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Revving up the growth engine

Leveraging start-up principles and practices to break the growth paradox with Growth Hacking

MAKING AN IMPACT THAT MATTERS since 1845

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Breaking the growth paradox

Growth is the lifeblood of all organisations. The challenge, however, is that growth is getting harder and harder to achieve today. If you are a business leader, you will likely have experienced how mounting market complexities and competitive pressures can make it difficult to sustain, let alone accelerate, organic growth.

Conventionally, growth strategies have been high-risk, high-reward endeavours: a series of analysis and strategy sessions are held amongst the leadership, and big bets are then taken on where and how to "double down" and "follow through" based on rocket assumptions and a set of strategic rationales. Investments tend to be few and large, and nearly always entail having to make significant trade-offs between alternatives.

Therein lies the growth paradox – the underpinning, widely-held belief that a higher value reward can only be realised with more time and more resources. The good news, however, is that there is in fact a proven way for leaders to break these trade-offs and redraw the competing relationships between inputs and outcomes.

Enter Growth Hacking, a practice designed to help organisations crack the code to a more organic approach to growth. Drawing its core principles from digital start-ups and product development philosophy, Growth Hacking works by harnessing the collective power of numerous small-scale, targeted experiments designed to fail fast and rapidly scale successes.

Based on our extensive experience supporting businesses in their efforts to accelerate organic growth, we have observed that many leaders struggle to establish structured growth practices, develop executable growth strategies, and successfully implement growth initiatives.

In our view, there are two flipsides to this phenomenon. On the one hand, there is the 'undercooked' growth strategy, where growth opportunities are not sufficiently understood and fail to deliver the expected value. On the other hand, there is the 'over-engineered' growth strategy, where complex – and continually expanding – efforts to target and capitalise on a large growth opportunity become more of a hindrance than a help to actual implementation.

Growth Hacking is a practice that addresses both challenges. Firstly, by building analytical rigour and fact-based market assessments into a structured process of rapid initiative deployments, it helps leaders avoid falling prey to the 'undercooked' growth strategy trap; secondly, by offering a pragmatic and action-biased approach with which leaders can break down large growth opportunities into smaller parts, it helps leaders accelerate value delivery and thereby avoid the 'over-engineered' growth strategy trap.

Overall, our cumulative experience has shown that businesses who have successfully adopted Growth Hacking as a practice have been able to realise accelerated growth rates and improvements in their defined key performance indicators (KPIs). These KPIs can assume a variety of different formats, depending on the specific ways in which a business measures, monitors, and manages its value creation activities for stakeholders – which include, but are not limited to, shareholders, employees, customers, society, and the environment.

But the value of Growth Hacking goes even further: many businesses have reported that the implementation of the practice has enabled them to break down functional silos and rally teams around a shared mission. The result is often significant improvements to organisational capabilities, as well as boosts in productivity and employee satisfaction scores. One business leader we worked with even went as far as to say that the benefits their organisation experienced in terms of capability building and internal collaboration alone would have been sufficient to justify the business case of implementing a pilot Growth Hacking program.

In this report, we will present an overview of the Growth Hacking practice, discuss the business value that it delivers, and provide a practical playbook for leaders to get started on building a growth engine within their organisations. When done right, Growth Hacking can be instrumental in enabling leaders to shift their growth paradigm away from one that is high-risk, high-reward, and towards one that is low-risk, high-reward – where the returns are measured not only in terms of direct returns on investment (ROI), but also indirect improvements to employee satisfaction and capability development.

Revving up the growth engine

The objective of Growth Hacking is to create a new reality of continuous hypothesis development, experimentation, and value delivery – and with it, an engine that constantly identifies and pursues new growth opportunities. This is a fundamentally different way of working that is business-led, marketing-driven, and data-enabled.

Growth Hacking draws on the principles and ways of working pioneered by start-ups and digital-first businesses. With scarce resources and limited time, these businesses often face tremendous pressure to demonstrate the viability of their ideas or hypotheses to investors before their funding runs out. They cannot afford to waste time and resources, succumb to bureaucracy in decision-making, or focus on anything other than their mission.

