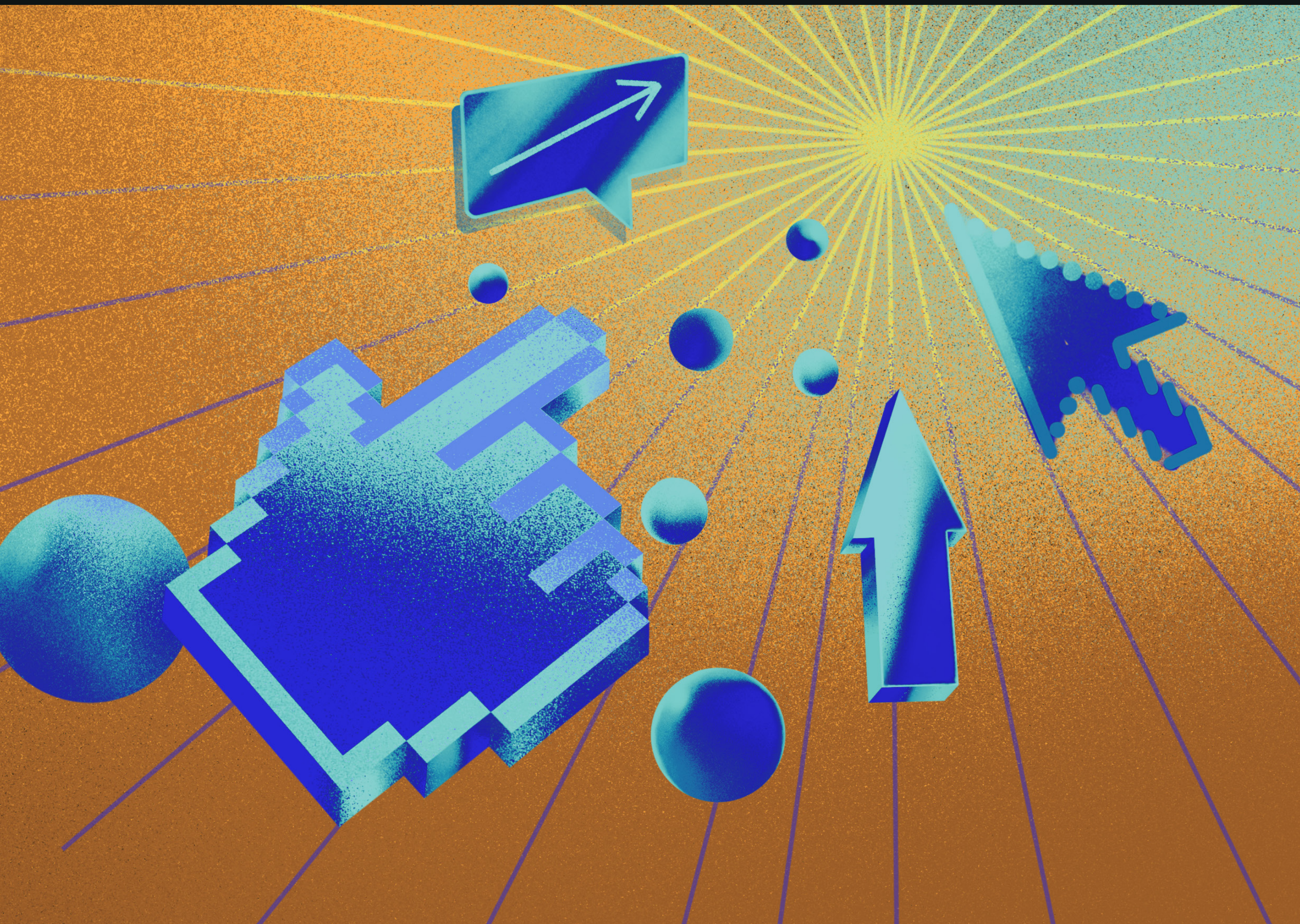
OUTLIERS

The State of SaaS Growth

Uncovering the growth levers that see SaaS businesses achieve long-term success



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INTRODUCTION

What does SaaS growth look like in a post-COVID world?

Navigating a pathway to growth through rocky roads

Sustainable growth is the ultimate goal for SaaS companies chasing long-term success.

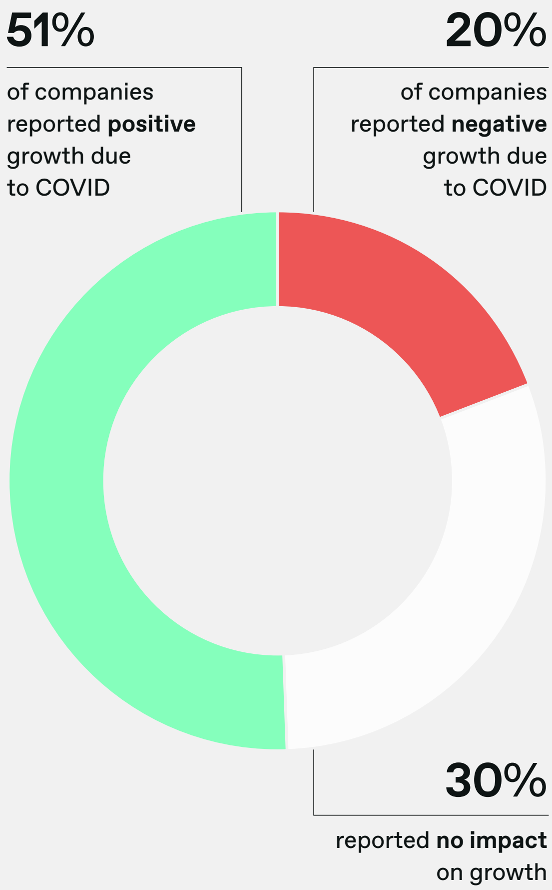
From startup to scale-up and beyond, there is always room to improve – and more than one route to achieving it. As SaaS leaders, we think we know what to expect from the typical growth cycle: we understand when to raise and how much to seek; the benchmarks to measure ourselves against; and the metrics to keep an eye on.

But in a post-COVID world, do we need to readjust what we think we know about SaaS growth and how we approach it?

The ups and downs of the COVID years have left many companies with a cautious outlook. Only half (51%) of companies surveyed for this report expect to hit or exceed their ARR targets this year, with 20% expecting to be off target. Whether you set your annual recurring revenue (ARR) targets during a period of unusual growth, or your assumptions about the shape of the industry no longer stand, one thing is clear: the world has changed and the new ground feels rocky underfoot.

A changing growth cycle

It's no secret that the pandemic has had major economic implications, severely impacting companies across the globe. Here's how businesses in our industry self-reported their own performance between March 2020 – December 2021.



