



**BETH YEHASKE**



REVENUE ARCHITECT

WINNING BY DESIGN

## **Building Your Growth Engine with CS**



#CS100SUMMIT



*The problem is not so much  
to see what nobody has yet seen,  
but to think what nobody has yet  
thought about that which everybody  
sees.*

*Arthur Schopenhauer.*

German Philosopher, 1851

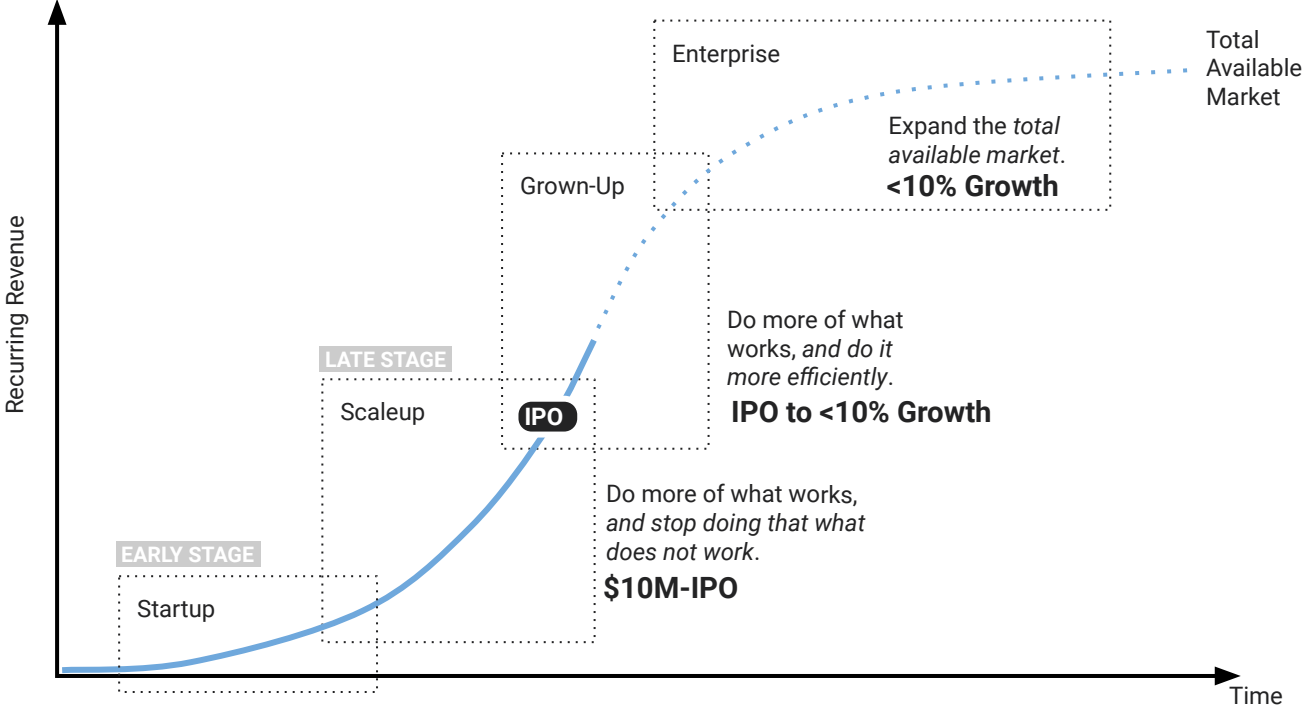


# 4 Things I Wish I Knew Sooner

- ❑ The Growth Curve
- ❑ The right framework for Recurring Revenue Companies
- ❑ A key metric for measuring future success
- ❑ How to get the math to work for you in CS



# SaaS Companies are Governed by the S-Curve



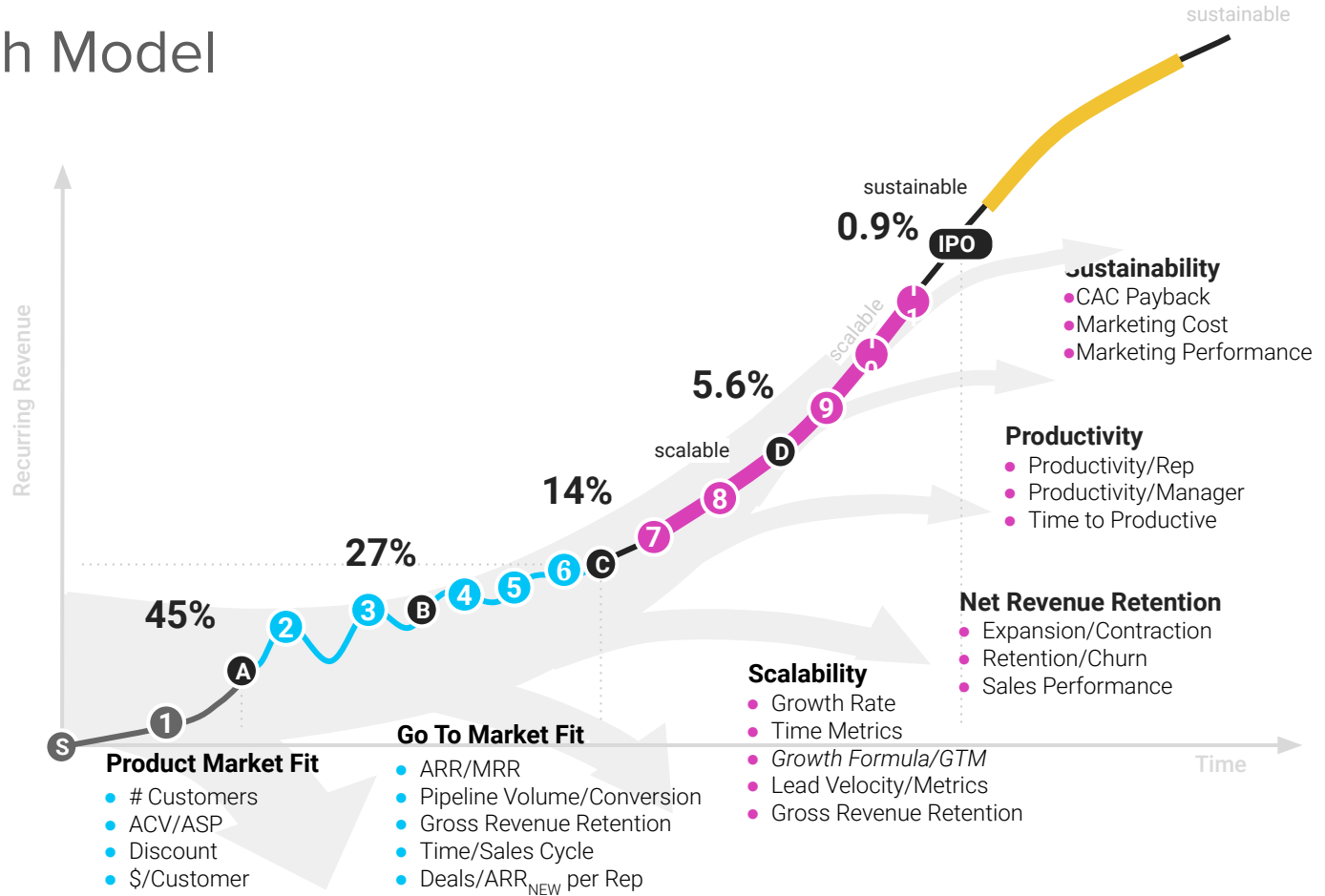
Find out what works  
(Establish GTM Fit)  
**\$1-10M**



