The A team

Sterling Snow - Divvy CRO

Brief Bio

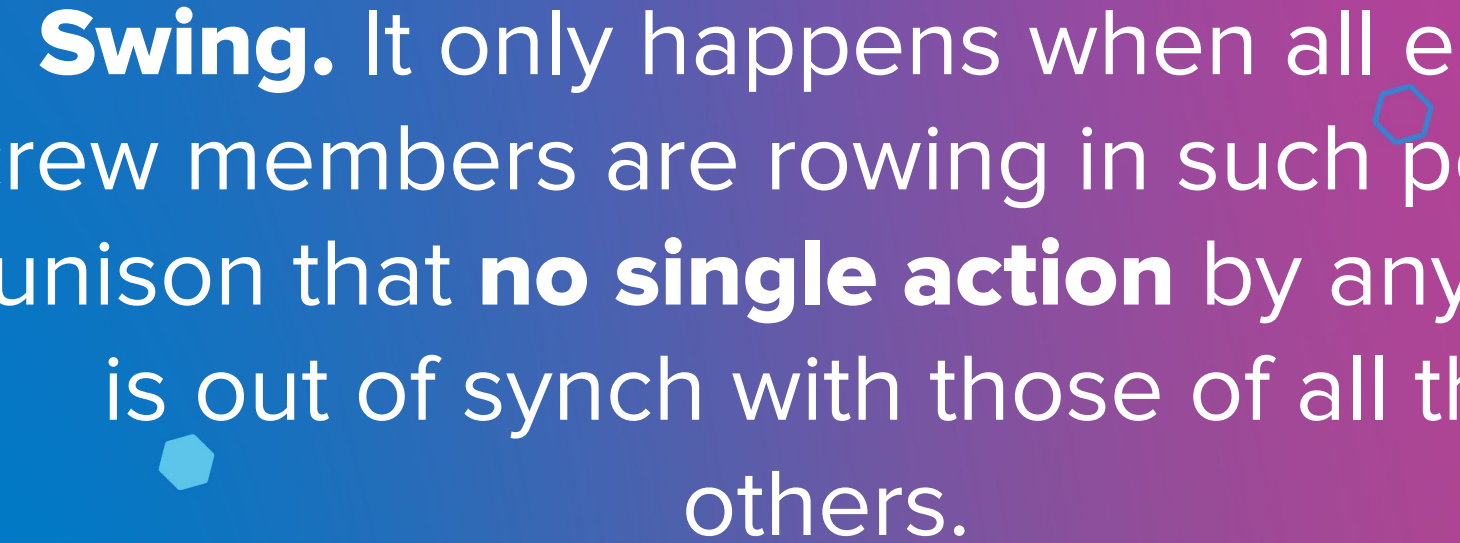The Griddle —> SMS Marketing —> Jive —> Divvy —> Bill.com

Most Revenue engines fight each other more than they fight the problems

"Swing"

Swing. It only happens when all eight crew members are rowing in such perfect unison that **no single action** by any one is out of synch with those of all the others.

Blake,

Great week with lots of progress. You're gonna like this update. Also I wanted to second what your dad told you this week. Your ability to play chess is incredible. I haven't worked with the top business minds like your dad has, but I've spent my adult years reading and studying them and now I work for one.

Marketing:

We had a single day with over 700 demos requested. Here's what leaders at companies like Grow.com and Lucid had to say about it:

Jacob Young · 10:24 PM
Where in the world are you getting 400 demo requests a day from? Any great channels we may be missing?

TODAY

Sterling Snow · 8:44 AM
What are your top 5 sources currently?
Also we ended that day at 716 demos requested. It was a blast!

