

The Role of a Chief Revenue Officer (CRO)

A Revenue Storm White Paper

Authored by:

LaVon Koerner
President and
Chief Revenue Officer

Needed, Process Ownership

Since it is increasingly understood that is difficult to differentiate on the basis of “what we sell” and therefore a company must differentiate on the basis of “how we sell,” a company-specific and cross-functional revenue generation process must be designed, installed and managed to advance a chosen Go To Market Strategy.

Every business wants to gain and sustain a competitive advantage in the marketplace. There is no single source of sustainable competitive advantage except terrific day-in and day-out execution across every dimension of the organization that in anyway participates in the differentiating revenue generation activities.

Why? Everything else can be quickly copied or bested by someone else, somewhere else, in our increasingly global, converged, redefined, web-enabled, high-bandwidth world. So how can you set yourself apart from everyone else? Through a clear, well executed Go To Market Strategy.

Therefore, the goal of every company is to clarify its Go To Market strategy and assure its implementation by designing and creating a cross-functional Revenue Generation Process that leverages the unique strengths of the organization to increase *Speed to Revenue* by collapsing the time from *Suspect to Sale*.

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That being said, someone should be identified as the “official” owner/guardian of the entire Revenue Generation Process. This individual would be its caretaker, providing leadership and management to assure the success of its installation and execution.

Revenue Storm recommends you consider creating a new position within your organization for a *Chief Revenue Officer* (CRO) who has ultimate accountability for profitable revenues.

Foundational Rationale for Position

When a company desires aggressive and accelerated revenue growth, it must be prepared to measure and manage one revenue stream at a time.

A Revenue Stream is a flow of revenue of a specific product offering(s) from a specific market segment(s) through a specific channel(s), either direct or indirect. Since not all revenue streams are created equal, it must be annually determined which streams can only be modestly increased and which streams can be geometrically exploded and then focus limited corporate resources and efforts in the appropriate direction. Realizing that over-investing in the wrong revenue stream will hurt the company’s bottom line and under-investing in the right revenue stream will hurt the company’s top line, one person (CRO) is needed to oversee the prediction, execution, and production of the individual revenue streams. Once these decisions are made, the CRO can coalesce organizational support towards the common goal of revenue production.

The CRO will identify and monitor the high gain “acceleration compression points” within the Revenue Generation Process and correct the internal “miss-alignments” in the Business Development Engine that creates *organization drag* on revenue performance. Due to its counter-intuitive nature, and in the absence of a CRO position, many companies do exactly the wrong things when they attempt to accelerate the growth of profitable revenue. For example, if a company continually finds itself “whipping its horse across the quarterly revenue finish line,” the real problem may not be a slow or unmotivated horse, but poor revenue management practices.

Surviving off the heroic efforts of a whipped horse puts the company in a highly vulnerable market position. The better, safer and long-term answer is to securely anchor each revenue stream with a solid, well-conceived Go To Market Strategy fully supported by a fully aligned Business Development Engine that is proactively monitored and managed by a CRO. The establishment of this position is a good first step in that direction. The position overview follows.

General Function

Once the Company's Business Strategy is established, the Senior Management group, under the leadership of the CRO, is responsible for selecting a Go To Market Strategy (GTMS) to connect the business strategy to the company's targeted customers, and installing a revenue process and managing its implementation on all existing revenue streams and/or potential new revenue streams.

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The CRO drives the achievement of revenue and provides a worldclass business development growth engine capable of out performing those of the competition. The CRO must foster good communication and teamwork among the various organizational functions and share best practices among the revenue stream managers, so successes and "lessons learned" regarding revenue production are leveraged.

Essential Duties and Responsibilities

Acceleration Plan: The CRO will create and implement a plan to create demand and achieve revenue results by operationalizing the GTMS on targeted revenue producing streams.

Revenue Generation Process: The CRO will create, install, and manage a complete revenue process from *Suspect to Sale* for each revenue stream.

Business Development: The CRO may or may not own sales/business development headcount (virtual sales team) but such headcount would be goaled to support the Revenue Acceleration Plan.

Pipeline Management: In order to assure that profitable revenue targets will be achieved, the CRO will monitor revenue pipelines of each revenue stream to determine in advance the level of risk to obtaining desired goals and what adjustments should ultimately be implemented to accelerate revenue.

Marketing: The CRO will create and implement marketing initiatives that support the Revenue Acceleration Plan.

Functional Alignment: The CRO will work with the other executives to continually improve alignment of each functional group to support

the GTMs including sales process, sales process tools, business development organizational structure, legal, finance, compensation, hiring and selection criteria, and rewards and recognition.

About Revenue Storm

Today's analysts and shareholders have made it clear to businesses of all sizes — ever increasing profits is the goal. That leaves companies with two major choices: reduce expenses or grow profitable revenues. Executives have made a career of reducing expenses. While expenses can still be improved today, due to a decade of cost-cutting efforts, the greatest potential impact is GROWING PROFITABLE REVENUES. Companies tend to take two approaches to the Revenue Equation: 1) Dole out larger revenue goals and assume the compensation plans will drive the desired results, or 2) Push out more products and services to the market hoping more revenue options will yield more revenue dollars. Neither is a good strategy.

An aligned organization, executing against a well-defined and communicated Go-to-Market Strategy is essential to reap replicable revenue growth year after year. It demands more careful thought, focus, and planning than ever before. Revenue Storm was created to bring together an integrated set of consulting and training methodologies to bring clarity and focus to organizations navigating in today's tumultuous business climate.

We emphasize Clarity, Speed and Revenue. We work with each level of the organization, using business drivers that are important to those teams to gain consensus and focus. We help companies identify their strengths, leverage what is working through the installation of process and tools, and help uncover vulnerabilities where improvements are needed. We look for both small, but fast impacting changes to build team excitement and motivation as well as going to work on the bigger, more global issues that when resolved will yield a well-aligned, fast churning Revenue Engine.

Let's start a Revenue Storm within your organization that will thunder in the marketplace and rattle your competitors.

For more information visit our website at www.revenuestorm.com.

Revenue Storm®

US Headquarters
Chicago
tel 224 659 7710

European Headquarters
United Kingdom
tel +44 (0)1752 547784