Growth strategy template

Owl left us with an outstanding head-start in our enterprise marketing efforts. In just a couple of months, they managed to work on strategy, tactics, creative and technology. It really saved us time, developed our thinking, let us hit the ground running in the new year. Most small companies have plans to grow their business and increase sales and profits. However, there are certain methods companies must use for implementing a growth strategy. The method a company uses to expand its business is largely contingent upon its financial situation, the competition and even government regulation. Some common growth strategies in business include market penetration, market expansion, product expansion, diversification and acquisition. One growth strategy in business is market penetration. A small company uses a market penetration strategy when it decides to market existing products within the same market it has been using. The only way to grow using existing products and markets is to increase market share, according to small business experts. Market share is the percent of unit and dollar sales a company holds within a certain market vs. all other competitors. One way to increase market share is by lowering prices. For example, in markets where there is little differentiation among products, a lower price may help a company increase its share of the market. A market expansion growth strategy, often called market development, entails selling current products in a new market. There several reasons why a company may consider a market expansion strategy. First, the competition may be such that there is no room for growth within the current market. If a business does not find new markets for its products, it cannot increase sales or profits. A small company may also use a market expansion strategy if it finds new uses for its product. For example, a small soap distributor that sells to retail stores may discover that factory workers also use its product. A small company may also expand its product line or add new features to increase its sales and profits. When small companies employ a product expansion strategy, also known as product development, they continue selling within the existing market. A product expansion growth strategy often works well when technology starts to change. A small company may also be forced to add new products as older ones become outmoded. Growth strategies in business also include diversification, where a small company will sell new products to new markets. This type of strategy can be very risky. A small company will need to plan carefully when using a diversification growth strategy. Marketing research is essential because a company will need to determine if consumers in the new market will potentially like the new products. Growth strategies in business can also includes an acquisition. In acquisition, a company purchases another company to expand its operations. A small company may use this type of strategy to expand its product line and enter new markets. An acquisition growth strategy can be risky, but not as risky as a diversification strategy. One reason is that the products and market are already established. A company must know exactly what it wants to achieve when using an acquisition strategy, mainly because of the significant investment required to implement it. I often find that at the end of the year my sense of perspective is heightened and I generally feel a lot more motivated and excited about the future. Do you feel the same way? Part of this feeling comes from knowing that a new year is just around the corner, which means a fresh start at tackling any personal or business-related challenges. As a result, it's the perfect opportunity to start planning your growth goals for the coming year. But one of the challenges that come with planning our growth strategy is setting realistic and ambitious expectations of what is achievable. As it turns out, there is a very effective strategy for setting and hitting your growth goals, and by following this strategy you can accurately predict what is possible to accomplish. I'd like to walk you through the process of not only identifying what those goals are but also how you can break down the actions required to hit them. I'll also provide you with some useful growth strategy templates that myself and the team at Venngage use to help make the journey a lot easier. You can also take a look at some other process infographic templates that could help you map out different growth strategies in more detail. Or create a business plan using our online drag and drop tool–no design experience required. The process for identifying and hitting your business goals can be broken down into five steps: Step 1: Identifying and setting your high-level goals. Step 2: Understanding which inputs and outputs impact those goals. Step 3: Running experiments to impact those inputs. Step 4: Validating those experiments. Step 5: Fostering accountability within your team. By the end of this five-step process, not only should you have a very clear idea of what goals to target for the year, but you will know exactly what is required of you and your team to get there. Visually documenting the path to hitting your business goals will not only help you have a better understanding of the specific factors that will influence growth, it will also provide the rest of your team with a concise and easy-to-follow growth strategy roadmap as well. (Oh, and did I mention that we've got plenty of roadmap templates