

\$2 to \$200 Million

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My Story

- Zero to \$2 Billion
- Advisor/mentor/board member
- 150 investments
- 25 exits
- DDE Media

\$2 to \$200,000,000

- 100% growth 6.5 years
- 50% growth 11.5 years
- 25% growth 20 years

Time

- We tend to overestimate what we can do in a day and underestimate what we can do in a decade

Why do businesses

- Grow
- Fail
- What separates them
- How to scale a business – the secrets

Business is simple

- Sales
- Margin
- Expenses
- Cash

Mistake 1

- Too much product management
 - Perfectionism
 - More businesses fail from perfectionism than speed
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- Solution:

Sales and Marketing

- Many tech startups are high on product management and weak on sales
- Sales create informed product decisions

Secret

- Sell then buy
- Not build and hope they will come

Mistake #2

- Wrong pricing
- The meter change business

- Solution

Margin

- Know what your true eventual margin will be
- But challenge assumptions
- Know your monetization strategy

Mistake #3

- Spending too much
- Dress like who you want to be

- Solution

Expenses

- Be frugal
- Impress with substance, product, customer service – not flash
- Spend within current means

Mistake #4

- Not being able to pay your bills

- Solutions:

Cash

- Model and re-model and check assumptions
- Know your cash conversion cycle.
- Spending without funding is dangerous
- Assumption of cash raising is dangerous

To slow growth

- Raise prices slightly
- Take your foot off the marketing/sales pedal and put it on the excellence in implementation button for a while
- Usually, the faster the growth the more fragile the business and the more wasteful/inefficient

Building a scalable model

- Figure out your formula

Failure

- Fail often, fail fast, fail cheap
- Build a failure culture
- Experimental failure

Shotgun first

- Then rifle
- There is a balance between focus and finding the “right way”
- My flaw is more towards lack of focus

Track everything

- Track
- Extrapolate
- Make and test assumptions

AB Test Everything

- Does 4 hours spent calling beat 4 hours spent emailing?
- Does 4 hours at a tradeshow beat 4 hours doing personal calls
- Try red vs blue
- Try morning vs afternoon
- Try \$9.99/month vs \$69/yr

As you build the model

- Document it
- Practice it
- Tweak it

To build a viral model

- Light 1000 fires
- Ideally in parallel (overheads tick)
- Ideally low cost experiments (fail cheap)

Create Urgency

- Sense of urgency wins

Secret - Study

- When I was doing \$5M, I studied what it was going to be like doing \$20M
- When I was doing \$50M, I studied what to do when we were going to do \$100M
- Hint – a lot of it is about what you stop doing

Competitive Advantage

- I like to go to a niche I can dominate

Never Outsource

- A core competency
- Unless you have a better way to spend your time/resource

Outsource or Delegate

- If someone can do the job significantly easier, faster, better or cheaper than you can

Free eBook

- Zero to \$2 Billion – The Marketing and Branding behind the Growth
- Just ask Jo Ann to email it

Questions?