



SmartRev Chapter Takeaways

PART ONE: WHY USE REVENUE SCIENCE?

CHAPTER 1: WHY YOUR WHY MATTERS

Understanding and articulating the core principles that your business stands on—principles that have been honed and tested over time—is crucial. This clarity allows these values to be effectively conveyed and adopted by the next wave of leadership.

CHAPTER 2: SIMON SAYS WHY

The global audience is curious about the motivations behind your actions and the reasons they should engage. They probe with questions of trust, belief, choice, reliance, collaboration, investment, and faith—all seeking to understand the fundamental *why* behind your enterprise.

CHAPTER 3: THE GUT INSTINCT

A business that strives to respond to the *why* inherently inspires action and builds trust. Presenting your *why* can disrupt the listener's thought process, eliciting an emotional response that prompts them to consider how your message enhances their life. In recruitment, conveying your *why* resonates emotionally, fostering commitment and diligence. For stakeholders like investors, partners, and the wider community, a clear *why* strengthens relationships and minimizes misunderstanding, drawing in those who share your beliefs for a committed journey together.

CHAPTER 4: KNOW WHERE TO FOCUS

The innovators and early adopters reside at the progressive edge of the innovation bell curve. Their interest lies not in the product or the company per se, but in the alignment of mutual beliefs about the world and their aspirations within it. Attracting those who share your convictions cultivates the most effortless and devoted customer base—those who become outspoken advocates, readily forgive slip-ups, and eagerly anticipate your next offering, all rooted in a profound sense of trust.

CHAPTER 5: NEW MONEY

Understand the dichotomy where “New Money” is synonymous with generating income, while “Old Money” pertains to savings. Your goal is to guide clients toward multiplying their Old Money into abundant New Money, illustrating a future where their investment in your services yields substantial returns.

CHAPTER 6: YOUR OWN COMPELLING *WHY*

To uncover your unique *why*, address the specific customer challenge that your business uniquely resolves and highlight why it's imperative for the customer to care. Provoke an emotional reaction early in your discourse to pause their preconceived notions, giving them a moment to ponder your points and their correlation to their own success. You aim to incite feelings of anticipation, enthusiasm, and pride, enabling prospects to envisage themselves within the prosperous scenario you're painting.

PART 2: HOW TO USE THE REVENUE SCIENCE CONTEXT

CHAPTER 7: LET'S TALK SCIENCE

SmartRev introduces a scientific approach to revenue built on extensive research, experiments, and systematized experiences. This approach applies fundamental principles and proven guidelines to enhance predictability across the lifespan of a business and its sales processes.

CHAPTER 8: REVENUE STRATEGY

Embracing a revenue-centric mindset allows for profit maximization, beginning with optimizing personnel. The initial step in fostering this mindset is crafting a Revenue Strategy focusing on people.

The next step is to execute the strategy. A Revenue Strategy is effective only when it is actionable and implementable. Deployment provides the framework necessary for personnel to carry out the strategy. It's essential that every member of the organization, including external partners and target customers, comprehends the Revenue Strategy.

CHAPTER 9: THE PURPOSE SCALE

The foundational step in crafting a Revenue Strategy is to define your overarching *purpose*. This purpose will drive many things about your organization, including hiring, marketing, and customer service.

Companies can go one of two primary directions with their purpose: BIG Purpose or Mercenary. What's the difference?

BIG Purpose companies are committed to making the world a better place and display these characteristics:

- ① Thought Leadership: Thought Leadership is about possessing unique knowledge or capabilities that your clients lack, with a significant part of your role being to educate them on how your services will positively impact the world.
- ② Buyer-First: Companies driven by a BIG Purpose know their Ideal Buyer intimately. Through Thought Leadership, they develop innovative solutions that genuinely meet customer needs.
- ③ Value Transfer: Purpose-driven companies concentrate on delivering significant value to their Ideal Buyers, with value equating to monetary benefit.

- ④ Long term: By providing value, purpose-driven companies cultivate repeat business and enduring customer relationships.
- ④ Infinite: There is no endpoint for companies with a big purpose; their goal of improving the world is ongoing, with a commitment to never-ending progress.

Mercenary companies prioritize selling a product or service as inexpensively and efficiently as possible. This approach is valid and has its own purpose, which can still have a positive impact, and it influences their operations and communication style.