COVID had a net neutral effect for us. Over the past two years, our revenue grew 100% year-on-year. Now our focus is on sustaining that growth

Peter Aschmoneit
CEO and Co-founder, Quantilope

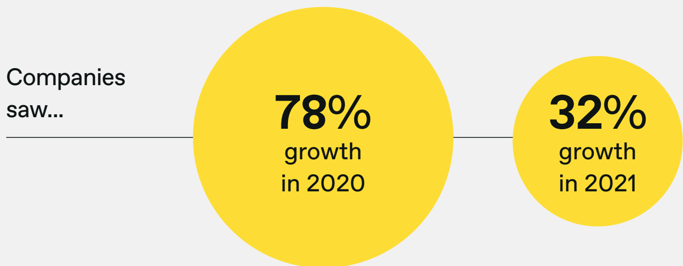
Even those who noted net negative growth saw an unusual uptick in activity during the early months of the pandemic. SaaS Capital's annual industry benchmark showed 10%+ growth across 2019. In February to April in 2020, our respondents who saw growth were averaging over 30% – just for that quarter.

For companies like Tessian, a cybersecurity vendor, the pandemic became a pivotal period.

> As COVID hit, you saw a spike in areas in which people were vulnerable online. With everyone suddenly having to work from home, there was increased room for error in emails and security breaches, and our product was well-positioned to support companies with managing that risk
>
> **Laura Brooks**
> PR and Comms Director, Tessian

The 2020 growth spike slowed in 2021, with most companies managing to maintain their newly-increased revenue, rather than building significantly on the previous year's success.

Companies saw 46% more growth in 2020 than in 2021. Even if we focus solely on those that grew across both 2020 and 2021, this noticeable drop in revenue growth remains:



So, how can you hold onto the customers you gained during the past two years, while getting your growth back on track?

In this *State of SaaS Growth* report, we're taking a deep-dive into exactly that.

We've conducted research across SaaS companies in 84 countries, including analyzing data from thousands of Paddle customers, to identify three key areas that have a fundamental impact on growth, and the approaches that sit within them.

We've also spoken to decision-makers across companies, sectors, and countries to understand their blockers to scale and the strategies that are serving them. Read on to learn more about each lever and how you can best use them to suit your company's needs, stage, and growth ambitions.

The levers

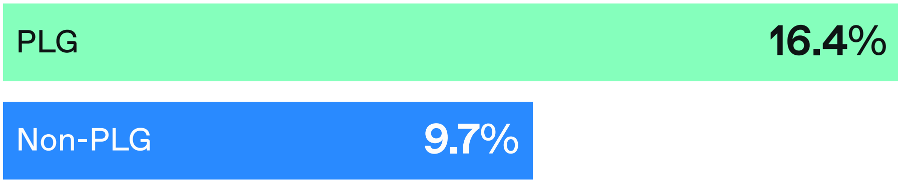
1. Embrace new growth models
2. Go deep on customer experience
3. Talent: Retain the best, refresh the rest

LEVER ONE

Embrace new growth models

Combining product-led and sales-led models can boost growth, but to maximize the impact of a hybrid model, assess your approach to segmentation, channels, and pricing

Median year-on-year growth in 2021



Source: Paddle proprietary data

Over the past decade, product-led growth (PLG) has skyrocketed in popularity, becoming the go-to-market strategy of choice for some of the fastest-growing SaaS companies (think Slack, and Dropbox). Inspired by these success stories, more and more businesses have embraced the product-led approach, seeing a positive impact on their own growth.

And according to Paddle's data, companies with a product-led approach grew by 7.2% more than companies with other strategies in 2021.

But product-led growth doesn't mean product-only growth. Many traditional sales-led (SLG) companies have also adopted aspects of PLG, experimenting with low friction, self-serve models to gain more customers. On the other hand, as PLG companies have matured, they have begun, in turn, to adopt elements of SLG to to deal with being pulled upmarket as their existing customers grow. By taking a hybrid approach, you get the benefits of PLG – scalability, reduced costs and faster client activation – while maintaining the use of sales teams to nurture relationships with enterprise customers, future-proofing your operations.

"We are definitely an SLG company and our sales model has helped us to reach thousands of customers all over Europe," says Firmin Zocchetto, Co-founder and CEO at PayFit. "Now we are starting to embrace things like self-serve, minimizing human interactions for the scalability of the model and for the sake of conversion – and customers' happiness."

This hybrid model is proving more successful than sticking to a single strategy. Those companies with a purely SLG approach saw 8.3% lower growth in 2021, likely due to the Zoomification of the sales cycle, the impact of reduced travel on field sales, as well as elongated buying cycles, owing to COVID's impact on enterprise budgets.

In 2021, companies with mid-market and B2C/prosumer customers grew more than those with enterprise customers (by 8.1% and 10.6% respectively).

But it's not as simple as SLG + PLG = growth. To see the continuous benefits of a hybrid strategy, you need to take a deeper look at your approach to segmentation, your use of channels, and your pricing.

> It's not about replacing our old sales model; it's more about diversifying.
>
> **Firmin Zocchetto**
> Co-founder and CEO, PayFit

Nail your approach to segmentation

As you move beyond traditional sales strategies, the way you look at your customers has to change accordingly.

In an SLG company, everything from where you hire to how you structure sales training will typically be guided by geography-driven segmentation. But in a product-led environment, geographic segmentation doesn't necessarily make sense – especially in a post-COVID world where remote work is on the rise. You may be targeting a company which is headquartered in the UK but with team members spread across Europe and the US, making a geography-led approach misleading and unhelpful.

So, what is a proxy for geographic segmentation in a PLG environment?

There are a number of options; it could be by industry, or by company size, for example, or even in terms of shared pain points and goals – speaking to your customers not in terms of your proximity to them but of their resemblance to each other.

Shaking up your segmentation can also be a more effective way to identify where you might have gaps or need to improve. For example, segmenting by geography might show you that 20% of people who try your product in Germany end up buying it – although not why the other 80% decided against it.

> We bring in senior sales folks with industry experience into the same region to match to prospects. We'd outright lose deal momentum any other way.
>
> **Ed Fry**
> Head of Marketing, Primer

But when you look at the data on the basis of company size, you might discover that 50% of small businesses that try your product become paying customers, compared to only 10% of large businesses. This new lens is especially helpful when you don't have a sales team gaining these insights directly from customers.

How you segment your customers can also influence – or be influenced by – the way you measure growth more broadly. If you are focused on international expansion, geographic segmentation may make sense to you. If you have more of a PLG mindset, success might look like solving more problems for people in more industries – or embedding your product more deeply into a particular sector.

Expectations will differ across your customers, too. Larger companies will likely still want to speak to someone during the buying process, to ensure they are getting the best price and that your product meets their compliance requirements. "We have a complex, technical, multi-stakeholder sale. For large businesses, they need to talk to someone," says Ed Fry, Head of Marketing at Primer.

Geographic segmentation and its corresponding actions – like regional hiring and sales training – can have its benefits, particularly if you have clients in different time zones, and with specific cultural needs. "We bring in senior sales folks with industry experience into the same region to match to prospects. We'd outright lose deal momentum any other way inside" says Fry.

But, remember that your customers are likely to be experiencing the same changes you are due to the pandemic; if your team has become increasingly digital-first, it's likely that theirs have too. The way you categorize your customers may no longer marry up with how they categorize themselves.

The power of channels

You may well already be using channels as an augmentation to sales – but have you considered that it can also be an integral part of a product-led, self-serve approach to growth?

