

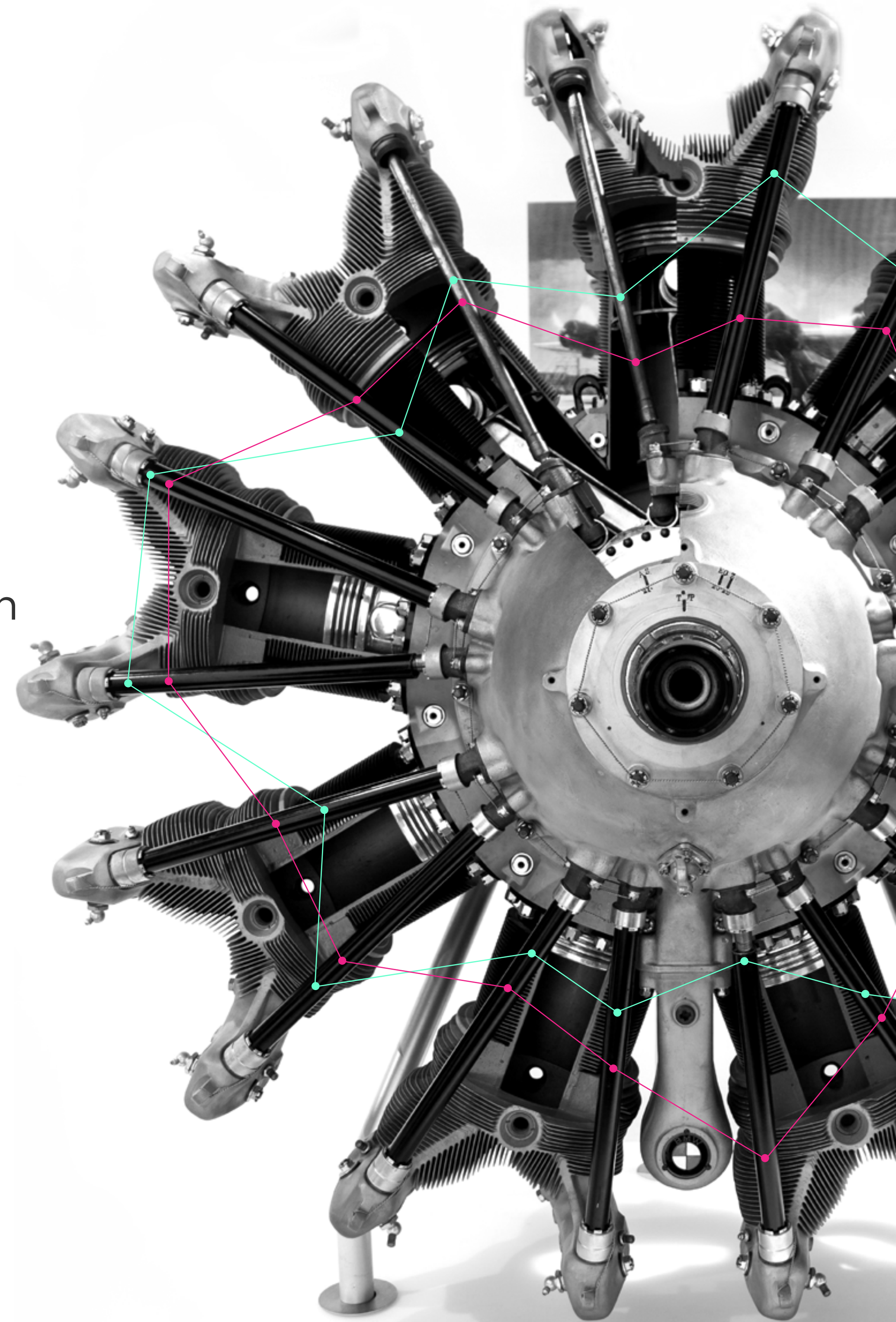


BUILDING A GROWTH ENGINE

How to get started using
The Grow Cycle framework
and full-funnel analytics.

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Introduction

It's no secret that the process of gaining and keeping customers without spending enormous amounts of money is the puzzle that growing companies are working to solve every day.

Unfortunately, many of them either never solve it or don't figure it out with enough time to capitalize on their discoveries.

Full-funnel and revenue analytics is the linchpin to winning at customer acquisition and retention that many growing companies are missing. It's only becoming more and more apparent that measuring a metric here and there isn't enough to understand the performance of their entire funnel.

Executive teams recognize this, which is a large reason why SMBs are adopting business intelligence solutions at a rate **3X faster than**

enterprise companies. These executives are pushing their teams to unlock the secrets to a smoother customer journey and discover the growth levers that will take them from startup to growth engine.

In this ebook, we'll take a brief look at The Grow Cycle and a deep dive into the customer acquisition funnel and how to use KPIs for a deep understanding of this part of your growth cycle.

The Grow Cycle

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The Grow Cycle

The Grow Cycle framework involves three acquisition areas crucial to the growth of any business: **customer, revenue, and margin acquisition.** Although the complete structure of your company may be much more complex, at a fundamental level, everything your teams do likely fall under one of these umbrellas. Understanding how these processes work together is key to running your company effectively.



CUSTOMER ACQUISITION

Includes everything your business does to acquire customers, from the first marketing touch to the closed sale. No matter what type of business you're running—SaaS, ecommerce, an agency, etc.—this area is concerned with the actions you take to get new customers.