# The WbD Growth Model

## Key Moments

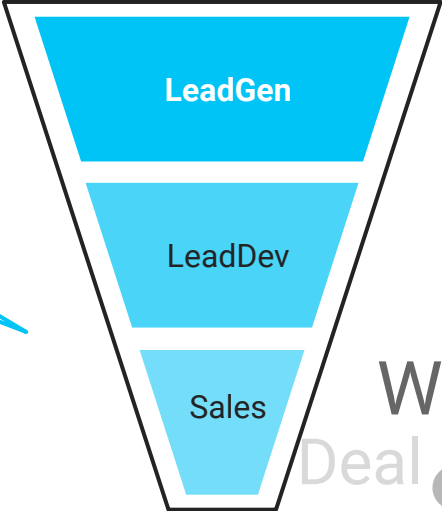
- 1 Revenue Model
- 2 Founder Driven
- 3 Data Model
- 4 Go To Market Model
- 5 Repeatable Process
- 6 Growth Formula
- 7 Scalability
- 8 Revenue Retention
- 9 Productivity
- Sustainability
- Interoperability



# The Classic Sales Funnel

FIRST PRINCIPLE.

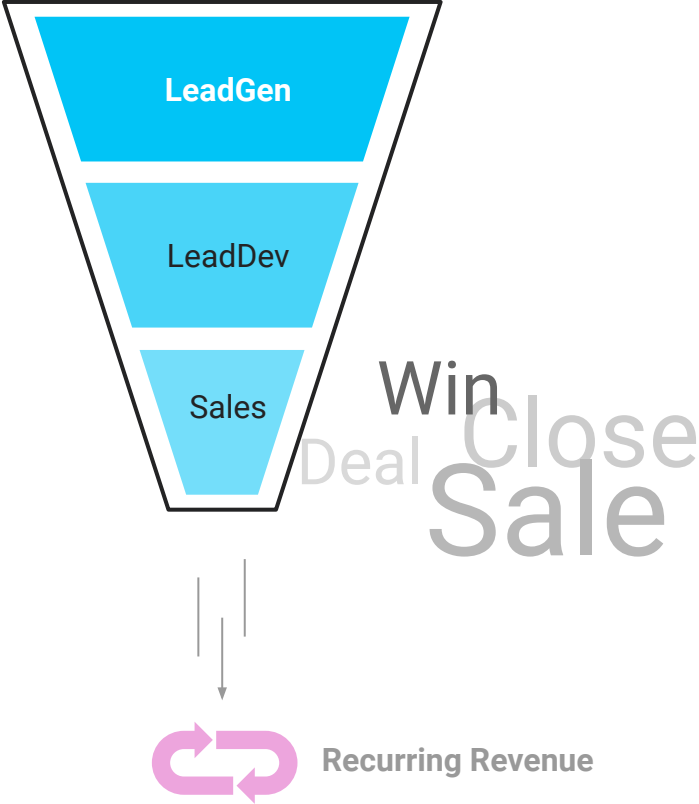
Growth is the result of finding more leads and winning more deals



