



◀ Webinar

December 19, 2013



Intro to: Building Your Own Growth Engine

A Growth Hacker's Framework for Startup Sales & Marketing

Agenda



- Common Growth Challenges
- What is a Growth Engine?
- Building Your Own Growth Engine
- Preferred Channels
- Prioritizing Initiatives
- Tuning Your Engine
- Finding the Hidden Gold
- Stepping on the Gas
- Q&A

About Me



Currently:



Previously:



Clients have included:



Speaking Credentials:



Common Growth Issues



- Head down in build mode
- Unfocused ad-hoc approach
- Not core skill set, or not enough bandwidth
- Under resourced in budget, time
- Junior or untrained team
- Not ready to hire senior executive team
- Shrinking sales - longer sales cycle, reduced margins
- Missed forecasts
- No plan
- Lack of process, tools, support

What's
impeding
your
growth?

What is a Growth Engine?



- *“A systematic process and the organizational infrastructure required to commercialize new businesses. It provides a platform to help companies grow by proactively and repeatedly finding, evaluating, and executing new business opportunities.”*
- *“A growth engine is not a short-term, one-off solution, but rather a comprehensive approach to building disciplined and sustainable capabilities. Once in place, the growth engine has the potential to continuously propel new business innovation, thereby sustaining growth for years to come.”*

It's a
“Systematic
Process”

- Deloitte, “Developing a Growth Engine”

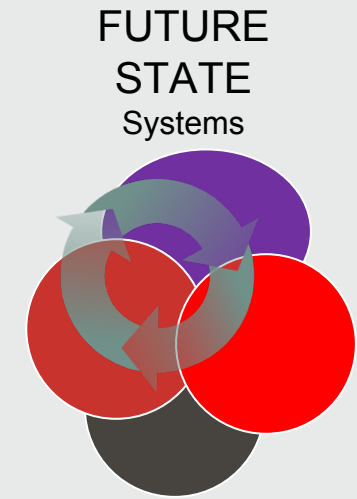
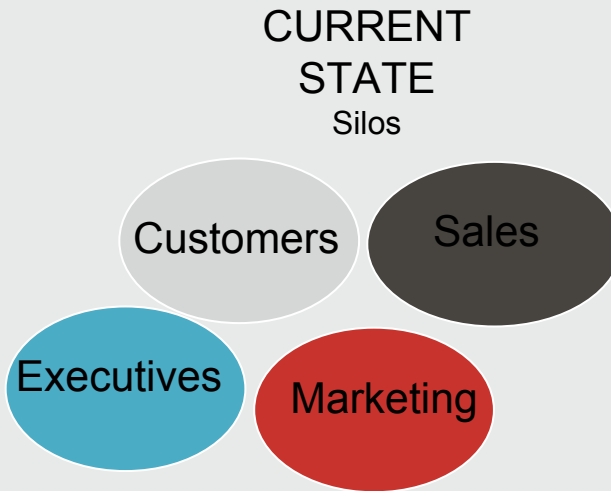
What about a Growth Hacker? *



- ▶ *"a professional who uses elements of marketing and market research, along with technology and technical strategies, to provide marketing solutions.."*
- Technopedia
- ▶ *A Growth Hacker derives "scaleable, repeatable ways to grow the business."*
- Sean Ellis of Qualaroo and GrowthHacker.com

