

the  *Revenue*
TRAJECTORY CURVE

Simply put, we will all need new thinking,

for a new world.

The COVID-19 crisis has impacted everyone in some way...

...and with a lot of research into the sectors and businesses we work with, we have identified four core revenue trajectories that businesses will be experiencing at the moment.

The purpose of this revenue curve framework is to help businesses identify where themselves and competitors are currently, and focus on how to reach recovery trajectories quicker as part of the Re-Startup Mentality.

If you are experiencing a business impact then it is likely that your competitors will also be feeling that impact in a similar way. And where this impact is felt by organisations in a similar way due to external factors, there will also be a significant opportunity.

Each business on any of the revenue trajectory curves we've identified will have an opportunity to use this knowledge and insight to move the point of recovery to an earlier point, or the upward trajectory closer to the vertical line. Those that do this will win in the longer term.



This situation we're all in shares a lot of similarities to that of a business startup situation. With the way of life and business constantly evolving, mixed with a whole host of unknown but exciting futures, businesses will require quick and constant innovation.

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for a new world.



General notes around the revenue trajectory curve.

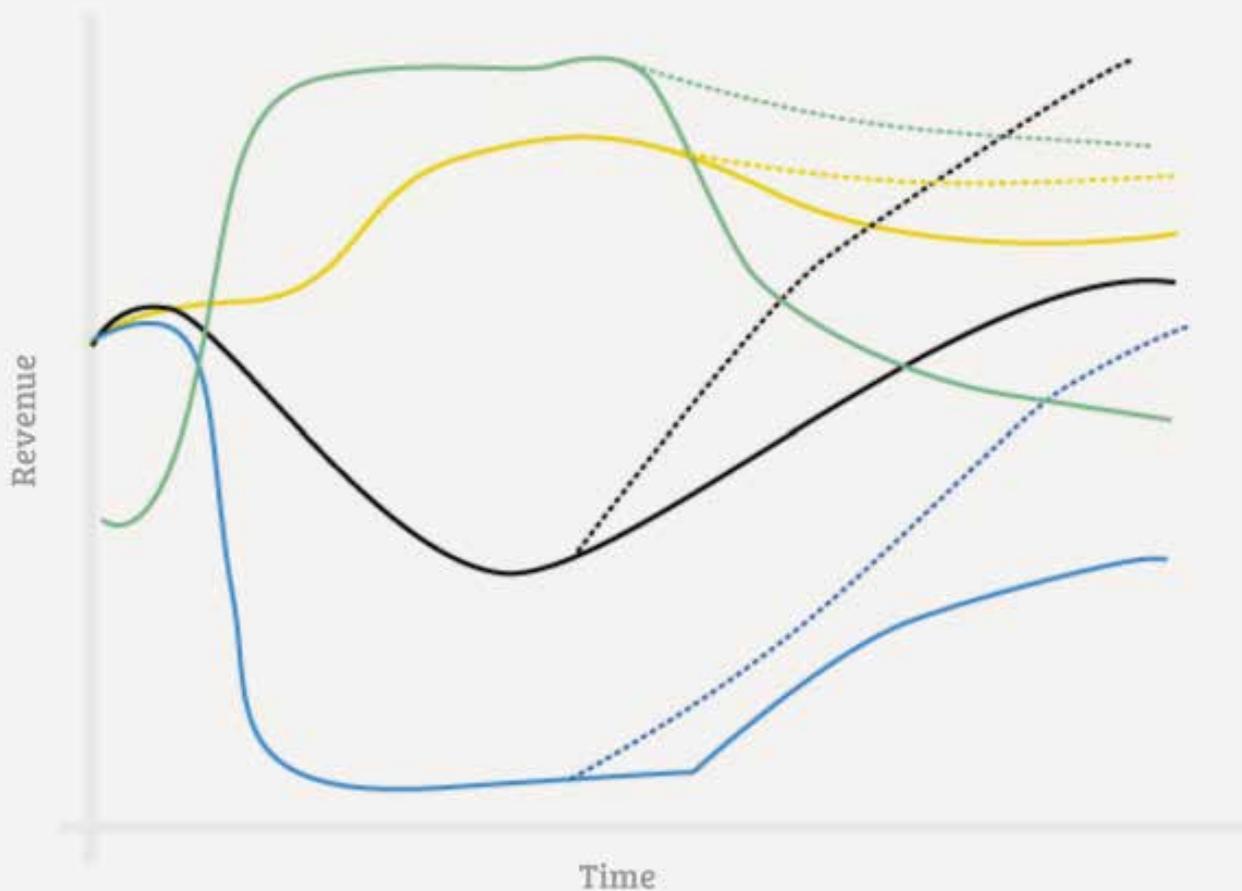
- The timings of the peaks or troughs may vary significantly. Some businesses will experience highs or lows in revenue immediately, whereas some businesses will move onto the curve in a few weeks or months, depending on when their current projects (pre-agreed) are completed.
- There is no planning in the revenue trajectory curves that accounts for major future changes to the world and situation we are in. The curves are representational assuming a relatively stable return to our new "normality". They should be used in conjunction with the pandemic curves we have created and you should combine the two to help understand the possible revenue implications through the stages of the pandemic curve.

