

The Scaleup Toolkit

Freeing Yourself to
Build a Valuable Company



Working on your business, not in your business



It's hard to make long-term strategic decisions when your focus is on the day-to-day challenges of sales and client delivery. What you do as CEO today will change the future profitability, resilience and value of your company.

Growth is a fundamental driver for every entrepreneur, but adding products instinctively in response to market feedback is not the same as building a valuable (and sellable) company. The fact that you're great at launching products will eventually become a weakness unless you take a step back and create a plan that guarantees your business works independently of your efforts.

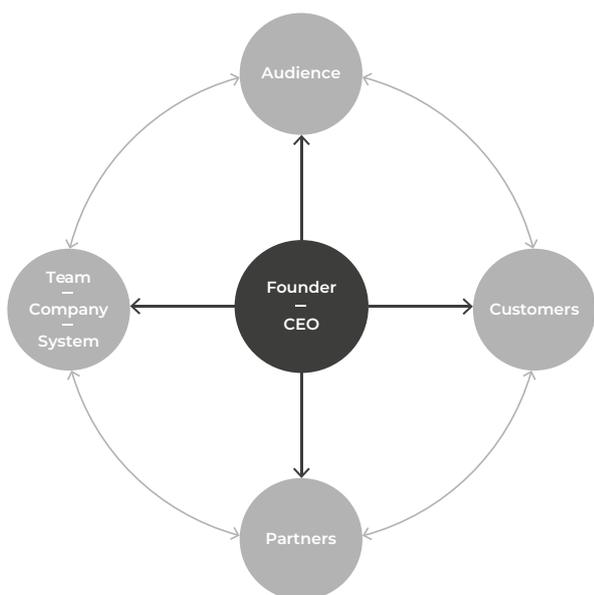
Here's what can happen when entrepreneurs don't step away from the frontline and plan for growth:

- Missing or misjudging opportunities
- Churning valuable customers
- Eroding market or audience share
- Weakening brand value or reputation
- Losing talented and engaged team members
- Offering misaligned value propositions
- Burning out
- Business failure

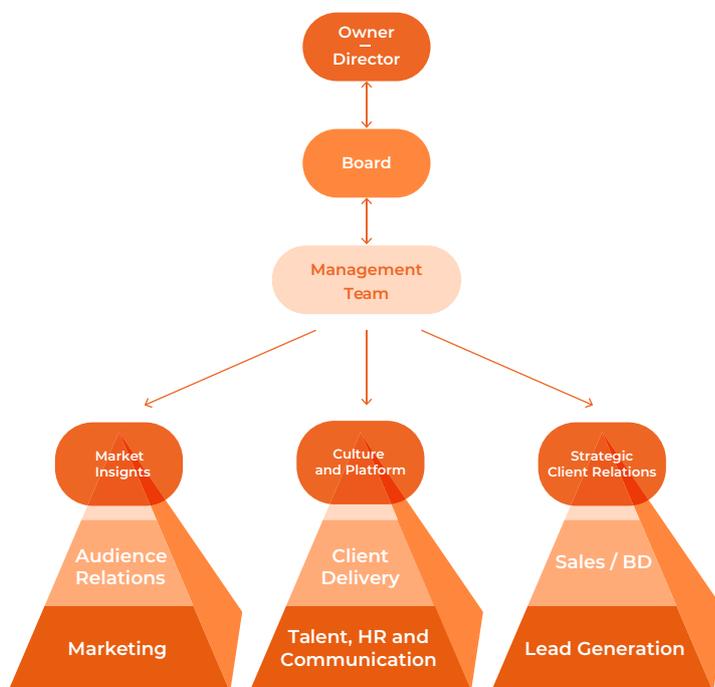
This Briefing Paper offers advice on how to avoid running up against your own limitations, break free of the day-to-day and build value in your company.

Delegate, Replicate, Extricate

Progressing the Founder/CEO Role



Working **in** your business



Working **on** your business

Warning Signs: when structured scaleup planning becomes urgent

Growth comes quickly to good businesses: a well-deserved reward for strong, customer-focused products and relentless hard work. But after that initial success, many entrepreneurs see their company's progress stall and find themselves facing a long list of challenges typical of growth without a structured, integrated business plan.