These are Mercenary characteristics:

- ④ Fulfillment: These companies excel in situations where demand surpasses supply.
- ④ Headquarters-First: Decisions are made within the corporate office, focusing on outperforming competitors in terms of cost and speed.
- ④ Transactional: Mercenary companies aim to exchange goods or services at the lowest price, which leads to competition based on price reduction and market speed.
- ④ Short term: They operate with a focus on immediate transactions and short-lived customer relationships.
- ④ Finite: Their short-term transactional focus often results in a defined end to customer engagements.

What's Your Purpose?

Identifying whether you are a BIG Purpose or a Mercenary company is vital, as it affects the type of employees you attract. BIG Purpose companies draw those who find fulfillment in solving problems or take pride in the company's problem-solving abilities. Mercenary companies may attract a smaller team of highly skilled employees driven by competitive compensation, while other staff may view their roles as temporary. Companies that don't clearly define their purpose risk having disengaged employees and confusing their customers by vacillating between value and price, undermining trust.

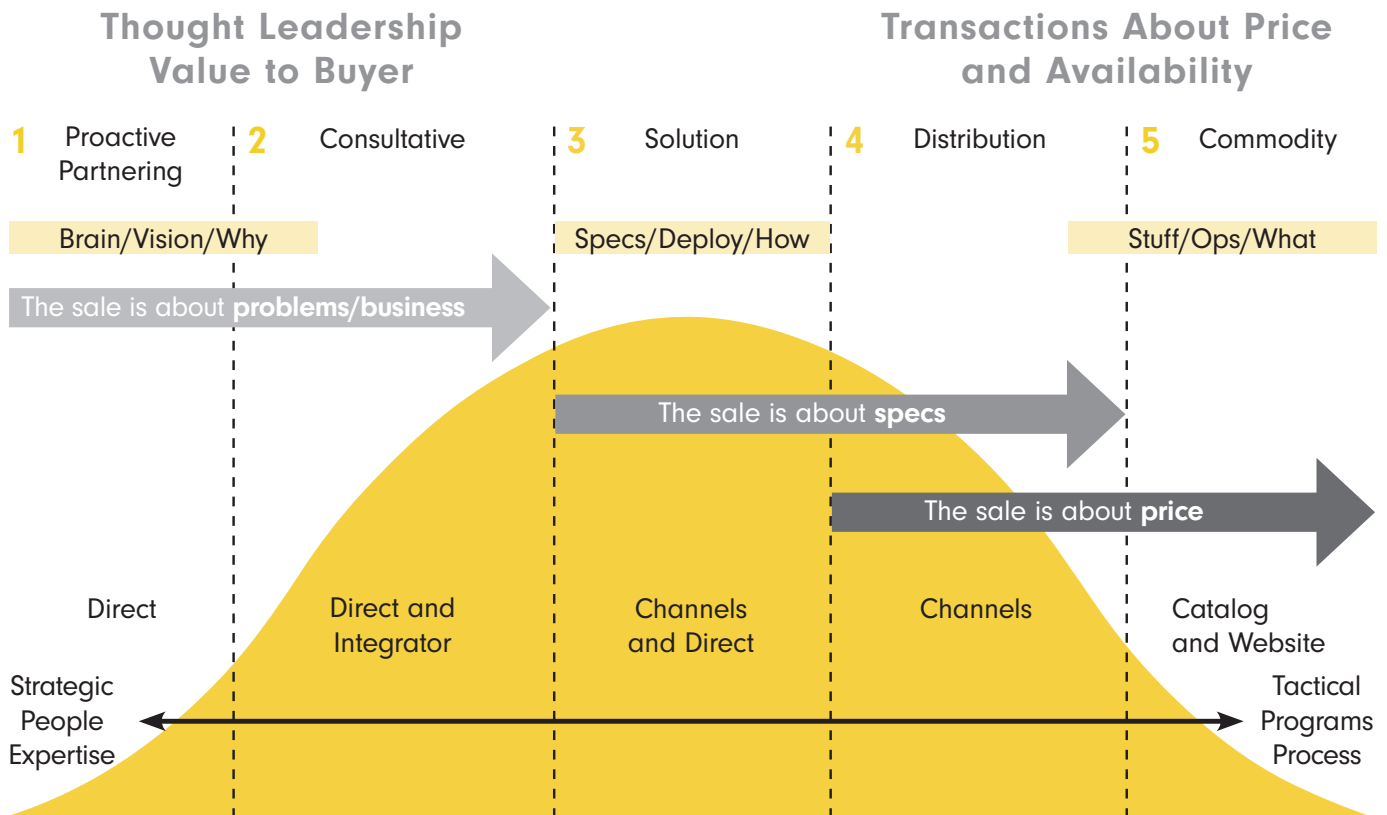
CHAPTER 10: FIVE KEY REVENUE STRATEGY QUESTIONS FOR BUSINESS, MISSION, AND PURPOSE