REVENUE ACQUISITION

Everything your business does to ensure you have a paying customer base. Not only does this involve collecting payments, it's also concerned with retaining customers so that they want to continue working with you and paying for your product or service. Research and product development fall into this area as well.



MARGIN ACQUISITION

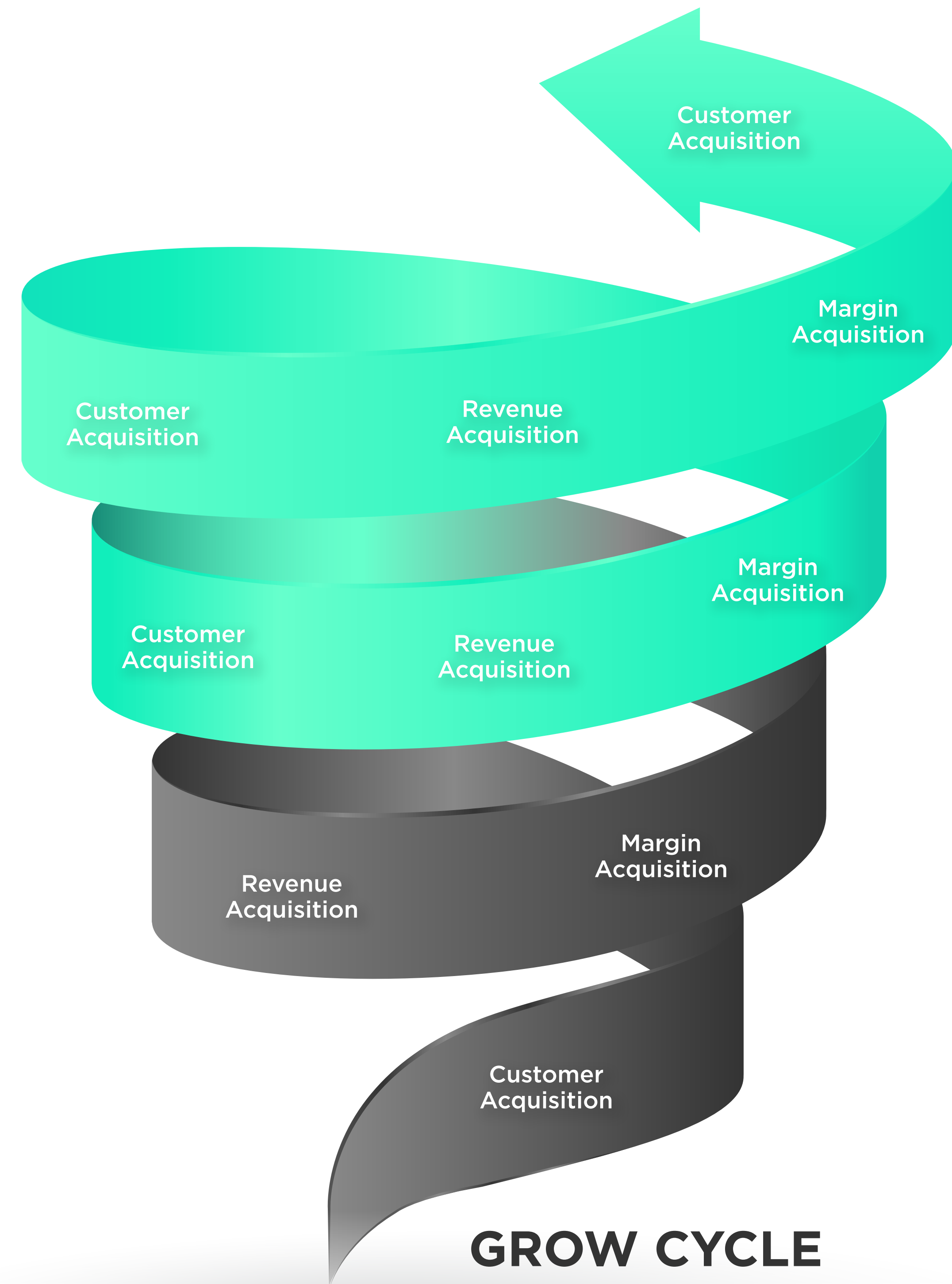
This area is vital because it's the steps you take to keep your business alive, to keep your operating costs low, and to squeeze as much profit as possible out of every dollar that comes through your door. If you don't tend to this stage, you're probably going out of business.

Tying These Pieces Together

When put together, customer, revenue, and margin acquisition form a continuous cycle of growth that either spirals tighter if you're struggling or shrinking, or wider as you improve and grow.

Growth in this cycle comes from optimizing one piece and then using that extra cash and time to reinvest into the next piece. It's this process of optimization and reinvestment that makes it possible for your cycle to **grow larger and larger**, producing more and more profit over time.

If, however, you find that your company is performing poorly in a certain area, or if you're producing the wrong kinds of results, you'll struggle in the next stage of the cycle, which could leave you either breaking even (a **"spin cycle"**) or losing money (a **"shrink cycle"**).