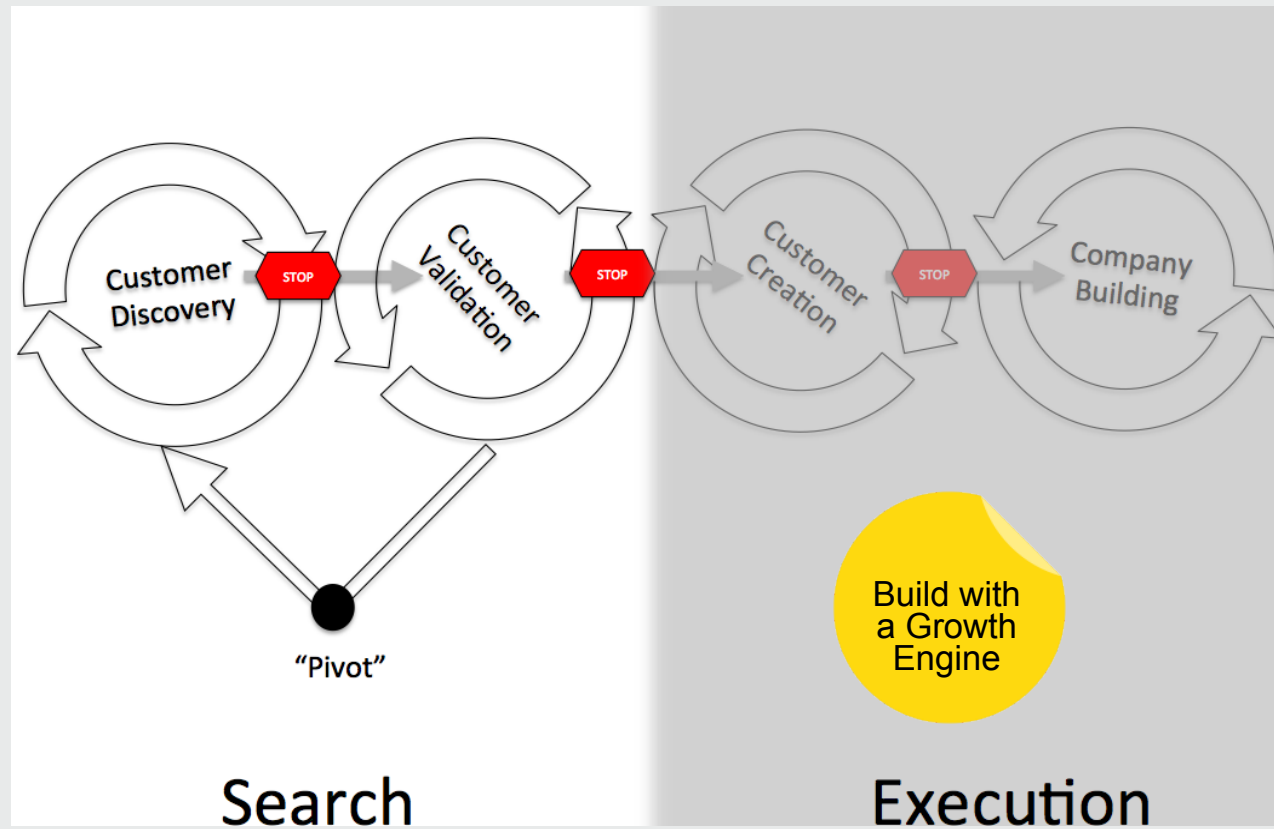
A
Growth Hacker
Needs a
Framework

A Shift in Thinking



Departmental agendas	→	Unified strategy
Short-term sales targets	→	Long-term relationships (LTV)
Company focused	→	Customer focused
Scripted	→	Authentic
Acquisition	→	Creating Value

Validation to Company Building



Where Are You Headed?

Step 1: Goals (Short and Long-Term)

- Users
- Customers
- Downloads
- Subscriptions
- Contracts
- Revenue



Who's Going to Get You There?*

Step 2: Focus on the Customer

- What need are you filling?
- What pain are you solving?
- Who do your target customers see now as filling that need?
- How are you different?
- What channels do your target customers prefer to find services such as yours?
- Who are the top influencers in their buying decision?

"Facts Exist Outside the Building, Opinions Reside Within – So Get the Hell Outside the Building" — Steve Blank

Develop Buyer Personas



Techie

Mike

25-34 single male
living with friends

Mike works as a graphic designer in a small agency and one day wants to run his own agency.

He's got an iPhone and a Vodafone 360 H1 by Samsung phone, one personal and one for work. He follows friends and key people in the design industry via Twitter, blogs, and RSS feeds. He uses his iPhone for work emails and his H1 for Facebook.

He uses Twitter to post updates about what he's up to with his project work as well as using it as a tool to find out what people are up to and to invite them to events. He uses Facebook to share personal photos and video and keeps a Tumblr blog to post interesting things he discovers and share them with his friends and followers.



Socialite

Zoë

18-33 single female
living with friends

Zoë is studying a Masters in International Development unsure of what the future lies ahead of her.

She is constantly using the Facebook app on her Vodafone 360 M1 by Samsung phone as well as on her PC to upload and tag photos and videos from places she's been to with her friends, as well as to find out and comment on who's been where at which club nights and parties.

She regularly texts and messages her friends to find out if they've heard about a new pop-up shop she heard about via a flyer, or one-off warehouse party started by friends of friends.



Cost-conscious

Geoff

35-49 married male
with young kids

Geoff works as an senior architect in a large practice, and has a wife and a young girl and 6-month baby boy. He thinks the time is right to start looking for a bigger home for his family.

Geoff uses his Vodafone 360 H1 to take photos and videos of prospective sites he visits. He purchased the H1 because of its ability to check email, surf the web, use apps, and take photos and video.