Jacob Young · 8:46 AM
that is the one of the most unreal things I have heard. First congrats. We used to be heavy in FB (cheap leads that did not

WEDNESDAY

Gabe Villamizar · 10:21 AM
That's really dope about the leads. Curious to know which lead source they are coming from eg. AdWords, social, direct, referral etc

Sales:

Sitting at over $11.2M in credit approved and doing roll call we'll have a strong push to the finish. Here's what the newest reps are saying about working at Divvy:

matt · 8:42 AM
Hey Sterling,
I just wanted to say, Thank You! Thank You! That was the most incredible leads day I have ever experienced in my Sales Career. I've never experienced anything like that. We, over here in sales, are extremely grateful. Keep up the good work.

Spend:

We broke Wex's projection for us with essentially 1/3 of the month to go. The race to $20M is on. We will hit our goal of $17M on Tuesday. This team is going to really start rolling very soon.

$657.656k
Daily Average (Last 30 Days)

$936.106k
Daily Average (Last 7 Days)

CS:

It sounds like Product is going to poach Brock2 so I have some work to do here to ensure we keep our CS SLA's and team on track. I had a few good interviews and hopefully have good news coming soon. I'm going to look at Michelle for a possible promotion here.

Let me know if you have questions or requests for me. It's fun to feel like everything is moving in the right direction. Lots to improve on and lots we don't know, but overwhelmingly positive results.

Best,

Sterling Snow

↩ Reply   ↩ Reply all   → Forward

Swing Looks Like This

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Key Principles of a Revenue team:

1. Create the right structure
2. Everyone carries a quota
3. Measure and compensate metrics one step deeper in the funnel
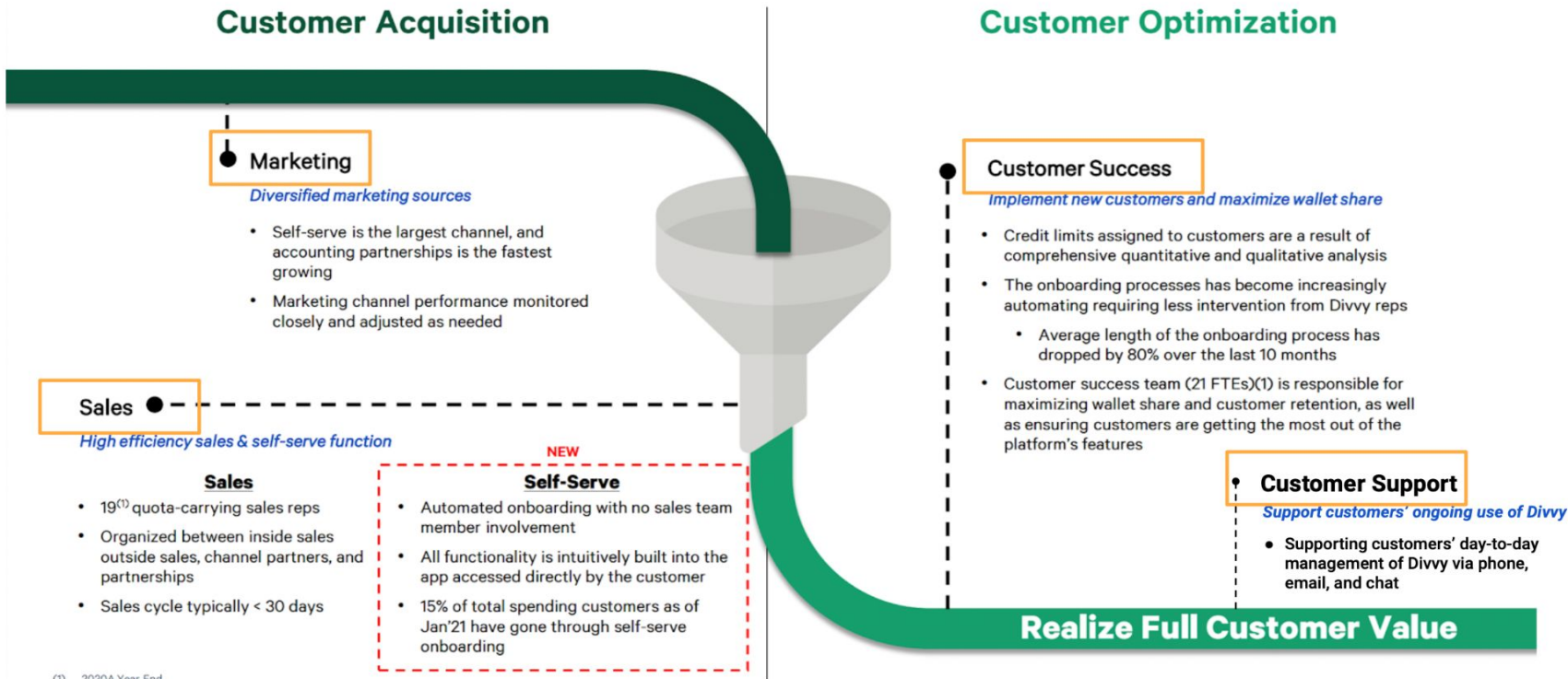4. Make the north star is crystal clear

