

# Purposeful Growth

The Promocrat manifesto

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## Key takeaways

- **Growth is the new punctuation sign of marketing.**
- There are **3 perspectives on growth** that you might have heard of: the growth hacking perspective, the cross-functional growth role and the growth mindset.
- A **framework for high-tempo experimentation** is an essential set of processes for predictable business growth.
- **Growth is cross-functional**, as it has input and impact within multiple areas of the organization, especially product, marketing & sales. The cross-functional nature of growth also extends to the customer decision lifecycle, with a full-funnel perspective.
- Every part of the organization can benefit from **people with a growth mindset**, but it's within the Growth function that they are essential. Even though defining a growth mindset is difficult, there are a set of key virtues that a growthperson will tend to manifest.
- **Process, structure & people.** These key ingredients are the basis for a modern Growth function.
- With a systematic approach to growth, companies can now drive **purposeful growth**.
- Purposeful Growth: **predictable, inclusive and meaningful.**
- The growth function is **fairly easy to set up** in any organization, requiring minimal resources and at least one person responsible for the function. Dedicated teams are not a fixed requirement, especially in the beginning.
- The growth function requires various resources on short notice. Commonly, **activities that support growth are solved with external partners.**
- **A new breed of partner is arising.** Not just delivering on requests, but also contributing to developing the growth function. Not an agency, but a growth partner.

## The state of Growth

“Growth” is the new punctuation sign in marketing. It’s on everyone's lips, from the boardroom to LinkedIn, and it’s getting louder. It seems like in the last few years people have started shouting “growth” left and right, yet it’s silently been a key, business function even since the dawn of capitalism. It’s a term so comprehensive, yet so shallow when used as a buzzword.

Of course, the word itself is essential for every business or marketing strategy. But again, shallow when no additional context is provided. Why has it become so popular lately? Why have marketers started to adopt it? Why have so many new “growth” titles started popping out? Let’s take a quick look into the 3 most common perspectives.

### The Growth Hacking perspective

The obvious culprit is the phenomenon called “growth hacking”. Developed by Sean Ellis, it is a scientific and structured approach to experimentation within business functions that can impact company growth – most commonly, product, marketing, and sales. The basic concept is that modern business models and marketing practices are changing so rapidly and that the best way to approach scaling up is to find those few tactics that can create an outstanding effect on business results. And the best way to approach this is by developing a high-tempo experimentation framework, where the company launches as many minimum-viable activities as possible to get fast learnings. The methodology acknowledges that most experiments will fail, but relies on the fact that those few that succeed will make up for it in terms of immediate results, but also learnings that can fuel scaling up and further experimentation.

The GrowthHackers methodology should be praised. It delivers a scientific dimension to growth, giving the term and the practice more solid footing. It is building up towards the Holy Grail – that of achieving predictable business growth. A more subtle, yet powerful consequence of the framework is that it forces cross-functional teams into an agile workflow, with constant sprints, prioritization and the ability to pivot fast on key areas of the business.

As is expected by any new scientific endeavor in its early stages, there are some downsides worth mentioning. The Achille’s heel of the methodology is that it does not treat business growth in any other way than through the lens of experimentation. Ask any company that has a strong M&A-focused growth strategy and they’ll probably easily tell you why they can’t just “hack” it. But this is not the biggest problem – the biggest problem with the experimentation thesis is that it focuses too much on finding silver bullets, magical and mythical “hacks”. This does pave the way for a plethora of fairy tales being preached by wizards that confidently take on the mantle of “growth hacker”.

### The cross-functional growth perspective

Who is directly responsible for business growth? Is it the CEO? Marketing? Sales? How about HR? R&D? While the answers and the weight of each actor will vary from company to company, it is obvious that growth does not happen in an isolated office. It stands at the

intersection of multiple business functions and objectives. Many companies started attributing Growth roles within the Marketing department. The world of digital technology has quickly aligned to a philosophy of Product-Led-Growth, where results are achieved by the development team creating new capabilities and improvements based on user actions and feedback. And speaking of customer-centricity, most organizations rely on Sales and Business Development for meaningful interactions and results. This being said, the Growth function in modern organizations is mostly seen positioned between Product, Sales and Marketing, with strong collaboration and common activities among all of them. As much as we love Sean Ellis, it's much more than just experimentation, as the Growth function needs to support and be supported by other departments in much more meaningful ways, taking part in building the processes to scale up successful activities.

