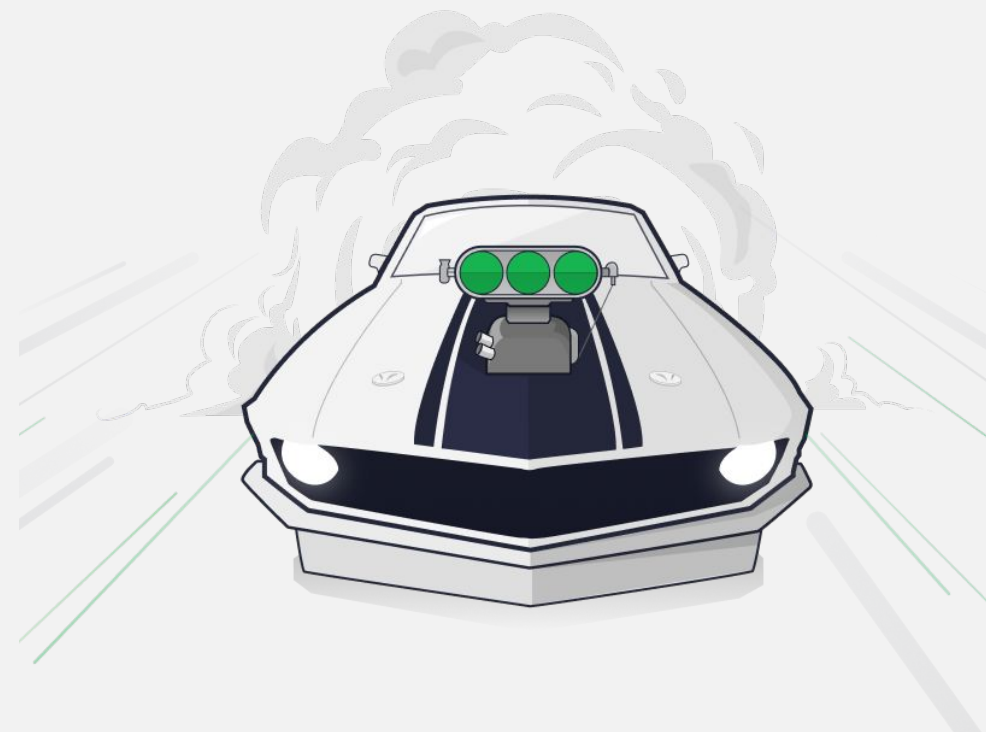RevOps
Summer School

Logistics

Day 1

Class 1:
RevOps - Science of Revenue Growth

Class 2:
The Business Model

Exercise 1

Day 2

Class 3:
GTM + Data Model + Growth Model

Class 4: Math Model + Tool Stack

Exercise 2

Day 3

Class 5:
The RevOps Pyramid

Class 6:
RevOps Fundamental in CRM

Exam

Day 1 Learning - Objectives

Class 1
▪ Definition of Revenue Operations (RevOps)
▪ Reason for Rise of RevOps
▪ RevOps Methodologies

Class 2
▪ B2B Business Model
▪ Effect of Business Model on RevOps

I ❤️ Teaching RevOps

Becoming HubSpot RevOps Professional

Implementing RevOps + CRM

Mission:
Democratize Revenue Operations
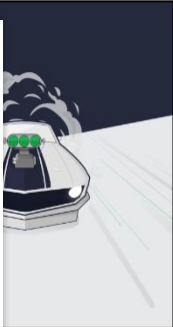
Why this course?

Framework: Missing common framework

- Other are too theoretical, too heady
- Don't give a way to "make decisions"
- Don't connect strategy with tactics
- Don't give a way to create priorities
- Don't give language to communicate value
- Don't give way for to upskill as RevOp Pro

HubSpot: Not tailored to HubSpot CRM

Class 1: Agenda

What is RevOps Really??

The Rise of RevOps

Another RevOps Framework

What is RevOps?

Question: What were businesses doing before RevOps?

Running profitable billion dollar companies

What is Revops?

