

REVITALIZING GROWTH

ACCELERATE WHILE OTHERS STAND STILL

A PRAGMATIC GUIDE TO PREPARING THE 2021 GROWTH STRATEGY

A word cloud featuring various business and management terms. The words are arranged in a roughly rectangular shape, with some larger and more prominent than others. The colors used are a bright yellow and a dark grey. The words include:

- Complexity
- Volatility
- Uncertainty
- Ambiguity
- Decisions
- Talent
- Management
- Consider
- Agile
- Alternatives
- Question
- Understand
- Competencies
- Leadership
- Industry
- Competitors
- Dilemmas
- Purpose
- Trends
- Solve



EXECUTIVE SUMMARY

In March 2020, the global economy entered a recession. From our previous research, we know that companies fall into three camps with their response:

Survivors – *i.e. playing defense.* Their customers have been massively disrupted and (despite their growth capabilities) they need to cut costs to survive. For example: a \$92M, PE-backed travel software company has no choice but to cut costs.

Observers – *i.e. tactically reacting.* Companies observing industry conditions and making adjustments periodically. For example: a \$1.1B Enterprise software company shifted resources to their SaaS offering. However, they have not made the difficult choice to cut investments to the on-prem offering. Several companies reported a “shift” in pipeline from the second quarter to the second half. Because they have not made strategic adjustments, they face more difficult decisions in the second half.

Accelerators – *i.e. market leaders.* These companies quickly adapt and execute strategies to grow faster than their industry. A \$258M Health Care IT firm sees a shift in demand. This firm shifts their sales team from Providers to Life Sciences. By making the hard choices early, Market Leaders are already in test mode, and can iterate their strategies and extend their lead over competitors.

We spoke with 1,308 CEOs since the beginning of the recession. While the majority are in the “Observer” category, we have found that the “Accelerators” have adopted an agile revenue planning process, and it has helped them outperform their industry. They are adjusting their “agile bets” based on a monthly, quarterly, and rolling four quarter view tied to the three year strategy aligned to their vision.

Market leaders are taking the following **pragmatic** approach:

- **Re-Assess the Revenue Growth Strategy** – What changes must be made over what time frame?
- **Re-Imagine the Commercial Engine** – What is possible in the new landscape?
- **Re-Allocate Resources to Drive Execution** – How do we implement quickly and flawlessly?

This approach has allowed market leaders to focus on strategies that widen the gap between them and their competitors. It has also proven a useful context on how to proactively communicate with their Board, which gives them the latitude to execute the strategies. Market Leaders are pragmatic. One highly successful CEO in PE (who has had 3 top quartile exits in PE in 12 years) described recession as “War Time”...and said in wartime, one must be pragmatic and vigilant. The theme of simplicity and relevant was front and center.

Percent of Companies by Approach

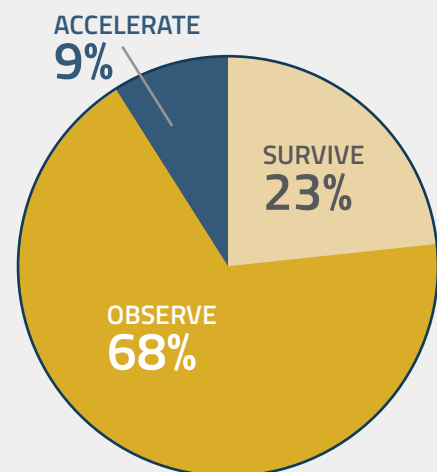




TABLE OF CONTENTS

Introduction	3
Re-Assess the Growth Strategy	7
Re-Imagine the Commercial Engine	10
Re-Allocate Resources to Execute the Strategy	12
Now What? Create the 2021 Plan	14
Appendix	15





INTRODUCTION

Market leaders use the “belief-bet” framework shown below to successfully focus their strategy in a dynamic environment. This framework helps leading CEOs articulate their strategy to the Board. They are rewarded with the confidence of their Board, and the time & resources to execute the strategy.

Belief	Bet	Expected Results	Learning	Next Steps
2Q pipeline pushed to 2H	Nurture opportunities	2H Bookings at 90% of Goal	Opportunities continue to advance	Monitor pipeline health
Buying decision process has changed	Enable the Commercial team to engage the Board	Maintain win rate at current levels	Team is winning deals up to \$500K with Board approval	Review pricing and packaging to deliver under threshold amounts
Customers want to purchase digitally	Accelerate deployment of electronic contracting	Accelerate deal cycle time by 10 days	70% of Q3 opportunities have closed digitally	Prioritize digital fulfillment of product

SBI has seen the acceleration of several trends that were already in place:

- **Digital Evolution** – SBI’s meta-research indicates that 70% to 95% of Digital Transformation efforts fail. In the B2B space, digital commerce accelerated more in 2020 than in 2010-2019. Market Leaders are focused on agile digital Go-to-Market evolution that reduces friction in the customer journey. These pragmatic investments have a rapid impact on revenue. In our CEO interviews, we found that market leaders understand their capabilities, and then align their digital strategies to the Revenue Growth Strategy. We have introduced the Digital Maturity Model to facilitate this process. The maturity model is sequential. Companies must first, for example, establish level 2 capabilities before moving to level 3.

“Our video content went from 5% buyer utilization to 90% utilization in two weeks. Now we are launching Docusign so we can close business digitally.”