to help you visualize your growth strategy?) Writing out the steps is useful, but showing those steps can help everyone envision the path in question. Step 1: Start by identifying your high-level business goals As human beings, we have a tendency to start all journeys at the beginning. And this makes sense of course. After all, if the stories we read started at the end, wouldn't that defeat the purpose of going through the journey? Imagine if you were to start reading the Harry Potter series, and J.K. Rowling started the story by saying: "Hey guys, just so you know, Harry wins and Voldemort is defeated in the end." Or if the Star Wars series started with Luke finding out that Darth Vader was his father? Wouldn't it kind of kill the mood and the anticipation that comes with reading or hearing a story? Well, the journey to product growth and business growth functions a little bit differently. In fact, it's almost more helpful to start at the end and work backward, especially when your planning growth. It makes sense too, right? If you could know for sure how much revenue your company would make in the long-run before you even started your venture, would that not be helpful in figuring out the best growth strategy to get there? Starting at the end of your growth strategy: It's always helpful to start out with a very high-level and ambitious goal. Many successful and fast-growing companies do this, and all of them have different terms to refer to these high-level goals. Shopify calls this the BHAG, which stands for big, hairy, audacious goals. This business goal is usually meant to seem a little bit crazy. Brian Balfour takes a more practical approach and refers to setting high-level goals as using the Top-Down Approach to inform your growth models. And of course, at Venngage we simply call these our "high-level" or "long-term" goals. But the point is, you need to start out by mapping out a long-term goal, like your 10-year goal. Where do you see yourself and your company by that time? How much should you grow your business? How much revenue do you expect your company to generate? How many employees do you see yourself having? Take a look at the example in this growth strategy template: These are the High-Level Growth Goals for a hypothetical company called StartUp Masters. Their mission ("To provide startups with an affordable means of managing projects in order to achieve rapid growth") is clearly stated, and their goals are broken down in order to depict where they envision themselves to be In 10 years, 5 years, 3 years and finally 1 year. At 10 years old, the company expects to be making 100 million in revenue and they expect to achieve this with 120 employees. They've also indicated the number of daily active users required to get there. On top of that, they've listed out some steps required in order to achieve those goals. As you glance further down the funnel, you can see that this is, in fact, a pretty audacious business goal considering where the company is probably starting out from. By working backward, it becomes easier to make somewhat realistic goals of where the company would need to be in 5 years, 3 years and 1 year in order to hit that 10-year goal. Start breaking down your own high-level goals with the Growth Goals template. OK great, so you've got your high-level goals set out, now you can wipe your hands clean and be done with your growth strategy, right? Wrong! This is only one small part of the process. The next step is to figure out how you can hit your 1-year goal, and that means understanding which metrics are most important to improve in order to make a big impact on growth. Step 2: Know which inputs and outputs impact your goals Andy Grove's book High Output Management is one of the most useful resources on building a high-functioning and, of course, high output company. In this book, he uses the analogy of a breakfast factory to help explain the importance of all the little actions (or inputs) that have an impact on the successful operation and growth of the factory (its output). What this means is that for every goal you set, there are key metrics and results which will help you identify whether or not you will, in fact, achieve that goal. And of course, there are specific growth strategies that you can follow to help you move the needle on those key metrics. Identifying your North Star Metric One of the first metrics you should identify is your North Star Metric. This metric is often described as the one number that best represents the core value that your product delivers to your customers. For instance, if we take Airbnb as an example, their North Star Metric is the number of nights booked. Why? Because it's a clear indication of their product's value. If more nights are being booked, and that number is consistently increasing, it means that more customers are having a positive experience with Airbnb and are therefore returning to the platform to book their accommodation. At Venngage, our North Star Metric is the number of infographics completed. Because if people are completing more and more infographics that they are proud of, it's a clear indication that they are finding value from the tool. This number should also have a direct correlation with your company's revenue goals and retention goals. The more value people are finding from your product, the more likely they are to stay and continue paying for your product. The next step is identifying what your current baseline is for your North Star Metric. Let's take a look at the growth