GROW CYCLE

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The Benefits of Tracking Your Grow Cycle

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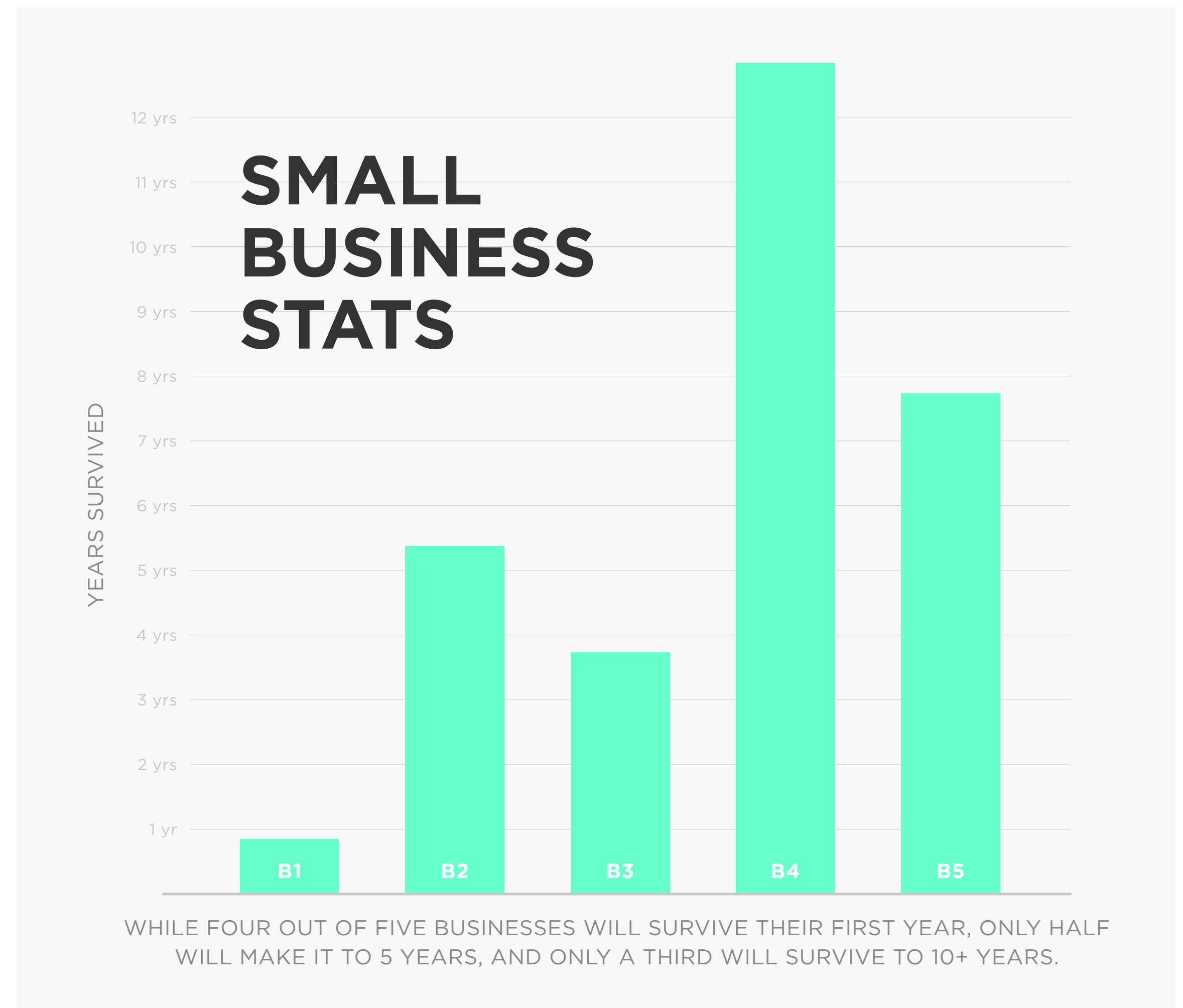
The Benefits of Tracking Your Grow Cycle

You've heard the stats on small businesses: While four out of five businesses will survive their first year, only half will make it to 5 years, and only a third will survive to 10+ years.

So what makes the difference between those that live and those that die? Moreover, what makes the difference between those that live and those that thrive?

Companies fail for many reasons, but those that succeed—those that truly thrive—do so because they've figured out something that the failures haven't: how to stay in a cycle of growth (and how to get back in when they fall out).

As you track the Grow Cycle, you'll discover many benefits, however there are three in particular to pay attention to: **timely answers to the right questions, changes in behavior across the company, and more informed strategies.**



Get Answers to Your Questions

When you build your Grow Cycle framework, you will map out the most important KPIs for each section of the cycle, which means that whenever questions or bottlenecks arise you'll know exactly where to find them. The longer you track these KPIs, the more powerful they'll become, as you compare current performance with historical data.

Visualize This

Let's say you take a look at your dashboard and notice that your inbound leads are lower than usual. With your Grow Cycle metrics displayed on a dashboard, you can quickly check a couple other metrics to see if you spot any similar trends. How's your site traffic? How are your ads performing? If you see a correlation with either of those metrics, you know where you need to continue digging. If not, you'll need to explore other possible causes.

To be continued ...



Change Behavior in Your Company

As you share your Grow Cycle data across your company, you'll see employee behavior change as you align your entire company to specific goals and individuals actively look for KPIs they can influence.

Visualize This

With dashboards shared throughout the office, you aren't the only one to spot the downward spike on the leads metric. That means when you head over to marketing, the team is checking click-through rates on current ads, open rates on emails, and conversion rates on landing pages.

Perhaps a new campaign isn't performing well. The team can quickly compare the new campaign to previous campaigns and start developing ideas for how to improve its performance.