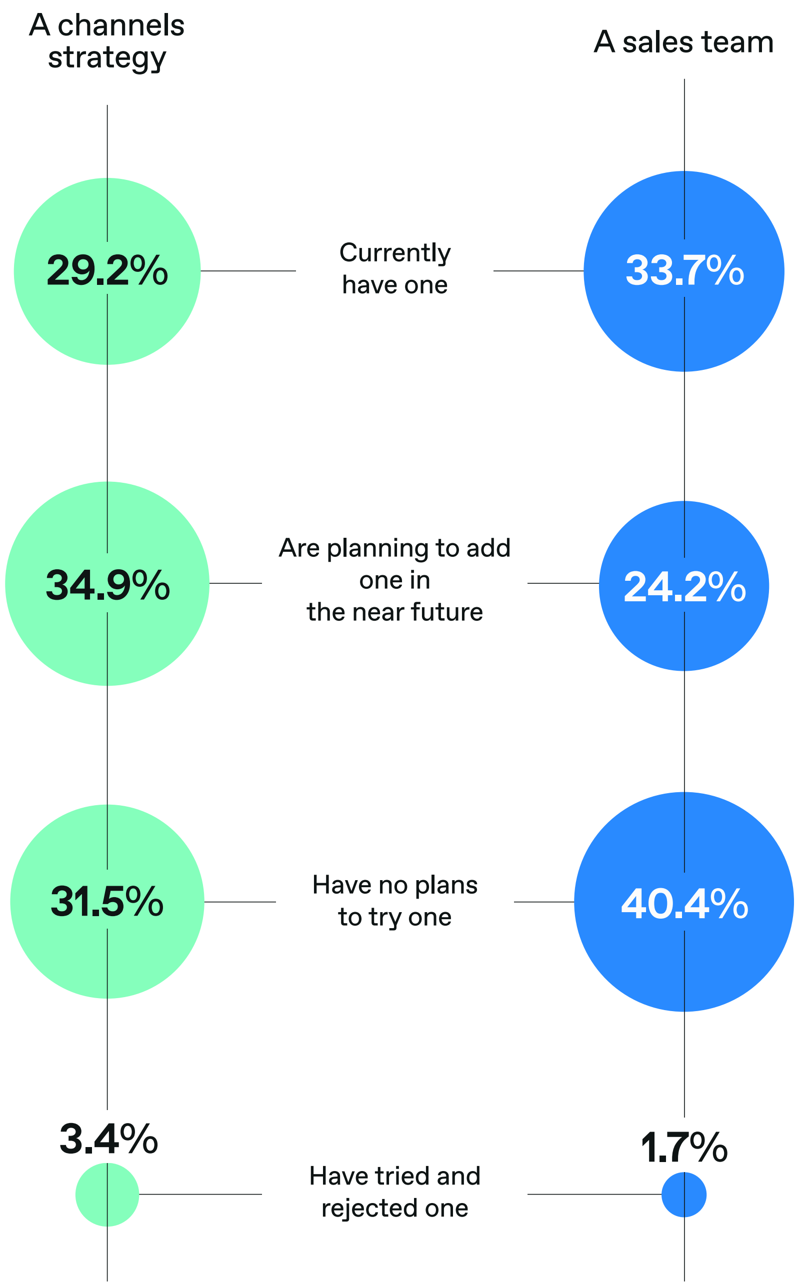
The strategic use of channels is powerful: it can help with expanding into new verticals or geographies, lending credibility, complying with any pertinent industry regulations, and plugging the gap in your existing product offering.

You can also move beyond simply selling through platforms to actively think of channels as customer segments. For example, you might want to acquire customers who use Xero, to take advantage of a new product integration.

Some PLG companies have connected with relevant third-party communities to tap into their ability to attract a large, highly-engaged audience for very little cost (think HubSpot acquiring The Hustle). "There is a wide range of playbooks for product-led growth, but we often see product-led companies investing in community and content strategies earlier and more often," says Adam Schoenfeld, three-time SaaS founder and creator of PeerSignal.org. "Our data found that 48% of PLG companies have an owned community versus 28% of other B2B companies tracked in our indexes."

Trying new channels

How SaaS companies are diversifying their go-to-market strategies

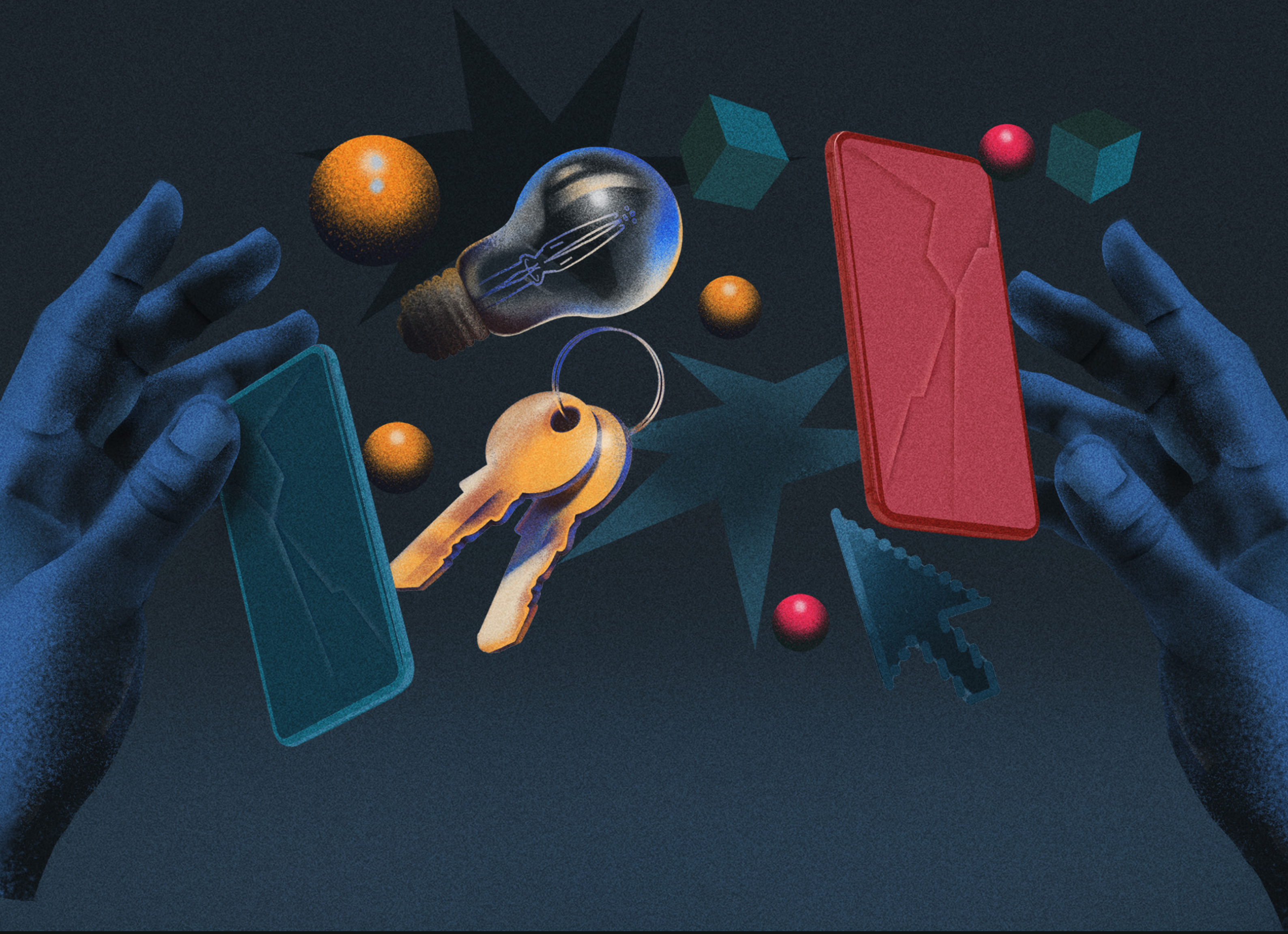


Source: Paddle – *The State of SaaS Growth* survey

> Customers come for the product and stay for the thriving community.
>
> **Keji Mustapha**
> Global Director of Brand and Community, Partech