If you are facing any of the challenges below, it's time to get serious about planning your scaleup.



When you're losing customers and market share

There are many reasons why customers stop paying a business money or attention. Most have to do with the company no longer being close enough to the market - not listening to customers carefully; not watching competitors closely. A lack of discipline around product development and pricing often lies at the root: you may not be considering the true potential of your products, or underselling your core value proposition. Rethinking and developing your core products is the first step to becoming a successful scaleup business.

When your sales have hit a glass ceiling

When sales growth stalls, it's likely that your sales operation is no longer fit for purpose. A structured formal sales development process will prevent over-reliance on relationship-based sales that relegate your value proposition and ignore evolving customer needs. It's possible those relationships have become transactional rather than strategic, with your sales staff working as account managers instead of business development people. Focus on sales leadership, reporting and forecasting will restart growth.

When you're losing good people

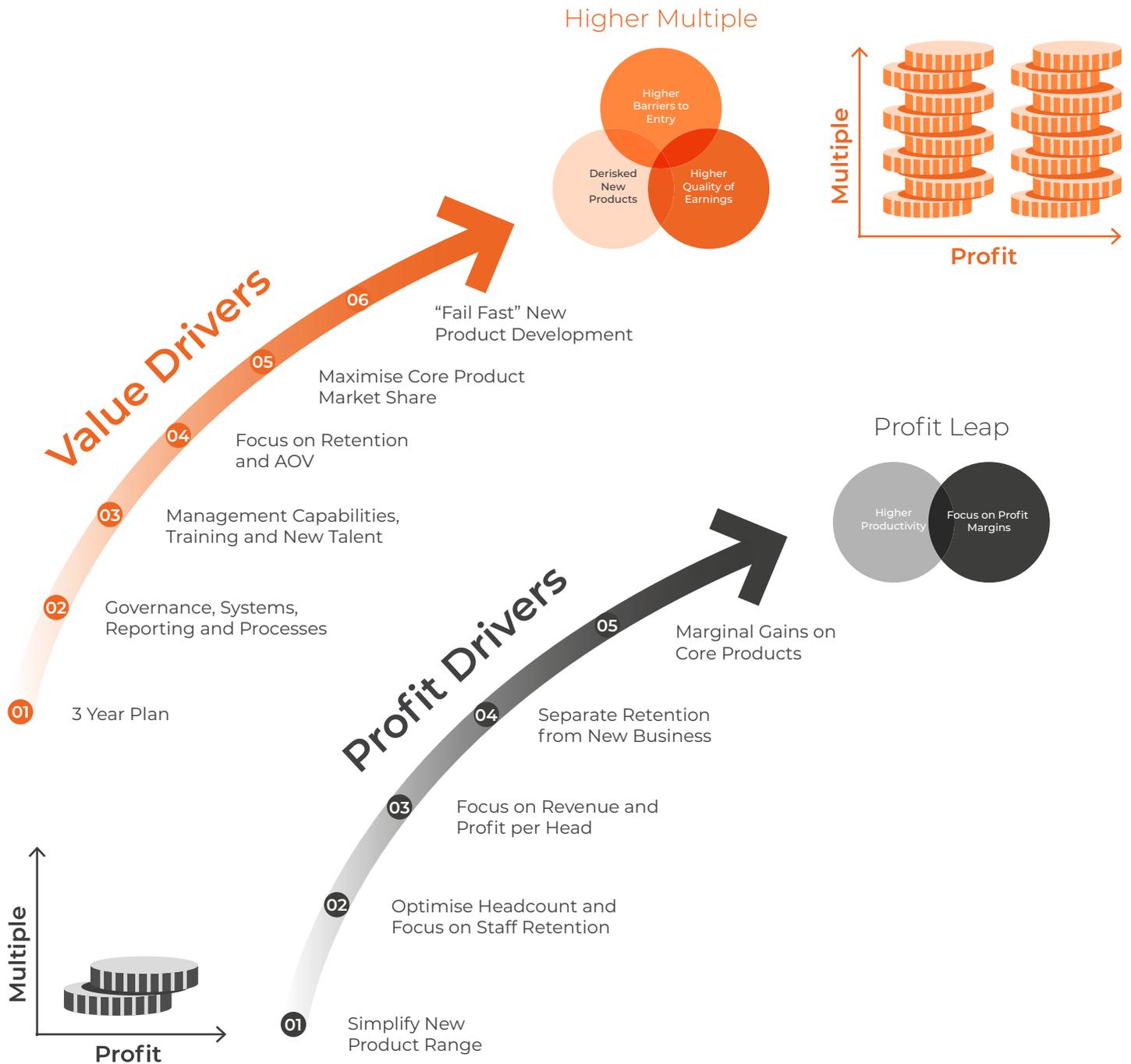
High performers typically leave a business when it's difficult to see a clear development path. They may feel overstretched because you, like many entrepreneurs, are addicted to new product launches, or are unwilling to 'ditch' underperforming products. A structured growth plan with predictable paths for personal development will restore your staff's faith in their future with you. Hiring based on company culture and values, and with progression plans for key leaders, is essential to achieving scale.