As a practice, Growth Hacking possesses many similar characteristics: it is pragmatic, tactical, value-based, and takes an unconstrained view on growth opportunities. This is a fundamental mindset shift, one that is defined by a willingness to challenge conventional wisdom and the status quo, as well as a commitment to the in-depth study of the market, customers, and competitors for the identification of new growth opportunities.

At the same time, there are several important differences between Growth Hacking and common start-ups practices. Designed to be deployed at scale and in large organisations, Growth Hacking is relatively more organised and well-structured, and does not involve the use of 'bootstrap' or 'duct tape' solutions that exist in many new businesses.

In this section, we will introduce the Growth Hacking practice, its key components, and the mechanics by which it accelerates organic growth. For our purposes, we will draw on the analogy of a combustion engine – one that requires fuel, a spark, power-generating cylinders, and the mechanics with which to convert power into forward momentum.

Conceptual overview

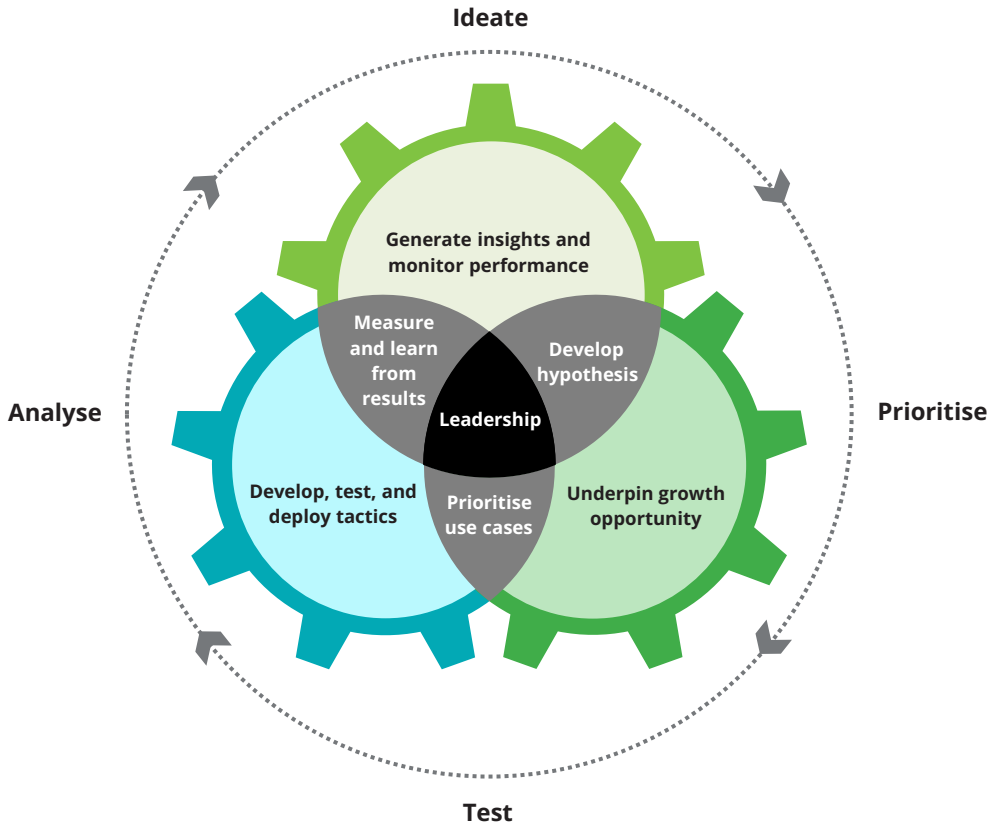
Central to the Growth Hacking practice is the creation of a growth engine – one that continuously generates insight, develops hypotheses, conducts experimentation, and delivers value. The orchestration of this entire process is, in turn, underpinned by four key principles.

Firstly, the Growth Hacking process is executed across a harmonised sprint cadence to ensure that all teams are operating at a synchronised pace. Apart from improvements to team productivity, key benefits of applying a sprint structure include greater clarity on capacity (teams can see what needs to be done), approaches (teams understand how they should get it done), and outcomes (teams commit to getting it done). These, in turn, also make the practice predictable and reliable.

