THE COMPREHENSIVE GUIDE
ON PREPARING TO SCALE YOUR BUSINESS

STRAIGHT TALK
consulting

Contents

1. Introduction

Who are we?

Hi, my name is Dan Wheatley and I am CEO/Co-Founder of Straight Talk Consulting. We are a business consultancy that works closely with the founders of organizations to help them achieve product/market fit before transitioning into scalable and repeatable growth.

The unique offering of Straight Talk is our experience and knowledge of the exact steps companies need to take to transition from market fit to scalable and repeatable growth. This means we take a much wider view and oversee work in marketing, operations, sales, and analytics to help founders sidestep common mistakes made when scaling.

Common mistakes startups make when scaling:

- Startups often sell to anyone who will give them money, rather than to a specific niche
- Personas / target clients are not specific or detailed enough. Targeting 'small businesses' is too broad a concept.
- Founders micromanage staff and find it hard to remove themselves from the sales process. Your job is to build the machine not be the machine.
- Founders end up spending all their time working on day-to-day activities rather than on building the business.

Once we implement the necessary processes, we train our clients' teams to gain the necessary knowledge to continue their journey without us.

Who is this guide for?

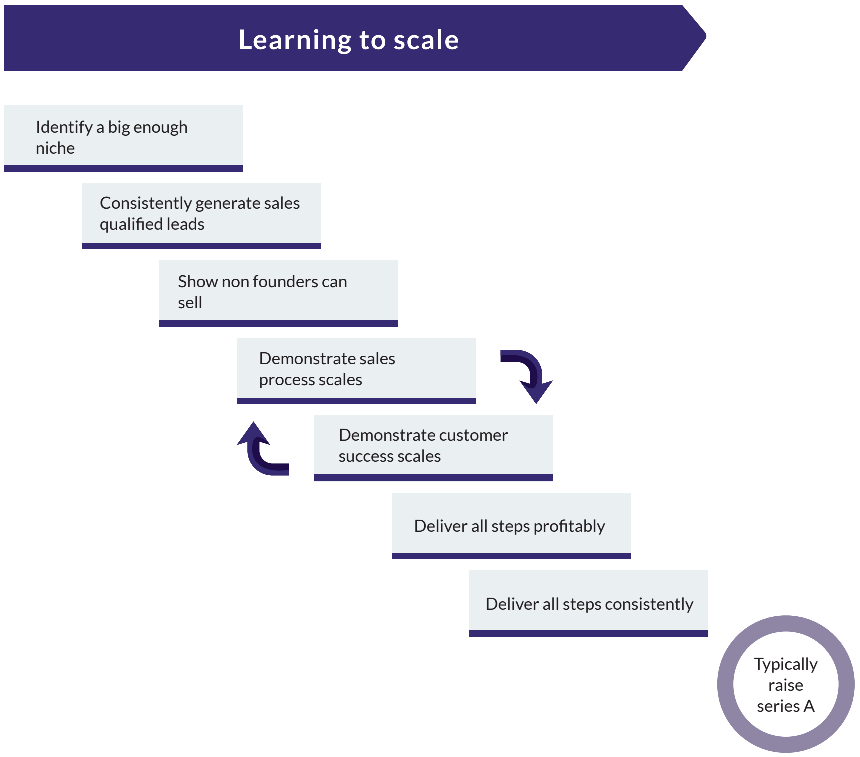
This guide is for founders who have achieved market fit, and are now looking for processes which will allow their business to scale in a repeatable, sustainable way.

What will you learn from this guide?

This guide is all about the period between finding market fit, and scaling your business. Based on our experiences working with dozens of organizations, founders need to first pass through the education step of 'preparing to scale' to ensure they have the right processes in place to scale sustainably.

This clear step-by-step handbook offers actionable advice for founders to learn, prepare, and make that transition to build a robust model for repeatable scalability.

The diagram to the right shows you the steps you must achieve when learning to scale:



Completing this guide will give you all you need to create a pitch deck for your Series A funding round. As you work through the process, record what went wrong, how you fixed it, and what worked like a charm. Pitching the process to investors is invaluable to showing them you can learn from experience, and that your methods are tried and tested.

