

T2D3 GROWTH SERIES

Growth Planning for 2021



Stijn Hendrikse



Stijn supports B2B entrepreneurs with his experience in marketing and sales excellence for SaaS-based businesses. He works with investors during diligence and post-acquisition, including as an interim Chief Marketing Officer. Stijn has served as CMO and CEO for multiple B2B SaaS companies, including MightyCall and Acumatica. Stijn led Global SMB Marketing and B2B Product Marketing for Office at Microsoft, including the launch of Office 365 and the adoption of the Open XML ISO 29500 Standard. From this experience, Stijn co-founded Kalungi, specializing in growing small to mid-range B2B software companies with supporting their Go-To-Market, where they share many similar needs - Stijn.Hendrikse@Kalungi.com

COMING SOON

T2D3 Growth

Stijn Hendrikse

Q1 2021



A 2020 SaaS Market Perspective

Winners



Fastest Growers



"Steady-Eddie"
Growers



Dev-Ops



Security



IT

Losers



Affected Vertical
Market Specialists



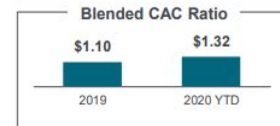
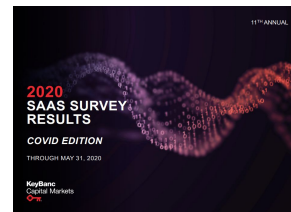
High-Churn Players
Unable to Fund
Losses



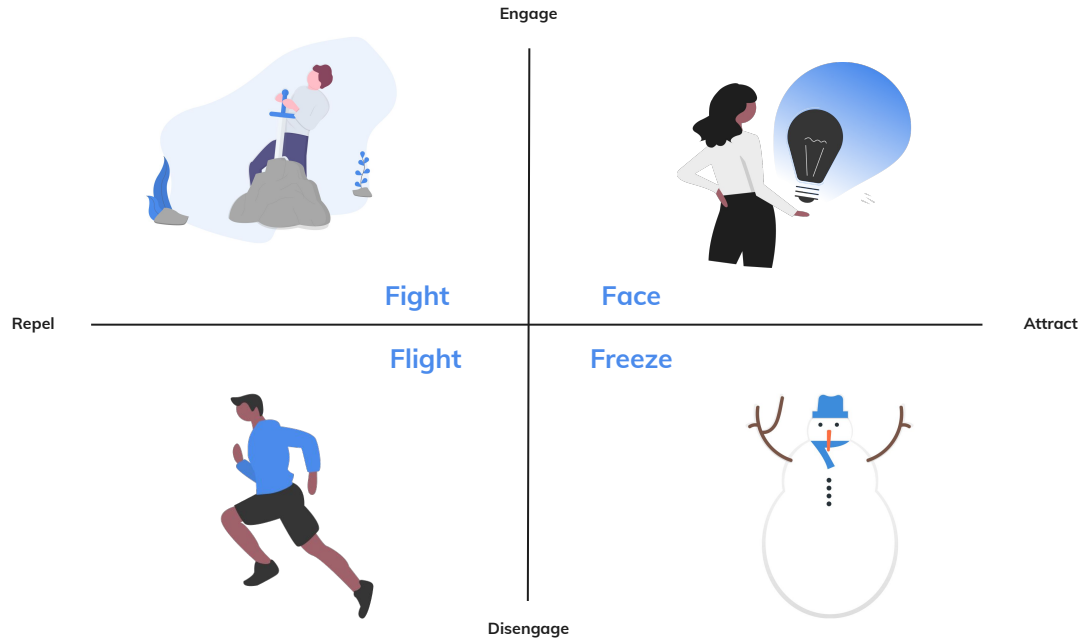
Underperforming
Players Pre-COVID

Drivers

- Reduced New Bookings from 51% to 14% of ARR
- Churn up slightly from 12.5% to 13.9%
- Sales Efficiency driving CAC up 20%
- CAC Payback Period from 18 to 21 months



How to proceed? How are you responding?