One owner

CRO = Marketing, Sales, Success, Support, Revenue Operations

What is the Revenue Org at Divvy?

Customer Acquisition

Marketing
Diversified marketing sources

- Self-serve is the largest channel, and accounting partnerships is the fastest growing
- Marketing channel performance monitored closely and adjusted as needed

Sales
High efficiency sales & self-serve function

Sales
- 19[1] quota-carrying sales reps
- Organized between inside sales, outside sales, channel partners, and partnerships
- Sales cycle typically < 30 days

NEW

Self-Serve
- Automated onboarding with no sales team member involvement
- All functionality is intuitively built into the app accessed directly by the customer
- 15% of total spending customers as of Jan'21 have gone through self-serve onboarding

(1) 2020A Year End

Customer Optimization

Customer Success
Implement new customers and maximize wallet share

- Credit limits assigned to customers are a result of comprehensive quantitative and qualitative analysis
- The onboarding processes has become increasingly automating requiring less intervention from Divvy reps
  - Average length of the onboarding process has dropped by 80% over the last 10 months
- Customer success team (21 FTEs)(1) is responsible for maximizing wallet share and customer retention, as well as ensuring customers are getting the most out of the platform's features

Customer Support
Support customers' ongoing use of Divvy

- Supporting customers' day-to-day management of Divvy via phone, email, and chat

Realize Full Customer Value

Right people + right structure = alignment

	Normal Goals	One Step Deeper in the Funnel
Marketing	Pipeline	Pipeline *+ New business*
Sales	New Business	New Business *+ Spend & Margin*
Customer Success	Spend & Retention	Spend & Retention *+ Revenue*