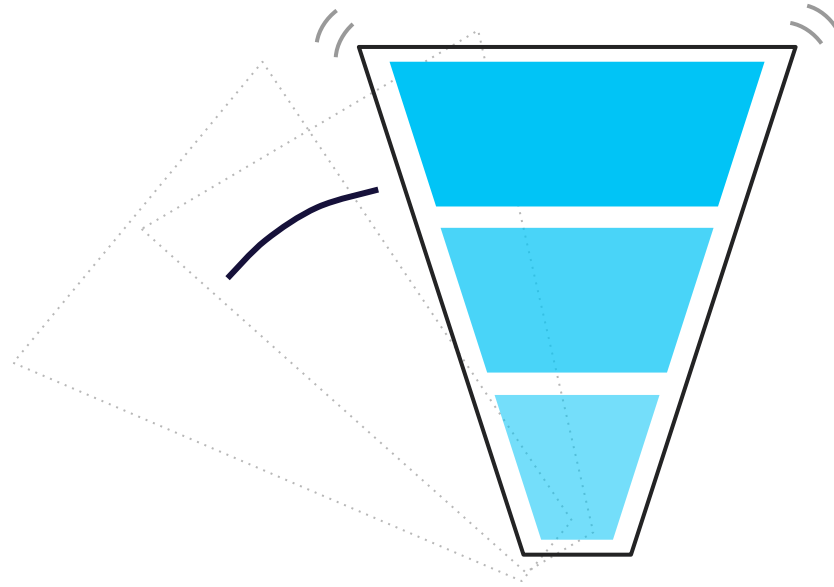
Win Deal Close Sale



# Recurring Revenue Happens Outside the Classic Funnel!

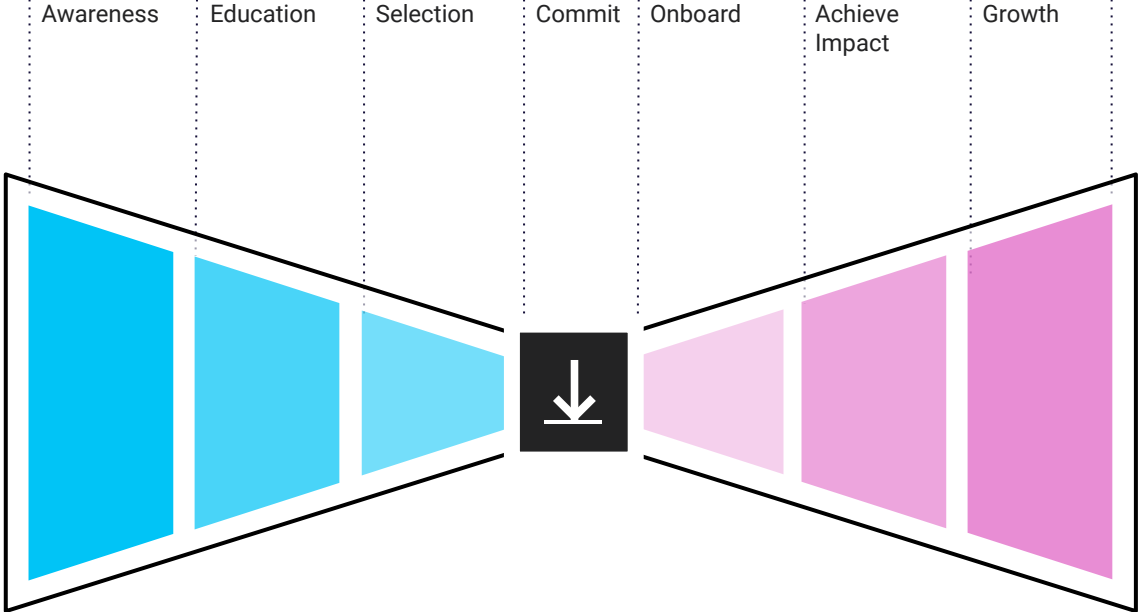


# Tip the Funnel On It's Side

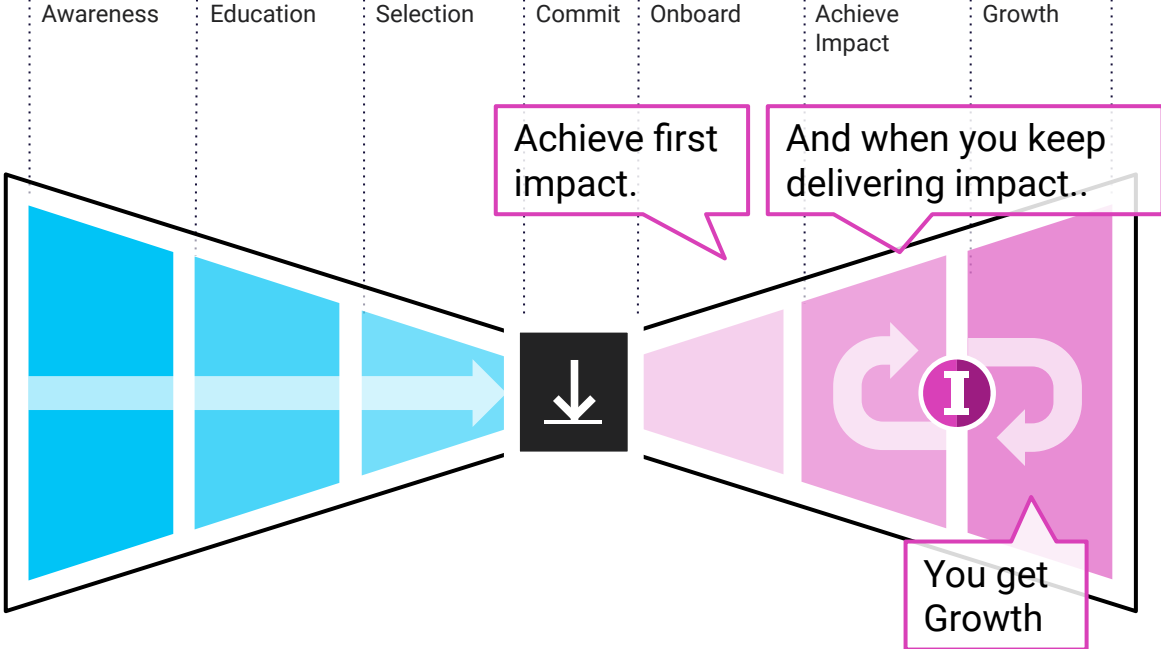




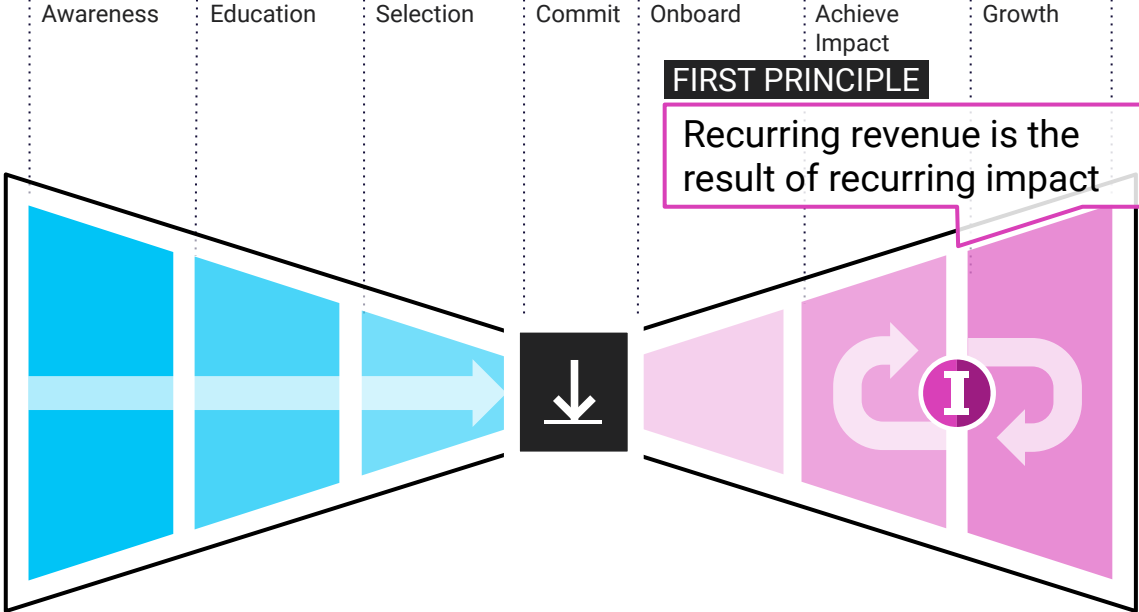
# The Bowtie



# Growth is an Outcome



# A First Principle of Recurring Revenue



LTV : CAC Ratio