RevOps Definitions

1. RevOps aligns marketing, sales, and customer success through the customer lifecycle to drive revenue growth

2. RevOps is the the mindset, practice, and manifestation of unifying your internal operations.

3. RevOps aligns marketing operations, sales operations, and customer success operations to drive revenue growth through an organization's operational efficiency.

4. RevOps (or "revenue operations') is a B2B function that uses automation to help teams make decisions that grow the business. RevOps brings everyone together — from marketing, sales, service, customer success, and finance — around three shared goals: price for better conversion and margin, reduce revenue leakage, and use customer data to identify new revenue opportunities.

5. Revenue Operations (RevOps) is a business function that aims to maximize an organization's revenue potential through full-funnel accountability through the alignment of Marketing, Sales, and Service across your organization's process, platform, and people.

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1. RevOps (short for "revenue operations") is an approach designed to integrate departments within a business in an effort to increase revenue-creating activities.

2. RevOps is breaking down silos between these different departments and identify the most vital strategies and tools for efficiency and accountability and ultimately drive revenue growth.

3. Revenue Operations (RevOps) is the alignment of sales, marketing and customer success operations across the full customer life cycle to drive growth through operational efficiency and keep all teams accountable to revenue. This holistic approach is designed to break down silos between departments.

4. Revenue Operations is the strategic alignment of every department that contributes to revenue in an organization.

5. Revenue operations enables the organization to break down the silos between departments to create operational efficiency and drive high performance across the entire business to drive growth. But...that's just the internal benefits. More importantly, it provides a better buying experience for your customers.

Searches = Regurgitated Gobbly Goop

What Revenue is **not** :

01 — It is not new

02 — Is not alignment

03 — It is not a methodology

04 — It is not a mindset or "way of thinking"

05 — It is not something a company (or person) can start or stop

Sabermetrics is:

The empirical analysis of baseball (team/indv.)

- Replicate/Repeat: Winning seasons can be **replicated** and **repeated**

- Process: Baseball teams can **teach, measure, repeat, improve, explain,** and **apply** growth strategies to win more baseball games

- Tools/Behaviors: This takes **collecting**, **synthesizing**, and **disseminating** baseball data

RevOps **is:**

The science of sustainable revenue growth

- Replicate/Repeat: Revenue growth can be **replicated** and **repeated**

- Process: Revenue teams can **teach, measure, repeat, improve, explain,** and **apply** growth strategies to the full revenue cycle.

- Tools/Behaviors: This takes **collecting**, **synthesizing**, and **disseminating** revenue data

The Rise of RevOps

The Promise of RevOps:

⚡15% increase of Profitability

⚡19% Increase in Speed of Growth

⚡15% Increase in sales productivity

⚡71% Increase in stock performance

⚡100% Increase in digital marketing ROI

BIG PROMISE

Sources
- BCG: Revving Up GTM Operations, 2020
- Sirius Decisions, Revenue Operations and the CMO, 2019

Growth of RevOps - Search + Job Listings

What is the **cause?**

1	Internet + Broadband Access

2	Lost control of buyer journey

3	There is more data

4	Business = more complicated

4	SaaS need TAM

RevOps
Framework

How do I become a **RevOps Professional?**

	Name	Stage 1 The Initiate	Stage 2 The Apprenctice	Stage 3 The Adept	Stage 4 The Master	Stage 5 The Sage
RevOps Professional	# of Functions - Know Best Practices	0	1	2	3	4
	Scrum or PMP	No	No	No	Yes	Yes
	Can Read a P&L	No	No	Partial	Yes	Yes
	Can Read SQL	No	No	No	Yes	Yes
	Can Write SQL Queries	No	No	No	No	Yes
	Has Miro or LucidChart Cert	No	Yes	Yes	Yes	Yes
	Build G2M (TAM, ICP, Persona, Messaging)	No	No	Yes	Yes	Yes
	Build G2M Forecast Model	No	No	No	No	Yes
	Build No Code Integration	No	Yes	Yes	Yes	Yes
HubSpot Power User	Create a Custom Object	No	No	Yes	Yes	Yes
	Draw HS ERD?	No	No	No	Yes	Yes
	# of Hubs - Launched	1	2	3	4	5
	# of Certifications	2	5	15	20	30
	# of Hubs Can Demo	0	0	1	2	3
	How fast can build custom report	24 Hours	6 Hours	1 hour	15 Minutes	5 Minutes
	HubSpot Cert Score	N/A	N/A	N/A	N/A	N/A

How do I "apply" RevOps?

