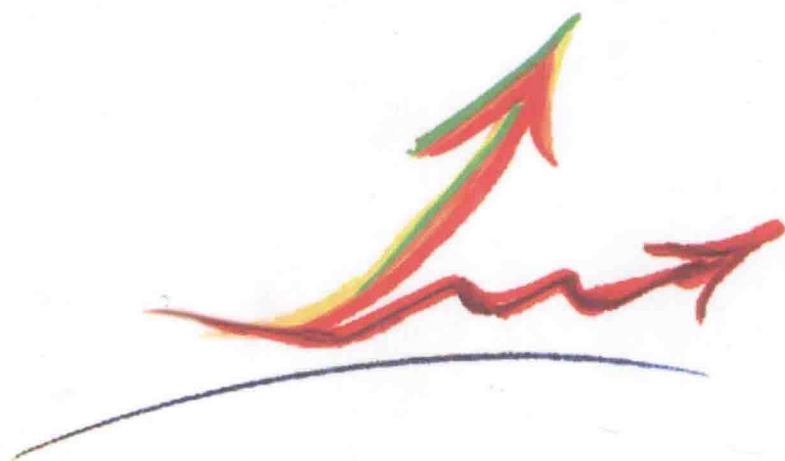


FROM
IMPOSSIBLE
TO
INEVITABLE

HOW HYPER-GROWTH COMPANIES
CREATE PREDICTABLE REVENUE



AARON ROSS AND JASON LEMKIN

WILEY

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Preface: Systematizing Success

There's never been an easier time to grow a business. Ironically, though, while everyone else around you seems to be crushing their goals, does it feel like a struggle for you?

If you needed to triple your revenue in the next year or three, would you know exactly how you would do it?

Tripling isn't magic. It's not about the school you went to, luck, or working harder. There's a template that the world's fastest-growing companies follow to achieve and sustain hypergrowth.

Whether you want to add \$1 million or \$100 million, the fundamentals are the same. You can grow your business 2x to 10x faster in honorable ways that feel good to you, your employees, and your customers. (In fact, the truth is the best form of sales and marketing.)

This book shows you how to break growth plateaus and get off the up-and-down revenue rollercoaster, showing you how to answer:

1. "Why aren't you growing faster?"
2. "What does it take to get to hypergrowth?"
3. "How do you sustain it?"

LESSONS FROM THE WORLD'S FASTEST-GROWING COMPANIES

The Internet's filled with advice on how to grow your company. Some great, some harmful, mostly outdated, or just nice to have. How do you sort through the clutter to figure out the few, big things that will change and sustain your growth rate?

Whatever your business is, rather than a 2% or 20% increase in sales, we want you to find ways to get a 200–1,000% increase in growth by learning from companies like:

- **Zenefits**, growing from \$1 million to \$100 million in revenue in ~two years

- **Salesforce.com**, the multibillion dollar, fastest-growing big software company
- **EchoSign (now Adobe Document Services)**, growing from \$0 to \$144 million in seven years
- **HubSpot**, growing past \$100 million in revenue, and valued at more than \$1 billion
- **Acquia**, named a #1 fastest growing private software company in 2013—and made breaking \$100 million in total revenue a “when, not if” challenge
- **Avanoo**, growing from \$1300 to \$5 million in about a year, in the uber-crowded corporate training space

Now if you’re like us, you want to know *how the heck did they do that?*

It wasn’t from posting a video that went viral or anything else that would make you say “oh, they got lucky.” Instead, there are repeatable lessons any company can learn from.

Success can be a system, not random. Revenue and growth can be (mostly) predictable. And has to be, to take *impossible goals* and turn them into *inevitable success* for your business and team. Successes far bigger than you can imagine from where you’re sitting today.

The Seven Ingredients of Hypergrowth

1. *You’re not ready to grow ... until you* **Nail A Niche.**
2. *Overnight success is a fairy tale.* You’re not going to be magically discovered, so you need sustainable systems that **Create Predictable Pipeline.**
3. Speeding up growth creates more problems than it solves. Things will actually get worse until you **Make Sales Scalable.**
4. *It’s hard to build a big business out of small deals ...* so figure out how to **Double Your Deal-size.**
5. *It’ll take years longer than you want ...* don’t quit too soon or let a Year Of Hell discourage you. Be prepared to **Do The Time.**
6. *Your employees are renting, not owning their jobs.* **Embrace Employee Ownership** to develop a culture of taking initiative beyond a job description.
7. If you’re an employee, *you’re letting frustrations stop, not motivate, you.* Stop waiting for someone else to fix it, and turn your frustrations to your advantage to **Define Your Destiny.**

Follow the recipe and kick off your biggest growth spurt yet.