These Five Questions will help you build a Revenue Strategy intentionally:

1. What is your Brand Promise?
2. What is the customer problem you saw that no one else solves?
3. What niches will you dominate?
4. Who is your Ideal Buyer?
5. What are your key offers for dominating your niche?

CHAPTER 11: THE VALUE LIFE CYCLE

The Value Life Cycle framework offers a direct path to transform the Cost of Chaos into financial gain. This approach enhances team coherence and strategic alignment while dispelling common misconceptions and operational hindrances.



Ascertain the *core* of your business as indicated by the diagram. A business's core is defined by the balance between intellectual engagement (“brain,” in tracks one and two) and tangible product (“stuff,” in tracks four and five) it offers. Businesses operate most effectively with customers who are within one step to either side of their core position on this spectrum.

Staying consistent within your chosen trajectory is vital. Despite market pressures that may push your offerings across the spectrum, continually enhancing the value of your offerings will anchor you in your selected position. Knowing where your core is and what track you are on helps you to know what kind of customer you need to find and how to interact with them.

- ① Tracks one and two focus on discussing clients’ problems and overarching business concerns.
- ② Track three pivots to sales specifics, where the objective is to fulfill clearly stated client needs.
- ③ Tracks four and five typically involve minimal dialogue, often revolving around price comparisons and online interactions.

Marketing is also affected by the track your company has chosen or is currently in. As you approach the market, it’s crucial to recognize which track aligns with your strategy. You may choose a direct approach, position yourself as a trusted advisor, or employ various channels, but leveraging an online presence is essential. Tailor your website to reflect the nature and scale of your business—it’s not a one-size-fits-all situation.

A clear understanding of your position in the value life cycle is instrumental not only in identifying Ideal Buyers and engaging employees but also in connecting with suitable partners and building a supportive community.

CHAPTER 12: PURPOSE → RULES → CULTURE

Rules form the backbone of your organization, guiding its direction and shaping its existence. Your core mission, whether broad or narrowly focused, is a key determinant of your rules. These rules, in turn, influence everything from your business model and partnerships to your profit margins, investor relations, leadership style, employee engagement, operational processes, standards of excellence, target customers, organizational culture, performance metrics, and community contributions.

Culture or Mindset? The interplay between purpose and Revenue Mindset establishes the rules that, in turn, define your company's culture. Clearly articulating your purpose, answering the Five Questions, and adhering to these rules can transform your organizational culture more rapidly than you might think possible.

CHAPTER 13: TRUE NORTH

True North symbolizes the ultimate strategy in optimizing your workforce. It provides a universal decision-making framework that encourages compounding growth through a series of well-considered decisions. This unified approach ensures everyone in your organization is aligned and moving in the same direction.

- ① Making decisions: Each decision should be evaluated based on whether it will propel your company toward greater long-term value and profit margins or lead it astray.
- ② Unify and align staff: A common vision is crucial, especially as your company grows. Establishing your True North is key to aligning your team, ensuring everyone is coordinated in their efforts.
- ③ Speed up decision-making: Decisions that align with your core objectives may require more deliberation, whereas those that do not should be quickly dismissed. Understanding your True North enables you to swiftly refuse requests that diverge from your strategic path.
- ④ Saying no: Rejecting requests doesn't have to end in disappointment. Offering to connect the inquirer with someone who can help transforms a simple "no" into a gesture of goodwill, fostering trust and potential future collaborations.
- ⑤ Update and review: To maintain relevance and effectiveness, your True North should be clearly communicated, consistently applied, and regularly reviewed for any necessary adjustments.