3	**Pillars of RevOps**

4	**Pillars of RevOps**

5	**Areas of RevOps**

6	**Pillars of RevOps**
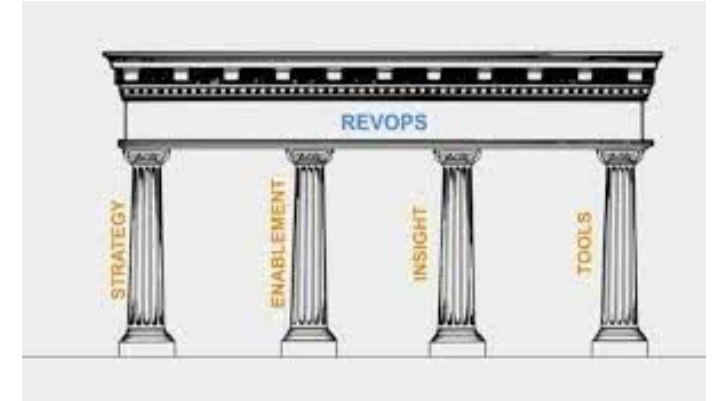
Pillar	Summary
Data	Data health, data infrastructure, data administration, data stewardship
Customer processes	Customer journey, sales process, segmentation, QBRs, renewal, expansion
KPIs and reporting	KPIs, business development, pipeline management, forecasting, account retention, account expansion, sales performance
Tech stack	Evaluation, acquisition, administration, integration, utilisation
Training	Personal development, training, coaching, onboarding
Strategic insight and planning	Goal setting, target accounts, revenue opportunities (analyse "best deals" and market)

How do I "apply" RevOps?

Best Practices and Rules of Thumb = Destructive

- Autocreate renewal Deals
- Stage 0 for meeting set
- Auto update close date if late
- 1:3 CAC to LTV
- 3x Pipeline Coverage
- etc

A Complete **Framework - WBD**

RevOps is the science of sustainable revenue growth that enables revenue teams to: teach, measure, repeat, improve, explain, and apply growth strategies to the full revenue cycle.

Frame means:

- **Ingredients**: Specific ingredients
- **Order**: In a specific order
- **Repeatable**: Repeatable results
- **Language**: Common Language

The Ingredients: Models + Tools

- **Business Model:** Perpetual Ownership to Consumption
- **GTM Model:** Sales/Marketing/CS
- **Data Model:** Bowtie
- **Mathematical Model:** Exponential and Compound Impact
- **Growth Model**: PMF, GTMF
- **Tech Stack**: CRM, MAP, SEP, etc
- **Sales Process**

The Order

- **Steps**
  - ID the Business Model
  - ID the GTM
  - ID the data model required
  - Select the tool stack
  - Configure CRM/MAP to collect/synthesize metrics
  - ID the exponential and compound levers
  - Prioritize and Iterate

Who does RevOps?

The owner of revenue operations = the owner of the forecasting model

Title Independent

Knows the Model

Knows the GTM

Knows the data model

Ask question based on equation

Prioritizes Initiatives / Spend

→ RevOps

Questions + **Break**

Class 2 = 11:00am EST

Class 2:
The Business Model

Day 1 Learning - Objectives

Class 1
▪ Definition of Revenue Operations (RevOps) ▪ Reason for Rise of RevOps ▪ RevOps Methodologies

Class 2
▪ B2B Business Model ▪ Effect of Business Model on RevOps

Class 2: Agenda

What is the business model?