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PART

Nail A Niche

The Painful Truth: You're not ready to grow.



CHAPTER 1

“Niche” Doesn’t Mean Small

How do you know whether or not you’re ready to grow? Don’t let a big vision, or wanting to serve too many kinds of customers, trap you into sounding vague or confusing.

ARE YOU SURE YOU’RE READY TO GROW FASTER?

You’re excited about your business, your ideas, products, and services ... and you’re ready to grow faster. You might be a startup, a consultant, or a Fortune 100 brand.

And you know that lead generation is *the* #1 lever that drives revenue growth, and can create hypergrowth. You’ve been trying to grow your leads, and thus sales, but it’s been harder than you expected ... maybe a lot harder.

Are you *sure you’re ready* to grow faster?

Because when it feels like you’re swimming upstream every day to generate leads, or to sign new customers from the ones you do get, you usually have a bigger problem. All that time, energy and money invested in growing new leads and closing sales can be poured into a black hole—if you haven’t Nailed A Niche.

You can be a Fortune 100 company, or the greatest expert at organization design, or have a killer SaaS (software as a service) subscription model app for managing employees. But, if you can’t *predictably* go out and generate *leads and opportunities* where you’re *needed*, *win* them, and do it *profitably*, you’re gonna struggle. It’s frustrating. But there’s no shortcut here, whether you’re a business or an individual. Struggles often mean there’s a niche problem, either at the company, marketing department, or salesperson level.

Clues You Aren't Ready to Grow (Regardless of What the CEO or Board Expects)

- You've grown mostly through referrals, word of mouth, and up-/cross-selling.
- Inbound or outbound lead generation has been disappointing ... or abysmal.
- You realize, looking back, that you're dependent on preexisting relationships or a recognized brand to get in the door, even if your product or service is amazing.
- You're good at too many things, and struggle focusing on the one best opportunity to sell and deliver over and over again.
- Even when you get quality appointments, too few people buy.

If you can't predictably generate leads and opportunities where you're needed, win them, and do it profitably, you're gonna struggle.

Most Frequently Seen When ...

- You hit a plateau between \$1 and \$10 million in revenue, and you start trying new kinds of leadgen programs.
- When you launch a new product/service, or enter a new market.
- In getting your first 10–50 customers, getting to product-market fit or a minimum sellable product.
- You're in consulting or professional services.
- Your company offers a wide range of products and services (Portfolio Attention Deficit Disorder).

Everyone Hates to Admit They're Not Ready to Grow

Swallowing the “we’re not ready to grow yet” pill is bitter. Especially when you have a board or CEO breathing down your neck, a payroll to meet, or big family bills.

No one likes admitting they’re a nice-to-have rather than a “need-to-have.” Or that the elevator pitch the CEO came up with is totally off-base and confuses prospects. Or that you can’t yet measure or document other customers’ results.

Companies with a large portfolio of products face the same problem. Do your salespeople or customers get confused by all the product

options? They don't know what to buy or sell first, and so they struggle along trying to buy or sell a little bit of everything. Confusion stunts growth. A lack of focus distracts you from being “insanely great” at just one thing.

HOW TO KNOW IF YOU'VE NAILED A NICHE

When you're a startup getting to your first million, or launching a new product, lead generation program, or market—one of the indicators that you've Nailed A Niche is that you are able to find and sign up unaffiliated customers. Unaffiliated. Paying. Customers.

One of the indicators that you've Nailed A Niche is that you're consistently able to find and sign up unaffiliated customers.

We don't mean friends of your investors, or your old coworkers or boss. They aren't past customers, partners, or part of your LinkedIn network. They weren't referred to you; they didn't hear about you from a group. They started out “cold” without the advantage of prior relationships.

Whether they found you by coming in through the either, or whether you went out and pounded the (physical or virtual) pavement to source and close them.

And now they're paying you—profitably.

Because here's the thing. Ten customers may not seem like much. We called these guys “beer money” in the early days at EchoSign. Ten customers was \$200 a month, which didn't come close to paying the bills on four engineers and three other guys—it barely paid for beer. But 10 clients are actually amazing. Yes, you may still fail, of course, because of cash-flow issues. But 10 is a first sign of pre-success—even though it's very likely that more than one will turn out to be a dud, while you're learning which customers you can make successful or not. Because it means three things:

1. Since you have 10, you can definitely get 20 ... and then 100. If you can get 10 unaffiliated customers to pay you (no small feat), I guarantee you can get 20. And if you keep going at it, you will get at least