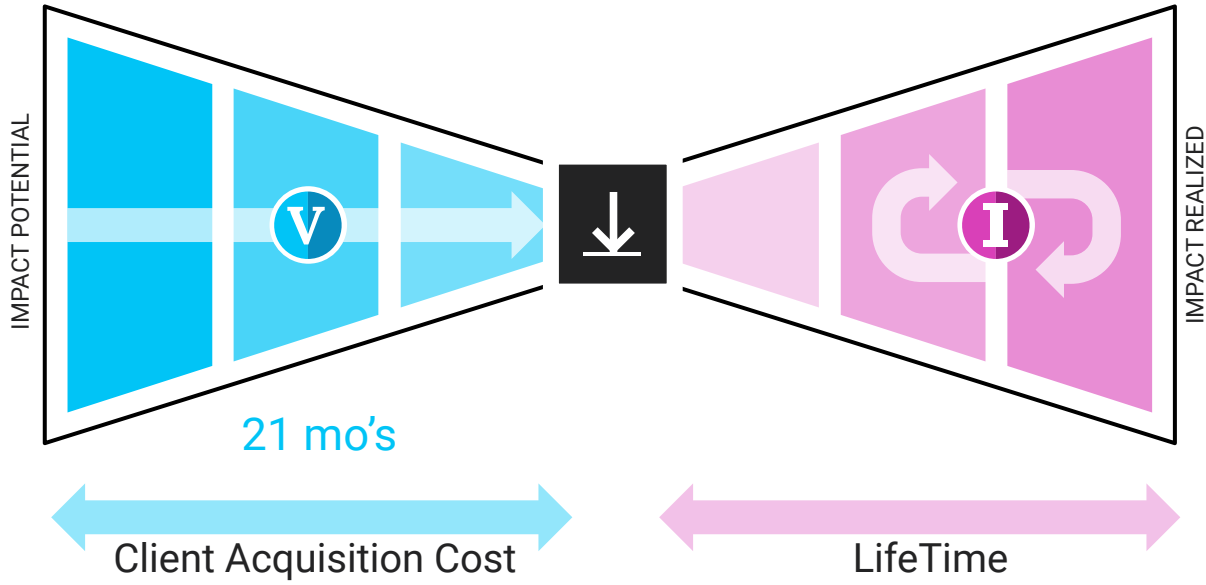
3:1



# CAC for a \$50,000/year product = 21 months

ARR	Average CAC Payback
\$1-10M	15 months
\$10-25M	24 months
\$25-50M	20 months
\$50-100M	21 months
\$100M+	30 months

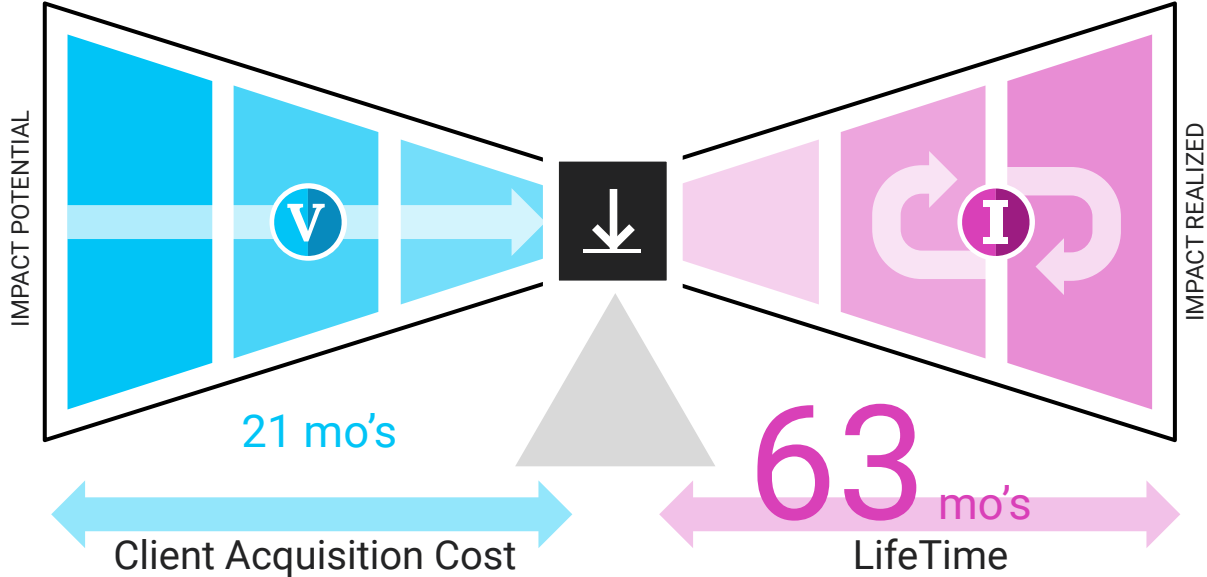
via Bessemer Scaling to a \$100M



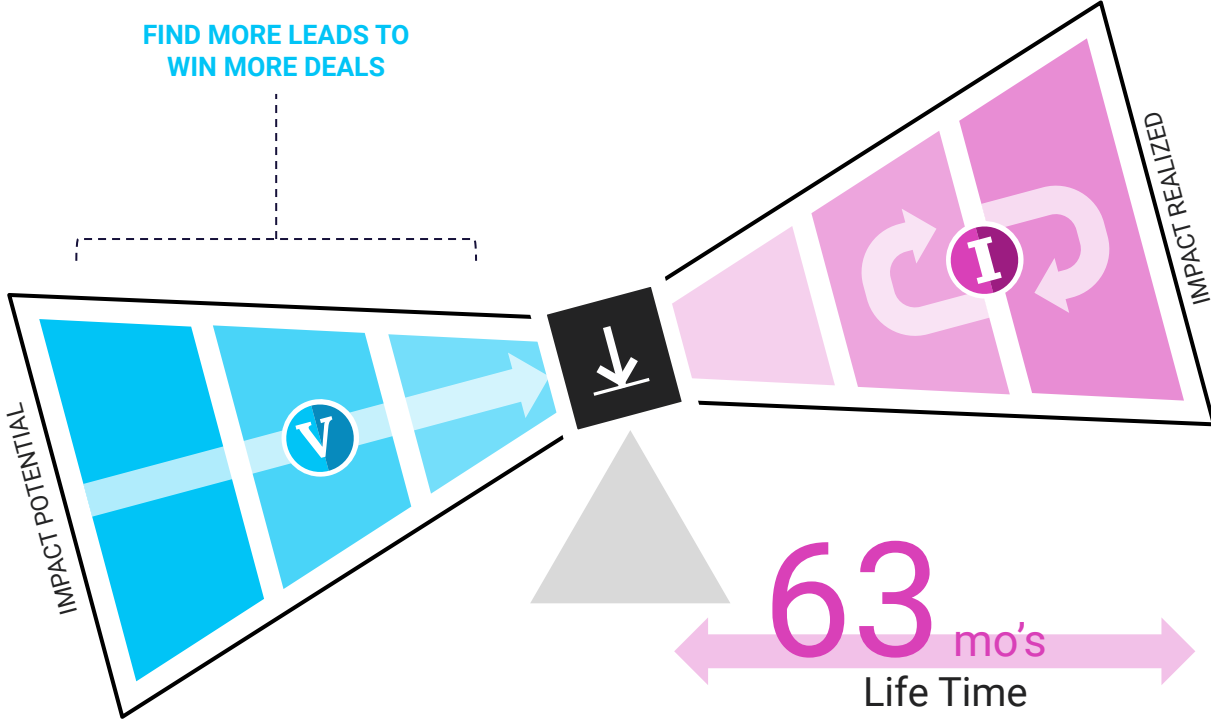
# It takes on average 21 months to recoup CAC

