



How Powerful is Your Revenue Engine?

Great companies are created by powerful revenue engines. You might imagine that Wells Fargo, Oracle, Ritz Carlton and GE all have strong revenue engines. These engines deliver sustainable growth in profitable revenue, the most important driver of earnings, cash flow and company valuations.

Do you know how powerful your revenue engine is? A revenue engine consists of dozens of components, including your go-to-market strategy, product/service design, direct sales force, channel partners, phone center, Internet sales, pricing strategy and mechanics, sales incentives and management tools, billing practices and more.

A company's ability to consistently generate profitable revenue growth in both up and down markets depends on the underlying strength of these components. Most companies have no way of measuring the power of their revenue engine other than by observing the "backward looking" output—the monthly and quarterly revenue numbers.

Even if revenue growth has been strong, is your company's revenue engine capable of reaching higher levels of performance? Historic revenue numbers reflect the strength of a company's revenue engine in the past, but they do not measure the company's ability to continue generating year-over-year revenue growth in the future.

Many years of experience and testing at over 125 companies have helped us develop a methodology for measuring the power of a company's revenue engine and providing the resulting "power rating." Some companies have a revenue engine that performs at nearly 100% of its potential while others are much weaker. How is yours performing?

YOUR POWER RATING	
Software Company	95%
Internet Services Company	72%
Construction Equipment Rental Company	67%
Payroll Processing Outsourcer	64%
Your Company	???

Blue Ridge Partners exclusively focuses on helping companies measure the performance of their revenue engine and then implementing changes that significantly improve profitable revenue growth. Based on our measurements, companies see previously unknown weaknesses that require fixing and the results have been impressive:

RESULTS
Internet Services Company
<i>Doubled revenue growth rate</i>
Construction Equipment Rental Company
<i>Tripled value of company</i>
Payroll Processing Outsourcer
<i>Halved sales force turnover</i>



Start gauging your revenue engine's performance.

“ We increased the value of a construction equipment rentals company by more than \$250 million, we doubled a technology company's revenue growth rate from about 9% to more than 20% and we helped another client cut their sales force turnover in half. ”

100 Behaviors of High Performing Revenue Engines

Based on our experience in testing over 125 companies, we identified our "100 Behaviors of High Performing Revenue Engines." These behaviors were observed in a variety of industries and fall into the ten categories shown below.

We are able to measure the performance of revenue engines at most companies within one week. We conduct in-person and telephone interviews, along with

first-hand observations of strategy documents, marketing programs, sales collateral materials, pipeline reports, commission plans, pricing schedules and key processes. Using this information, we create a scoring template against the 100 Behaviors of High Performing Revenue Engines, as in the example shown.

This example illustrates just one of the 100 Behaviors of High Performing Revenue Engines. When scoring is completed for all 100 behaviors, the power rating is

determined. This information highlights the core strengths and weaknesses of a company's ability to generate sustained growth in profitable revenue.

In our experience, the weaknesses found in revenue engine performance typically can be repaired without large investments. Blue Ridge Partners can help prioritize the areas for improvement that lead to stronger revenue growth, profitability, cash flow and company valuations.

THE 10 CATEGORIES OF 100 Behaviors of High Performing Revenue Engines

- Setting the go-to-market strategy
- Generating new leads
see behavior #4 (to the right) as an example
- Optimizing the win rate
- Pricing effectively
- Defining the product/service offering
- Penetrating existing customer relationships
- Retaining customers
- Minimizing sales force turnover
- Monitoring revenue engine performance
- Motivating the sales force

BEHAVIOR SCORING EXAMPLE Generating New Leads

#4. A specific profile is prepared describing the characteristics of the most desired customers in each targeted segment

- ▶ Based on core competencies of company (targeting prospects that value your differentiators)
- ▶ Translated into meaningful value propositions that will be attractive to prospects
- ▶ Prepared in a way to specifically target prospects

COMPANY SCORE							
Weight Assigned	1	2	3	4	5	Weighted Score	Max Potential Score
0.5			3			1.5	2.5

HEADQUARTERS

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INFORMATION

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