CEO, PE Backed,
Hypergrowth Health Care
Software Company



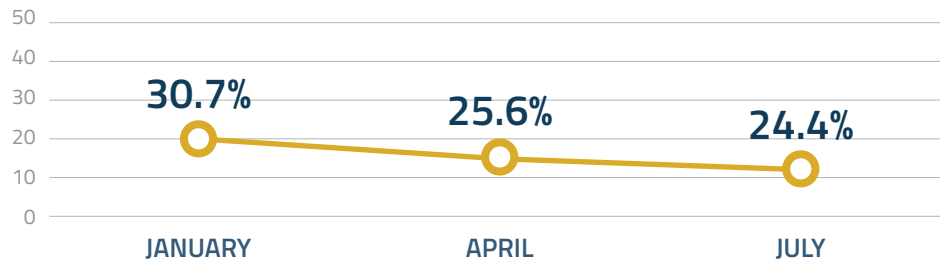
SBI DIGITAL MATURITY MODEL

	Level 1 – Chaos	Level 2 - Defined	Level 3 - Implemented	Level 4 - Managed	Level 5 – Predictable
Growth Strategy & Interlock	Digital used to automate low value tasks.	Digital used to decrease sales and marketing expense as a percent of revenue.	Digital used to increase productivity per seller.	Digital used to improve the customer experience.	Digital used to create a differentiated and superior omnichannel customer experience.
Customer Experience (CX)	Some digital channels are available for service tasks.	Customer service is available digitally (technical support, order status, billing, etc.).	Documented customer journey with prioritized view of where digital can reduce friction.	Ongoing customer listening paths are in place.	Every employee in the Go-to-Market organization understands their role in making each critical success factor in the buying journey a differentiator.
Sales & Customer Success	Tools are in place for commercial teams to listen to customers digitally.	Digital tools are in place to prepare for customer interactions.	Digital tools are in place for the commercial teams to interact with customers digitally (including social media).	Teams have social selling capabilities; in that they engage with customers via social media.	Sales uses digital body language data for prospects and customers to serve up digital content assets based on their digitally expressed needs.
Pricing & Packaging	Price lists published internally to sellers.	Price lists provide sellers instant information on availability.	Sellers can configure solutions packages digitally.	Buyers can self-configure solutions packages digitally.	Quotes can be issued real time, without manual intervention.
Digital Content	Buyers have access to generic digital content. Broad-based targeting of companies in the ideal customer profile.	Content is tailored to the buyer journey. Buyers targeted by firmographics and limited intent signals.	Content is tailored to the buyer journey and persona. Buyers targeted based on account segmentation used by marketing and sales.	Content is personalized and based on a holistic view of the account, the customer, and their behaviors.	Content is presented dynamically with a fully integrated view across channels for a seamless buyer journey.
Revenue Attribution	Marketing generated leads can be identified and tracked.	Digital lead scoring in place.	Digital account scoring based on aligned view of personas.	Demonstrated Revenue attribution, ROMI on digital marketing investments (i.e., SEO, PPC.)	A single dashboard exists which shows ROMI for every marketing mode based on a clear attribution model.
Revenue Operations	CRM fully deployed.	CRM and Marketing Automation tools are aligned and have common data definitions.	Digitally enabled pipeline and forecast management process in place.	Forecast and pipeline management does not require any manual intervention.	Machine learning is applied to the forecast to do scenario modeling and create long term predictive views.
Virtual Selling & Enablement	Specialized virtual selling roles are in place.	Digital tools in place to make virtual sellers more efficient (dialers, etc.)	Internal enablement content is delivered digitally.	Internal enablement content is delivered digitally, and is indexed to the Buyer's Journey.	Data-driven recommendations are made to sellers real-time.



- **Outdated Buyer and Customer Experience** – Buyers have more power than ever, and their preferences have changed more in the last 5 months than the previous 5 years. This has made retention the new growth as Market Leaders go back to the base for growth. Market-leading software companies are focused on creating and documenting value to maximize logo and revenue retention. Value messaging also creates the possibility of cross-sell and up-sell as economic conditions improve. Market leaders are collaborating cross-functionally to improve pricing and packaging, customer marketing, and improving the Customer Experience. Customer Experience in a B2B context is defined as reducing friction throughout the buyer’s journey and being easy to buy from. While laggards are focused on incremental improvements to the Customer Journey, Market Leaders have taken a blank page approach to designing processes that provide a differentiated experience.

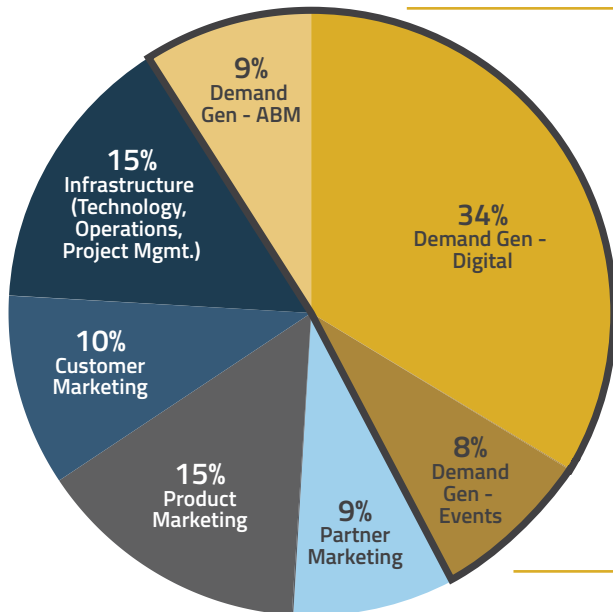
CROs see new logos making up a smaller percentage of 2020 Revenue



Source: SBI CRO Pulse Survey, January, April, and July 2020. 1,227 responses

- **Virtual Sales** – During the “lockdown” period, substantively all B2B sales have shifted to virtual. This is having a permanent impact on how buyers want to interact, and will continue to shift how market leaders allocate resources. Companies in our pulse survey were originally planning on increasing their Marketing budgets from 11.4% to 12.3% of revenue. We saw that accelerators are investing 12.0% of revenue (vs 10.3% for those in the observe camp.) We expect that this will help the accelerators extend their market share lead. Demand generation remains important (representing 51% of Marketing Budgets). Digital Marketing represents 2/3 of demand generation, and 33.9% of the overall budget.

