SBI Growth Advisory | Driven by Insights Delivered from Experience

Investing in the Pursuit of Aggressive Growth Targets

Revising Spending to Invest into Sales Productivity

Revenue

↑$1B+

Challenge

When a leading provider of healthcare software was recently acquired by a private equity (PE) firm, the PE firm's value creation plan called for a path to **grow organic revenue from $566M to $600M** while achieving a **40% EBITDA margin** in less than 2 years. **These were aggressive goals**, given that the normalized historic organic growth rate was flat, and that their competitors were in decline. To hit these goals, the company needed to grow when no one else was. The leadership team believed **the plan would take too long to execute** and was **too complex and expensive,** in addition to being **highly disruptive** to their competitors.

Opportunity

SBI recommended an **intensive 2-day workshop** to serve as a neutral setting for the PE firm and the client find common ground on their go-forward plan. Several key areas were addressed during the session:

1. **Pricing** (Transforming from Cost-plus to Willingness to Pay)
2. **Coverage Models and Sales Organization Design**
3. **Customer Experience Design** informed by Buyer's Journey Mapping
4. **Sales Compensation** and **Quotas**
5. **Marketing** (Budget Allocation, Account-based Marketing, and Messaging)

SBI Response

The workshop led to the creation of a plan to fund these **sales productivity investments at a total of around $1.7M.** However, a requirement of the board was to make this sales productivity investment budget neutral. After a thorough review of the expense budget, SBI helped the client **identify opportunities to reallocate existing spend from low-return areas** to fund this initiative.

Key Results

$600M
Incremental Recurring EBITDA

43%
Increase in Annual Bookings

SOLD
Improvement in Sales Rep Productivity