He loves the built-in camera and also uses this phone on holiday to take snaps of the family as it fits in his pocket and doesn't want to carry a large SLR around with him. He likes to upload his photos and video to Flickr and share them with his family and friends. He also creates photo books from his holidays snaps to give as gifts to his parents.

Attributes of a Buyer Persona *



Attributes of the Person	Insights About the Buying Decision
Their goals and challenges (many of which you cannot address)	What triggers some buyers to prioritize this problem for resolution, and why other buyers prefer a competitor's approach or continue to accept the status quo.
Their personality (competitive, humanistic, methodical, or spontaneous)	What results your buyer expects to achieve with a solution like yours, and which perceptions prevent them from believing that you can deliver them.
Their preferences for information (social media, whitepapers, webinars, etc.)	Which resources buyers trust to help them choose this type of solution, and which information or answers will persuade them to trust you.

Acquisition Channels

Customers Drive Growth



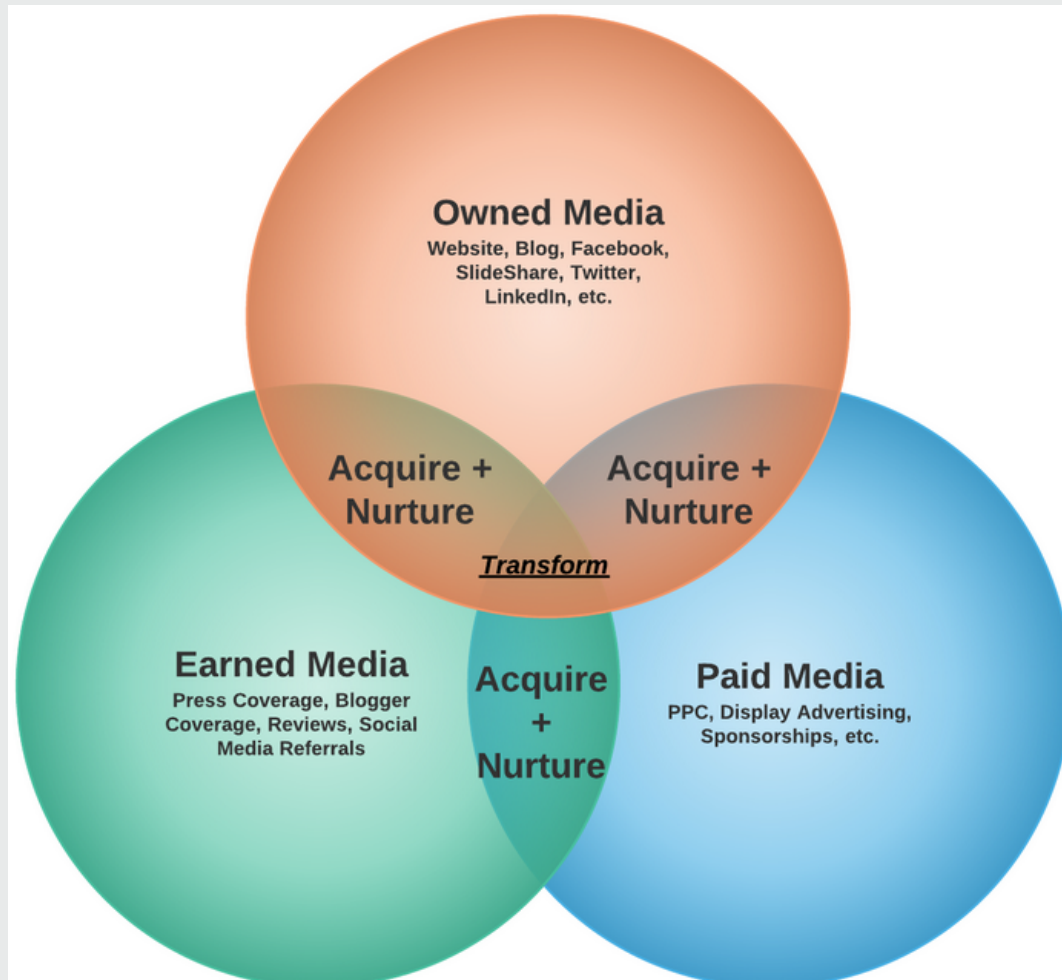
According to Eric Ries, author of “The Lean Startup” there are **4 Ways Customers Drive Sustainable Growth**:

- 1. Word of Mouth**
- 2. The Product**
- 3. Paid Advertising**
- 4. Repeat Use**