LTV:CAC ratio of 3:1

Lifetime of 63 months

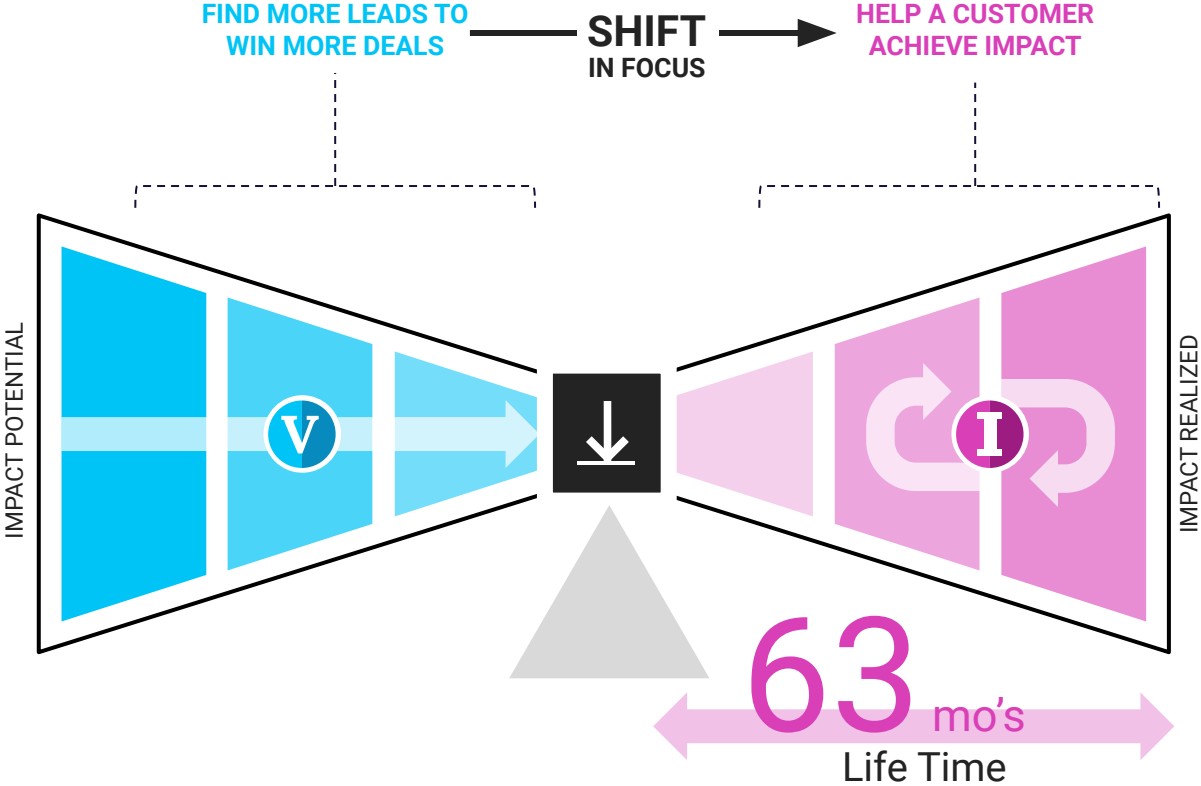


# Commonly Seen

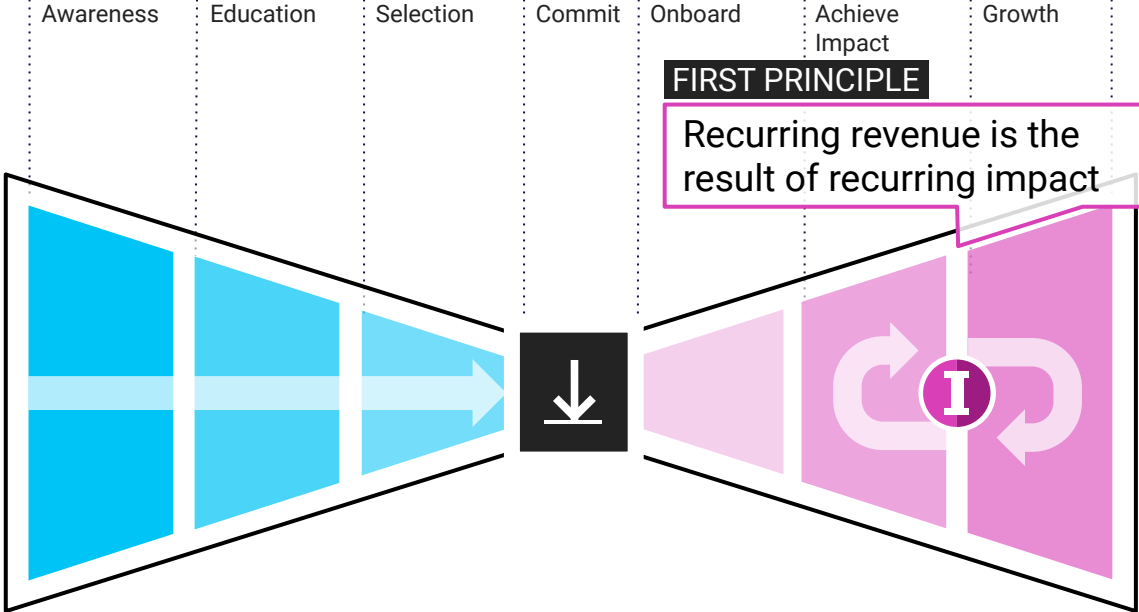




# Balanced Relationship between Acquisition and Retention.



# Your Growth Engine Sits on the Right Side



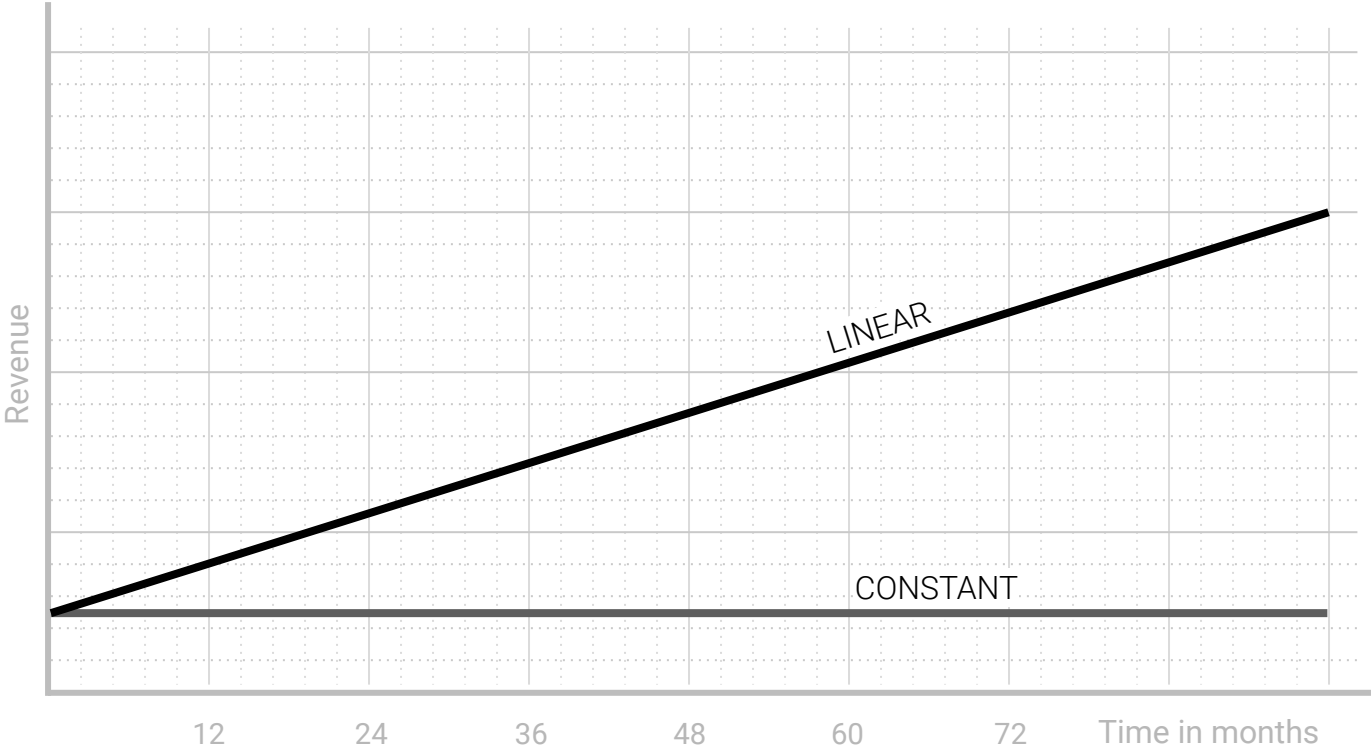
# One Time Purchase = Constant Line with No Ongoing Growth

