fill key leadership positions within our organization.
	We proactively search for "A-Player" talent and keep a "bench" of high-potential candidates capable of filling current or future key roles in our go-to-market strategy.
	We produce individual development plans for each member of the go-to-market team that reinforces the necessary behaviors to achieve high performance.
	We use competency-specific profiles for "A-Players" in all key commercial roles.

04 Next Steps & Recommendations

Especially during uncertain times, Annual Planning should follow a five-step process to align GTM functions with strategic growth priorities

STEP 1: Establish Fact Base

Revenue Operations should lead the collection of data to establish the company's fact base as the foundation of the Annual Revenue Planning process

How to do this:

- Evaluate your firm's performance to understand how you are executing against KPI's
- Use leading and lagging indicators to evaluate which metrics are key to your firm's goals
- Leverage identified metrics to decide which initiatives will help you make your number

Look-Back Fact Base

01	02	03	04	05
Sales & Marketing Productivity	Sales & Marketing Plan	Market Positioning	Revenue Goals	Customer & Programs

SBI | Establish Fact Base | Inventory Bets | Place Bets | Build Revenue Plan | Execute & Rollout

STEP 2: Inventory Bets

Executives should utilize this template to consolidate the inventory of bets across the organization

Bet #	Bet	Definition	Evidence	Learning	Business Cost - Impact to Revenue
001	CRM Transition	Identifying strategy, which encompasses lead generation, sales, and customer support	Market Growth 20% Year	Not planning high potential programs	\$0.00
002	Product Line High	Market Investment	Market Growth 20% Year	Lead following	\$0.00
003	Lead Base Top High	Launch New Channel/Initiative	Customer base growth	Customer base growth	\$0.00
004	Client Base Unavailable	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
005	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
006	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
007	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
008	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
009	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00
010	Low Future Revenue	Customer Success Retention	Client +15%	Client base high cost client	\$0.00

SBI | Establish Fact Base | Inventory Bets | Place Bets | Build Revenue Plan | Execute & Rollout

STEP 3: Place Bets

Evaluate and place 3-5 bets based on time to realization, level of effort, and impact on enterprise value

Executive team collaborates to select 3-5 initiatives that are large impact, achievable, and aligned towards a common commercial goal

Classifying the time, effort, and KPI's of bets allows executives to make objective, informed, and data-driven decisions on which to place strategic bets. Consider an alpha to beta strategic commitment, allowing you to plan and change as needed.

Time to Realization: How long before you see return on your investment? (1 Month, 3-12 Months, 12+ Months)

Level of Effort: How many resources and changes will this bet require? (Low, Medium, High)

Impact on Enterprise Value: How much return or your investment can you expect?

LEVEL OF EFFORT

TIME TO REALIZATION

SBI | Establish Fact Base | Inventory Bets | Place Bets | Build Revenue Plan | Execute & Rollout

STEP 4: Build Revenue Plan

The revenue plan identifies how the 3-5 selected bets will impact financial targets across five levers of revenue growth

A Good Revenue Plan

- Identifies where you can expect to clear revenue growth through five levers
- Identifies how bets will impact the different levers of revenue growth and where future and current investments
- Considers how investments that are high cost and high effort will impact the different levers of revenue growth
- How should you align with bottom up projections and how they impact your company's ability to meet the high-growth market through additional capacity, quality, or a new product?

Lever for Revenue Growth	Illustrative					
	New Logo	Cross-Sell	Upsell	Price Change	Churn	Total
Current Bottom Up Capacity	\$ 20.0	\$ 4.4	\$ 2.8	\$ 3.7	\$ (2.6)	\$ 28.3
Net 1 - CRM Transition	\$ 1.8	\$ 1.8	\$ 1.2			\$ 4.8
Net 2 - Talent Investment	\$ 1.8	\$ 0.0	\$ 0.4			\$ 2.2
Net 3 - Launch New Sales	\$ 1.5					\$ 1.5
Net 4 - Customer Success Retention	\$ 1.8	\$ 0.4	\$ 0.2		\$ (0.2)	\$ 2.2
Net 5 - Pricing Improvement	\$ 1.8	\$ 0.0		\$ 0.3		\$ 2.1
Net 6 - Support & Onboard	\$ 0.8	\$ 0.0				\$ 0.8
Net 7 - Launch New Product	\$ 1.2	\$ 2.3				\$ 3.5
Bottom Up Capacity	\$ 45.4	\$ 4.2	\$ 0.4	\$ 4.0	\$ (2.7)	\$ 51.3
Top Down Board Number						\$ 72.0
Gap to Goal						\$ 20.7