Tip: *Use the different chapters in this handbook to organize the different slides in your pitch presentation for your Series A round.*

2. How do you know if you have achieved market fit?

Before you get started on this guide, you have to make sure your company is at the right stage. Use this checklist to determine whether you have achieved product/market fit and can therefore get ready to scale client acquisition

- Can you define a problem that your product/service solves.
- Can you demonstrate that your product/service solves this problem
- Can you demonstrate there are customers with this prob lem who will pay for it to be solved.
- Can you demonstrate that your product is delivering value for a specific target consumer/niche?

Think the answer to those questions is yes? Prove it. The only way to really do so is by choosing an indicator that shows your customers are getting value out of your product, then measuring how many customers are hitting that benchmark.

That benchmark is called a **'success metric,'** or 'aha metric.'

You can measure how customers are meeting this metric using a cohort analysis (see below). In the example below, each row shows what percentage of the clients acquired in a specific month achieved the success metric in each of the months following acquisition. You can use analytics software to create templates like these; we like to use Tableau or Looker.

Customers Acquired	Month	1	2	3	4	5	6	7	8	9	10
50	January	3%	27%	33%	37%	40%	39%	44%	45%	52%	55%
50	February	2%	26%	30%	36%	38%	40%	42%	43%	44%	
53	March	3%	27%	34%	40%	43%	46%	49%	53%		
57	April	5%	43%	50%	62%	68%	68%	73%			
60	May	6%	49%	55%	55%	66%	72%				
65	June	3%	38%	52%	68%	77%					
68	July	7%	72%	76%	81%						

Now, it would be great to hit your success metric with all your clients but realistically, you have to start by focusing on improving success with a specific target niche. Otherwise, when you start scaling you risk spreading yourself thin. Therefore, create one of these templates just for your chosen target niche.

Here are some examples of success metrics used by big companies:

- Hubspot: client is using 5 or more features
- Slack: client has sent 2000 team messages
- Dropbox: client has 1 file in 1 folder on 1 device

Ideally, you should see clients reaching the success metric quicker as time progresses. However, not everyone reaches this stage before they start preparing to scale. That is not necessarily a problem, but you need to make sure that you do not actually begin to scale before you have achieved an improving success metric.

Tip: *Founders often focus on churn as their main success metric, but this would be a mistake, as churn is a lagging indicator which takes a number of years to become an accurate metric.*

If enough customers are hitting your success metric, you have proof of your product/market fit.

Now we understand how to assess whether a company has reached market fit, we will work through the steps needed for our company to prepare for scalable growth. The next six steps will outline the challenges new businesses face, explain the key questions founders should ask themselves, and then offer actionable solutions founders can implement.

3. Identify a big enough niche

Problem

As a business you need to have a clear vision of where you are looking to scale to.
The first step in scaling is to nail a single niche. While there is a good chance that your product has use cases in many different niches, it is best to show traction within one niche in your initial scaling period. Once you have successfully scaled in one niche, it will be easier to duplicate the successful strategies in new niches too.

Each niche will have a specific average deal size i.e. enterprise will close bigger deals than small business. You must ensure that the niche is big enough to reach your growth targets both in terms of deal size and number of accounts.

It is no good if there are only 50 companies in your niche for you to sell to and the average deal size is $2K, while your growth target is of $10 million over a certain period. But if there are 50 companies and the average deal size is $500K, that would fit your target.

To drill down on a target niche that's the right size for your business, work through the following questions and corresponding solutions.

Questions

1. What is your niche market?
2. How many potential clients exist in your target region?
3. What is the average deal size of your target consumer?
4. Can you now complete the Persona Creation Template?

Solution

When defining your niche, avoid being vague. You must try to understand as much as possible about your target customers.

To do so, every business should track its customers in detail using an Existing Clients Template. Once you have defined all of your customers you must identify one category to be your chosen niche.

You then have to visualize your customer prototype within that niche - what does your ideal customer need? How do they solve problems? You can put together that ideal persona by completing the Persona Creation Template. That will give you good material in defining your brand, so use it in pitches and to inform staff. Here is an example of a polished Persona Briefing you could share with potential investors and clients.

Once you have locked down your niche, you can calculate the size of your potential market. For that you need to work out 1) the average deal size of your target consumer and 2) the number of potential clients in your market.

