

A Marketing Leader's Cheat Sheet for Making Smart Bets

Faced with a turbulent market and dwindling demand, marketing leaders are under more pressure than ever. So, how can they chart the right course through choppy waters?

Here's a cheat sheet broken down into four simple steps, featuring key terms, quick tips and questions to ask yourself, your CEO and CFO.



1. DETERMINE THE BUSINESS POSITION

Do you have a unicorn or camel mindset?



Unicorns value growth at all costs, cash burn and profitability notwithstanding.



Camels value sustainable growth, manage costs and prioritize profitability.

While camels may not be as flashy as unicorns, the current market calls for a return to more sustainable growth models.



It's time to ask yourself:
Is your marketing organization sustainable?

Are you balancing cost reductions with growth investments?

88.2% of marketing and design professionals agree investing in growth in turbulent times gives companies an advantage over the competition.

Though the knee-jerk reaction may be to cut costs across the board, there needs to be a balance. Part of placing "smart bets" is deciding where to reduce costs vs. invest in growth.



HIGH RISK



LOW RISK

What's your appetite for risk?

Depending on your company's position, leadership may have more or less appetite for risk. This is a question you'll want to discuss with your CEO before thinking about what bets to place.

How antifragile is your marketing organization?

Antifragility is beyond resilience or robustness. The resilient resists shocks and stays the same; the antifragile gets better.

— NASSIM NICHOLAS TALEB



Consider the following questions to gauge the antifragility of your marketing organization:

How much "surface area" does your marketing team cover?

Research shows greater exposure or "surface area" of team members across the business is more important for driving performance than any single organizational structure.

How aligned are team members to departmental and business goals?

Rallying your organization around clear goals is critical—goal-oriented teams work better together and know where to spend their time, attention and energy.

How empowered are team members to make decisions?

The more decisions your team members can make, the faster your organization can execute, learn and iterate in a changeable market that demands agility.

5 key values for resilient teams

- Versatility and scrappiness
- Agility and speed to market
- Local decision-making
- Experimentation mindset
- Creativity (or boundless curiosity)

2. ZERO IN ON THE BUSINESS NEEDS

What's your North Star Metric(s)?

Before setting goals, you should know your North Star Metric(s)—the one or two top-line metrics your whole company can rally around. This needs to tie in with your GTM strategy.



What input levers affect your North Star Metric(s)?

Once you've set your North Star Metric(s), determine its input levers. For example, if your North Star is revenue growth, net dollar retention (NDR) is a lever you could focus on in this market.

6 metrics to pay attention to right now



PAYBACK PERIOD

B2B

How long it takes to recoup the cost of acquiring a customer. The shorter your payback period, the better your growth outlook and capital efficiency.

NET DOLLAR RETENTION (NDR)

B2B

A holistic view of customer retention, accounting for churn, contraction and expansion. The higher your NDR, the more secure your business position.

QUALITY OF REVENUE

B2B

An assessment of revenue quality, considering use case fit, contract size and length, expansion potential and more. The better your quality of revenue, the higher your NDR will be.

RULE OF 40

B2B B2C

A rule that says a company's growth rate plus its profit margin should be higher than 40. By measuring growth and efficiency, this rule shows at what cost growth is being achieved.

RETURN ON AD SPENT (RoAS)

B2B B2C

A measure of ROI on advertising. Pay attention to trends in RoAS to identify where you can take advantage of less competition given today's market.

CUSTOMER ACQUISITION COST (CAC)

B2B B2C

A measure of total customer acquisition costs. Tying actions back to revenue is especially important right now, and with CAC trending up, you'll want to keep a close eye on this metric.

Bonus tip: How to reduce CAC



Perhaps counterintuitively, brand investments can help combat rising CAC. The more a prospect sees you, the more familiar they become with your brand, the less money needs to be spent bringing them onboard.

Having an endless repository of strong brand assets is how many creative marketing teams bring down their CAC.

3. SUPPORT THE BUSINESS NEEDS

What GTM motions are you investing in?

If you're in the \$100M+ club, you need multiple motions to drive growth. Doing just PLG, sales or inbound isn't enough. Consider which motions make sense given your North Star Metric(s):

INBOUND-LED

Content marketing driving to conversion points.

PRODUCT-LED

Product drives adoption, usage and expansion.

COMMUNITY-LED

A community of customers accelerate adoption.

OUTBOUND-LED

Targeted account outreach to high-value prospects.

CHANNEL-LED

A network of distribution agents expand reach.

CATEGORY-LED

A transformative idea fuels the development of a category.

4. DECIDE WHAT SMART BETS TO PLACE

How much of your audience is in-market vs. out-of-market?



IN-MARKET

Problem aware and actively in consideration mode.



OUT-OF-MARKET

Exploring, keeping an eye on or unaware of the problem space.

Estimating the size of these groups will help you balance your efforts between demand creation and capture.

For example, in a saturated space, you might focus on demand capture activities, like bottom-of-funnel advertising or content for buyer-intent keywords.

A framework for making smart bets



RISK

Is it a slam dunk, experiment or moonshot?



EFFICIENCY

What's the projected ROI?



IMPACT

What's the potential impact?

The REI framework takes into account the bigger picture: A company's position, including the appropriate level of risk, ROI and overall impact a program needs to deliver to be worthwhile given that position.

3 tips to fuel your experiments

- Set learning goals:** Experiments are unpredictable by nature, but if you set a learning goal for each bet, you're moving forward no matter the outcome.
- Measure velocity of learning:** The faster you can adjust and learn from your experiments, the faster you can identify the right conditions for growth.
- Consider fuel-pipe fit:** If an experiment flops, the problem may not be the content (fuel) or the channel (pipe), but how they fit together. Don't give up before considering FPF.



May the odds be ever in your favor! 🍀

Read the full guide at: superside.com/guides/smart-bets