When you are too busy for business planning

If you're head down every day, only concerned with keeping the plates spinning, business planning is reactive at best. Decision-making on the fly can mean missing important market opportunities or worse, lead you to invest in projects that add no value to your business. The only way to get ahead of the day-to-day challenges of survival is to make the time to create a forward path for your company.

The Three Year Value Leap

Focus on the Drivers of Value



The Five Foundations of successful scaleups

03

When startup strengths become scaleup weaknesses

When you started your business, it's very likely that you played to your strengths: research, product, sales or community-building. But as your business grows, it becomes hard to balance the company: for example, a narrow focus on research and content can distract from the hard but essential work of building a predictable and scalable sales operation.

Build your Scaleup Toolkit



Strategy and Business Planning



3 Year Plan
Market Share
Strategy



Building Valuable Products



Key Product
Development Plan
and Process



Sales, Marketing and Retention



Audience and
Client Insights
Go-To-Market Plan



People, Process and Culture



Long Term Vision
Values Scoring
Governance Plan



Finance and Forecasting



Forecast Model
Reporting Rhythm

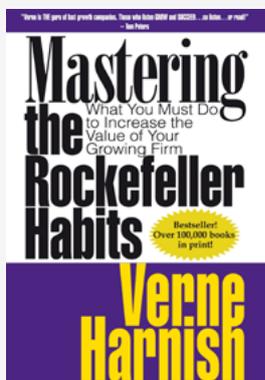
The Scaleup Toolkit

Broccoli and push ups

In order to scale your company, you'll need to build strong foundations in the areas that don't necessarily come easily to you:

- Sales and marketing
- Structured data-led decision-making
- Regular financial reporting and forecasting
- Team capabilities and development

These are the “broccoli and push ups” of successful entrepreneurs: you don't want to do them, but you know they'll make you fitter, and you're always proud of doing them afterwards!



Mastering the Rockefeller Habits

Our top takeaways:

- Systems and process from the beginning before complexity runs away from you as you grow
- Get the right people doing the right things
- Organisational alignment using quarterly themes and top 5 / top 1 of 5 priorities

See our full recommended reading list at the end of this paper

Troubleshooting

Common Scaleup Problems

We've hit a glass ceiling with our main product

Either your product is too narrowly-focused, and your team needs to analyse adjacent sectors and customer profiles or your market penetration is too low and you need to focus on bellwether accounts.

Either way, put your key product through a development process based on audience insights, market sizing and competitor analysis to go for a bigger prize.

We don't have the margins/profit to invest and grow the company

Review your margins - at gross and net level - to see where the gaps are. Focus on the products that drive the biggest contribution and ask yourself the hard question: Why are you still working on marginal products? If you put more resources (people and financial) on your leading products would you increase your margins, profits, and your ability to invest for growth?

I don't have time to work on the business - there's too much happening day to day

This is normal in your launch year, but if it's a major problem in year three or later, it is likely that you haven't focused enough on the capabilities of your management team. You might not have the right people in leadership positions or you might not be delegating enough.