That calculation looks like this:

Average deal size of target client × N. of target companies = Potential market size

E.g. $20,000 average deal × 5,000 companies in the US = $100,000,000 potential market

4. Consistently generate sales qualified leads (SQLs)

Problem

Let's talk about lead generation and locking down customers. There are many different ways to bring in leads, from outbound/inbound marketing, to paid ads, to PR.

However, to find a repeatable scaling tactic, founders need to find a way of consistently delivering qualified leads to their sales teams.

Questions

Do you have a defined strategy for generating SQLs?
How are you going to generate those leads consistently?

Solution

You need to perfect your lead generation strategy at this stage, and to do this you have to tailor it to your business and your niche market.

Your entire approach will depend heavily on the average deal size of your target customer.

Big deal sizes

Deal size: Average deal size is $15k or more.

Aim: To generate 4-5 SQLs per month.

Solution: At this early stage, we would recommend outsourcing outbound sales, as you have a small team and this tactic is labour intensive.

Tip: *If you outsource your outbound lead gen efforts, ask your contractors how they hire and train their staff. Make sure they meet your standards.*

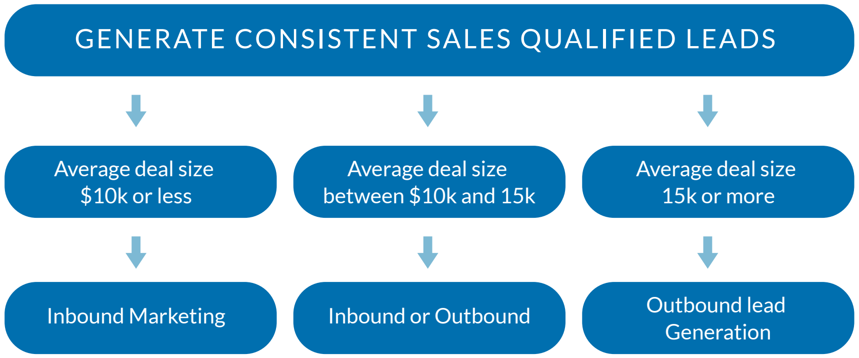
Small deal sizes

Deal size: Average deal size is less than $15k.

Aim: To generate 15-20 SQLs per month.

Solution: Use inbound tactics such as social media marketing, paid media and PR.

Tip: *If your average deal size is between $10k and $15k you can still use outbound tactics, but it is harder to make the strategy profitable.*



Inbound efforts should always aim to generate more leads because they are targeting lower value deals. However, it is less important to focus on the quantity of SQLs at this stage, rather, you should be focusing on the consistent delivery of SQLs. We can get those consistent results by studying your niche market in depth. Tailor your message according to what your niche market is looking for. Set out a methodology and focus on achieving those initial targets. If you can meet those small-level goals, consistently over time, the you have prepared yourself to scale your SQLs.

If you would like a specific strategy for consistent delivery, check out our Blog Post.

You may wonder why we have not included SEO under the inbound tactics. While SEO can increase your traffic and lead generation, it is too slow for a scaling business to rely on as a primary tactic. If you have 18 months of runway there simply is not enough time to wait 12 months in order for SEO to deliver the results you need.

5. Prove non-founders can sell

Problem

In our experience, early-stage startups can often become reliant on ‘founder-based’ sales, as founders start off with the best understanding of the service/product. That means the business struggles to reach a position in which other employees are able to sell consistently by following a clear sales process.

When a company starts hiring sales agents, the first few reps may appear to do a great job. This happens because early hires tend to learn by osmosis from the founders. The problem is that the next hires (4-10) may be much less efficient, as they dont have the same proximity to the founder.

This is a warning sign that your sales process is not developed or documented enough to stand on its own two feet, or that you do not have an efficient training process.

Consider the following.

Questions

1. What sales training are you providing? Is the training process fully documented?
2. Can you define your sales process in clear, actionable steps? Do you have a playbook for each step on the sales funnel?
3. Are you using a customer relationship management (CRM) system?
4. Do you have a sales pipeline set up?
5. Have you set clear metrics to measure effective sales practices?

Solution

To prove that non-founders can consistently sell, founders need to be able to develop a standardized sales process that new hires can follow throughout the sales funnel, with clear guidelines to take them through each stage.