Here at Sleeping Giant Media, we work with over 100 clients based in a wide range of sectors:

**B2B, B2C, Travel, Professional Services,
E-commerce, Lead-Gen, Health & Medical,
Education, Charity, Retail, Transport, Finance,
Recruitment, Medical.**

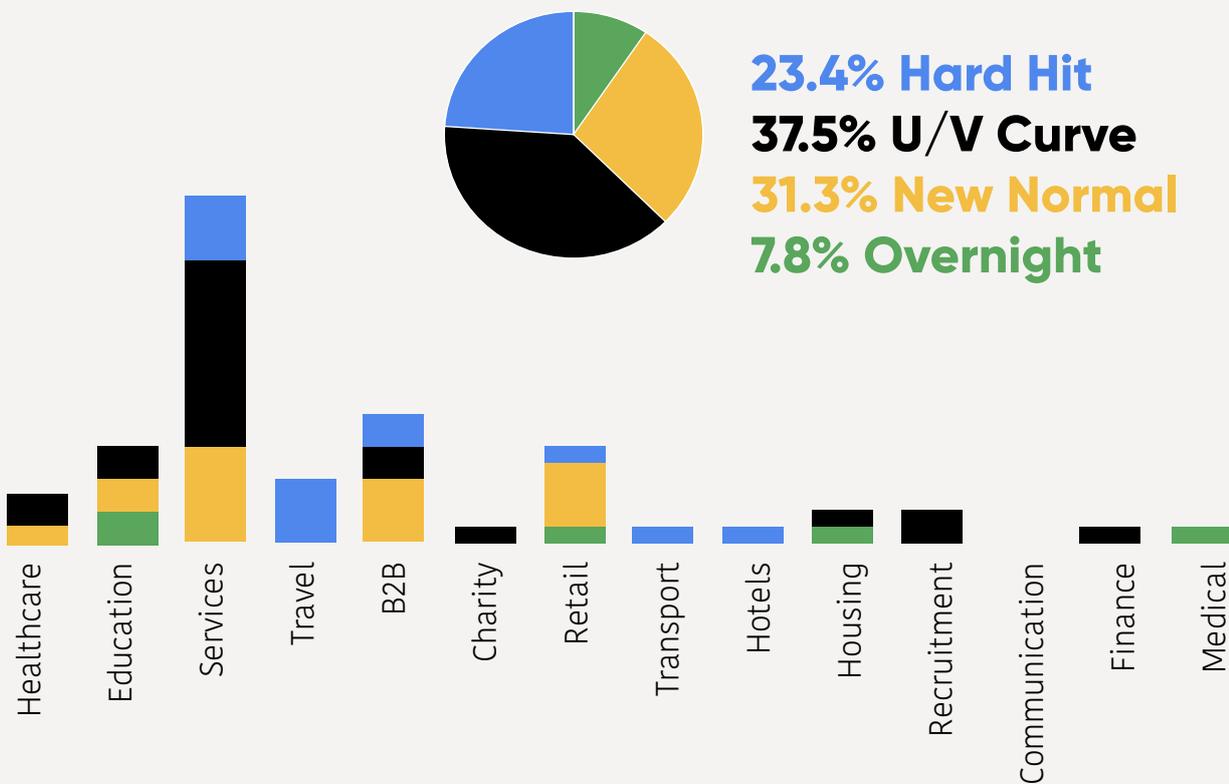
Our analysis of the current landscape, both client-based and externally, has informed the Revenue Trajectory Curve theory.