Create an org chart for three years' time, in which you don't have any frontline responsibilities but work instead on strategy, forecasting, major business development initiatives, people and processes. Then work back to your current org chart and review the roles you need, and whether you have the right people in them.

We're struggling to incentivise our sales team and they are missing their targets

Conduct a SWOT to see if the problem is really your people; it could be the processes they follow or the product they're selling. If it's the people, dig into why. Is it their motivation or is it their abilities? Do they need more training? How can you support them to achieve their goals?

Don't jump to the conclusion that more money will solve everything; focus on intrinsic motivators before you worry about commission. Investigate the targets themselves; were they based on data that combines past sales-performance with market dynamics and realistic growth ambitions, or top-down dreaming?

Troubleshooting

Common Scaleup Problems

We aren't getting enough from key accounts, and my sales team say we are maxing out

Many smaller businesses have 'hunters' who spend too much time farming, and nobody who has the skills or the desire to build key-account engagement and spend. Specialise your sales teams and split new business from key accounts.

Make sure you are focussed on the right key accounts - those with long-term reliance on your sector and the scale and need to support strategic spend. Key account growth is a team sport: Develop CEO-CEO relationships in the organisations you are targeting.

Shift mindset from percentage growth to quantum. Ask, "How do I increase spend from 10k to 100k over time". Carry out detailed competitor analysis - across all media not just direct competitors - to understand real spend in the market.

We've got so many great ideas, and we don't know where to start

Don't be distracted by every shiny new thing that comes along. Ask, 'Will this get us to where we want to be, faster?'. If you were given £100k to spend on your business, where would you spend it? New products or upgrading your IT infrastructure don't always deliver the biggest return.

Focus on your core product and maximising the addressable market first. Then take a step back and rationalise the business case for each new idea. Define and distill your vision into a three-year plan. If the ideas don't support the plan, then don't support the ideas.

Our biggest accounts are churning or reducing spend, and we don't know why

This is usually a sign of an unknown or underestimated competitor, possibly a broader-based business that's competing for share of wallet and market share. Talk to key clients with a "blank sheet of paper" about where they're really spending their money and why.

The sales experience drives 60% of B2B customer loyalty. Review how you approach large organisations and consider a dedicated client-success and account management function. Assess your business KPIs - make retention, growth and customer satisfaction core to the way you measure and reward your teams.



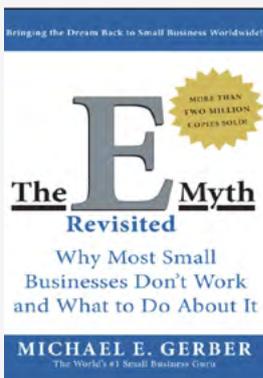
Making it happen: engaging Scaleup Stakeholders



What's keeping you up at night is what your team should prioritise in the morning

Many entrepreneurs equate ownership with responsibility: the buck stops with me, so I need to keep control of strategy and planning. But that's the wrong way round. To be a successful business owner you need delegated decision-making, customer- and team-led business planning and a culture of empowerment and innovation.

And as the CEO, there shouldn't be any one function - not even vision-making or strategy - that is solely your responsibility. Ask yourself: Can your business operate for one month without you being there? If not, how can you make it happen within six or even 12 months?



The E Myth

Our top takeaways:

- Work on your business, not in your business
- Use checklists for every function
- Be an entrepreneur, not a technician or salesperson

See our full recommended reading list at the end of this paper

The best strategy for your business is in the heads of your customers, team and stakeholders. It's all about how you discover and structure that wisdom.

Customers

It's impossible to scale your business if you are not close enough to your markets. You need a deep understanding of your customers' pains and gains to move on from transactional or relationship selling and create an impactful value proposition. Rigorous customer profiling and market analysis will power the evolution of your product roadmap, address real-world customer needs and build the trust in your brand that underpins all your scaleup efforts.

Team members

Without quality people to deliver on your company's vision and mission, growth will eventually stall. To allow you to work on your business, you need people working effectively in your business, doing the nitty gritty work of delivering on customer promises. A fully engaged team will make it easier for you to focus on the strategic rather than day-to-day management of your company, carrying out the tasks and providing the feedback that will take your scaleup plans forward.