As well as reaching thousands of potential users via tailored content, communities also help with strengthening customer relationships, getting regular feedback on product expansion, and turning users into advocates. “Having a community-led growth strategy is essentially a force multiplier of other go-to-market strategies because it supports the full customer journey,” says Keji Mustapha, Global Director of Brand and Community at Partech. “Community is fast becoming the moat companies use to build loyalty and trust with their customers, and outperform their competitors.”

Using channels isn’t a new approach – companies from Shopify to Zendesk have used channels as a core part of their go-to-market strategy – but it is gaining momentum as a growth lever, particularly when used in conjunction with PLG to drive more revenue without scaling your sales team. In fact, PLG companies tend to have smaller sales teams across stages, but especially in the earlier stage.



CASE STUDY

Tessian moves to a 100% channel model

Last year, cybersecurity company Tessian announced that it is moving towards a 100% channel model, partnering with leading security providers like Optiv Security to better reach an enterprise audience.

The move is being led by Chief Strategy Officer Matt Smith, whose experience building and leading Duo Security's channel program gave him a fresh perspective on Tessian's go-to-market strategy. Smith and his team have created an invite-only partner program designed to be mutually beneficial. "We're committed to helping our partners differentiate their offerings, design new service packages and increase their profitability," he says.

Alongside international partners like Optiv, Tessian is working with partners in the US, South Africa, and the UK to support customer acquisition in those regions.

As well as boosting scalability, a channel model will help Tessian to gain deeper penetration into the cybersecurity industry.

"Our target audience is security leaders and they operate on a referral basis, typically investing in products that have been recommended from within their network", explains Laura Brooks, PR and Comms Director. "As well as truly understanding our prospects' pain points, our partners give us that all-important third-party validation."

Understand dynamic pricing

There is one crucial element that underpins everything we've discussed so far, and which can make or break your growth strategy: pricing.

The fastest-growing SaaS companies are those that experiment with their pricing. Yet, the majority of businesses don't have a strategy in place around pricing optimization, or even consider pricing as a priority growth strategy. Over 20% of businesses haven't changed their pricing at all within the past five years and almost 30% have no set schedule for pricing reviews.

Because of this, most early-stage companies are undercharging for their offering.

2 in 5

companies that regularly alter their pricing report a 25% higher increase in ARR as a result

Over

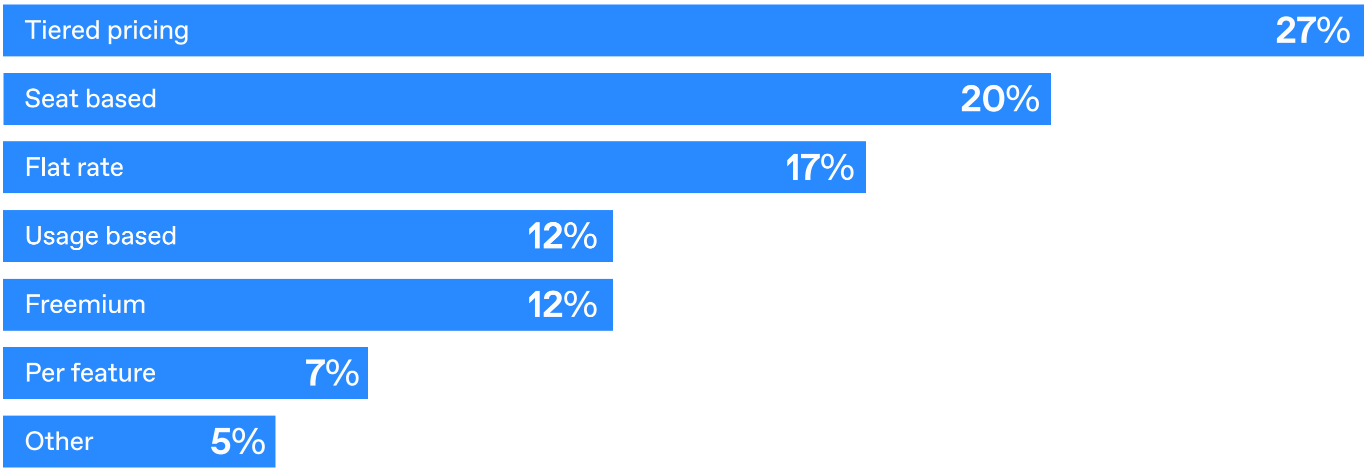
20%

of businesses haven't changed their pricing at all within the past five years and almost 30% have no set schedule for pricing reviews

Source: Paddle proprietary data

What is your pricing model?

Tiered pricing leads in popular SaaS pricing models



Source: Paddle – *The State of SaaS Growth* survey

If pricing makes such a difference to growth, why do so few companies prioritize it? Primarily because changing your pricing can be an anxiety-inducing process, from deciding what to alter and when, to communicating with customers.

But pricing changes can be less intimidating with a really robust strategy and a plan for putting it into action, including giving your existing customers enough time to transition. Rather than tacking new products onto packages, for really effective PLG you should create (and constantly assess and refresh) a pricing strategy that's tailored both to your product and to your customers' needs: how much they are willing to pay and how they would like to do it.

For example, you might start out with a freemium model to maximize your customer base from day one, before pivoting to new models like team plans to maintain high year-on-year revenue growth.

From true localization (more on that later) to discounts and offers, to refreshing your value metrics, your pricing needs to evolve right alongside the maturity of your business and product. What's more, you need a tech stack that enables that to happen.

> We see more customers upselling than churning, and our pricing model is part of that – it's deliberately flexible, so people often use more than they anticipated and then upgrade.

Peter Aschmoneit
CEO and Co-founder, Quantilope

LEVER TWO

Go deep on customer experience

Remove friction from the buying experience with true localization and self-serve

You will likely be spending a lot of time and resources on product innovation and your go-to-market strategy – but how much attention have you given to the buying experience? A vital piece in the puzzle of SaaS growth, these interactions at the moment of purchase warrant the same level of attention as signup flow but are too often neglected. Making the buying process a positive, localized experience will have a significant impact on your revenue.

In a post-pandemic and increasingly digital-first world, you have less control over the specific geographic location of your customers. Instead, you need to focus on true localization across pricing, currencies, and payments – and then empower your customers to navigate that experience themselves via self-serve. Think micro, as well as macro: details like the format of a date or price can transform someone's experience of your product.

