

STRUCTURING FOR
EXTREME
REVENUE
GROWTH

Quickly **monetize** your
biggest opportunity

CHRIS OUT

"Chris provides, in an immersive way, multiple insights and questions to challenge your thinking on your business model, relentlessly through the lens of growth. With inspiring notions on the importance of self-development and ownership in achieving your growth objectives. And the potential perils of ego's."

– **Jacques Pijl, thought leader and owner at Turner Strategy Execution.**

"Chris Out has done a great job with this book in helping to evolve the field of growth hacking. He shares new thinking models, actionable frameworks, and a concrete way to implement growth hacking in many types of businesses."

– **Sean Ellis, Coiner of the term Growth Hacking and author of Hacking Growth**

"Chris Out shows with this book a great holistic approach to growth that's a must-read for every leader that's seeking extreme revenue growth"

– **Masha Kodden, Managing Director at Inner Circle**

"This is a must-read for every SAAS business, as Chris shows exactly how you can achieve extreme revenue growth by strategically using human and digital touch in new ways."

– **Sujan Patel, Co-Founder at Mailshake | Managing Director at Ramp Ventures**

"Companies are after growth, but disillusioned with hacks. This book deconstructs growth to its essence, helps connect strategy and experimentation, and provides a structure for extreme revenue growth."

– **Peep Laja, CEO at Wynter and Speero**

"For all the fine growth models out there, the real lever for extreme revenue growth is extreme personal development. When you focus in a structured manner on your personal development, revenue growth will soon follow."

– **Remco Claassen, Bestselling leadership author**

"I was probably one of the most excited people waiting for Chris's book to be published. His pragmatic mindset and iron discipline to focus on what really brings value in business make him very unique as an author. And boy, did he deliver with this one! Growth hacking is an excellent methodology, but done in isolation from business strategy and objective it can easily change to a rat race of experimentation only to leave people overwhelmed and confused. And that happens a lot. It is probably not your fanlight either. As a seasoned professional and entrepreneur who has seen such bottlenecks and traps in practice, Chris offers practical frameworks on how to stay laser-focused on things that bring value to the business. It personally encouraged me to create more modular assets such as online courses, checklists, and innovative teaching formats to see a more predictable and sustainable revenue stream unlike in consulting business. I would warmly recommend it to business consultants, to experienced professionals and entrepreneurs, since the book offers strategic frameworks to elevate growth models and is, to my knowledge, the first growth book that focuses on strategic and entrepreneurial aspects of implementing and sustaining a growth program in the company."

– Maja Voje, Best-Selling Instructor on Udemmy

"In today's competitive world, you need every advantage you can possibly get. Therefore, I dare to say that this inspiring book on growth hacking is the most helpful book for entrepreneurs and marketers TODAY. Companies should always be on the lookout for the next growth opportunity to monetize. That's easier said than done, of course. With 'Structuring for Extreme Revenue Growth', however, Chris breaks it down into understandable and applicable steps, showing you how growth can and should be structured. He lets us understand the essence of Algorithmic Growth Thinking, a phenomenon and helpful metaphor I hadn't heard of ever before. Above all, the book reveals Chris's own story. It explains how he became who he is and how he consistently gets where he is going."

– Marieke Pijler - Founder Brand Density

"Chris Out has done a great job in developing a new thinking model that shows exactly how you can monetize the biggest opportunity in front of you. This book is applicable in many different contexts, and I can highly recommend it to everybody that wants to level up personally and in business. "

– **Anuj Adhiya, Author of Growth Hacking For Dummies**

"Too many books on growth hacking focus on the hacks or optimizations that helped grow other businesses. But you can't replicate those quick wins in order to grow long term. That is why Chris' unique perspective on growth is so powerful: he deconstructs growth down to its core principles to help you build a strong long-term growth strategy. Not only that, he also shows you how to immediately improve your growth approach and create more impact in the short-term too."

– **Daphne Tideman, Head of Growth at Heights and Author of Growing Happy Clients**

"It's a common misconception that Charles Darwin coined the phrase 'survival of the fittest'. It was actually first mentioned by Alfred Russel Wallace but it's also a selective quote. What both Darwin and Wallace actually meant was that species that are more adaptable to change are those that survive. It's the same for companies. Organisations that are able to adapt quickly and grow (despite continual change, competition and threats) will both survive and flourish. Chris shares a thorough blueprint for starting, building and massively accelerating the growth of your company whilst continually adapting to your own growth and changes in the marketplace."

– **Craig Sullivan, CEO at Optimise Or Die**

"If you want to find a way to deconstruct the growth of your company and find growth levers to achieve extreme revenue growth, Chris Out has broken down his method into simple principles, frameworks and mental models."

– **Hoang Pham, Head of Growth at Mollie**

"Chris is an extremely talented and hard-working guy you need to get into your company at some point in the lifecycle. Structuring Extreme Revenue Growth is a book that enables businesses, young and established, to re-focus and re-architect their models in such a way that growth is imminent. If you need more guidance beyond that, my suggestion would be to bring Chris into the business and have him work with your team. He shines a light on very complex things and has the capabilities and network to make them simple, structured and process-driven."

– Steven Lammertink, CEO at the Cirqle, the world's first Conversion-driven Influencer Marketing Platform

"Algorithmic growth thinking is the secret to building rapidly growing businesses, and Chris has crystallized how you can make it happen in the most effective and practical way. This book is exactly what your business world doctor ordered."

– Ani Manukyan - Global Marketing Team Lead at Bird Control Group

"With his new book, Chris Out gives us a great insight in the essentials of Growth Hacking. The future of marketing lies into data-driven algorithms, getting in the head of your target audience and most of all getting yourself and your team into action. In Growth Hacking execution is key. It's not about what you know, it's all about what you do. For everyone working in online marketing and e-commerce this book should not be missed."

– Martin van Kranenburg, Neuromarketeer, Copy for the Brain

"This book is a must-read for every professional in Growth when you want to make a significant impact in your company."

– Sophia Eng, Senior Growth Marketing Manager at Smartsheet

"Growth hacking always seems to be predestined for others. Chris gives you the instructions on how it can work for you too."

– Denise Visser, Product Manager Experimentation at Bol.com

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I read and appreciate all of the feedback I receive and I'd love to hear from you!

Please send your comments to **chris@extremerevenuegrowth.io**

5 REASONS TO READ THIS BOOK

- #1 Designed to make the time between reading this book and generating revenue as short as possible. Go to extremerevenuegrowth.io/fast and find out where you should start reading in this book
- #2 Get the principles of growth instead of the tactics. Once you **master the principles** you're set for life
- #3 **Actionable** frameworks built out of principles that are applicable to many business contexts, from startups to corporates
- #4 **Applicable** to your specific context and not just another collection of cool stories from Silicon Valley that would never work in your organization
- #5 You will learn to spot the **goldmine of growth** in front of you quickly and know which steps to take to get the most out of it

BEFORE WE BEGIN...



It was all in front of us, but you removed the fog

- IZA SIA & SAMO LOGIN - FROM STARTUP TO
BILLION-DOLLAR SALE IN 7 YEARS

What would happen if you could see what's really in front of you? What if you could get the most out of the opportunities before you, trust yourself to take action on them and get the results your business deserves?

It's always a special moment when I see people make that transition. When the clutter in their thinking is removed and they know exactly what they need to do to reach their goals. They aren't paralyzed anymore and feel confident about taking action. Those moments are the fuel that fire my passion for personal and business growth. I have always loved learning new concepts, testing them myself and then showing others how they can benefit from them too. Convincing people that it's not as hard as you think, once you know the strategies that really work. Explaining that while others are telling you to take this or that road, the smart move is to take a shortcut and get the same results ten times faster. These are the moments when people see what's actually possible and feel empowered as a result. And that's one of the things I live for.

For years I have had the privilege of helping all kinds of people to grow their business. From existing businesses and first-time founders to students and people who were stuck on the fence about starting their own business or staying in their current job. Yes, my strategies generated a lot of revenue for these people, but for me that was a side effect. The real joy was in helping these people to achieve their goals faster.

What you will see throughout this book is that I've always been a big personal development junkie and have tested a lot of concepts myself with the aim of finding the fastest path to my personal goals. One important factor in reaching your goals is your ability to make a decision, commit to your goal and take action, even when you don't know all the steps that you will need to take along the way. All you need to know is what is right there in front of you, and then to make the best out of that. I went through a long journey to learn all the strategies and frameworks I would need to make the most out of what was lying in front of me. A lot of failures and lessons later, I can definitely say that I have acquired the kind of scar tissue that will ensure you can make much smarter moves than I did. Hopefully all of those lessons weren't in vain. It has been a great privilege to have already had the chance to pass on what I have learned to many others. So please allow me now to take you on a journey to a point where your eyes will light up at the sight of all the growth opportunities stretched out in front of you.

Chris Out, September 2021

PART 1

**FROM
GROWTH
HACKING TO
ALGORITHMIC
GROWTH
THINKING**

CHAPTER 1

**YOUR LOST
OPPORTUNITY**



Never let a good crisis go to waste.

WINSTON CHURCHILL

ARE YOU FOCUSED ON THE NEW GOLDMINE?

Do you remember when the Covid-19 pandemic hit our world? When businesses all around the globe were shut down and previously healthy companies went bankrupt faster than you could ever have imagined? When promising business plans were promptly consigned to the garbage can? A time when industry norms that had held true for decades were transformed overnight.

The level of uncertainty in the world skyrocketed. People had to adapt to a 'new normal' during these turbulent times. I instinctively knew this would turn out to be very fertile terrain, as I had studied the impact of previous crises on entrepreneurs. A lot of businesses would go bankrupt. New entrepreneurs would rise and flourish like never before. They would be the ones tapping into the new flows of funds. They would find the hidden goldmines that remained a mystery for others.

Many people believe that money stops flowing during a crisis. Unfortunately for them, they are wrong. Victor Cheng describes the phenomenon of flows of money in his book *The Recession-Proof Business*. He explains that the only thing that changes with regard to the flow of money is the direction. Some flows of money dry up completely, while others explode. And that's where your focus should be!

MORE CHAOS = MORE VOLATILITY = BIGGER OPPORTUNITIES

The impact of Covid-19 on the world had one significant difference compared with previous crises. The worldwide shift during this crisis was accelerated exponentially by new technologies. The first eight weeks of the Covid-19 pandemic had a more substantial impact on the shift in E-commerce spending than everything that happened in the ten years before. A lot of outside forces started to change the game of business. The world became unpredictable and volatile.

It is a well-known fact that you can make the most money on the stock market during times of volatility. In other words, chaos brings opportunity. When this happens, there's only one thing you need to do: take action to capitalize on this opportunity. Entrepreneurs who had lined themselves up for rapidly changing times earned a disproportionate return during this crisis. And history will repeat itself. Again and again. Allow me to take you on a quick journey through the world's historical goldmines.

Great Depression 1929-1939

Did you know that many of the large companies that we know today were founded during the Great Depression? Companies like Procter & Gamble and Hewlett-Packard. When you read their stories, you will notice some striking similarities. They launched their business when everybody else was backing off. They became proactive when the rest of the market was reactive and more aggressive in their advertising.

THE 2008 BANKING CRISIS

The Great Recession from 2007 to 2009 saw the creation of several startups that went on to dominate the world in the next decade. Companies like Uber,

Airbnb, WhatsApp, and Slack were founded during this period. Their background stories range from not being able to find a ride in Paris to simply wanting to rent a room in a loft (respectively, Uber and Airbnb). WhatsApp gained traction in countries with unstable cell network capabilities, allowing people to message each other using Wi-Fi. Slack was created out of an online game, where the communication tool was the part of the product that people really liked. These tech companies created a new way of working, which we will come back to later in this book, as they were very influential with regard to the latest growth strategies.

COVID-19 AND EXTREME REVENUE GROWTH

“Covid push to digital boosts big tech profits”

– The Guardian

Big Tech made quantum leaps in valuation and growth during Covid-19. The worldwide lockdown pushed us to carry out our activities more in a digital way and big tech firms were in the right place at the right time. Although these are interesting companies to study, for most businesses it feels like they are too lofty to be able to copy-paste their approach. The gap between their own situation and big tech is just too large. And that’s why I’m going to be using other examples that are closer to home.

Picnic Technologies

In 2015 I saw a press release for a new, fully online supermarket in the Netherlands called Picnic. Their mission was to become the world’s largest ‘milkman’. An admirable ambition, but I was fascinated by something else. This company was walking the talk of how to act in the new digital world. They had launched in stealth mode three years earlier with one clear goal: complete immersion in the minds and the world of their customers. They tried to learn all the pains, desires, and possible use cases for online grocery shopping during this time.

Their press release went out the moment they knew they had a robust model ready to scale. At that time I had just finished a consulting engagement with one of the biggest supermarkets in the Netherlands. In the email I sent them, I was very clear. This company will become one of your biggest competitors within a few years. How was I so sure about this? A couple of things made me feel confident enough to make this prediction.

- I was aware of the legacy the bigger players in the market had and how it was blocking their digital transformation
- Picnic was fully digital and their way of working was entirely in line with the growth hacking principles I was implementing
- They were backed by investment funds that focused on building an asset for the long term

Picnic grew extremely fast, received over €350 million in funding, and within six years had become the second biggest player in the online groceries market in the Netherlands. Picnic was set up to handle this growth rate because they had structured their extreme revenue growth. When the wave came, they were able to ride it and capitalize on the opportunity. They made the biggest leap in terms of market share—a textbook example of success. But, unfortunately, not everybody was as lined up for success as Picnic was.

NOT EVERYBODY WAS LINED UP FOR THIS MASSIVE OPPORTUNITY

The world had known for a long time already that we were moving into a more digital era. Unfortunately, a lot of companies were too late to change and didn't survive. They could have learned lessons from previous crises and adapted to what was possible in this new world. They could have followed the preparation template that was there for the taking. But they didn't.

How they told you to prepare

For years we've been getting different kinds of advice from business leaders. If this advice was solid, why did so many companies fail in all kinds of industries, shapes, and sizes?

Look at what they do in Silicon Valley

"Software is eating the world"

– Marc Andreessen

One big problem with books on digital transformation, online growth, and growth hacking is that they often use too many examples from Silicon Valley. These books describe what to do in a well-funded context. The businesses in Silicon Valley are digital savvy and don't have a lot of "legacy." Neither do they have an old IT infrastructure blocking the required change.

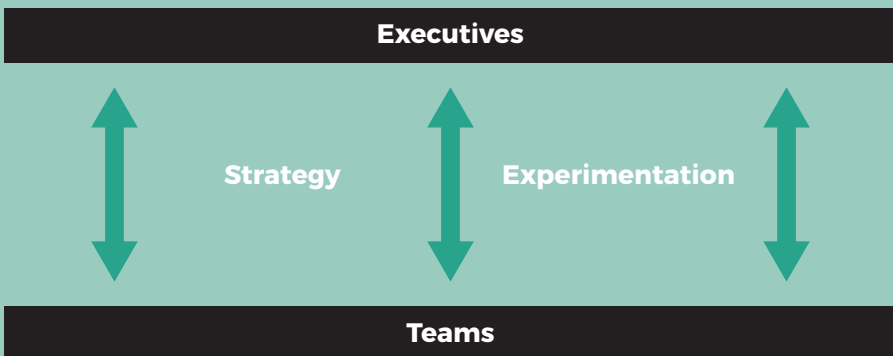
These examples can be inspiring, but the actionable applications of these frameworks in a legacy context are complex. They don't take into account the transformation that is needed and the obstacles faced by traditional organizations. For traditional small businesses that have sold offline products in the past and now need to transform to be ready for the new digital age, these digital transformation books aren't very actionable or impactful. One of the failed approaches that businesses took in the past was allowing IT to take the lead in the transformation.

The danger of letting IT take the lead

Digital awareness gaps

In organizations that need to transform, I have seen a big gap in awareness regarding the possibilities offered by digital in different departments within an organization. The time that IT was exclusively responsible for digital change is long gone. Now everyone needs to transform. And it is only when everyone changes that it becomes possible to stay ahead of the competition. That, however, is a big problem, as there is a very large gap in terms of digital awareness between different departments. This gap is both horizontal and vertical.

1.1: VERTICAL DIGITAL AWARENESS GAP



Vertical digital awareness gap

This is the gap between executives and how teams operate in the new world. They each speak a different language. Executives don't know what teams are saying about the digital world and teams fail to understand what's going on at an executive level. The teams talk about the bounce rates of their website, while executives talk about EBITDA, valuations, and big bet initiatives.

1.2: HORIZONTAL DIGITAL AWARENESS GAP



Horizontal digital awareness gap

This is the gap between different departments in terms of digital knowledge. Historically, more customer-oriented departments like sales and marketing have experienced more pressure from the market to move towards digital. Therefore, their knowledge of online possibilities is much higher. Other departments that are under less pressure from the market to digitize have a lower level of digital maturity. You see this happening within the finance department and in operations, for example. The fact that different departments have another usage and understanding of digital slows down the entire transformation process. Aligning departments more efficiently in terms of digital maturity can accelerate the transformation.

Conclusion: these two gaps result in an implementation challenge and so they need to be bridged.

Act like a startup

The launch of the book *The Lean Startup* by Eric Ries ignited a new movement in which organizations, both big and small, recognized the need to start acting more like a startup. Startups are disrupting major companies and so they need to transform. These companies need to become exponential organizations (as described in the book *Exponential Organizations*) that are ready to handle the massive changes in the world. As a result of this development and other shifts in the world of software, concepts like Scaled Agile and Objectives and Key Results (OKR) took off. The Agile Landscape from Deloitte shows how something simple can turn into something complex very fast.



OKR, which stands for Objectives and Key Results (OKRs), is a goal-setting framework that helps organizations to define goals or objectives and then track the outcome. The framework is designed to help organizations to set far-reaching goals in days instead of months. The book *Measure What Matters: OKRs: The Simple Idea that Drives 10x Growth* sounds great from the perspective of the practices at Google, but I have seen a lot of organizations struggle with the implementation. They find it hard to set the right objectives and connect them to results. These objectives and results should be set before the quarter begins, but in many companies I have seen this process being finalized as late as halfway during the quarter. It's like planning your end destination when you've already driven half the journey.

The result of this implementation struggle is that too many companies stayed “traditional.” They were too slow to embrace the change or just missed the boat altogether. This lack of adaptability and change made it harder for them to tap into new revenue streams quickly enough. They were told to act like a startup, but they simply weren’t able to do it.

RUNNING TODAY WHILE PREPARING FOR TOMORROW

“The busyness of today is a result of the choices you made six to twelve months ago.”

– Selena Soo at workshop in NYC

Years ago I attended a workshop in New York on the subject of personal productivity. Chris Winfield, the super-connector, was the host and one of the guest speakers, Selena Soo, was a mentor of mine. At the time, Selena was running a multi-million online business that helped people to gain more media exposure. During the productivity workshop we discussed the success factors behind her young but thriving business. She was great at connecting the choices she made today with the impact on her business in the future.

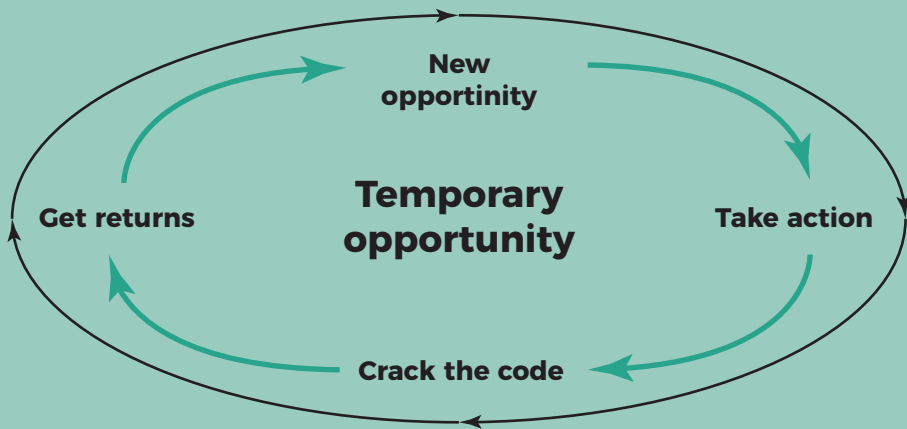
Today and tomorrow are always connected. The status of your business today is the result of the choices you made yesterday. The big question in a fast-changing world is how do you connect yesterday, today, and tomorrow? You have to swing constantly between different worlds. You have to take what you built yesterday and use it today so that you are prepared in the best way possible for tomorrow. The world will keep changing and new technologies will only accelerate the rate of change. The ratio of running today vs. preparing for tomorrow will be more and more focused on tomorrow. And not preparing for the future will become even more costly. The most important thing is to keep making enough money while you are transforming and to keep reinventing yourself.

One thing the pandemic has taught us is that adaptability is a crucial skill that we need to master. Many businesses shut down almost overnight and if you’re not already in a cycle of transformation, emerging from the crisis unharmed will be very challenging.

The critical questions that people ask me:

- How can I constantly transform while at the same time growing the business?
- What is necessary for this transformation?
- How can I generate the sense of urgency required to reach the next step of the transformation successfully?

1.3: TEMPORARY OPPORTUNITY



In the end, it all comes down to a constant tango between exploitation and exploration. When there is change, new opportunities pop up, as you have already seen in the examples in this chapter. The moment this change accelerates, the number of new opportunities goes up too. But it also means that the window of opportunity becomes smaller. The first one to crack the code of a temporary opportunity is usually rewarded with a disproportionate return.

It means that organizations that structure themselves for this dynamic will fly. And with each cycle, they are able to increase the advantage they have built up.

WHERE DO YOU FOCUS WITH ALL THESE OPPORTUNITIES?

Being in charge of growth means that you need to understand the game you're playing: running today to the best of your ability while also making sure that you're setting yourself up for success tomorrow. Simultaneously, the number of opportunities and threats is rising exponentially. Every direction you can go in and each choice you can make has its advantages and disadvantages. But where should your focus lie? Now that's a question that fascinates me!

There is massive opportunity out there, especially with the constant change going on in our world. When a pandemic meets exponential technologies, the result is chaos everywhere, even more possibilities, and new goldmines waiting to be explored. The big question is, what should you do: mine the gold or sell the shovels? It is often said that the people who really struck it rich during the gold rushes in the nineteenth century were the ones selling shovels. So what if you were able to see where the goldmines were and know exactly which kinds of shovels to sell?

What can you do today to make a real impact in your business? What if you knew how to constantly balance today and tomorrow in these fast-changing times?

What if you knew the secret to **structuring for Extreme Revenue Growth**?

CHAPTER 2

MY EXTREME REVENUE GROWTH STORY



Most people overestimate what they can do in a year and underestimate what they can do in two or three decades.

TONY ROBBINS

MY MISSION: TO INSPIRE AND SPUR PEOPLE INTO ACTION

I still remember the moment. I was sitting in my 12m² room in the student complex where I lived with 13 other people and had just finished reading *The 7 Habits of Highly Effective People* by Stephen Covey. It was my first serious brush with personal development literature and this particular book ignited a spark within me that would feed the silver lining during the next decade of my life.

Let me take you back to the moment after I had read the section *Habit 2: Begin with the End in Mind*. I immediately knew it would be the source of my mission statement, as I could already feel this mission in every bone in my body.

“To inspire and spur people into action to create the best version of themselves”

This mission statement inspired me to develop myself constantly, too, and I can honestly say that I have found my passion at this time in my life. I give talks all around the world on personal growth, growth hacking, and what you can do to launch new initiatives successfully. I teach courses at a number of business schools, ranging from executive MBAs and Digital Transformation Masterclasses to Digital Leadership in postmaster executive programs. I advise companies worldwide and inspire them on a daily basis to achieve their next level of success. And I coach ambitious entrepreneurs who want to become the best version of themselves. I do all of this on my own terms, and I'm able to charge €5,000 a day if I wish. If there is one crucial thing I've learned about charging premium rates, it is this: the clients I charge the most are invariably the most successful. *"When people pay, they pay attention"* Jose Paul Martin once said, and they happen to pay attention to the one thing I'm most passionate about: guiding people using a **structure** that helps them to grow in a more predictable, faster, and less stressful manner.

How am I able to provide my clients with such an impactful structure?

In six short years I built up one of the most successful growth hacking agencies in the world without any formal education in marketing, sales, or digital. We won all kinds of awards and worked with major international brands like Cisco, Sony, ING, and Singularity University, to name but a few. We experienced strong topline growth ourselves and grew on an entirely self-financed basis into an agency group consisting of two agencies employing over 85 people.

In the summer of 2020 I sold my stake to my two co-founders and set about reinventing myself. During that summer of reflection, I realized that the way we helped clients actually enabled them to grow their revenue faster than ever before in an easy and structured way. Because when your company is growing the top line at a fast rate, it imposes a significant challenge on people. To keep up with Extreme Revenue Growth, you constantly have to reinvent yourself to handle that growth. In other words, you have to grow continuously on a personal level. My background enables me to give others the structure required for that very challenging journey. I've completed the same journey successfully myself and am now experiencing the freedom I had always hoped to find.

IT WASN'T ALWAYS LIKE THIS

I am now 35 and at a very happy point in my life thanks to the learning journey I've been on. But it wasn't always like this.

I failed miserably at university and it took me over five years to complete my first year. I switched from law to public administration, back to law again, and finally ended up studying Economics at the University of Amsterdam. By the time I had my propaedeutic certificate in my hands, my peers, who had started university at the same time as me, had all graduated and were working at big law firms, investment banks, and consulting agencies. I was still stuck in the books.

If you had asked any of my friends at the time whether I would end up dropping out of college or would manage to finish my master's degree, they would probably have opted for the former. However, I had one friend, Paul Eikemans, who thought differently. He saw potential in me and understood my capabilities and my personality. At the time he was working as a Talent Specialist for Unilever. He knew the talent market well and the places where I still might have a chance to build a meaningful career and avoid the fate of the college dropout.

With my resumé I could forget about a position at McKinsey, but there was still time left to succeed at something somewhere. I just needed to be strategic about working on my credentials over the next few years. Luckily, I'd been very involved in a student association at university and had acquired some valuable leadership skills that would look good on my CV. The first thing I had to do, however, was finish my bachelor's degree with good grades. This would make it easier to secure an internship abroad and Paul offered to coach me along the way. I made a quick decision to pursue the Accountancy & Control track within my bachelor, as I knew that many companies were struggling to find strong financials with social skills and the potential to become future leaders.

The trust shown by Paul inspired me and I completed that track with an 8.3 average for the third year. By the summer of 2011 I was on my way to Shanghai with my degree in my back pocket. My time in China started with a marketing traineeship at Motion Global, an online eyewear e-commerce platform active in over thirty countries. I was handed full responsibility for growing the Irish and UK markets. An amazing challenge when you have very little experience in online marketing.

An entrepreneurial lunch

I made a lot of useful connections during my time in Shanghai. In college I had already learned that building relationships is a highly underutilized accelerator for growth. One Saturday afternoon I had lunch with a Dutch entrepreneur who had been living in China for a few years. I revealed to him one of my habits: that wherever I work I have a tendency to walk into the office of the owners and tell them how they should be running their business. He looked me in the eye and

said, “Chris, you’re an entrepreneur.” Up to that point I had never entertained the thought of becoming my own boss, but his words planted a seed in my mind.

In my job at Motion Global I took a different approach than most of my colleagues. I used a combination of my analytical skills and functional laziness to find the ideal mix of actions that would drive the most impact in the most scalable way. My focus was on doubling down on what was working – and changing what didn’t – to make sure that I could reach my targets with the least amount of effort. I was soon driving far more growth than my colleagues, but the company’s policy was not to offer people a full-time position during their first six months, regardless of how well they performed. My ego also started to kick in, as I was the only one among my group of friends who didn’t have a master’s degree. With my financial background, I also knew that a career in auditing would be a good match. So I decided to apply for a position at KPMG in the Netherlands in the knowledge that they would also pay for my studies.

A career in auditing

At the age of 27 I was at the bottom of the career ladder at KPMG, where there were plenty of supervisors and managers who were younger than me. For me that wasn’t a problem because I was focused on getting my master’s degree. But still, something felt wrong. I missed the entrepreneurial spirit from my time in China and soon realized that fixed career paths offered the only possibility for growth at KPMG. This, combined with the fact that you had to pay back your study expenses if you left the company, really made me doubt whether I should stay. One of the reasons I had decided to join KPMG was to learn about finance and build up the credibility you need to be able to help entrepreneurs with their business and for them to take you seriously. I believed they would be more likely to listen to a fully-qualified chartered accountant. It wasn’t long before I realized that this assumption was probably wrong.

I was already advising a few small businesses who were enthusiastic about my work and they urged me to strike out on my own. The decision to leave KPMG would prove very impactful, including on a personal level. A couple of months previously I had started renting a lovely apartment in the center of Amsterdam. Leaving KPMG meant I had to move back in with my parents, as I no longer had an income and only enough funds to cover one month of living expenses.

My first steps in the world of entrepreneurship weren’t all that successful. During my time at KPMG I had launched two websites: whatisauditing.com and smartpersonalgrowth.com. Websites with content that I planned to monetize with Google AdSense Revenue. When I saw the first clicks appear on my dashboard I was ecstatic! I had built something and saw money coming

in without any extra work. Google paid up when people clicked on the ads on the websites. However, with these websites it was important that the people doing the clicking were also genuinely interested in the products offered in the ads. My friends had been clicking on the ads too, just to help me out, and I got suspended for fraudulent clicks. Both projects were a huge failure, but the genie had been let out of the bottle. I knew in my bones that I needed to take a leap of faith. Although many people advised against it, I bit the bullet and became an entrepreneur.

Addiscount - the biggest entrepreneurial mistake you can make

I didn't have any money for a startup, never mind an idea, and my girlfriend at the time thought I was completely crazy setting up on my own. But I took the plunge. I wanted to become an entrepreneur so badly that I kept moving forward even in this "risky" situation. One way to de-risk was to collaborate with two other people who already owned a business and see if we could start something new together. I believed we had an even better idea: to restart a startup that had gone bankrupt in 2009. Times had changed. We thought the idea was good. So why not start it up again?

ADDISCOUNT IN A NUTSHELL

Consumers watch a TV commercial and then answer a question about that commercial. Advertisers would pay us for a view of that commercial. We would take the money and give it back to the consumer and they could then use the funds as a kind of discount on the webshops connected to the platform. In other words, you got discounts for watching commercials.

A major problem, however, was that ownership of the intellectual property was in the hands of another company that had lost a lot of money during the first run-out in 2009. We could have decided to launch a different version of the platform, but we thought it would be better to see if we could strike a good deal for the IP. After four months of negotiating we finally secured the IP and started building the platform.

With our partners we worked for over a year on the website and the technical realization of the platform. Finally, version number four was ready to go and it was time to get the TV commercials onto the platform. Worth mentioning: at this point not a single consumer, user, or advertiser had seen the newly-built platform. Getting TV commercials onto the platform was a major challenge

in itself. Creative agencies could do nothing for us, advertisers themselves were hard to contact, and after months of searching we reckoned that media agencies probably possessed the golden key. These agencies could get us the commercials that were necessary to build a successful business model. The problem was that we didn't have any connections to people working at these media agencies. Luckily, we were able to arrange a few introductions through our network and the meetings could begin.

During our discussions with these media agencies we quickly became aware of their total lack of belief in terms of the problem we wanted to solve. In other words, we had built something they didn't need or want. The agencies were pretty straight up about it. It's not for us: we don't see a business model in it and it just won't fly. When ten media agencies control the entire TV commercial market and they don't see anything in your idea, your goose is cooked pretty quickly.

In retrospect, we made the following mistakes:

- We built the platform without validating the pain and willingness of advertisers and media agencies to pay first
- We tried to sell to a market where we didn't have access to the people that could make the buying decisions

We had to close the business, losing a year of work for zero revenue in the process. I learned the hard way that not starting from the point of view of customer pain is a dangerous road to take in business.

The challenge of starting a growth hacking agency

During my time at Addiscount I was making €900 a month – at the age of 28. I also worked part-time at the digital agency run by my two co-founders. Of course, I was living with my parents at this point and so was in a position to reinvest every euro I made in books and online courses. One of the courses I bought was *Start From Zero*, an online course on how to set up an online information business. I paid \$299 a month to follow this course and it taught me how to find pain in a market and how to monetize that pain.

One of the first steps is to find the market that you want to explore. During my research I stumbled upon growth hacking, a new topic that immediately fascinated me. I immersed myself completely in the subject and had a strong feeling that because it was already taking off in the US it would only be a matter of time before it crossed over to Europe. Addiscount was going nowhere and I

knew that my next move would be to start a growth hacking agency, RockBoost. Luckily, I was better prepared for this than with Addiscount because we would be able to sell this service to the digital agency's existing clients. So we already had access to the market. However, it took me five months to secure our first client, as it took some time to figure out how to sell our services in this new form. They got a great deal: 100 hours of consulting for €1,000. Yes, I know. That's only €10 per hour, but you have to start somewhere. It took us a couple of years to figure out the best way to sell these services and really understand the pain we were solving.

Eventually, we started to grow, but it was a bumpy ride. On a couple of occasions we barely managed to pay our own salaries. Lots of sleepless nights and risky moments. Luckily, we managed to generate new business at those moments, and the combination with the digital agency gave us an extra cushion. My business partners delayed their management fees and we focused fully on sales in an attempt to get our ourselves out of trouble.

"Sales fixes everything."

– Guy Kawasaki

"Focus on what people want to buy instead of what you want to sell."

– Ramit Sethi

It's at times like these, when it's all about survival, that you learn how critical sales and getting your invoices paid are to your business. You realize that people want to buy in a certain way, which is often not the way you want to sell. People didn't want to buy growth hacking as it was too conceptual. Selling SEO services was ten times easier because people knew what they were getting. Basically, I was selling in the wrong way. During these formative years I was very naive and made lot of mistakes. Luckily, I learned a lot of lessons along the way too. My journey was hard and painful at times. I've been through the ups and downs of growth but my passion for personal development kept me moving forward. And now it's time to share the fruits of that journey with others.

EVERY SUCCESSFUL JOURNEY LEAVES CLUES

Every journey leaves clues about what works and what doesn't. Over the past decade I've invested more than €100,000 in my own personal development, including online courses, books, and coaches. Whenever I read a book or followed a course, we could test the concept with our clients. I combined my background in finance with my self-acquired knowledge to help our clients grow.

What was unique was that this background gave me a more multidimensional approach than other people in the field. There are not many people with the same combination of skills, exposure to client cases, and the scar tissue of mistakes.

All these experiences ultimately led to a formula that we used to help our clients to grow. My aim is always to translate what I have learned into an actionable format that you can use immediately. So that you don't have to spend thousands of hours learning it or pay the same price of all my mistakes. I've seen success and failure through different lenses, as an entrepreneur, consultant, and leader. With this book, I hope to help you with actionable principles and frameworks to drive Extreme Revenue Growth in your company.

Why Extreme Revenue Growth?

"Money is the marker that you're doing the right thing."

– Ramit Sethi.

I played the role of being an entrepreneur in the past. I owned a legal entity, handed out business cards, and was very busy building a product. But there was one thing missing: I wasn't sending out any bills. I failed to turn my ideas into invoices. That business eventually died a silent death. A lot of the people I spoke to about Addiscount thought that it was a great idea, but they weren't the ones paying our bills. It is a trend that I have seen a lot in other businesses: people react enthusiastically to an idea, but when the ultimate moment of payment comes they aren't buying. It takes a lot to get people to pay for your product or service. That's why I always try to get people to pay for an idea even before it has become reality. I start building the service or product after I've confirmed that they've transferred the money. I managed to sell entire education programs when I often didn't have one slide finished yet. And I sold email courses without having written a single email. This is the ultimate validation, the essence of business. But what is a business in its essence, exactly? Dane Maxwell describes it perfectly in his book *Start From Zero*:

"A customer uses a mechanism to get a result."

You're in business when you're helping clients to generate results and people are happily paying for the mechanism you provide. These payments are revenue. Revenue shows that your mechanism is worth the transaction. You're making sales, and sales solve everything. Of course, you need to sell something that helps people, and then sales will give you more runway. New revenue helps you to buy yourself out of trouble. You've got money to improve yourself. That extra cash enables you to do good in the world. I know many businesses that have great opportunities in front of them but are failing to turn them into revenue.

It is (and isn't) all about the money

"Give every man more in use value than you take from him in cash value"

– Wallace D. Wattles.

I need to make one thing very clear about this book. It is not a get-rich-quick guide or a path to short-term wins (that only ever sabotage the long term). I'm a big believer in the above quote from the book *The Science of Getting Rich*. You need to make sure you provide so much value to the other person that when you get paid you both win. Stephen Covey describes this as the habit of Thinking Win-Win in *The 7 Habits of Highly Effective People*: both parties need to win for a strong long-term collaboration. Understanding where to add value is the key to success. When people pay you for something, it's a good indication that you've added value to their life.

