

## Expansion Revenue Could Save Your Year



If you were a fly on the wall at any SaaS B2B board meeting last month, I would bet this month's shoe budget that most of the conversation revolved around net new business and pipeline.



Yet, most of you know that the majority of 2024's revenue will be coming from your existing customers. With that in mind, I pose the following questions:

- Does your company have a formal/written expansion strategy?
- Are you offering top tier compensation to attract top CSM talent?
- Is your CSM interview process as rigorous as that of the AEs?
- Does each CSM understand how much expansion revenue is expected from them?
- Does their compensation plan appropriately reflect how important expansion is as a company strategy for hitting this year's revenue target?
- Do your Key Accounts have an Executive Sponsor and is that person intimately integrated into the account?
- Does your CSM leader report directly to your CEO?
- Is team selling a part of your expansion strategy?

Not to date myself, but I'm old enough to remember when SaaS began (we called it subscription model back in the day). Initially, every company's pricing model was MRR (Monthly

Recurring Revenue), and quickly, the term "customer churn" was born. Venture Capital companies who had rushed to invest in this new cloud world began to freak out as monthly churn began out-pacing net new revenue. Thus, the Customer Success team was born with the sole purpose of being proactive in helping the customer receive value for their purchase.

At the end of last year, I began talking about the need for a larger percentage of a company's total revenue to come from expansion. Why? Because hunting is HARD! Connect rates on outbound calls are hovering around 3%, open and reply rates on email are getting lower as you read this, and turnover for hunters is as high as I've seen it, which means your net new team is going to struggle to reach their target.

This puts more pressure on the Success team to make up the short fall if the net new team misses their target. Expanding an existing customer's financial commitment should be easy money IF your Success team is a partner, is adding value, and is helping your customers expand their business and hit their revenue targets.

As you enter the last 5 months of the year, I challenge you to hold a day-long strategic planning session with your executives and your Success team to put an expansion plan in place to ensure you hit your 2024 revenue target!

Kristie Jones is the Founder of [Kristiekjones.com](http://Kristiekjones.com) and the author of *Selling Your Way IN*.  
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