Acme sells one product for \$100



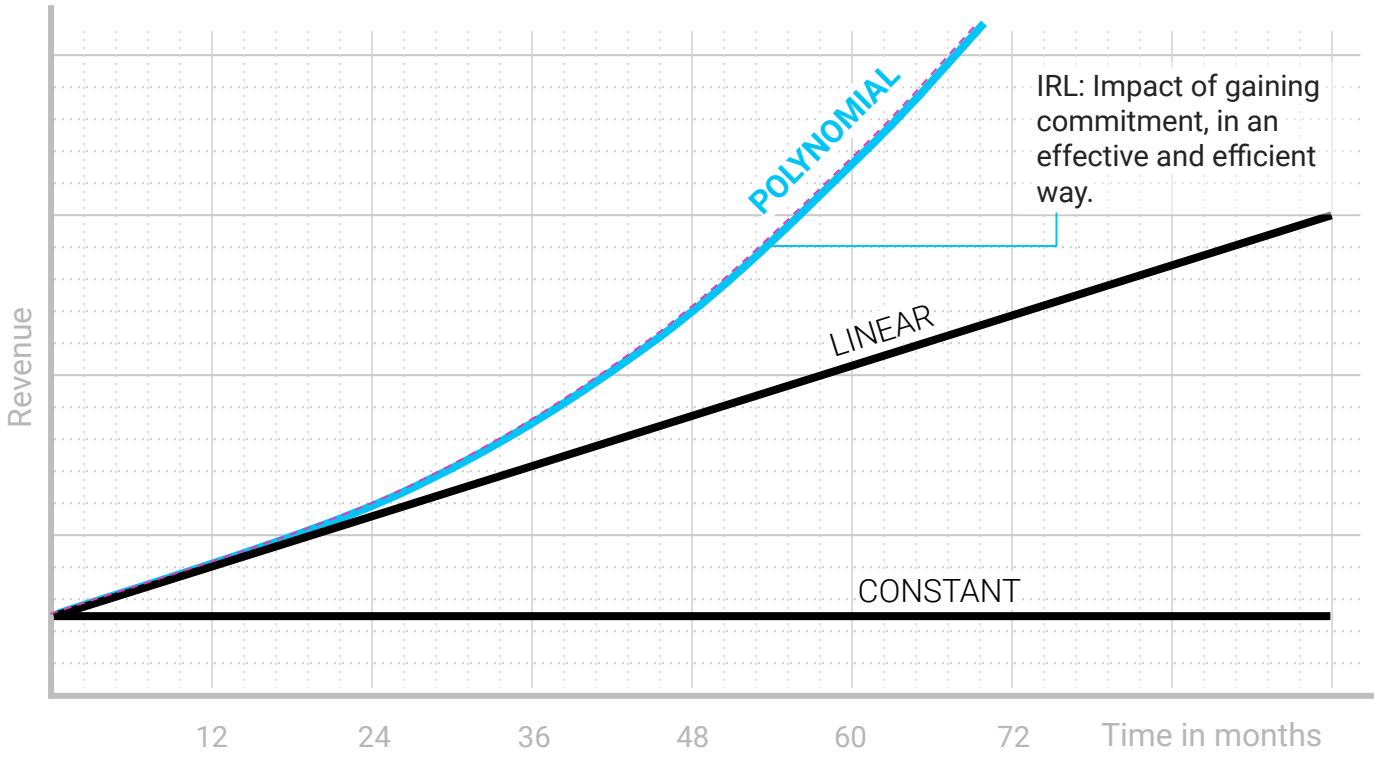
# Multiple Sales at a Consistent Price & Volume Create Linear Growth

Acme sells 10 products a month for \$100 each.