CHAPTER 14: YOUR IDEAL BUYER

Your Ideal Buyer is someone whose challenges are uniquely addressed by your offerings. They recognize the value of their partnership with you, evidenced by their willingness to engage in repeated transactions due to the significant value you provide.

Understanding the operational and strategic framework of your ideal buyer's organization is crucial. Crafting a *Strategic Journey* entails detailing every aspect of how their company functions, aligning your solutions accordingly.

At their core, your Ideal Buyers are human beings who are moved by your Brand Promise, faced with challenges only you can resolve, and tasked with eliminating these obstacles effectively.

CHAPTER 15: THREE LEVELS OF EVERYTHING

Understanding the three levels of strategic thinking—*why*, *how*, and *what*—is vital.

1. **Why**—Defines the organization’s purpose, mission, strategic direction, ultimate goals, and the envisioned future it aims to achieve indefinitely.
2. **How**—Describes the path and operational means an organization employs to reach its aspired future, which include its planning, structural organization, infrastructural support, and the overall approach to achieve its goals.
3. **What**—Details the specific responsibilities as actionable items, who is assigned to them, and the associated deadlines.

Recognizing these levels is essential, as it allows you to identify the focus of a discussion based on the topics being covered.

Employees also resonate with these levels in their roles:

1. **Why**—This concerns the reasons an employee might be drawn to work for the organization.
2. **How**—This looks at the long-term trajectory and development an employee can expect within the company.
3. **What**—This refers to the precise duties and expectations set for the employee.

CHAPTER 16: THE COST OF CHAOS

Chaos comes with a price, but if it can be measured, it can also be mastered and turned into financial gain. Dispelling chaos not only prevents the loss of employees and customers close to leaving but also leads to greater profits per employee and improves satisfaction among the workforce and business partners.

CHAPTER 17: THE POWER OF A SHARED LANGUAGE

Departmental silos, each with its own objectives and budgets, often clash, resulting in friction that can be detrimental to the company’s health. Siloed departments sitting together in disagreement over plans and budgets can drag a company down. Overcoming this requires unifying all parties at the table through SmartRev principles, aligning them toward common goals. When teams grasp the SmartRev language, they unite under shared aims.

The shared language principle is also crucial in client interactions. Establishing a common language with customers not only assists in their internal communications but also harmonizes your interactions with them. The aim is to adopt the language used by customers to ensure everyone is in agreement, enhancing communication effectiveness.

PART 3: THE *WHAT*

CHAPTER 18: DEPLOYABLE, EXECUTABLE STRUCTURE

Creating an effective organizational structure involves several key considerations:

- ① Continuous review and improvement: The structure must be adaptable and frequently reassessed to ensure effectiveness in a dynamic market.
- ② Leadership and culture: Leadership must effectively convey the revenue strategy to keep the team aligned, and cultural norms should be communicated consistently to either sustain or transform them as necessary.
- ③ Financial structure: Considering the resources required to enact the revenue strategy is essential for execution.
- ④ Revenue generation: Determine the structure needed for sales and marketing teams to implement your strategy successfully.
- ⑤ Operations: Each department must be ingrained with the principles of a revenue-focused mindset, as well as the structural framework.
- ⑥ Path to your ideal future state: Addressing the Cost of Chaos, defining a clear purpose, establishing a True North, crafting a Revenue Strategy, and adopting a Revenue Mindset are all steps that advance the organization toward the ideal future state.

CHAPTER 19: THE REVENUE ROADMAP AND FLOW MANAGEMENT

Customers don't buy products or services—they buy an offer. Especially for BIG Purpose companies, this is not simply a price and when it will ship. It includes the sales and marketing process, the price, where you can buy it, when you will get it, and whether it's refundable, among other things. This is the Revenue Roadmap, and it includes six rest stops.