More Revenue = More Social Impact

The more money you make, the more social impact you can create. When you work according to the principle of generating more use value than cash value, you're already making an impact. Because:

- You improve the lives of people with your product or service
- You create jobs

You can then take your revenue and make even more impact with what your business is doing. Iza and Samo Login built a billion dollar business with the goal of investing 100m+ in projects to improve the world. That's the perfect example of how you can make revenue and impact the world.

FOR 20 EUROS AND A COUPLE OF HOURS OF YOUR TIME, YOU CAN LEARN ALL THE LESSONS

Over the last decade, I have been through a significant personal change and transformation. With this book, I want to help you experience the same kind of transformation. There's an important mindset that made a big difference for me. When you don't know how to do something and you have to learn how, you will always have to pay a price. You either pay it yourself, the hard way, or you try to shortcut it. Essentially there are two options:

1. Learn it yourself with all the downside risk

2. Invest in somebody who has already figured it out and download their learnings into your brain. Embed the frameworks they used into the way you work

The most significant difference between people when choosing option 1 or 2 is whether they think in terms of value or in terms of costs. I'm all for doubling down on what works. If I invest €999 in a course and earn a €20k return, I will definitely invest in the next course that person has to offer. But I know that not everybody is ready for this kind of transformation. I once worked with an entrepreneur who made 20k of extra revenue with zero additional costs based on an idea I got from an online course. The investment for that online course was €999. I immediately knew that subsequent courses would also be very impactful for this entrepreneur. When the next €999 course was released I asked him: "Are you going to invest in this course?" What would you do?

This particular entrepreneur chose not to invest in the course and I watched him make the same mistake over and over again in the following years. I want to be different in my approach. *The Zero to Launch* course, which cost me a total of \$3,600, is still generating revenue for me. I learned about growth hacking because of that course. I then built a growth hacking agency and I now have a book that explains the subject. These investments have had a disproportionate impact, and you can sell that kind of product to me anytime! Unfortunately, I've seen many other entrepreneurs get stuck along the way. They keep making the same mistakes and are simply not willing to learn. A course or a 20 euro book can make a massive difference to your journey.

What is the fastest way to copy this approach?

In my consulting practice, I help a lot of people to adopt this approach. How to jump before you're ready and how to learn along the way using books, courses, and mentors. The fastest way to do this successfully is to have extreme clarity regarding your destination. You can only find a shortcut when you know where you're going. This is something that a lot of people struggle with. Knowing where to go and how to get there. If this remains vague, you will procrastinate and never reach your goal. But there's a potential pitfall too. You can still get trapped by negative self-talk. This happens especially to high achievers. I use a three-step process with my clients to establish the required clarity, identify the best shortcut, and eliminate all that negative self-talk.

This is captured in a worksheet which you can download for FREE at: extremerevenuegrowth.io/bonus

WHEN ARE YOU GOING TO WRITE A BOOK?

After selling my growth hacking agency, I helped many companies to find the most effective lever for their revenue growth. During a Growth Lever Discovery session, I would peel the onion of their business to find that one lever that defined their next step. Many people asked me if I had ever considered writing a book, as they often referred to me as the walking encyclopedia of business models. I've always enjoyed sharing my knowledge and there's no better way to do that than with a book. I gave myself a whole year to reflect on my journey and tried to identify the evergreen kind of stuff that is set to become more and more important in our ever-changing world. This book documents the process I followed and with it I hope to help you follow the same process and generate extreme revenue growth for your business!

So let's get started!

CHAPTER 3

FINDING A SUITABLE MODEL OF GROWTH



“If you give a hungry man a fish, you feed him for a day, but if you teach him how to fish, you feed him for a lifetime”

LAO TSU

CRACKING THE EXTREME REVENUE GROWTH CODE

In my 10,000-hour entrepreneurial journey, I've worked and studied hard to find the models that are effective in as many contexts as possible. As a growth hacking agency owner, I needed to develop strategic frameworks, playbooks, campaigns, and actions that would be applicable in a wide range of situations. We needed to quickly figure out what the next action should be in driving impact with a client. When I look back at my time at the growth hacking agency, I can see that there was a constant push to find the best models that:

- Suited people with little strategic knowledge
- Could drive revenue impact quickly
- Were easy to implement
- Were applicable in as many contexts as possible

I used the following three perspectives to find the best model for growth.

THREE PERSPECTIVES ON GROWTH

My approach to growth is a combination of the three perspectives I've built over the last ten years. This combination is one you don't see very often and that's why the synergies are so strong.

1. Building software - the digital agency perspective

The two co-founders of my growth hacking agency also owned a digital agency and for years I was also part of the group-wide management team. This gave me access to a wide portfolio of digital agency clients where I could learn all the behind-the-scenes dynamics of building software, campaigns, and websites. I learned how designers and developers think, and what is required to maximize their output.

One of the questions I was asked on CIO TV, a TV show for executives, was how do you get your business to lead the digital transformation, instead of it being driven by IT. My response was simple: learn about the world of developers and what they need to help you succeed. Looking back, I'm very lucky that for over seven years I was exposed to this dynamic in a digital agency environment. I've seen what happens behind the scenes in an agency and how you can facilitate the strongest transformations possible. When you've worked extensively with developers and see how software is built, it's easier to understand all the dynamics around digital growth.

2. Crunching the numbers - the auditor's perspective

Another thing that set me apart from the rest was my experience in auditing and understanding financial numbers. I have always liked numbers and during my KPMG assessment I scored in the top 2% for data analysis capabilities in my peer group. After gaining a master's degree in business economics and learning how to peel the layers of the onion that make up a business, I was able to bring a completely different skillset to digital and growth engagements. During my time at college and at KPMG I learned the strategy frameworks that McKinsey, BCG, and others use to audit and bring growth to companies.

3. Understanding the human side - personal development junkie

I caught the personal development bug after reading the book *The 7 Habits of Highly Effective People* by Stephen Covey. Since then my personal mission has been to inspire people and organizations to get the most out of themselves. I've filled my brain with countless models, frameworks, and stories from all kinds of industries around growth. But I came up against one major obstacle when I set out to help others with my knowledge.

ACHIEVING TANGIBLE GROWTH RESULTS

People didn't believe me at first when I told them what they needed to do to boost their business growth. I didn't have the track record yet, but more importantly I wasn't able to articulate what was going on in my head and how it applied to their situation. My business partners had been challenging me really hard on this and were very critical of the new frameworks that I brought to the table. It took me a few years to learn how to express the essence of what mattered and why things needed to happen in a certain way. Eventually the results began to speak for themselves. Our client base grew, we won all kinds of awards for digital transformation and branding. We became the number one agency in the Netherlands in our category of digital marketing.

Field-testing models with our growth hacking agency

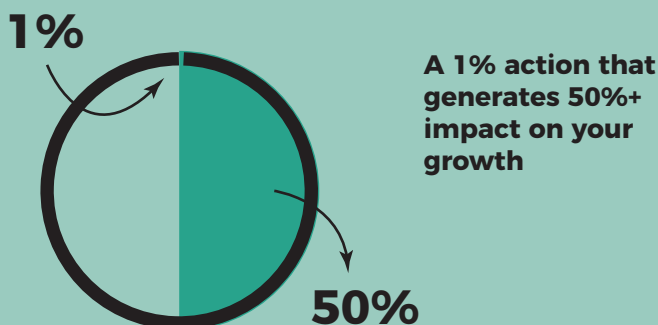
We field-tested all kinds of models because each new client represented another opportunity to test our latest findings. We figured out what worked and what didn't. What's hard to implement and what not. Where you get the quick wins and where you get the big wins. But I also needed to bundle everything into an actionable framework.

A first attempt - The Growth Lever Cheat Sheet

After selling RockBoost, I wrote The Growth Lever Cheat Sheet together with my wife, Marlies, who had also been working for over ten years in marketing and had a master's degree in business law. We devised a model that helped clients take

more action by focusing on three aspects of their business in a highly actionable way. Our focus was mainly on identifying the 1% of actions that generated over 50% of the impact, a true growth lever. This model helped hundreds of companies to become more focused and generated millions in extra revenue for my clients within a couple of months.

3.1: GROWTH LEVER



The book

During my work with my new clients, I kept on seeing the same patterns: companies that had huge opportunities in front of them but were failing to turn them into quantifiable business value in the window when these opportunities became available. Executives and teams didn't speak the same language and the connection between strategy and execution wasn't fast or agile enough. I knew this problem could be solved by sharing my experiences and guiding people through the frameworks I had in my head.

I started to look for the most essential, impactful aspects of different models and deduced the dynamics at play from different cases. My goal was to create a model that was evergreen and would stand the test of time because it was a principle-based model. This is one of the main reasons why the book *The 7 Habits of Highly Effective People* (first published in 1989) has stood the test of time. Because it's based on principles.

GETTING TO THE CORE OF GROWTH

*“When you first start to study a field, it seems like you have to memorize a zillion things. You don’t. What you need is to **identify the core principles**—generally three to twelve of them—that govern the field. The million things you thought you had to memorize are simply various combinations of the core principles.”*

– John Reed

I love the above quote because it’s very applicable to the field of growth. Many people are obsessed with tactics, but they often forget that tactics are only applicable in certain situations. That’s why copy-pasting a tactic will not work in many cases. When you want to know what will work in many different contexts, you have to go back to the principles.

Growth fundamentals with first principles

Principles stand the test of time, so they are very applicable in this context. In my search to find the best principles of growth, I encountered the concept of first principles, a mental model used by people like Elon Musk, when he was building SpaceX for example.

“Somebody could say, “Battery packs are really expensive and that’s just the way they will always be... Historically, it has cost \$600 per kilowatt hour. It’s not going to be much better than that in the future.” With first principles, you say, “What are the material constituents of the batteries? What is the stock market value of the material constituents?” It’s got cobalt, nickel, aluminum, carbon, some polymers for separation and a seal can. Break that down on a material basis and say, “If we bought that on the London Metal Exchange what would each of those things cost?” It’s like \$80 per kilowatt hour. So clearly you just need to think of clever ways to take those materials and combine them into the shape of a battery cell and you can have batteries that are much, much cheaper than anyone realizes.”

– Elon Musk

Clearly, Elon Musk approached this challenge from a very different angle. He went back to the fundamentals and built up his business from there.

What is first principles thinking?

“First-principles thinking is one of the best ways to reverse-engineer complicated problems and unleash creative possibilities. Sometimes called ‘reasoning from first principles,’ the idea is to break down complicated problems into basic elements and then reassemble them from the ground up. It’s one of the best ways to learn to think for yourself, unlock your creative potential, and move from linear to non-linear results.”

– Shane Perish

First principles thinking is basically the practice of actively questioning every assumption you have about a given problem or scenario and then creating new knowledge and solutions from scratch.

STEP 1: Identify and define your current assumptions

STEP 2: Break down the problem into its fundamental principles

STEP 3: Create new solutions from scratch

It’s a great way of thinking and one that is really applicable to growth when you want to understand what drives the growth of your business.

Chef vs Cook

In the year after I sold my growth hacking agency and while I was writing this book, I fell in love with cooking on a kamado barbecue. My wife had bought me a small one for my birthday and nine months later I went and bought a bigger one myself after deciding to go all-in and start cooking bigger dinners.

A kamado is a ceramic egg-shaped barbecue of Japanese origin. It is becoming more and more popular thanks to its versatility and its ease of use and maintenance. With a kamado you can grill, smoke, roast, and cook all your food, together or separately. It’s like having an outdoor kitchen with lots of different possibilities. I love trying to create different types of dishes and figuring out why I sometimes burn or undercook my food, while at other times it tastes amazing. All in an effort to understand which elements contribute to success. When researching the first principles concept for this book, and the best way to describe it, a story told by Tim Urban really resonated with me. I was applying a way of working in business to the art of cooking and the metaphor of first principle thinking proved to be perfect!

“It’s like the difference between the cook and the chef. While these terms are often used interchangeably, there is an important nuance. The chef is a trailblazer, the person who invents recipes. He knows the raw ingredients and how to combine them. The cook, who reasons by analogy, uses a recipe. He creates something, perhaps with slight variations, that’s already been created.”

– Tim Urban

Shane Perish takes this a step further and explains why this distinction is so important.

“The difference between reasoning by first principles and reasoning by analogy is like the difference between being a chef and being a cook. If the cook lost the recipe, he’d be screwed. The chef, on the other hand, understands the flavor profiles and combinations at such a fundamental level that he doesn’t even use a recipe. He has real knowledge as opposed to know-how.”

– Shane Perish

With the kamado I started to understand more and more what works and why, so that I eventually didn’t even have to use a recipe. It was an amazing learning experience and it helped me to develop an intuitive understanding of how to create the best smoked salmons, spare ribs, and other delicious dishes. But an even bigger insight for me was that this analogy also applies to the world of growth. Many people are excellent practitioners once they have a recipe in their hands, but without one they get stuck pretty quickly. What you want is to develop a chef’s mentality, one that will give you a mental model of growth that can make an impact in as many contexts as possible.

Most startups aren’t built on first principles

You can apply the first principles concept to your startup idea and see how it builds up. Many startups just want to copy Uber and apply the model to a different market. This is called reasoning by analogy. It is a pretty lazy approach, as it stops you thinking deeply enough about the context of that market. Does the market really need an Uber model? Is it the best solution for your end consumer and for your business? Thinking on the basis of first principles challenges you to understand the context, break it down, and build the best possible business based on those insights. First principles thinking challenges your brain to think on a deeper level about what you’re doing. That’s why it’s such a powerful tool when searching for the right model of growth.

How do you identify and find the first principles in your business?

The moment you're on board with the concept of first principles, the next question you'll need to ask yourself is how do you find them? What are the first principles that work in your context?

JAY ABRAHAM & SOCRATIC QUESTIONING

Everyone should choose their own mentors. And you can't be a mentor for everybody either. The work of Jay Abraham, the world's foremost marketing consultant, has resonated with me ever since I first encountered it. I saw that he thinks differently from most other consultants, that he approached growth differently. One of the techniques he has fully mastered is that of Socratic questioning. He uses it to tear a growth problem apart from different angles.

"The word 'critical' is not used to imply negativity or pessimism; critical thinking means that one must not automatically accept the validity of the information he or she is given but rather to question/examine/reflect upon as many possible alternatives available before taking action."

– Jay Abraham

Why is this so powerful? Because Socratic questioning is one of the best techniques you can use to find first principles.

"Socratic interviewing is a disciplined question asking process. The key to distinguishing Socratic interviewing from basic question asking is that Socratic questioning is systematic, disciplined, deep, and usually focuses on fundamental concepts, principles, theories, or problems."

– Jay Abraham

Socratic questioning explained

Socrates taught by asking questions and drawing out answers from his pupils to challenge the completeness and accuracy of their thinking. Here are the six types of questions Socrates posed as stated in the book *The Art of Socratic Questioning*:

Clarifying concepts. These questions get students to think more about what they are asking or thinking about, prove the concepts behind their argument, and get them to go deeper.

- What exactly does this mean?
- How does this relate to what we have been talking about?
- Can you give me an example?

Probing assumptions. These questions make students think about the presuppositions and unquestioned beliefs on which they are founding their argument.

- What else could we assume?
- What would happen if...?

Probing rationale, reasons and evidence. When students give a rationale for their arguments, dig into that reasoning rather than assuming it is a given.

- Why is that happening?
- What evidence is there to support what you are saying?

Questioning viewpoints and perspectives. Most arguments are given from a particular position. So attack the position. Show that there are other, equally valid, viewpoints.

- Who benefits from this?
- Why is it better than or different from...?

Probing implications and consequences. The argument a student gives may have logical implications that can be forecast.

- Do these data make sense?
- Are they desirable?
- How do [these assertions] fit with...?
- What are the consequences of that assumption?

Questioning the question. You also can get reflexive about the whole thing, turning the question on itself. Bounce the ball back into their court.

- Why do you think I asked this question?
- What does that mean?

In my consulting practice I use these questions a lot with regard to goal setting and understanding why people are doing what they are doing. When you use questions like this, it's almost impossible not to find where your biggest opportunity lies and how you need to structure your business. Some people will say that this is too much work and will ask for a simpler variation. Luckily there is one that has also been preached for years within the growth scene.

If you would like more information, background, and examples of Socratic questioning, go to extremerevenuegrowth.io/bonus and download the latest resources.

Eric Ries Lean Startup – Five Whys

The book *The Lean Startup* by Eric Ries has been a bestseller for years. A lot of growth and innovation frameworks are based on this book. One of the reasons is that the book describes a practical approach to validated learning and how to build a startup from scratch. A startup needs to learn fast, but sometimes the speed slows down. Ries describes how you can find the root cause of this problem.

“Root cause analysis and preventive maintenance are concepts we expect to see in a factory setting. Start-ups supposedly don’t have time for detailed processes and procedures. And yet the key to startup speed is to maintain a disciplined approach to testing and evaluating new products, features, and ideas. As start-ups scale, this agility will be lost unless the founders maintain a consistent investment in that discipline. Techniques from lean manufacturing can be part of a startup’s innovation culture. One such technique is called Five Whys, which has its origins in the Toyota Production System, and posits that behind every supposedly technical problem is actually a human problem.”

– Eric Ries

When you’re faced with a challenge, asking ‘Why?’ in five different ways can help you to identify the underlying causes. Based on the root cause analysis you can then determine the best course of action. It’s not as thorough as Socratic questioning, but it can definitely put you on the right track. What’s interesting is that this is an established theory, but very few executives and companies adopt this way of thinking in a structured way. Everyone has read *The Lean Startup*, they all know the recipe, but they don’t act like they do.

James Clear - Don’t fear the fundamentals

James Clear, the best-selling author of *Atomic Habits*, has also written extensively about first principles and the relationship between first principles and continuous improvement.

*“Old conventions and previous forms are often accepted without question and, once accepted, they set a boundary around creativity. This difference is one of the key distinctions between continuous improvement and first principles thinking. Continuous improvement tends to occur within the boundary set by the original vision. **By comparison, first principles thinking requires you to abandon your allegiance to previous forms and put the function front and center.** What are you trying to accomplish? What is the functional outcome you are looking to achieve? Optimize the function. Ignore the form. This is how you learn to think for yourself.”*

– James Clear

What Clear is explaining here is that people don't take the time or make the effort to really think through on a deeper level why things are as they are. Should it be like this? What are the driving factors? When you don't think from this perspective, you will set a local maximum for yourself. A boundary created all by yourself. It is harder to think from this perspective, but you don't have to make it *too* hard for yourself. James also explains that you don't have to break every problem down to its atomic level. Just going one or two levels deeper will help you to find solutions that other people don't see. It is challenging to move to a different layer of abstraction. Most people get caught up in the shiny new objects and the details. That's why I always focus on having a solid understanding of the basics. If you don't understand and fully control the basics, you will never become a master of the details, which eventually make all the difference at the top level of competition.

Why is it difficult to learn first principles thinking?

First principles thinking sounds like a good way to go, but many fail to see it through. Why is that? Because it can be freaking boring. When I was learning the programming language Python while writing this book, I focused on mastering the basics first. I knew that if I would master those, learning all the other concepts from Python would be ten times easier. In university I made the mistake of not doing it like this. In math class I would skip a lot of exercises and eventually get stuck. Why was that? Because I didn't master the basics from the first exercises. That's why although I may be slower at the beginning, I know I will end up traveling further. It's much more sexy to say to people that you're working on something new rather than just getting the work done. When I advise companies on where their growth is stalling, this is one of the most common trends. Not enough focus on the basics of growth and too much on the new and shiny, which simply does not work. It's interesting to explore why this happens.

“If we never learn to take something apart, test the assumptions, and reconstruct it, we end up trapped in what other people tell us — trapped in the way things have always been done. When the environment changes, we just continue as if things were the same.”

– Shane Perish

You see this a lot in customer journey mapping. Businesses often focus too much on the exceptions in the customer journey and trying to solve them, while ignoring the most important part of the journey that the majority of customers go through. Another example of behavior that fails to focus on the essentials.

A new mindset

First principles thinking is very powerful, but it requires something different from us. We need to change our mindset. We need to go back to the curiosity we possessed as children. Children ask ‘Why?’ very often because they want to understand why things are the way they are. It’s in their nature to do so, but by the time we are adults we have usually unlearned this way of thinking. I believe that to find the best model for growth we need to go back to what we had as kids: a hunger to understand the essential elements of what we’re doing and being relentless in achieving that understanding!

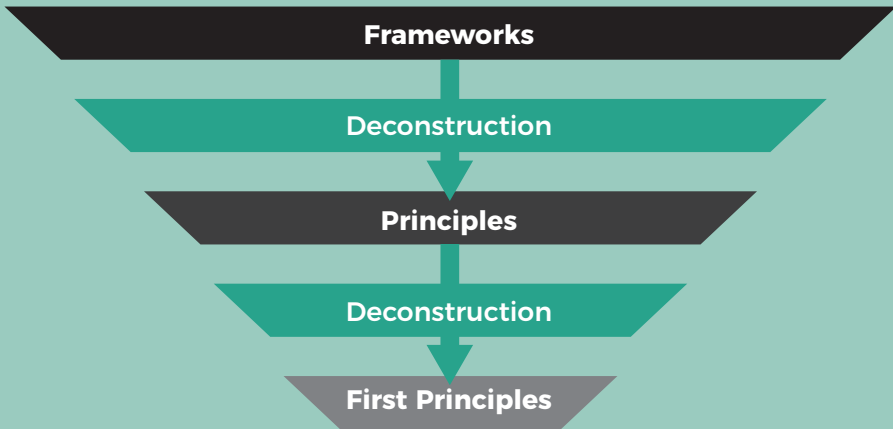
BUILDING A FIRST PRINCIPLES GROWTH MODEL

“Deconstruct then reconstruct.”

– James Clear

This short quote from James Clear captures the essence of first principles. You need to deconstruct the concept and reconstruct something new out of it. This raises a crucial question: is it possible to deconstruct Extreme Revenue Growth into its first principles and then reconstruct a new model that can be applicable in many different contexts? If I could answer this question, I would immediately have a terrific model for growth. But first we need to continue further on our journey. In the next two chapters I will deconstruct the world of growth hacking and guide you through its first principles. Don’t underestimate the power of the thinking toolbox that you will be handed. When you understand these first principles you will be able to uplevel your growth skills faster than ever before.

3.2: FRAMEWORKS → PRINCIPLES → FIRST PRINCIPLES



CHAPTER 4

**GROWTH
HACKING**

WHAT IS *GROWTH HACKING*?

I don't mind telling you that I've heard this question over a thousand times in my life. I have also answered it in hundreds of different ways, until, that is, I decided to make a distinction between the short answer and the long answer.

Short answer: High tempo experimentation across the entire customer journey to find the weakest spot in your growth system.

Long answer: read this chapter :)

The origin and evolution of Growth Hacking

Origin books

Over the years many authors have written about growth hacking and this list provides an interesting overview of how the subject matter has developed over time.

- Steve Blank - *Four Steps to Epiphany*, 2005
- Eric Ries - *Lean Startup*, 2011
- Sean Ellis - *Lean Marketing for Startups: Agile Product Development, Business Model Design, Web Analytics, and Other Keys to Rapid Growth*, 2012
- Alistair Croll & Benjamin Yoskovitz - *Lean Analytics: Use Data to Build a Better Startup Faster*, 2013
- Ryan Holiday - *Growth Hacker Marketing: A Primer on the Future of PR, Marketing, and Advertising*, 2014
- Sean Ellis & Moran Brown - *Startup Growth Engines: Case Studies of How Today's Most Successful Startups Unlock Extraordinary Growth*, 2014
- Gabriel Weinberg & Justin Mares - *Traction: How Any Startup Can Achieve Explosive Customer Growth*, 2015
- Sean Ellis & Moran Brown - *Hacking Growth*, 2017
- Parul Agrawal & Rohan Chaubey - *The Growth Hacking Book*, 2019
- Wes Bush - *Product Led Growth*, 2019
- Parul Agrawal, Rohan Chaubey & Sourabh Goyal - *The Growth Hacking Book 2*, 2021
- Ramli John - *Product-Led Onboarding*, 2021

The methods described in these books overlap with two other areas: Innovation & Business Model Design and Experimentation.

Innovation & Business Model Design books

- Alexander Osterwalder & Yves Pigneur - *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers (The Strategyzer Series)*, 2010
- Alex Osterwalder, Yves Pigneur, Greg Bernarda & Alan Smith - *Value Proposition Design: How to Create Products and Services Customers Want (The Strategyzer Series)*, 2014
- Alexander Osterwalder & David J. Bland - *Testing Business Ideas: A Field Guide for Rapid Experimentation (The Strategyzer Series)*, 2019
- Frederic Etienne, Alan Smith, Yves Pigneur & Alexander Osterwalder - *The Invincible Company: How to Constantly Reinvent Your Organization with*

Inspiration From the World's Best Business Models (The Strategyzer Series), 2020

- Bob Dorf & Steve Blank - *The Startup Owner's Manual: The Step-By-Step Guide for Building a Great Company*, 2020

Experimentation books

- Stefan Thomke - *Experimentation Works: The Surprising Power of Business Experiments*, 2020
- Diane Tang, Ron Kohavi & Ya Xu - *Trustworthy Online Controlled Experiments: A Practical Guide to A/B Testing*, 2020

My former Head of Growth, Daphne Tideman, wrote the book *Growing Happy Clients*, which is a great starter for people who are looking for an implementation guide when starting out with growth hacking: "The challenge with implementing growth hacking in your organisation is not the theory. It is the chaos of reality from dealing with silos to stakeholder management to narrowing down your focus. That is why in *Growing Happy Clients* the focus is on the reality of growing a company vs just the theory behind it."

Adoption in a corporate environment

Growth hacking evolved out of the startup world and the philosophy has been adapted in the innovation scene over time. The concepts became an increasingly important part of the innovation literature at the corporate level. The origins of the lean startup and Strategyzer books can be traced back to Steve Blank's book *The Four Steps of Epiphany*. These frameworks all originated from the same source. When you zoom out you can see that growth hacking has become the way of working for startups and scaleups, while the Strategyzer frameworks have been adopted by the corporate innovation world. However, when you break them down into their essential components, there is more overlap than differences with regard to the key concepts.

HACKING GROWTH

There are many different ways to explain growth hacking and all its nuances. I have decided to use *Hacking Growth* by Sean Ellis and Morgan Brown as the basis for my description of growth hacking. As genuine pioneers of growth hacking, their book describes one of the hottest business methodologies to be found in Silicon Valley and beyond. The first section of this chapter will be a high-level overview of the book. After that I will bridge the gaps the book hasn't covered or concepts that evolved after it was published.

What are the core elements of the growth hacking methodology?

The field of growth hacking evolved in Silicon Valley and the growth cases of Uber, Facebook, Twitter, Airbnb, Dropbox, and many more have been used over and over again as examples of the method. Growth hacking is different from previous growth methodologies in the following ways.

MARKETING FOR SOFTWARE COMPANIES

The Internet has changed the way we create, launch, and promote products. Instead of being physical, products can now be entirely digital. The rules have thus been changed. In the old context, businesses would spend long cycles creating products. Once the product was created it would be promoted on a billboard or with a TV commercial. After some time had passed the company would receive the feedback from the customer, but it wouldn't be able to change all the elements of the journey that the customer went through.

Software businesses are completely different. Almost everything in the client-facing experience can be changed in a relatively short period of time, including not only the digital marketing techniques but also each and every interaction a customer has with the product. And with a software product, the business can measure every single interaction. This creates a new dynamic where customer acquisition and product experience can be better gauged and understood. This new and improved understanding offers the possibility to rapidly change the experience and then to check whether the new version has a higher business value. In the old world, this wasn't possible. In the new world, your competition will destroy you if you don't work in this manner. Ellis and Brown say that growth hacking can be described as a rigorous approach, one mainly performed on software products. This approach builds marketing into the product itself. Each new feature, message, and marketing effort becomes a test and can be analyzed in terms of performance against the old situation. The efficiency of the marketing spend becomes greater and there is less waste in advertising budget.

Developers and marketing

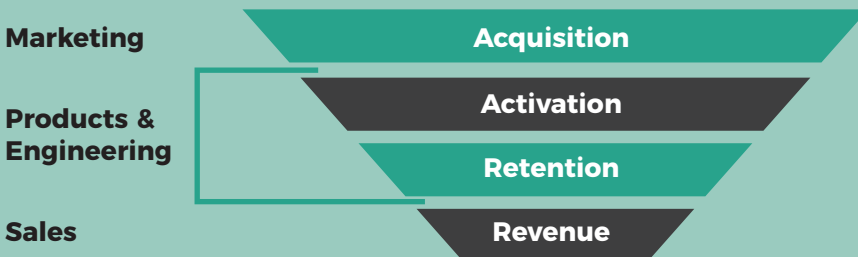
In the early 2000s, when many software companies were launched, somebody had to do the marketing. Many of these startups didn't have the funds to hire marketers. It meant that the developers who created the product also became responsible for driving new users and generating revenue. There is a

big difference between how developers and marketers engage in marketing. Developers think more sequentially, while marketers are more 'creative'. Developers also possess creativity, however. It just has a different name. It's called hacking, which is all about finding creative ways to shorten the route between A and B. This is how hackers think when they are developing software. What these developers did differently was to try to figure out exactly what worked and what didn't in their software; what was correlating with the success metrics and what wasn't. The only way to figure this out was by doing more in-depth qualitative and quantitative analysis to understand user behavior on a deep level. Because of this approach, the silos between marketing and product were removed. Out of this came cross-functional teams that combined the best of both worlds. These teams were faster at bringing new ideas to the market and validating whether they were valuable or needed to be changed.

The difference between old-school marketing and growth hacking

Is growth hacking really different from old-school marketing or is it just "new wine in old bags" as we would say in Dutch? In the "old" world, advertising agencies ran campaigns and there was always a time lag between sharing the results and the process of optimization based on those results. These agencies didn't go deep into a product's features but were mainly focused on metrics like page views. All these efforts were made at the surface level, while the growth hacker approach resulted in more impactful growth initiatives.

4.1: THE CUSTOMER FUNNEL & TYPICAL DEPARTMENT OWNERSHIP



A problem in the “old” world is that insights aren't shared at the highest pace possible and therefore critical growth opportunities are missed. It's too fragmented, nobody is overseeing it, and growth stalls. Different silos fail to work together in the best way possible. Using the growth hacking approach means you are doing the exact opposite. You want to have the best data and information sharing possible. You want departments and silos to understand each other. As Ellis and Brown write in *Hacking Growth*:

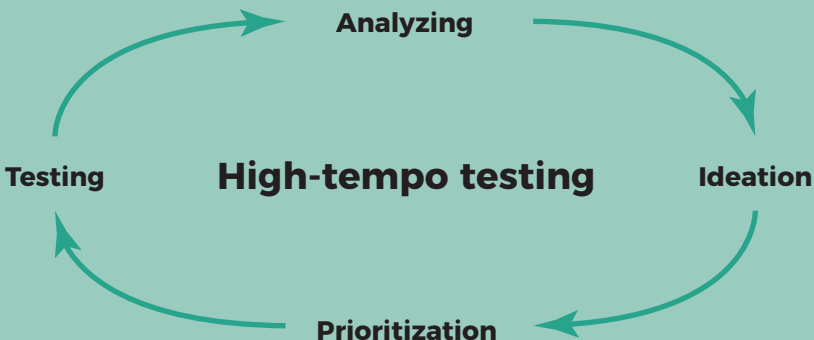
*“You need **marketers who can appreciate what it takes to actually write software** and you need **data scientists who can really appreciate consumer insights and understand business problems.**”*

The North Star Metric

It's critically important to have a singular point of focus and to organize your growth initiatives around the journey towards that point. Growth teams need to train all their focus on one point of growth. But what should that singular point of focus be? The best metrics are metrics that show a relationship between the value experienced by users and your growth initiatives. When your metric increases, it means that more users have extracted more value out of the product. Uber uses the number of riders per day as its metric. This is a very clear and simple North Star Metric.

High-tempo testing

4.2: HIGH-TEMPO TESTING PROCESS



The goal of experimentation is to learn at the highest pace possible what works and what doesn't. This is accomplished through a process of extensive testing, otherwise known as high-tempo testing.

"If you're pushing code once every two weeks and your competitor is pushing code every week, after just two months that competitor will have done 10 times as many tests as you. That competitor will have learned 10 times more about their product [than you]."

– Facebook's former Vice-President of Product Growth, Alex Schultz

Testing a lot makes you more adaptable to new insights and circumstances. You become faster in today's market environment. It is no secret that being fast and capitalizing on opportunities is extremely important. One major opportunity is the viral effect of a new channel. This happens when everyone jumps on a new platform and invites all their friends. As happened with Clubhouse, for example, when suddenly everybody was using it. It is a unique moment that allows you to piggyback on the growth of that channel. Only do this when it's relevant for you and your audience, otherwise you will fall victim to shiny object syndrome. You need to be on top of your growth efforts, because otherwise the opportunity will have vanished before you are able to take action.

Growth teams are necessary

Growth teams work together by creating multidisciplinary teams that are focused on growth. The teams work on the basis of a weekly rhythm through this high-tempo cycle and consist of different people, as described in *Hacking Growth*.

Growth Team setup

This team setup is the basic setup that you need for a growth team in a digital product environment.

Growth Lead: Responsible for the growth and all the growth rituals

Product manager: Owner of the product

Software engineers: The people who write the code or get the experiments live

Marketing specialists: The people who run experiments for the different marketing channels

Data analyst: Analyzes the available data and identifies areas worth acting upon

Designers: The people who design the web and app experiences

The above describes the basic setup of a growth team. Depending on the context, customer service, legal/risk/compliance, business development, branding, copywriters, and psychologists can also be added to the team.

Growth is only possible with a great product: product/market fit

Companies who build products that don't make people extremely happy will never grow. That's why you need to have a product that fits the market. **You have strong product/market fit when 40% or more of your customers are very disappointed if they can't use your product or service anymore.** This framework was introduced by Sean Ellis to quickly figure out if a company is ready to scale.

How disappointed would you be if this product no longer existed tomorrow?
a) Very disappointed b) Somewhat disappointed c) Not disappointed (it really isn't that useful) d) N/A—I no longer use it. Interpreting the results is simple enough; **if 40 percent or more of responses are "very disappointed," then the product has achieved sufficient must-have status, which means the green light to move full speed ahead gunning for growth.**

– Sean Ellis

When you don't hit the 40 percent threshold, it's important that you focus your time and effort on really understanding why that is the case. You don't want to lose tons of money on a proposition that is not working. Are the benefits not articulated properly? Is it the wrong audience? Is there a subset that gives a higher rating? There are many different routes you can explore based on the results of this survey. Why is the survey so powerful? Because you want to know (and it identifies) those moments when you are delivering – the AHA moment. This is the moment when users really experience and see the value your product delivers.

Some examples of an AHA moment:

- Facebook: 7+ friends in 10 days
- Twitter: followed by more than 30 people
- Slack: Team sends 2,000 messages to each other

You want to understand the road to that moment and to create an onboarding flow that guides people through those points. An entirely new movement – product-led growth – has evolved out of this and I will discuss it later on in this book. You need to capture the data required to get the most out of your growth experiments. It is important to have all the information in one location so that it is easily accessible for everyone in the growth team. In short, you need to have a great product and capture the kind of data that shows how users are interacting with your product.

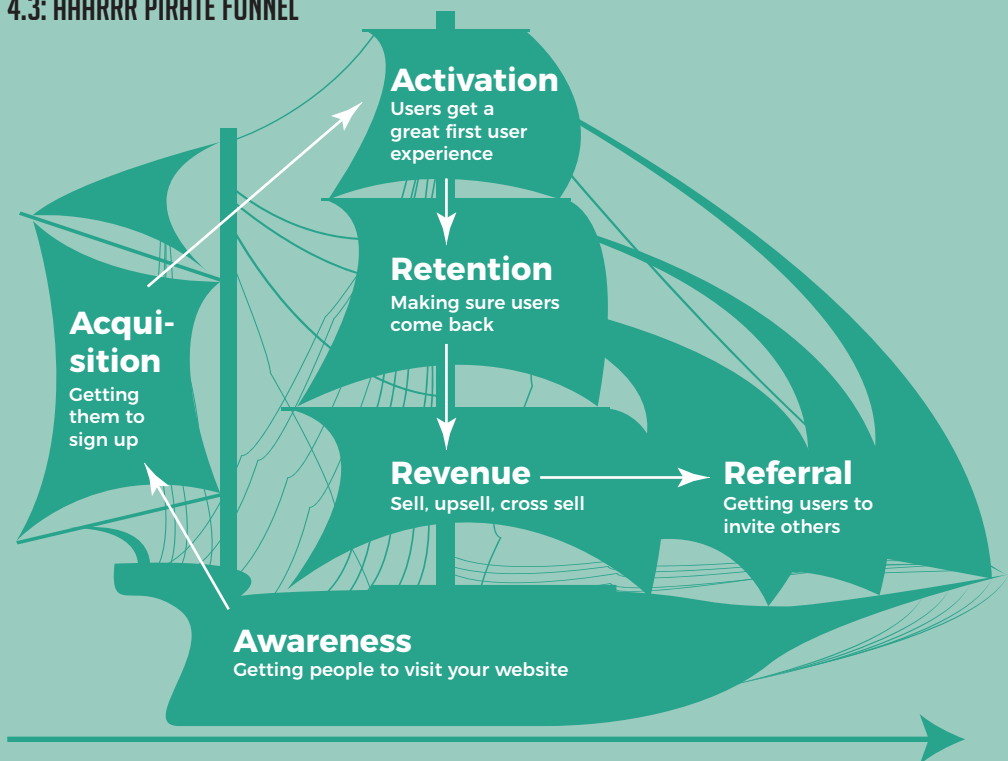
Where do you run the experiments?