“By the time that product is ready to be distributed widely, it will already have established customers.” — Eric Ries

Paid, Owned, & Earned Media *

Step 3: Discover Your Acquisition Channels



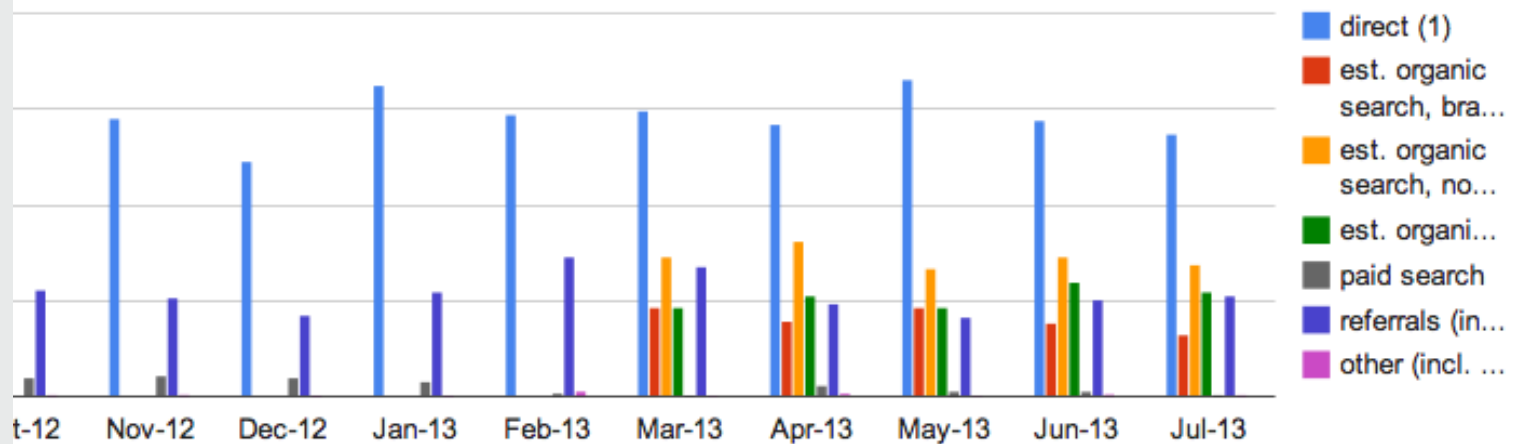
Typical Acquisition Channels



Analyze Your Channels



Site by Source



Analyze Existing Conversions *

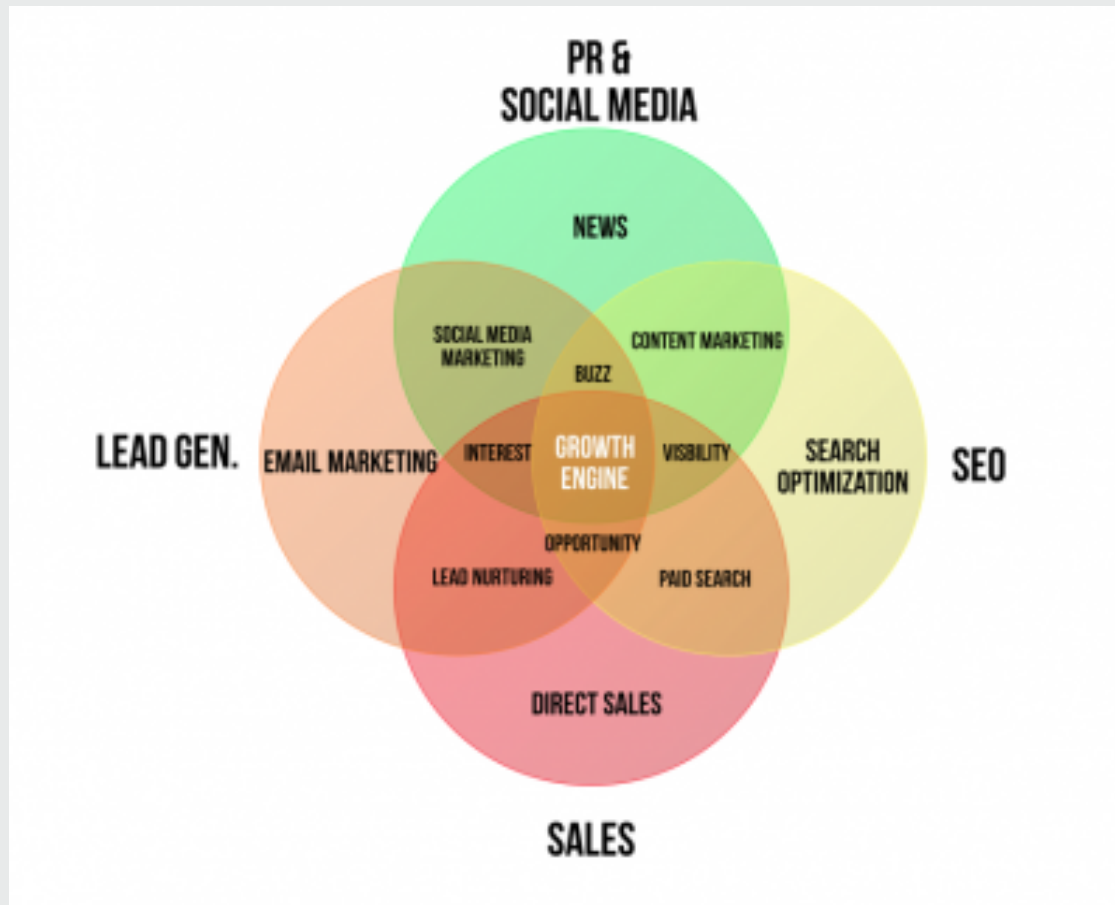


Default Channel Grouping	Acquisition			Behavior			Conversions		
	Visits ? ↓	% New Visits ?	New Visits ?	Bounce Rate ?	Pages / Visit ?	Avg. Visit Duration ?	Goal Conversion Rate ?	Goal Completions ?	Goal Value ?
	704,963 % of Total: 100.00% (704,963)	51.21% Site Avg: 51.15% (0.11%)	361,017 % of Total: 100.11% (360,612)	37.82% Site Avg: 37.82% (0.00%)	3.73 Site Avg: 3.73 (0.00%)	00:05:31 Site Avg: 00:05:31 (0.00%)	4.45% Site Avg: 4.45% (0.00%)	31,338 % of Total: 100.00% (31,338)	\$266,410.00 % of Total: 100.00% (\$266,410.00)
Direct	418,655	59.36%	248,509	38.16%	3.79	00:05:32	7.41%	31,043	\$186,272.00
Referral	167,353	37.23%	62,307	35.27%	3.85	00:05:54	0.11%	184	\$49,450.00
Social	73,724	44.42%	32,751	44.32%	2.92	00:04:25	0.03%	19	\$1,762.00
Organic Search	34,027	43.85%	14,921	33.49%	4.35	00:06:11	0.21%	71	\$22,054.00