Secondly, the process is underpinned by an opportunity backlog. This provides teams with a buffer with which to ensure continuous value delivery and prioritise efforts according to defined business priorities. Thirdly, Growth Hacking teams are cross-functional in nature; while individual team members may possess different functional backgrounds, they are fully aligned and committed to a common mission.

Finally, retrospective, short-cycled reviews are conducted to measure, analyse, and attribute performance at the end of each sprint, with the primary purpose of facilitating continuous learning and improvement (see Figure 1).

Figure 1: Visual representation of the growth engine concept



Briefly, Growth Hacking is a continuous process consisting of four steps (see Figure 2):

Step 1 – Ideate | Insights generation

The process begins with the data-driven identification of untapped market potential and competitive plays vis-à-vis other market players. These opportunities can initially be identified through a top-down examination of competitors and other businesses, or a bottom-up analysis of internal data – for example, when there are large variances in cross-selling rates between segments that cannot be easily explained. As their data models and understanding of the market improve, teams can begin to shift towards a data-driven growth opportunity generation model.

Step 2 – Prioritise | Hypothesis development

In this second step, the opportunities and data insights that have previously been identified are contextualised into growth hypotheses. Each opportunity must be well-defined for in-market testing and accompanied by a confirmed market potential size and ability to win against the competition, before it can be used as the basis for teams to develop hypotheses on specific engagement and market development plans to be experimented upon in the next step. Hypotheses could include, for example, customer engagement tactics in the form of context-specific offers that are clearly communicated and delivered to the customer at the right moment.

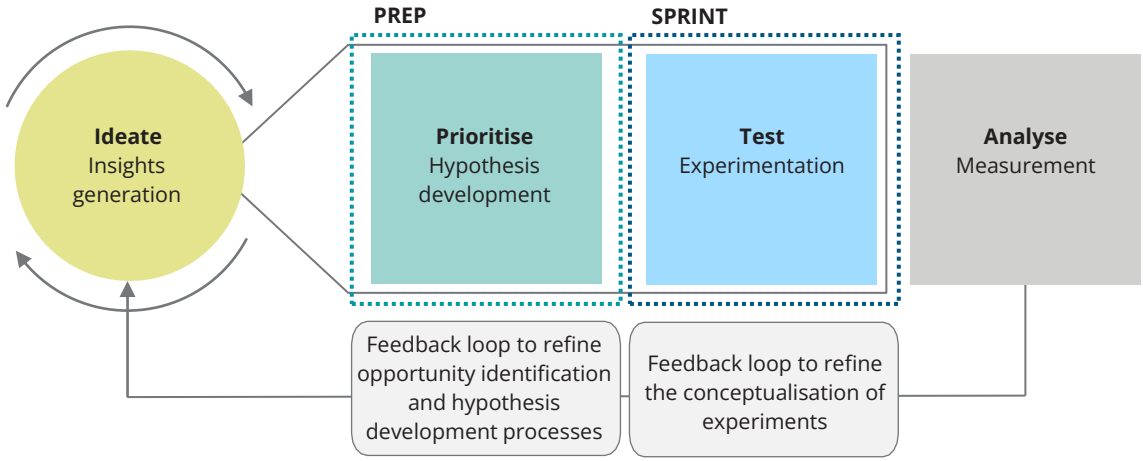
Step 3 – Test | Experimentation

The third step of the process entails detailing, preparing, and launching in-market experiments. As this is a process with creative, commercial, and operational aspects, it needs to be delivered by a cross-functional team. During this step, customer engagement tactics are tailored to channels and target customer segments, and finetuned in terms of their positioning and communication. It is important to note that careful planning and preparation are key to identifying and isolating dependencies in deployment across different segments. Furthermore, it is crucial to ensure that execution is carried out according to plan, as this will not only help teams to avoid delays that could hinder value capture, but also enable information to be appropriately captured for retrospective analysis and continuous improvement purposes.