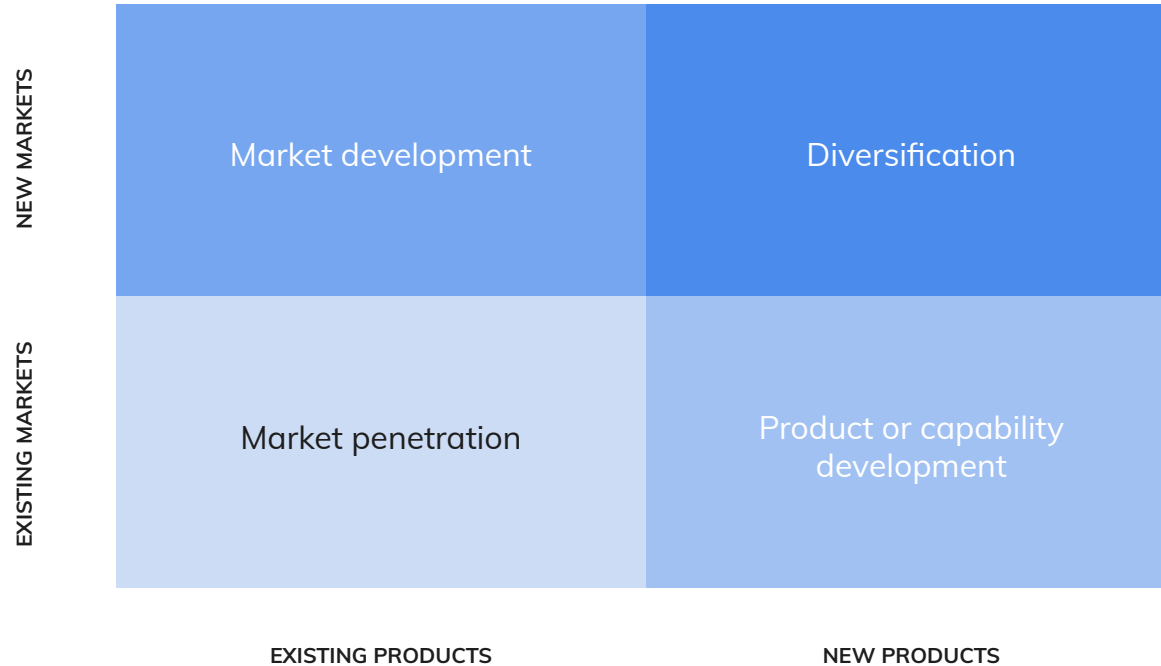


Where to place your next bets

Questions to Draft or Refine your 2021 Strategy

- How is the competition reacting to the new reality? Are they backing out of opportunities that we can double down on?
- Can we go after under-served parts of the market, as opposed to retreating to just servicing our core customer base?
- What (new) pains are our customers going through that can create opportunities for us?
- Is there an opportunity to recruit great resources at a discounted rate?
- What options do you have to capitalize on the downturn through new opportunities, while you also mitigate threats?
- Can you reduce your technical debt?
- M&A Opportunities?

The Ansoff Matrix



Analyzing your choices



Questions

Current Customer & Current Offering: Market Penetration

Requires: Optimizing current execution (SEO Strategy, content offerings etc.)

Examples:

- Price decrease / delay / financing options
- Productize your services
- Upsell campaigns
- Launch a referral program
- Price lock-in (discount exchange for loyalty)
- Price increase with benefits that are appreciated under the current circumstances
- Drive a specific campaign supported by a special promotion or unique value opportunity
- Buy market share through the acquisition of a competitor
- Improve your product capabilities or features that only require small tweaks, driving an upsell opportunity (re-package)
- Write a book (i.e. content marketing, webinars, build a training program)

New Customers & Current Offering: Market Development

Typically: New ICP and persona research & driving new GTM approach

This strategy can work when:

- The firm has a unique product technology it can leverage in the new market.
- It benefits from economies of scale if it increases coverage (selling your product online, self-service).
- The new market is not too different from the one you have experience in.

Examples:

- Explore new partnerships that can complete your offering, provide access to specific parts of the market or perform sales, marketing or services cheaper than you can.
- Explore new areas or regions of the country, and foreign markets that need your time to invest and plan.
- Develop a channel program
- From nonprofit to the private sector, or the other way around.