(Other)	5,666	8.58%	486	22.80%	3.78	00:05:00	0.12%	7	\$1,782.00
Email	4,951	39.33%	1,947	44.82%	2.78	00:03:53	0.28%	14	\$5,090.00
Display	463	6.70%	31	27.43%	4.04	00:05:13	0.00%	0	\$0.00
Paid Search	124	52.42%	65	91.13%	1.32	00:00:35	0.00%	0	\$0.00

Acquisition Channel	Channel Type	Priority	Channel Reach (Rate 1,2,3)	Channel Time to Cash (Rate 1,2,3)	Channel CAC Estimate	Channel Conversions	Channel CAC Actual
Google Organic Search	Earned Media	1	1	1	\$25	TBD	TBD
Tech Press	Earned Media	1	2	2	\$50	TBD	TBD
Word of Mouth/Customer Referral	Earned Media	1	2	1	\$15	TBD	TBD
Email	Owned Media	1	3	2	TBD	TBD	TBD
Google PPC	Paid Media	2	1	2	\$150	TBD	TBD
Facebook Ads	Paid Media	2	1	2	\$150	TBD	TBD
Company Blog and Website	Owned Media	2	3	2	\$15	TBD	TBD
Strategic Partners	Partner	2	1	3	\$75	TBD	TBD
Guest Blogging	Earned Media	3	2	2	\$50	TBD	TBD

Review Acquisition Channels

Step 4: "Surround" Your Target Customer(s)

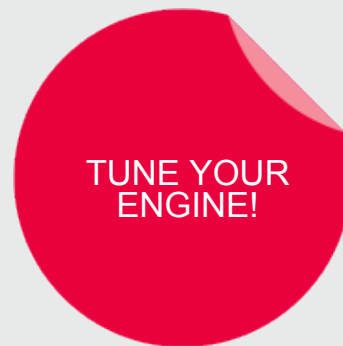


Look for Opportunities



According to Ries, there are 3 Engines of Growth:

1. The Sticky Engine of Growth
2. The Viral Engine of Growth
3. The Paid Engine of Growth



Become a “Funnelholic”

Step 5: Where does your engine need tuning?