The key to growth hacking is to run as many experiments as possible across the entire customer journey. Many companies start to run experiments in an unstructured way with a product that isn't delivering any value yet. This is what you need to fix first and where the focus of your attention must lie. Once you've achieved that product/market fit, you double down on your growth initiatives. The mistake that some companies make is failing to pay attention to new customer acquisition. You should always train some of your focus on this, because without customers there is basically no business.

Customer journey

The best way to visualize the customer journey is to use the pirate metrics (AAARRR) framework developed by Dave McClure.

4.3: AAARRR PIRATE FUNNEL



The AAARRR (pirate) funnel work works by going through the following phases:

- Awareness
- Acquisition
- Activation
- Retention
- Revenue
- Referral

It is important to highlight that this is a model, and as such it doesn't represent the actual behaviors of users or customers. Instead, it is a simplification that helps you to identify the crucial actions and marketing tactics that need to be implemented to make sure a user becomes a paying customer.

Awareness: How do potential customers get to know us?

You show your brand on different platforms to generate initial awareness about the fact that you exist. The awareness stage is usually when a user or potential customer gets to know a brand. A single touchpoint often isn't enough at this stage. That is why organizations use several channels to gain visibility. You experiment to find the right channel-product fit, namely, the channel that best fits what you're selling.

Acquisition: How do we get potential customers onto our website?

In this phase you want to understand what triggers people to start visiting your website.

Activation: How do potential customers get to try our product?

At this stage, you need to make the acquisition concrete by enabling users to start playing around with your product or service.

Retention: How many potential customers will stick around?

Here, it is essential to look at the user engagement and how to make them stick around.

Revenue: How many will actually become customers?

At this stage, you must focus on how to make the potential customer or the users that are already engaging with your app, service, or site become a paying customer and how you can increase the lifetime value of your users.

Referral: Will those customers invite other potential customers?

At this stage, you want to trigger network effects so that existing customers can bring you more customers.

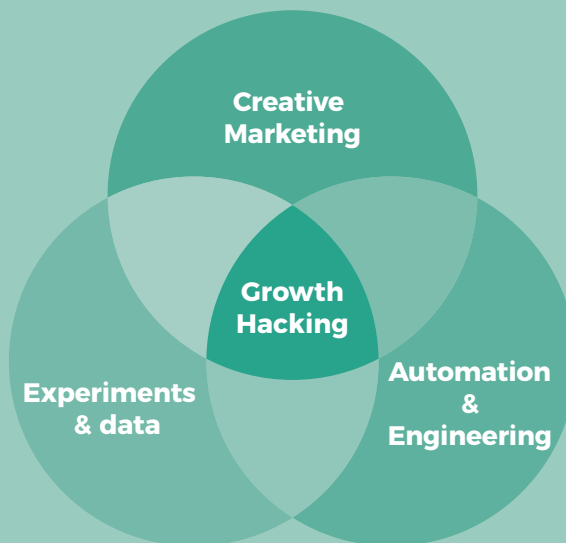
It's important that you employ a full customer journey perspective in your growth efforts. This requires a certain skillset, which I think is one of the most fascinating aspects of growth hacking.

Skillset

There's an element of mystery surrounding growth hackers and the idea that they are able to do more than old school marketeers. The fact that early growth hackers evolved out of development gives them a different type of skillset. This skillset relates to the intersection of three areas:

- Creative marketing – Skills like copywriting, design principles, and communication
- Experiments & data – How to set up experiments and analyze and visualize data
- Automation & engineering – Coding, automation of processes, and understanding software

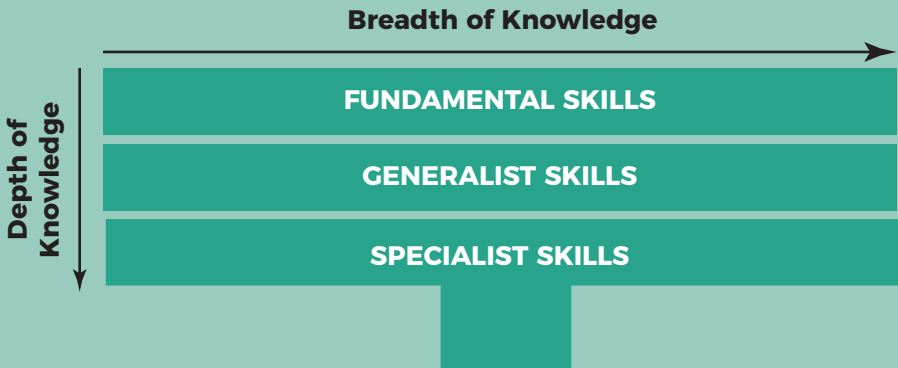
4.4: GROWTH HACKING SKILLSET



As you can see there are a lot of different skills in the skillset of a growth hacker. Therefore growth hackers focus on building a T-Shaped Skillset. At the top of the

T are the broad skills that a person possesses. The depth of the T is determined by that one skill at which you are an expert.

4.5: T-SHAPE



Later on in this book I will explore the T-Shape in more detail and examine what you can do to take it to the next level.

Myth-busting

There are several myths surrounding growth hacking and growth hackers. High time they were dismantled once and for all. Ellis and Brown list the following three myth busters:

1. **There are no silver bullets**
2. **Growth magicians do not exist**
3. **It's not only about customer acquisition**

Let me explain. What works for you doesn't necessarily work for someone else. You need to keep pushing and searching for more wins to grow faster. You do this as a team. People who can perform all the skills at a high level are like unicorns. They don't exist. The mantra of 'let's hire a growth hacker and sit back and relax' is simply wrong. It doesn't work like that. There are people who are really good at coming up with creative ideas and others who are better at execution. There is also more to growth hacking than just acquiring new customers. It has to do with everything that is related to growing a business.

The bad taste of the word ‘Hacking’

*“Growth hacking is also too often thought to be all about devising clever work-arounds that break the rules of existing websites and social platforms. But despite what the well-publicized story of **Airbnb’s Craigslist hack** would have you believe, flouting rules is by no means required and in fact plays no part in most growth success. That was a stroke of genius, but such “backdoor” tactics are not core to the method; and most growth professionals groan at the mention of the case.”*

– Sean Ellis and Morgan Brown

The word ‘hacking’ has and will be one of the main differentiators, enablers, and blockers of this methodology. It’s a differentiator because this way of working is different from traditional marketing. It’s an enabler because it gives people who work in this way a vocabulary to describe what they do. But it’s also a blocker because the word has a lot of negative associations.

When you’re doing things quick and dirty or around the edges, you could identify with being a hacker. When you don’t consider these things ethical, you will never call yourself a growth hacker, even when this way of working could make a huge difference in your business.

This is something I have encountered many times. What I always try to show people is that hacking is about finding a weak spot in a system and exploiting this weakness. For years I’ve said that ‘growth hacking’ is the wrong term and that it should be called ‘growth **system** hacking’. You first find the system of growth and that’s what you hack. A system relates to strategy and structure. A step-by-step growth plan. That’s where you want to find the weak spot. It sounds great in theory, but in practice it can break in lots of different ways.

WHERE DOES GROWTH HACKING BREAK?

Growth hacking is a great framework, but I’ve seen the implementation being made or broken in a wide variety of contexts.

Mindset

By far the most important reason why growth hacking or the growth hacking philosophy doesn't get implemented is the lack of a growth mindset. This growth mindset is documented extensively in the book *Mindset, The New Psychology of Success* by Carol Dweck in which she draws a distinction between a fixed mindset and a growth mindset.

"A growth mindset means that you believe your intelligence and talents can be developed over time. A fixed mindset means that you believe intelligence is fixed—so if you're not good at something, you might believe you'll never be good at it."

– Carol Dweck

The way of working that growth hacking preaches is anathema to people with a fixed mindset because it constantly challenges them and they cannot cope with the amount of change involved. The most important driver among people with a fixed mindset is the fear of failure. They don't want to look bad to their peers. What I've seen happening in a lot of cases is that people with a fixed mindset become extremely critical of the process and try to do everything they can to slow it down. In an experimentation context they will inevitably fail. With a slower rate of testing, the impact goes down and it becomes a self-fulfilling prophecy. They get their way and all you are left with is another failed implementation.

People with a growth mindset understand the need to set up a process in which the pace can be increased over time. This is also something that Ellis and Brown refer to in *Hacking Growth*. You need to start small to make sure you get the ball rolling.

Quick wins before big wins

The best way to get the ball rolling is to generate quick wins before big wins. This means spotting opportunities that can be implemented quickly in the current infrastructure and that show an immediate impact and generate buy-ins.

You don't leave this room before three experiments are live

One of the first corporate clients that I worked with for a full growth team engagement provided a perfect example of this philosophy. At the start of each engagement I hosted a workshop on the seven pillars of growth hacking, the model which I had created. The goal of the workshop was to find enough

impactful ideas that we could also get to go live during that workshop. It was a true stress test for many people in the room, as it didn't involve a long cycle of planning and execution. During the workshop people wrote down their ideas and together we decided which ones could go live. We managed to get three experiments live for newsletter subscriptions acquired using a pop-up. The tooling that was available made it easier for us to deploy it that same day.

The great thing about this engagement was that finance provided us with solid numbers on the lifetime value. This made it easier for us to calculate the impact of an experiment and make our pitch to the board. We were able to show the board an impact that had already paid for the first three months of our engagement. Just out of that first workshop! Now that's a quick and big win!

Infrastructure

To get the ball rolling, it's important to understand the context within which you are operating. Every company has a certain maturity level in terms of the technical infrastructure and tooling that's available to them. This is why you can't work with standardized playbooks that you can apply at the start of each new growth engagement. In many engagements on which I worked, the measurement infrastructure required to determine whether the experiments actually generated an impact was missing. This caused serious problems, especially in my early days of implementing growth hacking.

Three months of analysis vs. a new banner

One of the biggest mistakes I made in the early days was failing to acknowledge one of the most primal features of the human brain: the fact that we are triggered by things that move; we don't get triggered by a 3-month analysis of the customer journey. Let me explain. Coming from a finance background, I know how vital the correct data is to your growth. Most businesses that I've worked with have a poor data infrastructure and aren't really measuring what drives their growth. During the first engagements where we sold growth hacking, we would take the time to thoroughly analyze where the biggest bottlenecks were. We also created a detailed overview of where the measurement infrastructure was broken and what they needed to do to fix this. The client wanted to work in a data-driven manner, so we needed to have the right infrastructure in place. One problem: after two months clients were unhappy with the work. Where is the growth, Chris? We had sufficient insight into the data infrastructure, but nothing was "live".

During subsequent engagements, we tried a different approach. What if we could also create banners in the first weeks and get these live as soon as possible. Just to see which one would get more traffic. Clients were amazed. We were doing

stuff, moving ahead, and getting insights. To be honest, we were still doing the analytics work, but we had also added a layer of movement. Next to quick wins, you need to show a level of progress that people can observe. Things that go live are a proxy for movement and can help you work around an infrastructure that needs a lot of attention.

In some cases the infrastructure decisions made can cause a lot of harm to the growth hacking process. I once worked with a client that had spent over one million dollars on a new website. The only problem was that this site could only be updated once every quarter. And, as if that wasn't bad enough, you had to submit the desired changes six months in advance. With this infrastructure it was impossible to initiate a process of high-tempo experimentation.

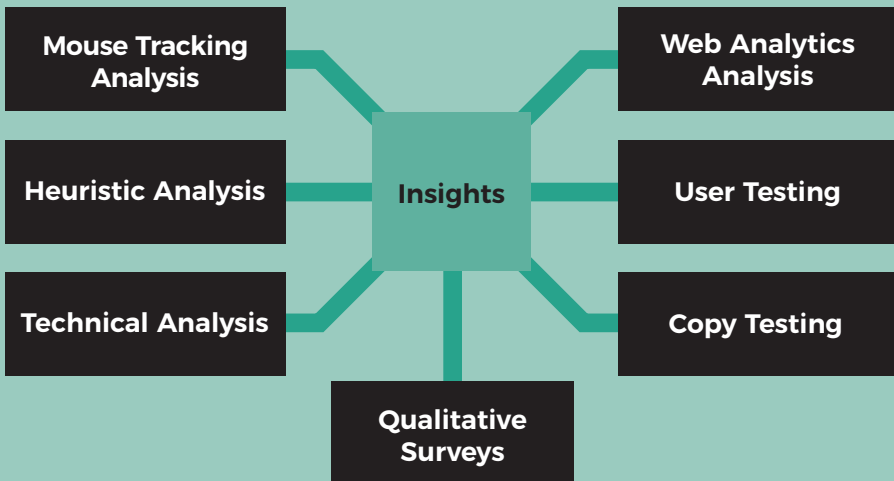
The most pragmatic thing you can do in a case like this is to either end the engagement or see if it's possible to work with an A/B testing tool. This tool helps you to create a new version of the website in the browser of the user. You send 100% of the traffic to the variation instead of a clean A/B test. Sometimes it's better to fix something that's broken first than to try operating in the perfect way when you know it will not work in practice.

Measurement

The concept of the pirate metrics is great in theory, but the most practical applicability is in a context where a user has an account and needs to sign in to use the product. In that context you can get deep insights into user interactions and establish the correlation with the success of your product. When you don't have a product where people have to log in, it can be ten times harder to get good insights in the pirate funnel. And when your web analytics aren't set up in the best way possible, you will face a big challenge in your efforts to become a data-driven organization. This happens in many organizations. An extra challenge is when your internal reporting systems for offline sales, for example, aren't connected to your online sales dashboards. You end up missing the holistic viewpoint. Thinking from a full customer journey perspective is great, but when the underlying measurement information is not providing you with actionable insights, you're still only hitting a local maximum.

Gaining useful insights is always a balancing act between quantitative and qualitative data. The less quantitative data you've got, the more you should lean on qualitative data. I've always been a big fan of the ResearchXL model, which shows the different ways you can gain insights into areas where you can make improvements.

4.6: RESEARCH XL



I highly recommend using this model when you want to gain insights within the measurement context in which you are working. Measurement expert Annie Cushing has developed a terrific set of tools that can help you to clean up your data. She is the author of *Making Data Sexy* and I've used a lot of her resources in the past to help clients become more mature in their measurement journey.

Organization

Organizations also have a huge impact on how they can make or break the growth hacking process. The type of people and how you organize the collaboration between them is crucial for growth.

Hiring growth hackers

I could write an entire book about my hiring mistakes and what you can do to avoid them. In my work I have hired students, juniors, mediors, seniors, and everything in between. During my agency time, I estimate that 50%+ of hires were eventually mis-hires. Each skill level has different red flags and you only

figure them out after another hiring mistake. A lot of my clients ask me to advise them on the type of people they should hire to make their team more impactful.

So where does it tend to break?

4.7: BREAK TABLE

TYPE OF HIRE WHERE DOES IT BREAK?

Junior	<ul style="list-style-type: none">● Not as hungry to learn as they first appeared● Not willing to do the mundane boring tasks that actually make an impact● Lacking communication and project management skills
Medior	<ul style="list-style-type: none">● They want to work on strategy, while they only know the basics, and their strategy won't make an impact● Gets comfortable and stops spending time learning new channels and skills
Senior	<ul style="list-style-type: none">● They can talk the talk with regard to the concepts, but when you say 'just do it' they aren't able to execute and make an impact● They are too far away from the daily operations

The less technical experience the hiring manager has, the greater the risk of hiring people who don't make an impact or where the cultural fit just isn't there.

When you're operating in a context of fast growth and you need to add a lot of people to your growth team, one thing you must not do is fall into the trap of the mediocre hire. It will only end up biting you in the ass. With fast growth, people need to figure out things quickly and a mis-hire can be very expensive. The rule that I used to increase the quality of my hires: "When it's not a 'Hell yes!', it's a 'Hell no!'". This is particularly applicable when you are in desperate need of hires. You simply have to keep the mid and long term in mind.

How do you recognize a great growth hacker?

The short answer is to look for a track record of self-learning new skills and applying them in an unfamiliar environment. Did they approach this in a structured way and did they make the results measurable and were they optimizing their own process? And how did they reverse engineer their actions

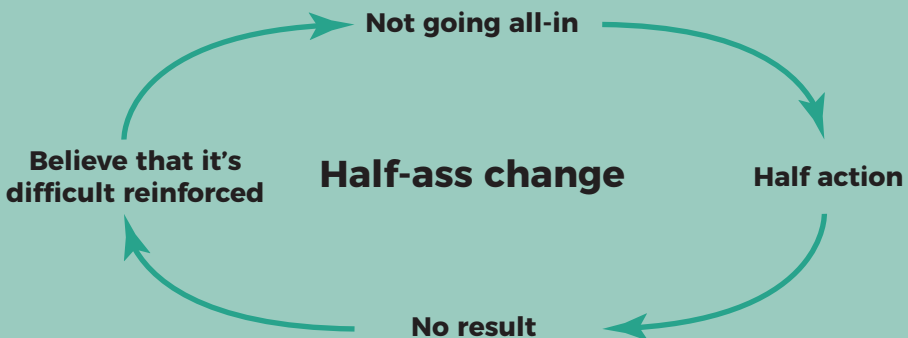
back from their initial goal? One question that I always ask is how they approach studying. Do they just put in the hours or do they set a goal for a grade and reverse engineer what's necessary to achieve that grade.

With juniors you assess how they approached their studies or how they ran projects. During my time at university I tracked the amount of time I was spending on a course. At a certain point I was able to predict my grade on the basis of the time I spent on the course, the type of curriculum, and how many credits you would get for a course. I understood the pattern and could therefore hack myself in the fastest way possible from A to B.

When the silos are not removed

A key philosophy in growth hacking is to have cross-functional teams and remove the silos. But what happens when you achieve the desired growth hacking results but still haven't managed to remove the silos? In larger corporate engagements I've seen cases where people were put into a "growth team" and required to work in a certain way for a couple of hours each week, while also doing their regular job using a completely different way of working. The organization failed to go all-in on the change and did everything half-ass. As with most things in life, you won't see any results when you only do things by half. The worst thing about half-assing a change is that you can end up losing all of all your investment without generating any return. A new cycle is then even riskier and people will be more hesitant to accept the proposed change. This mistake should be avoided at all costs!

4.8: CYCLE OF HALF-ASS CHANGE



On the other hand, there is a disproportionate return on investment when you go all-in with this approach. But it is risky, too, and you have to make a firm decision. How risky is not changing versus taking the leap? Not removing the silos and not having the right team members in the room is a big risk. The biggest mistake I've encountered is not having development aligned in this process. They stay in their own silo and stick to their own way of working. What happens is that a growth team comes up with ideas that they want to shop quickly. But development is not in the room and the team doesn't speak their language either. Development thanks the team for their ideas and tells them that in six months they will be first in line. This is a major blocker of growth and I've seen millions go to waste because of this set-up. What I always say is: If you don't have developers in your growth team, you DON'T HAVE a growth team.

The nuance is that you should have people in your team who are able to get the experiments that you prioritized to go live. When there are no developers on your team, you only increase the risk of not getting your experiment to go live and sabotaging the entire process. There are many departments that are often not aligned in the process and that could make a massive difference. Later on in this book I will reveal the great secret about who you should add to your team.

Going for growth DESPITE a wishy-washy product

The product/market fit survey is always an interesting event at the start of growth engagements. In my experience, getting clients to send out a survey containing the following question always results in interesting observations.

How disappointed would you be if this product no longer existed tomorrow?

- a. *Very disappointed*
- b. *Somewhat disappointed*
- c. *Not disappointed (it really isn't that useful)*
- d. *N/A—I no longer use it*

In the past I have noticed a strong relationship between the growth success we could achieve and how fast and with how much resistance this survey was sent out. Clients that sent it out without any reservations had better results and were already more customer-centric. What I saw was that the bigger and more risk-averse the organization, the more effort it took us to get them to send out the survey. Some even just refused to do so, believing it was not necessary. Others wanted to have multiple meetings about the questionnaire. Why so negative? Will people think we don't exist anymore? What if..., etc., etc. The same underlying reason for not sending it out popped up again and again: they were simply afraid of the results. In almost all cases the survey showed that these companies had an average product for which the customer expressed no disappointment when

they had to switch to a different product. These engagements were mostly of short duration, as not having a great product, namely, one that resonates with the market, introduces three significant negatives for growth:

- **Lower referral** - Customers don't do the promotion for you
- **Lower LTV** - You earn less on a customer because they switch sooner
- **Higher CAC** - You have to spend more money to acquire a customer

So it's more expensive to attract them and you earn less money once they are in. Your competitor – the one who resonates more with the market – will eventually extend their lead over you. You need to make sure that your product resonates with the market before really doubling down on growth. The main reason companies end up at this spot of poor product/market fit is because they aren't resonating with the pain of the customer. They aren't customer-centric enough and therefore can't articulate the pain of the right type of customers for their business. This stalls their growth and they end up looking for quick tools to fix everything.

The growth hacking tools obsession

There are a couple of phrases I have repeated thousands of times over the past few years. One of them is: Growth hacking is NOT about the new shiny tools. The client's response is almost always the same: "Thanks Chris, but can you show us the new tool for XYZ anyway?" The reason people are so stubborn about this is that they tend to fall into the trap of thinking that most growth problems can be solved by just adding a new tool to the mix. Growth hacking originated out of programming smarts and there are a lot of examples where a clever tool or integration made a company fly. I do believe there is a time and place for tools, but it's not the first question that you should be asking. Tools are great when you've already got the required agility and speed and there is a temporary opportunity worth exploiting. However, the process itself is far more important, especially understanding your growth system.

A lot of experimenters don't have a clue what they're doing

The moment more than five people I respect for their skillsets tell me they've learned what they know from the same source, I immediately want to make sure I find that source and get a really good understanding of it. In the world of CRO (Conversion rate optimization/experimenting) one such source is Craig Sullivan. He has tons of experience in CRO and has made all the mistakes there are to be made. He recently judged an awards ceremony where several top agencies

and companies within experimentation were showing off their best cases. His observations say a lot about the difference between where we think we are with this way of working and where we actually are.

"I was one of a panel of judges for a CRO awards gig that considered over 80 entries including a lot of agencies with experiment results. I did a presentation at the event, to explain what the judges felt was missing from their work:

- *Almost nobody showed a hypothesis / thinking / reason behind what led to an experiment*
- *Nobody mentioned checking the underlying data was reliable*
- *Only one entry out of 81 even mentioned mobile or different devices*
- *Only one entry mentioned doing any QA or checking before a test*
- *No entries mentioned any in-flight checks/guardrails for testing*
- *Almost everyone used 95% confidence for every test :-)*
- *Only 3 entries mentioned running test estimates/power calculations*
- *Many entries had statistically suspect claims*

Oh and people don't know when to stop tests - two quotes:

"We have really high traffic, so it wasn't long before the test reached statistical significance, when we stopped"

"Tests would typically run for a 3-month period, although these would be checked and reported on periodically until we achieve statistical significance."

In the awards specifically for experiments, only one agency got over 70% in the marking and over half scored below 50%. In the experimentation industry there are remarkably few really good agencies, at least based on what I've seen during my work and the awards judging.

Key problem for the rest? "How good we think we are" is greater than "actual competence" :-)"

This shows once again that this way of working can be broken in so many places and that having a strong understanding of what you're doing is critically important. Craig shows that many people working in experimentation fail to understand the basics of statistics and experimentation.

Not understanding the system of growth system hacking

It sounds really simple: you need to hack your system of growth. But most of the time companies struggle to understand what this system is. Most growth

hackers are young and miss the connection between company strategy and high-tempo experimentation. Strategy setting and connecting the learnings from experimentation is a major challenge for them. There are a couple of reasons why:

- Most growth hacks stay within a channel
- Product (experience) is a big part of growth hacking and most growth hackers don't have any influence on the product (experience)
- The bigger and more risk-averse an organization, the smaller the number of software tools it can use to exploit a temporary opportunity that pass the security threshold
- The holistic view is missing and connections between different departments and initiatives aren't made

When you want to be great at growth hacking you need to understand many different skillsets and frameworks. With this book I want to show you the quickest route to understanding the fundamental concepts of growth hacking.

THE WORLD OF GROWTH HACKING

With this chapter I wanted to guide you through the world of growth hacking and introduce you to the nuances regarding theory and practice. It's a great way of working and one with a lot of potential. The world has embraced it to some degree, but in its current state it will stay on a local maximum. I believe that many more companies can benefit from growth hacking, but it needs to be presented in a different way and based more on principles. Therefore, I will do my best to identify the first principles of growth hacking in the next chapter and see if we can establish a solid base that will help us to break through this local maximum.

CHAPTER 5

**FIRST
PRINCIPLES
OF GROWTH
(HACKING)**



Deconstruct then reconstruct.

JAMES CLEAR

BUILDING A FIRST PRINCIPLES GROWTH MODEL

In the previous two chapters I gave you a tour of the worlds of first principles and growth hacking. These two worlds are more related to each other than most people think. In growth hacking there is a lot of first principles thinking in disguise, but it has never been articulated in that form. Terrific opportunities can be created when the first principles of growth hacking are brought to the surface and used to form the foundation for a new vocabulary of growth.

HOW TO FIND THE FIRST PRINCIPLES

The goal of this chapter is to find the first principles of growth hacking. The best approach is to apply Socratic questioning to the growth hacking chapter. **I have listed a number of quotes below from *Hacking Growth* and other observations related to the first principles.** This chapter may seem very conceptual and philosophical at times, but that is necessary to arrive at the first principles. I don't just want to hand you the first principles on a plate. I want to demonstrate the thinking process that allowed me to identify those first principles.

WHICH ELEMENTS CAN WE DECONSTRUCT FROM HACKING GROWTH?

What are the quotes and insights that give direction and where can we deconstruct from? The book *Hacking Growth* guides readers through the world of growth hacking and this series of quotes provides excellent direction on the essential elements.

- The very essence of growth hacking is the hacker spirit that emerged out of software development and design of solving problems with novel engineering approaches.
- Harnessing software development to build marketing into products themselves.
- Experiment with new features, new messaging or branding, or other new marketing efforts—at an increasingly low cost, much higher speed, and greater level of precision.
- Growth teams
- Gain deep insights into user behavior and preferences; and
- Rapid generation and testing of ideas, and the use of rigorous metrics to evaluate—and then act on—those results.
- Growth hacking cultivates the maximization of big data through collaboration and information sharing. You need marketers who can appreciate what it takes to actually write software and you need data scientists who can really appreciate consumer insights and understand business problems.
- Find every last bit of growth potential through a laserlike focus on continuous testing of lots of tweaks to a product, its features, the messaging to users, as well as the means by which they're acquired, retained, and generate revenue.
- The North Star should be the metric that most accurately captures the core value you create for your customers.

- Growth hacking is also the answer to the urgent need for speed experienced by all businesses today.
- Full funnel thinking with Pirate Metrics: Awareness - Acquisition - Activation - Retention - Revenue - Referral
- The greatest successes come from combining programming know-how with expertise in data analytics and strong marketing experience, and very few individuals are proficient in all of these skills.
- If 40 percent or more of responses are “very disappointed” (when asked how they would feel if the product became unavailable) then the product has achieved sufficient must-have status, which means the green light to move full speed ahead gunning for growth.

The first thing to do is to categorize the different elements in the quotes above. I have done this by summarizing the information and then extracting the essence out of the summary.

The quotes above explain that growth hacking requires a great product and that you **understand** what drives value for the user. Once you’ve figured this out, you start running lots of **experiments** across the entire customer journey with **laserlike precision** aimed at achieving a singular goal. You do these experiments to learn and see what works and **what doesn’t**. You work in a cross-functional team, by **removing silos**, which through extensive **information sharing** can be made highly effective. You constantly tap into the newest insights and run experiments to **adapt as quickly as possible** to market demand. You do this all with the **hacker spirit from engineering**.

What are the essential elements of this summary?

- Understanding
- Experiments
- Laserlike precision with a singular goal
- Removing silos
- Information sharing
- Adapt as quickly as possible
- Hacker spirit from engineering

Let’s group them and discover the next level of essence:

- You run experiments quickly to understand what works and what doesn't and based on those insights you adapt as quickly as possible
- You run those experiments with a lot of precision towards a singular goal and you make it more effective through information sharing and by removing silos
- You increase the speed using the hacker spirit from engineering

A series of questions you can ask based on the above:

- What is understanding?
- How can you understand something?
- Why do you adapt?
- Why quickly?
- What is the essence of an experiment?
- Why precision?
- Why focus?
- Why is better information sharing important?
- What is the ultimate benefit of removing silos?
- What is the hacker spirit?
- What is engineering?

There are probably a dozen more questions you can ask based on these statements, but for now these ones are enough to get us to the next level of principles.

A deeper layer of understanding relates to the law of cause and effect. The law of cause and effect states that **every effect has a specific and predictable cause**. And hence that every cause or action has a specific and predictable effect. Rephrasing this law could allow you to view a cause or action as a pattern that results in a predictable effect. In other words, when there is an obvious effect and you want to understand why this happened, you need to search for the underlying cause, **the pattern**. You need to **recognize** the pattern. This means that pattern recognition is an important concept that could be a first principle.

Can you break down pattern recognition to reveal another deeper layer, or is it already deconstructed into its essence?

There are different kinds of patterns: numerical, language-related and many more, but I can't break the concept of pattern recognition down into a deeper layer. Is pattern recognition perhaps applicable to other questions? The more questions you can answer using pattern recognition, the more essential and powerful this principle is.

What is the essence of an experiment? Revealing different variations because you want to learn what works and what doesn't. What is learning? Understanding what works and what doesn't. Understanding means recognizing the pattern. So you could say that a first principle of experimentation is pattern recognition.

#1: Pattern Recognition

What is engineering? In computer engineering you feed a computer a series of commands that the program follows. In other words, the computer recognizes the pattern and takes action based on that pattern. Pattern recognition is also a first principle of engineering.

Why do you adapt? When you answer this question in the context of knowing that pattern recognition is one of the first principles, you are adapting because you found a pattern that worked better compared with your previous pattern.

Why quickly? You adapt quickly because every time you realize that another pattern works better but is not yet live you are faced with an opportunity cost: the cost of each second you don't take action on the new pattern. In a fast-changing world, the window of opportunity for that pattern often becomes smaller and smaller. Therefore the opportunity cost can be even higher when you don't adapt quickly.

#2 Reinvention speed

Can you reduce adapting quickly down to a more essential principle? Adapting is all about showing a new version of yourself. And when you have to adapt quickly, it means you need to show many new versions of yourself. The faster and more often you can do this, the better. But what are you actually doing? You are **reinventing** yourself. Running lots of experiments allows you to constantly change and reinvent yourself. When adapting turns into reinvention, the following question arises: Is 'reinventing quickly' the first principle, or can 'quickly' be worded in a more essential way? What is quickly? When do you say that you go quickly? What is the signal that you're quicker? It all comes down to speed. When you increase your speed, you are quicker. That's why the second first principle is reinvention speed.

#3 Clarity

We have identified pattern recognition and reinvention speed as first principles. In the process of identifying the first principles it's also important to think about the sequence in which you answer questions. It could be that the answer to a question can be the trigger to finding the gold nugget in the next question. The remaining questions are:

- Why precision?
- Why focus?
- Why is better information sharing important?
- What is the ultimate benefit of removing silos?

I will first answer the last question: What is the ultimate benefit of removing silos? In a silo situation you have different departments. What generally happens is that each department sets its own goals, meaning that each department sets its own direction too. Departments are part of an organization. When an organization has departments that are all going in a different direction, it means that the direction of the whole becomes vague. When things are vague people don't know what to do and your speed drops. Less speed is the antithesis of the first principle of reinvention speed, so we need to search for the opposite of vagueness to find the best principle. Removing the silos enables you to reduce vagueness.

Why is better information sharing important? To answer this question, let's look at the silo situation without good information sharing. This quote from *Hacking Growth* captures it perfectly:

*"Advertising agencies are hired to run campaigns and collect data without input from other departments on what information is most useful to collect. Meanwhile, programming teams are spoon-fed requirements based on yesterday's data, which meet outdated customer needs. As a result, companies are either acting on the wrong data, relying on surface level, vanity metrics (like page views), or have such internal fragmentation that the most powerful growth ideas and opportunities are missed because **dots can't be connected**. Growth hacking provides a method for more effectively tapping into data, and using it to extract specific, relevant, real-time insights into user behavior that can be used to inform strategy and craft more effective and targeted growth initiatives."*

The key element in this quote is that the dots can't be connected. In other words, it's vague and not clear to everyone what works and what doesn't. Again, we need to find something that is the antithesis of vague.

The remaining two questions are about precision and focus. Why are these important? When you can bring precision and focus to a situation where there is a lot of vagueness, everything becomes clearer. You're adding clarity. Here's a great quote about focus and clarity from Jay Abraham:

*"Focus is **clarity**. **Clarity** gives power. Power gives understanding. Understanding gives certainty. Certainty gives trust. Without trust, people won't take action."*

Clarity is the opposite of vagueness. Is clarity as a first principle in line with the other first principles? Does having more clarity provide you with pattern recognition and reinvention speed? Yes! When there is clarity it is easier to see the pattern. And your speed goes up when vagueness is reduced and clarity is increased. This means that the third first principle is clarity.

#4 Functional laziness

"I choose a lazy person to do a hard job. Because a lazy person will find an easy way to do it."

– Bill Gates

The last remaining question is: What is hacker spirit? Hacking is finding the weak spot in a system and exploiting that weakness. In other words, a hacker first recognizes the pattern. When they recognize the pattern, they look for the weakest spot. They then find the spot where they can achieve a disproportionate return on whatever action they intend to take. It's a search for the shortest route from A to B. You could say that hackers try to be as lazy as possible in reaching their goal. Is being lazy a first principle, or does it need something extra? You don't want to be too lazy and miss your goal, of course. It's all about being lazy in the smartest way possible. It needs to be functional. The laziness needs to function in such a way that you can reach your goal with the least amount of effort and cost.

My functional lazy story

For years my mindset at school was the same. Just do enough to pass your exams and never do more than strictly necessary. It got me into trouble a couple of times, but it also taught me a very important lesson: the skill of prioritizing and focusing on finding a way to do things in the easiest way possible. In growth and business many people have a tendency to make things more difficult than is necessary. You shouldn't be doing this. What you want is to find the easiest way possible. The risk, however, is that you will start cutting corners.

In my attempts to pass my exams with the least amount of work possible, I was actually making life harder for myself. Later on I changed tack and decided to become functionally lazy. How can I get an 8 out of 10 in the easiest way possible? It required a bit more work, but it was more functional than my previous strategy. If I missed the mark by one point I would still pass the exam and wouldn't have to redo all the work again later. Another advantage of getting an 8 is that in the field of economics the courses are built on top of each other (Finance 1, Finance 2, Finance 3, etc.) I learned that the higher your grade for the basic course, the easier it was to pass the follow-up course. By focusing on scoring 8 out of 10 I managed to achieve better grades in less time because I was more effective due to the lack of rework. That's why only being lazy will not crack the code, you need to be functionally lazy!

Summary - the road to first principles

I've taken you on a journey to find the first principles of growth hacking and bring them to the surface. The journey, based on Socratic questioning, resulted in four first principles:

1. Pattern Recognition
2. Reinvention Speed
3. Clarity
4. Functional laziness

These four principles are the building blocks of the growth hacking methodology.

A handy acronym for the first principles

Cardiopulmonary resuscitation (CPR) is a lifesaving technique that can be very useful in emergencies, such as a heart attack or near drowning, in which a person's breathing or heartbeat has stopped. It can be the difference between life or death. I believe there are first principles within growth that also can mean life or death for your business. Follow them and your chances of success are higher; don't follow them and chances are your business will stop breathing. The good news is that following them doesn't have to be complicated. Let me introduce you to the Functional lazy CPR for your business.

The first principles

1. (C)larity
2. (P)attern recognition
3. (R)einvention speed
4. Functional laziness

A Functional lazy CPR for your business. Want to remember this in the fastest way possible? Visualize a person lying on the ground being given CPR by someone, but then in a lazy manner.

5.1: FUNCTIONAL LAZY CPR



Now you will never forget!

In the rest of this chapter I will show you how the insights into these principles can open up a whole new world of possibilities for growth thinking.