Founders need to think of this as a machine. Sales agents should follow the same structure, ask the same questions at the same parts of the process and have clear metrics in place to show success.

See the following in-depth section for detail on how to improve your sales mechanism.

IN-DEPTH From prospect to client: maximizing your sales process

Define your sales process

Think of sales as a process that is broken down into several key steps. These are unique to any business, but here is a simple example of that step-by-step process:

1. Qualifying call with potential lead
2. Follow-up call with decision makers
3. Demo of your product
4. Proof of concept (POC)
5. Commercial negotiations
6. Closed won / lost

To carry this out you will have to set up a system that your sales team - as well as new sales reps - can follow. That will basically be consolidated into a handbook providing all the information a rep needs to do their job.

For every stage this handbook needs to explain:

- What activities should be happening
- What information the sales rep needs from the lead
- What a perfect call looks like
- What a perfect email looks like
- What the requirements are before a deal can move forward

Tip: *Do not add people into the sales pipeline until they have been qualified. This stops people going from call requested to closed lost if they are not qualified. It keeps your pipeline tidy.*

Create dashboards

Within your sales process you should have clear rules and quotas that people should follow. Dashboards are essential tracking tools that will both help your reps organize their sales process with each lead and show which reps are not meeting quotas. For example, if you want every lead to be contacted a minimum of three times within the first seven days, make sure part of your dashboard tracks outreach per rep.

This dashboard should be shared with everyone in the organization daily to show that there is oversight.

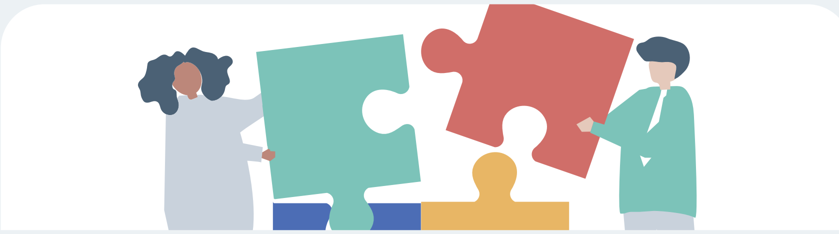
Qualify your leads

Once you have a sales process in place, you need to be efficient in filtering the prospective clients coming in. All your prospects must be qualified in order to become leads or discarded as a bad fit. We are fans of using the 'GPCT' strategy to assess leads: Goals, Plan, Challenges and Timeframe. Each step is explained in the image below.

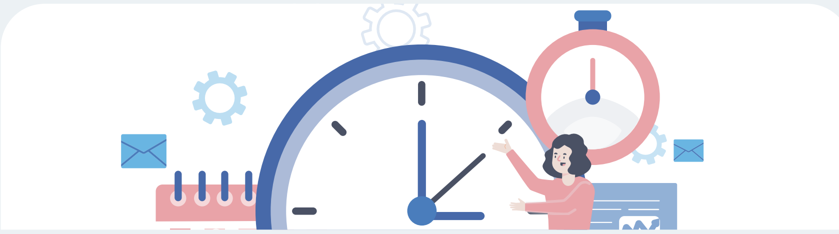
GPCT

Goals: What results does the customer want to achieve? Those results must be quantified. How did the customer come up with those goals? What are the implications for the customer if they are not achieved?

Plan: What is the customer's plan to achieve the goals.



Challenges: What challenges do you face in executing that plan



Timeframe: When do you have to achieve these goals by and why? What happens if you do not achieve the goals in this timeframe?

Define your SQLs

A sales qualified lead (SQL) is a prospect that has been qualified or vetted by the sales team, and a decision has been made that your product or solution is a viable fit for them. They are also capable of purchasing and realizing the value of your product.

In order to focus your sales team's efforts on the leads worth following, you must define your ideal SQL. In that way you have a reference, or even a checklist, against which to qualify potential leads. Use the GPCT technique (above) as a guide when creating your prototype and assessing your leads.

Those specific criteria for qualifying a lead will change from company to company. However, here are some common ones you could use to get started:

The lead...

- has the right job title
- has authority over the company's budget
- has a defined and large enough budget
- articulates certain needs / goals
- has needs / goals your product can solve
- shows interest in your product
- looks like other successful SQLs

6. Demonstrate sales process is scalable

Problem

Lots of founders will find that they are able to create a functioning sales process on a small scale, maybe by trying lots of different tactics in a ‘spray and pray’ manner. Like attending trade shows, leaning on personal relationships, or doing mass email campaigns.

