1. BUSINESS TRAJECTORY MANAGEMENT

Managing hypergrowth involves steering rapid expansion with discipline, ensuring sustainable growth, mitigating risks and maintaining organisational agility amidst constant change. By focusing on predictive indicators, BTM helps management and boards make proactive, data-driven decisions; reduce surprises; and optimise resource allocation to maximise growth and profitability. In essence, BTM shifts business management from reactive to proactive, providing clarity and control in fast-changing environments.

But when operations, innovations, services or expansion are changing rapidly, relying solely on data extracted from BTM models is not enough. In these highly dynamic environments, success depends on more than just data and projections – it also requires management and organisational capabilities. To fully leverage BTM and maintain control during periods of hypergrowth, it is essential to understand these management aspects of BTM, as indicated in the points below.

MANAGING HYPERGROWTH WITH BTM

- You should primarily rely on future performance indicators.
- Historic patterns enable you to accurately build a trajectory for the future.
- BTM eliminates opinion-based decision-making.
- Last month's P&L statement is only relevant for liquidity projections and short-term forecasting.
- A certain level of CRM depth and accuracy is necessary for BTM to function properly.
- BTM can reveal both negative- and high-value pools, enabling you to increase GP/CoE through strategic redirection of CoE.
- BTM serves as the reality check behind any strategy and strategic model.

If we assume that you have already achieved hypergrowth by adopting a BCSA approach and have fully de-risked your growth using the FPS framework, HBGS and hyperreplication models, it is now time to focus on managing and optimising the hypergrowth trajectory you have established. Having a robust strategy is one thing, but the real challenge lies in predicting future growth and returns while scaling at hypergrowth speeds and simultaneously accounting for rapid changes along the way.

Managing a hypergrowth business without BTM is like steering a Formula One car blindfolded. Predictability becomes a challenge. Managing a business in hypergrowth based on financial KPIs from past quarters and years is impossible.

'Managing a hypergrowth business without BTM is like steering a Formula One car blindfolded'.

This is where BTM comes in. When you are growing at conventional growth levels, the delta between growth investments, revenue and the organisation is minor. But when you are growing at over 40%, the effects are significant. You need to make investments and organisational developments today that are over 40% larger than yesterday to be able to service your rapidly growing business tomorrow.

If you make a mistake, or if you don't achieve the growth and return that you expected, then the effect can be catastrophic as the increase in your cost base will eradicate your profits or dramatically increase your burn-ratio. Obviously, the GP/CoE will tell you this early on, alongside all other financial indicators that we have reviewed. The problem is just that it will be too late as it is based on historic data. Hence the challenge.

Staying in the Formula One analogy, it is not highly valuable to be told that you will drive into a wall at 300 km/h, two minutes after you have crashed. And to be direct, tracking a hypergrowth business based on historic financial indicators, such as last month's financial performance, could potentially kill the business. It will for sure make you hesitant to invest at the levels you should, as you will likely want to minimise and control risk.

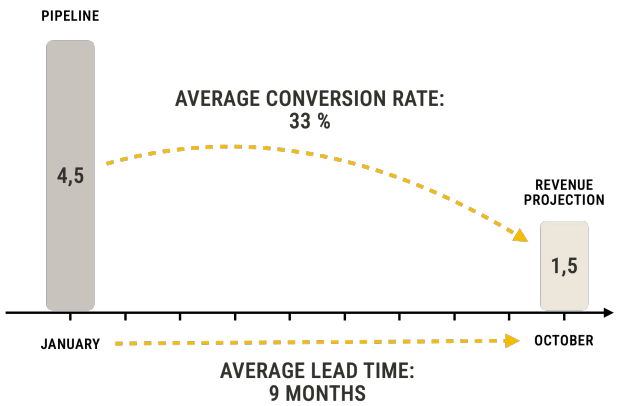
As either of those two scenarios are not favourable, we need a model that will allow us to track and run our business based on the future. We need a model that will enable you to understand the future effect of current growth investments, allowing you to push the accelerator even further – or panic early – so that you can apply the brakes in good time before hitting the wall.

Essentially, we need to add the aspect of **time** into the overall CTM Tool Kit, so that we know the impact of costs of execution investments and *when* we can expect to be affected on gross profit. We need to be able to – with a greater level of accuracy –predict the future. Let us look into this aspect.

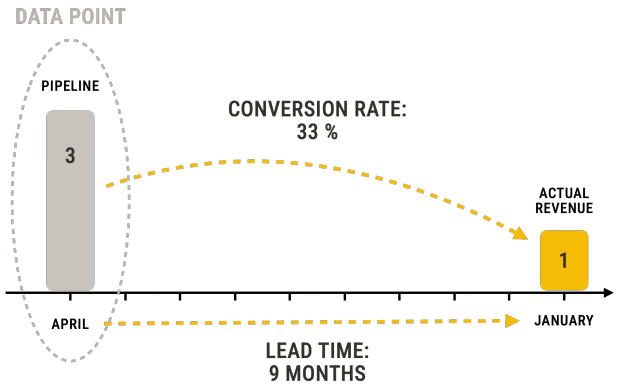
PROJECTING THE FUTURE WITH CONVERSION RATIOS AND LEAD TIME

If we assumed a business' conversion ratios to be static, and we knew the average lead time from when a project entered the pipeline to when it becomes revenue, we can project the future.