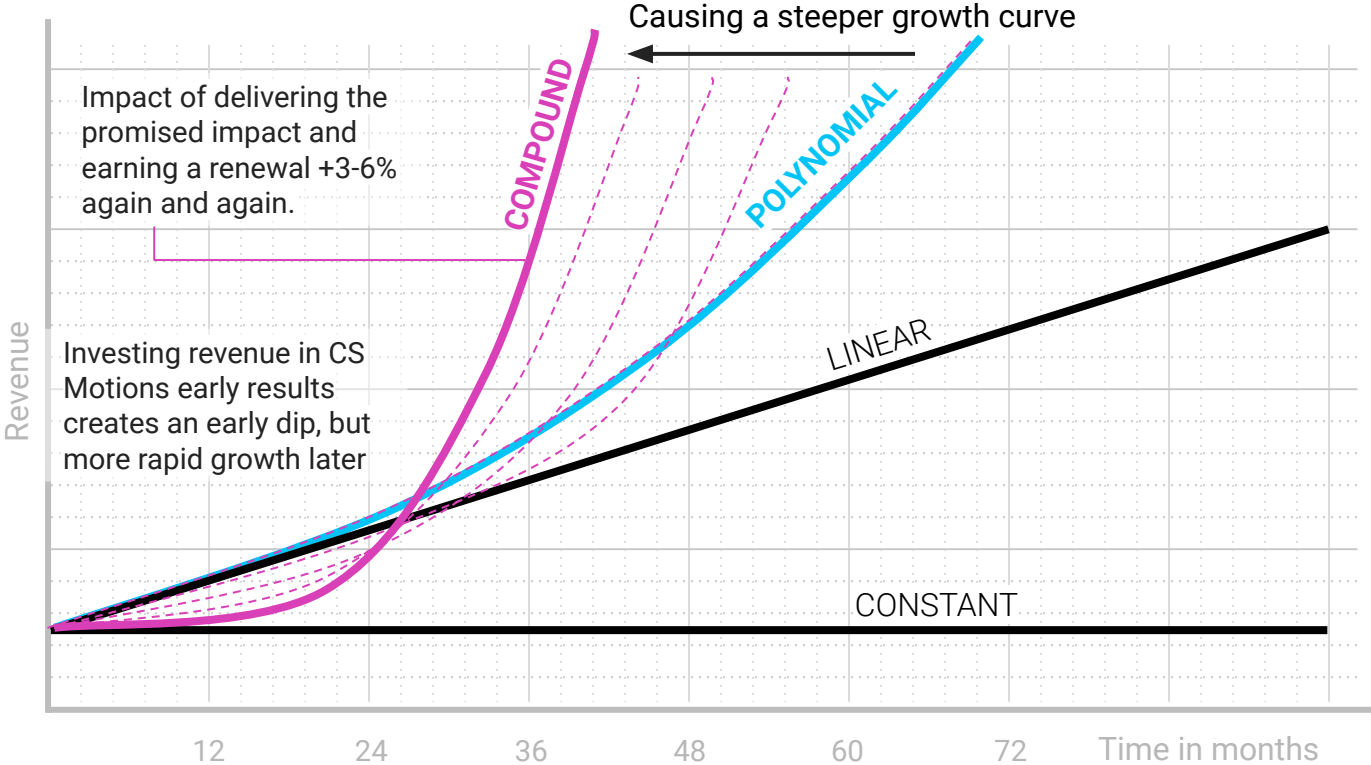
# Increased Efficiency Can Create Polynomial Growth

Acme sells 10 products the first month for \$100 each, then starts to increase the number of sales per month every month going forward.



# Leverage Renewal Cycles & Expansion for Compound Growth

Acme sells 10 products the first month for \$100 each, investing some of that in CS motions that creates an early dip, but that sets things up for an annual renewal with a 3-6% increase each year.

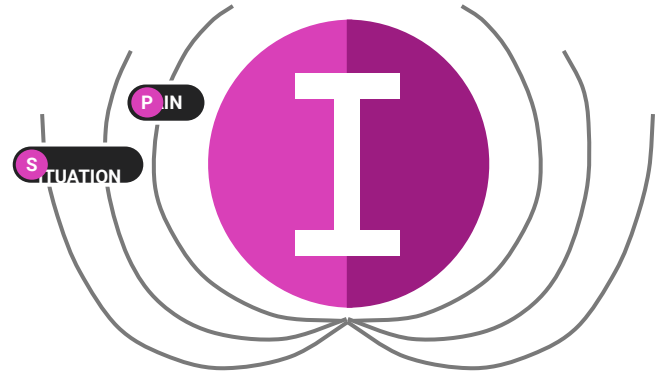


Recurring Revenue is the Result of Recurring  
**IMPACT**



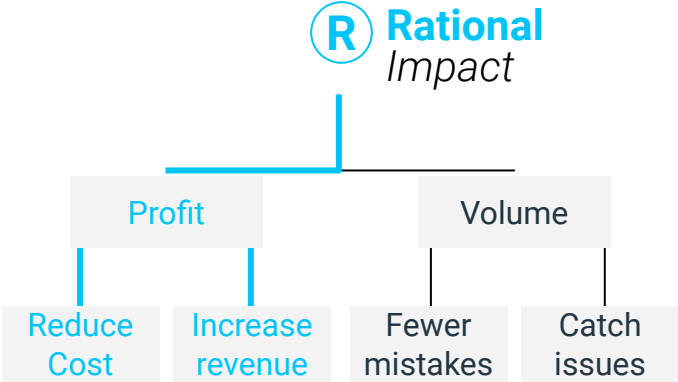
# Focusing on Impact

**Impact** is achieved when you provide something to a customer that they didn't have before, or provide it in an improved way.

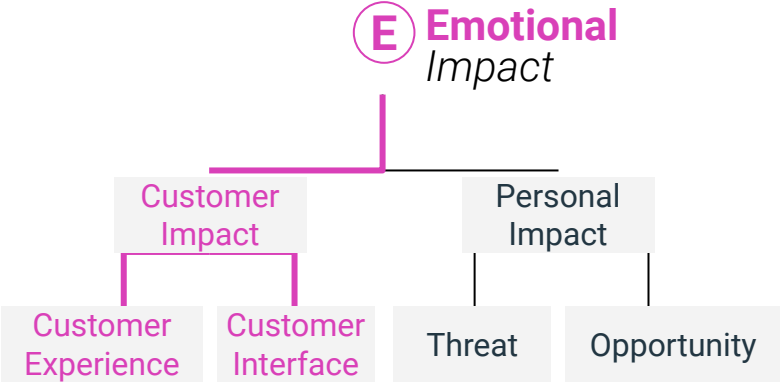




# Rational & Emotional Impact



Benefits the company first and the individual second.



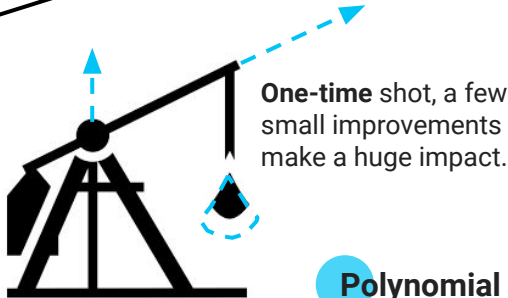
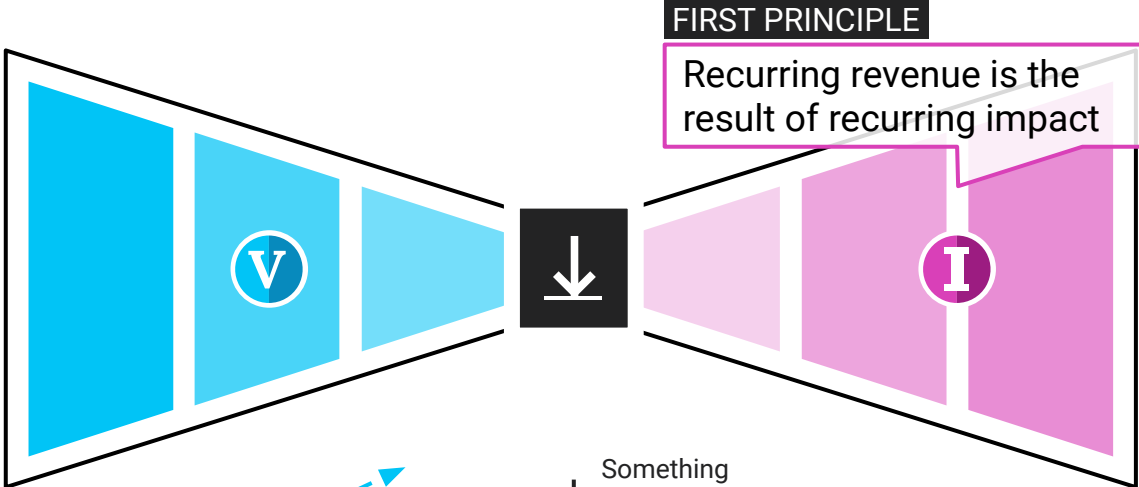
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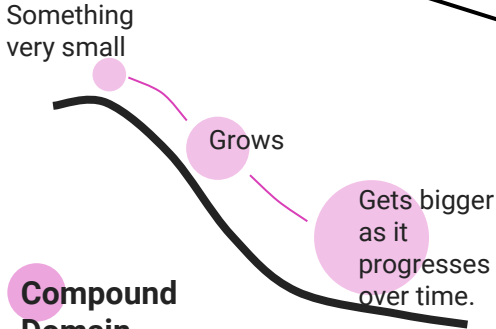
**So Now What?**