Current Customers & New Offering: Product/Capability Development

Requires: Product Marketing (5 P's)

Recession Tactics:

- You need to innovate to survive, and a downturn is an ideal time to make a quantum leap.
- Your competitors are scared, may lack liquidity, and may be afraid of taking risks.
- Product development should never be neglected and should be embraced in times of adversity.
- Are there ways to obtain speedier cost efficiencies in a recession, such as product development through substitution?

(Substitutes allow companies to circumvent entry barriers erected by former market leaders, making the new product strategy easier, quicker and cheaper to implement in a downturn.)

Examples:

- Invest in research and development of additional features.
- Acquisition of rights to produce someone else's product.
- Buying in the product and “badging” it with your own brand.

New Customers & New Offering: Diversification

Requires: Long term vision with significant research, development and execution bandwidth

- **Highest risk**
- **Requires patience & reserves**
- **Deep strategic play**

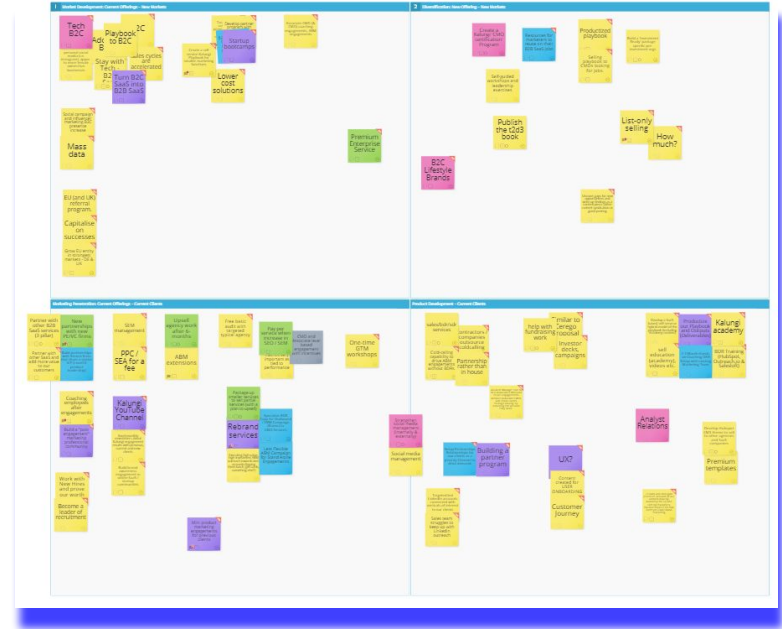
Examples:

- Turn a services company into a product company. Or the other way around.
- Try out that new business model you've been thinking about, in a specific corner of the market.
- Implement a 'second mover' strategy
- Customer-fueled pivots - dive into feedback trends to understand current market gaps and pivot opportunities

How to begin?

Steps to creating your own growth strategy workshop:

- Build workshop participation list
- Send out a product survey to workshop participants
 - Google Surveys
 - Template will be emailed to you this week
- Gather results and input into a matrix board
 - Stormboard
 - Post-Its
- Consider valuation during workshop discussion
- Assessment and action
- Need more help? Schedule your 1:1 session with Stijn