CMO MARKETING INVESTMENT SURVEY



51% of Marketing budget is Demand Generation

Source: SBI CMO Investment Survey, 347 responses

On top of the rapid change identified above, there is still significant uncertainty on the shape of the recovery. We're not yet able to predict if the recovery will be a V, U, W, "square root," "saw," or "Swoosh." The shape of the recovery will likely vary widely by industry, resulting in continued changes to demand drivers. Market leaders are consistently evaluating these changes from their customer's perspective, and translating this into revised account potential. These insights are used to dynamically allocate commercial resources and refresh pricing and packaging to create compelling offers. By aligning pricing & packaging to changes in demand drivers, market leaders can more closely align with their customers.

According to a recent [Fortune](#) survey, 51% of CEOs expect revenue to recover by January 2021. Deciding on the strategy, commercial levers, and execution plan requires alignment of the executive team. The traditional annual planning process must adapt to become more dynamic & agile. Market leaders plan using scenarios that look four quarters ahead, with monthly targets that can determine if the team is on track, so that adjustments can be made rapidly.



RE-ASSESS THE GROWTH STRATEGY

In addition to the market trends highlighted above, market leaders start this process from the outside-in, via market listening, to address these three key questions:

- **What are the demand drivers?** This must be considered in the short (month), medium (quarter), and longer-term (four quarters). While it may be difficult to predict these demand drivers, it is still necessary to prepare. The revenue plan must consider the shift in demand and how the company will detect the change, so that an agile bet can be constructed to respond. Here are some examples of how industries might be impacted:

Industry	Change in Demand Driver	Observer Response	Accelerator Response
Health Care Providers	Liquidity challenges due to second virus wave disrupting profitable elective procedures.	Monitor pipeline from health systems in the affected markets.	Shift investments to ones that accelerate reimbursement from payers. Reduce investments focused on improved patient communication.
Financial Services	Increase in unemployment decreases appetite for additional lending.	Leverage deal desk to prioritize active opportunities.	Proactively deploy content marketing to guide decision criteria towards flexibility of underwriting vs. decision speed.
Various	Industries will return employees to the office at differing rates, number of remote users will vary widely.	Monitor customer usage and deploy retention marketing, prioritize SaaS solution.	Develop new packages and pricing to move away from remote user seat count, and towards customer value generators. Re-allocate commercial spend from On-Prem to SaaS solution.
Life Sciences	Companies that develop successful vaccines will need to ramp supply chains faster than ever.	Monitor life science companies to determine the ones most likely to develop successful vaccine.	Identify supply chain buying centers and begin ABM and content marketing campaign.

- **How are competitors responding to changes in demand?** In our conversations with Software CEOs we are seeing that market leaders are taking actions to protect their customer base, and this has resulted in barriers to entry. This change means increased competition for every deal and more scrutiny on new logos, cross sell, and renewals. Enabling teams to succeed in the more competitive environment will increase win rate.
- **How do buyers want to be served?** Software buying has been moving towards the “digital first” direction for some time. As substantively all commercial activity became virtual, several CEOs indicated they have prioritized digital investments that address key points of friction in their customer journey. This includes additional digital content, ability to demo on a self-serve basis, and in some cases, order and contract digitally.

Revenue planning can no longer be an annual exercise, and this market listening must accelerate. Given uncertainty and pace of change, all of these data points must be constantly and consistently monitored. Market Leaders use a quarterly cadence to review new insights and adjust the strategy. The best strategies start from the outside-in and reflect the capabilities of the team. The Revenue Growth Maturity Model helps identify the capabilities that are in place, and helps firms determine whether to take an offensive or defensive approach to revenue planning. Please see the appendix for the Revenue Growth Maturity Model.



Using the “belief/bet” framework, market-leading CEOs are able to articulate the strategies above as “agile bets.” This construct is also useful when evaluating ideas elevated to them from the executive team, choosing the right commercial levers, and helping them adapt their strategies in a dynamic environment. The three main and mutually exclusive sources of revenue upon which to apply revenue growth levers are Market Growth, New Market Entry, and Market Share Gain (defined in the appendix). Based on our interviews of market-leading software CEOs, here are some examples:

	Revenue Growth Strategy	Revenue Growth Lever	Agile Bet Description(s)
Revenue Growth Effectiveness	Market Expansion	Market Coverage	<ul style="list-style-type: none"> ▪ Accelerator: \$959M Enterprise Software company hiring additional enterprise sales executives to cover key accounts more effectively. Increase bookings per QBSR from \$1.0M to \$1.2M. ▪ Accelerator: \$117M hypergrowth Software Security company launches an inside sales team to capture increased demand. Drive \$5.0M in bookings.
		Partnerships	<ul style="list-style-type: none"> ▪ Accelerator: \$768M Enterprise Software company transitions field sellers to partner managers to capture increased demand more effectively. Re-Allocate 9 FTES and increase partner bookings by 16%.
	Market Entry	Geography	<ul style="list-style-type: none"> ▪ Observer: \$153M SaaS company defers hiring in new markets but maintains marketing investment to respond quickly once demand returns. Drive \$3.2M in-year cost savings. ▪ Observer: \$71M SaaS company growing at 25% CAGR continues hiring plans in markets that show accelerated demand. Expect to see \$1.7M in bookings from new reps.
		Vertical	<ul style="list-style-type: none"> ▪ Accelerator: \$295M Health Care IT Firm shifts new logo sellers from Health Care Providers to Life Sciences companies. Capture 11% incremental revenue growth. ▪ Accelerator: \$149M Security Company accelerates hiring plans for Financial Services coverage. Drive \$16M in pipeline by 12/31/20.
		New Product Launch	<ul style="list-style-type: none"> ▪ Accelerator: \$201M SaaS company accelerates new product launch to capture additional demand from work from home employees. Drive \$20M bookings.