Step 4 – Analyse | Measurement

Once the experiments have been deployed in the market, their value and outcomes are carefully measured and monitored. Experiments with successful outcomes are then rapidly scaled; experiments with partially successful outcomes are redefined and redeployed; and experiments with unsuccessful outcomes are terminated while still serving as a source of learning. The result of this is a continuous learning loop, where performance insights and delivery experience provide teams with new opportunities to grow (thereby resulting in better outcomes) and improve (thereby resulting in better processes).

Figure 2: A simplified illustration of the Growth Hacking process



Key component teams and interactions

Drawing on the analogy of a combustion engine, we will discuss in this section the four component teams of the growth engine – each with distinct missions – and how they interact with one another across the sprint cycle to generate opportunities, define growth hypotheses, and deliver value.

At this juncture, it is worthwhile highlighting that while the different teams may each possess a different focal point or functional basis, such as Data & Analytics or Marketing, the Growth Hacking practice is fundamentally outcome-oriented and emphasises the leveraging of all functional perspectives to deliver the best possible outcome.

Data & Analytics teams | The fuel

Data insights and analytics are the fuel of the growth engine, as they form the basis for opportunity generation. In a combustion engine, the performance or horsepower is determined by the amount and richness of its fuel; similarly, a growth engine works best when it is powered by sufficient high-quality and granular data.

With the increasing democratisation and accessibility of advanced data technologies, businesses are now able to structure, model, and visualise their data in unprecedented ways. By refining and consolidating existing data, and then combining them with external data sources, it becomes possible to obtain the insights required to fuel a constant generation of growth opportunities to be tested for their value potential.

Typically, Data & Analytics teams comprise data analysts and data scientists who are adept at integrating and structuring both internal and external data sources. These teams work closely not only with Business teams to identify new patterns or insights from data and generate a continuous pipeline of growth opportunities for consideration and further development, but also with data engineers and the broader technology function to enhance their data models and data capabilities.

Marketing teams | The spark

The primary challenge that businesses face in the development of their growth strategies often lies not in deriving data insights or identifying a list of potential growth opportunities, but in their ability to sufficiently understand and act upon them (to avoid the 'undercooked' growth strategy trap) while remaining action-oriented and pragmatic in deployment (to avoid the 'overengineered' growth strategy trap).

In a Growth Hacking process, this balancing role is typically assumed by Marketing teams, who evaluate each opportunity for its value potential and ability to win against the competition to determine whether it is worth pursuing. If an opportunity is qualified at this stage, Marketing teams will pursue the opportunity by further detailing and underpinning its value potential with the development of an approach and plan – that is, they will develop the opportunity into a growth hypothesis.

Each growth hypothesis includes a clear plan, a specific target audience, and a tactic with which to realise the value of the opportunity. In general, hypotheses should be targeted at very specific audiences – either a single customer cohort or several customer cohorts – within a highly specific timeframe or context and with highly tailored offerings. Specificity is crucial here, as tailored engagements and offerings are likely to have higher success rates than broad-based engagement and communication. The role that Marketing teams play in this respect – the 'smarts' that they bring – is what we refer to as the spark in the growth engine.

Business teams | The mechanics

Analogous to the mechanics of a combustion engine, Business teams act across Growth Hacking processes to orchestrate the effective delivery of the practice. Specifically, they do so by managing the interfaces between the four aforementioned steps – Ideate, Prioritise, Test, and Analyse – and infusing business priorities and logic into the process to inform prioritisation decisions:

- **Infusing business logic and market understanding into opportunity generation**
  Business teams support Data & Analytics teams by contributing their business perspectives to the opportunity generation process, which helps to ensure that the identified growth opportunities are relevant in that they address a real business problem or target an underserved market segment. In addition, Business teams also support Data & Analytics teams in navigating the business context, by helping them to understand the possible implications of their data insights and working with them to discern patterns in the data.