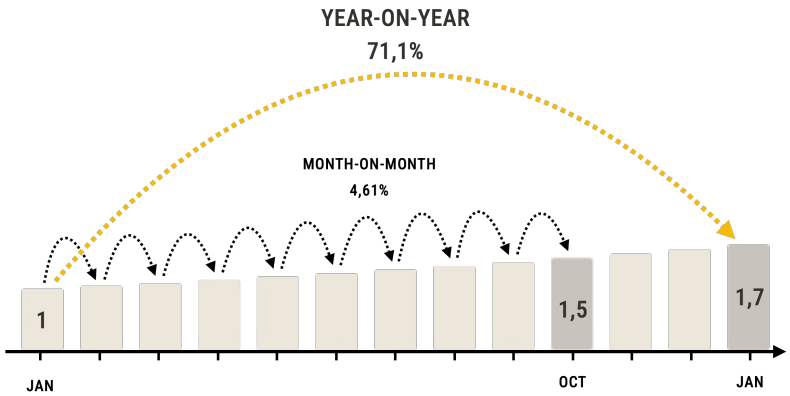
Let's take an example: If we, by analysing our CRM data, concluded that the average lead time between project entry and project won was nine months and that the average conversion ratio was 33%, we now know that 33% of all new pipeline entry that month will result in sales revenue three quarters forward. In other words, if your pipeline entry was €4.5 million in January, then your projected sales in October will be €1.5 million.



The revenue you did that same January would, if your CRM data are consistent, have been defined based on your pipeline entry in April, nine months prior, multiplied by your conversion ratio. For example, if your revenue in January was €1 million, then your pipeline nine months earlier was €3 million.



Staying with the same example as above, if your growth projections are €1.5 million in September, your month-on-month growth factor will be 4.61%, whereas your year-on-year growth factor will be 71% (a forward extrapolation of the same growth factor on an annual basis).

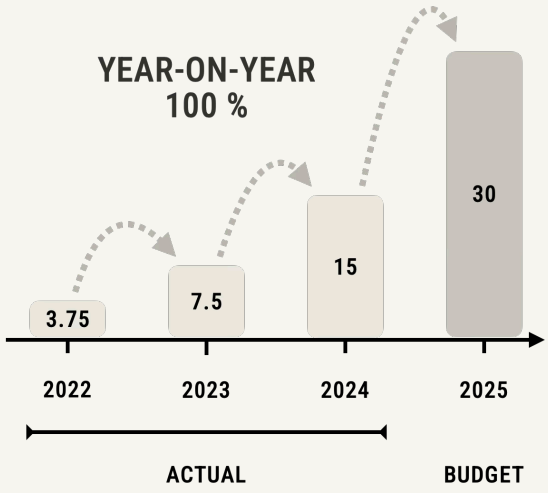


This would represent a growth ratio well into hypergrowth territory. As a result, the business would be able to continue investing aggressively with confidence, given the knowledge and overview of future sales revenue.

Let us undertake a simulated example to demonstrate the effectiveness of a BTM projection as well as the potential negative consequences of failing to make use of it.

CASE: COOL GREENTECH: WHEN CHAMPAGNE MOMENTS HIDE LOOMING DISASTER

Cool GreenTech produces and sells new innovative cooling systems in ten countries. After achieving an impressive 100% year-on-year revenue increase for three consecutive years, the company has chosen to set its 2025 revenue budget to €30 million with the expectation of maintaining this remarkable growth trajectory.

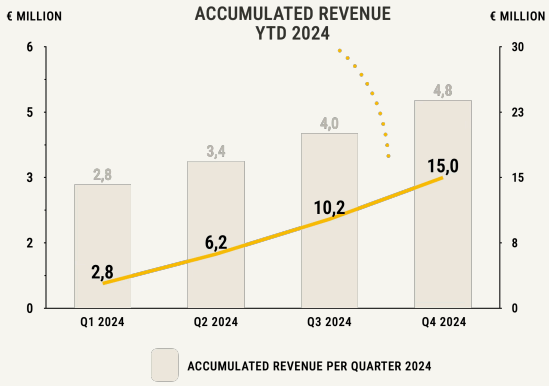


The 2025 budget is based on these key assumptions:

- Total operating expenses are set at €15 million (opex).
- The company is projected to reach break-even with a quarterly revenue of €10 million, a milestone expected to be achieved in the Q4 2025.
- Investor backing ensures the company is funded through the end of Q4 2025, at which point the business is anticipated to become cash positive.

REVENUE DEVELOPMENT 2024 AND BUDGET 2025

- Every Q was a record Q
- Company meeting budget
- New recruitments working
- Strong successful expansion into new countries

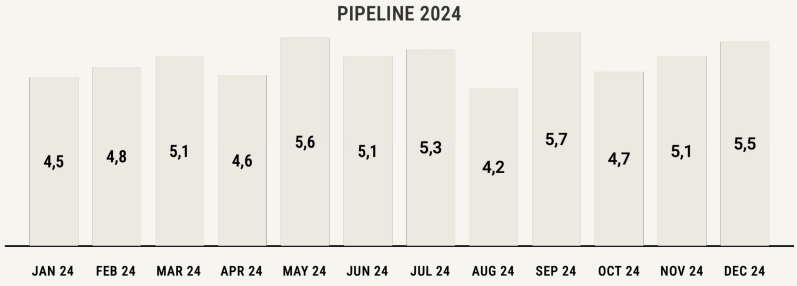


€ million	**2024 Actual**	**2025 Budget**
Turnover	15	30
Cost of execution	5	9
Gross profit	7.5	15
GP/CoE ratio	7.5 / 5 = **1.5**	15 / 6 = **1.6**
Net contribution from sales	2.5	6

CRM Data: From Opportunity to Won	
Conversion rate	33%
Lead time	9 months

GO-TO-MARKET/OPPORTUNITY ACTIVITIES

- Company hit €5 million in pipeline in March 2024
- End of year 2024 at almost €5.5 million of new pipeline
- Start of 2025 continue like last year



Imagine the quarterly board meetings:

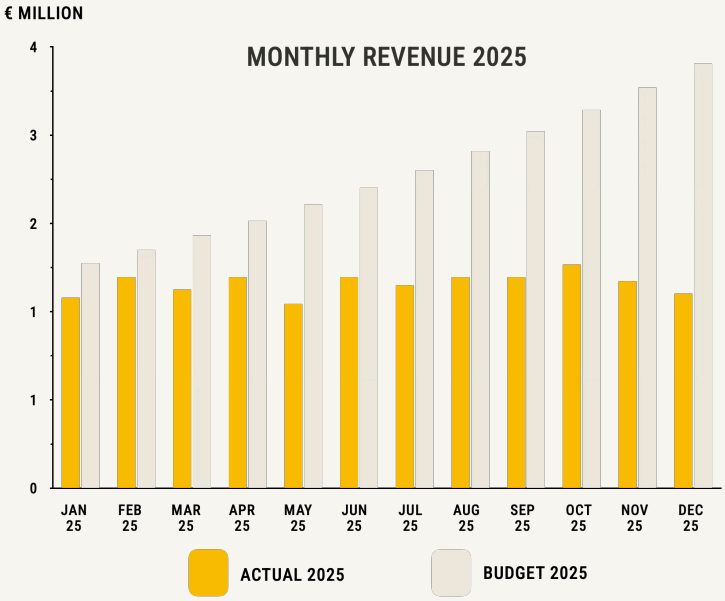
Q2 10th consecutive growth quarter and continued investment in growth (CoE), R&D and expansions

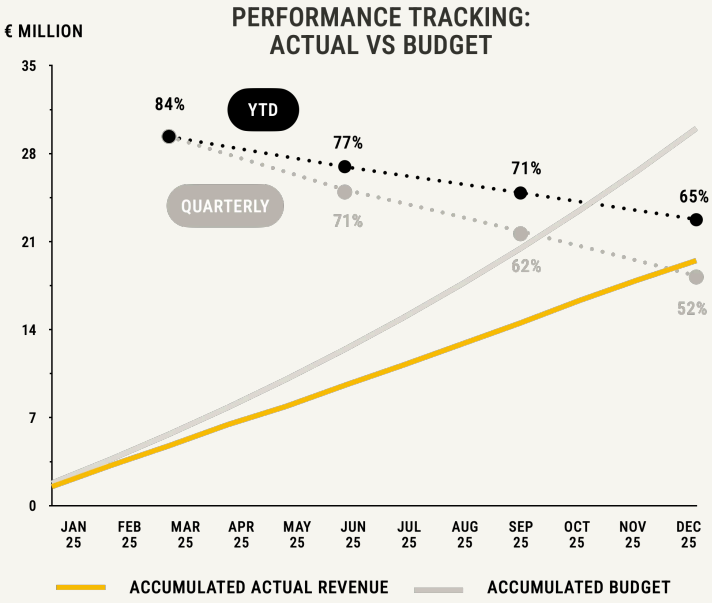
Q3 11th consecutive growth quarter, first time reaching €4 million in revenue and continued investment in growth (CoE), R&D and expansions

Q4 3rd year with 100% growth. Budget approved for 100% growth investment into R&D and expansion. The 2025 budget was set at €30 million in revenue, with the company achieving positive cash flow.

All of these board meetings would have been the case for celebration and champagne, right?

Now let’s look at how 2025 went:





Again, this is what could have happened in the 2025 board meetings:

Q1
- Revenue is at a record level at €4.8 million.
- Budget performance is at 84%.
- Argument: 'This is just a slow start on the year, and we did push hard on sales to close Q4, so this is just a classical slow start on year'.
- Move full throttle on business and investment plan.

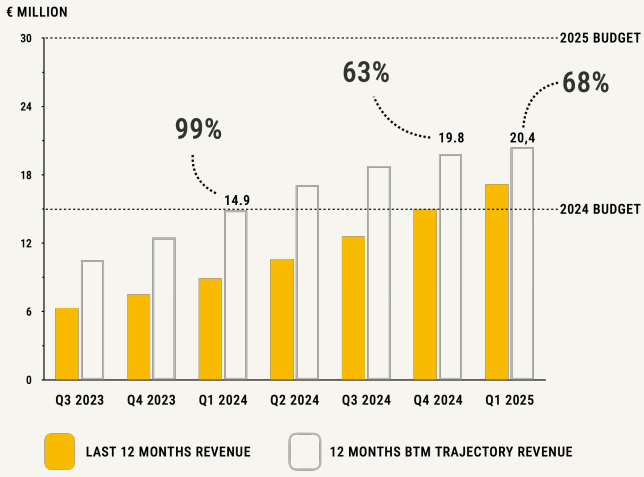
Q2
- An uptick did not happen – quarter at index 71%, and year-to-date at 77% overall.
- Argument: 'Well . . . on the positive side, we did almost €10million for the first time over six months'.
- Performance is a big concern for the board; analysis on what is happening commences.
- The board diligently maintains investment activities.

Q3
- Critical: The business is now at index 71% , year to date, €5.9 million behind budget.
- With a 50% GP level, this means the business are missing almost 2.95 million in GP, and we are burning rapidly into our cash reserve.
- Place a full stop on hiring and all noncore R&D investment/full focus on commercial activities.
- 'We need to launch external investment round ASAP'.

Q4
- Panic! Quarter at index 52% to total year-end performance at 65% or €10 million behind budget and €5 million behind on CASH EBITDA vs. plan.
- Firing round, stop of all R&D activities.
- Current investors have to drip-fund the company.
- Fundraising process is proving difficult because of budget performance, and a down round is ahead.

EARLY INTERVENTION WITH BTM

For the experienced board member and investor, the above has most likely happened in some variations already, most likely with severe negative consequences. But it could have been prevented had the board and the company used BTM.