Even small tweaks can affect growth; for example, in 2021, companies that included tax in their prices grew over 15% more slowly than those that excluded them. Why? For most B2B scenarios, tax (such as VAT) is reclaimable, and absorbing it into your prices unnecessarily inflates them.

We know that companies with localization baked into their approach are growing more effectively than those without it.

Wherever you're based, there are plenty of ways you can think internationally and create a more flexible, familiar experience for your customers. Let's take a closer look at why true localization works and how you can embrace it.

Invest in true localization

It is tempting to consider the US dollar a universal currency, sufficient for selling SaaS internationally. But while it can be a helpful benchmark, sticking to dollars alone could be cutting you off from opportunities to boost your revenue growth.

Companies that have multi-currency enabled have grown 4.6% faster than those that don't.

Even adding one extra currency makes a difference. Companies with two currencies on offer grew 12.7% faster in 2021 than those with only one currency option. But if you do have the technology in place to support it, more is better: companies with 25+ currencies saw 24.8% higher growth than those with only one.

As well as putting off customers when they can't see prices in their native currency – implying conversion charges or simply unnecessary hassle – focusing on a single currency can prevent you from effectively localizing your pricing.

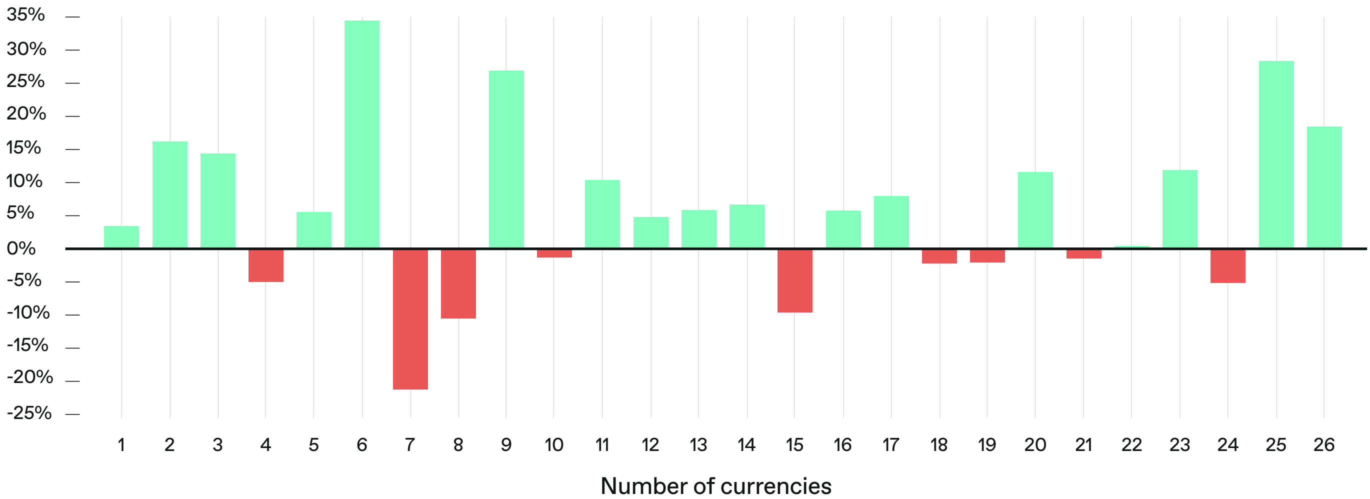
Pricing localization takes into account the location of buyers to determine the most suitable price point and model for selling in any given market, based on socio-cultural factors and buyer personas, as well as how pricing is displayed. Even if you can't yet support a particular country's currency, you should be honing your pricing based on region to unlock full growth potential beyond borders.

Getting to grips with exchange rates and local taxes can be confusing and stressful. That's where platforms like Paddle are available to support you.

> Other than language, there are three levers to consider: local currency, local payment methods, and local spending power. The combination of these has a powerful compound effect on growth.
>
> **Julika Loecklin**
> VP, Customer Success, Paddle

Number of currencies

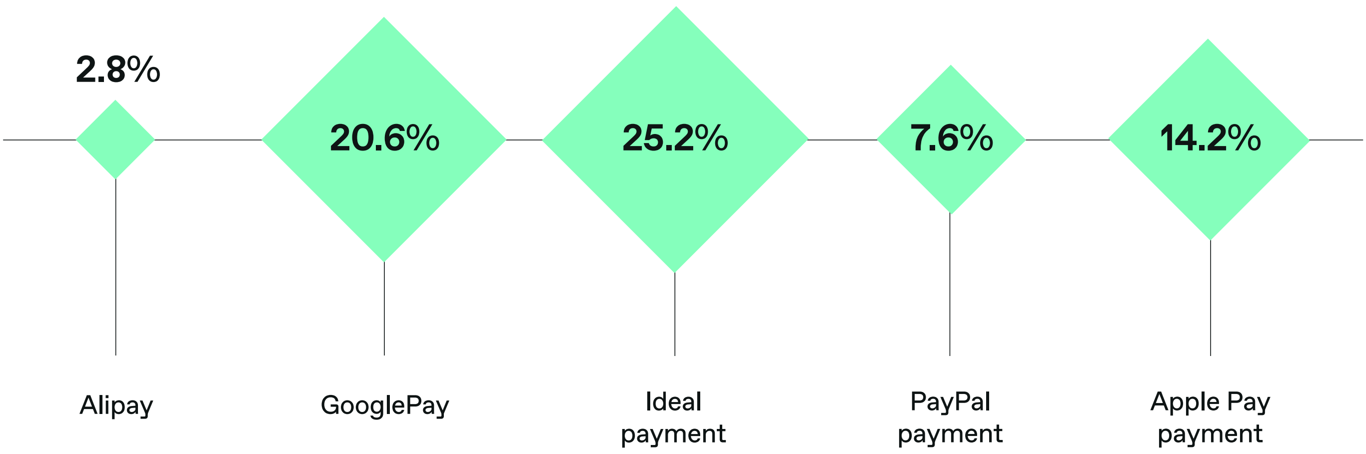
2021 growth year-on-year, Median



Source: Paddle proprietary data

Impact of enabling payment methods

Higher growth rate of companies that have the following payment methods available



Source: Paddle proprietary data

Offer alternative payment options

Just as trying to make a purchase in a foreign currency can be off-putting, the same can be said when a product's payment methods aren't adapted to the geography in which it's being used.

If you localize currencies but don't have the relevant payment options available, you're only completing half of the picture and so won't maximize the benefits. But by offering customers the ability to pay via a method they are already familiar with, you reduce friction at the final stage, allowing people to pay however they like, wherever they like, without complicated exchange rates.

While you might not think you need region-specific payment methods like Alipay, remember that your customers might be working from anywhere – even if you have them pinned to a particular geography on paper. If you're a UK company, expecting everyone to pay in GBP via debit cards simply won't cut it anymore.

We know that having a breadth of payment methods available boosts growth. In 2021 companies with at least one alternative payment method available grew 21.8% faster than those without one.

And while any alternatives are better than none, if you can only start with one or two additional payment methods, prioritize Alipay and Apple Pay: on average, they have the most positive impact on growth.