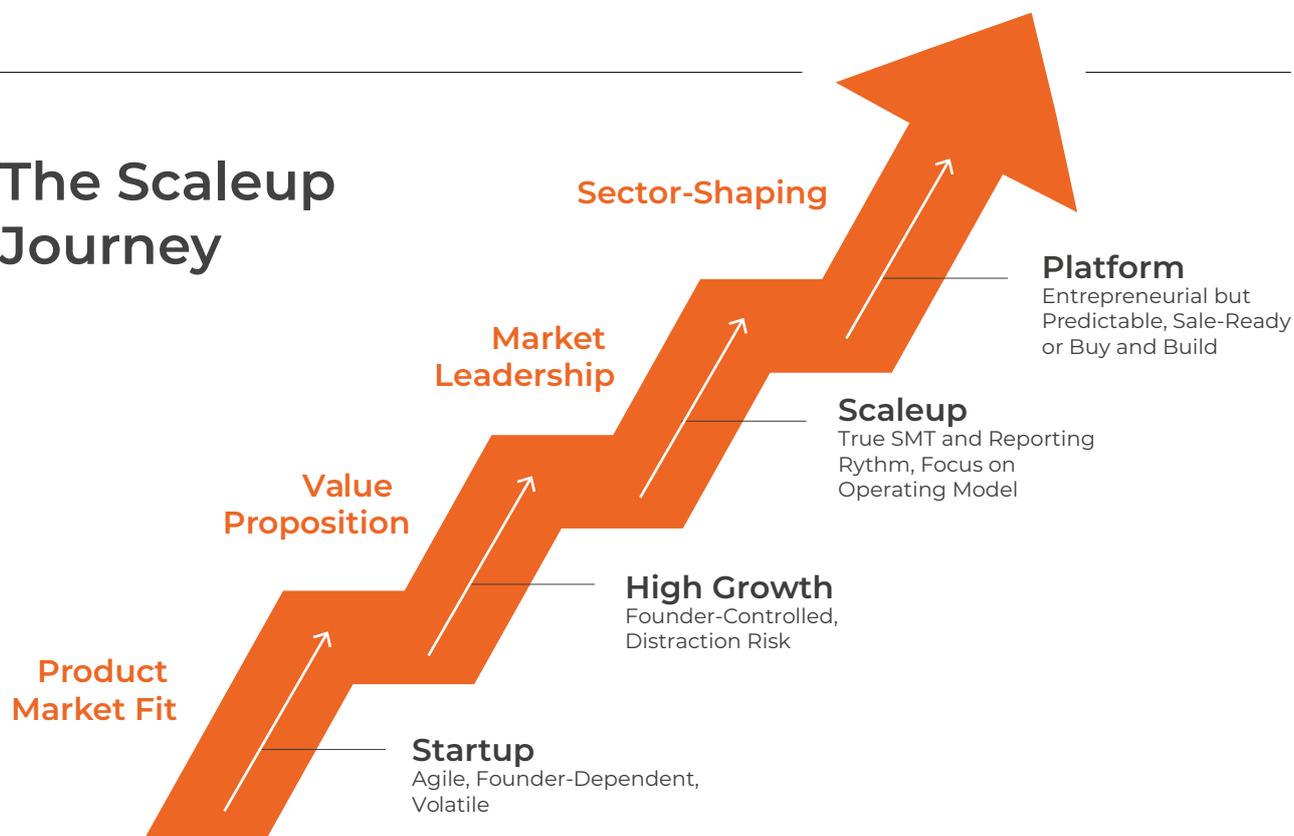
Board and senior management

A strong board will bring you objectivity, and help you to create a structured decision-making process. They will offer long-term strategic advice, helping create and carry out your vision and mission. The experience and skills of senior people will complement yours, avoiding the risk that personal weaknesses become company weaknesses. And the discipline of regular board and senior management meetings will bring resilience and consistency to your decision making processes.