Everyone Should Know
and Fight For Everyone's Goals

It's More Sophisticated Now, Same principles
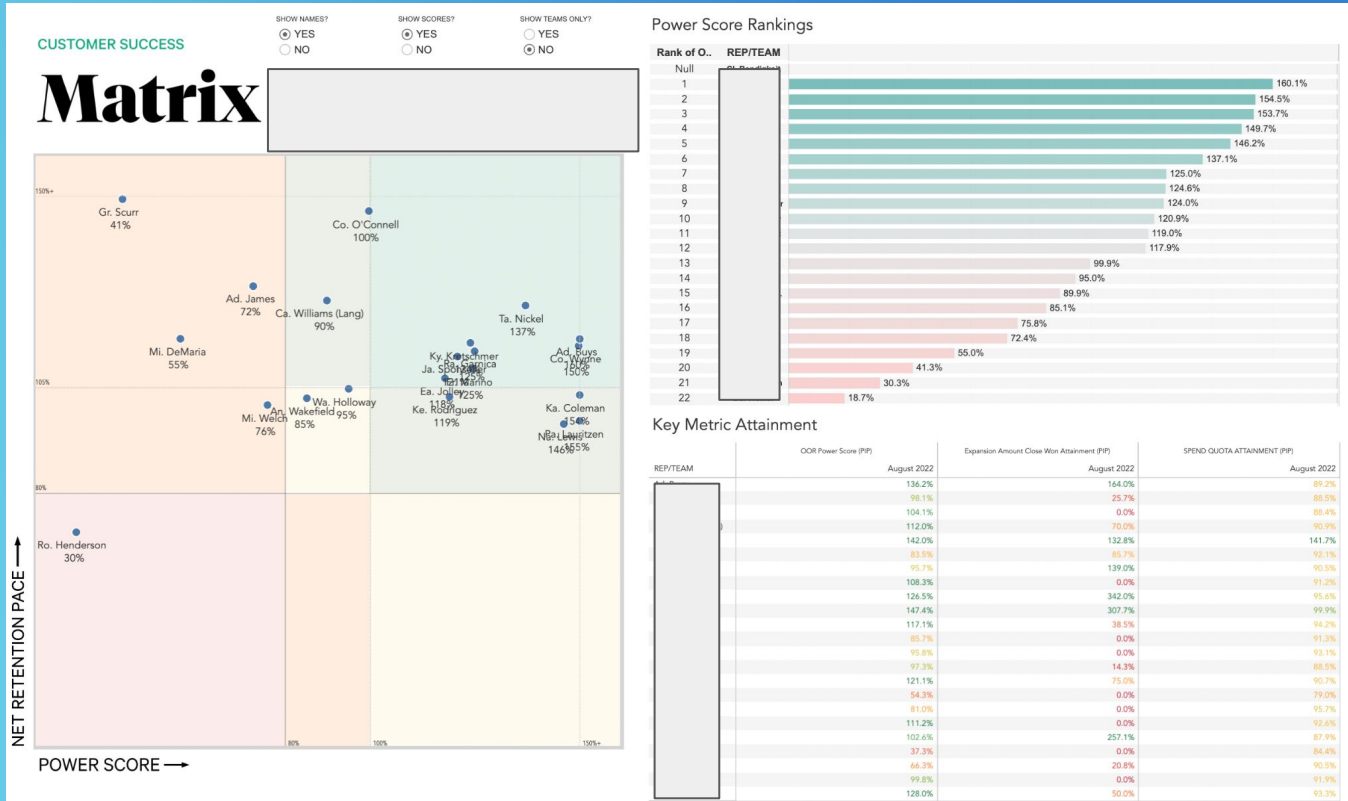
"**Well, I think I've been in the top 5% of my age cohort all my life in understanding the power of incentives, and all my life I've underestimated it.**"

- Charlie Munger

Sometimes the solution to a behavior problem is simply to revisit incentives and make sure they align with the desired goal.

Everyone owns a quota:

Demand Gen = Quota

Sales = Quota

Implementation = Quota

Success = Quota

EXAMPLE - Account Executive

Commission Assumptions

Compensation Details		Variable Details	
Annual Variable	$55,000	VAS Weight	50%
		Net Revenue Weight	50%
Quota Details			
Monthly VAS Quota	$1,750,000	Monthly VAS Variable	$2,292
Monthly Net Revenue Quota	$35,000	Monthly Net Revenue Variable	$2,292
		Monthly Variable	**$4,583**

	VAS	Net Revenue	Total
Monthly Variable Pay	$2,292	$2,292	**$4,583**
Monthly Quota	$1,750,000	$35,000	
Actuals (input values)	$2,100,000	$40,250	
Attainment	120%	115%	
Commissions Earned	**VAS**	**Net Revenue**	**Total**
.75 Payout	$0	$0	$0
1.00 Payout	$2,292	$2,292	$4,583
1.25 Payout	$430	$430	$859
1.5 Payout	$172	$0	$172
Total Variable Earned	**$2,893**	**$2,721**	**$5,615**
VAS Quality New Logo Bonus	$602		
Payout Rate With Accelerators	126%	119%	123%