Those strategies may well amass leads, however, founders often find that when they try them to scale them, the process breaks down or drops in quality. Those tactics simply are not scalable.

When searching for repeatable models, founders should focus on strategies that are actionable straight away, and in your control. You can pull different levers and have everything under your control with outbound lead gen or paid ads but less so with tactics like attending trade shows

Questions

Can you demonstrate minor scalability?

Solution

As you try to grow your sales process, what you have to remember is that you have to win small to win big. You have product/market fit, therefore your sales will scale as long as you focus on those minor gains to start - so do not make the same mistakes made by so many founders, and try to sprint before you can walk.

Here are the outbound and inbound sales strategies that can get the ball rolling on those minor but constant gains.

Outbound

Aim to increase your number of Sales Development Reps (SDRs) - if you have one SDR, expand to two or three.

If you are building your own in-house outbound lead gen team, I would suggest employing two people. This will be a litmus test for whether your employee training is working or not, and can eventually handle the pressure of scaling sales. If both SDRs fail to meet metrics, your training/documentation is probably not good enough. If one person does better than the other, it suggests there is a character issue.

If you are outsourcing your outbound lead gen efforts, I would hire one more SDR, as your contractor should have a tried and proven training approach.

Only with a reliable team of SDRs can you now begin to scale your sales.

Tip: *Once you have the outbound strategy working and delivering consistent leads try and increase your average number of SQLs every month. That will prove that the process can take the next step consistently without falling apart. Try and increase your average number of SQLs every month. That will prove that the process can take the next step consistently without falling apart*

Inbound

Do not focus on scaling content creation at this stage. Instead, create specific pieces of content on a particular topic and increase the exposure of these pieces via paid media and PR. With this content, we are really trying to reach leads with problems that need solving, and provide answers to their questions. Our process will guide people through an educational journey that will eventually lead some to the sales pipeline.

Do not obsess over scaling and aggressively pursuing leads in ways that might alienate them. The aim of this inbound strategy is to demonstrate that your lead generation process is effective, and can take the next step.

7. Demonstrate customer success is scalable

Problem

It is very exciting to see growth in lead gen and sales. However, the aim is not just to get people through the door. To keep churn low, we need to ensure that customers are getting value from the product once they are paying customers.

Questions

A) Your team

1. Do you have a customer success team?
2. Is your customer success team judged on contract renewals and referrals?

B) Customer behavior & metrics

3. Are you tracking customers' usage of your product?
4. Do you have a customer success metric? Are you tracking it closely?
5. Do you have actions in place to highlight at risk clients?

C) Actions

6. Do you have actions in place to offer clients upgrade opportunities?
7. Do you have actions in place to offer clients renewals?

Solution

As your sales begin to scale, your customer success must scale too.
This is possibly the most common area where businesses fail once they have regular leads coming in.

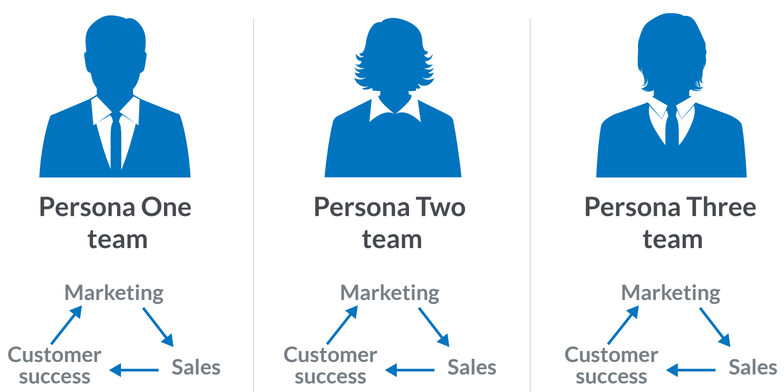
Rather than going in depth on all the different elements of customer success, we are going to provide you with the core concepts that will help your team lay the foundation for success. These concepts are organized into team, metrics, and action plan.