Effect of Business Model

Trends of Business Model

Class 1 - **Summary**

- **RevOps is:**
  - <u>Not new:</u> Not new and likely doesn't have pillars
  - <u>Def</u>: The science of sustainable revenue growth
    - Repeated, Replicated
    - Process with specific order
    - Enables revenue members to measure, repeat, improve, explain, and apply growth strategies to the full revenue cycle.
  - <u>Popular because</u>: Internet Access, Lots control of buyer journey, more data, business is more complicated, SaaS need TAM

What is the business model?

Why is business model important?

Business on Continuum

- Where does your business fit?
  - Perpetual Ownership
  - Subscription
  - Consumption

Allows us to Understand

- Key Metrics/Variables
  - Sales Cycle
  - ACV
  - Win Rates
  - Risk Profile
  - GTM Motion

Business Model **Fundamentals**

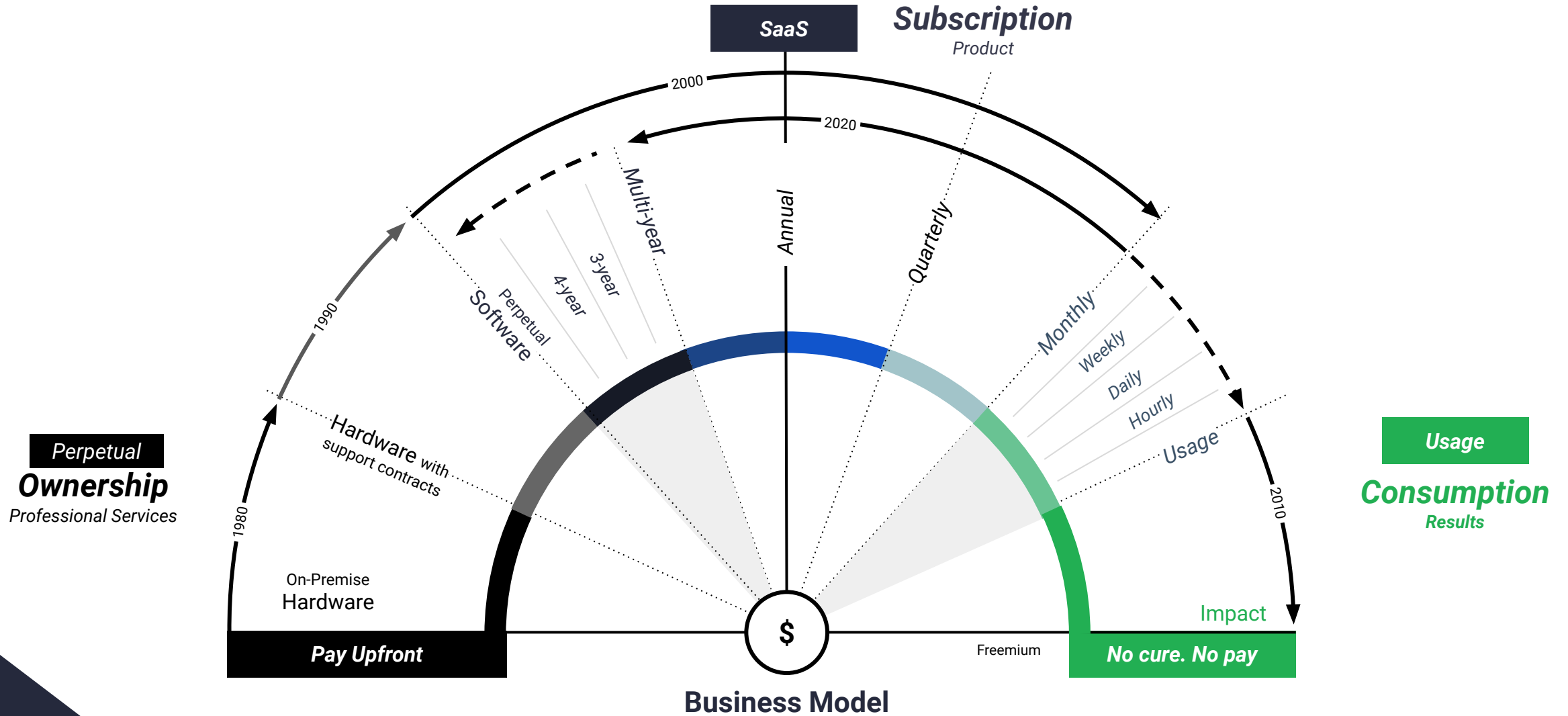## Core Premise

Agnostic: Vertical Agnostic

B2B: Applies to B2B only

Journey: Levels of recurring

Evolution of the Business Model

Effect of
Business Model
on Metrics

Effect of various business models on
Sales Cycle + ACV
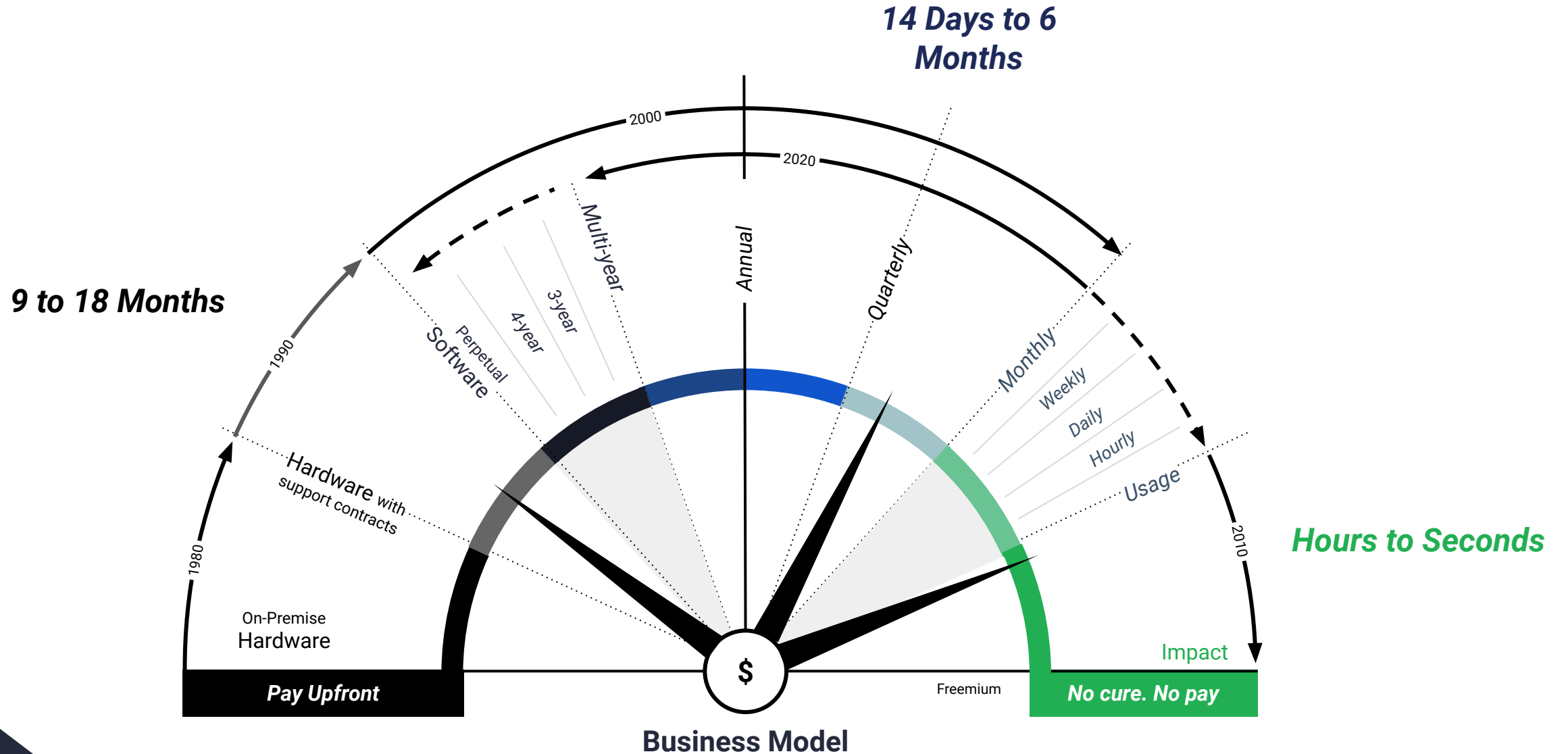
Effect of various business models on
Win Rates