	Revenue Growth Strategy	Revenue Growth Lever	Agile Bet Description(s)
Revenue Growth Efficiency	Market Share Gain	Existing Customers – Reduce Churn	<ul style="list-style-type: none"> ▪ Observer: \$683M Enterprise Software company deploys digital support to increase customer satisfaction and free up customer engagement time. Save 2 Customer Success FTEs and increase customer satisfaction by 16%. ▪ Accelerator: \$1.1B SaaS company increased coverage of the existing customer base to increase logo retention by 7%, and to increase expansion pipeline in the second half by 23%. ▪ Accelerator: \$497M SaaS company digital customer marketing campaign to improve retention by 2%, and free up CS from “long-tail” customers.
		Existing Customers - Upsell	<ul style="list-style-type: none"> ▪ Accelerator: \$106M SaaS company launches customer marketing campaign to accounts with strong health scores, and leverages inside sales capacity to execute sales process. \$5.5M in incremental bookings.
		Existing Customers – Cross-sell	<ul style="list-style-type: none"> ▪ Accelerator: \$247M SaaS company accelerates product launch and enables CSMs to identify opportunities which are referred to Account Executives. Identify \$23M in cross-sell pipeline.
		Existing Customers – Pricing	<ul style="list-style-type: none"> ▪ Accelerator: \$392M SaaS company creates an offer to accelerate renewals at attractive rates in exchange for early payment. Maintained logo retention at 98%. ▪ Accelerator: \$153M SaaS Company deploys new product packaging to displace competitor in adjacent space. Identifies \$6.4M in cross-sell pipeline.
		New Logo	<ul style="list-style-type: none"> ▪ Observer: \$512M Enterprise Software company doubles down on inside sales team to pursue new logos more effectively higher in the segmentation pyramid. Maintain bookings per QBSR, while reducing costs by 40%. ▪ Observer: \$127M SaaS company selectively sacrifices margin to break into new logo accounts with high propensity to buy. Adding 20 new logos, \$1.5M bookings, and \$6.5M expansion pipeline.



RE-IMAGINE THE COMMERCIAL ENGINE

“In late February, we saw our business in China slow down, and decided to shift our focus in the U.S. market to Financial Services, Telecom, and Public Sector.”

CEO, PE Backed Security Company

Once defined, these agile bets are evaluated based on the level of effort and time to realization. Market-leading CEOs use this construct to align their executive teams on the strategy. This is documented in a Revenue Growth Plan, which assigns ownership to the functional leaders. Those functional teams determine how to execute these initiatives.

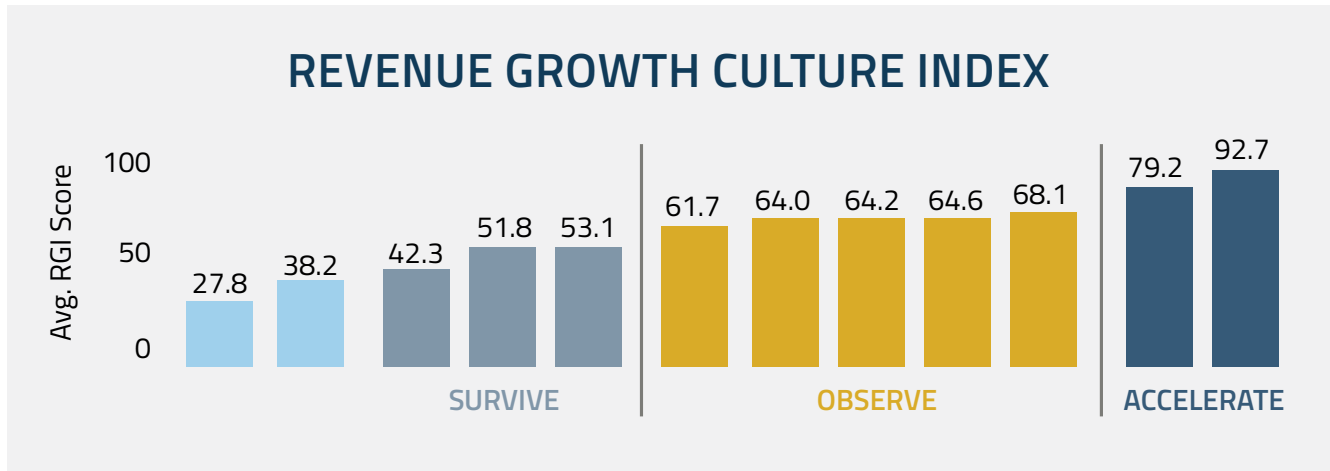
While it is tempting to focus on the short term during a recession, successful strategies are multi-quarter and multi-year in nature. Market-leading strategies require ongoing support to execute. To increase the chances of success, all the key commercial functions must be represented. This includes Sales, Marketing, Customer Success, Product, Finance, and Human Resources. To execute the strategy, Market Leaders deploy a Revenue Growth Office (RGO), which is a cross-functional, dedicated team that drives progress towards the key objectives, holds teams accountable, and resolves escalated issues that cross several workstreams. An example of how an RGO is organized is laid out below:

REVENUE GROWTH OFFICE











Transformation Office -Driven Alignment			Value Realization
1 Mobilization	2 Planning	3 Metrics & Targets	Execution
<ul style="list-style-type: none"> Establish Transformation Office & align with ACME functions Identify a leadership team that is empowered to lead the change effort. Include a champion who will personally benefit from the change. Align on workstreams, key objectives, and outline of what the working teams will look like 	<ul style="list-style-type: none"> Maximize the visibility of the initiative beyond Sales and Marketing. Deliver the Vision and the strategy to a broad audience. Document cross-functional dependencies & risks Identify potential barriers to the initiative. Select, prioritize and sequence initiatives 	<ul style="list-style-type: none"> Establish baseline metrics Identify & prioritize metrics to track progress & performance Develop Metrics packages for reporting Develop how and who will see the reports 	<ul style="list-style-type: none"> Coordinate cross-functional implementation Track progress & operational performance Enforce accountability, urgency, and compliance Set up the steering committee who will review what has been done, what is remaining and decides on changes to be made
Outputs to Drive Execution			
<ul style="list-style-type: none"> Initiative trees RACI teams Project charters 	<ul style="list-style-type: none"> Risks & mitigation plans Initiative project plans with milestones & owners 	<ul style="list-style-type: none"> Multi-level metrics packages for reporting 	<ul style="list-style-type: none"> Implementation Roadmap Metrics Roadmap Dashboard Reporting

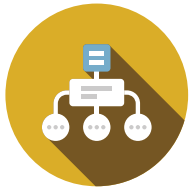


Market leaders are close to the market, and have a grasp on what is happening in the field. They consider the front-line team’s growth capability when executing the strategy. In order to gauge change readiness of the commercial team, SBI uses the Revenue Growth Culture Index (RGCI). The RGCI evaluates the Revenue Growth capabilities of the team, from the front-line individual contributors and leaders. In our 14-year history, we have found that companies that have successfully undertaken Growth Transformations have scored an RGCI of 60 or above. Companies scoring below that range must address some baseline factors before embarking on the transformation.



The Revenue Growth Culture Index is based on a direct survey of individual contributors and front line commercial leadership. The factors include:

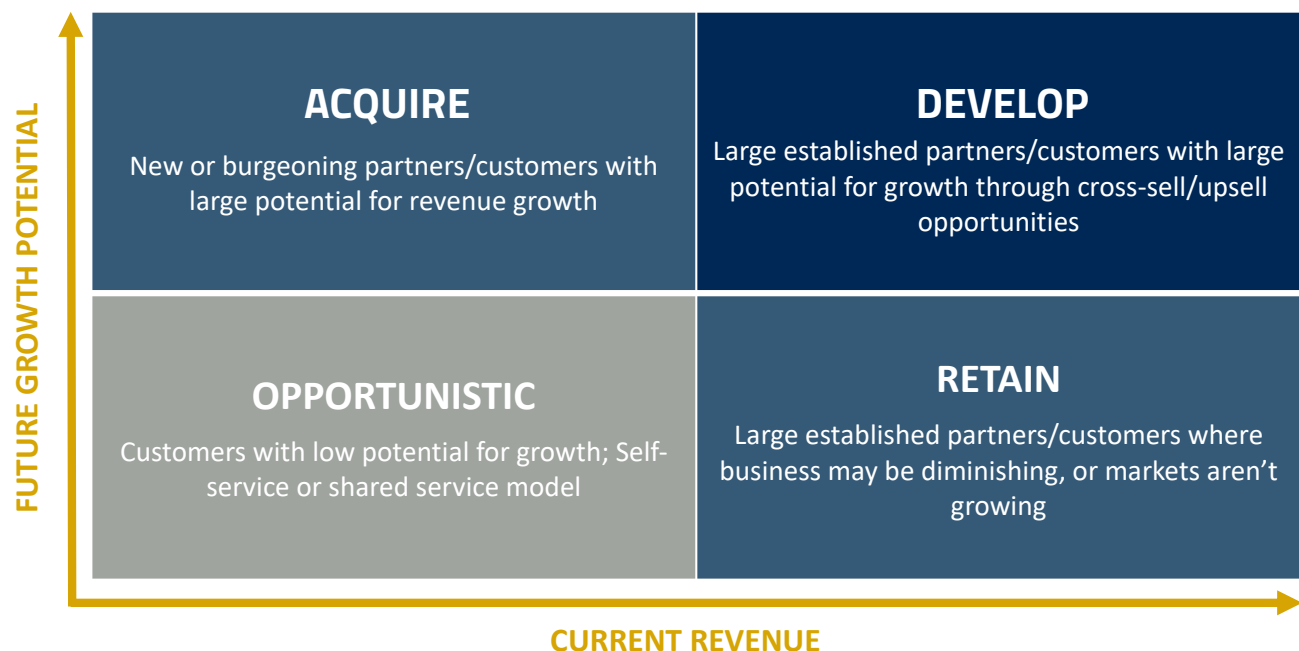
 <p>An achievable quota</p>	 <p>A differentiated customer experience</p>	 <p>A compensation plan aligned to the corporate strategy</p>	 <p>Qualified leads from the Marketing team</p>	 <p>Receive regular, effective coaching from direct manager</p>
 <p>Efficient support from the Sales Operations team</p>	 <p>A technology enabled sales process</p>	 <p>Selling motions that are aligned to customer preferences</p>	 <p>A prioritized territory with a defined management cadence</p>	 <p>Effective tools, content, and training</p>



RE-ALLOCATE RESOURCES TO EXECUTE THE STRATEGY

The best strategy is meaningless if not successfully executed. The Role of the Chief Revenue Officer is to allocate resources towards the market. All the strategies we highlighted on pages 8 & 9 are inherently complex and cannot be executed by a single functional area. The cross-functional Revenue Growth Office drives execution of the strategy. With their unified and dynamic view of customer segmentation, RGOs quickly identify, execute, and iterate the right strategy. Some example scenarios from our research:

- **Back to the Base**, a \$1.1B Enterprise software company growing at 12% CAGR:
 - Selects a “back to the base” strategy which prioritizes retention of not only the highest revenue accounts, but also the ones with highest potential (to accelerate cross-sell and up-sell opportunities in the future).
 - This customer segmentation results in a ROAD model (shown below) which drives the coverage model. The ROAD model output aligns the best resources to the right motion to drive more revenue.