A)
Group your teams

For too long we have thought of team structures as being split into marketing, sales and customer success. When you are small this works fine, but as your business grows it will create friction. Each unit will have their own ideas on the best types of custom ers for the company. This will usually be the type of customer that makes their individual job easier.

Tip: *as you grow marketing, sales and customer success will all have a different idea on the ideal customer and it will be biased towards their job.*

Rather than letting this happen, from day one group your teams by persona type that is suitable for your business. In that way you will form mini-teams for every persona type, each of which will have its own marketing, sales and customer success reps. That persona is all they work on, and the individual team will handle the entire process from start to finish. These teams will end up specializing, developing the best ways to achieve success for their clients.



Skin in the game

It is common for marketing and sales to be measured against key success metrics, but what about customer success? Many organizations forget about tracking and rewarding their customer success teams, so the staff feel like they have little skin in the game.
What if you structured a compensation plan around the churn, renewals and expansion of customers?

This way the teams will have clear metrics with which to monitor their success. They can also be rewarded for achieving them. You can review the results of individual reps to see if - and why - some reps are more successful than others.

B)
Track key customer data

You should be looking for customer data that tells you something about customer success. Like data triggers that indicate your customers are ready to upgrade, that they are close to renewing, or that they are at risk of churning. For this, use the GPCT, which tracks your client's objectives and plan of action. Check it against the data sets that will tell you if that customer's goals have been achieved, or not.

Do not worry about not having rock-solid data to support these triggers. Use what you know about your users to create a hypothesis on what kind of customer data leads to better success rates, then test and measure the results.

Here is one example of a customer data trigger and subsequent hypothesis. If you are a Fintech startup and your customer has reached their benchmark of 100 transfers in six months, even though they have signed a year-long contract, that could mean that they are in the position to upgrade. So to test this hypothesis, you can try offering upgrades to customers who have met their objectives early and measuring the success of this strategy.

We use a spreadsheet to measure the success of each hypothesis. For each customer behavioral trait, it tracks different indicators of success, so you can easily compare which behavior gets the best results. Here is a template you can use.

Experiment	No of Experiment	Connected with	Opportunities	Upgraded account	% upgrade
Example Experiment 1	50	30	20	10	20%
Example Experiment 2	100	50	15	5	5%
TOTAL	**150**	**80**	**35**	**15**	

Tip: *You should be reaching out for renewals 2/3 months before the end of contract.*

Over time, this trial and error strategy will help your customer success teams identify how to reduce churn, improve retention and when to reach out for upgrades.

Success metric

Success metrics are there to help you understand how healthy and happy your customer base is without having to wait for churn metrics. You should remember this from the early stages of this guide: for a business to prove that it has achieved product/market fit, it must show that its customer success metrics are being met consistently.

While this early use shows that you understand product/market fit, once you are preparing to scale you have to ensure that you are not just hitting the success metric, you are getting better and faster at achieving it.

To do this, make sure you are measuring your success metric obsessively with cohort analysis. Track whether 1) more clients are achieving that metric over time, and 2) clients are achieving your success metric faster (which means they will stick around for longer). The snapshot below shows you what this should look like. If you do not see these trends, then there is a problem lurking in your processes that must be addressed before scaling.

Customers Acquired	Month	1	2	3	4	5	6	7	8	9	10
50	January	3%	27%	33%	37%	40%	39%	44%	45%	52%	55%
50	February	2%	26%	30%	36%	38%	40%	42%	43%	44%	
53	March	3%	27%	34%	40%	43%	46%	49%	53%		
57	April	5%	43%	50%	62%	68%	68%	73%			
60	May	6%	49%	55%	55%	66%	72%				
65	June	3%	38%	52%	68%	77%					
68	July	7%	72%	76%	81%						

There are additional metrics you can track if you want to have a wider view of success, such as net promoter score (NPS) and daily, weekly, and monthly active users.

Tip: *As churn is a delayed indicator, problems are often allowed to grow before they become obvious if you are only using this metric.*

C)
Everyone should have a plan

In our section on scaling sales we explained the process of using GPCT (Goals, Plan, Challenges, Timeframe) to qualify prospects. This strategy provides a clear idea of each customer's objectives and resources.

All customer success teams should be accessing and using this information to create a personalized success plan they can implement with the customer. This plan will be informed by the hypotheses your team develops based on customer data (See graph to left), which is why having a detailed data collection system is key.