Your offering should guide the buyer from recognizing their need to achieving their solution in a straightforward and predictable way:

- ① Rest Stop 1 - Investigate: Capture your ideal buyer's interest.
- ② Rest Stop 2 - Early qualify: As potential buyers explore your offerings, simultaneously assess whether they fit your target market and decide if you want to engage further.
- ③ Rest Stop 3 - Late qualify: Engage directly with the potential buyer.
- ④ Rest Stop 4 - Joint Statement of work (SOW) solidify: Collaboratively create a Joint Statement of Work that confirms the buyer's problem is one that you can and want to solve.
- ⑤ Rest Stop 5 - Contract: Finalize the details of the agreement with the buyer.
- ⑥ Rest Stop 6 - Delivery: Deliver the promised product or service.

You must manage your offers to ensure that they are closely aligned with your company's Value Life Cycle to avoid confusing your team and customers and to prevent financial losses.

You must also manage the sequence of offers because it is essential for revenue generation—this is called Flow management. The Revenue Roadmap should be deliberate, replicable, and scalable, with continual improvements that benefit both the buyer and seller.

CHAPTER 20: METRICS AND MEASUREMENTS

When focusing on maximizing revenue, traditional metrics fall short, requiring the development of new methods of measurement. You need to know how much revenue each offer creates and how much they cost to produce and fulfill. You need specific metrics like these, to understand which offers are truly making New Money:

1. Tracking offers: To scale your business, you must understand the performance of each offer.
2. Key performance indicators (KPIs): Align individual and departmental KPIs with the revenue strategy. The ultimate metric should be whether the current task is directly adding transferable value to the Ideal Buyer.
3. Departmental metrics: Determine how to measure departmental objectives effectively. Inspecting the Revenue Roadmap will highlight specific areas needing attention within each department.
4. Trade show return on investment: These events are valuable only if your company can effectively follow up on generated leads.
5. Revenue resources required: This is the total cost associated with bringing an offer to market and achieving a profit, which may necessitate a different approach to your profit and loss statements.

CHAPTER 21: MULTIPLE DYSFUNCTIONAL BUYERS

When you're at the negotiating table with various stakeholders, your role extends beyond just selling a product or service; you're there to guide them from their initial purpose (*why*), through the process (*how*), to the final actions needed (*what*). Successfully transforming a disparate group of buyers into a cohesive team is a significant achievement.

- ① Start with *why*: Always keep in mind that your offering should enhance the buyers' situation and deliver substantial value.
- ② Facilitate: Lead the conversation to help buyers articulate their goals and how to achieve them, providing expert guidance along the way.
- ③ Engage the mobilizers on the *What*: Once there is agreement on the purpose and the method, engage the key decision-makers to delve into the specifics—actions to be taken, responsibilities, and potential risks.

CHAPTER 22: DUMB STUFF AND SMART STUFF

Business outcomes are often predictable, and distinguishing between unproductive practices (dumb stuff) and beneficial strategies (smart stuff) is essential.

- ① Dumb stuff: No purpose. No revenue strategy. No Ideal Buyers. No focus on Value Transfer. No Value Life Cycle plan. Not living the Revenue Mindset. Using a Headquarter-First mindset only. Making money from the buyer rather than with them. No intentional Revenue Roadmap.
- ② Smart stuff: Start with purpose. Start with Revenue Strategy. Align the Ideal Buyers. Focus on Value Transfer. Always apply the Value Life Cycle plans. Live the Revenue Mindset. Live the Buyer-First mindset. Make money with buyers rather than from them. Continue to improve your intentional Revenue Roadmap.

CHAPTER 23: NET PROFIT OPERATIONAL FORMULA

The operational formula from SmartRev is designed to generate predictable and profitable revenue.

$$\text{Net Profit} = \text{Brand} * \text{Execution}$$

A strong brand is undermined by poor execution, leading to reduced net profit. Conversely, high-quality execution without brand recognition also limits profit.

$$\text{Brand} = \text{Strategy} * \text{Alignment}$$

Effective strategy is derived from answering critical questions to unify and align your team behind it.

$$\text{Execution} = \text{Structure} * \text{Leverage}$$

A well-defined structure enables your team to implement the strategy effectively. Leverage is gained from utilizing elements of your structure in your Revenue Roadmap.

CONCLUSION

To maximize profits via revenue science, start with a purposeful revenue strategy. Establishing a True North attracts appropriate employees and partners. A thorough understanding of the Value Life Cycle clarifies your strategy's direction. Knowing your Ideal Buyers lets you connect with them effectively through a well-constructed Revenue Roadmap.