There is also another special mention regarding the cross-functional perspective. It's the biggest trap in modern marketing – that of looking at growth solely through the lens of new business. Digital Marketers, growth wizards for hire and all agencies tend to look at that all-important question: “How do we bring in new users/customers?”. Well, the fact is that marketing in the roaring 20s (2020s, that is) is no longer about awareness and acquisition, no matter what your 60-years-old, saw-it-all, done-it-all advertising guru may state. This is no longer the age of TV and experience in soft drinks and detergent is not relevant for the future of marketing, whatever level of success had been previously achieved.

We live in a new age of marketing. Innovation is no longer about developing technology for marketing, but rather, enabling marketers to tap into the technology that's already connecting our digital world. There's a lot to cover here, but probably one of the most obvious benefits is that we have a better overview, more control and opportunities to develop more complex consumer journeys and become better at serving them at every step. Marketing is no longer just about awareness and acquisition. No longer about just finding the right insight for a one-step interaction. Rather, it is a journey that spans on multiple key areas of the consumer's relationship with the brand. Welcome to the age of full-funnel marketing, where the businesses that succeed are not those that master acquisition, but also the middle and deep funnel stages: revenue, retention, loyalty, and others.

Every business model has a specific funnel, but one that has become ubiquitous is the Pirate Metrics Model, aka AAARRR!!, aka Awareness-Acquisition-Activation-Revenue-Retention-Referral. This is very much inspired by tech companies that have capabilities to track, control and deliver value quickly to consumers at any stage. Traditional businesses are also opening up towards being able to handle this type of approach, thanks to the digital transformation advancements of the last decade, combined with emancipation amongst marketing professionals to bring in more technology into their area, to become more agile in their approach, all sustained by the data-driven decision making that modern technology enables.

#### The growth mindset perspective

If the “hacking” perspective on growth was mostly about process and the “cross-functional” perspective about structure, then our triad is complemented neatly by the third common perspective, which is about people. “Growth mindset” is no longer about departments, not even about any certain activity – it seems like it started to be a general way for people to

summarize their professional success in a justified manner. Equally, it has become a requirement for HR to seek out people with a “growth mindset”, to build up this mindset by facilitating knowledge sharing from key stakeholders that drive company growth and to build a company culture that not only supports a growth mindset but actively encourages and rewards it.

Now, the problem again is that the lines that define this “growth” are blurry. Every company has a unique definition of a growth mindset and unique expectations for leadership and strategy. In this case, “growth” is more the result and “mindset” is the variable set of factors that can lead to that outcome. But if we were to align this perspective on growth with the first two, something interesting happens - we can start sketching out a set of key factors that are primordial for achieving business growth in a cross-functional, full-funnel scenario, with the capability of high-tempo experimentation.

By working with hundreds of growth-focused people over the years, both in our team and our partners’ teams, by witnessing, analyzing and learning from the ones that have grown at our side, we found 12 key virtues for a growth mindset. A detailed essay on the virtues, but also their anti-growth behaviors has been written and published in this book available on Amazon, but here is the short version.

**Cross-functional** - the Growth function sits between product, marketing & sales, with ties and common activities in all of these functions. How it impacts and interacts with these functions varies from company to company.

**Results-First** – Results are the only key deliverable that matters. Not the process, not the assets, not the activity report. A Growth role without the results to prove it is as useless as an elevator in a 1-story building.

**Data-Driven** – we love to say that luck works, sometimes. But intuition is always stronger than luck. And that experience is stronger than intuition. But there is nothing, not even decades of industry-level experience that can compete with the power of a solid data set when it comes to the next big growth decision.