- By leveraging the ROAD model, along with buyer segmentation identifies the needs of the buying decision teams
- Deploys customized Tiger teams (including Account Executives, Customer Success Managers, and Product Specialists) to the largest Retain and Develop Accounts.
- For the Acquire and Opportunistic accounts, Customer Success partners with Marketing, who monitors the digital body language and launches campaigns to capture demand (whether via digital self-service or creating new opportunities for Sales).



- **New Market Entry:** Because market leaders are going “back to the base” the barriers to entry have increased. In order to win new logos, a \$537M Enterprise software company:
 - Completes Market Segmentation to identify where its solution would have the greatest appeal.
 - Evaluates new routes to market and develops a direct channel to supplement its partner network.
 - Deploys a new product launch approach to align the Commercial team, including developing and offering a package that is unique in the industry.
 - Evaluates and sources the talent required to enter the market. The new, digital-first commercial rainmakers orchestrate the buyer’s journey cross-functionally (Sales, Marketing, and Customer Success).
- **Commercial Efficiency:** A \$318M, PE-backed, hypergrowth SaaS company:
 - As growing at 25%, but investing 50% of bookings in Sales & Marketing. They realize they need to be more efficient while achieving their same growth rate. In addition to the “back to the base” play, they need to spend less and get more productivity per head from the new logo team.
 - Makes fundamental change in commercial investment allocation, assesses their sales organization, and removes 27% of the team who were not converting pipeline.
 - Deploys 55% of the savings to Marketing, to generate demand more effectively.
 - A review of the revised buyer’s journey highlights two key areas early in the process where buyers were getting stuck. Marketing designs new digital content and enables the Business Development Representatives on how to nurture buyers more effectively.
 - The new logo sellers see 22% more opportunities, which are advancing through the pipeline 13% faster.

In the scenarios above, changes to territories, quotas, and compensation plans must be considered. These tools enable proper execution and reinforce change management. Many companies make incremental or reactive adjustments to these first, but Market Leaders ensure that these important levers are aligned to the strategy and take a disciplined approach to reinforce the strategy.

The Revenue Growth Office must have access to a shared fact base and benchmark data that provides clarity and ongoing best practices. The RGO will drive cross-functional interlock, and provide updates to the Board.

“Comparing my commercial operation to best in class companies allowed me to show our Board that our investments are on par with competitors and our Sales team is outperforming them.”