CREATE A COMMON VOCABULARY

It has required a thorough thinking process to bring these principles to the surface and only a fraction of all the thinking that went into it has made it to these pages. My goal was to show you how I arrived at these principles without going into all the different variations I considered, as this process is only a bridge to the part of the book that will help you to make a huge impact in your organization.

You can use these four principles to create a common vocabulary within your organization. Making sure that you recognize the patterns in your business, reinventing faster, replacing vagueness with clarity and being functionally lazy in every level of your organization will set you up for more revenue growth. This common vocabulary is the first step in bridging the horizontal and vertical digital awareness gaps. When everybody in the organization is aware of these principles, it will be easier to take action with these principles in mind. When your entire organization sounds like too big of a challenge, start at least with your executive team and connect it step by step to the rest of the organization.

GROWTH SYSTEM HACKING CAN ALSO BREAK

Writing a book is one of the best ways to organize your thoughts and take concepts to a higher level. After writing the first principles section I was hit by a sudden and huge realization. For years I have been speaking about hacking the system of growth but was often unable to land it fully in some contexts. When I shared the concept of system thinking, namely, seeing the world as a set of systems, people started to understand it from a conceptual point of view but they failed to turn into long-term action. What I now realize is that while what I told them was correct, I still wasn't capturing the essence. In fact, I shouldn't be talking about a system of growth at all but about something else.

It shouldn't be called growth system hacking

The answer to what I have never managed to articulate in the best way possible can be found in the following quotes from *Hacking Growth*.

- *"You need **marketers who can appreciate what it takes to actually write software**"*
- *"The very essence of growth hacking is the **hacker spirit that emerged out of software development and design of solving problems with novel engineering approaches.**"*

Writing software is nothing other than a pattern of instructions that you give to a program. You could say it's a step-by-step system, but it's actually an algorithm. The best growth hackers don't think in terms of systems, they think one layer deeper. They think in terms of algorithms! Almost all the famous growth hacks are examples of where an algorithm was used to reach a growth goal. It made me realize that I should stop speaking about the systems mindset and start thinking in terms of algorithms. The most valuable companies today are built on algorithms. The future will be directed by artificial intelligence, which is based on algorithms. **The pattern that you need to recognize is that of the algorithm.**

What is an algorithm?

The last thing I would claim to be is an expert on the many different kinds of algorithms out there. However, what I am good at is thinking in a sequential manner and finding the root causes of issues. In my search for the best definition I've tried to find the most simple and applicable one. And a basic understanding of algorithms is a massive game changer.

The essential features of an algorithm:

- A set of instructions by which to solve problems (Remy Gieling)
- An algorithm establishes a series of steps to achieve a particular computational outcome
- Data goes in – through a set of instructions – and a result comes out
- A set of rules that precisely defines a sequence of operations for solving a given problem. It starts from an initial input of instructions that describe a computation that proceeds through a finite number of well-defined successive states, producing an output and a final ending state (IGI-Global.com)

More advanced algorithms can learn and update themselves based on the success of the algorithm. Algorithms are constantly optimized and improved by themselves or by the programmers. Step by step all the dots are connected and the algorithm becomes more powerful.

Algorithms deconstructed

Essentially, the algorithms of big tech are all the same. These algorithms calculate what should be on the top of the list and what on the bottom. What's the best item to show on your feed, the best apartment to book, or the best ride for you. Based on all the data the platform has gathered about you, the algorithm goes through a set of instructions and then generates a result. An algorithm can always be optimized, expanded, and improved. Jim Stolze, author of several books on AI, provides an excellent example of how doing the laundry is like an algorithm.

Steps

1. Collect the dirty laundry
2. Load the washing machine
3. Add the correct amount of detergent
4. Choose the correct washing program
5. When finished take the laundry out of the machine
6. Dry the laundry

5.2: WASHING MACHINE ALGORITHM 1



This is a very simple set of instructions. The algorithm can be expanded by adding extra instructions. For example, what should you do when you run out of detergent?

5.3: WASHING MACHINE ALGORITHM 2



You first need to go to the supermarket to buy the laundry detergent.

Or when there are different colors of laundry.

5.4: WASHING MACHINE ALGORITHM 3



Is your growth like an algorithm?

This is the big question: Is your growth like an algorithm? In other words, can you say that a specific combination of actions causes growth? If this was 100% false, there would be no paid advertisements or other forms of marketing. It wouldn't make any sense, as there would be no relationship between these actions and growth. The growth of a business would then just be a matter of random luck.

If we were to apply the law of cause and effect, it would mean that the perfect algorithm would be able to cause 100% of your growth. In other words, there exists a combination of actions that can generate €10 million for your business and if you work according to those actions, you will eventually get this result.

However, there's one problem. You can never have 100% knowledge of an algorithm, as the algorithm (combination of actions) is different for each level of growth. It's simply too much to comprehend. As a result, people often reject this idea and say the algorithm doesn't exist, while I believe they just don't understand it.

I've heard experts say 'It depends on the context' so many times that I've lost count. Does SEO work? *Depends on the context*. Should we advertise on TV? *Depends on the context*. You need to achieve more understanding about the context that a business is operating in before you can give the best growth advice possible. So when you're talking about a growth algorithm for a certain business, you could say that there is a growth algorithm that is specifically unique to that business.

But what is the fastest way to find this algorithm? The best way to answer this question is to answer it like an algorithm would. An algorithm would take all the available data on business growth and combine it with all of the company's actions. Based on the relationship between these two, it would then arrive at a model of the actions that had the strongest relationship with business growth. This would be the first version of the algorithm that would then be tested. In other words, you would start with a general algorithm of growth and by testing it within your specific context you would try to improve the algorithm in order to come as close as possible to the company-specific algorithm. Start with a general algorithm of growth to find your company-specific algorithm.

Algorithmic thinking and the first principles

How does algorithmic growth thinking relate to the four first principles of growth hacking?

The first principles

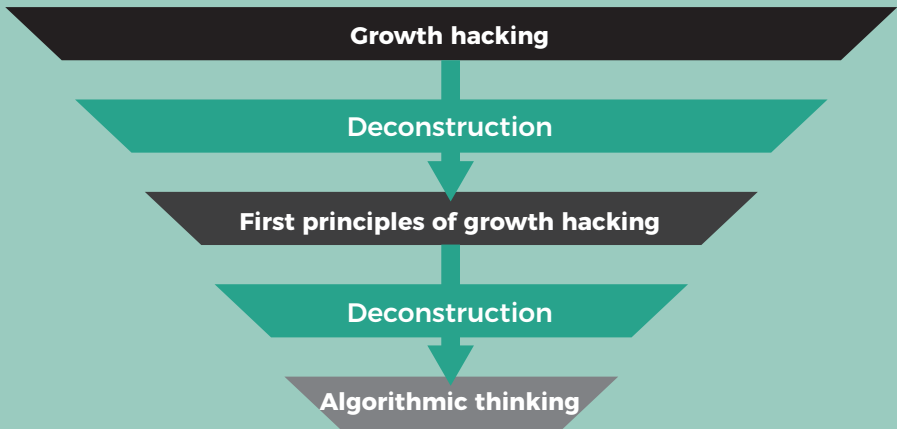
1. (C)larity
2. (P)attern recognition
3. (R)einvention speed
4. Functional laziness

First of all, algorithmic thinking is based on pattern recognition, so it is fully in line with these principles. It also increases clarity as it allows you to dispel all vagueness regarding what works and what doesn't. The reinvention speed also increases, as the goal is to update the algorithm as quickly as possible to get closer and closer to what works best. Algorithmic thinking also enables functional laziness because it is all about finding the shortest and fastest path to growth in a smart way.

Finding your unique algorithm

Now it's time to let me help you find the unique growth algorithm for your company! This book is called Structuring for Extreme Revenue Growth with the promise to quickly monetize the biggest opportunity in front of you. You can do this by finding your growth algorithm. An algorithm that shows you what the next best action is for your growth ambitions. Following a certain structure will help you to uncover your unique growth algorithm. In the next part of this book I will introduce you to the WALLET Method, the general algorithm of growth that will help you find your very own, unique algorithm that attracts Extreme Revenue Growth.

5.5: GROWTH HACKING



PART 2

FINDING YOUR UNIQUE GROWTH ALGORITHM

CHAPTER 6

**THE WALLET
METHOD**



I'm the biggest thief in the world.

REMCO CLAASSEN

One of my mentors is leadership and verbal mastery guru Remco Claassen, who calls himself the biggest thief in the world. He takes every management book that sells over one million copies and immerses himself in all its principles, tactics, and strategies. He connects these to all the other theories he has studied in order to build new practical applications. Another mentor of mine, Jay Abraham, likes to call himself a great synthesizer. He has worked with the top leadership gurus in the world and used their frameworks to grow his clients. So what do these two gurus have in common? They take great frameworks, deconstruct and reconstruct them, and make them more applicable to other situations. When you analyze all the great thinkers in the world, they take what is known and try to add something extra. This is also how science evolves. My story is no different. I've read a lot and experimented a lot, and I will now show you how this can be the basis for your extreme revenue growth.

ALGORITHMIC THINKING

In the previous section of this book we came to the conclusion that algorithmic growth thinking is a mental model that can help you to find the biggest opportunity in front of you and monetize it. Algorithmic thinking is the foundational mindset that you need.

- Basis for data-driven decision-making
- Basis for Machine Learning
- Basis for Digital Transformation

In the new world, the entire company needs to think in an algorithmic way to be future-proof and to leverage all the possibilities of the tools that are available now and in the future.

FROM LINEAR THINKING TO ALGORITHMIC THINKING

I've been preaching for years that system thinking is the way to go. You need to build processes for growth. A lot of companies don't have these processes in place and therefore don't understand their process of growth. Most high growth companies have these processes in place, but I missed a subtle nuance in this linear process thinking. The following LinkedIn post from Peep Laja describes it perfectly.

"Everyone wants to know the key causal factor in success. What's behind the growth? What can we attribute it to? Companies act in complex adaptive systems that inherently lack linear causality. In other words, it is inherently impossible to know what's behind the success or what the one thing to focus on for the future is. For instance, CXL has been without a growth team since March (we're hiring, come work with me!). Literally no marketing people. No marketing efforts are being shipped.

June results were 45% growth YoY. This is because of momentum. It's because of what we did 4 yrs ago. It's the brand, content, relationships, word of mouth, my tweets and who knows what else. All the customer touchpoints over the last 10 years matter. Had my team had been experimenting with PR or TikTok or influencer marketing or whatever, and we had 45% YoY growth, it would be tempting to say - "I think the results are because of the PR efforts!"

Balancing the long (brand) and short (performance) is a fine art (Binet/Field advise to go for a 60/40 split). We cannot know everything, we can't attribute everything. Traditional strategic planning does not work to the extent most seem to believe. In the right context, planning can absolutely work. But it can also create the illusion of working. Steven Levitt told a story of a company that every year advertised in certain magazines, and sales went up. They were certain it's because of the ads. After all, sales went up every time. It also happened to be the Christmas season. (TL;DR the ads did nothing).

Business is a complex system (a large number of connected elements that interact in nonlinear ways), not an order system (linear causality). Hence we should look to complexity science and enhance the depth of our thinking in these matters."

– Peep Laja

System thinking is linear thinking and is less adaptable compared with algorithmic thinking. An algorithm constantly updates itself based on the latest learnings. It also assesses connections that are not linear. It's an algorithmic way of thinking where you see that everything is interconnected and you need to understand how.

This is the deep thinking process I want you to take away from this book. Achieve a deeper understanding of how everything relates to each other and what you can do to influence that. I have noticed in my own practice that over time things become clearer. Clients that I am onboarding today are often people that I met six or seven years ago. They all have the same reason for wanting to work with me now: you came out of nowhere in this industry, became a thought leader, you've gone through a massive transformation, and I want to do the same with my business. When I look back at the past few years and the transformation that I've been through, I see that I can deconstruct the method I used – the method that I'm sharing with you in this book. Let me take you on a journey to find the MAGNET that will attract Extreme Revenue Growth to your business.

THE WALLET METHOD

I've worked on growth in many companies over the past year and documented the approach I used to find the algorithm that causes growth in each organization. This method is called the WALLET Method and it will help you to quickly find the biggest opportunity in front of you and turn that opportunity into cash in your wallet. The ultimate goal is to find the MAGNET that attracts

Extreme Revenue Growth, puts cash in your wallet and enables you to do more good in the world.

The WALLET contains six pockets:

1. Work Once and Get Paid Forever
2. Access Accelerates Growth
3. Lifetime Growth
4. Let Growth Be Easy
5. Every Level has a Growth Devil
6. Tap into the Hidden Goldmine

6.1: WALLET

WALLET

W
Work Once
& Get Paid
Forever

A
Access
Accelerates
Growth

L
Lifetime
Growth

L
Let Growth
Be Easy

E
Every Level
Has A
Growth Devil

T
Tap Into
The Hidden
Goldmine

Approach

Each chapter in the WALLET method contains a theory, different stories, and my own observations. Out of this mix I deconstruct the essence of how these frameworks cause growth. After completing the deconstruction, I then reconstruct a new model that is as applicable and as evergreen as possible. I want to be sure that the model will stand the test of time and is applicable in a

multitude of situations. I understand that for every framework I create you would probably like to see a detailed step-by-step explanation of the implementation. You can find these playbooks at extremrevenuegrowth.io/bonus, where I constantly update the information based on the latest learnings. This book provides you with the foundation and the implementation techniques are available for free online.

Join me on this journey of growth

I would like to invite you to join me on a journey where you will gain valuable insights into how to use algorithmic thinking to grow your business and find the MAGNET to attract Extreme Revenue Growth to your business.

CHAPTER 7

WORK ONCE AND GET PAID FOREVER

DID I BUILD EQUITY TODAY?

When I had my own growth hacking agency, I commuted from Amsterdam to Rotterdam on a daily basis. The one-hour drive gave me an excellent opportunity to listen to podcasts and audiobooks. I devoured many titles and walked into the office almost every day with new perspectives and interesting ideas to test. After we opened a new office in Amsterdam, I started taking the tram to our new location but I continued my habit of listening to podcasts. One of the first on my new route was the *Start from Zero* podcast by Dane Maxwell.

I had just finished his course – The Foundation – on how to build a software company from scratch. What I love most about his work is that it's all about creating freedom as an entrepreneur. During that podcast he promoted his new book, *Start from Zero*, which focuses on building a business on a solid foundation so that it can eventually run without you being involved on a daily basis. It's a book I recommend to almost all of my consulting clients. Dane's focus is on strategically building your wealth and having a clear roadmap to achieve this. He likes to make things very simple and to pare things back to their essence. When you address the essentials of building wealth, you only have to ask yourself one question each day. Now you want to know which question that is, of course!

That morning, when I was listening to Dane Maxwell's podcast, I was sitting on the tram and became so immersed in his story that I almost missed my stop. I got off just in time and walked to our office, reflecting on that one question you should ask yourself every single day: Did I build equity today? Each day you must do whatever you can to build equity or build towards having equity.

What is equity? "Put simply, equity is ownership in something (assets) that can produce cash or be sold without your direct time on a day-to-day basis"

– Start From Zero

When I arrived at the office, I panicked. Not because of the question, but because I realized I had left my laptop bag on the tram. I had been so engrossed in the podcast that I had forgotten all about the bag. My MacBook Pro was gone and I would never see it again. But reflecting now on that moment, it was more than worth it. I learned a very valuable lesson. What really struck me was the concept of producing cash **without your direct involvement on a day-to-day basis**. Building these kinds of assets was precisely the path to freedom I had been looking for.

DECONSTRUCTING ASSETS

Dane Maxwell talks about the essence of business in his book *Start from Zero* in which he explains how a customer uses a mechanism to get a result. The mechanism is the asset in this context. There is a way to get a customer from a need to a result and you do that through your asset. When you break down the elements of an asset, you'll find two things. First, that it can produce cash or be sold. Secondly, that this can be done without your direct involvement on a day-to-day basis. In other words, an asset is a machine that can run without you and you can build a team that will operate this machine in a successful manner. The next question is: what is this machine made of? Different authors give different descriptions, but most of them have a common central theme.

In his book *Extreme Revenue Growth* Victor Cheng describes the concept of a revenue engine containing the following five components:

1. A target customer who is aware of their problem
2. A promise that your company makes to prospective customers
3. A distribution channel for reaching and transacting with the target customer
4. A product/service that fulfills the promise made to the customer
5. A sustainable competitive advantage

In his book *Run Like Clockwork*, author Mike Michalowicz identifies four key elements of running a business in his ACDC framework.

1. **ATTRACT** – Bring in new prospects interested in the company’s offering. Every business needs to attract prospects, or leads, which are inquiries into your product or service. Leads feed your sales. No leads and your sales will dry up because you have no one to sell to.
2. **CONVERT** – Turn a portion of those prospects into customers. The responsibility of sales is to convert a lead into a paying customer. If you have all the leads in the world but you can’t convert them into sales, your business is going under.
3. **DELIVER** – Supply the customer with the product or service as promised. Deliverables are the processes and services necessary to properly deliver on what you sold the customer. If you don’t deliver on what the customer buys, they will seek a way out... sometimes canceling their order, sometimes seeking a refund, possibly spreading the word about how you stink. Can’t deliver? You can’t stay in business.
4. **COLLECT** – Ensure that the money promised by the customer is gathered.

In his *Six Figure Consulting* course Ramit Sethi talks about breaking your business down into core processes. Out of that course I created five processes for my agency:

1. Marketing
2. Sales
3. Delivery
4. Finance
5. HR

A key learning is that you need to break your asset machines down into categories for your business. Within those categories you need to create structure and processes so that the machine can run without your direct day-to-day involvement. Michael Gerber’s book *The E-Myth Revisited* takes this to the next level. He explains how you need to pretend that the business you own—or want to own—is the prototype, or will be the prototype, for five thousand more just like it. The processes and systems that you document should be so detailed that you could easily set up five thousand franchises of this business.

That’s how detailed you need to document the processes and systems of your business. I’ve been preaching this for years, because doing so will give you an insight into what works and what doesn’t in your business. It is also easier to optimize things that have already been documented. Each category can be broken down into subcategories. Marketing, distribution, or attracting can be

broken down into different channels that are used to acquire customers. A channel like Google needs search engine optimization, so you document the processes that you use to maximize the output of this channel. When you've got the processes written out, it's so much easier to make an impact and achieve extreme revenue growth. It's an algorithmic way of thinking where you see that *everything* is interconnected and all you need to understand is how.

DECONSTRUCTING WORK ONCE AND GET PAID FOREVER - TAKEAWAYS

The process of deconstruction gave me two new definitions of an asset:

1. Cash flow producing assets – a combination of processes & systems that produce cash
2. Appreciation assets – a combination of processes & systems that can be sold

This is the asset pattern that you need to recognize and focus on in your business. Which combination of processes and systems will produce cash or can appreciate in value? For your growth algorithm you need to understand which assets you possess and how they can help you to realize your growth ambitions.

7.1: DECONSTRUCT 'WORK ONCE AND GET PAID FOREVER' TAKEAWAYS

- Cash flow producing assets**
a combination of processes & systems that produce cash
- Appreciation assets**
a combination of processes & systems that can be sold

RECONSTRUCT - REINVENTIBLE ASSETS

Building new assets at a high tempo

The world is constantly changing, and so too are your assets. Some assets provide growth opportunities, while others stagnate or shrink. So what should you focus on? One of the biggest challenges that executives and entrepreneurs face is how to build tomorrow while running today.

You can only build tomorrow when you're not needed today

The main difference between high growth companies and non-growing companies is that high growth companies build assets that can run without the involvement of the founder or management team. They set up an initiative, make it run, and move on to building something new. Slow growth companies get stuck in their daily business; they stay "in" the business instead of working "on" the business. Jeff Bezos and his leadership team focus almost exclusively on building the future. As he says himself: "The results of this quarter are because of the planning and work from three years ago." When I was building my growth agency, a significant percentage of my time was spent on building the infrastructure that would help us to grow faster and be a more mature agency tomorrow.

The two games: Building a new asset versus running an existing asset

The Game of 0-1: Building a new asset

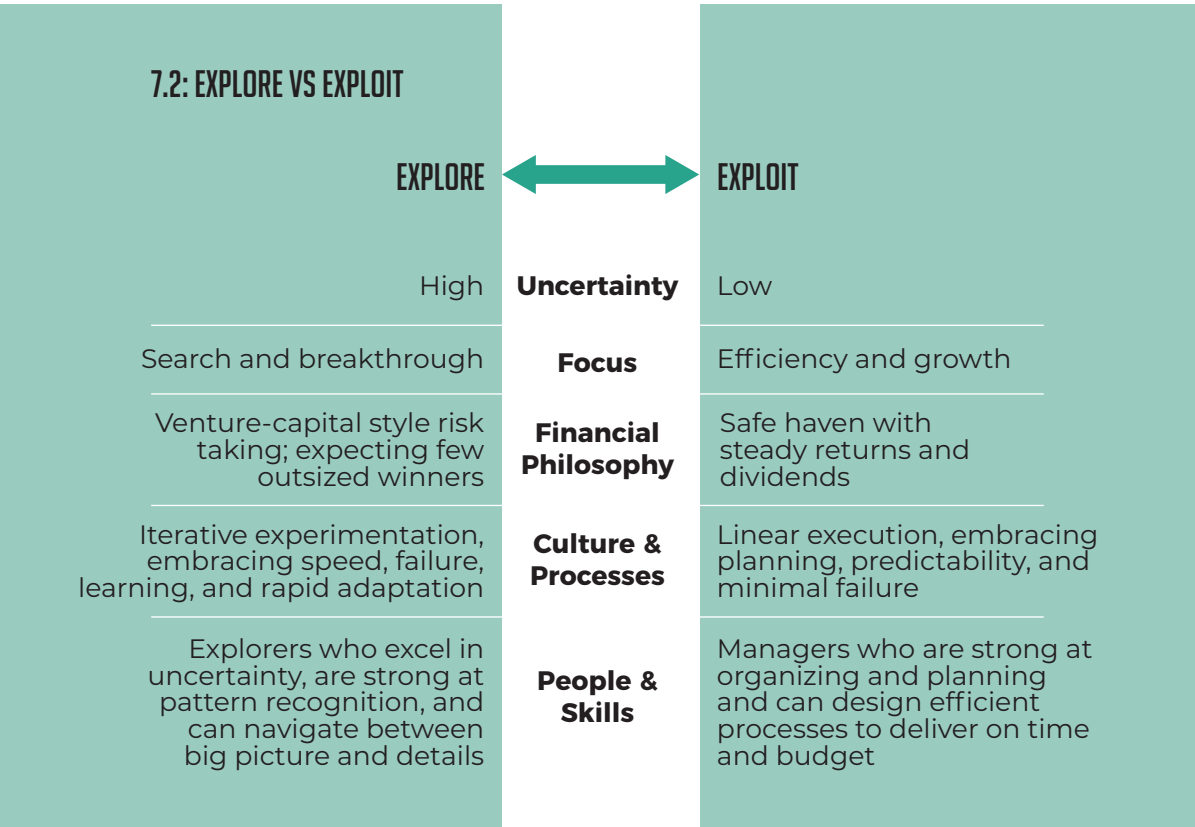
In this game you build, for example, a new service line or launch a new product in a new market. There are still a lot of unknown unknowns and you need to figure out the ideal combination of processes and systems to make it a worthwhile endeavor for your business. It's risky and you need to act fast. Speed over perfection. In innovation literature they call this exploration, but I don't think that covers all the bases. What you need to do is to build the asset in such a way that you can at some point standardize it. You start in unknown territory and look for predictable patterns in how the market reacts. When you have found those, you want to find the patterns that will help you to serve these customers. When that's clear you can start delegating the work to other people within your organization. In this first phase of building, there is always a chance that you will lose some money because the time and resources you have to invest

exceed the return. But you know that once you have been able to go through the standardization process, you will have built yourself a cash machine. One that will generate a positive return at some point. And that's the moment when you have worked once and get paid forever.

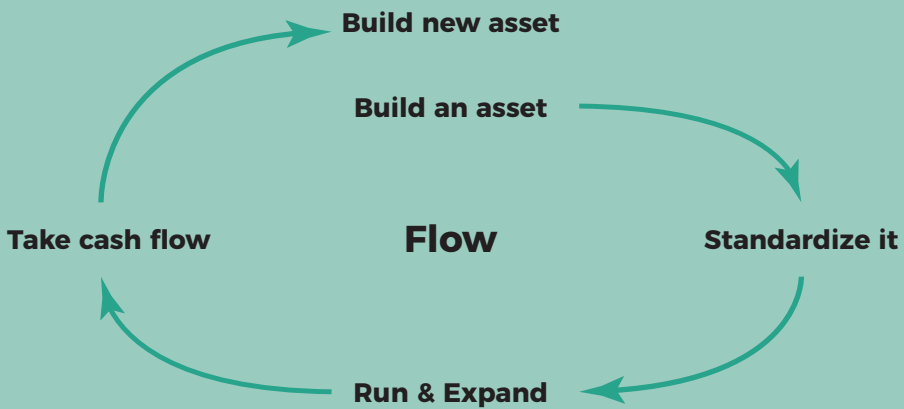
The Game of 1-10: Run and expand an existing asset

In this game you are already familiar with the pattern, but now it needs to be optimized. It's not about radical changes anymore but about getting your assets to operate more efficiently. These assets generate revenue and with this cash flow you can create space to build new assets.

In the book *Invincible Company* the authors refer to this as the Explore-Exploit Continuum. It reveals the main differences between these two games.



7.3: ASSET FLOW



Asset Portfolio thinking

One result of this approach is that you will have a portfolio of different assets. And you can build new assets while expanding your existing assets at the same time. The question is, where should you commit your resources? To building or expanding? The best way to figure this out is by having a portfolio perspective.

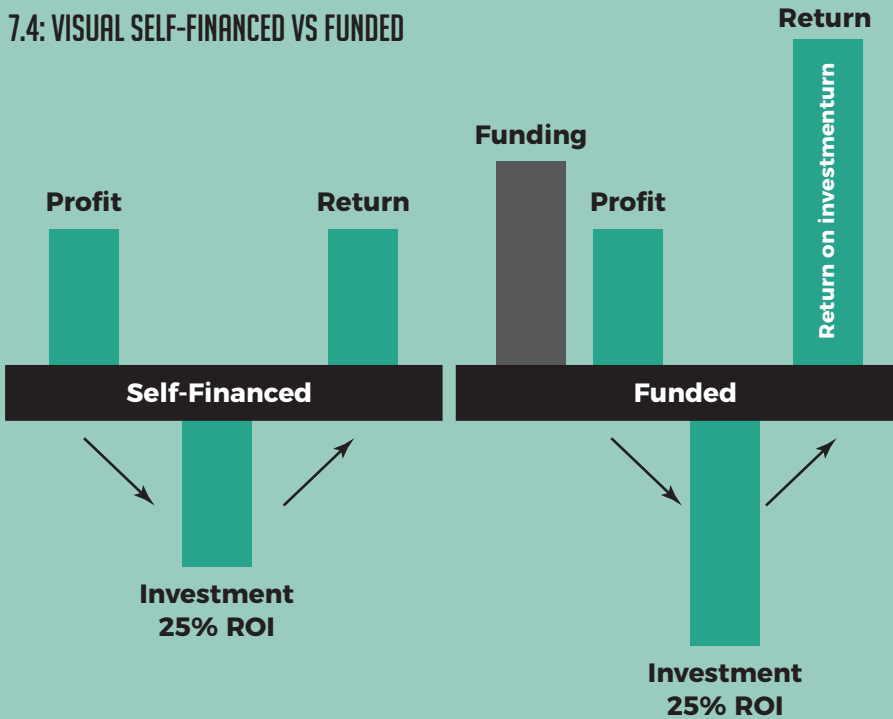
Assets are living forms

You need to understand that within your portfolio different assets can be at different levels. You're generally either building or expanding an asset. When you're expanding an asset it's important to understand the growth rate and how much effort the team must put in to grow it. The dynamics of the market have a considerable influence on how fast an asset will expand or shrink. When a competitor launches the same type of asset, it can change all the dynamics overnight. Therefore, you need to have an overview of your portfolio and the direction your asset is moving in. This is critical input for your growth algorithm.

The danger of having too many irons in the fire

One of the mistakes that almost bankrupted our company on multiple occasions was that I was setting up too many new projects, while the assets that had to pay for those projects weren't yet fully operational. A new asset could be a new salesperson who isn't making more sales than the cost of their salary. This means that every month you're losing money on that person. But you're doing it because it's an investment, and at some point you expect the loss to turn into a profit. This new initiative needs to be funded by initiatives that are already producing cash flow. This is important when there is no external financing and everything has to be paid out of the revenue that you're generating yourself. Another term for this is a "bootstrapped" company. When you're not bootstrapped and you have extra funding, it is easier to handle the temporary losses associated with having a lot of irons in the fire. Understanding which irons you have in the fire at any given moment and when you can expect them to pay you back is very important when determining how much risk you can take, and deciding whether or not to wait before adding a new iron, and if you have enough room left to take that risk.

7.4: VISUAL SELF-FINANCED VS FUNDED



Ton Wagemans, managing partner at Considerati, a high-growth and award-winning Legal and Public Affairs consultancy firm in the digital sector: *“There’s a ratio of fee-earners to overhead that we need to respect to make sure that we grow in a healthy way. When we invest too much on overhead it kills our profitability, but when we don’t it kills our growth. It’s always a very tight balance.”*

REINVENTIBLE ASSETS WITH MODULAR ASSET BUILDING

The 0-1 and 1-10 analogy has been well documented in other books, but they all miss one key point. You need to make sure that when you build something and it doesn’t work as intended, you are able to repackage or repurpose it so that it can be useful in another context in your business. Even if it’s only 60% more useful, it’s still better than nothing.

The best way to do this is through modular thinking. Everything that you build needs to be set up in a modular way. This is a common practice in software development. You write a piece of code to perform a specific function. This piece of code can also be used in other software programs that require the same functionality. You build it once and enjoy the returns forever. A modular way of thinking sets you up in the best way possible to quickly repurpose what you’ve built.

What is modular asset building?

An algorithm consists of steps that you take to solve a problem or complete a task. When you isolate a step or a combination of steps, you can call that a module. With modular thinking you build the algorithm with repurposing in mind. This means that you want to be able to use the steps you created in another context as well. Think of it as a process involving Lego blocks. You want to find the right blocks and repurpose them as much as possible.

A perfect example of modular thinking comes from tech entrepreneur Paco Vermeulen when he was building the tool Sentimently (<https://sentimently.ai/>). This tool manages comments under Facebook ads and auto-hides harmful comments for you. There are different functions in this tool that enable it to find negative comments and hide them. What Paco did was to provide clarity on which functions could also be used on other platforms and which ones were specifically required for Facebook. This demanded some extra work upfront, but as a result of that work he could repurpose 80% of the code and use it for other platforms. He thought in terms of building blocks and therefore in a modular way.

What have others already built that I can use?

Developers who create code use functional laziness before they write a new piece of code. They first look on the internet to see if someone has already created modules or building blocks that might save them time on the coding process. Instead of just starting to write code, the first thing they do is ask themselves whether someone else has already done it or if they themselves have already built modules in the past that they can repurpose.

How can you do this outside of software development

This is a practice that is common among software developers, but it is also applicable in other contexts. What you want is to move from a one-off to an asset-based mindset. This means that instead of just working once, you work once, repurpose it, and get paid forever. That is the essence of an asset-based mindset.

Some examples:

- Recording a one-hour coaching session and selling it as part of an online course
- Explaining your unique process during someone else's podcast
- Taking the objections expressed in a phone call where you heard a "no" and using them to rewrite your sales material so as to negate this objection

The coaching session may cost you one hour to create, but when you build an asset with that one session you can charge for it again and again. The same applies to the process you create for your clients. When you explain that process during someone else's podcast, there are different ways in which it will continue to generate a return for you. Each day, new people download that particular episode and when they listen to the podcast you are indirectly selling to them without your involvement at that moment in time. Another way is to send this episode to prospective clients to give them more information about how you approach challenges. They listen to it in their own time without you being there. You're repurposing that one conversation in different forms, so it keeps on generating a return. Sales conversations are also a perfect situation where you can take a learning from one conversation and turn it into an asset. When somebody says "no" to you during a phone call and you can turn that into a "yes", the first thing you need to do after hanging up the phone is to update your sales materials. You have uncovered an objection and a way to overcome it. Other people will probably have the same kind of objection and if your sales material can help overcome it after the update then you've worked once and will get paid forever. Your material has improved and you will be able to attract more clients with less effort.

Document what you do and repackage it. When you provide a consulting service, for example, you can repackage your product in eBooks, worksheets, challenges, or courses that you can sell or use as lead magnets to make the sales for you. In any event, never let your work go to waste! Another example is to use screen recording software to record how you perform a certain task. I screen record how I do outreach on LinkedIn and when somebody wants to know how, I just send them that recording. In my consulting engagements I am constantly creating slides during the many conversations I conduct. This gives me a clear picture of how the engagements progressed, as well as slides that I can use during workshops because I've already documented what clients should do. If you're trading your time for money (which is inevitable at times), always ask yourself: can I document and repackage this now or in the future? Which building blocks can I create out of what I'm doing today?

7.5: WHAT IS AN ASSET?

Not an Asset	Asset
One-off Sales E-mail	Automated flow
One-off lead magnet for a trend / event	Evergreen lead Magnet on the website
Explain to an influencer how to post	Create a guide / video for all new Influencers
Do all keyword research myself	Show someone else and recording that
Create each social post from scratch	Build templates and a bank of content
Manually adding data results	Build a dashboard to show results
Reply to customer care questions one by one	Work on building a bank of answers
Testing a review block on one page	Learning what works for reviews, adding to all relevant pages and testing further
Talking to Individual customers randomly to get their customer stories	Having a system to collect stories

TANGIBLE AND INTANGIBLE BUILDING BLOCKS

The modular building blocks mindset is very applicable to tangible assets like products, systems, processes, and many others. These are assets that you can see and touch. However, many entrepreneurs forget that you can also apply this way of thinking to intangible assets.

Intangible assets - the capability development route

Building new assets requires you to do things you have never done before with your company, especially in a high growth environment. As a result, you will build up new capabilities over time. These capabilities are also an asset, as they represent a module that you can combine with other assets. When you're working on new assets, you will probably develop new skills that aren't yet available in your team. In that case it is even more important that you are in a position to delegate this work to people who are equipped to take it on. When this isn't the case, you will never be able to free yourself from today so that you can work on tomorrow. People's skillsets can be conceptualized using the T-shaped model, as described in the growth hacking chapter. There's always a best next step that will improve the impact you can make with your T-shape.

I gave this the name 'T-shaped hacking' – finding that one skill that you need to make more impact. You constantly develop your capabilities when you work on your T-shape. When you develop capabilities you can use them for other projects too. In other words, you've got extra building blocks in your skillset to make more impact.

I've seen a lot of projects fail in the past, but were they all really a failure? When you learn a new capability while building something and the project doesn't bring a return but the next one does, is that still a failure? I'm now monetizing skills that I learned during projects that failed a couple of years ago. When you can repurpose tangible building blocks from an asset, make sure you can repurpose the intangible ones too! This will help you to monetize your biggest opportunities much faster in the future.

Your own intangible asset - transferable skills

Since the age of 23, I have been very strategic about the skills I want to build up. Chris Guillebeau's book *The \$100 Startup* inspired me to start thinking about my transferable skills.

“Transferable skills are skills and abilities that are relevant and helpful across different areas of life: socially, professionally and at school. They are 'portable skills'. People usually think about their transferable skills when applying for a job or when thinking about a career change.”

– Skillseyouneed.com

When you want to monetize your skills in the best way possible, you need to be aware of your transferable skills. It is especially important to build up transferable skills in your work so that if you decide to quit your job, you can use those skills elsewhere. I strongly believe that working on your transferable skills is a crucial part of the work-once-and-get-paid-forever mindset. You work once to gain the skills, but afterwards you can use them for the rest of your life. I learned the skills required for public speaking, high level consulting and sales and these are skills that I will benefit from for the rest of my days.

The ultimate work-once-and-get-paid-forever skill - Direct Response Copywriting

There's one particular skill I would like to highlight in this book, as it correlates strongly with extreme revenue growth and quickly monetizing your biggest business opportunities. When I was analyzing my most impactful mentors on growth, I discovered they had one thing in common. They were all highly-skilled direct response copywriters. They possess the ability to persuade someone to buy something based on an ad, a landing page, or a sales letter. They know how to get into your mind and persuade you with their words. Years ago I bought Ramit Sethi's e-book *50 Proven Email Scripts*. It explains how you can use human psychology to influence people to take action on your emails. I attribute my opportunity to speak on a big stage for the first time to this course. I learned the dynamics of pitching myself and what was necessary for the other party to respond with a quick “yes”.