**Full-funnel perspective** – we already presented this. Growth is full-funnel and cross-functional. The relevant departments, business areas or funnel stages vary from business to business, but growth must be involved in those areas that contribute to the company's key objective.

**Tech-loving** - you might be the nicest person in the world, able to close any deal with your charm, be smart enough to beat a computer at chess (highly unlikely, though), inspire people to take action with evangelist-level speeches, but if you can’t manage to connect to the Wi-Fi on your smartphone, you’re falling behind.

**Experimentation-Craft** – as we stated in the first key perspective, Growth Experimentation is an actual structured, systematic process and this leads to more predictability in new marketing endeavors.

**Agility** - this is probably the most obvious because it's easy to observe and evaluate. Everyone loves quick responses and as-soon-as-possible turnaround. If you ever get the feeling that someone is always online, always responding instantly, it's usually not because they're interrupting their lunch break, but because they know that answering instantly doesn't mean 1 minute out of their time, but an extra few hours for the one seeking their help. When it comes to delivering, a growthperson will not necessarily pursue the fastest path to completion, but rather, the fastest path to reach the 1<sup>st</sup> result. There is also some overlap with the Agile methodology as high-tempo experimentation and even modern marketing are iterative and continuous.

**Resourcefulness** - A growthperson will always find a solution, whether it's using SaaS, finding an internal team, an external vendor or freelancer, or even flexing their muscles and doing the job themselves.

**Art of compromising** - As you can imagine, always focusing on keeping things in motion, processes unlocked and finding the fastest path to first result, all these put together build up to a framework in which the process and deliverables will rarely be ideal. But "ideal" is not something that a growthperson pursues. A growthperson is a smart compromiser – they know how to weigh an imperfect delivery versus delaying results.

**Self-outperforming** - As soon as the growthperson has reached a goal, they should have enough feedback and experience to improve for the next milestone. As soon as they have finished an experiment, they define the process to scale that activity with the help of Marketing and/or Business Ops. They're always adding cylinders to the business growth engine.

**Customer empathy** – We're seeing more & more transitioning from desktop marketers that used to spend most of their time working in platforms, reports and spreadsheets, towards more communicative beings, much more focused on networking and relationship building, with colleagues, internal stakeholders, vendors, partners and especially customers. The modern growthperson's ideas are driven by customer input and feedback and this is why qualitative interviews are no longer a one-time project for a research agency, but a constant initiative of the internal marketing department.

**Hyper-optimism** - there's a lot to talk about on this one, but one of the main responsibilities for a growthperson is to make those around them comfortable, confident and even excited about their actions. And that excitement starts with the growthperson themselves – it's not about blindly believing in someone else's vision, but rather, knowing that any business, with the right trajectory and the right minds steering it, can deliver a significant impact to the world. When that level of excitement is formed, it becomes contagious and keeps everyone's spirits up and aligned towards the north star metric.

Mindset is really important, right? Even though there are 11 dimensions to a growth mindset, we would not imagine someone pursuing a life journey in which they try to maximize all of them – a growthperson would know that seeking perfection can stand in the way of progress. Rather, it's the unique combination of traits, virtues and skills that will dictate fit within a certain team, role, company or industry.

## Piecing it together – the Growth Function

Out of the 3, we believe that there is no one correct perspective. All 3 are valid, complementary and honestly, have helped the world and us get a better idea of what “Growth” as a business function and as a science should mean. **And it’s beautiful.**

Growth should not be another shallow marketing term thrown onto presentations. Rather, it should be developed as a key function of every business, the one that has the responsibility of understanding how the company generates value, working alongside other key areas in delivering predictable results. It is a well-defined, yet fluid, structural organization along with a set of strong processes, (experimentation and scaling up, knowledge transfer and others) and the right people with the right mindset.

Process, structure & people. These are 3 key ingredients in any management framework, but the fact that we are now able to identify them in relation to Growth marks the dawn of the Growth function and new opportunities for business dynamics.