The below graph highlights the four trends we have experienced working with a wide range of sectors. Each one will need tailored activity to help them reach the dotted trajectories. Something we will explore later.



U/V curve - Black line | Hard hit - Blue line | New Normal - Yellow line | Overnight success - Green line

This Graph and chart below shows the four revenue trajectories broken out by sectors, highlighting where the various impacts have been felt.



Curve Summary

1 - The U/V Curve

Businesses that have this type of curve will likely have a diverse client or customer base, or service offering, which is why the revenue decline is only partial.

This will mean that there will be areas of opportunity within the organisation, and the ability to shift the model to meet those needs is likely possible. The name “U/V” comes from the fact that the path leading these businesses to the “new normal” may be in the shape of a V or a U depending on the sector and impact felt.



Example Business:

- **Agencies**
- **Accountants**
- **Professional Services**
- **Trades**
- **Education**
- **Healthcare**

Financial notes

Businesses with this curve will likely have been able to shed some costs to allow for business to continue as normal but in a reduced capacity. Cash flow (assuming it wasn't an issue prior) will likely be ok, however could become an impending challenge as cash begins to tighten within their client base and economic confidence builds very slowly in the short/medium term.

Current challenges

- Part furloughing of team
- Maintaining service/output quality with reduced staff
- Outbound marketing may lose its effectiveness and could well have moral issues if too direct
- Sales forces are working from home and not able to complete normal roles
- Sales are likely to be slower than normal due to other business' struggling



Impending challenges

- Cash flow - Slow payments from debtors despite the work being completed
- Length of lockdown (or social distancing beyond the lockdown) and impact on their old way of working

Marketing activity

Each businesses approach to their marketing activity will need to be tailored based on services, client base, existing approach, current sector and a host of other factors. We put together a theory on the Pandemic Change Curve that helps you assess your businesses and clients place in the world right now, this information can help you plan your marketing activity, providing relevant information and opportunities at the right time.

Key Focus:



1. Identify the winners within these businesses and reinvent accordingly. Look to adopt a Re-Startup Mentality.

- Find new business in positively impacted sectors or push efforts to the part of your organisation that is less impacted.
- Build marketing plans to help reach out to those sectors
- Ensure that the negatively affected areas of the business are agile enough to respond to returning demands later down the line
- Maintain some skill retention to ensure service can be offered at the same standard again



2. Shift focus to different part of the funnel

If sales aren't as much of a possibility currently, move your attention to higher parts of the marketing funnel.

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- Review platform selection, and realign budgets to areas of opportunity
- Review your historic lead gen or sales drivers, will they still work?
 - Networking, direct mail, location based advertising
- If they will change or no longer exist, what options are there for you in the immediate and coming months?



3. Invest in marketing

- Marketing will have a multiplier effect currently. There is a lag to the activity now, but creating something great will reach more people if you invest in it.

Shift your focus of the marketing funnel from the lower part of the funnel to the mid and top in order to build leads, relationships and contacts ready for the recovery and the new world. Cementing your place as an authority in re-startup challenges and opportunities for your target audience.

Curve Summary

2 - Hard Hit

Businesses in this revenue trajectory are likely to have one area of overall services delivery or offering. If it is something that isn't possible during lockdown or social distancing then it is likely that there is little to no revenue coming in.

Refunds for previous bookings may also be adding to cash flow worries and concerns. These businesses took a hard hit.



Example Business:

- **Travel**
- **Hotels**
- **Hairdressers/shops**
- **Catering/Hospitality/Experiential/Events**
- **Car dealerships**

Financial notes

There will likely be little to no money coming in with the need to refund (or postpone) previously booked/purchased services. There is a possibility that the business experiencing this revenue trajectory will be able to move consumers to future booking dates and appointments to help balance the current cash shortfall.

This will require businesses to look at the financial performance over a two-year period to help balance a shortfall in this year with the possible increase in the next year.



Current challenges

- Survival will likely be the main focus for any business on this revenue trajectory. Cash-flow will likely be a major focus. A large majority of staff will be furloughed and that will be the case until there is a chance of returning to the new normal.

Impending challenges

- These staff may, at some stage, look elsewhere for a job as other industries and sectors pick up. If the extended furlough scheme doesn't continue to support or suit the needs of businesses, the employer may need to look at other options such as redundancy to remove the overheads from the business and in order to survive.
- A lack of available resource in the business will hinder efforts to be proactive from a marketing perspective.



