

SasSafras Revenue Growth Strategy: A User-Centric Approach

1. Introduction:

I am delighted to present a comprehensive strategy designed to maximize SasSafras' cumulative revenue over the next 24 months, following our recent acquisition by Planterbox Inc. This strategy is grounded in user-centric principles, supported by rigorous research, and driven by a commitment to ensuring sustainable growth while maintaining the highest levels of customer satisfaction

2. Understanding the Landscape

Before delving into our strategy, it's essential to establish the context in which we operate:

- **Starting Point:** Our journey begins with 1,000 customers, each paying a baseline fee of \$100 per month. We face a monthly churn rate of 10% and enjoy organic growth, adding 25 new customers monthly through referrals and branding.
- **Team Dynamics:** We have an assembled team of 20 talented individuals, each capable of fulfilling one of three core roles: New Business Acquisition, Account Management, and Support.

3. Allocation of Roles and Teams: A User-Centric Approach

Months 1-6: Accelerated Growth

Allocation:

- **New Business Acquisition (8 people):**
 - Each team member is tasked with acquiring 5 new customers monthly, totaling 40 new customers.
 - $8 \text{ people} \times 5 \text{ customers} \times 6 \text{ months} = 240 \text{ new customers}$

- **Account Management (6 people):**
 - Their mission is to nurture existing accounts, driving revenue growth.
 - Projected Impact: 6 people x (Initial Account Revenue + 20% Monthly Increase for 6 months)
 - Month 1: $6 \times (\$100 + 0\%) = \600
 - Month 2: $6 \times (\$100 + 20\%) = \720
 - ...
 - Month 6: $6 \times (\$100 + 20\% \times 6) = \$1,320$ (max cap reached)

- **Support (6 people):**
 - Ensuring high Customer Satisfaction (CSAT) and reducing churn remains paramount.
 - Projected CSAT Impact: 6 people x 1% improvement x 6 months = 36% relative decrease in churn (70% CSAT to 44% churn).

Why:

- **User Acquisition:** Our initial focus is on aggressive customer acquisition to counterbalance churn effectively.
- **Account Management:** While crucial, the impact of Account Managers takes time to materialize.

Months 7-12: Consolidation and Balance

Allocation:

- **New Business Acquisition (5 people):**
 - Efforts shift toward maintaining and achieving modest growth.
 - Calculated Impact: 5 people x 5 customers x 6 months = 150 new customers

- **Account Management (8 people):**
 - The compounding effect of their efforts becomes more significant.
 - Projected Impact: 8 people x (Account Revenue + 20% Monthly Increase for 6 months)

- Month 7: $8 \times (\$100 + 20\% \times 6) = \$1,440$
- ...
- Month 12: $8 \times (\$100 + 20\% \times 6) = \$1,440$ (max cap reached)

- **Support (7 people):**

- Maintaining high CSAT and further reducing churn are top priorities.
- Projected CSAT Impact: 7 people x 1% improvement x 6 months = 42% relative decrease in churn (70% CSAT to 40% churn).

Why:

- **Churn Reduction:** With Account Managers in action, we anticipate a decrease in churn.
- **Balanced Approach:** Striking a balance between acquisition and retention is our aim.

Months 13-24: Sustainable Growth

Allocation:

- **New Business Acquisition (4 people):**

- We maintain a steady-state acquisition approach for churn replacement.
- Calculated Impact: 4 people x 5 customers x 12 months = 240 new customers

- **Account Management (8 people):**

- These team members are dedicated to sustaining revenue growth from existing accounts.
- Projected Impact: 8 people x (Account Revenue + 20% Monthly Increase for 6 months)
 - Month 13: $8 \times (\$100 + 20\% \times 6) = \$1,440$
 - ...
 - Month 24: $8 \times (\$100 + 20\% \times 6) = \$1,440$ (max cap reached)

- **Support (8 people):**
 - Their role remains pivotal in keeping CSAT high and churn low.
 - Projected CSAT Impact: 8 people x 1% improvement x 12 months = 96% relative decrease in churn (70% CSAT to 3% churn).

Why:

- **Churn Reduction:** Churn should continue to decrease, allowing us to scale back acquisition efforts.
- **Revenue Growth:** Our primary objective remains maximizing revenue and CSAT.

4. Cumulative Revenue Maximization

Our approach is meticulously designed to balance customer acquisition, retention, and satisfaction over the 24-month period:

Month 1 - Month 6:

- We prioritize aggressive user acquisition to offset churn.
- Account Managers begin influencing existing accounts, though the impact takes time.
- Support ensures customer satisfaction and churn reduction.
- Cumulative revenue grows steadily as new customers join, and Account Managers influence existing accounts.

Month 7 - Month 12:

- Churn decreases due to the efforts of Account Managers.
- A balance between user acquisition and retention is achieved.
- Cumulative revenue continues to climb as churn decreases, and Account Managers make a more significant impact on existing accounts.

Month 13 - Month 24:

- We anticipate further churn reduction, allowing us to scale back acquisition efforts.
- Our primary focus is on revenue growth and maintaining high CSAT.

5. Contingency Planning: Adapting to Unexpected Challenges

Our strategy is not rigid but adaptive, recognizing that unforeseen challenges may arise. Here's how we will respond:

- **Scenario 1: New Business Acquisition Falls Short of Targets:** We will refine targeting, enhance marketing, and continuously reevaluate our approach.
- **Scenario 2: Account Management Impact is Slower Than Expected:** We will intensify customer engagement, invest in training, and conduct regular reviews.
- **Scenario 3: Support's Impact on CSAT and Churn is Inadequate:** We will provide intensive training, establish a continuous feedback loop with customers, and implement advanced support tools.
- **Scenario 4: Unforeseen External Factors Affecting Strategy:** We will maintain agile decision-making, explore diversification options, and encourage cross-functional collaboration to generate innovative solutions.

6. Bonus: Improving Year 3

In Year 3, we are committed to further enhancing our strategy by focusing on Customer Satisfaction (CSAT) to reduce churn and increase customer lifetime value:

Why:

- **High CSAT** is intrinsically linked to **reduced churn**, ensuring sustainable revenue growth.

Approach:

- **Invest in Support Training:** Continuous training enhances problem-solving and communication skills.
- **Analyze Customer Feedback:** Identify and address recurring issues.
- **Implement Customer-Centric Improvements:** Align offerings with customer needs.
- **Reward Customer-Centric Behavior:** Recognize and incentivize employees who prioritize customer satisfaction.

Incorporating these enhancements will allow us to strengthen CSAT, further reduce churn, increase customer lifetime value, and ensure the long-term sustainability of our revenue growth strategy

6. Conclusion: Agility and Continuous Improvement

Our commitment to success should not be just in our strategy but in our adaptability. We should understand that even the most well-thought-out plans may require adjustments. This strategy combines the best of user-centric principles, research-backed decisions, and contingency planning to navigate the complexities of the business landscape confidently.