strategy template below for our hypothetical company, StartUp Masters. In the previous template that broke down their high-level goals, they indicated that one of the steps to achieving their 1st-year goal was to increase the retention rate to 30% at 12 months. If you take a look at the end of the above template, you can see that the baseline of completed projects is indicated under the Retention OKR. As you can see, they have identified that users have completed 90,000 projects successfully, and they currently have 45,000 Daily Active Users. Now, in order to hit their revenue and acquisition goals, the company needs to get to 70,000 Daily Active Users. But in order to hit their retention goal of 30%, each of those users needs to complete at least 3 projects successfully which they have calculated as a leading indicator of better retention. When creating your growth strategy, you need to figure out the overall baselines for your North Star Metric, and how that number will need to change in order to impact your various OKRs. Setting your OKRs and Inputs If you weren't aware of what an OKR is, it stands for Objective Key Results. They refer to specific metrics that you can track which will, in turn, influence your high-level goals. In most software startups, many founders follow the AARRR framework for setting and tracking OKRs. This stands for Acquisition, Activation, Retention, Revenue, and Referral. Each of these metrics is important for understanding the behaviors of your customers and of course, the growth potential of your business. Sometimes, however, it can be overwhelming to influence every single one of these metrics, so in this particular growth strategy template, which helps to break down goals, StartUp Masters is focusing on influencing Acquisition, Conversions (Revenue) and Retention OKRs. Take a look at the Acquisition OKRs they identified while growth planning: The main metrics that influence acquisition for StartUp Masters is their Organic Traffic goals and their Paid Traffic goals. They will need to scale their organic traffic by 130,000 unique visits a month, and their paid traffic by 70,000 unique visits a month. However, if you look at the inputs that impact those specific OKRs, there are multiple pages that drive organic traffic, so they've outlined the required traffic to these various sections of their site. For the sake of simplicity, the OKRs mentioned here only talk about the traffic goals and not on the burn rate of your marketing budget. However, in actual practice, you may also be concerned about your customer acquisition costs. Typically, paid acquisition channels like Facebook Ads and Adwords have a higher CAC than organic channels like SEO or content marketing. A long term growth plan might hence also include targets to bring your average acquisition costs down. By continuing to break down their goals into smaller and more specific inputs, it becomes easier to envision the path towards achieving those high-level goals within the growth plan. When you are setting your own OKRs, you also need to know which metrics you can manipulate at a smaller scale that will have greater leverage. And as you continue to figure out which inputs will impact your OKRs, you can start thinking of experiments that will, in turn, influence your inputs. Help your team to clearly understand which inputs impact your main OKRs. Step 3: Brainstorm experiments to run that directly affect your identified inputs Coming up with valuable experiments to run is not always as easy as it may seem. In fact, one issue that many startups face when it comes to implementing new product features, or marketing strategies, is waterfalling. What's waterfalling, you ask? Simply stated, waterfalling is what happens when a team continues to add requirements to a project, to the point where the task becomes so large that the time required to implement it keeps increasing. Eventually, what was supposed to be implemented within a two-week sprint, ends up taking months to push out. In an effort to avoid falling victim to the waterfall taking over your growth strategy , it's better to operate on a one or two-week sprint cadence. This can be achieved by, you guessed it–breaking down these big projects into more bite-sized experiments, or MVTs. An MVT is a Minimum Viable Test, and its purpose is primarily to derive insights and validate whether or not it's even worth pursuing the larger-scale project. By running more MVTs, you gain more learnings which can help inform which steps to take next. Start by deciding which OKR you are trying to impact. As you can see in the growth strategy template below, the OKR that StartUp Masters is trying to impact is their retention metric. The goal is to push more users to complete one additional project in the span of three weeks. Then, the suggested experiment is to create a pop-up modal within the project dashboard which will push users to begin a new project upon hitting the 80% completion mark. They've even hypothesized the results that this new implementation will reap. If you take a look at the next step, they've outlined the effort required by each team. This is usually a pretty clear indicator of whether or not your experiment is veering in the direction of a waterfall. Your goal when planning out MVTs is to run experiments which require low effort, but have a high output. These are considered to be "slam-dunks" because you can get big results in less time and with less work required. Naturally, not every experiment will be a "slam-dunk" but as a