

Annual Planning

Step 1 Establish Fact Base

EVALUATE YOUR FIRM TO GUIDE FUTURE PLANNING

Knowing how your company's performance compares against its KPIs is key to knowing what bets to place for the coming year. Use leading and lagging indicators to establish the fact base and identify potential areas where you can create value to make your number.

Agile is NOT a Growth Strategy

Making your quarterly and annual revenue number will not happen if you don't take a focused approach to growth

HOW TO COLLECT DATA AND ESTABLISH THE FACT BASE

Revenue Operations should lead the collection of data to establish the company's fact base as the foundation of the annual revenue planning process. Start by looking at metrics in key areas:

01

Sales & Marketing Productivity:

- Sales rep productivity expressed in terms of new business bookings/revenue, # new deals, and existing bookings/revenue

02

Sales & Marketing Plan:

- Organizational structure, quotas, compensation, talent
- Revenue plan - Renewals, upsell, cross-sell, churn, potential, lead generation/ MOL generation to achieve plan

03

Marketing Positioning:

- Market growth rate, economic outlook by sector
- Client size, deal size, deal profile, single product deals, multi-product penetration compared to competition

04

Revenue Growth :

- Revenue goals by product line
- Revenue goals by geography

05

Customer & Prospects:

- Potential by market
- New markets

Next, look at leading and lagging indicators to figure out how to drive improvement:

	Key Performance Indicator	SBI Benchmarks (<i>general guidelines – results will vary by industry, lifecycle, etc</i>)	Possible Reasons Not Performing to Benchmark
Leading Indicators	% Revenue Invested in Sales & Marketing	<ul style="list-style-type: none"> • 20-25% Sales • 3-5% Marketing 	<p>Too High: Review S&M efficiency</p> <p>Too Low: Evaluate areas to invest</p>
	Sales Representative Turnover	<ul style="list-style-type: none"> • 15-20% 	<p>Too High: Look at performance conditions</p> <p>Too Low: Evaluate Talent</p>
Lagging Indicators	Quota Attainment by Representative	<ul style="list-style-type: none"> • 60-70% 	<p>Too High: Quotas possibly too low</p> <p>Too Low: Assess performance conditions</p>
	Win Rate	<ul style="list-style-type: none"> • 25-30% Win Rate for New Logos • 60-70% Win Rate for Expansion Sales 	<p>Too High: Possibly pursuing too few opportunities</p> <p>Too Low: Misaligned sales process</p>

WHY SBI?

Driven by insights and delivered from experience, SBI continues to help clients grow their revenue, margin and enterprise value in ways never before possible. Working with us, leaders can expect confidence and trust with experienced partners every step of the way. We engage and support our clients as an extension of their team, both guiding and working side-by-side to deliver relatable, practical strategies that work for today and tomorrow.

Connect with SBI today and talk to us about how we can help you on your growth journey.

Learn more: sbigrowth.com/annual-growth-planning



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Contact Us:

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