To be continued ...



Drive Strategy

Seeing the full picture of each area of your business improves your ability to forecast and set targets. For example, when you can clearly see how actions at the top of the customer acquisition funnel trickle down, you can reverse-engineer your funnel to tell you how many website visitors you need to get each month in order to hit your revenue goals.

Not only does tracking the Grow Cycle help you create your strategy, it also helps you evaluate it. Because you're measuring your performance, you can more effectively examine how you executed on your plans—which gives you more useful information to put towards your future strategizing.

Visualize This

Fortunately, catching a lead drop early means the marketing team can quickly pivot and limit the damage of a low-performing campaign. Based on the metrics they dig into, the team can spot which specific parts of the campaign funnel need to be addressed—ads, emails, landing pages, etc.

As they implement their changes, they can continue to monitor performance, and after it's finished, they can evaluate what worked and what didn't with data, so that they can apply what they learned to future campaigns and strategies.



It Starts with Customer Acquisition

Handbuilt by 
Tetsushi Matsumoto

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It Starts with Customer Acquisition

The best place to start optimizing your Grow Cycle is the customer acquisition funnel. If you can't get down acquiring customers, you're never going to be able to survive as a business.

What is the customer acquisition funnel?

Let's start with the obvious: what's even involved in the customer acquisition funnel?

The customer acquisition funnel, also referred to as the customer journey, are the steps you take customers through that move them from awareness of your brand all the way through purchasing. As you're likely familiar, this process involves stages of **awareness**, **consideration**, and **decision**.

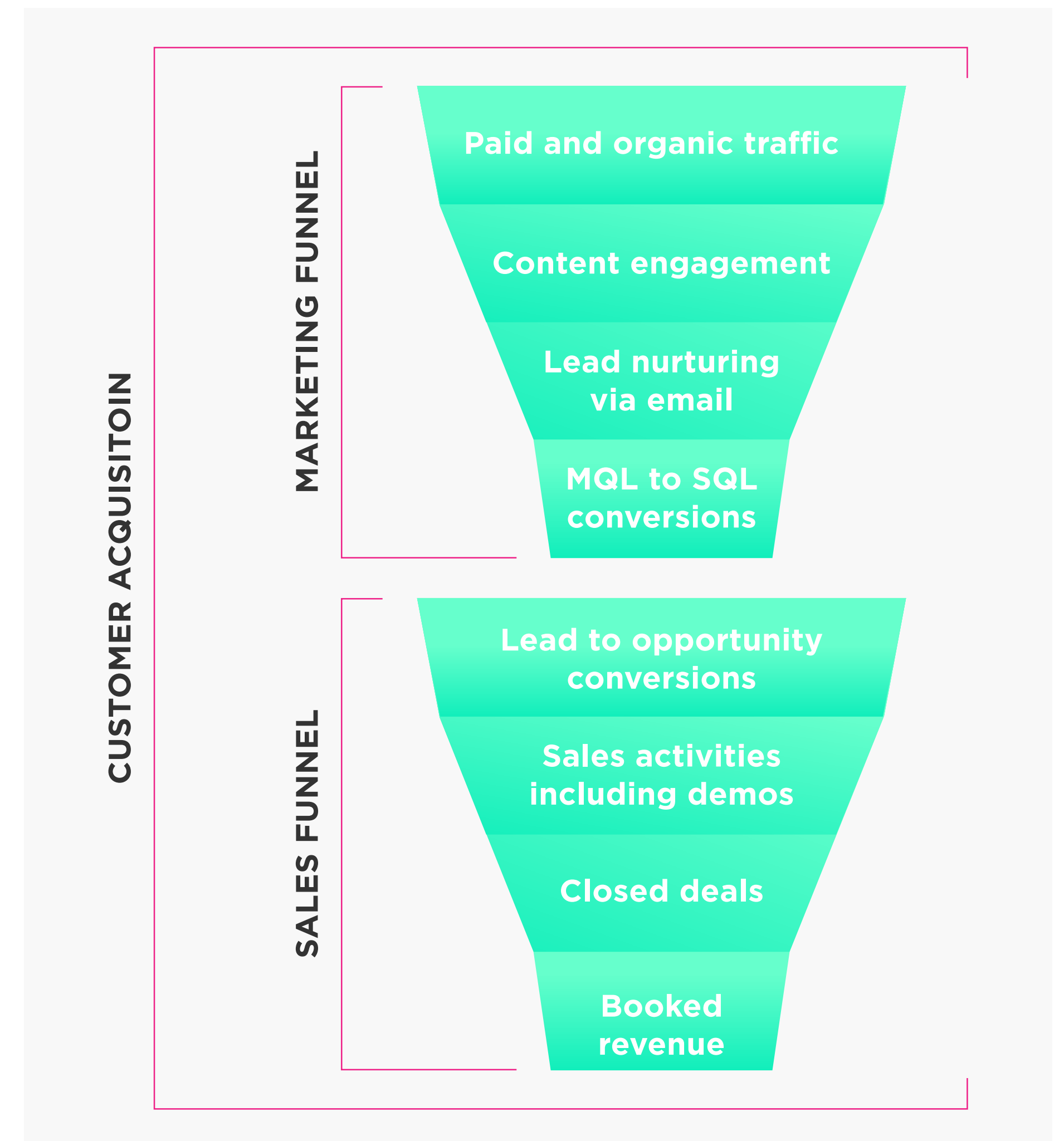
If you take the funnel a few clicks deeper however, you'll find that your **marketing and sales funnels** are what make up your full customer acquisition funnel—starting with paid and organic traffic and ending with booked revenue.