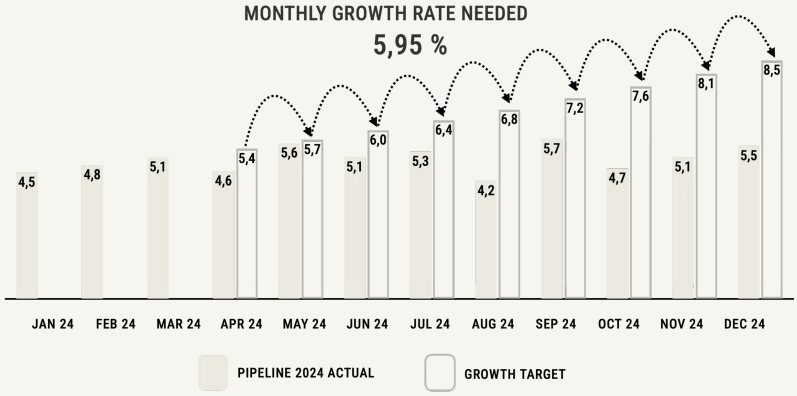
With BTM, it would have been clear that when the year-end champagne event took place as the board of Cool GreenTech was setting the budget for the following year, the board would have realised that it was already heading towards a 2025 trajectory of €19.8 million, a mere 63% of the budgeted €30 million, and a direct bottom-line impact of €5 million (50% of the €10 million in revenue missing against budget).

NOW, LET'S TALK ABOUT WHAT THE COMPANY SHOULD HAVE DONE

As a CEO, you must know precisely the required effect (pipeline) from your commercial activities to maintain your company's growth trajectory. This is referred to as the monthly growth performance target (GPT).

Considering your typical lead time and your growth goals or budget, you can determine exactly what your sales organization needs to put in the pipeline to stay on track.

In the example with Cool GreenTech, the growth expectation/ambition was 100% , year on year, and lead time was nine months. To achieve the goal of 100% growth of revenue over a year, the GPT would be a 5.95% larger pipeline every month. If the lead cycle is nine months, then the GPT is your current monthly budget x 5.95%, nine months forward.

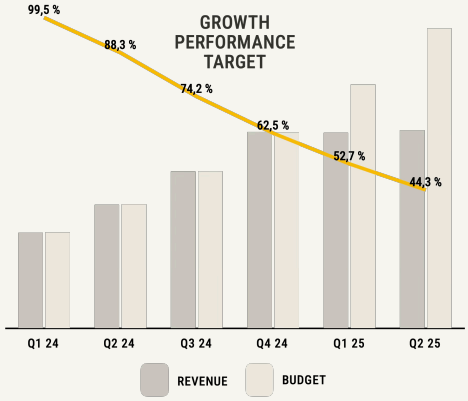


Using the visual example of pipeline entry throughout 2024 above, the company failed to notice that the pipeline coming out of Q1 had plateaued at around €5 million per month for the remainder of the year. This led to a December figure (nine months later) of €5.5 million, with catastrophic consequences for the following financial year.

To maintain 100% year-on-year growth, the pipeline entry for December 2024 should have increased linearly each month, reaching €8.5 million (that is, the pipeline value in March 2024 – €5.075 million – multiplied by 5.95% to the power of nine, which is approximately €8.5 million). Instead, only €5.5 million was added to the pipeline that month, which is significantly below the level required to sustain 100% growth.

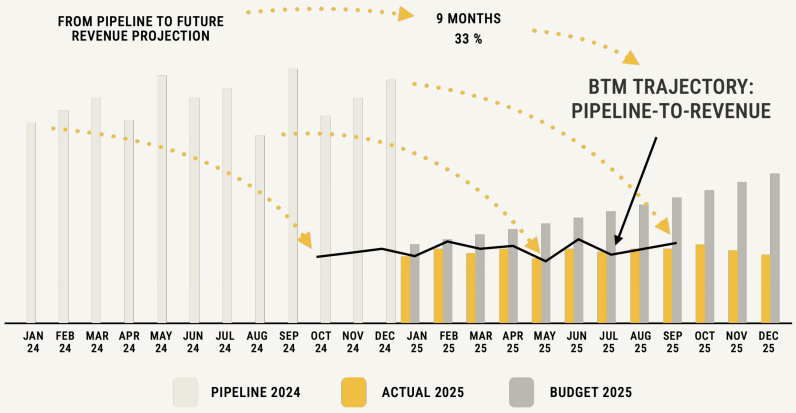
Had the company tracked actual pipeline development and correlated it with the forward trajectory, it would have been clear as early as Q2 2024 that the business was facing major growth issues, as illustrated below using GPT.

That realisation could have come five board meetings earlier than when the company eventually discovered that something was seriously amiss. It would also have shown, as early as April – just coming out of Q1– that the only genuine champagne moment was in April itself, the sole occasion when the company was truly on track. All other so-called champagne moments were, in reality, celebrations of impending disaster.



In the graph above, you can also see the GPT target alongside the budget objective. As your budget will likely have months that are above and below target, you should maintain an accumulated view for both as well as a performance indicator for both your budget and your GPT. If you already have your defined budget, you can reverse engineer this to determine your GPT. However, remember that this is not forecasting; it is trajectory management, unless you have low variance and fluctuations in your correlating BTM dataset.

To demonstrate this point, observe how a pipeline-to-revenue projection (black line) based on the 2024 pipeline entries would have revealed, by the end of 2024, that achieving the 2025 budget target was already unattainable. For clarity, the actual revenue figures of 2025 are also included in the illustration..



UNDERSTANDING THE BURN RATIO

To understand the increased burn ratio in the Cool GreenTech example, consider the budget scenario versus the BTM projections.

BUDGET SCENARIO

Sales revenue	€30m	100% growth YoY
Gross profit	€15m	50% GP
CoE	€9m	80% up YoY
CoE ratio	1.6	
Total opex	€15m	
Result	Cash neutral for the year	

BTM PROJECTIONS

Sales revenue	€19.8m	32% growth YoY (Based on Pipeline Flattening at DKK 5m)
Gross profit	€9.9m	50% GP
CoE	€9m	80% up YoY
CoE ratio	1.1	
Total Opex	DKK 15m	
Result	Negative €5.1m	

The company continues to invest in growth at a pace that is not matched by actual sales performance. This mismatch between spending and revenue leads to a higher rate of cash consumption, or burn, resulting in a negative cash position. When growth projections are not met but expenses remain high, the burn ratio increases, putting the company at greater financial risk.