Win Rate 1:5

A shorter term contract and lower makes it easier to buy, resulting in more unqualified buyers. There are more vernders per service

Win Rate 1:3

Due to size of deals, a buyer often is required to have budget secured before they start the buying process

Win Rate 1:8

As commitment drops, so does quality of lead. Thus win rate continues to drop

2000

2020

Multi-year

3-year

4year

Annual

Quarterly

Perpetual

Software

Monthly

Weekly

Daily

Hourly

Usage

1990

1980

Hardware with support contracts

On-Premise
Hardware

Pay Upfront

Impact

2010

Freemium

No cure. No pay

$

Business Model

Effect of various business models on
Risk

Buyer Risk

-**Buyer**: If buyer makes a bad purchase, they can't return the purchase. They are likely to be demoted, or fired (never got fired for buying Cisco).
-**Seller**: The seller is celebrated for bringing in whale of a deal.
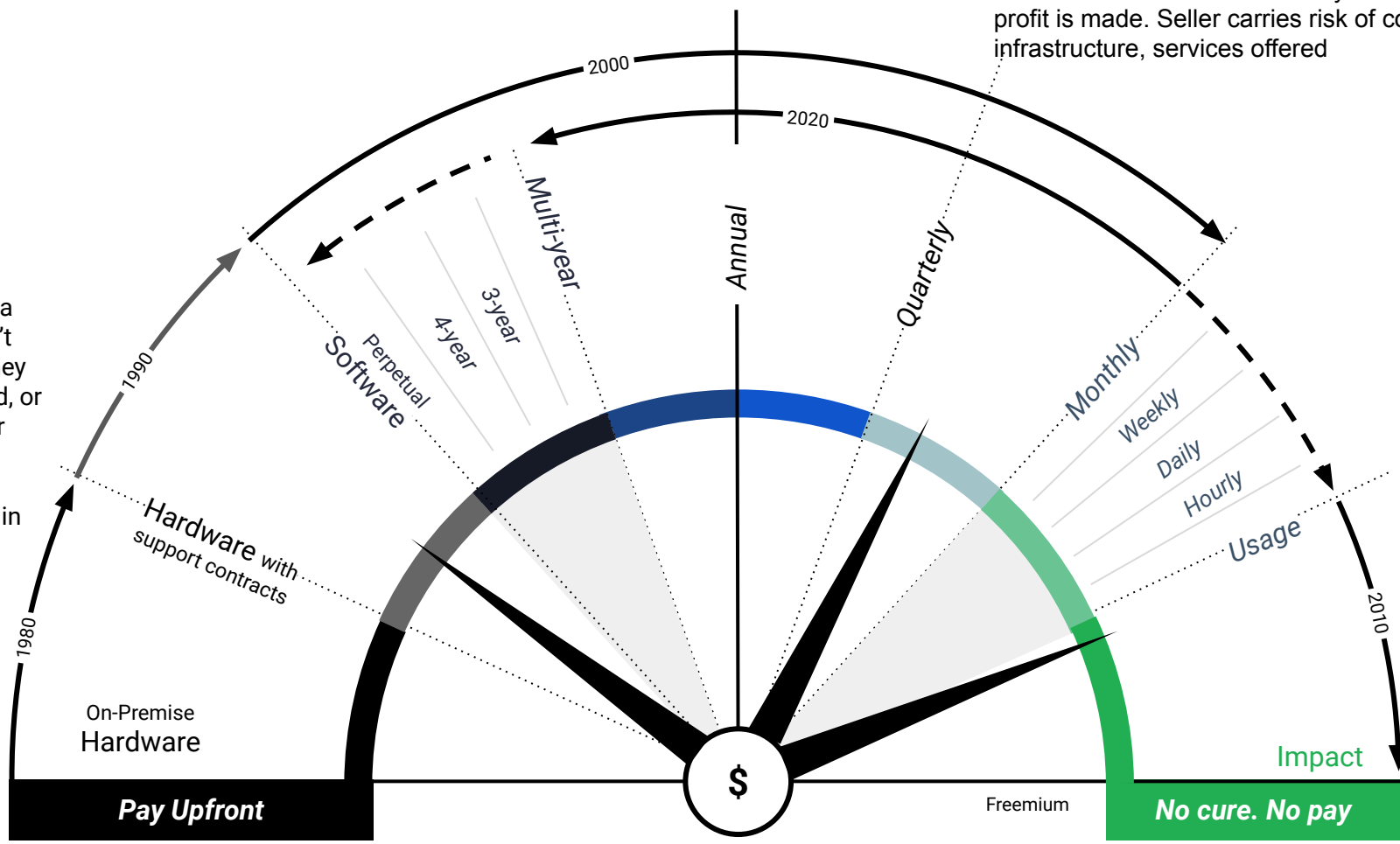
WHO CARRIES THE RISK