Learning direct response copywriting forces you to get into the minds of your customers and find out what they need, hope, want, and fear. It makes you more customer-centric. In digital transformation, a lot of companies talk about becoming more customer-centric. Most of them fail to do so, however, and I believe this is because they don't have the skillset required to tap into the mind of the customer. But when you do possess those skills, it can be highly profitable. Copywriting is also a skill where a lot of algorithmic thinking can be applied. For a piece of text, it doesn't matter if one, ten, or one million people read it at the same time. This is in contrast to one-on-one conversations, which can only be conducted one at a time. That's why copy is far more scalable and very profitable once you master it. You can only carry on one conversation at

a time, but having millions of people read your copy doesn't need your direct involvement. You write the copy once and let it pay you back forever. You might think, that sounds great Chris, but I'm not good at copy. So I've created a cheat sheet with links to the best copywriting formulas that will help you to immediately start improving your copywriting.

Download your copywriting cheat sheet at extremerevenuegrowth.io/bonus.

Levels of reinventible assets

Modular thinking with building blocks helps to make sure that your reinvention speed is as high as possible. It also helps you to be functionally lazy, as you only work once and get paid for the rest of the time. The key is to build assets with everything that you do – tangible or intangible assets with as many building blocks as possible. How good are you at doing this?

Take out your agenda and to-do list. For each item, ask yourself:

Am I building an asset with this?

Level 1: <10% of your actions are asset-based

You're making life hard for yourself!

Level 2: 10% - 50% of your actions are asset-based

You are aware of the possibilities but you can get more out of them!

Level 3 - 50%+ of your actions are asset-based

You are taking an asset-based approach. Try to get this as close to 100% as you can!

7.6: LEVELS OF REINVENTABLE ASSETS

- Level 1:** <10% of your actions are asset-based
- Level 2:** 10% - 50% of your actions are asset-based
- Level 3:** 50%+ of your actions are asset-based

You can do this same exercise with your team and see how they score.

Work once and get paid forever – a quick summary

You need to be very strategic about what you do and how you do it. In this chapter I have explained that if you want to be ready for tomorrow, you need to build assets in the smartest way possible. You can do this by building reinventible assets, which you can repurpose in many different ways. While you're doing this, you will also be building up a skillset that will take you to the next level. So, in everything you do, always ask yourself: how can I work once and get paid forever?

WORK ONCE AND GET PAID FOREVER – ACTION STEPS

These are the three action steps you can take to quickly monetize your biggest business opportunities. Things you can do to get the most out of your past, maximize what you do today and prepare yourself for the future.

1. Maximize the action from the past = Repurpose more of what you already have
2. Ask yourself and your team: how can we make sure we work once and get paid forever with our next action?
3. Future = Direct response copywriting – take a crash course and implement one learning

I am constantly updating the worksheet that comes with this chapter. Would you like to receive the latest and most updated worksheet on building your assets for growth?

Download it at extremerevenuegrowth.io/bonus

CHAPTER 8

ACCESS

ACCELERATES

GROWTH

YOUR NETWORK IS YOUR NET WORTH

I was sitting in my apartment in Rotterdam waiting for a Zoom call to start. I had just transferred \$1000 for a 1-hour session with my mentor Chris Winfield in New York. At that moment I was feeling stuck in both my business and personal growth and knew that what I really needed was not to read another book or follow another online course but to get tailored feedback from someone who was a few steps ahead of me on the curve. Chris had already built an agency employing over one hundred staff and he knew the kind of dynamics I was dealing with. It was a typical chicken and egg situation of growth: you know that you need to do something, but you don't have the resources yet to do it. However, you have to move one way or the other, otherwise you will stay stuck in the same place. After addressing the challenges I was facing, Chris agreed that if I could give the agency a revenue boost we would be able to buy our way out of trouble. I would have to grow our monthly recurring revenue by at least 30K within 90 days. Chris told me there was extra business out there in front of me, but I just couldn't see it yet. It was all there in my network.

The framework that Chris usually uses is his top 20 list. Every problem you have can be solved with the help of twenty people within your own network. I had to create a list of twenty names that could either use our services or introduce me to someone that would like to avail of our services. This list was ranked on the basis of the potential impact on the goal and my relationship with the person. Each day I had to reach out to at least one person on that list. Within forty-five days I had reached my goal and the clients that came in through this strategy generated well over six figures in revenue for our agency. I had witnessed the power of using your network to reach your goals. This was in complete contrast to what had happened with Addiscount, my first startup. We had no access to people in the market at the time and this was one of the reasons why we spent too much money on development. We didn't know anyone who could give us the right kind of feedback. I see this happening in almost every client engagement in my own business. The network is not being fully used or leveraged. Access is a true accelerator of growth, when used in the right way. Now, let me show you what you can do!!

WHAT ARE THE BIG GUYS DOING?

Access has a huge impact on growth. In the following examples you will see that the same principles apply to both big and small companies.

Airbnb - leveraging others people's networks

One of the most famous "growth hacks" was when Airbnb used Craigslist to get users to their platform. On Craigslist people were already promoting and renting apartments. It was a perfect fishing hole for Airbnb to attract those users to their platform. In previous growth hacking books, this case has been extensively documented, but one important lesson stands out. Airbnb used someone else's access to grow their own company. In the growth hacking world this is referred to as "leveraging someone else's network." A lot of growth hacks that are built on this framework have been accused of "stealing" customers from others. I've always said that there are ethical ways and non-ethical ways of doing this. Still, there is a lesson to be learned here: go to the places where your customers are already congregating. The concept of the Dream 100, which I will introduce later on in this chapter, is a perfect example of an ethical way of doing this.

Buzzfeed

After studying the psychology of virality, Jonah Peretti founded BuzzFeed in 2006. The site quickly grew to become one of the most popular on the internet, with hundreds of employees and substantial revenue. Peretti figured out early on the first principle of a successful website: wide distribution. Rather than publishing articles people should read, BuzzFeed focuses on publishing those that people *want* to read. This means aiming for maximum social shares by putting distribution in the hands of readers. A common aphorism in the field of viral marketing is, “content might be king, but **distribution is queen**, and she wears the pants” (or “and she has the dragons”; pick your metaphor). BuzzFeed’s distribution-based method is based on obsessive measurement, using A/B testing and analytics. Jon Steinberg, president of BuzzFeed, explains the first principles of virality: “Keep it short. Ensure [that] the story has a human aspect. Give people the chance to engage. And let them react. People mustn’t feel awkward sharing it. It must feel authentic. Images and lists work. The headline must be persuasive and direct.”

The success of the Buzzfeed website was all about getting their content distributed and getting “access” to people. The more access, the more interesting it was for potential advertising partners.

Facebook, Amazon, and Google all play the access game

Gary Vaynerchuck, a social media expert, has written several books on the power of social media. Platforms like Facebook are adept at playing the game of attention. The longer they can keep your attention, the more money they make. However, we shouldn’t forget the step that comes before getting everyone’s attention. You first need to have access. Social media platforms have access to billions of people and that’s why they can pull in so much advertising revenue. And when you’re not paying, you’re the product. The access to you is the product. Amazon and Google want to be the go-to person for every digital action that you take, as they know how to monetize the access they provide. As I often say during my keynotes and workshops: “*You may not be Facebook, Google or Amazon, but you can still learn the principles of what they’re doing*”. And the main principle is clear. When you own access, you can make a lot of money.

Even McKinsey is playing the game

McKinsey, a global management consulting firm, plays the same game too. It has access to the boardroom and knows how to monetize that access in various

ways. One way of monetizing is to acquire software companies and use their services in their consulting model. Former McKinsey consultant Romeen Sheth shared some interesting insights. He said that McKinsey clients are demanding more tangible and measurable results from their consulting services. McKinsey also wants stronger relationships with their clients and there's no better way to do this than with software. As a result, the firm recently acquired a number of different software providers. This was interesting for McKinsey, as it allowed them to create a stronger client lock-in and provide more value. These software providers can now benefit from the executive level access that McKinsey enjoys. A true win-win situation where access is leveraged.

Hubspot went and bought a media company

CRM platform Hubspot knows that having access to eyeballs (attention) can result in extra revenue for their suite of services. So they went and bought the media company The Hustle. Hubspot can now use the access that company enjoys to sell their services, as they will be constantly more top-of-mind with their ideal customers.

"By acquiring The Hustle, we'll be able to better meet the needs of these scaling companies by delivering educational, business and tech trend content in their preferred formats," said HubSpot's senior vice president of marketing Kieran Flanagan in a statement. "Sam and his team have a proven ability to create content that entrepreneurs, startups and scaling companies are deeply passionate about, and I'm excited to bring them on board to take that work to the next level."

HubSpot says The Hustle's flagship newsletter has 1.5 million subscribers. It also has a subscription offering called Trends and a podcast called My First Million.

"The goal is to build the largest business content network in the world. Soon, we'll expand to a variety of mediums on a bunch of different topics and will have really innovative products coming out. We're also going to hire the best content creators in the world."

– Sam Parr

Coolblue entering the energy market

The Dutch E-commerce giant Coolblue has a customer base that numbers in the millions and it has been shifting its business model in a smart direction. Instead of merely delivering goods and services, they began installing domestic appliances like washing machines. Their next move was to start an energy

company. The company's main slogan is "anything for a smile," something you don't find all that often in the 'standard' energy market. They decided to use their brand equity and access to a huge base of customers to start a new energy company. Key lesson: they repackaged what they already had and used their access to monetize it in a smart way.

Access put to good use - Walmart shared value

Walmart used their access to a large audience every day to put doctors/clinics in their shops at locations where they normally produced lower returns. In this way they put their access to good use. Strategy professor Michael Porter calls this Shared Value. You see that access can also be used to achieve some good!

HOW ARE SMB ENTREPRENEURS USING THIS?

It is interesting to see how big companies (with big pockets) are doing this, but the question is whether this is also applicable to SMB companies? The stories below involve entrepreneurs who are using their access in the smartest way possible.

Peep Laja

The CEO of Wynter and Speero, Peep Laja, started his conversion optimization agency in a different way than he had his previous company. His biggest challenge was how to sell his services while having an unpredictable flow of new leads. To conquer this challenge he decided to build up an audience with a blog and an email newsletter. This newsletter generated over 100,000 subscribers around the world. His blog cxl.com became one of the go-to resources for knowledge concerning conversion optimization. Over time he has expanded his portfolio of assets. Next to his agency he set up the CXL Institute, an online training platform for digital skills. The launch of the platform was successful because he already had access to a huge audience. Having this access also helped him to launch his other company, Wynter, a B2B messaging platform. Almost all of the early customers for this product came out of the newsletter from his blog. Peep had built access to an audience and could now monetize it with his other assets. He was not the only entrepreneur to take this approach.

Derek Halpern

Entrepreneur Derek Halpern launched his website Social Triggers using a very simple strategy: *“First I’m going to build an email list of 25,000 people and after that I will start selling them things”*. A clear example of audience building first and monetization second. He built his audience in a smart way by appearing on the YouTube channels of other influencers, giving them advice on how to grow their email list. This was valuable for the influencer, of course, but more importantly it gave Derek access to their audience, with which he could build his own list very quickly. Within a year he had built himself a seven-figure business with an email list of over 40,000 subscribers. An email list can have massive value, as you will see in the next example.

Paco Vermeulen

One of my friends, internet entrepreneur Paco Vermeulen, has taken leveraging access to an entirely new level. He built a software product for Facebook marketers. This tool, interestexplorer.io, helped these marketers to target audiences they wanted to send ads to on Facebook. His tool provided more options for targeting compared with the regular Facebook advertising interface. In other words, his tool was more advanced than what Facebook itself had built and enabled the marketers to achieve a higher return on their advertisements. Paco sold the tool to customers for a lifetime deal costing €167. The cost of acquiring a new customer began to rise, however, and eventually he was spending around €167 just to find a customer that would spend that same amount of money on his tool. You could say this didn’t make sense from an ROI perspective, but then Paco did something really smart.

When someone bought the tool, Paco knew they had a strong interest in Facebook marketing and related topics. This group is very interesting for other software and course creators that want to sell to this audience. What Paco very cleverly decided to do was to promote the best tools and courses in an automated way to each new client. In this way he was able to generate revenue in excess of six figures each year, just from the promotions. The lesson is as simple as it is valuable. Your access has value, for you AND for others.

Become a matchmaker like Jay Abraham

Paco had to build a software tool to acquire his customers and monetize them. This is something not many people are able to do. But what if you knew there was a way that doesn’t require you to build anything, but instead just to be a “matchmaker”. You connect people who have an audience to others who have a product or service that is potentially of value to them. You earn a commission for

creating this connection and on each sale generated through the connection. My mentor Jay Abraham has a video on YouTube where he explains this concept in more detail and how one person earned a seven-figure sum in one year using this approach.

A great matchmaker knows where your ideal customers are congregating and how you can generate value out of that knowledge.

Dream 100

Russell Brunson introduces the concept of The Dream 100 in his book *Traffic Secrets*. It asks one simple question: where are your best customers congregating or hiding? Or, to use a fishing analogy, where are the 100 best spots to fish and what do you need to do to catch them at that spot? After you've identified your ideal customer, you can ask yourself the following questions: Which websites do my dream customers visit? Which forums or message boards do they participate in? Which Facebook groups do they engage in? Which influencers do they follow? Which podcasts do they listen to? Which newsletters are they subscribed to? Which blogs do they read? Which channels are they following on YouTube? Which keywords do they use in Google to find information?

You want to make sure that this audience can see you in those 100 places where they congregate. There are two ways you can grab their attention. You either run advertisements in those spots or you make sure that the community owner promotes you. You want to make sure that you can attract the customers at that particular fishing spot to your website and onto your own email list. That's how you make money.

How a big bank is leveraging an e-commerce platform

You can also do this in a more automated way. The Dutch Rabobank provides short-term loans to entrepreneurs who sell on the marketplace of Bol.com, the Dutch version of Amazon.com. The bank and the platform connect through an API and share transaction details that form the foundation of the loan offer for entrepreneurs. It's an interesting proposition, as Rabobank leverages the access that Bol.com has to thousands of entrepreneurs. Another interesting example of monetizing your access, but then in a digital and automated manner.

Going next level with API economy

The Rabobank case is a perfect example of the API economy being leveraged by a big bank, while the Paco Vermeulen example is an SMB use case of how to work with APIs.

What is an API?

“API stands for Application Programming Interface. In plain English, APIs are messengers that relay information back and forth between different applications and servers. In fact, each time you type a URL into your web browser, you are using an API. For example, when you visit www.spotify.com, a request goes out to Spotify’s server (a.k.a. where all the data that makes up Spotify lives). You are basically saying in code, “Yoohoo! Show me the Spotify website please!” Once your browser has received a response from the server, it can display the page. In this scenario, your browser is using Spotify’s API to relay information from Spotify’s server. So thanks to APIs, applications and platforms are able to communicate with other applications and platforms. Hello Internet!”

– Odette Jacquet

When you have the possibility to let your software talk and interact with other software and websites, you can create considerable leverage. Platforms like Shopify give software developers the opportunity to connect their software to the platform and reach millions of users. This interconnection of APIs is known as the API economy and it is set to have a massive impact on the growth of many companies. This is because you can easily connect to other applications and leverage their user base. When you can connect your service to the Shopify platform, you instantly get access to potentially millions of new users.

What does all this cost?

When you deconstruct gaining access down to its essence, you will see that there is always a cost attached to that access. You either have to run advertisements to gain someone's attention or uncover their contact details. This is an out-of-pocket investment. Another option is to create good content and to attract people with lead magnets or small software applications. The Dream 100 framework shows that if you can build a relationship with a community owner and bring value to the community, they will promote you. This is not an out-of-pocket investment, but you do have to invest some of your time. In other words, there is always a price to pay for getting access.

DECONSTRUCTING ACCESS - TAKEAWAYS

In the direct marketing world there is a well-known saying: The money is in the list. When you have access to people, it means you can sell them stuff, and the more people you can access, the better. This is more true now than ever before! When you have access, you can grow faster and cheaper. Your access also has value for others. You build an audience one by one. It will always have a price, but you get to choose how you want to pay.

- 'The money is in the list' is still true
- When you have access, you can grow faster and cheaper
- Your access has value for others
- When you are establishing access, you're either buying it or building it and both have a price tag

8.1: DECONSTRUCT TAKEAWAYS

Deconstruct Access Accelerates Growth

- 'The money is in the list' is still true
- When you have access, you can grow faster and cheaper
- Your access has value for others
- When you are establishing access, you're either buying it or building it and both have a price tag

RECONSTRUCT - GAINING ACCESS HAS A HIGH PRICE, UNLESS YOU'RE SMART ABOUT IT

The initial title of this chapter was: Access determines the price of growth. I had noticed that people and companies with extensive access were growing at a faster pace, compared with others who had little access. When they launched something, they immediately had buyers because their audience was big enough. I have also experienced this within my own situation. With Addiscount

we didn't have any reach and when I launch something now with an established audience it takes off much easier. But, as I said earlier, gaining access can be expensive, so you have to be smart about it.

There are two currencies you can use to pay for your access: financial capital and social capital. Financial capital can be used to pay for advertisements and for the content that you create. Social capital involves using the credibility and trust you have built up with other people as a way of payment. The bigger your mailing list or reach on social media, the greater the amount of social capital you can bring to the table. So what's the smartest route to success? I always invest my financial capital with the aim of increasing my social capital. By focusing on investing in long-term relationships, I make sure it keeps on generating a return. It's all about having a mindset that will create the best leverage possible.

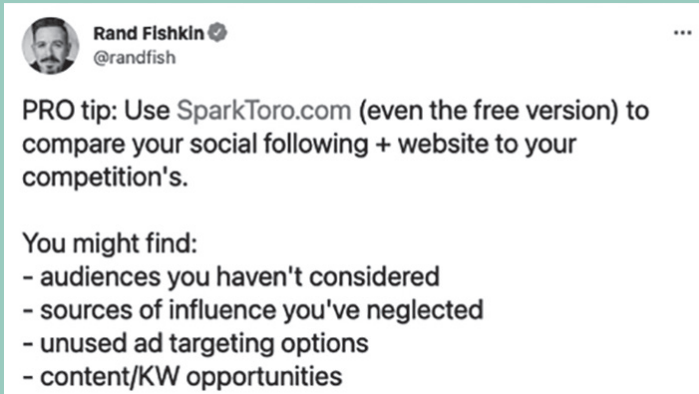
LEVERAGING ACCESS FRAMEWORKS

The big question is: where do you start with leveraging your access? I believe there are three levels you need to go through. It starts with making sure you can get the most out of your own network. After that you add different partnerships to the business. At the third level you start leveraging your digital layer by communicating with other software. In the final stage you are the platform and your access is leveraged by other people. The stronger your foundation in level 1, the easier it is to leverage the other levels!

Level 1 - your own network, partnerships, and affiliates

There is always an opportunity for quick monetization within your own network. You already have a lot of connections, but most people are not aware of this. A great framework to start building at this level is Chris Winfield's Top 20 list. Brainstorm a list of twenty names (friends, colleagues, family, organizations, your kids, your parents) who can help you reach your goal faster. Create two columns and rate how influential they are on a scale of 1-10 and how likely they are to help you on the same scale. Then add the two numbers together and that will give you a score. Rank in descending order. Contact one person each day for the next twenty days. Starting with this framework gets the ball rolling pretty quickly. At this level you're also strategically building a network of partners that will help you gain access to your ideal customers. Russell Brunson's Dream 100 framework is a very useful tool at this level. You can also do this in an automated

way. The best tool to use for this is SparkToro.com. It helps you find the best audiences that you haven't tapped into yet.



Level 2 – Digitally connected - Zapier & APIs

At this level, businesses have set up their digital infrastructure so that they can communicate with other platforms. The most simple method is to use a tool like Zapier that connects different tools.

What is Zapier?

Zapier is an online platform that helps you to automate workflows by connecting the apps and services you use. This allows you to automate tasks without having to build the integration yourself. It does so by letting you create “Zaps”, automated workflows that consist of a trigger and one or more actions. This means that you don't have to code anything but can connect different applications using a drag and drop builder.

When you want to build custom integrations, you can do this with APIs. My advice is to always start with no-code integrations like Zapier or other similar tools. It is only when those tools are insufficient that you need to turn to a developer to create an API.

You can download a detailed playbook at extremerevenuegrowth.io/bonus

Level 3 – Become the platform

“Platforms are eating the world”

– Peter Weill

The ultimate level is to become the platform where everybody congregates. The book *What’s your digital business model*, co-authored by Peter Weill, describes the best use cases for this strategy. He calls this “being the ecosystem driver.”

8.2: BECOME THE PLATFORM

Ecosystem driver

- Become the destination in your space
- Add complementary and possibly competitor products
- Ensure great customer experience
- Obtain customer data from all interactions
- Match customer needs with providers
- Extract "rents" *Amazon, Fidelity, WeChat*

“Looking ahead, we see the trend moving toward individual and business customers preferring only one, or maybe two, powerful ecosystem drivers in each domain; the result is significant industry consolidation.”

– Peter Weill & Stephanie Woerner

When you are the platform, you will have ultimate access and become the leverage for others.

Peep Laja Ceo of Wynter:

“Major product update for Wynter: we introduced a free plan. If you want to recruit and bring your own audience, the platform is 100% free. You can run messaging tests, preference tests, or whatever else totally free when using your own audience. Use your email lists or social media to recruit panelists for tests (and compensate them on your own).”

Wynter, the platform where B2B companies get feedback on their messaging from the people they’re marketing to made this move towards becoming a platform. At first, when companies wanted to get feedback, Wynter would recruit the feedback panel. By opening up the platform and letting companies recruit their own users, Wynter is moving from a market-research agency to a scalable platform.

Access accelerates growth – a summary

8.3: LEVELS OF ACCESS

- Level 1:** Your own network, partnerships and affiliates
- Level 2:** Digitally connected - Zapier & APIs
- Level 3:** Become the platform

Having direct access to an audience that likes and trusts you is a true accelerator for your growth. There is always a price to pay for that access, but when you're smart about it you can grow faster than your competitors. When you are strategic about access, it is possible that you will eventually become the leveraged access.

ACTION STEPS ACCESS ACCELERATES GROWTH

These are the three action steps you can take to quickly monetize your biggest business opportunity based on this chapter:

1. There's always leverage within your own network. Create a top 20 list and Dream 100.
2. Know the budget that you can spend on gaining more access. What is your budget for ads, relationship building, and content creation?
3. How is your access valuable to others? How can you monetize your access in a smart way?

I'm constantly updating the worksheet that comes with this chapter. Would you like to receive the latest and most up-to-date worksheet on accelerating your access for growth?

Download it at extremerevenuegrowth.io/bonus

CHAPTER 9

**LIFETIME
GROWTH**

FIFTY TIMES MORE EXPENSIVE AND STILL A NO-BRAINER

I bought over \$20,000 worth of online courses from Ramit Sethi. So why did I trust Ramit? Why did I spend so much money on his courses? Because he used a very specific and powerful setup in how he sold to me. The first course that I purchased in 2014 was called Productivity Pack. It was priced at \$197 at the time. The course focuses on increasing your current productivity. I bought the course and within two weeks I had become more productive. In other words, the value that I got out of it was significantly higher than the price I paid. Two months later, Ramit offered a course on freelancing called Earn1k. This course promises that after completion you will be able to earn \$1,000 per month as a freelancer. The price of this course was \$997. If you compare this with the productivity pack course, it has a higher price, but it also delivers a higher value. The results of the Productivity Pack course convinced me that if I invested in Earn1k, I would also get more value than what I paid for the course.

At that time I had just started an agency and decided to apply the principles of the Earn1K course. I managed to lift the agency to a monthly revenue of 5k+ within three months on an investment of only \$997. Ramit then offered his next course, Six-Figure Consultant, which teaches you how to get to \$100,000 in revenue per year. It was priced at \$7,500 for 12 videos and a set of worksheets. Investing in this was a no-brainer because Productivity Pack and Earn1k had already proven themselves.

I bought increasingly expensive courses, and more comfortably each time. The longer my connection with Ramit went on, the less I focused on the price and the more on the value it would generate. Initially, the idea of spending \$7,500 on one of his courses would have seemed almost outlandish. But in this sequence it became a no-brainer. The trust was already there. Businesses that have a value ladder like this in place tend to thrive, while others who focus on one-offs continue to struggle. When you connect this to algorithmic thinking, you see that these businesses follow a certain pattern that makes them successful. Let me take you on a journey to show you that pattern and how to build your next level value ladder.

Retention economics

The most common mistake I see businesses make is focusing too much on acquiring new customers instead of making sure they monetize their existing customers in the best way possible. Depending on which theory you subscribe to and what industry you're in, acquiring a new customer can be anywhere from five to twenty-five times more expensive than retaining an existing one. It makes sense: you don't have to spend time and resources on going out and finding new clients; you just have to keep the ones you have happy. If you're not convinced that retaining customers is extremely valuable, consider the research carried out by Frederick Reichheld of Bain & Company (the inventor of the net promoter score) which revealed that increasing customer retention rates by 5% can increase profits by between 25% and 95%. The best way to boost retention is by using a value ladder in your business.

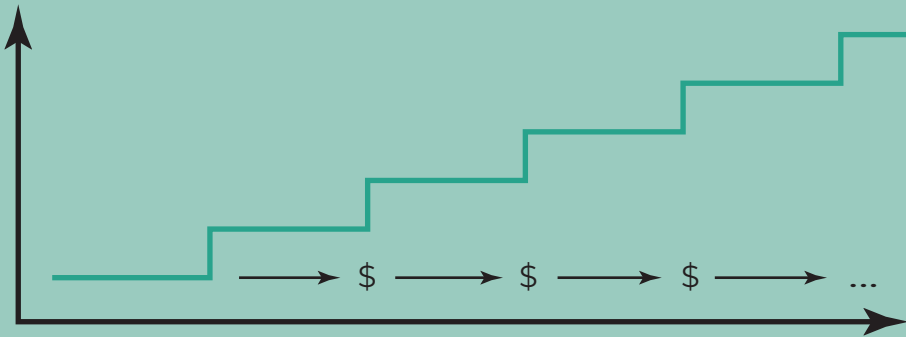
DECONSTRUCTING THE VALUE LADDER

Value ladder introduction

A value ladder is a line-up of offers that increase in price and value. They meet people where they are on their journey to becoming a customer — from initial awareness to their final decision to buy your premium offerings. It is an effective

way for you to build trust and maximize the lifetime value of each customer. A value ladder's key concept is to move people strategically through your list of offerings as they increase in price and value. If you do this well, you can massively increase your CLTV (Customer Lifetime Value).

9.1: VALUE LADDER



Mapping a value ladder

A good value ladder delivers so much value to the customer that they will want to move up the ladder.

At the very bottom you will ideally have a downloadable free incentive that helps your audience with a certain problem but also introduces you and your product – a lead magnet. As clients ascend the ladder, the value you bring to the table increases, as does the cost of staying on the ladder.

So, let's start mapping out our value ladder! I will use the same example I used in the introduction: Ramit's online courses.

Step 1: List all your products, starting with the lowest price at the top

1. Lead magnet - free tool kit on how to earn more money
2. Offer 1 - Book - \$19
3. Offer 2 - Productivity pack course - \$147
4. Offer 3 - Earn1k course - \$997
5. Offer 4 - Six-Figure Consulting course - \$7,497

Step 2: List the value proposition that each product creates for your customer

1. Lead magnet - Free Tactics to earn more money
2. Offer 1 - Investment & money-making strategies + tactics
3. Offer 2 - Strategies and tactics to become more productive
4. Offer 3 - Earn \$1000 per month on the side
5. Offer 4 - Earn 100K+ per year

Step 3: Assess your value ladder

In this step, you assess the value ladder.

- Does it follow a logical progression?
- Are the jumps in value logical?
- Is the jump in price logical?
- Does each step have a strong price/quality ratio?
- Is the sequence set up so that a lower product opens up the desire for the next product?
- Are you missing products on your value ladder?

Mapping out your value ladder (summary)

- Map out all the products that you have
- Map out the price and value of your products
- Assess your value ladder
- Extra: map the value ladder for your competitors

Download my latest value ladder frameworks at extremerevenuegrowth.io/bonus

A value ladder can only work with product/market fit

You can have a value ladder in place, but a key component of the value ladder is that there is a very strong perceived value in relation to your price on each step of the ladder. In growth hacking terms you would say: a very strong product/market fit, i.e., when more than 40% of customers would be very disappointed if they weren't able to use that product or service anymore. Without this strong product/market fit, it is impossible to move people up the ladder.

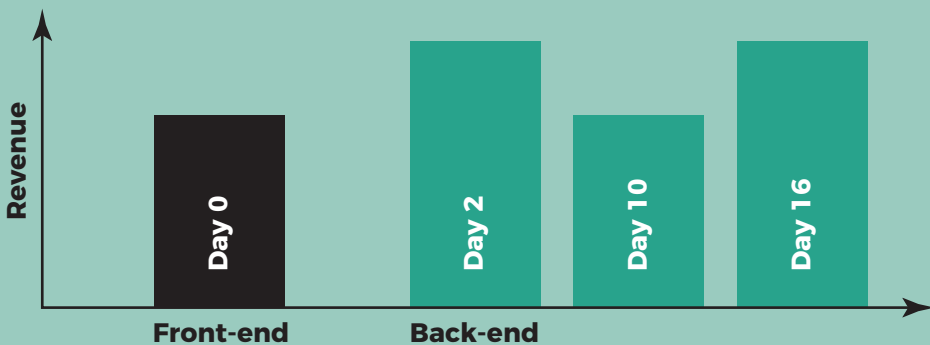
Types of revenue in a value ladder

An important concept if you want to make the most out of a value ladder is front-end and back-end revenue. Front-end revenue = money you make on the

first sale/start of the relationship. Back-end revenue = money you make on all the purchases after the first sale.

The least expensive offers in your value ladder are probably the most significant sources of front-end revenue. The threshold to buy is relatively low for these offers. After all, people need some warm-up time first. The higher-priced offers in the ladder are mostly back-end revenue. Many companies measure their revenue success based on front-end revenue, while top companies have more mechanisms in place to maximize back-end revenue. Building a value ladder will help you focus on generating more back-end revenue.

9.2: TYPES OF REVENUE



Super Connector Media value ladder

A perfect example of a strong value ladder is the one used by Super Connector Media (SCM), the PR firm owned by Chris Winfield and Jen Gottlieb. They offer a wide range of high-end PR services that start at \$25,000 a year for the Bronze package and move up through silver, gold, and VIP to tailored programs starting at \$130,000 a year. They fill these programs by hosting events in New York City called Unfair Advantage Live (UAL) which people can attend for \$5,000 and which also provide access to a Facebook group with all the past attendees. The year-long programs are sold at these events, so you could say that a ticket to UAL represents front-end revenue and the programs are back-end revenue. This was a very successful model and it generated multiple seven-figure revenues from the first year on. I also attended one of these events and it was very interesting to analyze the set-up of their value ladder.

The Covid-19 crisis broke the model because people couldn't attend their events in person anymore. The pivot they then made is an even better example of true leverage within a value ladder. They started the *Be on TV Bootcamp*, a 5-day live online training program which you could access for only \$55. You would be tempted to think that this didn't make sense compared with their old business model, but when you break down the numbers it was a smart move. At McDonalds you often hear the famous words, "Would you like fries with that?" and this is the perfect example of selling something extra to a customer who is already in a buying modus. When you buy the \$55 access to the bootcamp, you get two extra options. The first is for \$97 worth of extra access to a few private calls during the bootcamp. The second is access to recordings of one of the previous UAL events for \$397. A perfect example of a reinventible asset where SCM hosted a live event and repurposed the video in another sales funnel.

During the 5-day bootcamp we were given a terrific insight into what was necessary to get yourself on TV. I had already learned some of the concepts during their UAL event and it definitely helped me to get my first live TV appearance on CIO TV. From a value ladder perspective, you could say that the entire bootcamp exercise was a build-up to entice people to sign up for their next online program, the *Be Seen on TV Accelerator*. In this program, where attendees had to pay \$5,000 or \$2,000 for 8 weeks, depending on the amount of coaching, you were given access to digital training materials, weekly group calls, and individual tuition from a publicist. This was all done and delivered remotely. When I joined the bootcamp, I could see in Zoom how many attendees had signed up. By following Chris & Jen on Instagram I could gauge the number of attendees in the accelerator from the images they posted about the program. Based on that I was able to break down the numbers and reveal the economics behind their new value ladder. The initial boot camp attracted over 700 attendees. I estimated that around 150 of those took the upsell for the extra calls and 70 for the UAL recording.

Let's run the numbers for the front-end revenue of Be on TV Bootcamp

$$700 \times \$55 = \$38,500$$

$$150 \times \$97 = \$14,550$$

$$70 \times \$397 = \$27,790$$

$$\text{Total} = \$80,840$$

$$\text{Average order value per front-end sale } \$80,840 / 700 = \$115.48$$

This means that by providing two extra options they increased the average order value from \$55 to around \$115, which represents a 210% increase in value per customer. And that's not all. The bootcamp was set up to generate back-

end revenue with the *Be Seen on TV Accelerator* as well. Based on what I saw, I estimate that 30 people took the \$5,000 option and 40 signed up for \$2,000 version.

Let's run the numbers for back-end revenue for Be on TV Bootcamp Accelerator

30 x \$4,997 = \$149,910

40 x \$1,997 = \$79,880

Total = \$229,790

The back-end value for this program was more than 200k. They made 38.5k on the bootcamp tickets alone. So being this strategic increased their revenue by more than 600%. But the game doesn't end there either. I conservatively estimate that out of this bootcamp 4 clients will become members of SCM's year-long PR program.

Let's run the numbers for back-end revenue for other programs YEAR 1

1 VIP - 130k

1 Gold - 75k

1 Silver - 50k

1 Bronze - 25k

Total = 280k

And this is only for the first year. I haven't included recurring clients in this calculation, but you could estimate that this could also generate six figures of retention revenue.

Let's run the numbers for the total business value of the Bootcamp

Front-end Bootcamp: \$80,840

Back-end Bootcamp: \$229,740

Back-end High-end Services: \$280,000

Total: \$590,580

Ratio Front-end vs Back-end: \$80,840 : \$509,740 = 1 : 6.3

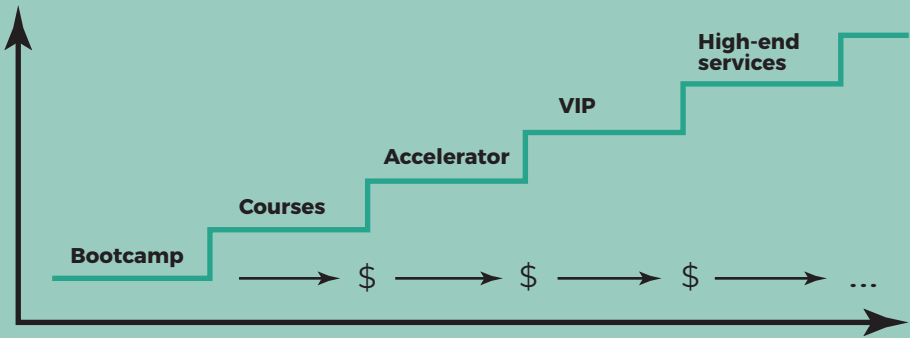
Average Client Value Year 1: \$590,580 : 700 = \$843.68

We're not done yet. Let's start the downsell!

These were the numbers for the up- and cross-sells for the bootcamp. When people didn't sign up for the bootcamp, they would get a downsell for the next program: the *Be Seen on TV on Demand* program. This program was a fully digital program with recordings from their events and accelerator programs. It

was sold for \$497 and \$997, depending on which tier you chose. What was smart is that they had already run the programs, recorded and repurposed them, and could now sell them to all of the people on their mailing list. I estimate that they had a list of over 5,000 people and if 1% of those invested in the program, they would make another 50k.

9.3: OFFER SCM VALUE LADDER



What can you learn from this?

It's interesting to see how a \$55 live online training program can be turned into a machine that generates over 600k per edition. In the year that SCM launched these boot camps, they earned multiple seven-figure sums with this mechanism. They used the pandemic to reinvent their customer acquisition flows and build a terrific business model. Of course, a lot of fascinating questions pop up out of this analysis. What would you be prepared to pay for an extra sign-up in the bootcamp? How should you treat different segments of customers? How aggressive should you be in your acquisition? How do you manage the cash flow when you're paying more out-of-pocket on the first sale and have to wait for the second order?

This is where finance needs to be connected to your value ladder. When the financials, marketers, and sales people are all connected, you can outsmart your competitors. I've got lots more on this in this chapter, so let's tap into your hidden goldmine!

Land & Expand Strategy

Many of my clients ask me to help them with their “Land & Expand strategy”. They want to set up processes and structures to land deals and out of those deals to build up relationships in order to gain more business. What’s interesting about this request is that they come from startups, scale-ups, and corporates. What they are actually asking is: help us to set up a value ladder and strategically move our products and services to increase our customer lifetime value. There’s always one big hurdle that you need to take to make it really worthwhile. Getting that first payment!