2. CREATE A BTM MODEL FOR AUTOPROJECTION

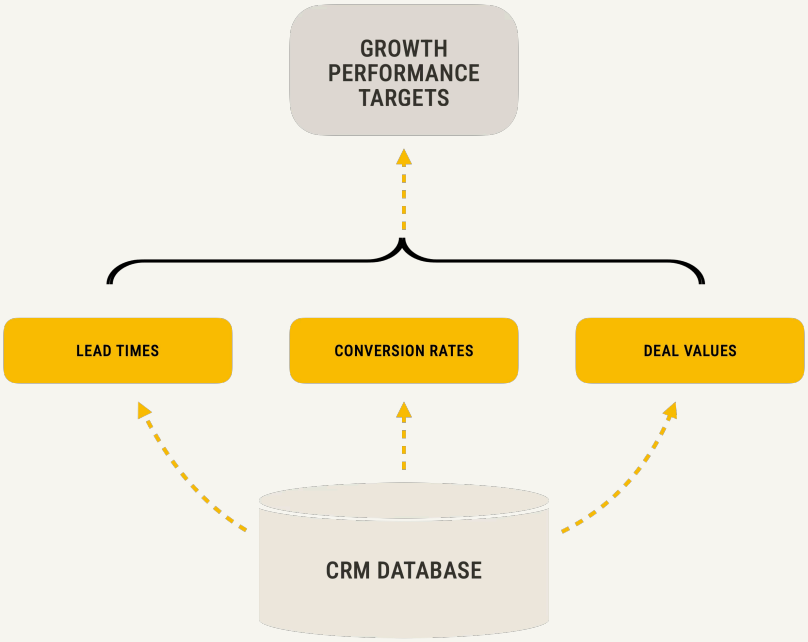
BTM brings a profound sense of calm to board meetings, as the data are clear, accessible, structured and forward-looking. It focuses discussions and makes pre-meeting data preparation far less demanding. However, numbers are only one aspect of the hypertransformation governance challenge. BTM requires sufficient volume and scale to function effectively. There must be a runway of data to feed into projections, and a substantial dataset is needed before meaningful patterns emerge.

To build a simple BTM model, all you need is standard CRM data and definitions of the few calculations needed. The CRM database is crucial for managing rapid growth, providing a single source for customer and sales data. It ensures accurate tracking of key metrics and supports effective planning. Without it, projections and strategy rely on guesswork instead of facts.

First you need to identify what defines a lead entry. This can be from the moment of first contact, from the first concrete call or meeting or from any other way that makes sense for the specific company. For this to be a consistent metric, it is important to understand the customer journey and the relevant phases in the respective CRM. Lead time is usually measured from the date of its entry into the pipeline to the date the deal is won, and then again from 'deal won' to delivery, i.e. when revenue can be acknowledged.

Once these foundational components are established, you can start defining growth performance targets (GPTs). This allows you to determine the necessary pipeline today to reach your projected revenue objectives in the future.

THE BTM MODEL



MANAGING HYPERGROWTH WITH A BTM MODEL

CRM database accuracy	Ensure all sales and pipeline data are entered consistently and correctly, forming a reliable foundation for projections and decision-making.
Data extraction and focus areas	Focus on key metrics (leads, conversion rates and lead times) from the CRM.
Growth Performance Targets (GPT)	Help you define the required pipeline input each period to achieve the desired growth rate, based on current conversion rates and lead times.

THE KEY METRICS OF THE BTM MODEL

Leads	A potential sales opportunity that enters your company's pipeline. It represents the initial point of contact or engagement with a prospective customer who has shown interest in your product or service. For BTM purposes, it is important to clearly define what constitutes a lead – such as the first meeting, a qualified inquiry, or another specific milestone – so that tracking is consistent and meaningful. Accurate identification and recording of leads are essential, as they form the basis for projecting future sales, calculating conversion rates and understanding the overall health and direction of your growth pipeline.
Lead time	The average amount of time it takes for a sales opportunity to move from its initial entry into the pipeline to becoming a closed (won) deal. This metric helps businesses understand how long it typically takes to convert new leads into revenue, enabling more accurate projections of future sales and better resource planning. By tracking lead time, companies can anticipate when current pipeline activities will affect revenue and make informed decisions to support sustained growth. Key lead-time metrics are pipeline entry date, date deal won, area deal won, won deal delivery, date deal lost, area deal lost, time between entry, won, delivery, and lost.
Conversion rates	The percentage of leads or opportunities that successfully turn into actual sales. It measures how effectively your business is turning pipeline entries into closed deals. A higher conversion rate indicates that your sales process is efficient and your leads are well-qualified, providing a reliable basis for projecting future revenue and making informed growth decisions. Conversion rates can be calculated with a won+loss calculation (won/[won+lost]) over a period, e.g. LTM or L3M, or by a cohort analysis.
Growth Performance Target (GPT)	GPT is the projected revenue from pipeline divided by the budget trajectory. GPT is calculated based on current conversion rates, lead times and budget trajectories, allowing leaders to set clear, data-driven targets for pipeline development that are directly linked to future revenue objectives.

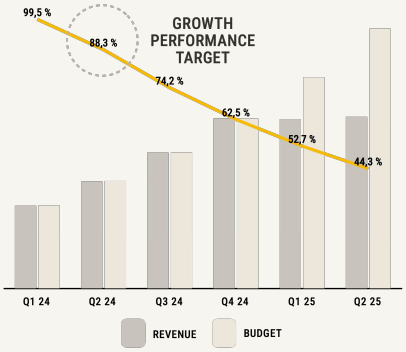
GROWTH PERFORMANCE TARGET (GPT)

GPT is calculated like this:

Projected revenue from pipeline divided by budget trajectory

Projected revenue from pipeline	The required pipeline input needed to achieve your desired growth outcome
Budget trajectory	The projected revenue required to achieve budget goals

In the Cool GreenTech case, let's take a closer look at the Q2 2024 GPT, which stands at 88.3%.