CEO, Publicly Traded
ENT Software
Company

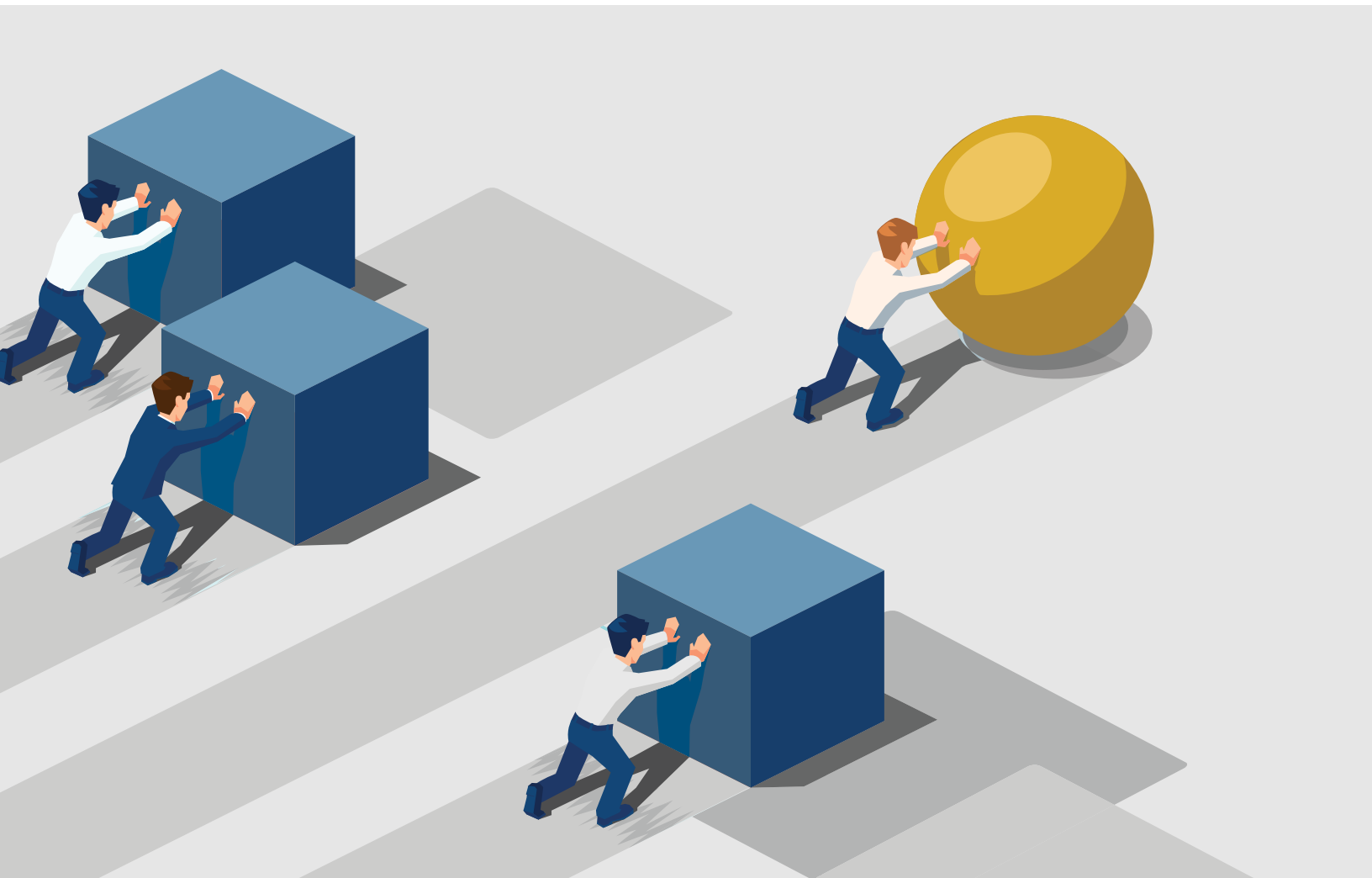


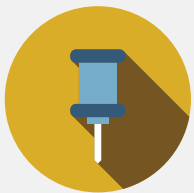
NOW WHAT? CREATE THE 2021 PLAN

There has been much written on what category leaders did during the 2008 financial crisis and the dot com bust. At SBI separating fact from fiction has always been core to our research. We deliver clarity and certainty around driving sustainable revenue growth. During times of uncertainty, the power of do nothing can be overwhelming. In the context of revenue growth strategy, your peers have clearly moved into three camps. While the survivors had gravity issues they could not control, a hidden pocket of opportunity sits with the observers. Observers can leverage the moment and fast-follow the market-leading accelerators who pragmatically moved with clarity and certainty. The top 9% displayed market context, adaptability, and a relentless focus on execution.

The remaining pages provide some useful tools for the observer who wants to join the accelerators.

As always, we wish you the best of luck as you Make Your Number.





APPENDIX





STEP 2 (CONTINUED): RE-ALLOCATE RESOURCES VIA AGILE BETS

The agile, reversible bets are often multi-quarter and multi-year in nature. However, clear goals by quarter and month help market leaders execute and define success. This keeps the teams aligned on the goals, and ensures progress towards the overall strategy & vision.

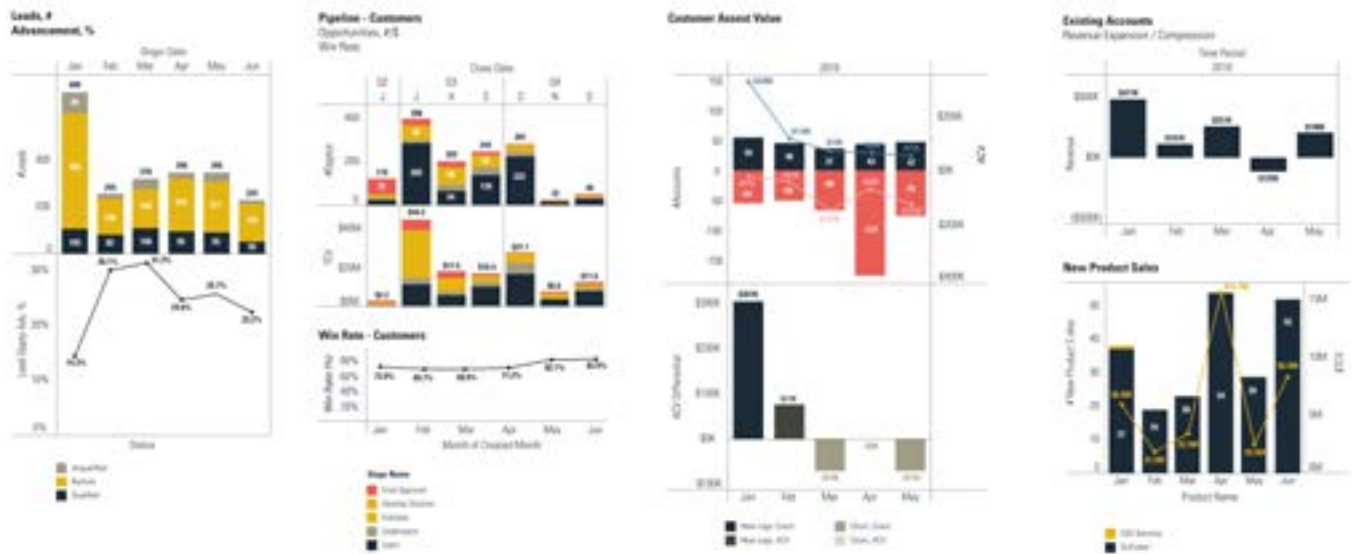
3 Year Thrust	Annual	Quarterly	Monthly
Agile Bets	Key Initiatives	Priorities	Goals
1.	1.	1.	1.
2.	2.	2.	2.
3.	3.	3.	3.
4.	4.	4.	4.
5.	5.	5.	5.



STEP 3: MONITOR PERFORMANCE ON THE REVENUE GROWTH PLATFORM AND RAPIDLY ITERATE STEPS 1&2

Lastly, market leaders identify the key performance indicators (generally a sub-set of the Metrics that Matter) which let them know if the initiative is on track. This is visualized in a dashboard that aligns the Board, executive team, and all the way to front line managers and individual contributors. This visibility allows for an effective commercial cadence.