- Not enough new prospects entering the top of the funnel?
- Not enough of the “right” prospects
- High acquisition costs
- Underutilized channels
- Slow velocity through the funnel
- Prospects “stuck” in the wrong stages
- Not enough prospects reaching your funnel “goal”

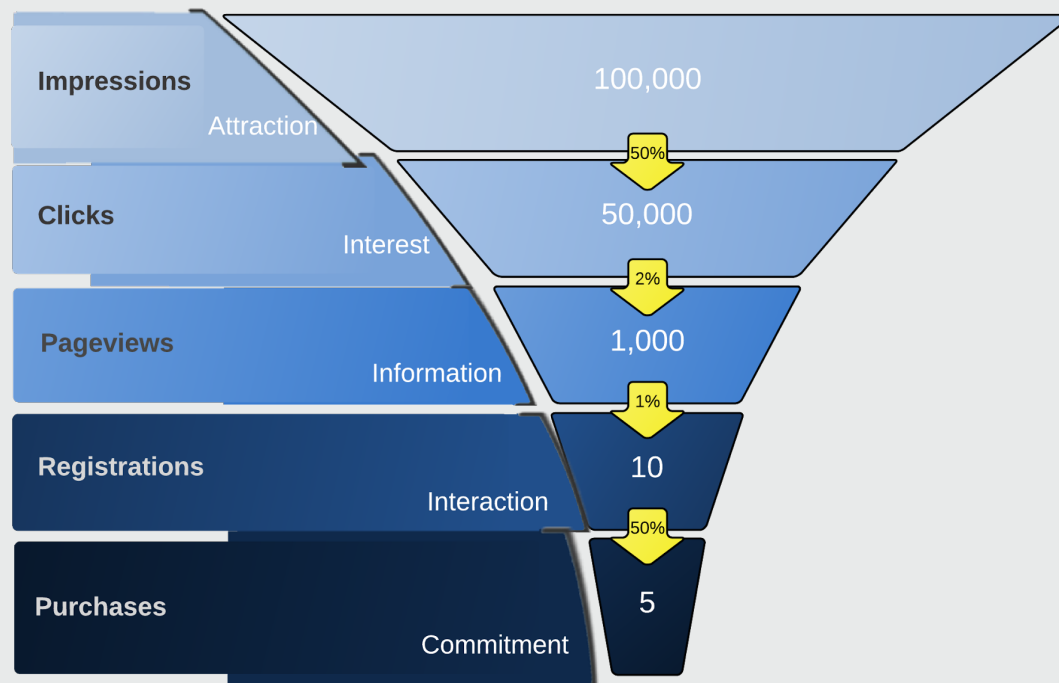
PURCHASE FUNNEL

The purchase or purchasing funnel is a consumer focused marketing model which illustrates the theoretical customer journey towards the purchase of a product or service.