BBuyer   Seller

High

Low

Seller at Risk

-**Buyer**: Buyer can walk away from at end (or before) at not risk
-**Seller**: Takes months or even years before a profit is made. Seller carries risk of cold infrastructure, services offered

WHO CARRIES THE RISK

Buyer   Seller

High

Low

Seller = all Risk

-**Buyer**: Can stop at any time
-**Seller**: As we accelerate usage, the risk for the seller continues to increase

WHO CARRIES THE RISK

Buyer   Seller

High

Low

2000
2020
1990
1980
2010

Multi-year
3-year
4year
Perpetual
Software
Annual
Quarterly
Monthly
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Hardware with support contracts

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Business Model

Effect of various business models on
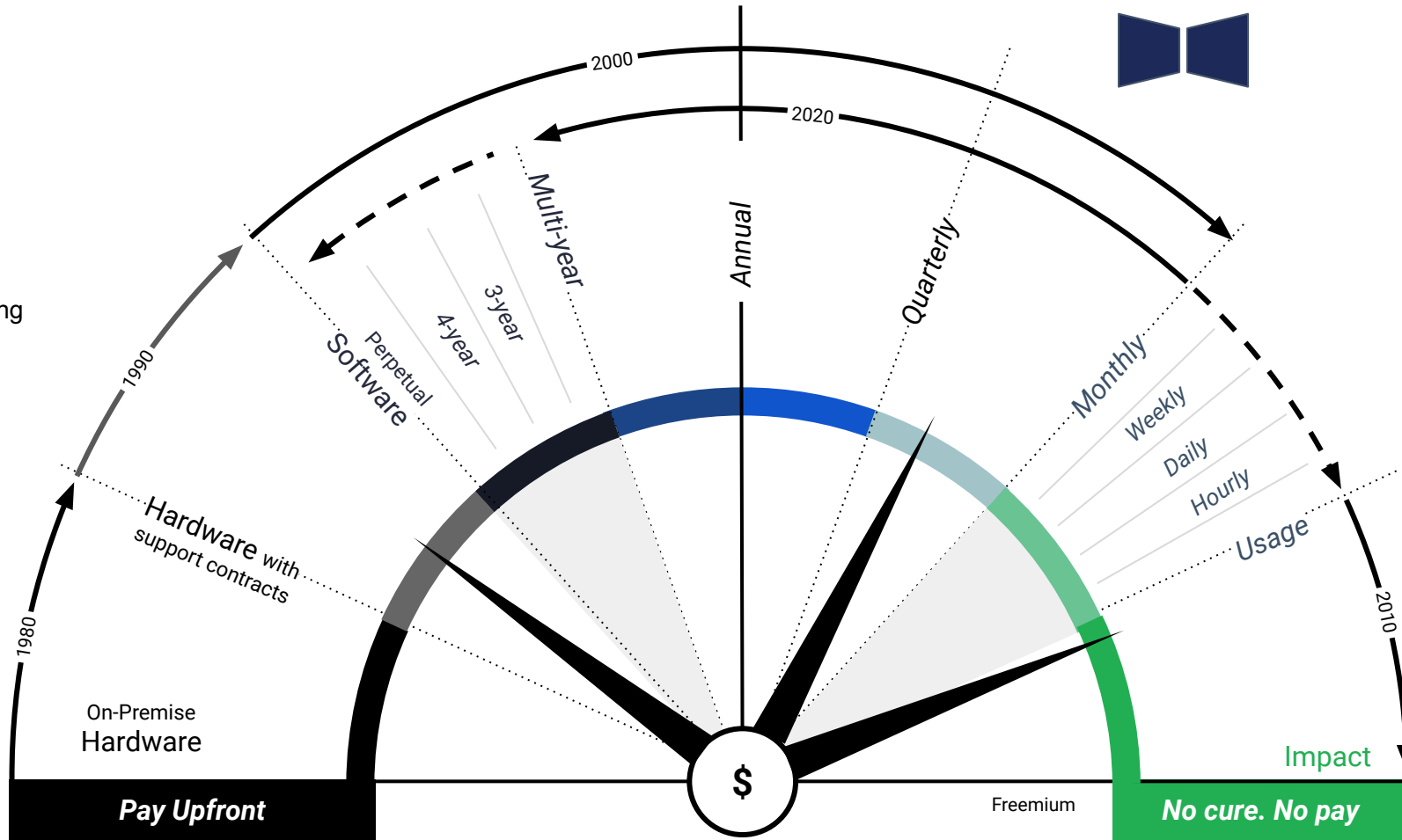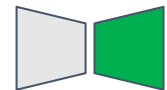# Focus

