

LEADERSHIP PRIORITIES FOR YOUR GROWTH STAGE

Companies experience a unique set of challenges during their various growth stages. From inception to maturity, business leaders' priorities for the company change throughout its lifecycle.

1 SEED & DEVELOPMENT

BUSINESS LEADERS' NEEDS AT THIS STAGE INCLUDE:

Gathering feedback about business potential from family, friends, colleagues, and industry influencers.

Matching the business opportunity with skills and expertise, and developing a business plan accordingly.

Choosing an ownership structure for the business by evaluating the potential risks and liabilities of the product or service and company as a whole.

Ensuring scalability of the product or service by researching and developing a modular architecture for the business, in which the company can fluidly interchange or add components without impacting the rest of the structure.

Seeking funding from friends and family, seed-stage "super angels," startup incubators, micro-venture capital firms, a genesis venture capital round, business accelerator funding, and corporate seed funds for startups.

The seed and development stage is critical, and entrepreneurs must consider the feasibility of their businesses and evaluate if they are equipped to succeed.



\$14.94BN

was invested in seed stage deals in 2018, up more than 50% from 2017



\$40MM

the average size of a seed fund in 2018, up more than 20% from 2017



~2X

the factor by which startup companies with 50-year-old founders are more likely than 30-year-olds to have a "runaway success"

2 STARTUP

BUSINESS LEADERS' NEEDS AT THIS STAGE INCLUDE:

Securing investments from outside sources to develop a sellable, scalable product or service.

Enhancing strategic capabilities, such as business or operations support systems, automation tools, system management, and commerce platforms.

Building a small, scalable team to assist with product, sales, and administrative operations.

Applying marketing and sales strategies focused on customer acquisition, tracking key metrics such as the number of customers and subscriptions per customers.

Consulting mentor and investment connections to assess the performance of the business and balance longer-term economics with short-term profitability.

The company's first phase of operation is its riskiest stage in its lifecycle, with its main goal being survival. At this point in the company lifespan, the owner is still responsible for most hands-on operations in the business.



~95%

of founders think now is a good time to start a company, with nearly 23% believing they are building a billion-dollar organization



17%

of founders said their startups failed because they went to market with a product that wasn't good enough

3 GROWTH & ESTABLISHMENT

BUSINESS LEADERS' NEEDS AT THIS STAGE INCLUDE:

Seeking out strategic partnerships to drive customer-base growth and strong renewal rates.

Developing an agile budgeting and billing system that accommodates pricing model changes.

Enriching customer experience by investing in product architecture, design, marketing, and user interface.

Constructing sales compensation structure to incentivize and retain top sales talent.

Creating a long-term plan for the business focused on customer retention and recurring revenues.

At the growth stage, the company has established customer and market demand, scaled customers and revenues, and assembled a team. The company must focus on retaining customers, driving growth, and creating a long-term plan for the business.



50-75%

the amount of annual recurring revenue companies in the growth stage spend on sales and marketing



89%

of companies view customer experience as a key factor in strengthening customer loyalty and retention

4 MATURITY

BUSINESS LEADERS' NEEDS AT THIS STAGE INCLUDE:

Re-evaluating the company's mission and vision statements to ensure alignment with current direction and goals of the business.

Investing heavily in innovation while staffing top talent in sales force and marketing teams.

Pursuing upselling and cross-selling opportunities with existing customers to increase billings.

Leveraging partnerships to support market growth.

Striving for expansion or selling and exiting the business.

By the time a company reaches maturity, it is more likely to have the support, trust, and funding from its team and investors. Here, the company's focus shifts to explore opportunities to refine its mission and innovate to drive growth.



36%

of mature companies say they have 50 team members or more dedicated to innovation initiatives



27%

of established organizations are using analytics to pursue innovation and disruption, speed to market, or data monetization initiatives

Leaders must take on many roles in the beginning growth stages of the company lifecycle. As the company matures, leadership roles shift from the on-ground responsibilities to overseeing business operations. To ensure success, it is important for leaders to understand each growth stage and prioritize responsibilities in-line with each turn of the business lifecycle.