- **Prioritising hypothesis backlog for Growth Pods**
  Growth Pods require the timely refuelling of relevant, high-potential growth opportunities. Working in collaboration with Pod Leads, Business teams help to ensure an optimal 'fuel intake' – striking the balance between too little (thereby sacrificing outcomes) and too much (thereby sacrificing quality and effectiveness) – by leveraging their deep understanding of what matters most to the business and their knowledge of the processes and capacity required to deliver outcomes within a Growth Pod.

- **Deep-diving into performance reviews and consolidating learnings**
  The real value of Growth Hacking lies in its performance evaluation process. To this end, Business Intelligence teams have an important role to play in deciding whether an experiment should be abandoned (not successful), refined (successful but likely to have further potential), or scaled (successful and moving to a business-as-usual (BAU) scenario). This is because Business Intelligence teams are in a unique position to understand both the background and rationale of the opportunity generated by the Data & Insights team, as well as the logic behind the Business team's prioritisation of the opportunity and the value that the experiment is intended to unlock.

  Within such a construct, Business teams function as highly collaborative teams that accumulate their 'intelligence' from their various interactions with the different teams in a Growth Pod. While a large source of this intelligence is likely to come from data, it is also important that Business teams do not underestimate the power of the 'voice of the customer'.

  Indeed, customer-centricity is crucial to solving growth questions. Business teams will need to devise rapid and cost-efficient methods to obtain customer insights and feedback that will enable them to confirm or refine key choices in their hypothesis development and experiment deployment, and thereby ensure that hypotheses and experiments are not developed based on internal assumptions alone. These methods need not be large-scale, labour-intensive, or even statistically relevant; in keeping with the philosophy of Growth Hacking, it is more important that they are quick and pragmatic.

Growth Pods | The cylinders

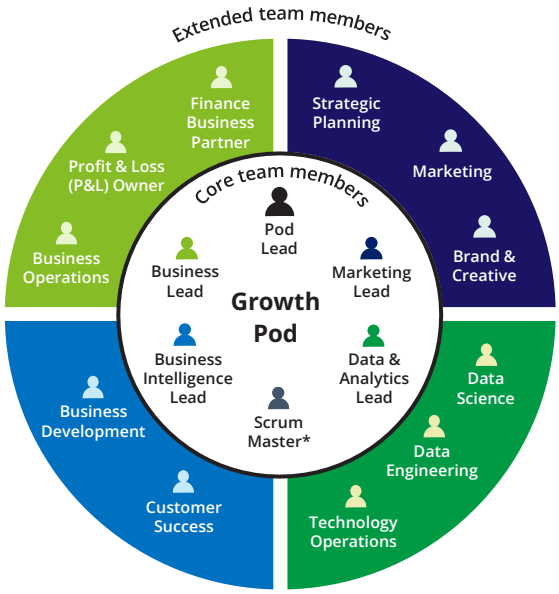
Just as cylinders combine a spark with fuel to generate power, Growth Pods – or cross-functional teams with varied functional backgrounds, expertise, and skillsets across the marketing, sales, operations, and technology/digital domains – convert hypotheses into action by operationalising plans and ensuring their timely in-market deployment.

While Growth Pods are close-knit teams that work together to deliver the sprint plan, each individual member also has the responsibility to ensure that they bring the best and brightest ideas from their respective functions. Under such a setup, a Growth Pod therefore not only has access to the know-how of its core set of team members, but also that of extended functional teams through these core team members (see Figure 3).

Although the team is highly diverse, its members are united in a single mission. In the spirit of Growth Hacking, the roles that each member plays are neither static nor strictly demarcated. Accomplishing the mission takes precedence, and formal roles and processes are secondary. The result is a blurring of lines around individual contributions and functional boundaries in favour of collaboration and contribution towards getting the job done.

As a best practice, Growth Pods should be organised as long-standing teams. This is because it often takes time – and multiple sprint cycles – for the team to build trust and reach a mutual sense of understanding. Once that is achieved, however, the Growth Pod would be able to significantly dial up its performance and productivity to deliver higher quality outputs at greater speed.