The GPT is determined using the following calculation:

Pipeline entries Q2 2024	€15.2m	Total value of new opportunities added to the pipeline in Q2 2024
Pipeline-to-revenue conversion ratio	33%	Percentage of pipeline expected to convert to revenue
Projected revenue from pipeline	€5.025m	Pipeline entries multiplied by conversion ratio (€15.2m x 33%)
Budget trajectory for 100% growth (Q1 2025)	€5.691m	Projected revenue required to achieve 100% growth in Q1 2025
GPT tracker (Q2 2024)	**88.3%**	**Projected revenue from pipeline divided by budget trajectory (€5.025m/€5.691m)**

THE BTM GROWTH PERFORMANCE TARGET

GPT is a forward-looking metric that defines the amount of new pipeline or sales opportunities a company must generate within a given period to achieve its desired future growth rate. By tracking GPT, organisations can proactively manage their growth trajectories, ensuring that commercial activities are always aligned with long-term business goals and enabling early intervention if performance deviates from plan.

To maintain an annual growth rate of 100%, the GPT would be a monthly growth rate of 5.95% in both revenue and pipeline, assuming that your pipeline-to-revenue ratio and lead time remains constant (see next page for a detailed explanation of the growth rate). Relying on backward-looking data in a hypergrowth environment is dangerous. Without forward-looking tools like BTM, companies are blind to early warning signs and cannot adjust their strategies in time to avoid crisis. The core misunderstanding is that high-growth companies often assume that past performance and budgets based on historical data are reliable indicators of future results. In reality, when pipeline generation stalls but investment in CoE and opex continues as planned, the burn ratio (the rate at which the company is spending cash relative to its revenue and profit generation) increases dramatically.

The unfortunate effect of this misunderstanding is that high-growth companies relying solely on historic data will realise far too late that they are on a catastrophic business trajectory. This often forces them to take drastic measures such as cost-cutting, laying off staff or making strategic withdrawals from new business areas or geographies, as their time to manoeuvre has vanished. I have attended countless board meetings in high-growth companies that have not yet fully adopted BTM as their business management engine. I have witnessed how these companies have fallen substantially behind budget, and the outcome of the meetings is often a high level of guesswork, opinions and feelings,

rather than factual, data-driven decision-making in response to the figures presented.

To this day, I struggle to understand how many businesses out there can function without BTM. Nonfactual discussions often derail critical board meetings, resulting in nonfactual decisions.

Let's look at a real portfolio example from NAP.

'Nonfactual discussions often derail critical board meetings, resulting in nonfactual decisions'.

LAST MONTH'S DATA

If you are in hypergrowth mode, the only real value of last month's P&L and sales revenue is in terms of current liquidity. This is only relevant for investment fuelled companies and short-term forecasting capabilities. It will provide no real business-steering data for you or the board, as you are not looking at last month's performance but far into the past.

PIPELINE-TO-REVENUE PROJECTION GROWTH RATE

To project your revenue from the pipeline, you must calculate the desired growth rate. The monthly growth rate required to achieve 100% year-on-year growth can be determined using the compound Growth Formula:

Final Value = Initial Value × (1 + r)^n

Here, "r" represents the monthly growth rate (expressed as a decimal), and "n" is the number of periods, which in this case is twelve months.

To double the initial value over a year (100% growth), set the initial value to 1 and the final value to 2:

2 = 1 × (1 + r)^12

To solve for r:

(1 + r)^12 = 2

Take the twelfth root of both sides:

1 + r = 2^(1/12)

r = 2^(1/12) - 1

Calculating this gives:

r ≈ 0.0595, or 5.95%

Therefore, a monthly growth rate of approximately 5.95% is required to achieve 100% year-on-year growth, which means that your Growth Performance Target should increase with the same rate, factoring in your conversion ratio and lead time.

EXAMPLE OF A BTM MODEL

Setting up a quick example to illustrate this could be done using 'Company X', which is currently converting 20% of its leads with an average lead time of six months.

PIPELINE ENTRIES PER MONTH

JAN	FEB	MAR	APR	MAY	JUN
$1m	$1.2m	$2m	$1.9m	$2.2m	$2.1m

Based on the above, a BTM model would project sales in the second half of the year using the calculation below:

Sales = Pipeline * lead time * conversion rate

PROJECTED SALES THROUGH BTM MODEL

	JUL	AUG	SEP	OCT	NOV	DEC
Sales p.m.	$200k	$240k	$400k	$380k	$440k	$420k
Acc. Sales	$200k	$440k	$840k	$1,220k	$1,660k	$2,080k

This output provides a data-driven projection of what sales would be expected to be on monthly basis provided only by the factors of the CTM formula multiplied with time. Based on the above example, we can also track for what we refer to as the gross performance target (GPT). The GPT is the pipeline entry required to achieve growth objectives, i.e. accumulated sale projections. Depending on your average lead time and growth ambitions or budget, we can calculate what the sales team needs to deliver in pipeline.

LEAD GPT

	JUL	AUG	SEP	OCT	NOV	DEC
Sales budget	$250k	$250k	$400k	$425k	$440k	$475k
Lead entry GPT	1.25m	1.25m	2m	2.13m	2.2m	2.38m

HOW TO RUN YOUR BUSINESS BASED ON BTM

To reiterate, there are essentially only three factors that will enable you to structure your BTM growth trajectory:

- conversion
- lead times
- pipeline entry

Your BTM GPT is built on these factors and will define the month-on-month objectives, updating your BTM growth trajectory accordingly. As a CEO, these are the only three factors you should focus on to drive the commercial growth of your business. Your strategy, tactical and daily operational efforts and deployment of resources – whether investment, R&D, partnerships or otherwise – should all ultimately affect one or more of these three factors. Anything that does not contribute to these elements is not directly aligned with the interests of your shareholders. The effect and success of a CEO should be measured solely by the effective development of these three factors. Ultimately, it is the development of your GP/CoE ratio that serves as the true validator of how successful a CEO or investor is.