Your plan should include targeted responses to maximize customer success, or to bring a client back from the brink. If the metrics show that your client is one month away from the end of their one-year contract, and their goals still have not been met, consider offering them a free month-long extension. When clients have seen success, program a time to offer them renewals and upgrade opportunities.

8. Achieve profitability across all steps

Problem

While you are following these initial steps in scaling, it is important to ensure that you are staying 'out of the red' in all the other elements of your business, such as customer acquisition. You need to track costs vs expenses vs revenue.

While you are scaling from, for example, 1 SDR to 2 SDRs, $10 per day in ads to $30 per day, at every stage ask yourself what the overall impact is on the company's financial health.

Questions

Do you have accounting software in place?
Are you tracking all expenses?
Can you visually demonstrate the impact of scaling on your finances?
How long does it take you to recover your customer acquisition costs (CAC)?
What is your average customer lifetime value (LTV)?
Does each customer generate more earnings for your business than what you are spending to acquire them?

Tip: *There could be a lag between scaling your team and an increase in revenue. This is why it is so important to do this educational step before implementing a large-scale growth strategy.*

Solution

It is easy to get confused with the different terms used to report your progress as a software company. In this section we will tell you the basic metrics you need to be tracking, how to track them and how to use them.

<u>Accounting and tracking your finances</u>

It is important that you have accounting software that is capable of scaling with you.

We use Xero, and find it works for most scenarios. We recommend that you speak with an accountant about how they want your revenue and expenses to be tracked. This will save you money at the end of the year when it comes to submitting taxes.

Having appropriate accounting software will also enable you to log all of your revenue and all costs within a single solution. This is crucial to tracking your monthly profits and losses, cash on hand, and burn rate. We will dive into specific SaaS metrics in the next section.

You also need to be able to visually monitor how these indicators are changing over time. For example, as you scale by increasing reps or ad expenditure, your increase in revenue may lag a few months behind. You need to be aware of this as it will limit the rate at which you can scale. Visualizing these trends will make your course of action far easier to identify.

SaaS metrics

Four common profit-related terms you will hear are churn, customer acquisition cost (CAC), lifetime value (LTV) and LTV:-CAC ratio. We will explain how to calculate each metric, and how to use it.

Our Metrics Calculator has ready-made templates, and formulas, for you to track your metrics.

1. Customer acquisition cost (CAC)

Customer acquisition cost (CAC) measures the cost of converting a potential lead into a customer. Businesses will use this metric to determine their profitability because it compares the amount of money they spend on attracting customers against the number of customers they actually gain.

If this value can be reduced, the business will be spending money more efficiently and should see higher returns.

Before improving your CAC you must know how to calculate it. The following formula shows you how:

Customer Acquisition cost (CAC)

$$\textbf{CAC} = \frac{\text{Cost of sales + Cost of marketing}}{\text{Number of new customers acquired}}$$

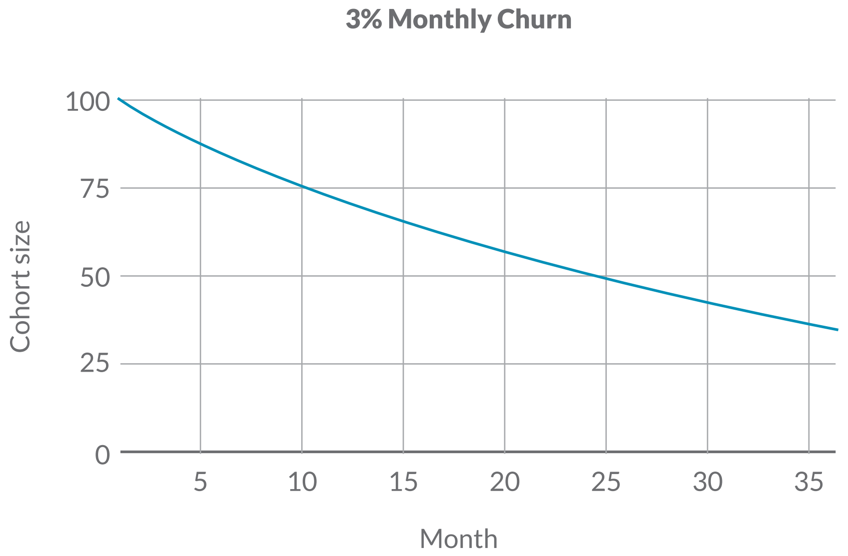
2. Churn

Churn is the percentage of customers who cancel or do not renew their subscriptions during a given timeframe.