Get to grips with self-serve

To truly embrace PLG, lean into the customer experience and nail self-serve.

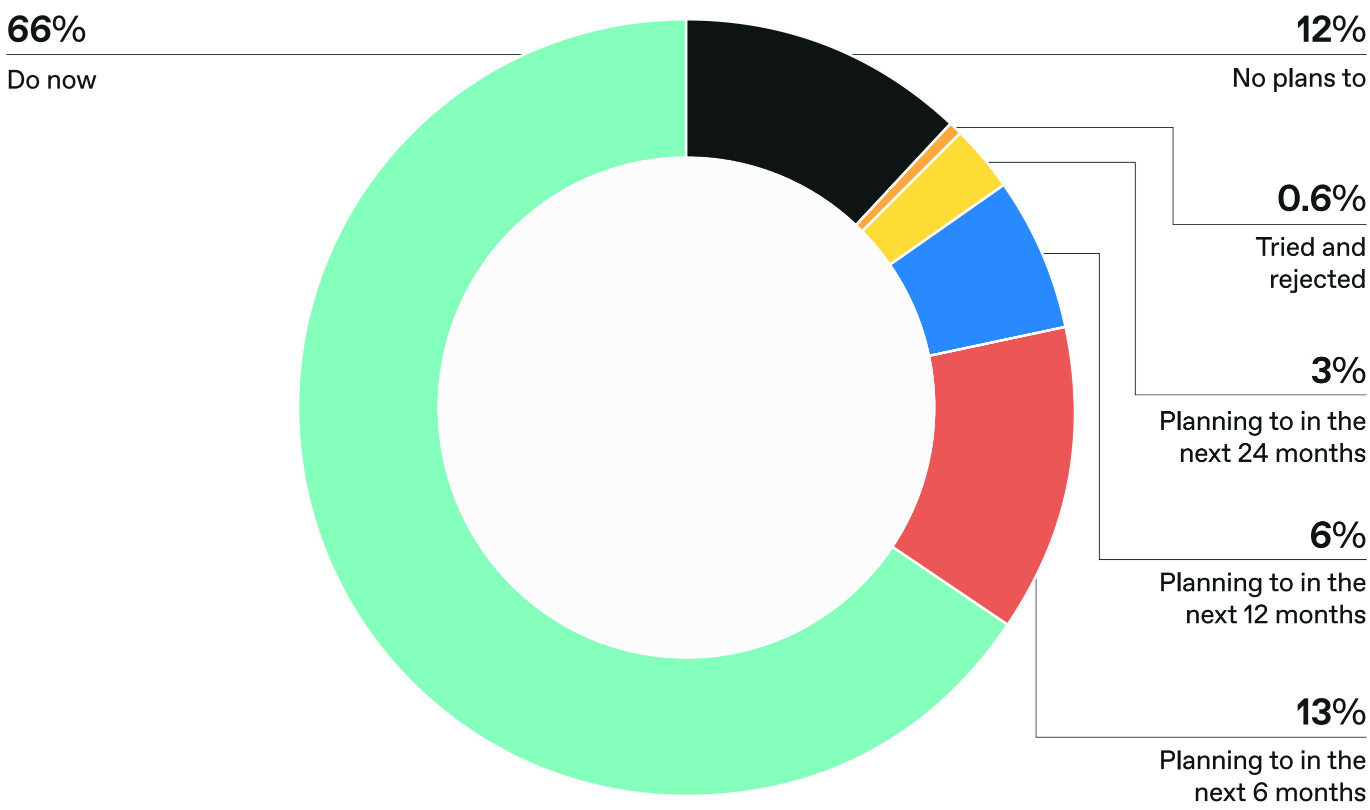
For your customers to exist and thrive in zero-touch environments you need to ensure your product is intuitive and has the right guidance baked into it to enable full usage, without hands-on support. Also, by giving customers the tools to troubleshoot within the product and while using it, you allow them to grow with the product and vice versa.

While some companies are torn between giving their customers more agency and using traditional sales models, few that try self-serve end up regretting it.

87.6% of companies either already have a self-serve option or are expecting to implement it in the near future, whereas only 0.6% have tried and rejected it.

SaaS companies offering self-serve

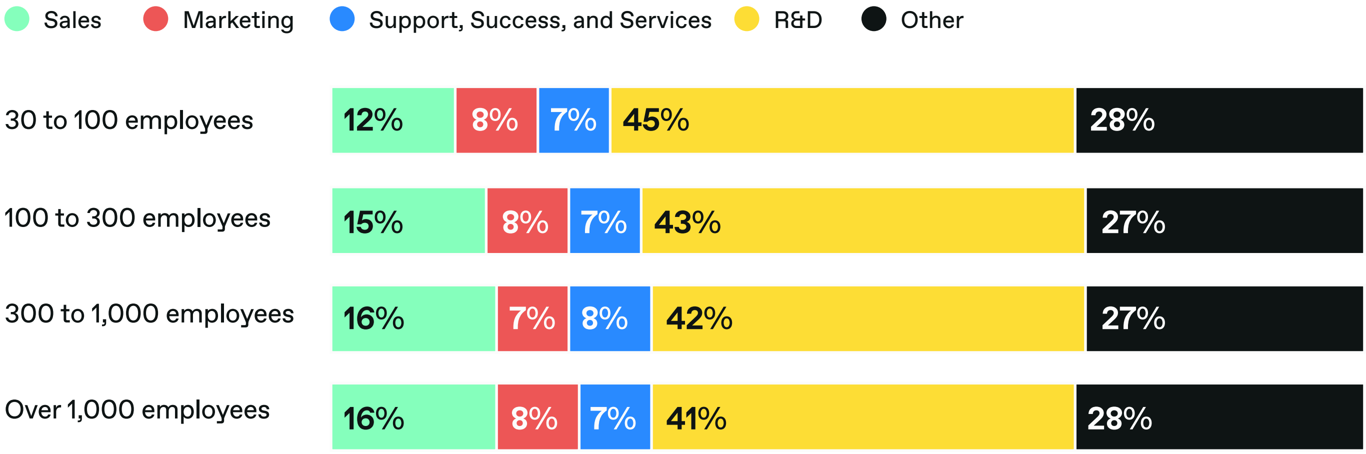
Customers can explore, purchase and service themselves



Source: Paddle – *The State of SaaS Growth* survey

Breakdown of SaaS headcount

Proportion of headcount by function in SaaS companies of different sizes



Source: PeerSignal.org

So if self-serve is such a successful strategy, why do so many companies still have sales reps?

Selling a SaaS product typically requires at least some education of the customer that tailors the value proposition to the prospect's specific pain points – particularly when you're talking about a significant investment on their part. Self-serve is typically used for lower price points and software that's easy to understand and use, leveraging free trials or a freemium model to get individual users to sign up.

To get around this, think of self-serve as a spectrum, not a binary. At one end you have pure self-serve (aimed at smaller companies or individuals) and at the other, you have heavy client touchpoints (catering to enterprise customers). As you scale, you will move up or down that spectrum, according to your customers' needs. Consider Dropbox, for example; at one end it caters to individuals with a freemium model, while at the other it has hefty contracts with heavyweight clients like the British Government.

