

# HOW TO EXIT or RETIRE SOONER

6 Critical Factors for  
CEOs of Aussie Tech Cos

# Who is this Checklist for?

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**You** if you're a **CEO** of an Australian technology company who wants to achieve any of these:

- 1. Sell your technology to a major player**
- 2. List your company on the ASX or NASDAQ**
- 3. Either of the above and retire**
- 4. Either of the above and do it again**
- 5. Build a global business for long-term revenue.**

Before you dust off last year's strategy and change the dates, what about first focusing on your ultimate 'end game'?

It will make it a lot easier to define the right strategies, and evaluate tactics that fit - and those that don't.

This Performance Checklist will show you how.

# What Will You Get From It?

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**This Checklist explores these 6 critical growth factors:**

- 1. Growth** – high revenue, quality, profitability and potential
- 2. Technology** – clear advantage, considered road map with secured IP
- 3. People** – the right ones trained & well-equipped, with no weak links
- 4. Partners** – effective ones with a plan to retain them and gain more
- 5. Processes** – sales, marketing management, defined and efficient
- 6. Profile** – thought leadership demonstrated, built and maintained

- and for each asks you the critical questions.

Your answers tell you:

- How ready you are to achieve your 'end game'
- Where the gaps are
- What you need to do to fill them.

# 1

## Growth

**While there are only 4 ways to grow revenue, quantity isn't everything. Quality, profitability and potential count too.**

### Questions to Ask

#### **Source 1: Existing customers for existing products**

1. What do you have in place for account management, and customer-only programs, events or incentives?
2. Do you run user groups to uncover product pitfalls and desired enhancements?

#### **Source 2: Existing customers for new products**

1. How effective are your programs to up-sell (advanced features) and cross-sell (related products)?
2. How can you automate this so it's profitable and recurring?

#### **Source 3: New customers for existing products**

1. How well do you leverage your existing customers to gain more just like them?
2. If overseas markets are vital to growth, how will you leverage local success to establish and grow them?

# 1

# Growth

## Questions to Ask

### Source 4: New products for new customers

1. What potential does your technology have for new products?
2. Could you quickly spin off a new product for delivery by new means to a new market?

### Revenue Quality

1. What proportion of your revenue is once-only vs recurring (higher recurring is desirable)?
2. How much is driven by your IP (licence, SaaS, Maintenance and Support) compared to services?
3. Is your revenue derived from a few customers or distributed over many (distributed is more desirable)?
4. Is your growth demonstrated, consistent and profitable?

### Growth Potential

1. What and where is the potential for future growth?
2. How easy will it be for the acquirer to unlock?

# 2

# Technology

**Your technology is critical to your end game. It's the main reason investors will part with their cash - by shares or acquisition.**

## Questions to Ask

### Protection

1. Is there Intellectual Property? Is it protected?

### Enhancements

1. What is the goal of the product road map?
2. Are you catching up with trends or setting them?
3. Could you look outside the square to set a new product direction and eclipse your competitors?

### Pitfalls

1. Are there problems that must be fixed?
2. Or could you find accepting markets for interim cashflow, while you optimise the product for more demanding ones?
3. Do have a product that requires a too much support? It could limit you growth, so might want to ditch it.

# 2

# Technology

## Questions to Ask

### **New products**

1. What does the market need that you could develop and test quickly?

### **Delivery**

1. Could you re-form your product for delivery in new, more automated ways (and open new markets too)?

### **Updates**

1. How efficient is your product feedback and update process?

### **New technologies**

1. What related technologies could you acquire or partner with (to help you leapfrog a development stage)?

### **Support technology**

1. What technology will you need to support your growth and make operation more efficient with lower overheads?

# People

Your people are important - and the best ones need to be retained, skilled and incentivised on results aligned with your end game.

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## Questions to Ask

Your people include sales engineers, engineers, developers, customer support and administration staff. You'll need to consider:

1. Do you have the right people with the right **attitude and aptitude** for growth?
2. Who are the **weak links** and can they be strengthened? (If not, the answer is clear)
3. What **new skills** will you need (do you need these in-house or can you outsource)?
4. What **enhanced skills** will you need (sales, communication, presentation)?
5. What **product training** is needed (existing products and enhancements)?
6. What **new people** will you need to grow a global business?



# Partners

If you want to grow quickly – especially in overseas markets - without increasing overheads, partners can play a critical role.

## Questions to Ask

They could be technology partners (bundled offerings), consulting partners (external skills), distributors or resellers.

1. What do **ideal partners** look like now (skills, size, vertical)?
2. Do you have the **right ones** on board to grow the business in Australia?
3. Will you need **different ones** to expand to global markets?
4. How well is the **Business Case** defined for them?
5. Do you have a defined **Partner Program** in place?
6. How will you **manage and grow** partners (people and processes)?
7. How can some of this be **automated**?

# 5

## Processes

These includes marketing, sales, support, account and partner management, and business administration.

### Questions to Ask

The key questions relate to how well-defined your processes are and how much they could be automated.

1. Is your **sales process** well defined?
2. Where are the **gaps, obstacles and drop-off points** (and what is needed to fill them)?
3. Is your **marketing process** defined and working?
4. How do you **monitor and measure** effectiveness of sales and marketing?
5. Do your sales people have the **tools** they need to qualify, progress and close deals?
6. How do you **announce product updates and enhancements**?
7. Do you have an **account management** process and dedicated resource?
8. Are your **accounting processes** defined and efficient?



# Profile

Investors, partners and potential acquirers will only be attracted if they know you - and feel comfortable with you.

## Questions to Ask

That doesn't mean you have to be a household name, but you need to be known where it matters.

1. In what markets can you demonstrate **thought leadership**?
2. Do you have **the people, tools and processes** to build and sustain it?
3. Do you have the **right relationships** (analysts, media, partners, industry commentators, associations)?
4. If not, how quickly can you build them?
5. What is your **social media** profile like?
6. Will you need **PR** (do you have skills in-house or do you need to outsource)?
7. How can you **automate** most of this?

# Next steps

When the **next marketing opportunity comes along**, be it:

- An event
- An alliance invitation
- A promotional opportunity
- A new product idea
- A potential new partner
- Anything,

analyse it through the **6 criteria of your ultimate end game**, and you'll see if it will move you closer – or further away.

If it has no impact, it's not moving you closer - so probably ditch it.

## Footnote: Legals, Financials and Advice

While scrutiny will occur later when you've confirmed a potential buyer and have an MOU in place, it's best to be prepared.

There will be much to do for Due Diligence and you'll need legal and financial advice (not our areas of expertise) to ensure completeness and transparency. It will be time-consuming, stressful and distracting - especially when a potential buyer is in the wings - so get advice and set up your systems now and maintain them.

# About the Author



Hello, I'm **Tracey James**, Co-founder and Chief Marketing Strategist for Tech Torque Systems. I started out life as a 'techie' qualifying in Biotechnology, so I understand technical complexity but quickly found research tedious. I swapped to selling then marketing Biotech products for Merck and GE Health and later switched to IT, marketing software and hardware.

In the Tech Sector, I saw brilliant Australian companies failing to prosper because they had disjointed, unreliable marketing and selling processes. I co-founded Tech Torque Systems with **Matthew Whyatt**, combining his Precision Processes for Selling with mine for Marketing to create the first integrated system to fast-track Tech Sector growth. This checklist\* is part of it.

\* Thank you to Dave Peters, CEO of Emagine (acquired by Mahindra Comviva) for his update of the previous version of this checklist, based on firsthand experience.



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