Tip: *If your early customers are all on annual contracts you will need to be focusing on a short-term success metric rather than churn, as there is a 12-month lag before this can be calculated.*

Churn rate is a critically important metric for companies whose customers pay on a recurring basis.

Churn can be a little difficult to get your head around, and the numbers can be deceptive. A 3% churn a month might sound good, as you are retaining 97% of customers, but this image shows what a 3% monthly churn looks like on a cohort of 100 customers.



Regardless of your monthly revenue, if your typical customer does not stick around long enough for you to at least recoup your average customer acquisition cost (CAC), you are in trouble.

The steps to calculating churn are:

Churn rate

$$\text{Churn} = \frac{\text{Number of customers lost in a period of time}}{\text{Number of customers acquired in a period time}} \times 100$$

As an example, if your company acquired 200 customers and lost 25 customers in one quarter, your churn for that quarter would be (25 ÷ 200) x 100.

That means your churn rate would be 12.5%.

3. Lifetime value (LTV)

Lifetime value (LTV) is how much gross profit a customer will generate for your company during their entire lifespan as your customer. This is often calculated as an average value for all customers

Figuring out your average customer LTV tells you how much revenue you should expect to earn from each customer, setting a benchmark to measure customers against.

As you prepare for growth, your technique to calculate LTV should be as simple as possible, or it can become a rabbit hole you get lost in. Here are some ideas:

Lifetime value

LTV = Average customer lifetime X Average gross profit per account

You could also calculate LTV like this:

Lifetime value

$$\text{LTV} = \frac{\text{Average revenue per account} \times \text{Gross Margin \%}}{\text{Churn Rate}}$$

Tip: *As your company begins to scale and you begin to acquire different sized clients (with different sized contracts) you will need to calculate LTV in more sophisticated ways, for example by switching over to dollar churn.*

4. LTV to CAC Ratio

The lifetime value to customer acquisition cost ratio (LTV:CAC) will guide your spending habits for marketing, sales, and customer service.

LTV:CAC is a snapshot of what customers are worth to you vs how much it is costing you to acquire them. If your average LTV is high while your CAC is low, it means you have secured high earnings from your customers. If those values are switched around, it means you are bringing customers on-board at a loss. Companies need to be making these calculations to ensure they are employing efficient acquisition strategies.

This is the simple formula for calculating LTV:CAC.

LTV:CAC ratio

Ratio = Lifetime value : Customer acquisition cost

Here are some key LTV:CAC rules that most organizations use when getting started, to make sure they are working effectively:

- LTV:CAC ratio should be 3:1.
- LTV:CAC ratios higher than 3:1 mean you should be ramping up your customer acquisition.
- You should recover each customer acquisition cost within 1 year after acquisition.

You can find ready-made templates and formulas for tracking all of the above metrics, and more, in our Metrics Calculator.

Tip: *You may want to look at the LTV:CAC ratio by persona type, rather than lumping all customers together.*

9. Deliver all steps consistently

Now you have followed and implemented all of these steps, you must deliver them consistently.

We like to see our clients consistently deliver all steps for 3 to 4 months before beginning to scale. This provides a long enough period to demonstrate that everything is working, but not so long that you miss out on scaling quicker.

After 3 to 4 months you are ready to take the next steps. We believe that those steps are:

1. Consolidate what you have learnt in the process of preparing to scale. That means analyzing your errors and achievements.
2. Combine all of your learning into a pitch deck. Each section of the deck can correspond to the steps laid out in this handbook.
3. Use that pitch deck to raise additional funds so that you can hit the gas on scaling.
4. Scale.

Tip: *When working out the amount of time you have at your disposal to achieve all of the steps laid out in this handbook, calculate how long you have until your business runs out of money, and subtract 3 months. Those 3 months after you have prepared to scale will be spent raising your next funding round.*

If you would like to know more about how we can help your business scale contact me for a free consultation at:
dan@straighttalk.agency

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