Ultimately, self-serve is vital for PLG as it puts the product at the heart of growth. With self-serve, the product is not only a solution to a problem but also a silent sales team, helping customers to discover, research, buy, renew, and upgrade. Everything a sales rep would usually highlight for a customer, from features to pricing options, should be easily available within the product.

Is your product strong enough to sell itself? By making sure the answer is yes, you can reduce churn and keep users coming back for more.

> At the average SaaS company 40-60%+ of new users never return to the product on a second day.
>
> **Kyle Poyar**
> Partner, OpenView

LEVER THREE

Talent: Retain the best, refresh the rest

Adapt your hiring strategy to suit your growth stage – and give your company culture room to breathe

A great team is the lifeblood of any company. But hiring the right person, with the right skills, for the right stage of growth is no easy feat – and especially now.

It's a notoriously difficult time for hiring: with the technology sector, in particular, facing a skills deficit, workers quitting their jobs at historic rates (in what has been deemed the "Great Resignation"), and money pouring into the sector via sky-high valuations, talent is becoming harder to find – and more expensive when you do.

Remote hiring is becoming increasingly common as a way to widen the talent pool but the practice comes with its own set of challenges, from complying with local employment laws to standardizing salary packages and other benefits.

"Just because an employer benefit is great for a team in one country, it might not work for another," says Hanna Smith, Head of People at Paddle. "Candidates now want to know that they are joining a company that can offer opportunities beyond the role they're applying for."

It's time to adapt your approach to hiring to reflect the new SaaS landscape. Cultivate teams who not only propel your growth forward with their own talents but are also adept at attracting and retaining the right people as your company scales.

More than

100k

tech vacancies posted by job search engine Adzuna on their website every week in the past 12 months

Source: *Financial Times*

Hire for stage *and* culture

The question of what to prioritize when hiring is a tricky one: should you focus on skills over cultural fit? Does it matter if the new employee is based in a different city – or even country – to the team they're joining? Should you promote internally rather than hiring new leadership?

In a fast-moving SaaS company, this process can be even more complicated, with your needs changing at different stages of growth. Someone who was a star employee when you were a 10-person company may not be the right fit to lead a team of 50 – or 150. And that may be just 18 months later.

Navigating these challenges is difficult but not impossible. "Company culture is a shifting entity, evolving with every new hire but anchored by core values," says Christian Owens, Paddle Founder and CEO. "So the team dynamic feels different at Series B to how it did at the pre-seed stage? It doesn't necessarily mean that new employees aren't the right cultural fit. It might just be a sign that your culture is evolving alongside your business, while your values stay the same."

Some level of churn is inevitable. You might need a C-Suite leader with direct experience of a new target market, or a technology expert to help you differentiate your product. Whatever the case, it's highly likely that you will find yourself in need of a talent refresh at some stage in your growth journey. "If there are gaps that call for rapid evolution of your workforce, take a two-pronged approach of investing in your people via Learning & Development while attracting talent at pace with the necessary skills," says Michelle Cheng, Head of Talent at Notion Capital. "Over-communicate throughout to bring everyone along for the journey and be prepared to evolve your culture." By making transparency a key cultural pillar and checking in with your employees regularly about their professional goals, you are more likely to have an element of self-selection when it comes to team members wanting to stay or leave.

Remember: it's not about team members failing some sort of test or not being skilled enough to stay in the company. It's about helping them to understand what they want from their careers. If they joined you when you could count your employees on one hand, are they still thriving now that you have multiple teams in multiple locations? Would they rather move to another early-stage startup in a more senior position, while you bring in experienced leadership for your next stage of growth?

By approaching hiring with transparency, you can create a culture that has both your team's and your business' best interests at heart.

> To identify which skills your company needs at different stages of growth, it's important to look at it from a strategic design point of view. Ask yourself: where are we now versus where we want to be, and how are we going to get there? It's not always new skills that you need; career development comes heavily into play as well. Work with managers to find any gaps and spot potential.
>
> **Hanna Smith**
> Head of People, Paddle

Competing for talent

Once you know who you need to hire, how do you attract them in, especially if you have an inexperienced hiring team?

Training is key here; as well as knowing what to look for, your managers and people team must understand what their colleagues and employees need to stay motivated, beyond their salaries. After all, at a time when Series A companies are receiving billion-dollar valuations, it is difficult to compete on financial terms alone.

“One of the most important changes to hiring post-COVID has been candidates’ expectations of the businesses they will consider,” says Jenna Green, Head of Talent at Paddle. “Compensation is no longer king. It’s about true flexible working, development investment, trust and autonomy, values that are lived, psychological safety, authentic intent around Diversity & Inclusion, and mental health support, to name a few. Look at your Employer Value Proposition, because the candidates you want to hire will be.”

From implementing strong values to localizing benefits, there are many other ways to build your Employer Value Proposition (EVP) and gain a competitive advantage in the talent market. Offer a future, not just a job.

Look at your Employer Value Proposition, because the candidates you want to hire will be.

Jenna Green
Head of Talent, Paddle

Early revenue leadership

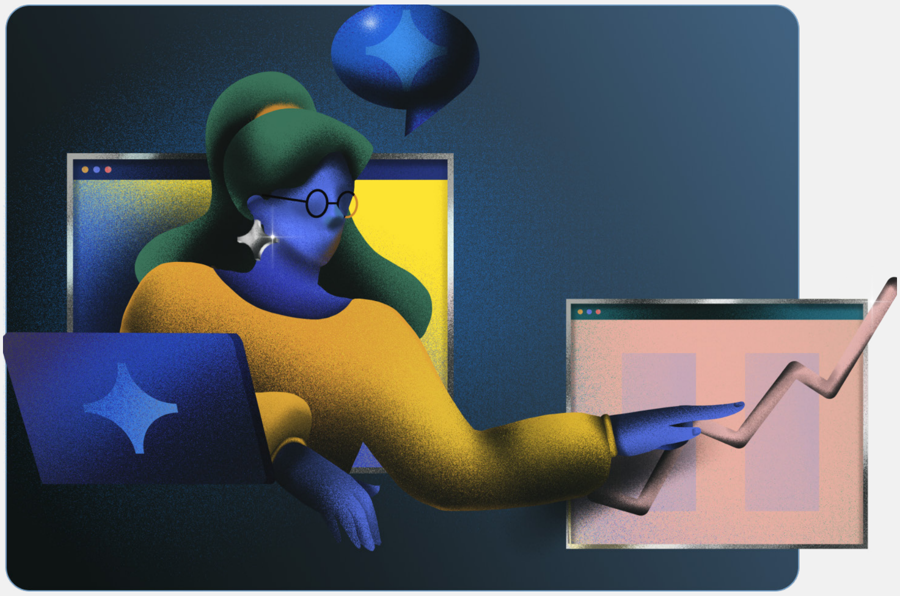
Whose responsibility is it to focus solely on revenue and growth within your company? If your current answer is 'no one', it might be time to reassess.

"In a startup, the founder with the most commercial background should be responsible for revenue," says Joe Abbott, a Partner at Erevena. "If none of the founding team have obvious commercial DNA, the CEO probably has to take ownership for revenue pre-hiring a CRO. But importantly, they should make sure they have at least someone at the board or advisory level with strong revenue expertise, who they can lean on for advice."