The exponential value of getting that first payment

It’s so much easier to sell to somebody who has already made a payment to you, compared with somebody who is not a client yet. They’ve already shown a commitment and want to act consistently upon that commitment. The SCM value ladder perfectly illustrates what the value of that first payment can be and how you can turn the client into a long-term revenue generator. What I’ve noticed in many different client engagements is that when prospects don’t make that first payment in an easy way, it’s already a major predictor of a low value customer. Having a great value ladder is the mechanism that will lower that first barrier and get the relationship off to a flying start.

It could also be that you’ve got a potentially excellent client in front of you, but your first offer is too big. It’s like asking somebody to marry you immediately, instead of following a sequence of dates. The key thing is to understand whether it is relatively easy as a customer to embark on a journey with your business or not.

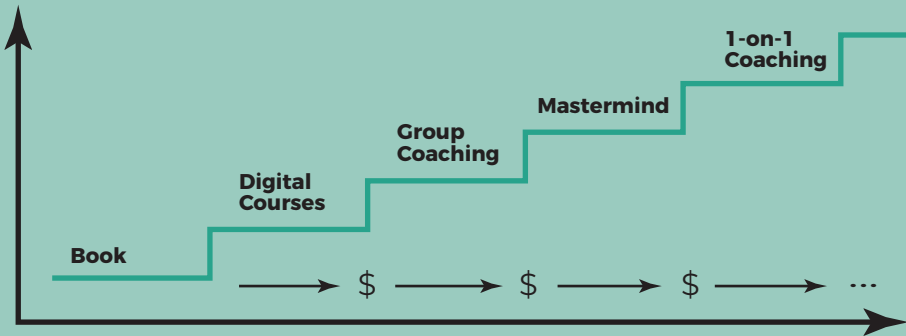
The relationship between human and digital touch

The concept of the value ladder is highly relevant to extreme revenue growth and during my interviews with different growth leaders I went on a quest to learn more about the use of this framework. One of the first interviews I did was with Alexander de Ruiter, CEO of OBI4wan, an all-in-one solution for online and offline media monitoring, social customer care, chatbots, and media insights. He shared their growth journey with me and we talked about how the market adopted their monitoring tools in the early days. He explained how onboarding clients required a personal touch in the beginning, but that over time this was done more and more in a digital manner. This comment sparked a new connection with another phenomenon I had seen in expert-based businesses.

They have a value ladder with digital products at the bottom of their value ladder and a more personal touch the higher up you go, moving from various group programs up to one-on-one coaching sessions.

I saw a transition over time in Alexander’s business from human touch with a digital product to an increasingly digital touch in sales. This means that the

9.4: EXPERT VALUE LADDER



amount of human touch that is necessary on each step of the value ladder can change over time. Your value ladder is not static but will change over time in the type of touches required. It is therefore important to be aware of the type of touches and the needs for each of those touch points.

When digital becomes human

International best-selling author and digital transformation expert Steven van Belleghem wrote a series of books on the future of digital. One of his books *When Digital Becomes Human* describes the interaction between digital and human touches. How can you combine digital and human touch to form the strongest emotional connection possible with your customer? What got me thinking after reading this book is the fact that we need to be more aware of the distinction between human and digital touch with our customers and how we use it strategically. When you want to have a business that’s future-proof, your digital touches need to be so spot on that they almost feel like a human touch. I’m a big fan of the value ladder and I noticed an opportunity to get this to the next level and make businesses of every shape and size more future-proof.

DECONSTRUCTING VALUE LADDER - TAKEAWAYS

You need a value ladder to maximize client lifetime value and you have to be strategic about how you open your relationship with a client. We also know that both the human and digital touch can impact your value ladder.

9.5: DECONSTRUCT LIFETIME GROWTH

- You need a value ladder to maximize client lifetime value
- You need be strategic about how you open your relationship with a client
- Both the human and digital touch can impact your value ladder

RECONSTRUCT - THE TOUCH-BASED VALUE LADDER

Every business will get a digital layer

We need to be honest with each other. It doesn't matter which business you're in, but when you want to set yourself up for extreme revenue growth you need to understand that every business will require a digital layer. More and more products, services, and touchpoints with your clients and suppliers will become digital. This digital layer will only increase in value over time.

Quin - A real-life touch-based value ladder

A doctor's visit used to be almost only human touch in the past. The doctor asked you questions about your health and based on this information and other research they arrived at a diagnosis. The Dutch scale-up Quin (€36 million in funding) believed that the human and digital touches were out of balance. What if they could create a situation where the doctor could focus on the details of the diagnosis? In that case more people could be helped with better care.

How does this work for a patient?

You create a medical profile so we can begin to map your health. Based on this, you receive relevant medical advice. The Quin app includes a symptom checker, so you can check your symptoms any time. You get immediate feedback on whether or not you should be concerned or if you need to see your family doctor (GP). If the symptom checker suggests you should see your GP, you can schedule an appointment for a video consultation with your doctor directly via the app for a wide range of complaints. In the video consultation your GP will discuss your complaints with you and advise you on the next steps. This way you immediately know if you need to make a follow-up appointment with your GP and if you need to do anything to prepare, like keeping a symptom diary or arranging a blood test. When you allow Quin to share your medical profile with your GP, they are able to investigate your symptoms ahead of the consultation. As you are then both on the same page, you can use the time to focus on what is most important to you in terms of care. Once your GP has all the data, they can make a diagnosis. If needed, your GP can consult with other medical specialists, remotely or in the hospital, using the Quin platform. The two of you can then discuss possible care paths and treatment plans. We keep a close eye on your symptoms, even after diagnosis and treatment. All the information from your GP, any medical specialists, diagnostic centers, hospitals, and clinics can be found in one place, making future diagnosis and treatment easier, and faster.

This is a perfect example of a business adding a digital layer to their normally heavily human touch business. This company is transforming medical practices and using digital to gain as many insights from patients upfront as possible so that their time with the doctor is used in the best way possible. All the available data will help Quin to make better decisions and predictions over time and offer more assistance to more people. An increasing number of companies are setting up value ladders like this and I believe this is a terrific strategy that can help you find your own unique growth algorithm.

Introducing the touch-based value ladder

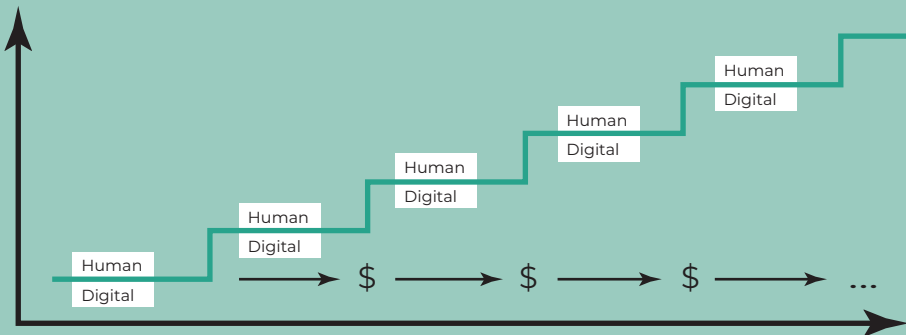
This is a value ladder in which each step is built out of two blocks: a digital touch and a human touch. More companies ought to use this value ladder, as it would enable them to offer their customers a series of different products in a strategic way that move from low to high in terms of value and price. The high growth company, Sendcloud, an all-in-one shipping platform for e-commerce, has digitized its entire customer journey for their low-priced services. Once a customer moves up the value chain, they receive a more human touch, while the perceived value and prices also increase.

This principle can be applied to a lot of other businesses. Try to deliver your cheapest products as digitally as possible while reducing the human touch at the same time. And when the products and services become more expensive and less standardized, you can increase the human touch.

Digitize what can be digitized, but retain the human touch where necessary. One of the mistakes many people make is trying to digitize areas of their business where the most valuable component is actually the human touch. The best kind of digital transformation enables customers to do more themselves digitally while leaving room for the human touch to create greater impact.

A basic touch-based value ladder draws a distinction between human touch and digital touch per step on the value ladder.

9.6: TOUCH-BASED VALUE LADDER STEPS



Human: touchpoint in the customer journey that needs to be performed by a human

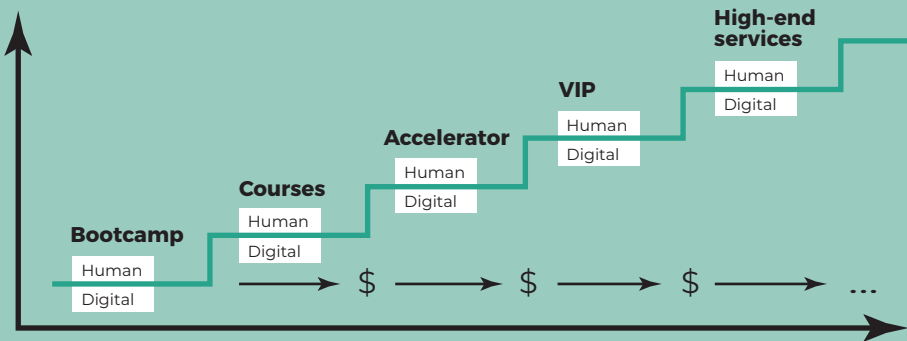
Digital: touch that is performed by a digital layer

Touch-based value ladder examples

Super Connector Media

A perfect example of a touch-based value ladder is the one used by Super Connector Media. Their 5-day challenge, which is human touch, is turned into videos that can be replayed and sold separately. The events are recorded and sold as a video program. An example of strategically turning a human touch into a digital touch in way that is completely in line with the work-once-and-get-paid-forever philosophy!

9.7: TOUCH-BASED VALUE LADDER STEPS



Cisco Systems

Cisco Systems, Inc., the multinational technology company that develops, manufactures, and sells networking hardware, software, telecommunications equipment, and other high-technology services and products, also uses a touch-based value ladder. They do this in an indirect way in combination with their partners. Cisco provides physical and digital products that can be purchased through their partner companies. These companies use the human touch for their high-end services and digital touches when selling through the partner website. This means that you can also build a touch-based value ladder in combination with partners!

The digital layer in your business

SkinVision

SkinVision is a premium paid-for medical service that helps you assess skin spots and moles for the most common types of skin cancer. When you take a photo of the skin spot with your smartphone, you receive a risk indication from the clinically validated technology within 30 seconds and recommendations on the next steps to take, including whether you should visit a healthcare professional. Millions of people have used the app to perform a skin check. This is another example of the human touch being digitized. But the moment that the algorithm suspects skin cancer, the photo is always checked by a dermatologist. A perfect blend of digital and human touch. It is possible to use SkinVision as an individual customer, but it is also purchased and used by big insurance companies. The marketing and sales required for each type of customer is different and this is also where the value ladder can be a strategic asset. For each type of product/market combination, it is possible to find the best entry point within that ladder. SkinVision is a perfect example of a value ladder that is strategic about the amount of human and digital touch necessary at each stage.

Product-Led Growth

Software companies offer a perfect example of the digitization of a customer journey, especially when all the marketing and sales is performed digitally too. It has led to a movement called Product-Led Growth. Where, traditionally, products were sold through marketing and sales, a product-led growth strategy allows customers to experience the product without any human touch so that the product sells itself. The goal of these types of companies is to establish the product as the main growth driver. The authors Wes Bush and Ramli John, who wrote the books *Product-Led Growth* and *Product-Led Onboarding*, noticed a trend that saw buyers wanting to self-educate, especially in B2B. This means that they want to experience the product first, on their own terms, instead of having a demo meeting with a sales representative.

“More specifically, these companies all take a bottom-up approach by offering consumer-grade products through a freemium or free trial. Their marketing efforts are largely centered around getting people to try the products themselves, rather than trying to drive folks into the arms of a waiting sales rep. And once users are in the product, these companies all offer thoughtful user onboarding experiences and ongoing in-app messaging—essentially embedding sales, Customer Support, and marketing communications into the product itself”.

– Wes Bush

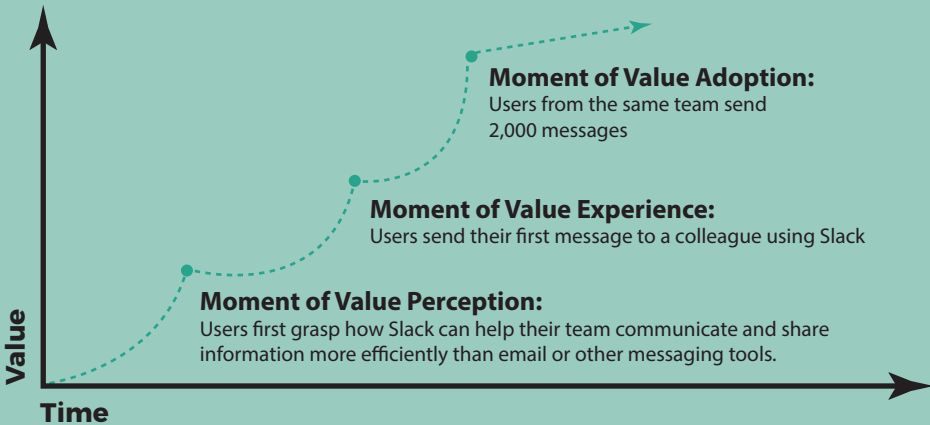
This means that the strategy of these companies is to make sure people use the product and that out of that usage sales are generated. To do this successfully it is very important that you understand exactly which actions correlate with customer success. Therefore you need to have a very strong understanding of the road they travel and how each touchpoint relates to the other. You want to create an experience that is tailored to the individual use case of each type of user. The key thing to focus on is the onboarding process. The newest publication from this movement is *Product-Led Onboarding*, which focuses on how to onboard someone in the best way possible, as that is a true growth accelerator.

User onboarding is the process that takes people from perceiving, experiencing, and adopting the product's value to improve their lives.

– Ramli John

The biggest addition from this book is the distinction between the singular AHA moment from the growth hacking movement and the value path with different milestones. Ramli John believes there are three important milestones that a user has to go through. The moment of value perception, the moment of value realization, and the moment of value adoption. These represent different moments in time, ranging from a first perceived value to the moment that the user is fully using the product in their daily life.

9.8: PRODUCT-LED ONBOARDING



The better you understand product-led growth, the greater the impact of your digital layer in the touch-based value ladder will be!

THE HUMAN TOUCH LAYER

The digital transformation - transitioning from human to digital touch

The biggest mistake that many companies make when they are implementing a digital transformation is to digitize everything. Another mistake is to start selling online before figuring out what really drives sales in an offline context. I often hear people say, "Let's run some ads" while at the same time failing to understand what is driving the conversion.

So what's the best way to tackle this? By making sure you understand what works in an offline context or in one-on-one selling. Digital marketing and selling is nothing more than upscaled one-on-one selling. Be honest with yourself. If you can't sell it in person, armed with bundles of enthusiasm, you can forget about it working online. You need to break down this sales journey into the separate steps and elements in each step. When you do this you will start to understand the pattern that drives success. And that's where you want to double down.

Transforming from one-on-one to digital sales

Maximizing the value of the human touch

One of the main differences between digital and human touch is that digital touch is easier to scale. Therefore you need to make sure that when you use human touch you get the most value out of it as you can, given that it is also probably the biggest constraint in your business. This means that when human touch is a big part of your business, it's more difficult to scale and you need to be very strategic when you let customers interact with someone from your company.

House of Einstein - Superflow

Mei Ling Tan is the owner of House of Einstein. This company supplies personalized clothing boxes for men. Customers receive personalized advice and have access to an algorithm that is constantly updated based on your preferences so that it can recommend the best pieces. It is a combination of human and digital touch. Out of this first company Mei Ling created a second

company, Superflow. This company provides the software that supports the operations of House of Einstein. A perfect example of how you can turn assets into modules which you can sell separately afterwards.

Hybrid model of human touch + software

While I was writing this book I spoke to a lot of different people with interesting opinions on growth. One of them was Tony Walford of the M&A firm Green Square. They specialize in selling digital agencies and I asked him what the value drivers are of a great agency. One of the things he mentioned is that the valuation of an agency increases significantly the moment it also has its own software for helping clients. With a normal agency, over 90% of your revenue is based on hourly revenue, but these agencies have added another source of revenue: they also make money on the software. This brings another benefit, which is that when your clients also use your software, they will probably stay with you longer because it is costly to switch software. The key insight is that a combination of human and digital touch in your business can help you to generate more revenue and make your company more valuable.

One of the biggest misconceptions in the new digital era is that you need to digitize everything. This is plain wrong. Human touch has immense value, when used strategically! It is your own unique mix of human touch and digital touch that will help you stand out from the crowd.

Software companies need to boost their consultancy skills

I also spoke to a lot of entrepreneurs who are in the process of building software businesses and most of them appeared to be making the same crucial mistake. They tend to take the route that the digital product should be so good it will inevitably wow the customer. They keep building, building, building until it's perfect. That mistake slows you down, as what you really want is to get your products into the heads of customers and learn what works. Your product will always be rough around the edges, no matter how perfect it is. One of the reasons why they take this approach is that they think that because the software is more scalable and customer service isn't, they should be focusing on the scalability. Delivering a wow moment for your customer involves understanding when the digital component is enough to wow them and when you need to add human touch. When you do this in a smart way, you will be planting the seeds for more retention. So instead of trying to solve the problem with software, is there a way you could solve it through customer service?

It's easier to build something and stay in the product creation loop than it is to repeatedly turn to customers for feedback and go the extra mile in terms of

customer service. Many entrepreneurs lack the consultancy skills required to guide them to that wow moment while creating the best features possible at the back-end. I'm blessed to have clocked up over 10,000 hours of consulting experience and that I understand how to structure a value proposition with human and digital touch.

In consulting it's important that you understand the value you generate for a client and which steps you need to take to make that happen. At the start it's always through human touch alone. What you need to find out along the way is which human touch aspects you can digitize to increase the value for your clients and lower your expenses.

Download my consulting frameworks at extremerevenuegrowth.io/bonus

How do I keep my value ladder flexible in an ever-changing world?

How flexible is a touch-based value ladder? This is the great thing about a touch-based value ladder: that you can differentiate between the two types of touches. When you don't know which touch is best, always start with human touch. This is the 0-1 analogy all over again. You set something up and once you've figured out how it works, you apply the modular building mindset and standardize the stuff that works.

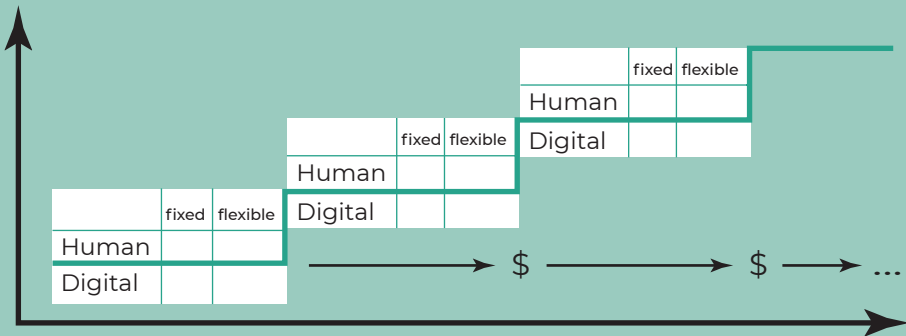
In a fast-changing world you want to make sure that you can be as adaptable as possible. Companies struggle with adaptability because they are not aware of where they are flexible and where they are not. When you move up to the next level of your value ladder, you add things that are easy to change (flexible) and not so easy to change (fixed). You need to break everything down into separate elements to get a good idea of where you can accelerate your reinventions.

9.9: VALUE LADDER MATURITY

- Level 1:** No value ladder in place
- Level 2:** Value ladder
- Level 3:** Touch-based value ladder

Identify those areas in your business where you already have agility and where you can achieve quick wins before big wins.

9.10: TOUCH-BASED VALUE LADDER MATRIX



Human: touchpoint in the customer journey that needs to be performed by a human

Digital: touch that is performed by a digital layer on the website or as part of a product experience

Fixed: hard to change within 30 days. Relatively high production costs. Mostly fixed assets

Flexible: can be changed within a sprint cycle of 2 weeks. This means that one or more iterations can be tested in each business cycle.

Fintech and a touch-based value ladder

One of my clients, a big fintech company, was struggling to get A/B tests live. The developers were too busy with other features and didn't have time to install an A/B testing tool. This was slowing down the growth process, but instead of complaining we assessed where we could change touchpoints in the customer journey. There was some budget left and we decided to add more follow-up calls from customer service. This strategy improved conversions, but more importantly it kept the morale in the team high. By focusing on what we could change, while at the same time also working on making the infrastructure more flexible, we kept moving forward.

E-commerce and a touch-based value ladder

House of Einstein is the perfect example. Clients get recommendations based on an algorithm in combination with input from a styling expert. The addition of human touch to e-commerce is a trend that you will see more and more. At the time of writing it's still in it's infancy, but the pandemic and the new normal will be a great booster for future development in this category.

Consulting and a touch-based value ladder

I use this concept a lot in my own consulting practice. I sold a 30-day email course for 47 euros. I tested what would happen if I called purchasers of the course on the phone and asked them about their challenges and where I might be able to offer them a coaching package. I was able to convince over 38% of these course purchasers to buy a coaching package, which instantly increased the value of the client by a factor of 50.

Would you like to see more examples of these touch-based value ladders? You can download them at extremerevenuegrowth.io/bonus

Finding the ultimate ROI point of leverage

Every business needs human and digital touchpoints. When you understand how they relate to each other, you can calculate the impact they make. What does a touchpoint cost? How much value is it adding in the mind of the client? How flexible are you at that touchpoint? These are variables you can use to find the optimal set of touchpoints that will generate the best results for your business. This is algorithmic thinking in action!

Value ladder maturity model

A lot of businesses don't have a value ladder in place and need guidance on how to take that to the next level. The trick is to go from no value ladder to a touch-based value ladder as smoothly as possible.

1. No value ladder in place

These companies have a set of products or services that are not yet strategically connected. What customers buy next is often a matter of chance or luck. The lifetime value of their customers can be increased. Growth stalls, however, because the cost of acquiring a customer is too high in terms of the LTV of a customer. These businesses will get stuck at their glass ceiling.

2. Value ladder

These companies have a value ladder in place. They have funnels that acquire customers and can be more aggressive in their marketing efforts.

3. Touch-based value ladder

These companies have a touch-based value ladder in place. They are aware of their digital and human touches and how they relate to success.

Lifetime growth - summary

A lot of businesses get stuck in their growth because they fail to focus on retaining and maximizing the client lifetime value. A value ladder is the best framework for boosting this value. Unfortunately, most value ladders don't distinguish between digital and human touch. There is a huge opportunity for growth here and that's where the touch-based value ladder comes in.

Action steps lifetime growth

These are the three action steps you can take to quickly monetize your biggest business opportunity based on this chapter:

1. Map your value ladder
2. Assess the flexibility of your value ladder
3. Build a touch-based value ladder

9.11: ACTION STEPS

- Map your value ladder
- Assess the flexibility of your value ladder
- Build a touch-based value ladder

I'm constantly updating the worksheet that comes along with this chapter. Do you want to receive the latest and most updated worksheet for lifetime growth?

Download it at extremerevenuegrowth.io/bonus

CHAPTER 10

LET GROWTH BE EASY

SOME EUROS ARE *REALLY PAINFUL* AND OTHERS AREN'T

Do you know that nauseous feeling you get when you see the name of a particular person pop up on your phone when they call you? Well I had that feeling every single time with one individual. He treated our team with a lot of disrespect and when he walked through the door you could literally feel the energy drain from the room. The problem was this person worked for one of our bigger clients and we couldn't afford to lose the revenue. That's what I believed, at least, in all my naivety. But it was the worst kind of revenue possible. Every bone in my body screamed: get rid of this client. But I didn't do it. I was far too focused on the short-term effect on revenue. This person continued to dispute invoices for work we had done, and when I ran the numbers I saw that it was actually costing us money to work with him. The team had become demotivated, we were working for nothing, and right there and then I made a promise to myself: I will never, ever tolerate bad revenue in my business again and will only work with clients that bring good revenue.

In the following years I still made the same mistakes over and over, but I became better at spotting the signs of bad revenue. These clients treat you in a certain way; they use a particular kind of vocabulary and you can feel that their energy is different. In the first year after the exit from my growth hacking agency I turned down a couple of clients who wanted to work with me. I knew that working with these people would drain my energy and it would be very hard to make them happy. On the other side of the coin, I also knew there was a common theme with my good clients. They all needed more structure and were hungry to implement the concepts I was teaching them. These clients were amazing to work with. I realized that in the short term I could make more money by adding these bad revenue clients to my list, but that in the long run it would be a very big mistake.

What I want to show you in this chapter is how you can find the good revenue in your business and remove the bad revenue. If you have the courage to do this, you will see that growth can actually be very easy.

Do you know what's essential?

'What should I focus on?' is a question I get asked a lot. Most people would not like to admit it, but a LOT of the things we do in life and business don't move the needle at all. So why are we not taught how to distinguish between what matters and what doesn't. If you study business extensively, you will eventually arrive at the following conclusion: only a few things in life are essential, and the rest don't really matter. This is known as Essentialism.

Focus on what truly matters and eliminate everything else from your life. It's the fastest road to your desired results. So how do you find out what matters? Well, have you heard of the Pareto Principle? It states that 20% of all input generates 80% of all output.

- 20% of your customers generate 80% of your revenue
- 20% of your customers cost 80% of your customer support time
- 20% of your sales people drive 80% of your revenue

If you analyze the inputs and outputs, you will find these relationships in all businesses. Many great entrepreneurs use this principle to make sure they spend their time on things that make the most significant difference and eliminate the rest. In short, the Pareto Principle will show you where to focus your time and effort. If you want to explore this even further, you should read *The ONE Thing* by Gary Keller and Jay Papasan. In it they write the following:

"Going small" is ignoring all the things you could do and doing what you should do. It's recognizing that not all things matter equally and finding the things that matter most. It's a tighter way to connect what you do with what you want.

It's realizing that extraordinary results are directly determined by how narrow you can make your focus. Getting extraordinary results is all about creating a domino effect in your life. The key is over time. Success is built sequentially. It's one thing at a time. So focus your energy entirely on one thing at a time."

What can you learn from this? If you know what to focus on, you will be able to make a massive impact, as you won't be distracted by all the other stuff. It's all about finding focus, so that you can move faster and easier towards your goal. Let me explain.

Look at the illustration below and pay attention to two things:

1. If you focus your energy on one thing, you will move faster and go further
2. A small domino can trigger a more significant domino. So if you start small, you will be able to move increasingly bigger pieces

How extreme is your focus?

Always start with the end in mind. You need to have a clear picture of where you want to go. What is your vision for your company? What are your revenue, valuation, and EBITDA goals? When you have this picture in your mind, you need to connect it with what you can do right now. You can unlock your focus with this question: What's the ONE THING I can do, such that by doing it everything else will be easier or unnecessary? So, it's about extreme focus. You focus only on one thing at a time and ignore the rest. Can you narrow your to-do's down to one? No matter how many to-do's you start with, you can always narrow them down to one by using the 80/20 principle until you have only one thing left. So, take 20 percent of the 20 percent of the 20 percent and continue until you get to the single most important thing! (See figure 10.1 below)

Let's explain the above using numbers.

$$(80/20)^1 = 80/20$$

$$(80/20)^2 = 4/64$$

$$(80/20)^3 = 0.8/51.2$$

This means that if you do an 80/20 analysis, three layers deep, you will see that less than 1% of your actions drive 50+% of your results. I was stunned when I saw these numbers.

10.1: HOW EXTREME IS YOUR FOCUS?



0.8% of actions = 51.2% of output
99.2% of actions = 48.8% of output

So, focusing only on that 0.8% (let's round it up to 1%) is the most impactful thing you can do if you want to grow your revenue. You can regard this 1% as the ultimate lever for your growth.

I use this approach a lot to help clients double down on the growth strategies that are already working in their business. When you acquire your best clients by posting on LinkedIn, but you don't do that on a regular basis, it doesn't take a genius to see that you should be getting more out of this strategy. A particular client generated many more clients through a combination of webinars and scheduling calls after the webinar. She only did those webinars occasionally, but by switching strategies and fully focusing on getting the most out of that strategy she doubled the revenue of her business within three months.

Effortless

I've been eagerly anticipating *Effortless*, the follow-up book by Greg McKeown, since it was announced. Whereas his previous book, *Essentialism*, is about choosing where to focus your energy, *Effortless* is about how you functionally structure your work to make the most essential activities the easiest ones to achieve. The key insight in this book is that you need to make the essential carry out by making it enjoyable. The first thing you need to do is to get yourself into an effortless state of mind and one of the best ways to do this is by asking yourself this question: "What if this could be easy?"

I've used this question over and over in many consulting engagements. What if growth could be easy? Many people adopt the mental model that growth should

be hard and that they have no choice but to struggle through. This is bullshit. When you want to set up the best structure for extreme revenue growth and you're thinking in an algorithmic way, you should be thinking about making it easy. About becoming functionally lazy. The book *Effortless* could alternatively be called the 'Functionally Lazy Handbook'.

After achieving the effortless state of mind, you need to pursue effortless action. What is effortless action? Effortless action means accomplishing more by trying less. You stop procrastinating and take the first obvious step. You arrive at the point of completion without overthinking it. You make progress by pacing yourself rather than powering through. You overachieve without overexerting. Keep things simple and focus on taking steps forward, even when they are very small. Set an effortless pace: slow is smooth, smooth is fast.

When you do this, you will achieve effortless results. You want those results to continue to flow to you, again and again, with as little additional effort as possible. The key is to start by learning principles, not just facts and methods. Understand the first principles deeply and then apply them again and again. Stand on the shoulders of giants and leverage the best of what they know. Reading this book may help you to achieve just that!

Deconstructing Let Growth Be Easy - takeaways

Only a few actions really matter when growing your revenue. Find the actions that matter and focus on those. This will make everything else easier and growth can then be easy too!

10.2: DECONSTRUCT TAKEAWAYS: LET GROWTH BE EASY

- Only a few actions really matter
- Focus on the one thing that makes everything else easier
- Growth can be easy

RECONSTRUCT - GROWTH LEVERS

When only a few things really matter, how do you figure out what to focus on and where to take action? I've already talked about finding your growth levers, in particular the three growth levers that can make an immediate impact in your business. These are the 80/20 principles, the revenue stress test, and the theory of constraints. I have incorporated these concepts into this book and put them into context so that you can get the most out of them.

In this reconstruct I will guide you through the three levels of growth levers that can help you find the point where you should take action. I start by using a high-level, quick and dirty approach before moving on to a more structured approach. Based on your maturity level, you can choose where to start.

3 levels of finding your Let growth be easy growth lever

There are three levels of growth levers:

1. 80/20 Principle & Top 3 Earners + Burners

There is a quick and dirty way of finding your biggest growth lever. A lot of people are familiar with the concept of 80/20 principles and use them regularly in their business. Best-selling author Tim Ferris, who wrote *The 4-Hour Workweek*, has been using this principle relentlessly to make his revenue growth easier. He identified the 20% of his customers who were the source of 80% of his business's customer service complaints and decided, very boldly, not to serve them anymore. These clients were costing his business money and it was never possible to make them happy. A good example of bad revenue. At the same time he analyzed the top 20% of his customers who drove 80% of his revenue. Based on this analysis, he spent more time and effort on acquiring these types of clients. The time and resources that were won back by cutting down on the bad 20% was reinvested in the good revenue. This is a perfect example of a quick and dirty way to make your revenue growth easier, one that can be applied in every business!

In the book *The McKinsey Way*, author Ethan Rasiel reveals how top level strategy consultants also use this way of thinking to find ways to improve their clients' business. I've used this principle in a lot of my own client engagements to quickly find areas where we could optimize the business. But some clients find this analysis difficult and prefer a more simple approach.

Top 3 Earners and Burners

If you only have a few minutes to decide what to focus on, you can do the above analysis in a quicker way by asking yourself the following questions:

- Find the earners: what are the three processes that generate the most easy revenue?
- Find the burners: what are the three actions that cost us the most revenue?
- How can we double down more on the earners and spend less on the burners?

The key thing to do is to take the resources that you win back by cutting down on your burners and reinvesting in your earners. Even only this one single action will make your revenue grow easier.

CLIENT STORY: NICK WOLNY - SEO GHOSTWRITING

I apply these questions to a lot of my engagements, as does Nick Wolny, a PR expert in Los Angeles. He helps entrepreneurs get media attention and runs different programs to achieve that. During our growth lever discovery session, a 2-hour analysis in which we tried to find the biggest growth lever, we broke down his earnings per hour and per type of service. The analysis revealed that his ghostwriting service was performing 220% better than his other services, and the time he was able to spend on each engagement was very limited. In other words, extremely scalable and profitable. By deciding to focus more on these types of clients, Nick was able to increase his revenue by 68% within 90 days at the same cost level. Now that's what you call letting your growth be easy!

2. Revenue stress test

In the past I have had the pleasure of speaking with Kees Koolen, the former CEO of Booking.com. We spoke about growing companies at an extremely high speed. Kees is now an investor and he said something exciting to me when we talked about his criteria for investing in a company:

"Before I invest in a company, I want to see an exact profit & loss statement for the next five years that shows how they're going to at least 10X that company. At Booking, I updated this sheet every night based on the actual numbers of that day, so I knew what I had to do and where my plan was off. If they don't have this in place, I don't invest in the company."

So what Kees is challenging his potential investment companies to do is to show how strong their understanding of the relationship between their revenue, expenses, and profit is. But also, how they are going to create systems to drive revenue growth. And how much growth their systems will be able to handle.

Systems are a key component in managing extreme revenue growth. Victor Cheng has this to say in his book *Extreme Revenue Growth*: "The key to managing rapid growth is to standardize your operations and design internal procedures that are scalable. Scalable operational procedures can handle significant increases in volume without re-design."

But every system will eventually break when you keep on increasing the input. And that's where you will find your bottlenecks. So if you want to continue growing, it's important that you focus proactively on removing those bottlenecks. We call this stress-testing your revenue. How much revenue can your organization handle before it breaks? Where is your biggest bottleneck at the moment? How can you increase the throughput of your organization?

Let me explain how this works in a business situation. A company wants to grow its revenue from €2 million to €4 million within one year. After a stress test of five minutes we can already conclude that this revenue goal is not achievable. They can only handle a revenue of €3.2 million within their current organizational set-up. Why? In this case, customer success appears to be the bottleneck. With every new client that comes in, a customer success manager has to spend four hours onboarding the client. They have two customer success managers, who have a total of 2,400 hours available each year to onboard new clients. So what this team can onboard is: $\text{available hours} / \text{hours onboarding per client} = 2,400 / 4 = 600$ clients. So only 600 new clients can be onboarded each year. If a new client brings in €2,000 in the first year, the team can onboard this amount of revenue: $\text{onboard availability} \times \text{revenue per client} = 600 \times \text{€}2,000 = \text{€}1.2$ million.

This gives us the following figures:

- Revenue Goal: €4 million
- Current revenue: €2 million
- Onboard capacity: €1.2 million
- Gap: €0.8 million

We can do all the marketing and sales we like to try to get to €4 million, but it just won't work. Customer success will break at €3.2 million. So what should the company do? How can they bridge this gap?

There are a number of potential solutions:

- Reduce the time spent on each customer Re-design the processes
- Automate specific steps (for example by using video tutorials)
- Hire more customer success managers. Outsource customer success management to external organizations that can quickly scale up

Victor Cheng takes this one step further. He has developed the 10X Test, which consists of the following thinking exercise: What if the above firm went from €2 million to €20 million in one year? What would break and where?

This question really forces you to think about scalability and how you proactively manage your bottlenecks. You know that at some point another bottleneck will appear. When you're already thinking upfront about where that could be, you can be more proactive in finding solutions before it becomes a real growth problem. You make growth easier for yourself. A Revenue Stress Test is all about asking yourself this question: what would break if we were to grow 10X in one day?

I've used this framework in many client engagements. You can also use it to tackle specific challenges within your company, like growing your email list 10X or boosting your number of social media followers. In most cases the biggest bottleneck is an executive management team that hasn't delegated enough to make the organization more adaptable. When you want to quickly reinvent yourself, this bottleneck has to be removed. Don't be afraid to take the 10X test and remove those bottlenecks. You will see that your growth becomes much easier.

3. A full Theory Of Constraint analysis

The Revenue Stress Test is a great framework for finding the biggest bottlenecks in your organization, but you can also take this framework to the next level. The reason you want to find the biggest bottleneck is to increase the throughput of your organization. In other words, the amount of revenue that a company can sell and deliver. Sometimes the biggest bottleneck is outside your organization. When your clients don't need more of your products or services, you can't sell them more. Then there's an external bottleneck at play. The way to fix this bottleneck is to help your client to remove their own biggest bottleneck so that they will eventually need more of what you're selling. You've now successfully removed a bottleneck within the network around you and by doing so have increased the throughput of your own business.

