

Doubling Your Revenue Every Year

By Nitin Khanna

Revenue and profits are, of course, the lifeblood of any business. One of the primary goals for entrepreneurs when they start a company is to get to a sustainable level of revenues and to get to profitability. Once those goals are reached, however, revenue growth becomes a prime imperative for most entrepreneurs, especially those hoping to raise capital or sell their company some day. How fast you can grow your revenues is a function of your industry, your products, and your sales management and sales force. However, how fast you grow your revenues is also highly dependent on your sales philosophy and how much time and energy you as the founder/CEO you put into focusing on it and evangelizing revenue growth inside your company to all employees, whether they are in sales or not.

Revenue growth is a key imperative for reasons that go far beyond excellent financial performance. Employees, clients, and all other stakeholders benefit immensely from healthy annual increases in sales. Employees who join growth companies expect to put in a lot of themselves in return for getting a lot. And one of the key things they are looking to get back is increased responsibility and career growth and there is no way to do that in a company that is not growing. A growing company keeps the best employees more because of the enjoyment that comes from the success and the personal growth than the pure financial rewards. In the same way, as you grow your company at a good pace you can offer better and more services, as well as providing more stability and confidence, to your clients. Your vendors and suppliers are happier to work with you and of course you and your financial stakeholders both benefit from the success as well as realize the value of continuing to invest in the business.

So having established that revenue growth creates a virtuous cycle inside your company and it is something every exit minded entrepreneur is looking for anyway to increase the value of the company, how do you go about doing it? I have found that a philosophy that works very well in order to enable high revenue growth is the “Double Your Revenue Every Year” philosophy. This philosophy essentially calls for you to plan for, invest in, and otherwise structure your organization to find a way to grow 100% each year. It’s a provocative thought and there are several reasons we can find for not wanting to do it or being unable to do it. Time, money, salesforce ability, sales geographies, ability for product or service to scale are all common and completely understandable reasons to try and resist this philosophy. However, implemented correctly this approach will lead to considerably higher sales growth than otherwise because the whole organization will be so focused on planning for and accomplishing the goal.

With doubling your revenue as your goal there will be many other benefits to your company. You will build earlier and better relationships with your bankers and financiers so you don’t run out of capital if the growth does materialize. You will hire the best people you can to support this growth. You will focus hard on making your processes as productive and efficient as possible so that you can scale. You will professionalize your salesforce and sales management and marketing efforts in order to reach this goal. You will exhort everybody in your company to assist and help with sales efforts and will emphasize growing existing accounts as much as getting new accounts. You will begin the process of strategizing about inorganic growth through acquisition earlier in the life of your company. And all of these things create huge amounts of value for your company whether you hit your 100% growth goal or not. And if you only achieve half your goal you would have still grown by 50%. Which is much faster growth than targeting 20% and beating that number handily.

I hope I have been able to establish the two virtuous cycles that accrue to you and your company by focusing on revenue growth and then focusing on a very high level of revenue growth. So what are the actual tactics that can help accomplish this strategy? Here are ten thoughts that form the backbone of this philosophy and can be customized to your particular situation. Using the techniques below we grew our previous company Saber from zero to over \$120MM in sales in less than ten years. In the last three years of the company before we sold it our revenues were \$24MM, \$55MM, and \$125MM. And employees loved working there. And clients loved working with us and referring us to other clients. And that led to even faster growth.

So, with no further ado, here are our sales tactics for trying to double your revenue every year.

You are the head of sales. Through training, motivation, and a hunger for learning make yourself as CEO/founder the head of sales. Nobody will ever articulate your message with the vision and clarity you can. Nobody will ever know your product as well as you do.

Love to sell. Teach yourself how to love selling. You are solving somebody's problems through your solutions. What's not to love?

Make doubling revenue a strategic goal. Set the goal and work backwards on figuring out how to achieve it.

Put the resources and tactics in place to ensure that the strategy succeeds. Break the goal down into small, discrete, manageable tasks that can be tracked and reported on each week. Don't just hold sales calls every week and let the results fall where they may.

Expect mistakes in sales hires. These are the hardest hires you will make. You will feel that they are a lifeline and you will feel pressure to overpay what you feel are good salespeople. Don't. Keep your pipeline constantly full of good salespeople and terminate as soon as your gut knows the salesperson is not effective. Terminate for faults in process and skill rather than because they miss their number in a particular quarter.

Focus as much on growing accounts as you do on getting new accounts. Which means you also need to focus on delivering a delightful customer experience.

Every employee is a salesperson. Your company is experienced by your customer much more through your non-sales employees than through you. How they dress, behave, talk, and generally carry themselves is a reflection on you and your company. Don't shy away from the hard and necessary discussions with your employees. Send them all through sales training if you have to.

As you grow bigger think about inorganic growth as part of your growth plans.

Too many companies only think of sales growth as coming through organic activities. Big companies don't think that way. Corporate and business development includes both inorganic and organic growth. Which also means you need to think about capital needs about 12-18 months before you need the capital. Have great relationships with your banker. Invest as much time with them as with your best customer.

Pat yourself on the back even if you miss your goal by 50%. Hey, you've still grown by 50%. And what's bad about that? If, instead you set your goal of growing by 25% and beat that by 25% you've only grown 37.5%. Set a big hairy audacious goal.

Are you happy? If you're not and doubling every year is not your deal, set your own path.