Plan for scale by putting revenue operations in place, even if it's very early days – but make sure that you consider who you need to hire and at what level of seniority.

More companies are opting to put responsibility for revenue in the C-Suite – 80% of the decision-makers we spoke to said that they had recently hired a Chief Revenue Officer or Chief Growth Officer. But while that might be the right choice for some, often larger, companies, not everyone needs a CRO.

> Don't give out unnecessary titles early. Yes, they might make hiring easier, but organizational debt is real, and you'll regret it later. A VP pre-series D or E might not make much sense.
>
> **Alex Bouaziz**
> CEO and Co-founder, Deel



There is always a danger in hiring at the C-Suite level too early and your business quickly outgrowing the new hires.

If you hire a CRO when you only have ten employees, that person might not be the right fit to drive revenue when you are a company of one hundred people or more, even if they're highly skilled. If you need to hire someone with more experience, you will be forced to demote your existing CRO to make room for a new one, cutting short their longevity in your organization.

"We often speak to young SaaS companies with sub $5m ARR and they are considering hiring a CRO. In reality, they need a great VP of Sales who can help them build repeatability into their sales process and ramp revenues to a level where a more strategic revenue leader is required," says Abbott.

Even if you hire a Head of Revenue or equivalent, you leave space for that employee to grow into the CRO role at a later stage, or to learn from a future CRO with more experience, or even move on to another company on good terms.

So when is the optimal time to hire a Chief Revenue Officer? There's no 'one size fits all' answer.

As a general rule, we would normally advise a startup to hold off their CRO search until they are at least in the $5m-$10m ARR range," says Abbott. "The best CROs are in very high demand and tend to lean into an opportunity more once there is some proven customer traction and product-market fit. However, it should be case by case. Ultimately, it is much easier (and less stressful) to upskill and hire on top of your VP Sales/Revenue at the right stage than it is to explain to your CRO that you need to remove them because you made the hire too early."

CASE STUDY

ComplyAdvantage hired a new CMO to scale post-Series C

Fast-growing regtech company ComplyAdvantage had a strong 2020, closing a record sales quarter while finalizing its Series C funding in June. In the wake of this success, the team hired a new Chief Marketing Officer, Elizabeth Bramlage, to steer the company through a rebrand and accelerate its momentum even further.

Hiring has long been a core part of ComplyAdvantage's growth strategy; over recent years, the senior leadership team has deliberately structured the team with the goal of becoming a 'hyper-growth' company – including embracing employee turnover, where necessary.

"There is a real step-change between Series B and Series C," says Bramlage. "You need certain types of players in terms of energy, persona, attitude, approach, and resilience to take a company from zero to £20 million ARR, and then a different type of leadership to go from £20 million to £100 million, or beyond that to £1 billion."

Like many of her other colleagues in the leadership team, Bramlage has deep industry expertise across companies of all sizes, from corporates like Amazon and American Express to mid-sized company Klarna, and even true startups. This breadth of knowledge is vital to ComplyAdvantage's scale-up ambitions.

By having honest conversations with employees, Bramlage has found that many of her colleagues often self-select when it's time for a 'changing of the guard', often moving to take a C-Suite role at another company.

Final recommendations

While there isn't a one-size-fits-all approach to growth, we've seen that there are things you can do to push your business forward, no matter what stage you're at.

Embrace new growth models

- Whatever combination of PLG and SLG you use, focus on making the most of your model.
- Align your customer segmentation to your growth goals. If you're PLG-led, segmenting by industry, size, pain points, or goals can help you identify areas for improvement.
- Geographic segmentation can still be helpful for companies with enterprise clients, but make sure that your customer categorization is still accurate in a remote-first world.
- Partner with third-party communities to attract an engaged audience for little cost and turn users into advocates.
- Don't neglect your pricing strategy. Make sure it is evolving alongside the maturity of your business and product, and that it's tailored to your customers' needs.

Go deep on customer experience

- Focus on making the buying process a positive, localized experience, tailored to customer preferences.
- Minimize friction at checkout by localizing your pricing, not only by offering a range of currencies and payment methods but also by finding the most suitable price point and model for different markets.
- Ensure your product can sell itself by making it intuitive to use. Remember that self-serve is a spectrum; you can integrate it into your overall strategy without getting rid of sales reps altogether.

Talent: Retain the best, refresh the rest

- Understand that your company culture will evolve with every new employee and that churn doesn't have to be a bad thing, particularly if you're transparent with your team.
- Invest in your Learning & Development to upskill existing employees while focusing on your Employer Value Proposition to attract talent at pace.
- Be cautious of hiring a C-Suite revenue leader too early in your journey. First, look at hiring a senior salesperson to help you build repeatability into your sales process. Once you're in the $5-10m ARR range, you are more likely to attract a highly-experienced CRO who can drive revenue in your next phase of growth.

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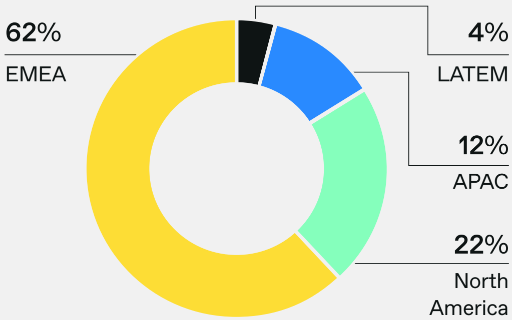
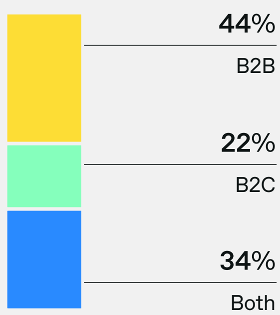
The State of SaaS Growth **survey was conducted by HSG on behalf of Paddle in December 2021 and January 2022. Responses were collected from 180 SaaS businesses.**

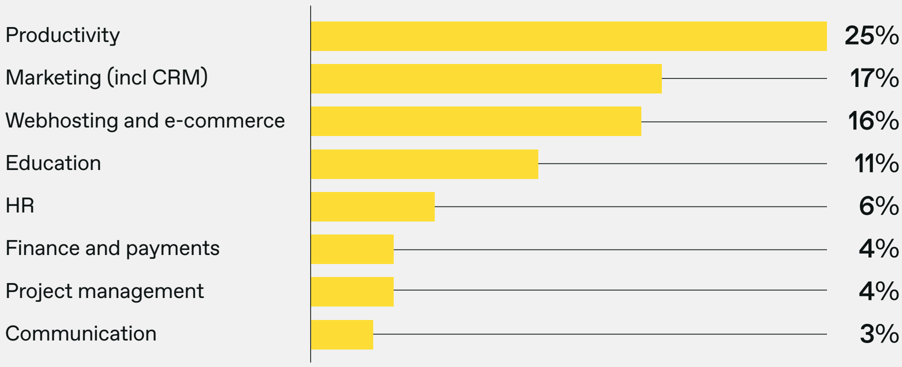
HQ region



Business type



SaaS industry



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