EXAMPLE

Commission Assumptions

		Net Retention Weight	50%
Annual Variable	$48,000	Spend Weight	50%
Quota Details			
Monthly Net Retention Quota	101%	Monthly Net Retention Variable	$2,000
Monthly Spend Quota	100%	Monthly Spend Variable	$2,000
		Monthly Variable	**$4,000**

		Net Retention	Spend	Total
	Monthly Variable Pay	$2,000	$2,000	**$4,000**
	Quota	$10,000,000	$10,000,000	
	Actual	$10,400,000	$11,000,000	
	Attainment	104%	110%	

| **Commissions Earned**						
Net Retention			**Portfolio Spend**			
91-94%	.5x Payout	-	0-80%	.5x Payout		$0
95-98%	.8x Payout	-	80-100%	1x Payout		$2,000
99-100%	.95x Payout	-	100-115%	2x Payout		$400
101-103%	1x Payout	-	115-130%	3x Payout		$0
104-105%	1.1x Payout	$2,200	130-150%	4x Payout		$0
106-108%	1.5x Payout	-	150%+	4.5x Payout		$0
109-112%	2.25x Payout	-				
113-116%	3.0x Payout	-				
117%+	3.5x Payout	-				
Net Retention Variable Earned		$2,200	**Portfolio Spend Variable Earned**			$2,400
Total Variable Earned			**$4,600**			
Total Variable Attainment			**115.00%**			

North Star

When everyone understands the ultimate goal, they run their leg of the race much better.

North Star examples: Revenue/Usage/FCF

Spend Totals per Month (All Time)
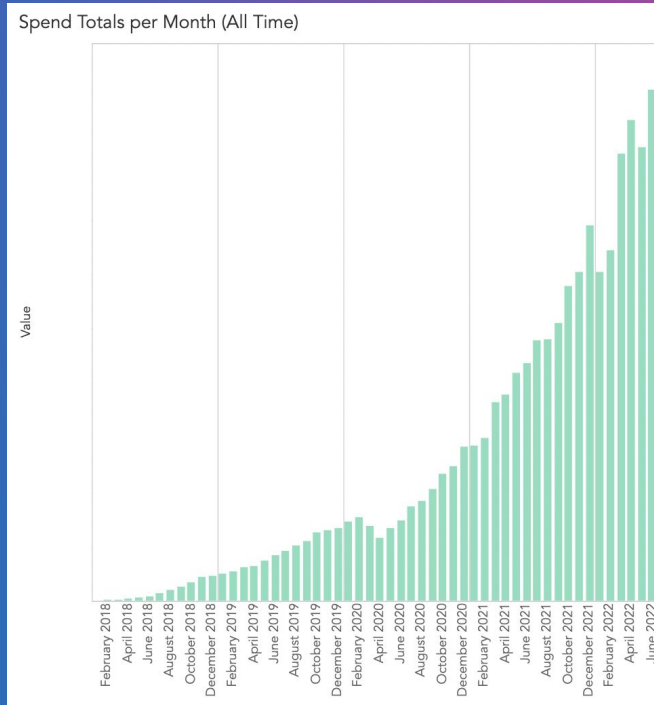
Key Principles of a Revenue team:

1. **Create the right structure** *(one owner)*
2. **Everyone carries a quota** *(knows their number)*
3. **Measure and compensate metrics one step deeper in the funnel** *(one step beyond their direct control)*
4. **Make the north star is crystal clear** *(and very visible to everyone)*

If You Make This Your GTM Operating Model You'll:

1. Attract the real A players
2. Energize everyone with a common goal
3. See and fix mistakes before they snowball
4. Grow faster and out execute the competition

T. HANKS

Thanks and see you at the Q/A

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Contact:

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#CS100SUMMIT