External advisers

The commitment of insiders is crucial to the success of any scaleup project. But, equally, honest, unsentimental advice from professional advisers is invaluable in helping you develop a structured, fully integrated scaleup plan. The best advisers understand what it means to launch, grow, scale and exit a company like yours. They bring tried-and-tested strategies, skills and tools that will help you develop and deliver on your scaleup action plan and maximise value.

The Scaleup Journey



Making it happen: building your Scaleup Business Plan

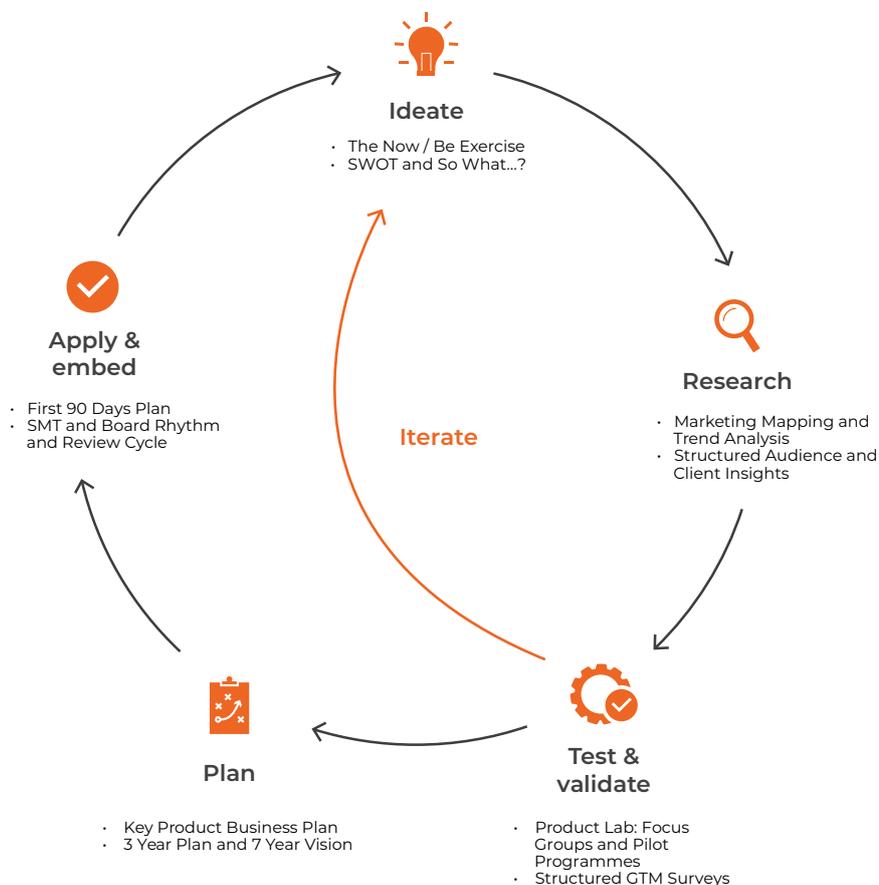
05

We've talked to hundreds of entrepreneurs about this problem, and the message is clear. Even for entrepreneurs who've held senior roles in other companies before they start their first business, it's planning that is the first thing to go.

But business planning is not an abstract, standalone task: it's the discipline of bringing together all the expertise and work streams in your business into a single, shared challenge and opportunity. Then revisiting and updating it regularly through a good meeting rhythm.

(See our recommended reading list at the end of this paper - Mastering The Rockefeller Habits gives a great way to do this).

Effective Business Planning Catalyses Change



Components of a great business plan

A great business plan provides the building blocks for a profitable, resilient and scalable company. The plan considers your markets and lays out your market positioning and value proposition. Detailed competitor analysis with company and product SWOTs identify and fix brand and value drivers, supporting a focused go-to-market strategy. And robust operational and financial planning position your company for sustainable growth and value creation.

01

Market leading products

Market leadership comes from customer-led product development. Once you put the customer's voice at the heart of your business, your audience insights will lead you to a place of brand and thought leadership. The other components of market leadership are market share and share of wallet, especially from bellwether / tier 1 customers.