Take an example from history. Marketing was not invented as a science until the beginning of the 20<sup>th</sup> century. Yet, business owners have always had ways to communicate and advertise their products, in multiple formats, on multiple channels. But when Marketing as a science formed along the need to understand consumers’ needs, wants and behaviors, things started moving quickly. A systematic marketing approach is essential in any modern company. Growth will likely follow the same trajectory, as the part of the organization that understands what drives business growth and delivers impact and results where it matters more.

Say hello to the Growth Department! We’re starting to see companies building dedicated teams to handle the core operations of Growth. This is especially visible in high-growth tech companies, even early-stage startups, but it will not be a surprise if large enterprises start restructuring to facilitate the creation of a dedicated growth function.

## The next step forward – Purposeful Growth

With Growth Functions in place, organizations of all types are now ready to evolve into much more dynamic, responsive and impactful entities. “Purposeful growth” does not just have a nice ring to it, it’s a beautiful summary of the immense potential of the Growth function.

First of all, growth can now happen predictably, with a systematic, iterative approach to experimentation and efficient scaling up.

Secondly, it’s about aligning multiple actors and activities across the organization around the north star metric and key growth objectives.

Last, but not least, it creates a focus for the company’s most powerful value creators, supported by a culture built around a growth mindset. In this respect, growth facilitates the company to align and pursue its long-term vision.

## Where to start

Growth has an advantage. The function can be developed on a small scale, parallel to existing company structures and activities, even without dedicated teams. All that is required is that it supports and has a constant overview of the Growth function and more importantly, that the responsibility for the function is clearly defined. The function itself can be developed in many ways, with an experimentation framework, with cross-functional agile delivery projects, with culture-building activities focused on developing the mindset, etc.

Advisors are fairly common for growth, just note that there are a lot of “growth hackers” that focus their philosophy on cookie-cutter tactics. But the good side is that for every “hacker”, there are dozens of professionals that have industry-specific know-how and an amazing track record of success. Even though they might not have formally acted within a Growth department, they certainly have what it takes to build out the function.

Also, it’s not uncommon to work with various outsourced activities. Growth teams usually have to initiate new projects that require additional resources on short notice. This is even more prevalent in regards to experimentation, as most experiments, whether they are product-focused, marketing-focused, acquisition, referral, or any other type, will most probably require some degree of setup. We call this experiment design and it may require a new product feature, tweak, input data, list building, database manipulation, CRM operations, automation, channel setup, A/B testing, and creative input: copy, visuals, video, landing pages, etc. There’s a lot to cover, needs will vary widely from month to month so having partners that are flexible enough to allocate resources for the continuous support of the Growth department is a solid approach. Still, the partners helping in this scenario are not actually growth partners, rather than agencies and vendors helping out with specific tasks, activities and deliverables initiated by the Growth department. This, however, is changing.

As the roaring 20s are ramping up, we are also witnessing a new type of partner emerge. One that is growth-focused and that is also accustomed to growth frameworks, capable of not only understanding but also contributing directly to developing the function within the company. One that is capable of contributing to defining the strategy, but also the implementation. To help in finding the north star and key objectives. To analyze the data and create new insights. To bring new ideas to the table and also facilitate ideation with people across and even beyond the organization. To support experiment design with whatever is required, on traditional and also known channels. To scale up marketing where it matters most. To bring people with the right mindset to the table and create an environment where that mindset becomes a part of the company culture. To have an overview of the entire growth process, not as an agency, but as a strategic partner for Growth.

This is what we are doing with Promocrat. We are partners for purposeful growth and have made it our mission to support high-potential organizations of all sizes to deliver a meaningful impact. At the same time, we are strong supporters of the scientific approach to growth and already have a roadmap to becoming a thought leader in our market – teaching, preaching, learning, sharing and developing ideas and programs that will help establish Growth as a science, provide clarity and cut through the buzz-clutter, and ultimately, help our partners achieve purposeful growth.