MARKETING FUNNEL

- Paid and organic traffic
- Content engagement
- Lead nurturing via email
- MQL to SQL conversions

SALES FUNNEL

- Lead to opportunity conversions
- Sales activities including demos and free trials
- Closed deals
- Booked revenue



What a Full-Funnel View of Customer Acquisition Gives You

As you can imagine, tracking your entire funnel is no small task. The time requirements and difficulty are what often deter businesses from even attempting full-funnel and revenue analytics.

However, when looking at the benefits of full-funnel analytics it's impossible to ignore what it can do for your company.

BENEFITS OF TRACKING YOUR ENTIRE CUSTOMER ACQUISITION FUNNEL.

Use spend wisely.

Put your money where it matters most.

Align your team.

Get marketing and sales working together, not against each other.

Identify high performers.

Whether it's content, channels, or sales reps, you'll be able to back the right horse.

Accurately forecast your pipeline.

You'll know when it's time to start pulling levers to hit numbers.

Resolve funnel leaks.

Identify what and why something isn't working.

Demonstrate your growth.

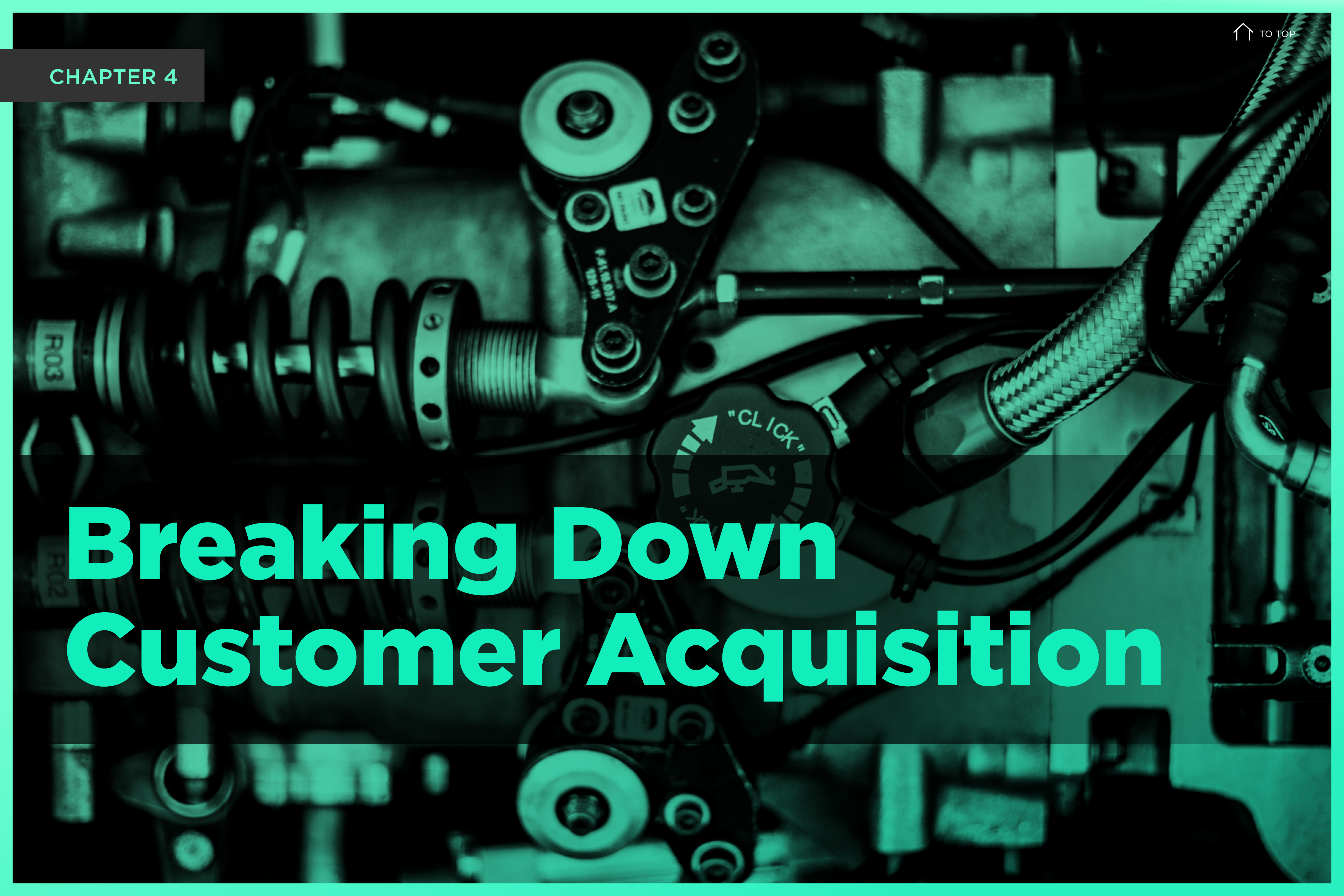
You'll be able to quickly get a baseline and start setting improvement goals.

A revenue analytics solution like Grow can help you save time tracking your customer acquisition funnel by reducing data preparation and making KPI communication seamless.