Know Your Funnel

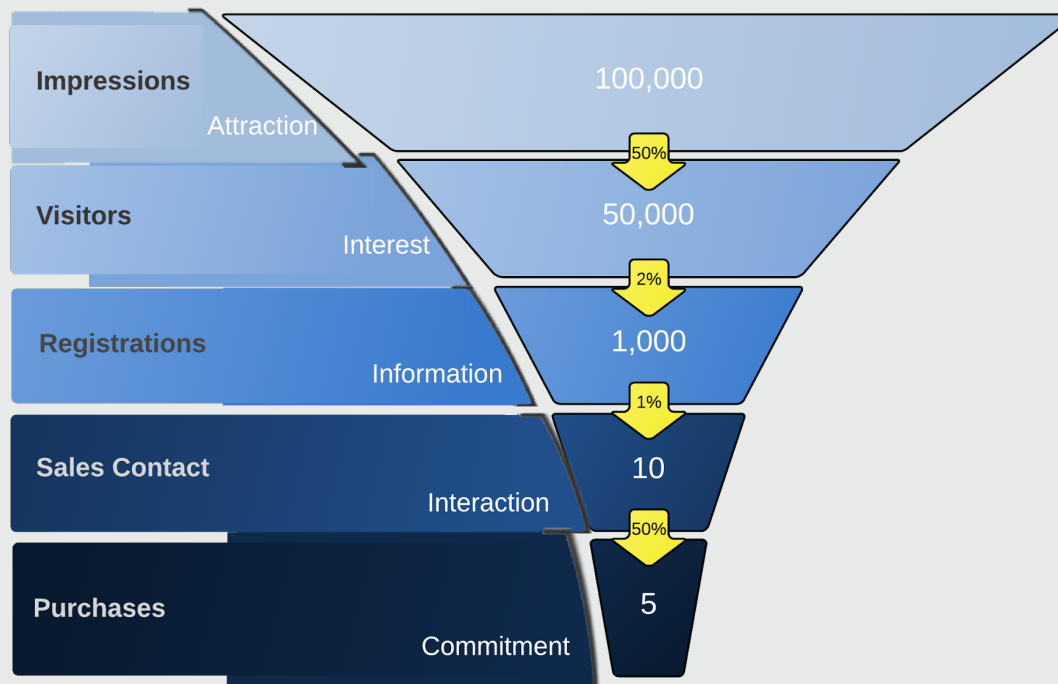


Ecommerce Funnel

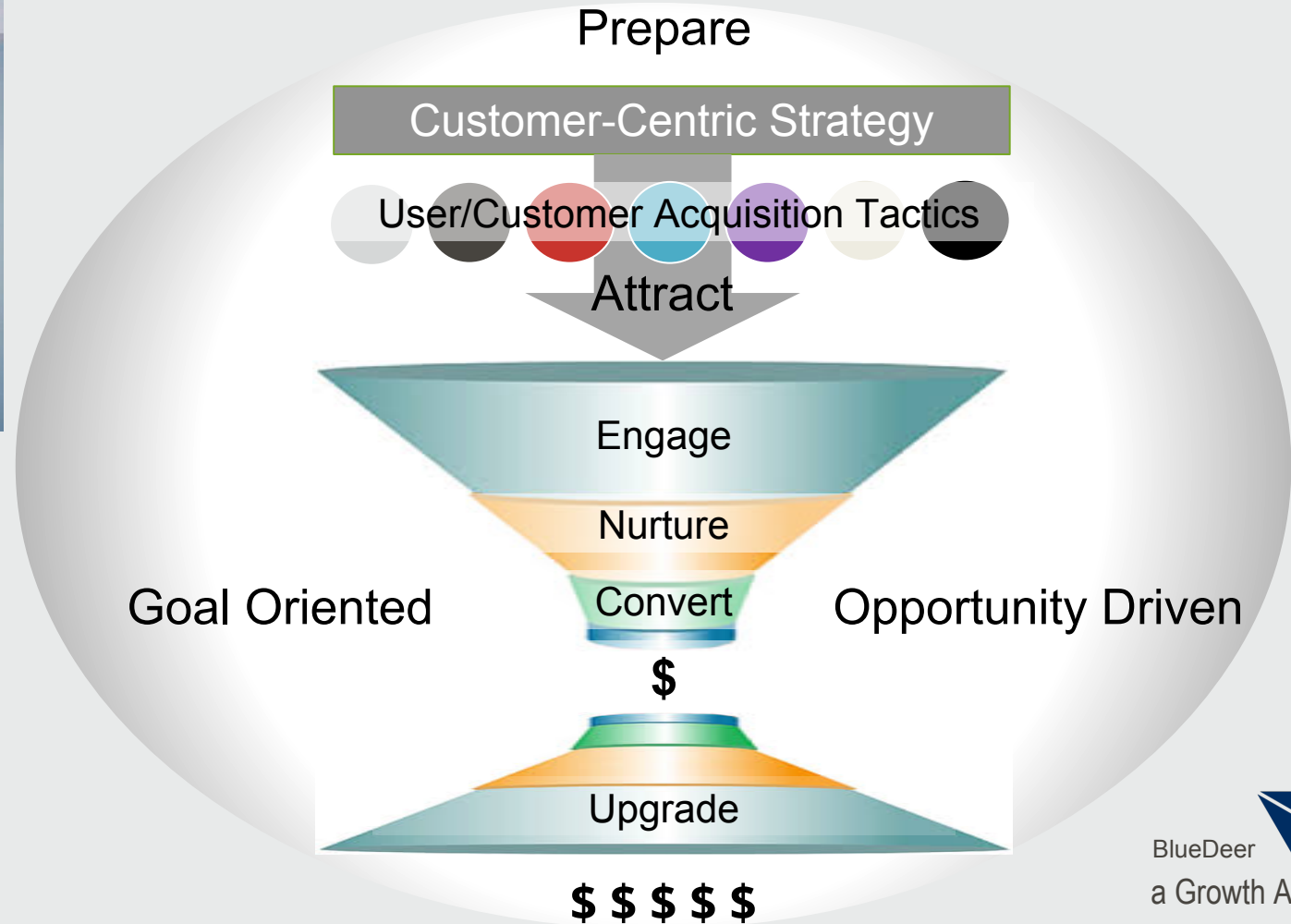


Know Your Funnel

B2B Software Funnel



GOOD Growth Engine Funnel



Tuning Your Engine



- Test new programs
- Use an integrated cross-channel approach
- Create content that inspires
- Optimize conversion points
- Execute efficiently and consistently
- Review KPIs
- Kaizen