SBI | Establish Fact Base | Inventory Bets | Place Bets | Build Revenue Plan | Execute & Rollout

STEP 5: Execute & Rollout

Best practice sequencing for annual revenue planning....Determine if your firm needs to adjust any of its GTM levers to execute the bets you plan

Market leading growth executives take a programmatic approach to how they plan for an Acceleration Summit (AKO). These are 7 key workstreams that they complete in advance of the summit.

04 Months Prior	03 Months Prior	02 Months Prior	01 Month Prior
1. Account Segmentation: Understand which customers and programs to focus first to prepare for the next 12-18 months.	2. Strategic Rollout: Use the top priority of Account Segmentation to focus your efforts on the most important programs and the most effective "reach levers" to drive growth.	3. Coverage Plan: Determine how to take the most area of focus internally, or if you need to hire or outsource, you need to hire and build a plan to transition your workstreams to a program.	4. Financial Assessment: Determine how to take the most area of focus internally, or if you need to hire or outsource, you need to hire and build a plan to transition your workstreams to a program.

SBI | Establish Fact Base | Inventory Bets | Place Bets | Build Revenue Plan | Execute & Rollout

Where are you now?

- Understand how far along your company is on the Revenue Growth Maturity Model to make stage-appropriate bets
- Evaluate your firm's performance with leading & lagging indicators to understand how you are executing against KPI's

What are ways you can achieve growth?

- Executive leaders work with their teams to evaluate how and where they can contribute to growth
- Executives gather to discuss and evaluate the possible levers to exact strategic priorities

What are your goals and how can you achieve them?

- Led by the CEO and CFO
- Evaluate based on time to realization, level of effort, and impact to revenue
- CEO and CFO narrow down the list of bets to the top 3-5 strategic priorities for focus

How do you narrow your options and select the best ones?

- Define growth targets
- Use bottoms up analysis to determine what can be achieved
- Define the gap to growth targets
- Create a revenue plan for how GTM teams will align to execute the bets and achieve targets

How do you execute on the bets you placed?

- Use a detailed execution cadence to align the GTM teams to drive desired results
- The executive team sets the annual priorities, commercial leaders will then break initiatives into quarterly and weekly priorities

There are steps that should be taken to introduce the plan at an SKO or similar annual strategy forum

04

Months Before

1. Account Segmentation:

Understand which customers and prospects are most likely to generate the most 2023 revenue.

03

Months Before

2. Routes to Market:

Use the output of Account Segmentation to ensure your routes to market are the most effective to reach the highest value customers and the most efficient to reach lower value customers.

3. Coverage Plan:

Use the output of Account Segmentation to determine the number of people you will need for each type of role in the coming year.

02

Months Before

4. Org Structure & Design:

Given the understanding of where next year's revenue will be generated, validate that you still have the right org design model. Refresh your headcount and productivity model to ensure you have the right number of people.

5. Talent Assessment:

Determine if you have the next wave of leaders internally, or if you need to source them externally. Identify the A-player reps that you need to retain and build a plan to transition C-player reps' accounts to A-players.

01

Month Before

6. Territories, Quotas, and Compensation Plans:

Market leaders ensure that at the beginning of the Acceleration Summit, every rep has his/her territory, quota, and comp plan.

7. Accelerate the Employee Lifecycle:

Develop an Employee Life Cycle Management Plan which Improves Bookings per Sales Rep through key inflection points in rep tenure.

Schedule a meeting with an advisor to understand what actions will make the biggest impact on your business.

Resources for FY23 Readiness

- sbigrowth.com/sales_kickoff_sko
- sbigrowth.com/annual-planning-resource-center
- sbigrowth.com/maturity-model

Thank You



Josh Horstmann

Senior Partner

Email: josh.horstmann@sbigrowth.com



Norma Nieto

Engagement Manager

Email: norma.nieto@sbigrowth.com