Find out how at [Grow.com/demo](https://grow.com/demo)



Breaking Down Customer Acquisition



Breaking Down Customer Acquisition

As every funnel does, the customer acquisition funnel is broken down into top-of-funnel (TOFU), middle-of-funnel (MOFU), and bottom-of-funnel stages (BOFU). Each stage maps to specific parts of the marketing and sales funnels and uses specific KPIs to measure performance.

Top of Funnel: Awareness

You've heard about brand awareness a million times, but what does it actually mean? Brand awareness **includes any efforts that drive traffic to your website**, typically paid or organic. Your marketing team will be solely focused on this area of customer acquisition.

SAMPLE KPIS

- Ad spend
- Organic vs. paid traffic
- Bounce rates
- Keyword rankings
- Social engagement

Middle of Funnel: Consideration

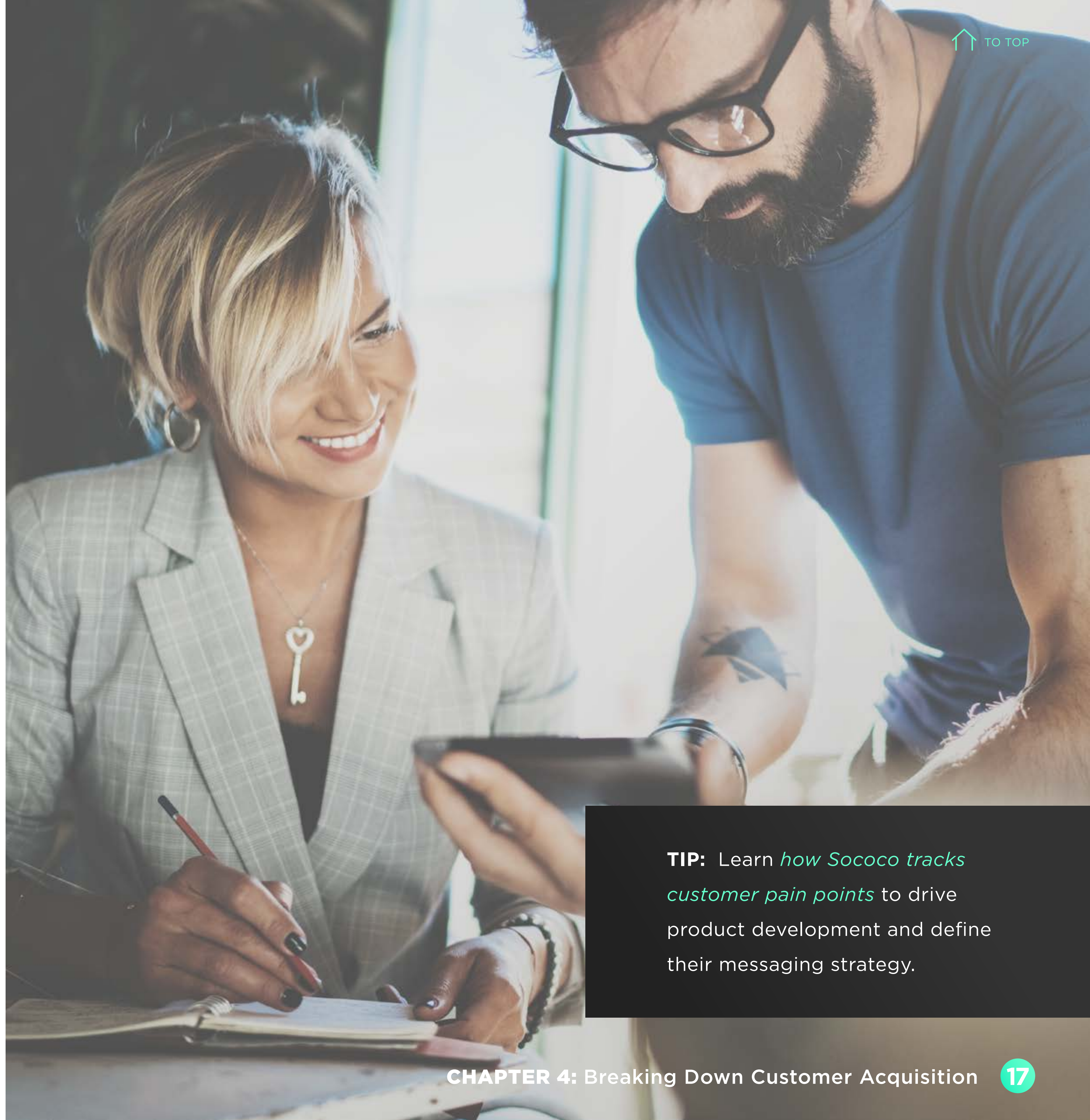
The middle of your customer acquisition funnel is where your marketing efforts connect to your sales efforts. Here, you'll engage prospects with **targeted content and email nurturing** until they meet your team's standard for a marketing qualified lead, or MQL, and passed to sales.

Sales will take this MQL, send them through their own scoring system, and eventually **convert qualified leads into opportunities**. Sales will then engage the opportunity through a variety of tactics including **demos, free trials, and emails**.

This portion of your funnel is where you can win or lose with a potential customer, which is why it's important to track both quantitative and qualitative data.

SAMPLE KPIS

- Content downloads
- Email click throughs
- Lead:opportunity conversions
- Sales activities
- Customer pain points



TIP: Learn *how Sococo tracks customer pain points* to drive product development and define their messaging strategy.