Example Results

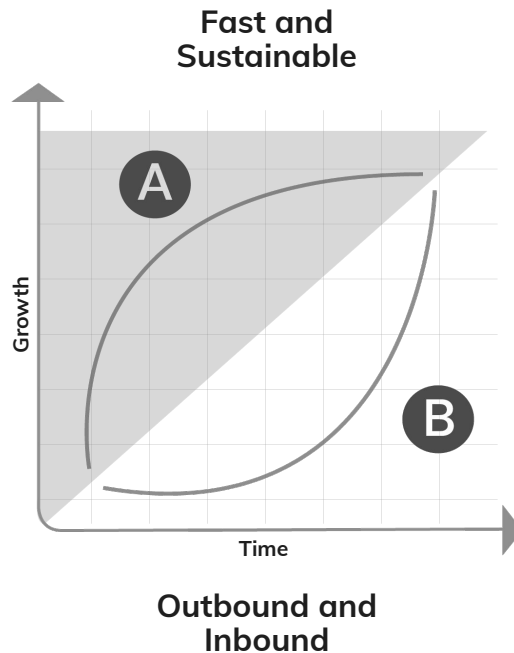
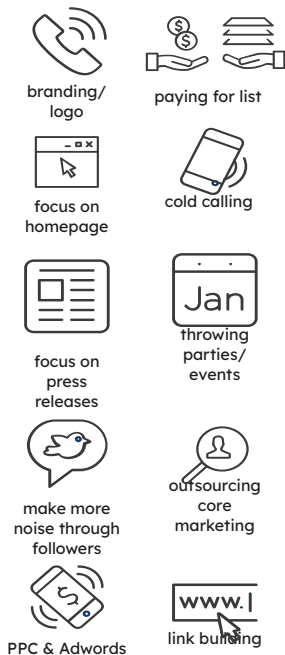
Opportunity name	Product	Customers	Proj. Average annual deal	Proj. new customers (or units)	Opportunity in millions (New customers x annual deal size)	Will it contribute to ARR?
Upsell ECM to existing customers	Current	Current	\$60,000	50	3	<input checked="" type="checkbox"/>
Continued improvements - SmartTouch AP for Workday	Current	Current	\$60,000	42	3	<input checked="" type="checkbox"/>
"Good, better, best"	Current	Current	\$60,000	10	1	<input type="checkbox"/>
Partner resellers						
	Current	Current	\$40,000	40	2	<input checked="" type="checkbox"/>
Light partner program	Current	Current	\$40,000	40	2	<input checked="" type="checkbox"/>
Reduce problem customers	Current	Current	\$60,000	9	1	<input checked="" type="checkbox"/>
Lawson-added licenses, users and pages	Current	Current	?	?	0.05	<input checked="" type="checkbox"/>
Fire all non-strategic customers (Phase out customers that are not a strategic fit)	Current	Current	?	?	0.2	<input type="checkbox"/>
Create documentation	Current	Current	?	?	0	<input type="checkbox"/>
Build internal exception management functions (identify code issues before clients do)	Current	Current	?	?	0	<input type="checkbox"/>
Close 10 WeWork size contracts	Current	New	\$450,000	10	4.5	<input checked="" type="checkbox"/>
Grow in pace with WD Financial Management (Continue focusing on WDFM customers – target and optimize materials to capture their new users)	Current	New	\$60,000	60	3.6	<input checked="" type="checkbox"/>
Focus on Europe as a new market	Current	New	\$60,000	30	1.8	<input checked="" type="checkbox"/>
White label AP solution for P2P vendors (ex. Fraxion)	Current	New	\$50,000	20	1.0	<input checked="" type="checkbox"/>
Increase implementation costs	Current	New	\$15,000	40	1	<input type="checkbox"/>
PeopleSoft ERP sunset cohort	Current	New	\$60,000	5	0.3	<input checked="" type="checkbox"/>
Sell blocks of supplier implementation time (or invoice tuning time)	Current	New	\$5,000	50	0.3	<input type="checkbox"/>
Machine learning	New	Current	?	?	?	<input type="checkbox"/>
Onsite product process evaluation upsell	New	Current	?	?	?	<input type="checkbox"/>
Infor Cloudsuite Integration (SmartTouch AP)	New	Current	\$50,000	20	1.0	<input checked="" type="checkbox"/>
Get ECM WD certified and focus on Workday market	New	Current	\$50,000	15	0.8	<input checked="" type="checkbox"/>
SmartTouch People / HR with OCR	New	Current	\$50,000	10	0.5	<input type="checkbox"/>
Mobile T & E	New	Current	?	?	0.25	<input type="checkbox"/>

Questions

Preview: Balancing Quick Wins & Sustainable Results

You need
Leads
now...

Short-term diminishing returns



Long-term Scalable



And
tomorrow...

UP NEXT

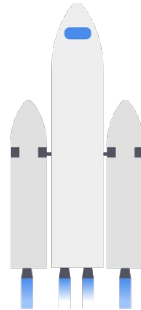
Stay tuned

**Balancing Quick Wins with
Sustainable Growth**

December 15th - 1:30 PT / 4:30 ET

**Account Based Marketing (ABM)
for B2B SaaS Leaders**

January 13th - 1:30 PT / 4:30 ET





Thank you!