Here is why: Conversion is essentially an indication of the quality of your technology offering, combined with your sales and marketing capabilities. If your conversion is low, your technology or solution is not particularly attractive, and you should consider investing heavily in R&D – unless you have an exceptionally cost-effective (CoE) way of generating and converting opportunities.

'Pipeline is essentially the result of your CoE'.

Pipeline is essentially the result of your CoE. Naturally, your relevance will affect not only conversion but also your ability to attract customers and generate pipeline, as outlined in the BCSA chapter and in the Growth Formula.

Lead time is the least significant factor, as it simply reflects the time between your commercial activities (pipeline) and revenue. However, if you have shorter lead times, you will see a faster impact from your commercial activities and BTM growth factor. This can play a role in how you use BTM to meet specific revenue objectives, as demonstrated in the DyeMansion example. You may find yourself in situations where you need to meet specific numbers, but the normal lead time is longer than the time frame in which you need the impact. In such cases, you should focus on lead cycles that fall within your required delivery horizon. If you have six months left in the year and are behind target, pursuing deals or pipeline with a nine-month sales cycle is pointless.

With BTM, it all comes down to how detailed you want to be and the extent to which you can find consistent datasets.

'With BTM, you can spot the headlights of freight trains on collision course'.

Having covered the power of managing your business based on forward projections and pattern analytics, we must now address how BTM can identify substantial pockets of value – or spot the headlights of freight trains on collision course. To understand how BTM evolves from pattern recognition and forward projections to actual value-generating business development, let's revisit my experience at HP EMEA and how I took BTM to the next level.

HOW TO UTILISE BTM AUTO-PROJECTION

By utilising the BTM model, you will have access to projections generated solely from objective data, free from any subjective analysis such as feelings and opinions. This enables management and boards to make decisions for the future based on more than just historical P&L data, which has little direct relevance for the future, particularly in a hypergrowth scenario.

However, there are several factors that management should be aware of when analysing BTM projections:

Are lead entries and/or conversion rates improving when investing in growth (CoE)?	If the number of incoming leads and conversion rates does not increase in line with the budgeted growth, despite further investment in CoE, the company should not simply continue to increase CoE in an attempt to achieve sales targets. If additional CoE does not result in higher gross profit via sales according to BTM, then the GP/CoE ratio is likely being affected by an external factor or is indicative of capital-inefficient growth. In such cases, the company should dedicate time and resources to analyse the reasons behind the lack of improvement in pipeline or conversion.
How much do your previous budgets deviate from your new BTM projections?	If previous budgets have been based on assumptions and historic P&Ls, it is highly probable that those budgets will differ significantly from the BTM projections. The variance between the two most likely indicates that resources are not being allocated in accordance with what BTM projections recommend. This could be due to underinvestment in CoE or investment in the wrong type of CoE.
How should you interpret the output?	With BTM, you will never focus on a specific month's BTM GPT in the same way as you might with your monthly P&L performance. A single month is merely an intermediate dataset within your overall BTM growth trajectory. Single-month data points are not sufficiently representative; instead, you need to examine several months as a consecutive series of datasets, with the underlying trends revealing your BTM growth trajectory.

Overall, the logic is straightforward: If you, for example, assess your BTM GPT performance as revenue, you will find that in some months you overperform, whereas in others you underperform. It is the accumulated trajectory that truly indicates your BTM growth ratio. Never

extend your analysis beyond an LTM for your BTM drivers, as you risk incorporating datasets that are no longer representative due to changes in CoE investments or evolving strategies. At the same time, many businesses are subject to seasonality, which can introduce variance into the datasets. At the very least, using LTM ensures that the average annual seasonality effect is included.

3. HOW TO CREATE AN ADVANCED BTM MODEL

Although we have covered the strategy-adjusting potential of BTM and the powerful projection analytics it offers, the underlying intelligence layer is perhaps even more valuable for your business.

The more you can correlate your three BTM drivers and GP/CoE with your actual commercial and strategic investments, the more tactically you can redirect your CoE towards areas that will yield the highest gross profit return. The key is to link BTM behavioural datasets with specific commercial activities, customer characteristics or other factors to identify where the most value is being generated. By analysing this data, you can shift your commercial efforts away from low-value areas and focus on the high-value opportunities now revealed.

A straightforward approach is customer profiling, which can be segmented by geography, company structure, business size or industry verticals. Even small companies will quickly notice significant differences in win rates and lead times across different verticals, leading to better CoE returns when focusing on the most profitable segments. This principle also applies to lead generation activities, where you might observe varying BTM and GP/CoE drivers. For example, if one customer profile converts at three times the rate of another with a similar CoE, you could achieve a threefold return by redirecting efforts towards the more favourable profile. This represents a substantial business advantage that is difficult to achieve by other means.

CREATING YOUR INTELLIGENCE LAYER

Essentially, this layer in the matrix does not affect the traditional BTM projection tool directly, but rather assists in analysing some of the other factors at play. Once again, the most important element is the quality of input data in your CRM system and the consistent entry of leads. The factors to include in the intelligence matrix are highly dependent on the specific company and product and should be relatively straightforward for management to determine, given their deep involvement in the sector. Some factors that could be relevant include the following:

Customer characteristics	This encompasses customer verticals, geographical structure, company structure, number of offices, employee count, blue-collar vs. white-collar workforce and relevant department headquarters.
Customer-performance KPIs	Consider metrics such as revenue, headquarters country vs. global revenue, profitability, developments across all financial KPIs, stock-price movements and estimated budget for your product category.
Technology strategy and association with your product	This will vary according to your offering, but any indications of the customer's future technology strategy can be a valuable metric.