Customer Experience Dashboard





METRICS THAT MATTER DEFINITIONS

KPI Definition	Definition
% Revenue (or Bookings) invested in Sales and Marketing	<ul style="list-style-type: none"> Total dollars invested in sales (includes people, programs, travel, etc.) or marketing, divided by total revenue (or bookings). Note: SaaS companies typically view this on bookings.
Pipeline Coverage Ratio	<ul style="list-style-type: none"> (Total dollars sold YTD + dollars of opportunities in all stages) divided by the annual revenue target or quota.
Sales Representative Turnover	<ul style="list-style-type: none"> Number of sales representatives that left (voluntary and involuntary) divided by total sales rep headcount.
Customer Engagement Time	<ul style="list-style-type: none"> The amount of time invested in activities that drive value for customers (including face to face, phone, digital touches) and the preparation time divided by the working hours in a year.
% Bookings Attributed to Marketing	<ul style="list-style-type: none"> Following your selected revenue attribution method (i.e., first touch, last touch), what percent of bookings resulted from marketing activities.
Annual Bookings per FTE	<ul style="list-style-type: none"> Divide annual bookings by FTE in the sales organization (this includes quota carrying sales, pre-sales, customer success, sales support, sales enablement, and sales support.)
Dollar Retention Rate	<ul style="list-style-type: none"> All dollars from renewal customers divided by all dollars available for renewal (this excludes any expansion but does account for churn and price increases.)
Logo Retention Rate	<ul style="list-style-type: none"> The number of customers who continue to purchase at least one solution at the end of the period, divided by the number of customers who purchased at least one solution at the beginning of the period.
Revenue Mix (Existing, New and Expansion)	<ul style="list-style-type: none"> In reviewing the revenue plan, each dollar is assigned to one of three categories: Existing (existing customer continues to buy), New (a customer who has not bought in the last 24 months or longer), and Expansion (existing customer buys more.)
Quota Attainment by Representative	<ul style="list-style-type: none"> Annual bookings divided by annual quota.
Win Rate	<ul style="list-style-type: none"> The number of opportunities that are Closed-Won divided by the total number of Opportunities Created.



REVENUE GROWTH MATURITY MODEL

	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.
Revenue 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.



RESEARCH METHODOLOGY

Research Method	Description	Number Completed
Engagements Completed	A strategy engagement completed by SBI.	600+
SBI.TV Episodes	Direct one-to-one interviews with C-suite revenue growth experts	360
Revenue Growth Help Desk	Starting in March 2020, conversations with Revenue Growth leaders adapting to the recession	27
Customers – Buyers	Direct surveys or one-to-one interviews of buyer personas	40,797
Corporate – Strategy Documents	Review and discussion of strategy documents	6,023
Corporate – Metrics Benchmarked	Calculation of Key Performance Indicators in SBI's proprietary 20 TB database	3,572
Corporate – Executive Interviews	One-to-one interviews of C-level individuals	5,823
Corporate – CEO Interviews	Direct one-to-one interviews with CEOs representing publicly traded and private equity backed companies	1,308
Market – Mystery Shops	Comparison of solutions and experience across direct and indirect competitors	1,028
Market – Competitors	Analysis of direct and indirect competitors in the industries in which our clients compete.	972
Field – Revenue Growth Culture Index	Survey of individual contributors and front line managers in the commercial organization	28,636
Field – DILO	A "Day in the Life Of" where an SBI consultant is embedded with a sales representative to capture insights from their normal customer and internal interactions	738
Field – Expert Panel Days	SBI reviews a proposed emerging best practice with select experts	3,653
Field – Front Line Managers	Direct one-to-one interview of front-line sales managers	10,519
Revenue Growth Maturity Model	A digital survey where Revenue Growth leaders self-report their capabilities	8,491



GLOSSARY

- **There are three mutually exclusive sources of revenue:**
 - **Market Growth:** The underlying growth rate of industries in which a company already participates (e.g., companies selling into the Federal Government will grow at approximately the rate of Federal budgets).
 - **Market Share Gain:** Companies taking increased market-share of an industry in which they already participate (e.g., companies grow revenue faster than their competitors).
 - **New Market Entry:** Companies entering a new, generally adjacent market (e.g., a company that sells to the commercial real estate market entering the financial services market).

- **Revenue Growth Effectiveness:** Increased productivity, generally as higher bookings per quota bearing sales rep.

- **Revenue Growth Efficiency:** Typically evaluated as the total investment in sales and marketing.

- **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization

- **Demand Driver:** The factors which drive how much, if any, of a solution a customer will purchase. For example, the number of individuals on the commercial team drives how many seats of a CRM are necessary.

- **Commercial Engine:** Collaboration among the various teams with revenue responsibility, a concept that is more important than ever. The Marketing, Sales, Customer Success, and Revenue Operations teams must be interlocked.

ABOUT SBI - WE'RE NOT TYPICAL

HERE'S HOW WE'RE DIFFERENT



WE DRIVE RESULTS QUICKLY

Our delivery methodology involves collaboration and rapid iteration to get to an effective solution quickly. This increases adoption of the solution and drives lasting change as our clients adopt and execute the new strategies. Our teams have strong analytical capabilities, which allow us to draw and share actionable insights from data.



WE SEAMLESSLY BLEND STRATEGY AND EXECUTION

We staff projects with senior-level executives and former heads of sales and marketing who have real-world experience. These leaders design strategies that can be executed by the organization. Their deep execution experience can then be translated to the people on your team doing the work. By delivering an actionable strategy, clients have a significantly higher chance of achieving their desired results.



WE'RE SPECIALISTS, NOT GENERALISTS

You can be good enough at all things, or great at a few. We choose the latter. We're hyper focused on doing what we do well: helping clients increase their revenue faster than the market and their competition. Our delivery teams are led by Managing Directors, who have 20+ years experience in the field, leading sales and marketing teams in a variety of industries.

SBI GROWS ENTERPRISE VALUE BY HELPING B2B COMPANIES GROW FASTER THAN THEIR INDUSTRY AND COMPETITORS

SBI helps commercial leaders increase operating leverage of the commercial function by improving productivity. The Revenue Growth Methodology helps management teams identify and prioritize the levers which can drive efficient growth. This can include increasing Return on Marketing Investment (ROMI), increasing sales rep productivity, or re-allocating resources inside the Commercial Supply Chain.