Subscription
Due to recurring part of the revenue there must be a big focus on both line creation and delivering impact to secure recurring revenue

Ownership
Focus on selling and closing deals.

Consumption
Due to volume of deals needed, acquisition needs to be lower costs and shifts towards increasing profits of current clients (upsell, crossell, more seats, etc.)

2000
2020
1990
1980
2010

Multi-year
3-year
4year
Perpetual
Software
Annual
Quarterly
Monthly
Weekly
Daily
Hourly
Usage

Hardware with support contracts

On-Premise Hardware

Pay Upfront

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Impact

No cure. No pay

$

Business Model

Common Trends in **Business Model**

Perpetual ➡ Subscription	Multi-year ➡ Subscription	Consumption ➡ Subscription
Enterprise (or services) want to launch a SaaS services that is aimed at capturing making using recurring revenue model (often for SMB)	Existing SaaS companies selling software move to multi-year contracts as client acquisition and client retention fees take time to recoup (need for cash).	Subscription shifts to a monthly subscription or usage model to users to increase velocity.

Summary: Class #2

	Perpetual Ownership	Subscription	Consumption
Revenue	Pay Upfront	Multi-Year to Monthly Contracts	Monthly to Consumption based (Pay as you go)
ACV	$$$	$$	$
Volume	Low	Medium	High
Win Ratio	1:3	1:5	1:8
Risk Ratio	Majority Buyer	Majority Seller	All Seller
GTM Focus	Sales Funnel	Sales/CS Funnel	CS Funnel

Practice: Imagine if?

Imagine your business is shifting from Perpetual to Subscription?

a. How (or what actions) would you setup the new sales motion in your CRM?
   - How does this affect you CRM
   - How does this affect your sales team?
   - How does this affect your marketing team?

Exercise #1

Exercise #1

1. What business model is your company (fill out and submit PDF)?
   a. Link here
2. How does affect your
   i. ACV
   ii. Sales Cycle
   iii. Win Rates
   iv. Risk
   v. Focus
3. What impact does this have to your profitability of your company (and investment strategy)

Logistics

Day 1

Class 1:
RevOps - Science of Revenue Growth

Class 2:
The Business Model

Exercise 1

Day 2

Class 3:
GTM + Data Model + Growth Model

Class 4: Math Model + Tool Stack

Exercise 2

Day 3

Class 5:
The RevOps Pyramid

Class 6:
RevOps   Fundamental in CRM

Exam