02

Structured sales and marketing

Scalable sales and marketing operations focus on sales leadership and management capabilities, integrating sales reporting with financial forecasting through flow, productivity and performance dashboards. Combine marketing and sales planning to build a marketing-led culture ready for digital transformation.

03

Customer success

A baked-in focus on customer success forces you to consider customer retention and quality of earnings. Conducting regular competitor analysis sets you up to build a key-account plan reflecting 'whole of market' spend. Keeping close to customers and markets drives product evolution and builds the brand value that underpins all your scaleup efforts.

04

Independent teams

You need people to deliver vision; proper planning identifies skills and capability gaps within your company and supports talent acquisition. Develop progression and development plans for key managers, a leadership succession plan and an organisation chart without you in it. Implement a professional board and reporting structure to ensure a robust decision-making process.

05

Data-driven decisions

A robust business planning process will lead you to improve your reporting dashboards and make your business KPI-led. Where it was OK to fly by the seat of your pants through launch, scalable businesses need to validate their decisions, across the business, with data.

06

Robust financial governance

Focused business planning drives structured, accurate, monthly financial reporting that will mitigate the risks to sustainable profit growth. It will ensure not only that your company is generating cash flow, but that it has the quality of earnings to sustain and grow cash flow over both the medium and long term.

07

Delegation

The plan should ensure the bulk of the frontline work in your business is delegated. This allows you to focus and motivate your management team around a clear strategy and improve decision making across the organisation by involving key team members in forecasting and performance reporting.

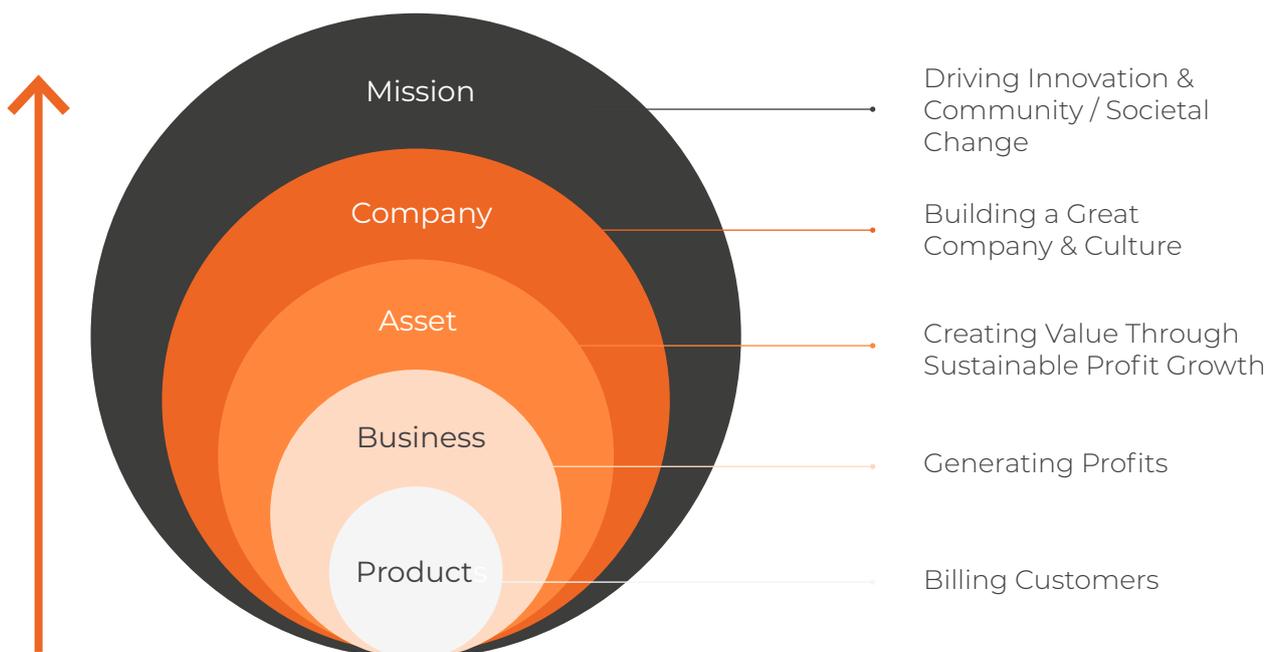
What you're really building is a great company

06

As a Founder/CEO, you're really building four layers of value. The most profound role you'll play is as a company-builder, creating intrinsic value for your customers, team, community and potentially at a societal level. Inevitably, this will mean learning new skills and challenging yourself to change as a person. But it's what you'll look back on and remember.



