

# **TOP NINE MYTHS OF REVENUE AND GROWTH**

Myth one: speed kills



In the **Top Nine Myths of Revenue & Growth**, a nine-part series, AlixPartners spotlights the changing calculus of top-line revenue strategies and suggests ways companies can overcome commonly held revenue and growth myths as they pursue—and achieve—profitable growth.

**FOR COMPANIES SEEKING TOPLINE REVENUE GROWTH, THE RULES OF THE GAME HAVE CHANGED.**

Across industries, market dynamics are evolving at an ever-increasing pace as companies derive data-driven insights and apply digital strategies to move quickly and decisively in order to adapt and grow.

**WITH THOSE NEW RULES COME NEW STRATEGIES.**

Now more than ever, speed to results and rapid execution in sales, marketing, pricing, and profitability are becoming fundamental to remaining competitive. Many commonly held assumptions have been rendered obsolete, yet many companies still fall prey to the myths as they struggle to respond to the competition.

**AVOIDING THE MYTHS AND ACHIEVING TANGIBLE GROWTH.**

With the changing rules of the game, how can investors and managers overcome myths and maintain or enhance profitable growth? More important, how can they execute while staying strategically nimble enough to remain responsive to the market and not only survive but also thrive?

# MYTH ONE: SPEED KILLS

## **SLOW AND STEADY DOESN'T ALWAYS WIN THE RACE**

Speed kills. That's the long-standing view of many sales executives who tend to resist rapid implementation of revenue and growth initiatives—especially initiatives focused on sales effectiveness. Their experience tells them that rather than take dramatic steps to root out entrenched performance challenges, it's better to budge the status quo only a little at a time and then advance slowly and carefully. Anything more radical could erode the delicate top line.

That belief is a myth—one that undermines sales effectiveness and efficiency and fails to take advantage of the clear insights that, in this age

of digital everything, abundant data and robust analytics can quickly reveal. To embrace that myth and reject the powerful new tools at hand is to settle for less: less top-line growth, less shareholder satisfaction, less of a future.

## **EMBRACING THE MYTH AND MISSING THE OPPORTUNITY**

The competition is moving. Right now, companies are taking advantage of new digital technologies to achieve tangible, sustainable gains in sales effectiveness in a matter of weeks. One such company is a large industrial manufacturer that had struggled after a recent acquisition to wring more revenues out of its sales pipeline and win new customers. Its business lines had been routinely missing

their revenue targets, which were largely the products of guesswork and hunches. There was little discipline in segmenting and targeting customers and prospects. And there was a lack of coordination between functions, which led to many missed sales opportunities. Unsatisfied, the company's owner, a large private equity fund, launched an initiative to overhaul sales practices, impose discipline over the servicing of existing accounts and the targeting of new ones, and deliver the kind of top-line growth that would result in a higher market valuation.

At the root of the sales function's struggles were a lack of visibility in lead generation and conversation and predictability in driving real results

in the sales pipeline. Without a clear view the company's salespeople were unable to move decisively and quickly to seize opportunities. Instead, they spent much of their time servicing existing customers—especially large accounts whose sizable market shares limited their upside sales potential. There were only a few new leads generated by outside sales reps now and then—and the new customers the reps did acquire were too small to move the revenue needle.

Nonetheless, the salespeople balked at switching up their sales and growth strategies for fear of disrupting revenue channels, alienating existing customers, and eroding their position in the marketplace. Instead, they avoided experimentation and innovation, sticking instead with familiar sales approaches, strategies, incentives, products, processes, and systems. They rarely used the on-demand CRM solution the company had implemented, and sales decisions were still being made the old-fashioned way: by relying largely on anecdotal evidence and outdated assumptions.

## **EMBRACING CHANGE AND REALIZING RAPID RESULTS**

Several of the company's sales organizations were chosen to pilot the revenue and growth initiative. At the heart of the initiative were five key tactical changes to drive rapid results.

- 1 Operational visibility:** A consolidated view into core, outcome-based metrics, relevant sales, operations and finance data, performance goals, and changing market conditions to provide important context and direction.
- 2 Revenue war room:** A weekly revenue war room review that included Sales, Marketing, Finance, and Operations to check in on sales and marketing activities, identify deviations in performance, and take corrective measures when indicated.
- 3 Alignment to a results-based sales approach:** A new model for the sales force that focused the outside reps on accounts with high growth potential, supported by an agile revenue war room staffed with senior sales executives and representatives from operations and finance.
- 4 Utilization of On-Demand CRM:** Optimized utilization of the CRM, with full integration into the sales work flow, and a greenfield lead-generation system with its own dashboard.
- 5 Sustained agility:** An integrated kaizen approach that would continuously improve agility by way of evolving dashboards, data-driven decision making, and, most important, response time to changing conditions.

## **ACHIEVING TANGIBLE IMPACTS**

The revenue war room's tools empowered the sales leadership team to make data-driven decisions that rechanneled the sales team's energy into selling the right product to the right customer at the right time. When sales reps pushed back against management's directives with regard to the initiative—by citing intuition and anecdotes—the managers had empirical data at their fingertips to counter the objections and maintain sales discipline.

The rapid sales improvement effort quickly proved its value. The sales pipeline in the pilot divisions initially grew 20% in just eight weeks, and as company management gained confidence to make bold moves, results came through. By year end, the company had beaten its revenue forecast for the first time in three years, and today has a significantly higher valuation.

Such results demonstrate that rapid and focused implementation of a new, data-driven sales model can generate significant value. Well-aligned analytical tool sets both (1) empower sales leadership to move quickly in translating information into insights and (2) enable sales organizations to remain nimble as they deliver sustainable performance improvements in the short and long terms. The bottom line? Speed doesn't kill; speed pays.

## CONTACT THE AUTHOR:

Jason H. McDannold  
Director  
+1 312 705 3910  
jmcdannold@alixpartners.com

## FOR MORE INFORMATION CONTACT:

Darin Facer  
Managing Director  
+1 312 551 3278  
dfacer@alixpartners.com

Joe Myers  
Managing Director  
+1 646 428 9286  
jmyers@alixpartners.com

Greg Sward  
Managing Director  
+1 617 824 9753  
gsward@alixpartners.com

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These are the moments when everything is on the line – a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA – so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done, and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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