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Key Focus:

Be present and build customer confidence ready for your re-startup and new world.

Marketing activity will likely be at a minimum while the lockdown and social distancing measures are in place, however ensuring that your existing audience knows that you are still there will support a faster recovery.

The main focus and opportunity for the business will be:



1. Diversification

- Should the business be able to adapt their offering to be relevant during lockdown then marketing activity will be focused around building awareness and driving leads

2. Acquisitions

- Hard hit trajectory businesses with cash to enable them to survive may also be able to acquire bolt-on or complimentary services to allow their offering to become relevant either during or in a post lock down world
- As above, marketing activity will focus on the diversified offering, it's benefits and building

awareness/leads

- Any acquisitions that can be obtained with the legacy product or service offering could be focused towards future bookings or appointments

3. Planning for speedy pick up

- Once these businesses have planned their “new world”, marketing activity should be geared toward building awareness of the new offering that will comply with the likely need of continued elements of social distancing.
- Building trust will be key here in order to assure potential customers (and existing) that in the post-lockdown world, they are ready to deliver an effective and safe offering.
- Key KPIs will be focussed initially on building awareness, database and contacts ready for when sales/lead generation are possible.



Curve Summary

3 - New Normal

Businesses following this trajectory will be those that have a service or product that has become the “new normal” to their existing or a new client base.

As our way of life adapts, and the way we work or socially interact as a nation changes, these businesses will, if retained, continue to reap the benefits of the change curve mindsets.

Example Business:

- **IT, data, technology companies**
- **Pure Players online**
- **Beauty & Well-being**
- **House & Home-ware**
- **Self Improvement**
- **Financial Services**



Financial notes

These businesses have experienced a positive move in regards to revenue. It hasn't happened overnight, but as the client/customer base has settled into the “new normal” phase of the pandemic change curve they have looked to the things they need to purchase during this phase.

These businesses will see an increase in revenue during this time as people are forced to adapt to life in the new normal stage.

Current challenges

- Adapting to the new demand, so scaling up during a period of restricted movement. Potential recruitment at a time when employees are unlikely to want to take risks. Cash coming in may still pose a challenge as whilst their services are in demand, distressed clients may struggle to pay traditional rates and therefore do pose risks if investment is needed to scale up.

- Suppliers may also be facing their own challenges so a varied supply chain is essential.
- An increase in demand has driven an increase in online investment, so the digital highstreet is becoming more flooded with similar messaging, how do you stand out in this situation?

Impending challenges

- The key challenge will be maintaining demand as businesses return to the new normal. This will be exacerbated by the further increase in competitive online “paid and organic platforms” as demand reduces so advertisers work harder.
- Justifying and managing the increased overhead driven by the scale up will then become the next challenge if the demand is not maintained.

Marketing activity

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Key Focus:

Maximise on the peak, and develop the product life cycle for your services.

Unlike the businesses who have had a negative revenue impact during the pandemic, the objective of these businesses will be to maximise the peak in the short term, but look at how to retain sales as we move into “recovery” and “new world” phases of the pandemic change curve.

When it comes to marketing activity, the core areas of focus are:

1. Maximising the peak

- Maximising the peak will come down to being able to deploy effective and cost efficient lead generation. Tools like paid search and social media will be critical in order to capture those actively looking.
- Pivoting your keyword strategy to focus on the new search terms given the current crisis (don't compete only on the generic “legacy terms”) will help businesses stand out in a more competitive landscape. Asking what has changed from a search perspective and customer behaviour point of view will inform keyword and content strategy.



2. Extend the curve by maximising basket or Life Time Value (LTV)

- Whilst maximising the direct response opportunities for short term sales and lead generation, ensuring an underlying focus on thought leadership will be key to maintaining the long term momentum.
- Moving customers to a retained/subscription offering and away from a project or one off need will require content and knowledge share with a focus on education and upskilling.
- For example, salons and stylists that have been selling product and offering guidance via virtual services during lockdown, these offerings can become a secondary revenue stream in a post-pandemic world
- Identify key audience segments that benefit from retained/ongoing/repeat business
- Focusing on the long term benefits, opportunities/savings/optimisations/value that you can bring,
- Educate that audience and build loyalty
- Support new offerings applicable in a post corona world and start building audience as early as possible
- Building trust and formalising your positions as a leader in your field version 2.0

3. Understanding Product Life Cycle, and what comes next, how can you develop it will be key.

Curve Summary



4 - Overnight Success

Businesses that follow this revenue trajectory of overnight success are likely to have had a sudden uplift when lockdown and the pandemic were announced.