OTHER KPIS THAT CAN BE USED FOR BTM

Although we have already covered a list of key metrics and KPIs that should be tracked by your CRM to be used in BTM, we can expand the list even further. In the prospecting phase, you can track for KPIs such as the following:

- Nominal value of prospects
- Number of prospects
- Monthly screenings
- Monthly screenings per sales rep

In terms of qualified leads, you can screen for the following:

- Stock of nominal value and number of leads
- Flow (ratio between new and lost) in the reporting period, e.g. months to the nominal value and number of leads
- Monthly number of first-time customer calls
- Monthly number of subsequent customer calls
- Default probability of a lead converting (not actual conversion rate)

In the following phases, whether this is in a demonstration phase or actual proposals or negotiation phases, you continue to track for the same KPIs, but there are a few you can now add:

- Monthly number of demo/meetings with new customers
- Average number of demo/meetings per sales representative for new customers
- Average number of proposals per sales representative
- Monthly number of commitments
- Actual conversion of demos, proposals and meetings into commitments

CASE: HOW TO UTILISE AN ADVANCED BTM-MODEL

An example of the output generated by a matrix with an added intelligence layer is exemplified by my efforts at HP Networking. To address the potential of BTM, I decided to map out all the factors mentioned above. When the date was in place, the enriched data were correlated with the actual customer CRM and BTM behavioural data, looking for positive or negative anomaly patterns for conversion ratio, lead times and CoE.

It was evident that there was a substantial 'above-normal' conversion ratio correlated with the following characteristics:

- Companies with more than 50% of the business outside the headquarter country, often with minor clusters or nonindependent subsidy structure.
- Companies without a high level of blue-collar or services workers, i.e. production or retail
- Companies where HP already had a strong market share in general, but especially where HP had a strong footprint within the enterprise systems, such as servers, storage and enterprise services
- Companies with lower profitability
- Companies in the low range of relative IT expenditure compared to turnover

When the above characteristics were used as a filter within the Top 5000 corporations in EMEA, it became clear that large-scale manufacturing and production corporations with a strong centralised HQ structure were the ideal customer profiles. Consequently, customer profiles with opposite characteristics proved the most challenging or even impossible to penetrate. The best examples of high-fit customers were those heavily reliant on IT infrastructure, particularly in networking, which is mission-critical for industries such as banking and telecom services. If the conversion rate for one customer profile is three times that of another, and the CoE is similar, redirecting efforts to the more favourable profile will yield a threefold return on CoE. It seems elementary, but this level of capital efficiency is challenging to achieve through other strategies.

Beyond the extreme profiles identified in the BTM enrichment analysis, clear data patterns emerged among the Top 5000 largest corporations in EMEA, indicating the need for change. Instead of allowing local flexibility in strategic account selection, HP shifted to a corporate-driven, central-

ised account selection process. This approach ensured that it targeted accounts with the highest potential for successful penetration, maximising GP/CoE and cross-border synergies based on detailed BTM intelligence. The results were impressive, with significant success not only in manufacturing and production but also with key clients. More important, the BTM-based centralised account selection significantly increased GP/CoE ratios while maintaining revenue growth rates above 50%, year on year. By the first half of 2010, the Enterprise Sales Team was operational in twenty-seven countries, with sixty-seven sales executives and three sales directors. The team exceeded triple-digit million USD sales revenue, delivering an eightfold GP/CoE, meaning that for every USD 1 of CoE spent, the team returned USD 8 in gross profit.

From a BTM perspective, this would have shown up much like in the DyeMansion example but in customer segments rather than geographical markets. It would have been clear that the GPT would be surpassed rapidly and that CoE could easily have been increased significantly to propel growth even further. In fact, with this kind of GP/CoE ratio, nothing is stopping you from investing heavily in pipeline generation until you reach a point of saturation.

UNLOCKING MAXIMUM CAPITALISATION WITH BTM DRIVERS

The BTM drivers will forward-project the same outcome as your pipeline-generating activities and, although the accuracy may not be perfect, the conclusion remains the same: BTM is always correct. Even with a smaller or more diverse dataset, BTM projections will be sufficiently accurate as a business management and decision tool, provided the data are representative.

Now that we have covered how to achieve a high level of comfort using the initial CTM Tool Kit, and having learned how to manage de-risked hypergrowth, we can investigate strategies and models for capitalising on the new positions. This is what the next chapter is all about.

‘The conclusion remains the same: BTM is always correct’.

POINTS TO CONSIDER

What needs to change today to align your future outcomes with your business goals?

Consider how the BTM model can be effectively applied within your organisation. Take time to evaluate the ways in which this framework could enhance your approach, not only in projecting sales but also in optimising your overall growth strategy. Let these questions serve as a foundation for integrating the BTM concept, helping you to refine and strengthen your path to sustained hypergrowth.

Do you have accurate lead-time data?	Have you clearly defined when a lead enters your pipeline and when a sale is completed? Are your lead times consistent, or do they vary widely across different regions or products?
How are your conversion rates changing over time?	Are you tracking the percentage of leads that convert into sales over a long-term period? Have you factored in any recent changes, like seasonality or shifts in your sales strategy?
What do your pipeline projections tell you about future sales?	Based on your current pipeline and lead times, can you accurately predict what your sales will look like in the next few months? Are these projections helping you make strategic decisions about where to invest in growth?
How does the GP/CoE analysis fit into your BTM projections?	Are your CoE investments aligned with the growth targets shown in your BTM model? Are there external factors affecting pipeline performance that should lead to a reevaluation of your strategy?
What's your long-term trajectory for growth?	Do your BTM projections suggest that you're on track to meet your growth targets? If not, what adjustments can you make now to avoid surprises later?