One of the most eminent thinkers on this subject is Eliyahu Moshe Goldratt, who developed the Theory of Constraints (TOC). In Theory of Constraints lingo, there is a subtle difference between a **constraint** and a **bottleneck**. A **bottleneck**

(resource) is a resource with a capacity that is less or equal to demand, while a **constraint** is a limiting factor in an organization's performance and an obstacle for the organization in terms of achieving its goal. Goldratt explains that when you have found a constraint, you need to find the causes of the bottleneck. The reason for the constraint usually originates in another place. When we were scaling our agency, we experienced a big demand for growth hackers who could run projects fully on their own. The only problem was that the people who were able to do the operational work couldn't do the client facing work. They didn't have enough experience. Additionally, the supply of experienced people who could guide these teams was also low. The constraint was outside of our organization. So we decided to develop our own training program to help these young people become better at client facing work. We solved the constraint and were able to grow faster as a result.

Simon van den Brekel, serial entrepreneur and an expert on the TOC, on how to use this for Extreme Revenue Growth: "Create a map of your value network and find the biggest constraint on your order flow. Find the constraints of your client's growth. Determine how you can help to remove that constraint and positively influence your order flow."

I've used this framework in a lot of cases where the story of what companies were selling resonated with potential clients but in the end they decided not to buy. There can be bottlenecks/constraints on why customers don't buy. If you don't pro-actively remove the bottleneck for them, they simply will not buy. The most important constraints I have seen in this context are:

- Implementation costs: what will it cost me to implement this?
- Lack of internal resources: I don't have the team to implement this
- Lack of internal knowledge: I don't have the skills to implement this

When you can proactively remove these constraints, you will make buying easier for your customers. When they can buy easily, you'll see that your revenue growth becomes easy!

You can download the full guide at extremerevenuegrowth.io/bonus.

10.3: SUMMARY

Growth Levers

- Level 1:** 80/20 Principle & Top 3 Earners + Burners
- Level 2:** Revenue stress test
- Level 3:** A Full TOC constraint analysis

LET GROWTH BE EASY - ACTION STEPS

In many companies that I advise, I find that the client is often making life more difficult for themselves than they need to. This is natural phenomenon, as you are often too close to the problem. What you want is to find the biggest lever for your growth and be smart about it; to understand where you need to take action to make your growth flow easy.

Let growth be easy - action steps

These are the three action steps you can take to quickly monetize your biggest business opportunity based on this chapter:

1. Start with your earners & burners
2. Perform a Revenue Stress Test
3. A full TOC analysis

I'm constantly updating the worksheet that comes along with this chapter. Would you like to receive the latest and most updated worksheet on letting growth be easy?

Download it at extremerevenuegrowth.io/bonus

CHAPTER 11

EVERY LEVEL HAS A GROWTH DEVIL

WE DON'T WANT TO GROW ANYMORE

One of the major perks of speaking around the world is that you get to meet a lot of people who are doing great things with their business. The speaker dinners, in particular, when you have dinner with the speaker the day before the conference, have been very impactful for me. You get to know the backgrounds of people who are way ahead of you, and you learn what actually works! Two people with whom I spoke frequently at a number of different conferences are Karl Gillis and Els Aerts. They run a boutique agency in Belgium where they grow businesses through promoting customer happiness. When I spoke with them about the aggressive growth of my agency, they told me one thing I will never forget: "Chris, good for you, but we don't want to grow, we're happy where we are. We don't want the hassle of managing a large team of people."

How could you say that - that you don't want to grow? Isn't that what every business needs to do?! I know now that this is an example of old-school thinking. Growth for the sake of growth doesn't make sense. You run a business because it supports the goals that you've set for yourself. For Karl and Els the business was at a point where they could enjoy the life they wanted and they had very little hassle managing the business. They knew from experience that growing a business challenges you and that your weak spots are always magnified through that business. That's why they chose to optimize revenue and profit without growing the team.

I've seen so many entrepreneurs burn out because they faced growth challenges in their business but failed to overcome them. When I was advising them, I could see those challenges coming, but they failed to prepare themselves properly. Or they just jumped headfirst into them and hoped for the best. Karl and Els deliberately chose the type of business they wanted because they knew what kind of devils they would face if they wanted to grow; devils that are part of the journey of every growing business. In this chapter I will show you how to spot those devils early on, so that you will have time to prepare and not let them force you off the road.

Decide what you're aiming for

Clarity is one of the first principles of growth. When you have clarity regarding where you want to go, you will also know exactly what kinds of growth devils you can expect to face along the way. This also means that you are the one who chooses those devils, and no one else. I always use the analogy of losing weight in this context. You'll never develop a six-pack if you don't plan for it. And it won't be a coincidence if you achieve your goal. But you will face some devils along the way. You will need to eat in a certain way, take exercise, and follow a healthy lifestyle. When you're committed to the process, it will only be a matter of time before you hit your target. The same applies to extreme revenue growth. You make a decision upfront and there's no coincidence involved. You can get lucky, of course, but usually it's all planned and well executed, especially when it applies to a longer period of time.

The beauty of growth devils is that you can see them coming, but only when you know what to look for. Most businesses think they are unique, but they face the very same devils as the rest of us when they grow. How many devils, when, and how fast depends on your growth goals. So choose them wisely!

Meeting your growth devil

I firmly believe that you can grow to the extent you are personally able to handle and are comfortable with. This is a natural thermostat setting, which you will achieve in due course. When you grow slowly, you add more stuff and become more aggressive. When you grow too fast, you can become the victim of self-sabotage. It's a subconscious game that most of us are unaware of. I believe that the devils in the game are deep inside us. When we want to grow we need to challenge ourselves. In terms of our habits, our identities, and also what we want out of life.

I have a lot of respect for Karl and Els and others like them who deliberately choose to have a company that makes them happy at a certain point and don't go after extreme revenue growth. There are too many entrepreneurs out there who make the mistake of not choosing where they want to go and just wait to see what will happen. The biggest mistake you can make is to say that you are aiming for a certain goal and then neglect to align your growth efforts with your growth goals. When you're eating a kilogram of ice cream every day, there's not much point in telling everyone that you're working on your six-pack. Every company that grows will face this dilemma. At some point the things that always worked before just stop working. Because you've run into a growth devil. The question is whether you will let that devil stop you in your tracks or find a way to side-step it.

WHAT ARE THESE GROWTH DEVILS?

There are many different kinds of growth devils, but this book is all about bringing things back to their essence. I have analyzed the literature, made my own observations and conducted interviews in an attempt to find out what these growth devils are. There are some devils you will face again and again at different stages, so it's important to be able to identify them and that you know how to conquer them.

What slows down growth?

There are lots of things that slow down growth and this list is just the tip of the iceberg, but it's a good start.

- The owner not recognizing (and removing) themselves as the biggest bottleneck
- Leadership working too much in the business vs on the business

- Little or no delegation
- Limited accountability
- Poor communication within teams
- Internal politics
- Not making choices
- Always relying on your gut feeling instead of using data
- Slow adaptability
- Being reactive instead of proactive
- Not making the resources available that are necessary for the achievement of growth goals
- Big egos

The most dangerous growth devils

The main driver for a lot of devils is the fact that the ego is our greatest enemy. When you analyze all the things that slow down growth, the underlying problem is often the ego. Why does the owner not remove him or herself if need be? Because their ego can't handle it. They still want to be the hero and they don't feel in control anymore when they have to delegate. I see owners of multi-million euro businesses still signing for expenses under 20 euros. Their time is too valuable for that kind of work, of course, but they are afraid of losing control. They don't make choices, because they are afraid they might make a mistake. In the end it all comes down to how we manage our conscious and unconscious mind. So how do these growth devils evolve?

Business Growth = the sum of all personal growth

There's a famous saying in business: What got you here won't get you there. A perfect example of this is a company founder who has always been responsible for sales but now, because of growing business, doesn't have the time anymore to handle all the sales traffic. What got the business to this point won't get it to the next point. This means that you need to learn something new or unlearn something old. There is a set of questions you can use to get this actionable: What should I start doing? What should I do more of? What should I stop doing? All of these questions are about personal growth and this has a huge influence on your growth trajectory. When personal growth is an accelerator or blocker of business growth, you can state that business growth is the sum of all personal growth within an organization.

What I've noticed is that the personal growth of management often has a disproportionate impact.

“Personal growth consists of activities that develop a person's capabilities and potential, build human capital, facilitate employability, and enhance quality of life and the realization of dreams and aspirations.”

– Oxford English Dictionary

When managers grow on a personal level, the company grows too. When they don't, the company's growth tends to stall. In that case they have created the kind of constraint I referred to in the previous chapter. This is why top entrepreneurs are so focused on personal development.

DECONSTRUCTING GROWTH DEVILS - TAKEAWAYS

Growth devils will block you at some point or other. When you analyze them, you will see that all growth devils are a result of personal growth that's just not happening!

11.1: DECONSTRUCT TAKEAWAYS

Deconstruct Every Level Has A Growth Devil

- Every business faces growth devils
- You can see these devils coming
- Business growth = the sum of all personal growth

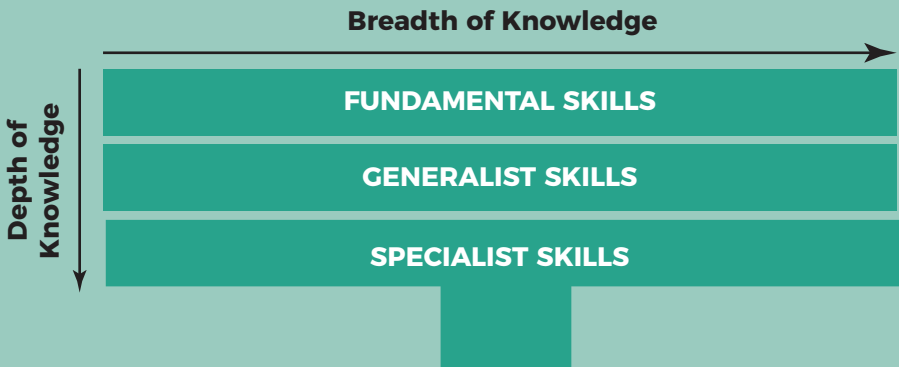
RECONSTRUCT - SIDESTEPPING YOUR GROWTH DEVILS

I played rugby for one year during my time at university. To be honest, the most important reason I played was because of the third half. I loved the social aspect of the game. There was, however, one skill that was very valuable to me when I was playing rugby. When somebody wants to tackle you, you need to sidestep them just before they hit you. When you do this, your opponent will miss the tackle altogether. If you're too late, however, you will hit the floor like a ton of bricks and it will take a minute or two for you to get your breath back and get going again. This analogy can also be applied to growth devils. You need to sidestep them just before they hit you.

T-Shape Hacking

In chapter 4 I outlined how the T-shaped model had a huge influence on the development of growth hackers. The T-shape implies that you have a broad knowledge base that helps you to communicate with experts and one strongly developed skill at which you excel. This T-shape gives a good indication of your skillset.

11.2: T-SHAPE



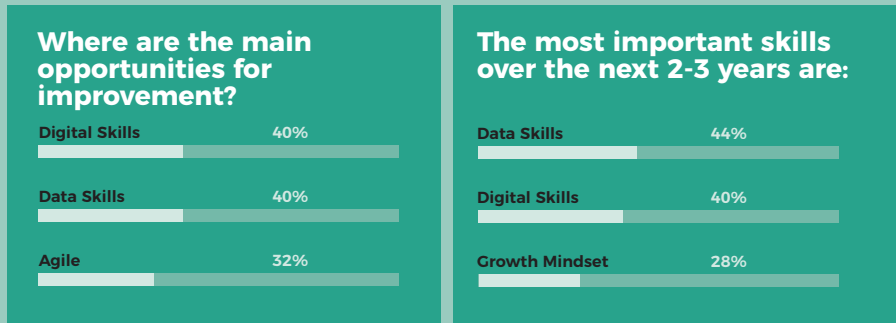
What I've done in the past is to analyze a person's T-shape and plot it against the goal they were working on. This often resulted in a gap between their current and their desired skillset. Based on that gap I would advise them on which mentor to follow and the courses and books they should explore. I call this T-shape hacking. You need to find the weakest spot in your T-shape and learn something new that helps you to make an impact on your most important growth goal. I have seen developers earn back hundreds of hours per year just by learning new skills, as well as marketeers who doubled their conversion rate because of new learnings and businesses that grew faster.

After the sale of my growth hacking agency I worked with different management teams and entrepreneurs. The interesting thing is that in most cases the focus was mainly on developing their mindset so that they could leverage the skillset of their teams. In other words, it was primarily the inner game that generated the most impact. Out of these engagements and my previous experiences I created a list of frameworks that would make the most impact. One of the goals of this book is to ensure that the concepts are evergreen, that they stay relevant for as long as possible. I've also looked at the skills that will make an impact in the future. When you combine the evergreen concepts with these skills, it sets you up for success in the best way possible.

Skills of the future research

I analyzed two studies extensively, as they happen to complement the subject matter of this book and highlight the importance of the concepts that I've described. The first study is from Growth Tribe, which carried out extensive research into the skills of tomorrow. This research is highly relevant, as they have been training people in growth for years and helping companies with their digital transformations. This summary of their findings provides some really interesting insights:

11.3: GROWTH TRIBE SKILLS OF THE FUTURE



The most important challenges and opportunities are centered around digital skills, data skills, and a growth mindset. This is something I've also experienced in my consulting engagements. The growth mindset that is necessary for growth is lacking, meaning that many people within the organization lack a thorough understanding of digital, not to mention the required data skills.

The second piece of research is from McKinsey and it provides more depth to the results of the Growth Tribe study. Defining the skills people will need in the future world of work, it states that to future-proof citizens' ability to work, they will require new skills—but which ones? In a survey of 18,000 people in 15 countries, the research identified a set of 56 foundational skills that will benefit all citizens and showed that higher proficiency in those skills is already associated with a higher likelihood of employment, higher incomes, and job satisfaction.

"We started from four broad skill categories—cognitive, digital, interpersonal, and self-leadership—then identified 13 separate skill groups belonging to those categories. Looking for still more precision, we identified 56 distinct elements of talent (DELTA) that fall within these skills groups. We call them DELTAs, rather than skills, because they are a mix of skills and attitudes. "Adaptability" and "coping with uncertainty" are attitudes, for example."

– McKinsey

11.4: FUTURE WORLD OF WORK - MCKINSEY

COGNITIVE

Critical thinking

- Structured problem solving
- Logical reasoning
- Understanding biases
- Seeking relevant information

Planning and ways of working

- Work-plan development
- Time management and prioritization
- Agile thinking

Communication

- Storytelling and public speaking
- Asking the right questions
- Synthesizing messages
- Active listening

Mental flexibility

- Creativity and imagination
- Translating knowledge to different contexts
- Adopting a different perspective
- Adaptability
- Ability to learn

INTERPERSONAL

Mobilizing systems

- Role modeling
- Win—win negotiations
- Crafting an inspiring vision
- Organizational awareness

Developing relationships

- Empathy
- Inspiring trust
- Humility
- Sociability

Teamwork effectiveness

- Fostering inclusiveness
- Motivating different personalities
- Resolving conflicts
- Collaboration
- Coaching
- Empowering

SELF-LEADERSHIP

Self-awareness and self-management

- Understanding own emotions and triggers
- Self-control and regulation
- Understanding own strengths
- Integrity
- Self-motivation and wellness
- Self-confidence

Entrepreneurship

- Courage and risk-taking
- Driving change and innovation
- Energy, passion and optimism
- Breaking orthodoxies

Goals achievement

- Ownership and decisiveness
- Achievement orientation
- Grit and persistence
- Coping with uncertainty
- Self-development

DIGITAL

Digital fluency and citizenship

- Digital literacy
- Digital learning
- Digital collaboration
- Digital ethics

Software use and development

- Programming literacy
- Data analysis and statistics
- Collaboration
- Coaching
- Empowering

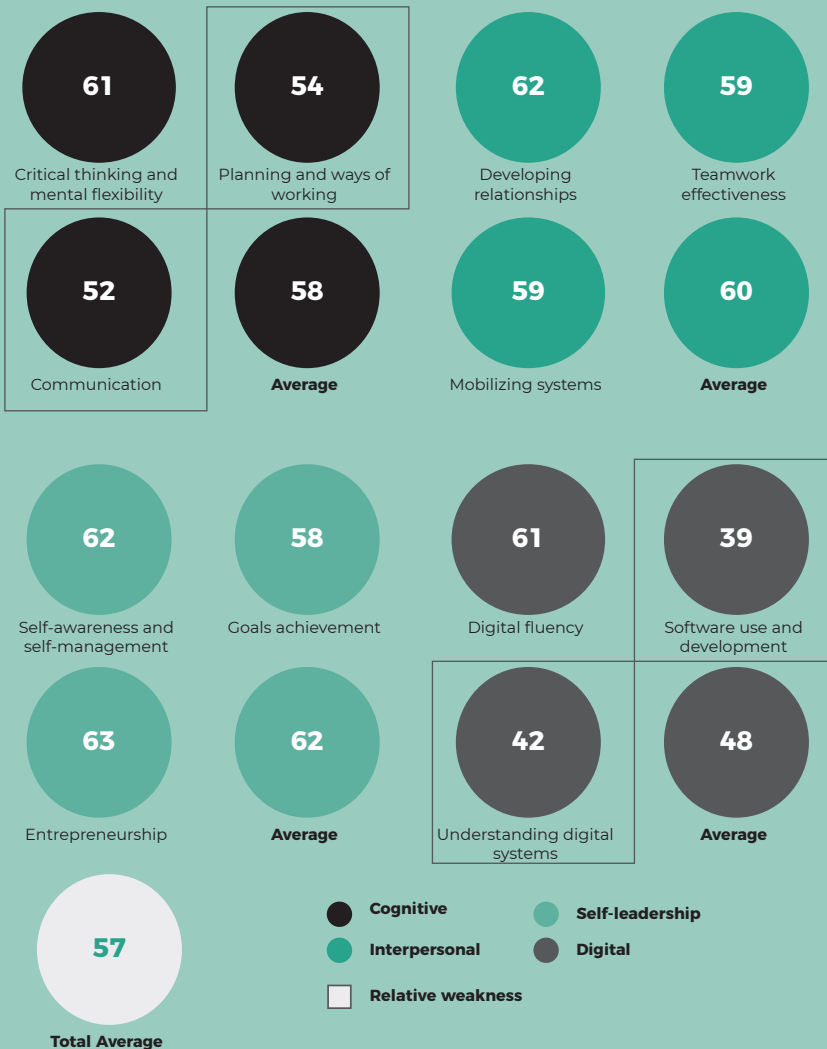
Understanding digital systems

- Data literacy
- Smart systems
- Cybersecurity literacy
- Tech translation and enablement

11.5: FUTURE WORLD OF WORK - MCKINSEY

Respondents' proficiency was lowest in two skill groups in the digital category - 'software use and development' and 'understanding digital systems'.

DELTA by category and skill group, all countries, average score



The main insights according to the researchers:

- High incomes were most strongly associated with proficiency in the four skill groups where overall proficiency levels were lowest among respondents—namely, understanding digital systems, software use and development, planning and ways of working, and communication
- Digital proficiency seems to be particularly associated with higher incomes: a respondent with higher digital proficiency across all digital DELTAs was 41 percent more likely to earn a top-quintile income than respondents with lower digital proficiency
- the four DELTAs most strongly associated with high incomes were “work-plan development” and “asking the right questions,” both in the cognitive category; “self-confidence,” a self-leadership DELTA; and “organizational awareness,” an interpersonal DELTA

What do these insights from Growth Tribe and McKinsey mean for you? The skills we’re talking about in this book correlate strongly with generating a higher income and making yourself more future-proof. When you want to make the most impact in the future, these are the skills that you need to learn. These are the people you need to hire. And I think that this visual, with its explanation of the skills you need to learn, offers a fascinating insight.

11.6: MCKINSEY 3 - DIGITAL

Skill Group	Element
Digital fluency and citizenship	Digital literacy Digital collaboration Digital esthetics Digital learning
Software use and development	Computational and algorithmic thinking Data analysis and statistics Programming literacy
Understanding digital systems	Cybersecurity literacy Data literacy Smart systems Tech translation and enablement

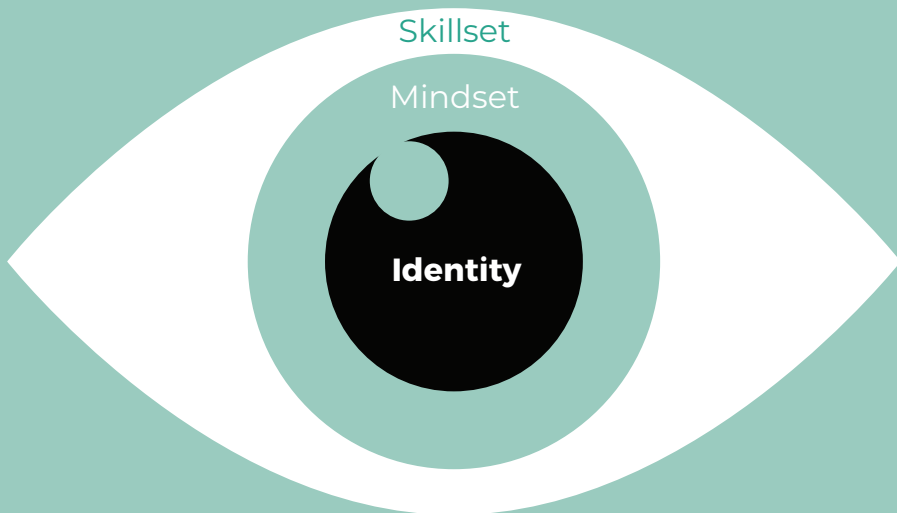
When you get to the core of these skills, you will come to one conclusion: the combination of structured personal growth and algorithmic thinking is the foundation for your future skills! Let me show you how you can apply all of these insights to sidestep your growth devils.

Structuring your personal growth

Personal growth has a huge impact on how growth devils can hit you. When you're smart about your personal growth, it is possible to sidestep these growth devils and get your extreme revenue growth to a higher level. Being smart means being strategic. It's all about understanding where the opportunities for personal growth are to be found. To do so it is important to first deconstruct the essential elements of your personal growth. For me, personal growth can be broken down into three elements.

1. Identity
2. Mindset
3. Skillset

11.7: STRUCTURING YOUR PERSONAL GROWTH - IMS



Identity is how you perceive yourself. Mindset is how you see the world and how you approach a problem. Skillset is about having the right tools in your pocket to solve the problem in front of you. When considering what you should do next, try to look at it in the context of this book. What you want to find out is how to structure your actions so that you can quickly monetize the opportunity in front of you. To answer this you need to find the frameworks that will have the most impact on your identity, mindset, and skillset.

IDENTITY FRAMEWORKS

“The most powerful force in the human psyche is people's need for their words and actions to stay consistent with their IDENTITY - how we define ourselves.”

– Tony Robbins

“Identity is this incredible invisible force that controls your whole life. It's invisible, like gravity is invisible, but it controls your whole life.”

– Tony Robbins

One thing that I have learned over the past few years is that most people have a desire to stay true to their own identity. If you believe that you're a great salesperson and nobody can beat you, do you think that the hires you take on will be better or worse sales people? This is just one example of where identity can be a huge growth devil when improperly managed.

“Your current behaviors are simply a reflection of your current identity. What you do now is a mirror image of the type of person you believe that you are (either consciously or subconsciously).”

– James Clear

In the growth world this can be perceived as a “soft” thing. It's not about hard metrics but about the subtle nuances in a person's conscious or unconscious mind.

“Changing your beliefs isn’t nearly as hard as you might think. There are two steps.

1. Decide the type of person you want to be.

2. Prove it to yourself with small wins.

*First, decide who you want to be. This holds at any level—as an individual, as a team, as a community, as a nation. What do you want to stand for? What are your principles and values? Who do you wish to become? Ask yourself, **“Who is the type of person that could get the outcome I want?”***

– James Clear

As I said earlier, it’s very easy to say that you want a six-pack, but are you also willing to become the person that can have a six-pack? This is also fully applicable to growth. It’s easy to say that you want to double the business, but are you also willing to become the type of person that can handle all the stress and challenges that come with those growth ambitions? That said, it doesn’t necessarily have to involve a hard and massive shift. It can actually be better to do it in a subtle way.

“Want to become a better writer?

Identity: Become the type of person who writes 1,000 words every day.

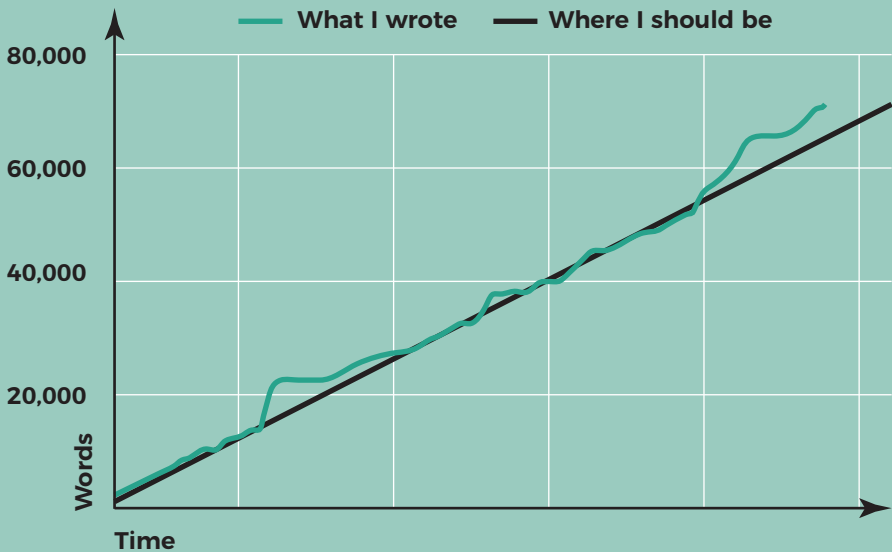
Small win: Write one paragraph each day this week.”

– James Clear

Changing my identity - I’m not a writer

There are only 139 words left to write. I feel that my body is tense as I am stuck on the chapter about the touch-based value ladder. I need to make it clearer, but I feel that I’m actually making it too complicated. The deadline for my manuscript is seven days away and I decide to follow a strategy that I have used frequently while writing this book. When I get stuck I scan through the open ends in the chapters and start writing again at a point in the book where everything seems lighter and less difficult. For years I was afraid to write and expose myself. But put me in front of an audience of hundreds of people and I’ve got no fear at all. On the other hand, if I have to write a blog post, every fiber in my being cringes. I have written countless numbers of posts in the past and launched almost none. I felt the same way about posts on social media. I didn’t like putting myself out there in writing. I didn’t consider myself a writer. This was my identity, but not anymore. The 139 words that still had to be written were the gap between the word count for this book and my goal to write 71,000 words in 71 days. It is now day 65 and I’m at 71,104 words.

11.8: WHERE I SHOULD BE VS WHERE I AM



The book is not done yet, but I still have six days left to complete the manuscript. Whereas in the past I always hated the home straight, I now know that I will make it. Why? My identity has changed. I've proven to myself that I can write 1,000 words a day over an extended period of time. This identity has crossed over into my behavior. A person who can write 1,000 words a day is also able to write emails and social media posts each week to promote their work. I'll admit that this bit still feels a little shaky, but I know that I will get there in the end. Now, after writing this passage, my body feels less tense. I know that I've hit my goal for today and everything else I write now is a bonus. Your identity can be a huge growth devil, but when you know how to change it, it can become your greatest ally in achieving your growth goals!

MINDSET FRAMEWORKS

Whereas identity is focused on how you see yourself, mindset is broader, as it relates to your thinking on everything else. How you think about something has a huge impact on achieving your growth goals. What are the mindsets that

are really important to embrace when you want to structure your business for extreme revenue growth?

1. Extreme Ownership
2. Ego is the enemy
3. Growth mindset

Extreme ownership

Extreme Ownership is the title of a terrific book written by Jocko Willink. In it he explains how having a mindset of extreme ownership can help get you to the next level. The concept of extreme ownership is accountability on steroids. You're accountable for your mistakes and for the mistakes of others in your circle of influence. The teams you work with, your partners, clients, etc. You can influence them and if a project goes wrong because of a mistake they made, you should ask yourself what you could have done to prevent this. It's about taking a next level of responsibility for the results that you want to achieve. Steve Jobs expected a lot from himself. He expected high performance from others too. And he definitely expected a lot from people in leadership roles. Here's a story from John Rossman's book, *Think Like Amazon*:

Steve Jobs told employees a short story when they were promoted to vice president at Apple. Jobs would tell the VP that if the garbage in his office was not being emptied, Jobs would naturally demand an explanation from the janitor. "Well, the lock on the door was changed," the janitor could reasonably respond. "And I didn't have a key."

The janitor's response is reasonable. It's an understandable excuse. The janitor can't do his job without a key. As a janitor, he's allowed to have excuses. "When you're the janitor, reasons matter," Jobs told his newly-minted VPs. "Somewhere between the janitor and the CEO, reasons stop mattering." In other words, when the employee becomes a vice president, he or she must vacate all excuses for failure. A vice president is responsible for any mistakes that happen, and it doesn't matter what you say."

Rossman calls embracing that level of responsibility "owning your dependencies": taking absolute responsibility for every possible dependency under your purview. There's a quote often credited to Ignatius: "*Pray as if God will take care of all; act as if all is up to you.*" The more you take on this mindset in your teams, the bigger the impact you will make.

Ego is the enemy

Robert de Vries, a successful entrepreneur who runs various companies, including an event agency to and online inspiration platform, stated very clearly during our interview what his biggest blocker was during his entrepreneurial career. "Without any doubt my ego". In many interviews, and in my own experience, one of the main reasons that is given as a reason for failure is ego. Your ego gets in the way of what you want and you start making silly mistakes. Ryan Holiday's book *Ego is the Enemy* explains why ego has such an impact on your success. It blocks you from being successful, and when you're successful it's one of the most important things to manage. Learning to manage your ego is a key skill for leaders and teams who want to set themselves up for extreme revenue growth.

In *Start From Zero* Dane Maxwell describes the 3 rocks of entrepreneurship. One of them is: you don't get to decide what works and what doesn't. This means that you will be wrong on a lot of occasions when you're setting up and growing a business. But being wrong is not something people and organizations tend to celebrate. The main reason is because your ego gets in the way. You don't want to be perceived as faulty. But the moment you embrace the possibility that you may be wrong, and can use an experiment to find out whether you're wrong or right, the process of growth changes. With every experiment you learn how far off you are and this helps you to move in the right direction. The market will tell you what you need to do to become successful. New entrepreneurs and innovators tend to forget this because they let their ego get in the way. Avoid this at all costs!

Growth Mindset

"The passion for stretching yourself and sticking to it, even (or especially) when it's not going well, is the hallmark of the growth mindset. This is the mindset that allows people to thrive during some of the most challenging times in their lives."

– Carol Dweck

For years now I have started almost all my workshops by discussing the growth mindset vs fixed mindset struggle and how that relates to growth. Carol Dweck carried out extensive research into what mindset can do for you for her book *Mindset: The New Psychology of Success*.

*“Believing that your qualities are carved in stone — **the fixed mindset** — creates an urgency to prove yourself over and over. There’s another mindset in which these traits are not simply a hand you’re dealt and have to live with, always trying to convince yourself and others that you have a royal flush when you’re secretly worried it’s a pair of tens. In this mindset, the hand you’re dealt is just the starting point for development. This **growth mindset** is based on the belief that your basic qualities are things you can cultivate through your efforts.”*

– Carol Dweck

Is branding bullshit?

Down through the years I have had many discussions with designers and creative directors on why they designed things the way they did. These were often very tough discussions. To be honest, in my formative years I wasn’t exactly the most subtle person when it came to challenging others and I often got very defensive reactions. But what was interesting were the “arguments” they used:

“This just looks better. And what do you know about design anyway?”

Or, even worse:

“Chris, this is for the brand.”

I became so fed up with this that I once said in a meeting with the main designer, “Branding is bullshit!” after hearing the same argument again. He then asked me an intriguing question: So why are all these big brands spending billions of dollars on branding? He had a point, so I asked him, “What are the best books on branding?” He had only one suggestion, so I immediately decided to buy the top 5 books on Amazon about branding. I spent the entire weekend reading those books and by Monday I was ready for another discussion. When the meeting started I asked the designer a simple question: “Which associations do you want to build with this?” based on one of the foundations of branding I had learned that weekend. His answer was: “Chris, that’s the Unilever way of branding.” What this answer showed was that the designer couldn’t articulate what branding specifically was and how his work was adding to it. Worse still, he believed he had an innate talent that I as a non-designer could never learn. So why have I shared this story with you? I believe it is the perfect example of the two types of mindset that Carol Dweck describes in her book. The designer thought he had a unique talent that couldn’t be learned by others. My belief is that you can learn things given the right amount of diligence and time. It may not mean that you will become a world beater, but you will probably go a lot further than you think you can!

11.9: GROWTH VS FIXED MINDSET

Fixed Mindset

Intelligence is static

Leads to a desire to look smart and therefore a tendency to...



Growth Mindset

Intelligence can be developed

Leads to a desire to learn and therefore a tendency to...



CHALLENGES		
... avoid challenges		... embrace challenges
OBSTACLES		
... give up easily		... persist in the face of setbacks
EFFORT		
... see effort as fruitless or worse		... see effort as the path to mastery
CRITICISM		
... ignore useful negative feedback		... learn from criticism
SUCCESS OF OTHERS		
... feel threatened by the success of others		... find lessons and inspiration in the success of others

All this confirms a deterministic view of the world.

All this gives them a greater sense of free will.

I could write an entire book on stories about growth mindset vs fixed mindset, as this struggle has been a huge influencer of success in many growth engagements. When you enter the Extreme Revenue Growth modus, you will be in a constant state of change. This is uncomfortable and you will regularly have to learn new skills. If you have a fixed mindset, this can be extra terrible and you may even self-sabotage. If you have a growth mindset, on the other hand, it will certainly present a challenge, but one you can overcome. One of the important things to take away from this is that you can learn skills along the way, even when you think that the growth mindset does not come naturally to you.

SKILLSET FRAMEWORKS

You now know which mindset you need to embrace. The next question is which skills you need to learn to be able to sidestep your growth devils. I've used the Growth Tribe and McKinsey studies, in combination with my own observations, to show you the skills you need to work on, the ones that will have a long-lasting impact.

Know thyself

You can only sidestep your growth devils when you know who you are and where you want to go. What are your long-term goals and what are you naturally good at? This is a foundational starting point if you wish to work strategically on your personal and professional development. As Socrates said, "Know thyself". That's the best starting point!

Building a €100m+ investment fund

I'm a big fan of podcasts and one of the podcasts I listened to a lot in my early years as an entrepreneur was *10x Talk* with Joe Polish and Dan Sullivan. Their podcast is all about how to gain freedom as an entrepreneur. Dan Sullivan has coached thousands of high-level entrepreneurs and in this podcast he and Joe Polish share their methods.

One of the questions that I ask myself a lot is: Why am I doing what I'm doing right now? How does this align with my long-term goal? At the time of writing, I have a clear goal for the next 25 years. I want to have my own investment fund with at least €100M+ invested in a portfolio of companies. Everything I do should help me to achieve that result in a sustainable manner. Why am I focusing on a 25-year goal? Dan Sullivan says that you shouldn't set a long-term goal for 1, 2, or 3 years. Instead, you should have a crystal-clear vision of what you want to create within the next 25 years. When that's clear, you break it down into what you can do in this quarter to get

there. This perspective will ultimately lead to you focusing your attention and efforts on what moves the needle for you in the long term. So you now have 100 quarters to achieve your goal. Each quarter represents 1% of progress, and each quarter you re-establish your focus by asking yourself these questions:

- What were my five best achievements in the last quarter?
- What are the five areas of focus and progress that are making me the most confident right now?
- Which new things are giving me the greatest sense of excitement going forward?
- If I could just focus on five things that would be multipliers during the next quarter, what would they be?

The actionable outcome from asking these questions is that you know which five projects you should work on to get the most out of this quarter. So where do *you* want to be in 25 years? Do you have a clear vision of *your* future? The clearer everybody in the business is about the alignment of the company's vision with their own, the easier it is to initiate extreme revenue growth. When goals are aligned, the speed of growth increases!

Find your conative strengths with the Kolbe A test

When you have a clear vision of where you want to go to, it's also important to make the journey as easy as possible. What I've seen with many entrepreneurs and teams is that when people have to do a lot of things that don't come naturally to them, growth tends to stall. Conversely, teams that are 'in the zone' and doing what comes naturally to them tend to flourish. There are two concepts that I have used to find the right kind of flow. Both of them are also highly recommended by Joe Polish and Dan Sullivan.