These would be those who provided a service or product that was essential for survival or to cope in the way of life we all had to adopt. The challenge here is transforming that overnight/pandemic success into a constant, and not seeing it drop away.

As the situation evolves, new restrictions or removal of restrictions may allow competitors or substitutes to be available for the customers which in turn will slow sales down.

Financial notes

There are unlikely to be too many financial problems due to the uplift in performance currently.

Example Business:

- **Social care**
- **Social housing**
- **Plants and outdoor**
- **Medical equipment**
- **Educational content**

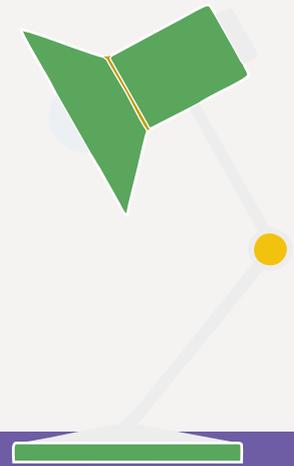
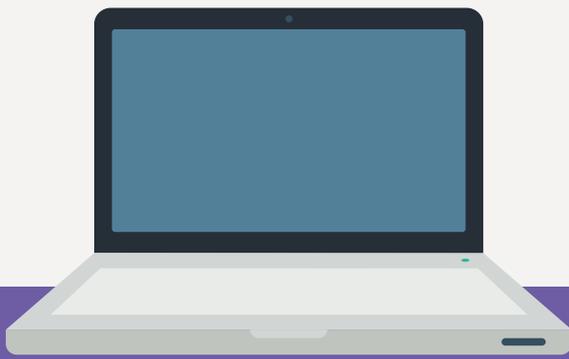


Current Challenges

- Handling the increase in demand from a staffing and fulfilment perspective.
- Finding ways to maintain the delivery of service safely for staff and customers

Impending Challenges

- Retaining the curve. The main challenge for these businesses is how to try and sustain the increase in performance for as long as possible.



Marketing activity

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Key Focus:

Maximise on the peak and look to diversify to achieve longevity.

Unlike the businesses who have had a negative revenue impact during the pandemic, the objective of these businesses will be to maximise the peak in the short term, but look at how to retain sales as we move into “recovery” and “new world” phases of the pandemic change curve.

These are the core areas of focus for marketing activity:

1. Optimisation and increase of reach

- Now is the time to spend your budgets in order to maximise the peak of the curve, as long as your production and fulfilment can handle it.
- Paid search and social media will be key here.

- Using paid keyword data to inform organic trends and give insight into quick wins, using new and evolving low competition keywords for short term focus
- Identifying a longer term keyword strategy to help maintain the peak and get insight into a more diverse range of questions/challenges
- Actively looking for opportunities to diversify the offering to bring longevity



2. Collect and capture data for follow ups

- Email and audience collection/creation will be key here, using the likes of Google tags, Facebook pixels etc. for remarketing purposes.
- Building a highly segmented list of digital audiences and lookalike audiences, built with scalability and flexibility in mind to remain useful for diversification.

3. Look at diversification of product range

- As above, using tools like Ask The Public, Google suggest and PPC data to map the keyword universe, understanding queries, problems and challenges to help inform the diversification of the offering as well as the accompanying lead content strategy.
- Lobbying and driving influencers to bring in legislation for change and to ensure that the “new world” is prepared could be a key part of the strategy here to drive demand, however care must be taken not to scaremonger or appear opportunistic.

Summary

the Revenue TRAJECTORY CURVE

By understanding the revenue trajectory curves it will help you understand the opportunities that your particular business has.

By combining these with the pandemic change curve, and looking at how those opportunities may present themselves at the different stages (New Normal, Recovery and New World) you will be able to plan specific marketing activity that will help you maximise the opportunities and reach a faster and stronger revenue trajectory.



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We can help support you along your new trajectories using the power of digital. Get in touch or take a look at some of other content online.

Sleeping **GIANT** media

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