G.O.O.D.
Goal
Oriented
Opportunity
Driven

Track Results and Costs

Priority	Channel	SubChannel	Strategy/Objective	Activities	Engagement Metrics	Visits/Traffic	Sign-ups	Conversion Rate (traffic to sign-up)	Cost: Total Budgeted	CAC
1	Paid Advertisement	Online - Adwords (CPC)	Test effectiveness of channel as CAC will be high	Create one initial pilot campaign	Impressions, clicks, conversions (to free, and to paid)					
1	Paid Advertisement	Online - Retargeting	Understand if the issue converting or getting new people. Convert site visitors.	Review current traffic.	Same as above					
1	Paid Advertisement	Online - Facebook	Test effectiveness of channel as CAC will be high	Understand demographics	same as above					
1	Social Media	Facebook	Test paid acquisition	Create pilot campaign	Likes, shares, comments					
1	Social Media	Twitter	Test paid acquisition	Create pilot campaign	Retweets, mentions					
1	Social Media	Pinterest	Test acquisition strategies	Create pilot campaign	repins, albums					
1	Email Program	Internal - User	Drip nurturing, for customer retention and driving referrals	Review current emails	Email opens, clicks, and referrals					
1	Email Program	Internal - Friends	Identify optimal time and message that generates best rate of referral	see above "email program - user"	Email opens, clicks, and referrals					
1	Referral Program	Internal	Identify optimal time and message that generates best rate of referral	see above "email program - user"	Email opens, clicks, and referrals					
1	Mommy Bloggers	Mommy Platforms Paid	Evaluate potential to a) get a paid spokesperson and b) the effectiveness of channel	Identify possible evangelist that can create content	Engagement (shares, comments on content created) + Traffic and referrals					
				Contact Living Social and Groupon for rates and create test offer(s). Test two different offer types and these two primary deal sites						

Track pilot results and re-prioritize

+	≡	To-Do ▾	Active Campaign ▾	Keywords/Topics ▾	Customer Segments ▾	Buyer Personas ▾	Channels ▾	Campaign Assets ▾	Media Engagement ▾	Editorial Cal ▾	◀ ▶
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Test New Programs

Priority	Channel	SubChannel	Strategy/Objective	Activities	Engagement Metrics	Visits/Traffic	Sign-ups	Conversion Rate (traffic to sign-up)	Cost: Total Budgeted	CAC
1	Surveys	Paid - targeted (survey money)	Determine the key data-points we want to get from customers. eg -where customers heard about us / what motivated them to buy / if they'd be ambassadors / who influences them to buy / what barriers they see to buying (maybe for non-buying visitors/members)	Put hard code questions into sign up forms. Determine the best place where a survey might be effective (for example - 30 days after purchase). Eval Qualaroo. Eval Net Promoter Score. (how likely would you be to recommend, etc).	# responses. Quality of data. NOTE: not sure this will convert or drive new traffic, but rather provide intelligence that helps us optimize other programs.					
1	Surveys	Free - Google	TBD	TBD	TBD					
1	Craigslist	Automate reply	TBD	TBD	TBD					
1	PR	Magazine, Online, TV	Drive awareness of new model	Continue PR push into media outlets read and watched by target buyers.						
1	B2B	Employee benefit (Perks or Holiday Gift)	TBD	TBD	TBD					
1	Birthday present	Bundle birthday gifts	TBD	TBD	TBD					
1	Home Schoolers	Magazine, Forum	TBD	TBD	TBD					
	SEO			Based on buyer personas (what phrases do our target buyers use) perform keyword research. Determine search volumes, competition and select 5-10 primary phrases to rank for. Create keyword map to associate key pages on web site with selected keywords.						

Continuously search for new opportunities

*

Keep your engine running smoothly with clear goals and deliverables

Stay Focused on the Customer*



Relentlessly
pursue
customer
delight

Build Your Own Growth Engine*

Discussion



Q&A

Contact Us to Learn More



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GET HELP
WITH YOUR
ENGINE!