Your business is not just a source of cashflow or enterprise value



How we can help: Introducing Crescent

Crescent is a multi-year scaleup and value creation programme for people like you; Founders and CEOs of early stage and smaller media businesses. Using a proven and applied advisory methodology developed since 2006, we understand your challenges, and help you to scale your business, avoid failure and maximise value.



Setting Goals

I want to set meaningful goals, but its hard when I don't know what 'good' looks like



Strategy

I know I need to reflect on strategy, but taking a step back is impossible when I'm stuck in the day-to-day



Time Limits

I'm shooting for growth but managing and maximising sales takes more time than I've got available



Organisation

I know we'd benefit from good systems and process, but operational change is a slog



Your Customers' Needs

I know we need to keep pace with our changing customers' needs, but figuring out what that means for our products is a constant challenge



Recruitment

I want to acquire talent, but I'm wasting money on hiring the wrong people, and I'm not sure they're even the right roles

Scaleup Programmes to Match Your Scale

As your company grows, you'll need a unique set of strategies, skills and tools.

The Crescent programme provides you with the tools and solutions that matter to your business today, and tomorrow. You will also be embedding best practice into your business, this isn't about theory, it's about actionable advice that really makes a difference.

Build

Structure and Strategy

-  For companies who want to nail the fundamentals of a single product line.
-  Gives you the commercial tools and advice to build your business plan around a robust value proposition.

Accelerate

Planning and Performance

-  For companies who want to win market share with their core products.
-  Helps you to develop market-leading products, embed a performance culture and scale sales and marketing.



Our recommended reading list

Title	Author	Synopsis
Mastering The Rockefeller Habits	Verne Harnish	Uncover how a few companies make it and why the rest don't. Getting systems and processes right, the importance of getting the right people doing the right things, and ensuring organisational alignment are among the core themes explored.
The E Myth	Michael Gerber	Why most small businesses don't work and what to do about it - dispelling the myths about starting your own business, drawing the distinction between working on your business and working in your business, and how a simple checklist can be so transformative when used properly.
Traction	Gino Wickman	Learn the secrets of strengthening the six key components of your business, discover simple yet powerful ways to run your company that will give you and your leadership team more focus, more growth, and more enjoyment.
The Tipping Point	Malcolm Gladwell	This book explores that magic moment when ideas, trends and social behaviour cross a threshold, tip and spread like wildfire. The tipping point phenomenon changes the way people sell products and disseminate ideas.
The Challenger Sale	Matthew Dixon and Brent Adamson	Really powerful methodology for how to take control of the customer conversation: don't just build relationships with customers - challenge them.
Testing Business Ideas	David J. Bland and Alexander Osterwalder	7 out of 10 new products fail to deliver on expectations - it's the fallacy of chasing the shiny new thing. This practical guide contains a library of hands-on techniques for rapidly testing new business ideas to reduce the risk and increase the likelihood of success.
The Hard Thing About Hard Things	Ben Horowitz	A staple for any entrepreneur building and running their company when there are no easy answers. Advice on building and running a startup, analysing the problems that confront leaders every day.
The Lean Startup	Eric Ries	How constant innovation creates radically successful businesses: learning what your customers want, testing your vision constantly, adapting and adjusting.
Zero to One	Peter Thiel and Blake Masters	Notes for startups on how to build the future: unless they invest in the difficult task of creating something new, companies will fail in the future no matter how big their profits remain today.
Thinking Fast and Slow	Daniel Kahneman	From the winner of the Nobel Prize for Economics, this book gives you practical techniques for slower, smarter thinking to enable you to make better decisions at work, at home, and in everything you do.

Find out more about how we can help you
scaleup and create value in your business