Bottom of Funnel: Decision

At the end of the customer acquisition funnel is **closed deals** and **booked revenue**. The data here can be used to reverse engineer your funnel so you can forecast your pipeline and determine what levers need to be pulled where in order to hit your revenue targets.

SAMPLE KPIS

- Closed/won and closed/lost deals
- Booked vs. contracted revenue
- Customer churn
- Pipeline forecasting
- Sales leaderboard

TIP: Need help keeping everything organized? Use our [Guide to Measuring Customer Acquisition](#).

3 Steps to Analyzing Your Funnel



Steps to Analyzing Your Funnel

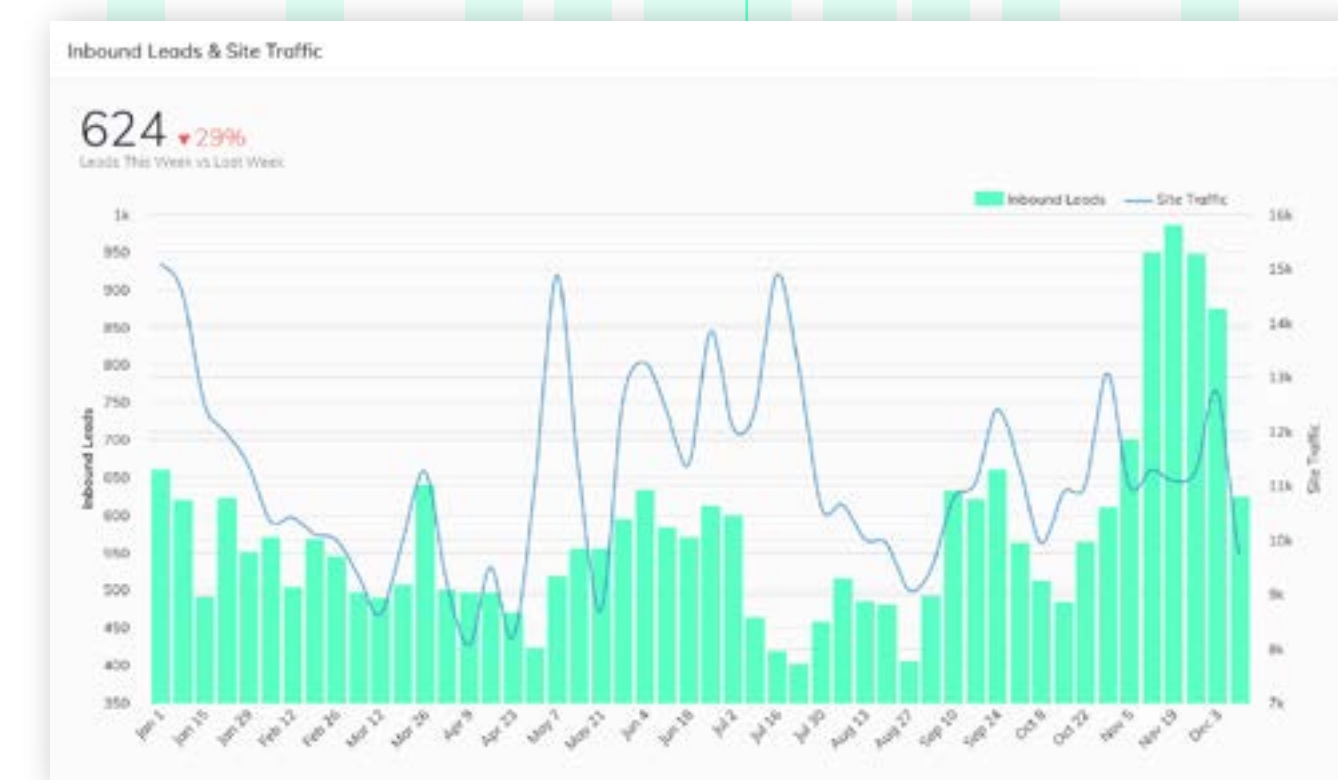
Now that you understand what makes up the customer acquisition funnel, there's 3 steps to follow before you can start optimizing it.

STEP 1: GET THE RIGHT DATA

Remember how we mentioned that building a full-funnel view is time consuming and difficult? Gathering your customer acquisition data is part of the reason for that. However, using sales, marketing, and finance software that integrates easily with each other can alleviate many common pains.

IT BEGINS WITH A CRM.

Your CRM, or customer relationship management platform, is going to be one of your greatest tools when measuring customer acquisition. Salesforce is currently the world's leading CRM—and for good reason. It integrates with almost every major SaaS application on the market, making it easy for you to gather your marketing, website, financial, and customer data in a single place.



STEP 2: MEASURE EVERYTHING IN DETAIL

You can measure every part of your funnel, but if you're not measuring something in detail or tying it to goals, then it will be difficult to extract any meaning out of your data.