# #1 - Ensure Your Leaders Understand Recurring Revenue Principles



**Polynomial Domain**



**Compound Domain**

## #2 - Understand Your LTV : CAC Ratio

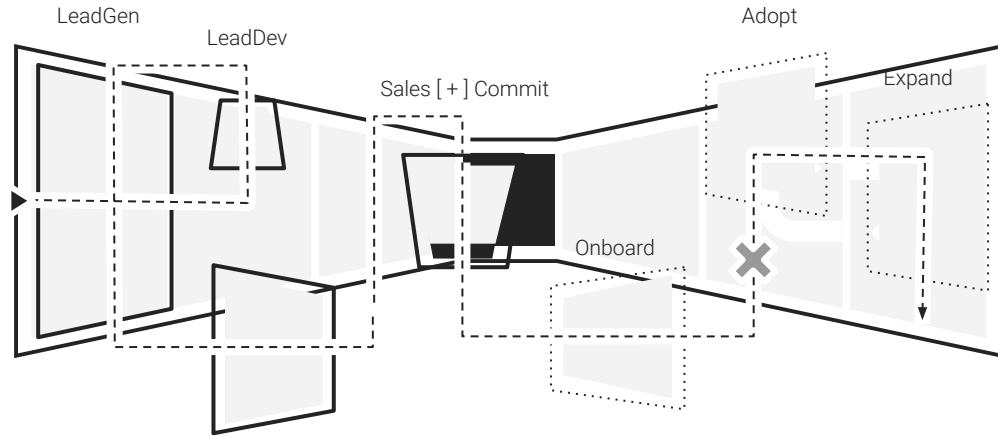
### **LTV:CAC Ratio**

Measures the relationship between the lifetime value of a customer and the cost of acquiring that customer.



# #3 - Have a Strong Operating Model for CS

- 1. Provide a **common language**
- 1. Create a **standardized data model**
- 1. Facilitate **interoperability**



# The WbD Customer Success Operating Model

A customer traverses across the entire bowtie with a goal of achieving recurring Impact. Recurring Revenue is a result.

## Core Principles

- C1. The Bowtie
- C2. SPICED
- C3. Impact
- C4. Critical Event

## Core Skills

- S1. Managing Meetings
- S2. Diagnosing
- S3. Establishing a Critical Event
- S4. Critical Event Timeline
- S5. Navigating an Organization
- S6. Sharing a Story

## Onboarding Phase

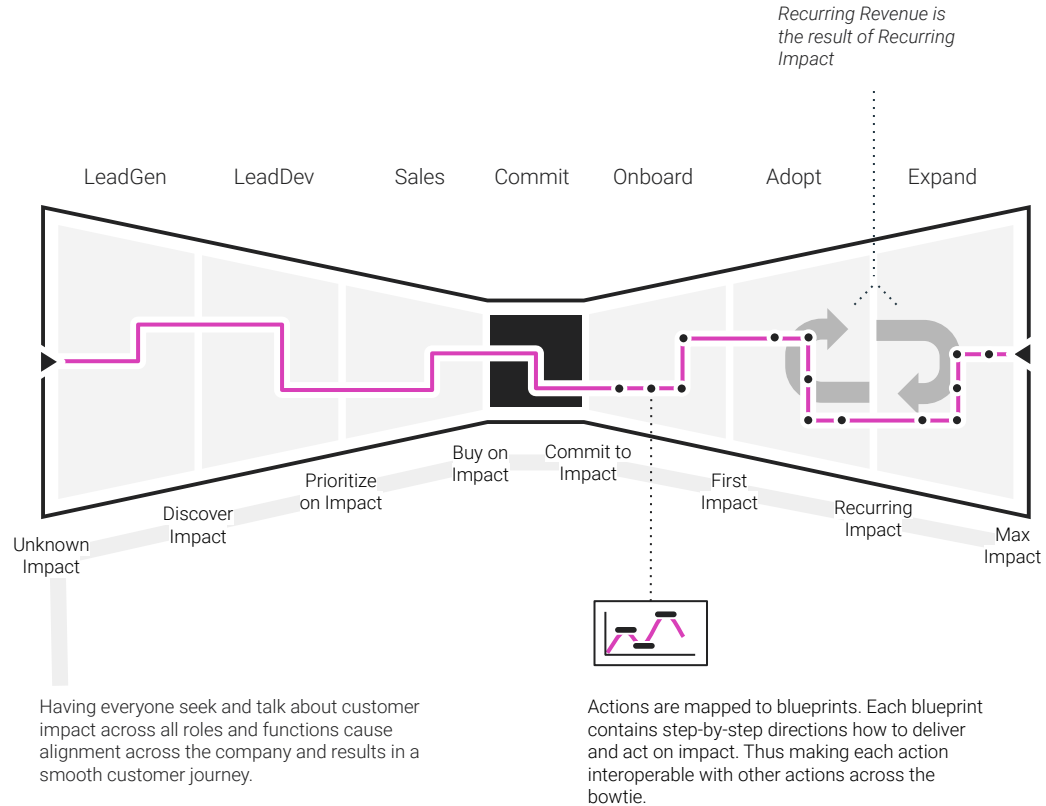
- O1. Handoff
- O2. Kickoff
- O3. Joint Impact Plan
- O4. First Impact

## Adoption Phase

- A1. Drive Impact
- A2. Business Review (QBR)
- A3. Health Scoring
- A4. Trigger Plays
- A5. Renewal Execution

## Expansion Phase

- E1. Whitespace Planning
- E2. Account Planning
- E3. Expansion Execution
- E4. Account Termination



# Key Takeaways

1. Help your leaders understand the core principles of Recurring Revenue companies (e.g. the Bowtie, the First Principle, the Compound Growth on the right side, and the Growth Engine)
2. Understand & Track Your LTV : CAC Ratio
3. Execute Exceptionally with a strong CS Operating Model



# Q & A





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client**success**

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