One of their primary methodologies is the Kolbe A test. It assesses how you instinctively take action (i.e., without thinking). Working from your instincts, your modus operandi makes you more productive and you can perform your activities for longer periods of time. There are four dimensions within the Kolbe A test:

- Fact Finder (the way we gather information; people within this mode range from generalist to specialist)
- Follow Thru (the way we organize information; people within this mode range from adaptive to structured/systematic)
- Quick Start (the way we deal with time and uncertainty; people within this mode range from stabilizers to improvisers)
- Implementor (the way we seek tangible solutions; people within this mode range from abstract to concrete)

Kolbe Zones of Operation

Each Action Mode is displayed across three Zones of Operation:

- Prevent (1 to 3 on the index): how you won't act or how you will prevent problems
- Respond (4 to 6): how you are willing to act or respond to opportunities
- Initiate (7 to 10): how you will act or initiate solutions

11.10: KOLBE MODUS OPERANDI

	Fact Finder	Follow Thru	Quick Start	Implementor
Prevent	Prevents analysis paralysis, getting bogged down in details	Avoids getting boxed in, rebels against structure	Controls chaos, avoids crisis mode operations	Functions without physical evidence and models
Respond	Adds specifics to generalities, edits detail, weighs pros and cons	Adjusts to existing plans, allows for unexpected, maintains controls or classifications	Offers alternatives, imposes deadlines and mediates between vision and the given	Uses machinery/tools for both tangible and intangible purposes
Initiate	Needs detail, strategies, research	Needs systems, designs and a sense of order	Needs sense of urgency, open-ended solutions, challenges	Needs tangible solutions, quality implements or tools

When you do this test, you will find out where you fit on the spectrum. It's important to note that there is no perfect score. It's all about your instincts. It reveals what you do naturally in an easy way, but also where you might have some weak spots. It helps you to find the best type of projects to work on in relation to your long-term goals. It also forms the foundation for how you hire your team, but more on that later on!

My Kolbe score is 4-4-9-3. That means that I'm a combination of:

11.11: KOLBE MODUS OPERANDI CHRIS OUT

Fact Finder	Follow Thru	Quick Start	Implementor
Adds specifics to generalities, edits detail, weighs pros and cons	Adjusts to existing plans, allows for unexpected, maintains controls or classifications	Needs sense of urgency, open-ended solutions, challenges	Functions without physical evidence and models

11.12: KOLBE SCORE CHRIS OUT

You have a natural strength in each Action Mode that helps you make better decisions

ACTION MODE

Fact Finder



Your best way of gathering/sharing information is by Explaining.

- | | |
|---|---|
| <ul style="list-style-type: none"> For instance, you might: Paraphrase reports Review the data Edit the details Work within priorities Start with the highest probability | <ul style="list-style-type: none"> Use terms properly Respond appropriately Test analogies Clarify specifics Rewrite and fact-check written material |
|---|---|

Follow Thru



Your best way of arranging/designing is by Maintaining.

- | | |
|---|---|
| <ul style="list-style-type: none"> For instance, you might: Package things together that fit Adjust procedures Monitor policies Realign objectives Coordinate schedules | <ul style="list-style-type: none"> Draft guidelines Provide transitions and segues Identify inconsistencies Meet the need for closure Maintain order |
|---|---|

Quick Start



Your best way of dealing with risks/uncertainty is by Innovating.

- | | |
|--|--|
| <ul style="list-style-type: none"> For instance, you might: Create a sense of urgency Initiate change Improvise solutions Promote alternatives Negotiate shortcuts | <ul style="list-style-type: none"> Brainstorm possibilities Originate options Generate slogans Defy the odds Ad lib stories and presentations |
|--|--|

Implementor



Your best way of handling space/tangibles is by Envisioning.

- | | |
|--|--|
| <ul style="list-style-type: none"> For instance, you might: Create virtual presentations Conceptualize solutions Envision circumstances Capture the essence Portray symbolically | <ul style="list-style-type: none"> Find intangible methods Jury-rig fixes Sketch ideas Simulate actual situations Concoct out of thin air |
|--|--|

Learned behaviors can mask natural strengths

“Your Kolbe A Index result shows you are terrific with future-oriented challenges and dealing with the essential facts — you don't get bogged down in detailed information. You'll say “Yes” before you even know the end of the question — then turn it into a productive adventure.”

– Kolbe A Report Chris Out

This means that I've designed my business around these conative strengths, especially around innovating. I can spot opportunities for growth and create a concrete structure for teams to work on. What's also fascinating about this framework is that I was able to predict the possible impact of my team members based on their Kolbe scores. I cracked the code for the best junior, medior, and senior growth hacker. There are exceptions, however, and that is generally because of learned behavior. Daphne Tideman, who was managing my team, scored a 3 on Follow Thru, which is not the best score for a manager and consultant. However, she learned to build processes that gave her a feeling of structure so that she could avoid the potential pitfalls and because of that she became the best growth consultant I had working for me. She was the one who was always on top of things and our clients loved her for that! The key message here is that you need to be aware of your conative strengths and use them to create a game plan.

Find your Unique Ability

The book *Unique Ability 2.0* by Catherine Nomura, Julia Waller, and Shannon Waller offers great leverage when you know your Kolbe score. Unique ability, by definition, is the essence of what you love to do and do best. It's your own set of natural talents and the passion that fuels you to contribute in the ways that motivate you the most. Use *Unique Ability® 2.0: Discovery* as your guidebook during the process. You can begin by brainstorming which activities and skills in your day-to-day life can be described by these four qualities:

- **Superior skill.** You produce outstanding results with this talent. It's so natural to you, you can't help but do this extraordinarily well. Others notice this skill, rely on it, and value it.
- **Passion.** You love to do this, and probably did it in some form long before you got paid for it.
- **Energy.** Using your Unique Ability gives you a boost of energy.
- **Never-ending improvement.** You're already exceptional at this, yet you could do it for the rest of your life and always find new ways to get better and better.

You want to be really specific in the areas where you are really good, but don't confuse this with your zone of excellence; search instead for your zone of genius.

11.13: THE BIG LEAP

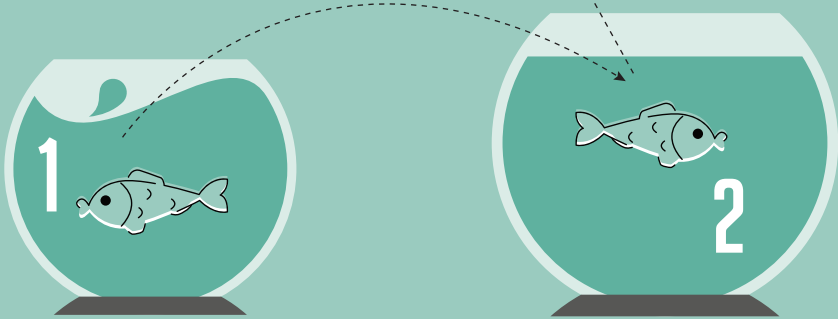


THE ZONE OF EXCELLENCE

In this zone, you are doing something you are tremendously skilled at. Often, the zone of excellence is cultivated, it's practiced and established over time.

THE ZONE OF GENIUS

In this zone, you capitalize on your natural abilities which are innate, rather than learned. This is the state in which you get into "flow," find ceaseless inspiration, and seem to not only come up with work that is distinguished and unique, but also do so in a way that excels far and beyond what anyone else is doing.



THE ZONE OF INCOMPETENCE

In this zone, you are engaging in something you inherently do not understand or are not skilled at.

THE ZONE OF COMPETENCE

In this zone, you are doing what you are efficient at, but recognize that many people are likewise efficient at it, thus not distinguishing your capabilities in any significant way.

Zone of Genius

Gay Hendricks identified four different zones of function in his book *The Big Leap*.

1. **The zone of incompetence:** In this zone, you are engaging in something you inherently do not understand or are not skilled at.
2. **The zone of competence:** In this zone, you are doing what you are efficient at, but recognize that many people are likewise efficient at it, thus not distinguishing your capabilities in any significant way.
3. **The zone of excellence:** In this zone, you are doing something you are tremendously skilled at. Often, the zone of excellence is cultivated, it's practiced and established over time.
4. **The zone of genius:** In this zone, you capitalize on your natural abilities which are innate, rather than learned. This is the state in which you get into "flow," find ceaseless inspiration, and seem to not only come up with work that is distinguished and unique, but also do so in a way that excels far and beyond what anyone else is doing.

*"Most successful people are operating in their zone of excellence, in which they are doing things at which they are highly skilled. This zone is ultimately unsatisfying, though, because it does not engage the innate genius of the individual. Ultimately I want to see people I work with **spending 90% of their time in their zone of genius**, but you've got to start somewhere and my recommendation is to start with ten minutes a day."*

– Gay Hendriks

Finding your zone of genius can be hard, as you have to make deliberate choices in terms of what you can and can't do. See it as a process for the coming years and you will gradually close in on it.

Extreme growth is only possible when you've found your zone of genius and are operating in it as much as possible. You want to acknowledge this not only for yourself but for everybody in your team as well. Now you know where to start from. The next question is: how can you future-proof yourself?

Future-proof thyself

You know where you want to go and what your conative strengths and unique abilities are. Now it's time to future-proof yourself and build your skills in the most strategic way possible. The McKinsey study provides a lot of insights on where to focus, but I think that this quote provides even more clues:

“High incomes were most strongly associated with understanding digital systems, software use and development, planning and ways of working, and communication”

– McKinsey

I've tried to break this down into categories where you can learn these skills in the fastest and most sustainable way possible.

The first category is **premium level consulting**. I define premium consulting as consulting work where you can charge €1,000+ a day for your services. There are certain ways of working and communication you need to possess at this level, otherwise you simply won't make it. So, to connect this to the McKinsey study, this is where you learn planning, ways of working, and communication. What you do in these areas at this level will also help you to stand out at lower levels or when that level of detail is not required. The better you are at this, the better the human touch layer in your business.

The second category is **direct response copywriting**. This is the ultimate communication skill and it offers huge leverage for understanding digital systems. Within digital, the concept of customer centricity is highly important. With direct response copywriting you will have a relentless focus on the end user with your copy. It teaches you how to communicate in the best way possible.

The third category is **coding**. Yes, I know. Sorry, but you do need to learn coding. You need to know how this works, as it will only become more and more important in the future. My own approach was to be strategic about it. I researched which coding languages will have an impact on the future in combination with their ease of learning. I consequently started to learn Python, as this teaches you how to program in the simplest form and, even more importantly, a lot of machine learning is done in Python. This means that learning Python is a great way to future-proof yourself, as it gives you the ability to work with the real experts of the future. The world will become more and more digital, and coding will be the foundation. What you will also see is that a lot of people won't take the time and effort to learn this, so it's definitely an advantage when you decide to learn this.

The fourth category is **digital marketing and product development**. You need to know the rules of digital. The better you understand them, the more you will be ready for the future. Learning this skill will help you build the best possible digital layer in your business.

When you learn the skills in the categories above, you will set yourself up for success in line with the concepts in this book. It will become easier to work in a

modular way, leverage access, build the best touch-based value ladder, and find the biggest points of leverage in your business.

But Chris, where can I learn all these skills?

Here are my top recommendations for books and courses that have stood the test of time:

11.14: OTHER RESOURCES

- | | |
|---|---|
| Learn: Premium Level Consulting | <ul style="list-style-type: none">● Read One Million Dollar Consulting by Allan Weis |
| Learn: Direct response copywriting to focus on customer centricity | <ul style="list-style-type: none">● Copyhackers.com● Copyhour.com |
| Learn: Coding | <ul style="list-style-type: none">● Python - learn to understand code● Teamtreehouse.com |
| Learn: Digital Marketing and product development | <ul style="list-style-type: none">● Reforge.com● CXL.com● Gopractice.io |

These skills were already impactful 25 years ago and will only increase in impact in the coming 25 years. The best time to start learning was 20 years ago, the second best time is now! I have an updated list of resources where you can learn more about these skills at extremerevenuegrowth.io/bonus

Scale thyself

Scaling a business is perceived as a big challenge by many entrepreneurs. The biggest challenge is that a growing business requires you to constantly change roles and responsibilities – both you and your team. It's like sailing a ship through a storm and trying to maintain course. It's possible, but the smallest mistake will send you off in the wrong direction. The biggest mistakes that entrepreneurs make in scaling and which often send them off course are:

1. Not focusing on highest and best use
2. Bad delegation habits
3. Not building a leadership pipeline

As stated earlier in this chapter, it's important to work on the things that come naturally to you and that make a significant impact. Jay Abraham calls this working on areas in the business where you have **“the highest and best use of your time”**. Many entrepreneurs and people working in growth have a limited understanding of where these areas are. They also fail to measure how much time they spend on different activities. When you don't measure, it's harder to gain insights and even more difficult to improve. You end up leaving room for growth on the table, and that's something you should never do. You and everyone else in your team should work on achieving the highest and best use of their time. So why is this a problem in many organizations?

Many businesses get stuck at some point or other because of **bad delegation habits**. In his book *Clockwork*, Mike Michalowicz describes a terrific framework created by Scott Oldford:

“Delegating is a process. First, you assign a task. Then you assign the responsibility. Then you ask them to own the results. Finally, you ask them to own the outcome, which is repeated results over time.”

This is precisely where I've seen it go wrong so many times. People delegate a task, it doesn't work out the way they expected, and they go back to the old way of working. This happens a lot with entrepreneurs who suffer from “hero syndrome”. Unconsciously, they delegate in the wrong way, it doesn't go as planned, and they then try to save the day as the hero. Another reason is that we all tell ourselves lies about why we can't delegate:

1. I am the only one with the specific knowledge to do this task
2. No one else has the time or inclination to do it
3. Last time I delegated, it all went wrong

This is the complete opposite of the first principle of functional laziness, so I've never understood why people do this. When you're growing your business, it is important to constantly free yourself up and this can only be done through delegation. Make sure you become great at this, because it can be a nasty growth devil when you don't. So why isn't everyone delegating all of the time?

The number one reason I hear why people don't delegate is because they don't trust the ability of the person to whom they are delegating the task and the responsibility. A sure sign of this is when they are planning to go on vacation and there is no one they can trust to take over. On the other hand, I also hear a lot of leaders complain that the amount of future leaders who are capable of taking over from them is very limited. What they don't realize is that they are creating this situation themselves. If they have bad delegation habits, teams cannot learn to manage themselves and they will never have enough future leaders who can take over the operational part of the business. They fail to build a strong **leadership pipeline**. What they don't understand is that a big part of growing a business is building your future leadership. I've always done this very consciously by encouraging people to manage other people or a process as efficiently as possible. The sooner they are given this responsibility, the faster they can learn, and you will see who is up to the challenge and who is not. The book *The Leadership Pipeline* by Ram Charan, Stephen Drotter & James Noel shows the different stages that leaders have to go through in a growing organization.

Management of others – After you've successfully passed the test of being able to supervise others, you are ready for the next step in becoming a top-notch leader.

The role of a general manager – Up until now, you've been in charge of regular workers, or associates, but managing managers is a complicated task and a responsibility that requires a set of skills that not every "leader" has.

Functional management – In short, as soon as a person decides to enter into the practical management routine, they must be willing to provide accurate reports to managers of higher rank. This passage is difficult because it demands a certain expertise and breadth of focus.

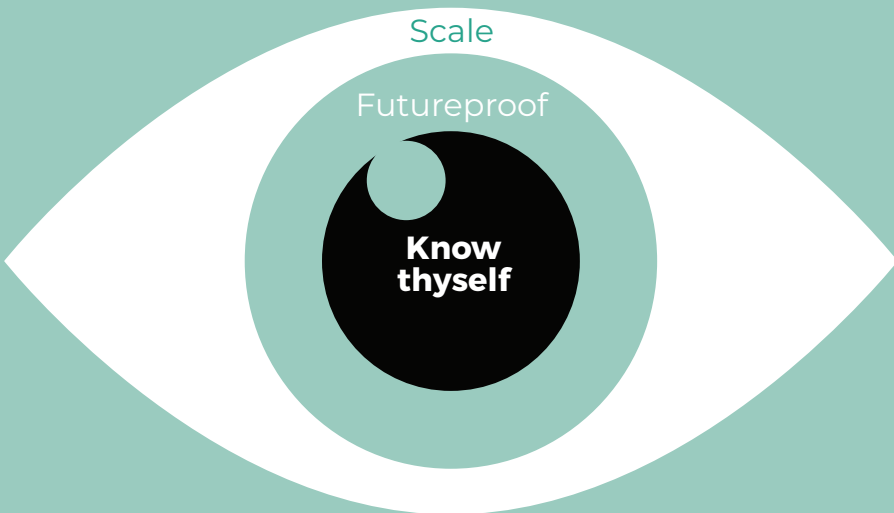
The responsibility of a business manager – Even though some leaders interpret this passage as a route to ultimate freedom, and unchallenged authority, it is a highly demanding role. It integrates all functions under the command of a single authority, which makes it harder to harmonize different sets of activities performed by various people.

Integration of businesses – The group manager is an undervalued position, despite the fact that he or she helps other businesses to leave a mark on the market. These managers don't receive a lot of credit for their contribution.

Managing an empire – Last but not least, managing an enterprise requires a unique set of values and not just the skills acquired over the course of a career. Enterprise leaders emphasize long-term growth and prosperity but don't neglect short-term capacities either.

Going through each stage requires a totally different identity, mindset, and skillset. That's why it's so hard to go through all these stages in a short amount of time. In the end it all comes down to the combination of identity, mindset, and skills. It's about having the necessary self-awareness, being strategic about your work, and carrying it out. This will help you sidestep your growth devils.

11.15: STRUCTURING YOUR PERSONAL GROWTH - KFS



Every devil has a growth devil - summary

Growth will always stall at some point or other because of a growth devil. All growth devils can eventually be traced back to your personal growth, as business growth equals the sum of all personal growth. Therefore, you need to be smart about your personal growth. The growth devils will be found within your identity, mindset, and skillset. So that's where you need to think smart and act smart.

Every level has a growth devil - action steps

These are the three action steps you can take to quickly monetize your biggest business opportunity based on this chapter:

1. Know your Kolbe A score
2. Start delegating
3. Build a leadership pipeline

11.16: ACTION STEPS

Action steps

- Know your Kolbe A score
- Start delegating
- Build a leadership pipeline

I'm constantly updating the worksheet that comes along with this chapter. Do you want to receive the latest and most updated worksheet on sidestepping your growth devils?

Download it at extremerevenuegrowth.io/bonus

CHAPTER 12

**TAP INTO
THE HIDDEN
GOLDMINE**

SIX MONTHS TO GET A SCRIPT ON A WEBSITE

One of the first big engagements I worked on was for a large company in the Netherlands. They wanted to optimize their webshop with A/B testing. The A/B testing would be done with an external tool. To get this tool to work, a short piece of code had to be implemented on the website. A conservative estimate is that a developer with access to the website could do this in five minutes. In the case of most clients, this piece of code would have to be forwarded from the contact person to development, where it would go live. This would amount to ten minutes of extra work at the most. With this particular client, however, it took me six months to get the script live on the website. I lost count of the number of times I had to follow up with them. Nothing happened and every day that we weren't testing we were missing out on important learnings and failing to build a better website. This cost the company money every single day. Based on their revenue level, I would guess they missed out on 100k+ of extra revenue, simply because a developer didn't get a piece of code to go live. The accompanying internal bureaucracy and hassle was such a big blocker that they forgot to check what was on the other side. This might sound like a one-off event, but I have dozens of similar stories in which people didn't manage to get their experiments to go live and failed to make the most out of what was right in front of them. You need to be able to execute if you want to enter the extreme revenue growth arena.

Only executed ideas are good ideas

One of the key philosophies within growth hacking is known as high-tempo testing. Basically, you need to test at the highest speed possible. This will help you get the most out of the first principle: reinvention speed. Frequent testing allows you to reinvent yourself over and over again. The key feature here is the ability to get your experiment live. An idea that is never turned into action is worthless. It's like making a definite plan to go to the gym and then not going; all that planning for nothing. I have heard many companies talk a lot about what they are going to do, but then never manage to get their ideas to go live. An experiment that is not live means no learning, and no learning means no progress. Worse still, you fail to learn more about what works for you!

Strategy = Execution

"A strategy is only as brilliant as its execution."

– Jacques Pijl

Jacques Pijl wrote the brilliant book *Strategy = Execution* in which he states that companies should spend 80% of their time working on execution and 20% on strategy. The book has won several prestigious awards, so it clearly contains a message that resonates with many high level executives. It's also a message that many companies struggle with. Our strategy is set, but how do we make sure that our people execute it? What do we do when our strategy appears to be wrong? How do we double down on strategies that work? Lots of different questions, but many companies struggle to find the answers. I believe this happens because there is often one critical function and mindset missing in teams.

By now you know that algorithmic thinking is the key to unlocking extreme revenue growth. Everything is interconnected and you need to understand how you can use those connections to achieve maximum growth. You need to be able to see the patterns in how they relate to each other, and that's where it often goes wrong. Many companies lack the people and infrastructure required to spot those patterns. Who am I referring to here? The analysts: the people who can crunch the data, enable a strong data infrastructure, and help to reverse engineer how success was achieved. I've never been in a company that was overstaffed in the analysis department. In their State of Growth survey, Growth Tribe suggests that data skills will be in high demand in the coming years. This comes as no surprise to me. Data analysts will become more and more important, and without these people in your company you won't be able to execute with excellence. And when you don't execute with excellence your strategy will fail.

Deconstruct conclusion:

A message can also be short and clear if you want to get the point across. Execution = strategy, and you need to facilitate this with the right kinds of data and teams. You need to be able to reverse engineer what worked and what didn't.

12.1: DECONSTRUCT

Deconstruct Tap Into The Hidden Goldmine

Strategy = Execution

RECONSTRUCT – WHERE DO YOU START?

One question I often get asked is: “Where do I start?” I’ve shared a lot of frameworks and concepts in this book and now I want to connect the dots for you. First you need to take stock of where we are right now in the book.

- You know that algorithmic thinking is the foundation for Extreme Revenue Growth
- You know how to build modular assets
- You know how to leverage your access
- You know how to build a touch-based value ladder
- You know where you can find the biggest growth levers
- You know that you need to be structured in your personal growth

But there are still some gaps left.

- How do you fill the analyst gap?
- How do you connect everything?
- Where do you start?

Let me answer these questions one by one for you.

Finance - the team that helps you see the goldmine

The theory of growth hacking states that you need to build a multidisciplinary team that works on growth together. A team consists of a growth leader, developers, analysts, marketing specialists, and designers. The goal of the team is to work in a data-driven manner to achieve growth. And this is precisely where it often goes wrong.

Working in a data-driven manner can be compared with how water moves. It will always flow to the lowest point possible. Writing clever code, creating fancy new campaigns, using the latest design tricks – I've seen all of these pass the revue and none of them ever helped growth. Instead, it usually involved actions the team thought were "cool" to work on when their focus should have been on servicing growth.

The analyst is a "gatekeeper" whose job it is to make sure that the rest of the team keeps working in a data-driven manner. Many team members have a tendency to veer off course, as it is not natural for them to work like this. And that's where it goes wrong. There always seems to be a lack of analysts in companies. Data scientists, the new breed of analysts, are in even higher demand. So on the one hand there aren't enough analysts, while on the other the remaining members of the team insist on doing their own thing. If there's no overview from top management, the team will become less and less data-driven when this is not already part of the company culture. But it doesn't have to be like this.

Financials are trained to work with data and to connect it to the business. They have nightmares when their data is not correct, up to date, and complete. They are inherently data-driven. But I often see cases where finance is not connected to growth initiatives. Which is a shame because when the connection is made, finance can generate a lot of useful insights. The CFO and the control department are used to analyzing the business and spotting opportunities. They know how to calculate lifetime value, costs, and profit margins. They can help you with data-related questions. They also know how to challenge you, to make sure you don't confuse correlation with causation. They can enable the holistic view for your growth teams. In the most successful engagements that I have run, finance was always involved. When you add these people to your team, you can create something that is genuinely next-level. I call these teams **next-level growth teams**.

12.2: NEXT-LEVEL GROWTH TEAMS

- Growth Lead / Product manager
- Developer
- Marketing specialist
- Analyst
- (UX/UI) Designer
- **Finance**

NEXT-LEVEL GROWTH TEAMS

The book *The CFO in Pole Position* describes how the CFO needs to assume pole position in the digital transformation. As I mentioned earlier in this book, the digital layer in your business is set to become more and more important and many businesses are currently going through a digital transformation. Exactly who is leading this transformation has already been discussed in chapter 1. I believe that financials need to up their game and join this new world. They are the ones who can make or break data-driven/insight-driven working and accelerate the digital transformation. They are the crucial link between the different departments. They think holistically and can connect the dots across the business. Finance can play an important role in creating clarity for teams and identifying where the best opportunities lie.

Financials need to be aligned with growth efforts, but this also means that finance needs to change. They need to become comfortable with risk-seeking behavior. They need to accept that in a lot of cases we're not looking for a perfect answer; sometimes just pointing in the right direction is enough. With the action that you take, you will reduce uncertainty, so finance should worry less about hitting a home run on the first swing. It also means that financials need to learn the skills of the future. They need to understand how digital works and how it can be leveraged, not just for their own function but also for the entire business. In my conversations with financials, they all tend to say the same thing: "Chris, you don't look like a financial person, but you understand how we think." I've been through this journey myself and acquired these skills

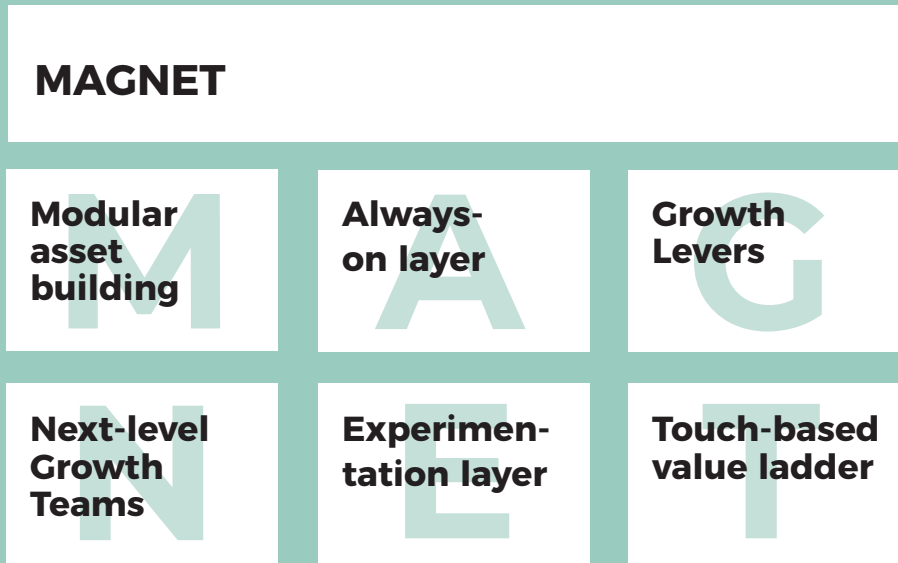
after a formal education in accounting. So I believe that it is possible to guide financials through this transformation. Add them to your growth teams and you will experience the next level of what's possible.

Build a MAGNET

The two questions that remain are: How do you connect everything and where do you start? You need to build a MAGNET that attracts Extreme Revenue Growth. What are the components of this MAGNET?

- Modular asset building
- Always-on layer
- Growth Levers
- Next-level Growth teams
- Experimentation layer
- Touch-based value ladder

12.3: MAGNET



Supercharge your MAGNET through structured personal growth.

The remaining ingredients are the always-on layer and the experimentation layer.

Always-on Layer

My philosophy of growth is very simple. Once you've found a strategy that works for you, keep doubling down on it until it stops working. You need to keep your strategies in the "always-on" modus. A simple example is an advertisement campaign that generates a positive ROI. You keep it running and you keep optimizing it. The combination of all your "always-on" strategies is called the Always-on Layer in your business. What are examples of always-on?

- Combination of advertising on Google to have people download a white paper
- After the download of this white paper you follow up with automated email messages

In this example you combine three different channels, namely search engine advertising, content marketing, and email marketing. This results in a combination where you can calculate the ROI on the efforts to build and optimize in terms of the investment required. I refer to this process as a channel stack. You can find a detailed download of more channel stacks at extremerevenuegrowth.io/bonus

You want to build as many of these stacks as possible. How do you do this? You first have to experiment to find out if a stack will work. You can do this in your experimentation layer.

Experimentation Layer

When you have identified a place where there is an opportunity for growth, you will quickly want to learn if that is actually the case. To produce the required data you need to run an experiment that allows you to reduce uncertainty about the pattern that is causing the growth. Together with the analyst, you determine when an experiment might be successful and what the next steps are after the experiment. This could be a new campaign that you run as an experiment or just a change in your sales process. The best way to make use of your experimentation layer is to use this layer to set up new experiments, particularly in new ways that you've never tried before. When you find that a certain strategy works, you try to move it as fast as possible to your Always-on Layer. In that layer you can then keep on optimizing this new strategy.

For more examples go to extremerevenuegrowth.io/bonus

Supercharging the MAGNET

You now have all the components in place for your MAGNET. Now all you need to do is supercharge it. This happens through structured personal growth.

Where do you start?

I always start with personal growth. This can make or break your chances of success. Be clear about your vision and how your current identity, mindset, and skillset are either enabling or blocking you. The second step is to take two hours to create an inventory of the components of the MAGNET. You can use the action steps in the different chapters and the free digital workbook to compile this inventory. The final step is to take action on the item that's closest to the money. What is the biggest opportunity in front of you and what is the first thing you can do to monetize that opportunity? Test this and change your approach based on the results of the experiment.

Do you want to do the assessment?

I have a FREE growth assessment available at extremerevenuegrowth.io that will help you find the next step you need to take. Go to **extremerevenuegrowth.io/test** and let me help you to answer this question. You will quickly see where you are leaving the most money on the table and what the best next action should be.

Tap into the hidden goldmine - summary

You need to get experiments live if you want to achieve extreme revenue growth. Many companies struggle with this. It can be a lot easier when you build a MAGNET that attracts Extreme Revenue Growth. Combine all of the concepts in this book and take your first action step!

TAP INTO THE HIDDEN GOLDMINE - ACTION STEPS

These are the three action steps you can take to quickly monetize your biggest business opportunity based on this chapter:

1. Build your MAGNET
2. Do the growth assessment
3. Test what works and what doesn't

I'm constantly updating the worksheet that comes along with this chapter. Do you want to receive the latest and most updated worksheet on tapping into the hidden goldmine?

Download it at extremerevenuegrowth.io/bonus

AND FINALLY...

As I sit here writing these concluding words, it has been eleven days since my non-compete after the sale of my growth hacking agency ended. My phone is buzzing with potential new clients and team members for my next chapter of growth. It's strange to have this feeling again, not knowing what lies in front of me, but I am sure it will be an amazing chapter in my life. I've thoroughly enjoyed the time I spent getting all my thoughts about growth down on paper and writing this book. There are so many concepts that I wanted to share and expand upon; so many places where I wanted to go deeper, give more examples, provide you with more frameworks and strategies. But at some point you simply need to launch and see how the market reacts. Because that is what the market demands. One of the most interesting conversations I had about this book was with a famous person within the growth community. She asked me a very interesting question:

"What is the next step for Growth Hacking?"

She told me that in recent years not a lot of new, deep, breakthrough thinking has been developed around the concept. There has been quite a lot of adoption but it hasn't become "mass market" outside of the startup, scale-up, and innovation scene. To enable this, the entire concept of growth hacking needs to be reviewed and allowed to evolve. What I've tried to do is to deconstruct the discipline back to its core and build it up again for this next phase. I strongly believe that this book can enable people who have an interest in growth to quickly jump to the fundamentals that will empower them for the future. A lot has changed since the birth of growth hacking in 2010. Even companies like Accenture and Deloitte are recruiting growth hackers, something I would never have envisioned happening. But I also see the challenges that many people are facing with implementation, where the strategic and holistic approach is the most difficult one. I believe we should embrace the core fundamentals, focus less on the hacking component, and use its essential ingredients. All with the aim of setting up a structure that can get companies started on the road to Extreme Revenue Growth.

I've never shared this with anyone else before, but the day I signed my book deal and was given four months to write this book, we learned that my wife was pregnant with our second child. When she was pregnant with our first child, my wife was sick for the first twelve weeks, so I knew that I was going to face a considerable challenge. But I also knew, deep down inside, that the book needed to be written this year. And so I rose to the challenge. My hope is that this book will give you the mental models required to get your company on the road to Extreme Revenue Growth. Thank you for joining me on this journey to enable more companies to reach Extreme Revenue Growth and contribute something good to the world. Together we can turn our efforts into a very productive adventure.

To stay on board, sign up at extremerevenuegrowth.io/bonus and continue the journey. I look forward to seeing you there!

PART 3

INFO AND NEXT STEPS IN A NUTSHELL

THE WALLET AND THE MAGNET

We've been on an exciting journey together, but it is only the beginning. We have covered a lot of topics and I would like to go through the essentials one more time, just to make it as easy as possible for you to remember them.

When you want to achieve Extreme Revenue Growth, you need a MAGNET that will attract this revenue to your business. The foundation of this MAGNET is ALGORITHMIC THINKING.

Growth is an effect and you need to see that everything you do is interconnected and also to understand why and how. The fastest way to find the right MAGNET for your business with ALGORITHMIC THINKING is to use the WALLET method. This method shows you all the different building blocks you will need and how to use them.

MAGNET

- **M**odular asset building
- **A**lways-on layer
- **G**rowth levers
- **N**ext-level growth teams
- **E**xperimentation layer
- **T**ouch-based value ladder

WALLET

- **W**ork Once and Get Paid Forever
- **A**ccess Accelerates Growth
- **L**ifetime Growth
- **L**et Growth Be Easy
- **E**very Level has a Growth Devil
- **T**ap into the Hidden Goldmine

Algorithmic thinking

- Growth is an effect and you need to understand how everything is connected

This is the STRUCTURE that will help you to quickly monetize your biggest opportunity and achieve Extreme Revenue Growth.

You can download the latest version of the extreme revenue growth structure canvas at extremerevenuegrowth.io/bonus

13.1: WALLET

WALLET

**Work Once
& Get Paid
Forever**

**Access
Accelerates
Growth**

**Lifetime
Growth**

**Let Growth
Be Easy**

**Every Level
Has A
Growth Devil**

**Tap Into
The Hidden
Goldmine**

13.2: MAGNET

MAGNET

**Modular
asset
building**

**Always-
on layer**

**Growth
Levers**

**Next-level
Growth
Teams**

**Experimen-
tation layer**

**Touch-based
value ladder**

HOW I CAN HELP YOU

“You’ve shown us the difference between the symptoms and the root causes of our growth challenges” - Daniel Ogertschnig, Head of Acquisition at New10

This is only the beginning

I’ve written this book to help you quickly monetize the biggest opportunities in front of you. Hopefully, you’ve found the inspiration and action steps that you were looking for. Please send your results and feedback to chris@chrisout.com. I would love to hear from you!

This doesn’t have to be the end of our journey. There are several ways in which we can continue working together.

Speaking

I’ve spoken all around the world and would be glad to inspire your audience with a keynote at your in-person or digital event. I also lecture at several universities.

Consulting

I have a range of coaching and consulting services that can help you to grow. I also have partnerships with some of the best consultants and agencies in the world that can help you with Extreme Revenue Growth.

Education

There is a suite of courses available at extremerevenuegrowth.io that are constantly being updated. I also provide workshops in person and online.

Investments

Do you believe that a long-term partnership would be the best option for you? I am always looking for companies I can join as an investor in an arrangement where you will receive my commitment, network, and expertise in return for equity.

Connection

Do you want to connect with like-minded people in the area of growth? Come and join the community at extremerevenuegrowth.io.

ACKNOWLEDGEMENTS

Writing a book is a journey that a lot of people underestimate. It takes so much more work than you think, and many writers never even finish. My goal with this book was very clear: to help and inspire as many people as possible.

First of all I want to thank my wife, Marlies. Without her help and support this book would never have seen the light of day. For over six months, I wrote every single day, and even though she was pregnant with our second child, she gave me all the time I needed to write and took care of everything. Marlies, you're a very special person and I'm the luckiest man alive to be able to call you my wife.

The second person I would like to thank is Sandra Britsemmer, my publisher. She was the first one to put their trust in me.

I want to express my immense gratitude to my editor, Danny Guinan, who helped me write this book from start to finish. Keeping my Dungleish (Dutch/English) under control was no doubt an interesting challenge and I'm humbled and proud of how you managed to respect my voice while turning everything into better English at the same time.

Last, but not least, Daphne Tideman, who diligently and graciously provided feedback on the first complete version of the manuscript. I'm very impressed by what you've achieved and honored that we're still working together.

My biggest thanks is to the people who have placed their trust in me down through the years. Those who supported me when I went to China, quit my job at KPMG, and sold my growth hacking agency, including Simon, Paul, Roy, Jurrian, Daphne and many others who have helped me along the way.

The people who helped me when I was unsuccessful have a special place in my heart. It's easy to help someone when they already have traction, but being there for someone no matter what, that is what more entrepreneurs need.

I want you to know that there will never be a better time to follow your dreams than today. I hope this book will prove to be a source of inspiration and that I have made the leap towards your goals a little bit easier. You can do it!

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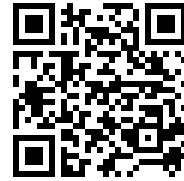
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