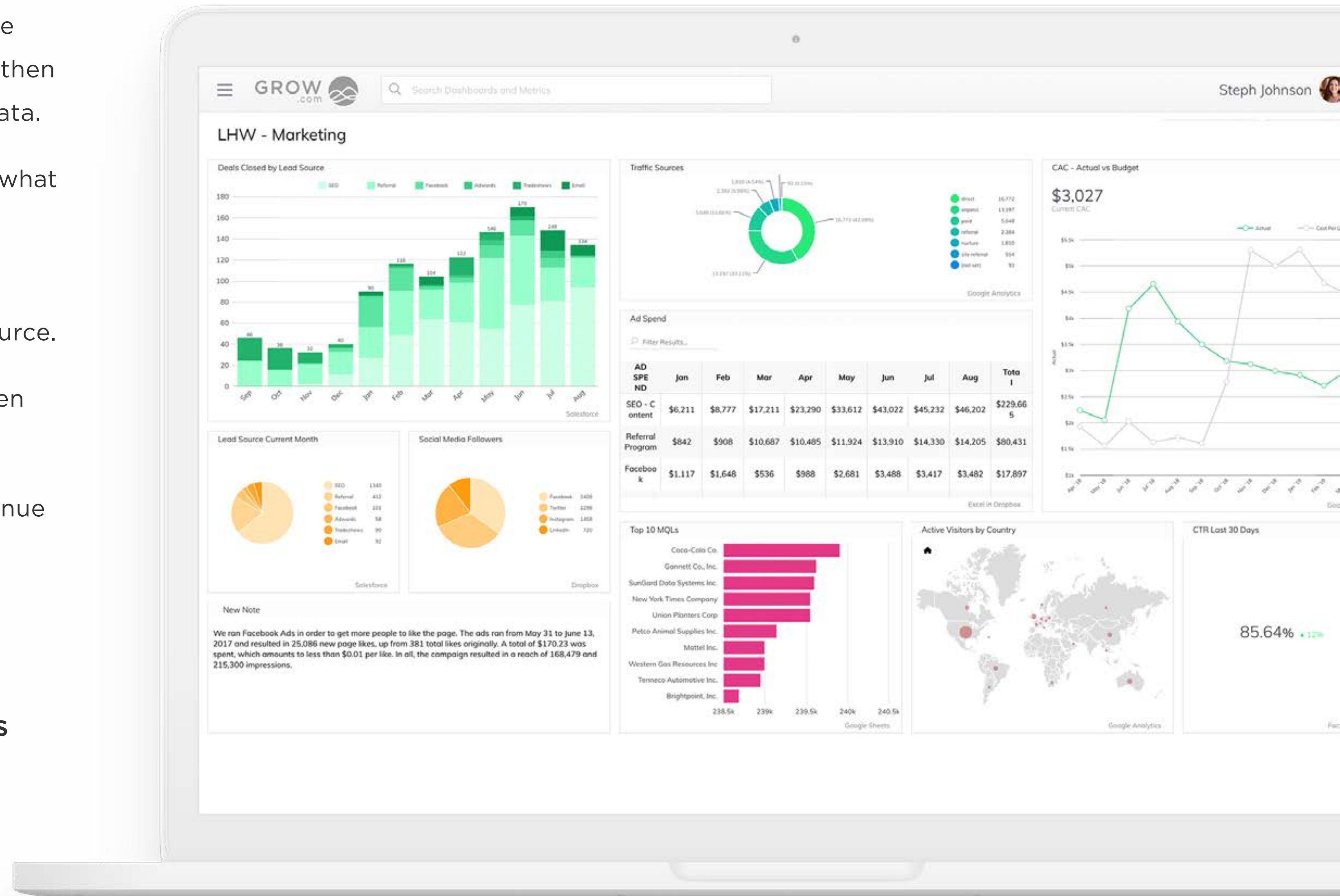
So, when you decide on KPIs, ask yourself, is this really what we want to see? You'll likely find that instead of general metrics, you'll want to monitor performance in detail.

Instead of total site traffic, you'll want site traffic by source.

Instead of a trial fallout percentage, you'll want a golden motions analysis completed.

Instead of closed sales, you'll want to monitor the revenue per lead per channel.

The more detail you provide yourself and your teams up front, the easier it will be for everyone to spot optimization opportunities moving forward.



STEP 3: REVERSE ENGINEER YOUR FUNNEL

THIS IS WHERE THE MAGIC HAPPENS.

After you've identified what you want to measure and where to get the information from, it's time to start building KPIs and setting goals for improvement and, eventually, growth.

Follow your funnel all the way from revenue to organic traffic and you'll be able to set goals that truly matter to your growth like one of our customers, Sococo, was able to do with their [Marketing and Sales Funnels Dashboard](#).

THE EASIEST WAY TO DO THIS IS TO REVERSE ENGINEER YOUR FUNNEL. START WITH THIS MONTH'S PERFORMANCE AND ASK YOURSELF A SERIES OF QUESTIONS:

How much revenue did we bring in?

Did reps with higher revenue participate in more sales activities?

How much traffic was driven from each channel?

How much of that revenue was contributed by each sales rep?

What channels did our best deals come from?

...you get the idea.

Conclusion

Using The Grow Cycle as a framework for your entire business, you may find that you can break your business up into three “smaller businesses” with focuses on customers, revenue, and margins or retainment.

Looking at your business in this way gives you a better sense of why The Grow Cycle works. As you grow one “business” and invest the “profits” of that into the next “business” it’s no wonder that companies who follow this framework eventually become optimized growth engines.

If you find that pulling reports every day to measure the performance of your business, a full-funnel business intelligence tool like Grow can help by cutting down on data prep work and keeping metrics up-to-date at all times.

So—are you shrinking, spinning, or growing and what are you going to do about it?

Get a Demo today at [Grow.com/demo](https://grow.com/demo)