general rule of thumb, you want to avoid anything that could be considered high effort and low output, which risk becoming "turtles". So here's where the MVT breakdown board comes in handy when planning your growth strategy. Just walk through this process to get an idea of whether or not your suggested experiment can and should be broken down even more. Using the example above, let's run through the flowchart. Can this experiment be implemented in the span of 1 week? Well, considering that the Marketing and Engineering effort required is medium, and the Design effort is high, chances are that it will take at least a few weeks to run the test, so the answer is no. Has this implementation already been validated and proven to have a direct and positive impact on the OKR via a previous experiment? Since this is a first test that StartUp Masters is running in order to try and get more people to create a new project, chances are it hasn't been proven in anyway just yet. So the answer is also no. Can this implementation be broken down and tested without the assistance of engineering? In this case, the answer is yes because there are other means for StartUp Masters to get the insights they require in order to validate their idea. At this point, they would need to list out possible ways to run the test without the support of engineering. This might mean something as simple as setting up an automated email to a segment of users that is triggered at the 80% completion mark, asking them to start on the next project. Will this smaller test still provide useful insights without requiring substantial effort from multiple teams? Sending an email is a relatively low effort task on the Marketing side which requires little to no support from Design or Engineering, and which will still provide enough information to validate whether the full feature should be implemented. So the answer is a resounding yes. As a result, by running their suggested experiment through the MVT Breakdown Board, StartUp Masters is able to avoid a waterfall project and gain useful learnings in a shorter period of time. Are your experiments at risk of becoming waterfalls? Use this chart to help break your projects down into smaller MVTs. Step 4: Validate your experiments with a checklist Sometimes, breaking down an experiment to an MVT is still not enough to validate whether that test is worth including in your growth strategies. You need to know if it will have a positive impact on your users and their needs as well. Afterall, your job is still to provide a great and valuable experience for your customers. This is where the Experiment Validation Checklist comes in handy. As you can see, StartUp Masters follows the "Jobs to Be Done" framework, which focuses on the goals a potential user has, rather than solely focusing on who they are as a person (which is more dependent on marketing to personas). Here we can see the various "Jobs to Be Done" listed out. Moreover, they are also considering personas as an important factor in how they plan out their experiments. Of course, they include the probability of success as a factor, the effort required per team and the OKR that is impacted from the experiment. By getting everyone on your team to use this growth strategy checklist when deciding which experiments to go after, it becomes easier at a first glance to know if all the areas of importance are being considered. Need help validating your experiments to identify their value? Step 5: Foster accountability in your team Lastly, it's important that everyone on your team understands the work that they are doing, and the value they bring to the company with the growth projects they are running. By getting specific individuals on your team to share the tests they released, as well as what they learned in a given week, you are encouraging them to consistently produce results. In your weekly meetings, show the rest of the company what was launched, and what results were achieved. Get each person to speak to their own growth experiments so that they can feel accountable for the work they do. If there are underperformers that have a tendency to work at a slower pace or reap less valuable insights, this growth strategy template will push them to increase their output. At any rate, the rest of the company will see who the A-players are, and who is falling short, which is often a wake-up call for the latter. Start tracking which experiments your team members are working on, and monitoring what results they are getting. Conclusion There is no silver bullet or quick "hack" that will lead to explosive growth. In fact, growth is a long process and requires a strong focus and understanding of the data and metrics that influence the various moving parts of an organization. That is why you need a well thought out growth strategy to really succeed. You can then start the new year right by setting ambitious business goals, and breaking them down into easily digestible inputs. By continuing to test out various experiments, and analyzing the results of those experiments–in time you will find that achieving the goals your set for yourself and for your company seem a lot more within reach. More business communication guides: 30+ Business Report Templates That Every Business Needs [+ Design Tips] growth strategy template pdf. growth strategy template ppt. sales growth strategy template. account growth strategy template. free growth strategy template. market growth strategy template. growth strategy ppt template free. how to write a growth strategy