Figure 3: Typical roles and responsibilities of a Growth Pod



Additional core roles that may be required when experiments are carried out on digital and/or technology platforms

Product Manager | **Solution Designer** | **Software Engineer**

**Scrum Masters are only required if teams are not familiar with pod-based ways of working. They are not full-time Growth Pod members, and support multiple Growth Pods simultaneously in their efforts to adopt Growth Hacking best practices, such as sprint stand-ups and other rituals.*

Pod Lead
(Full-time)

- Manages capacity of Growth Pod and ensures accountability of individual team members
- Reviews Growth Pod deliverables and collaborates with team members to further improve and/or align with other outputs
- Reviews and confirms growth hypotheses for shortlist discussion
- Leads performance evaluation and target-setting for subsequent sprint
- Acts as the central point of contact for Growth Hacking Lead and business leaders

Business Lead
(Part-time)

- Represents business operations with a decision-making mandate
- Assesses feasibility of initiatives (including the ability to execute) and quality of deliverables
- Coordinates internally and externally as required to ensure seamless deployment of experiments and/or scaling of successful results

Data & Analytics Lead
(Full-time)

- Refines data models and generates data-driven insights to inform hypotheses
- Measures sprint performance and reports campaign results

Business Intelligence Lead
(Full-time)

- Develops, refines, and evaluates growth hypotheses with the use of data, as well as the application of industry insight and prior campaign experience

Marketing Lead
(Full-time)

- Evaluates growth opportunities for value potential and ability to win against the competition
- Underpins and develops qualified growth opportunities into growth hypotheses for experimentation

Leadership | The steering wheel

Although not technically a part of the growth engine, Leadership is critical to optimising the outcomes of a Growth Hacking practice. As with any transformation or change initiative, leadership commitment is needed in three areas:

1. **Strategic direction**, including the definition and prioritisation of KPIs and value to be delivered;

2. **Sponsorship**, including the prioritisation of full-time resources and capacity committed to Growth Pods, deployment of professional Scrum Masters to support Growth Pods that are less familiar with pod-based ways of working, and provision of funding for the deployment of experiments (e.g., budgets for marketing campaigns and customer engagement); and

3. **Conflict resolution** as required when conflicts arise between teams; common sources of conflict during the teething phase include capacity constraints, particularly when resources have not been sufficiently freed up from their prior roles, and disputes over the quality and/or speed at which team members are completing their agreed outputs and deliverables, but many of these tend to resolve themselves as the Growth Hacking practice evolves and trust builds within the team.

Setting the tone at the top

To set the right tone at the top for a successful Growth Hacking practice, leaders will need to communicate the following key messages to their teams:

- **One team, one mission**
  Leaders should encourage team members to leave their functional backgrounds and allegiances behind, and abandon the concept of handovers. Instead, team members should think of themselves as part of the team and part of the mission, and focus on the contribution that each of them can make towards the overall collaboration. Leaders should also empower teams to challenge conventional thinking and existing assumptions.

- **Outcomes over processes**
  Leaders should emphasise the action-oriented nature of the Growth Hacking process and entrust teams to find the shortest path to value. Apart from the cadence of stand-up and sprint meetings, teams should limit the number of meetings to maximise productivity, and there should be minimal to no need for internal business approvals. The guiding principle is that all activities should be allowed to proceed if they are 'good enough for now, and safe enough to try'.

- **Embrace the data and follow the logic**
  Leaders should encourage teams to challenge the status quo and existing knowledge – including what is typically considered to be industry knowledge or commonly accepted practices – by following the logic of the data. This requires a certain degree of courage to become more self-critical, as well as an intellectual openness to acknowledging that there is room for improvement. Leaders should acknowledge that this mindset shift can be hard, but a more data-driven way of working can be a fun and fulfilling learning experience as long as team members are able to embrace uncertainty.

- **You are a start-up – act like one**
  To encourage creativity, leaders should refrain from allocating too many resources to Growth Hacking teams. Scarcity is an important condition that will encourage teams to function like start-ups and become more creative at maximising returns with minimal investments. For this to work, however, leaders must truly empower their teams to assume end-to-end ownership of the process, and encourage them to prioritise speed, in-market testing, and bold thinking.

Engineered to deliver value

Growth Hacking is engineered to deliver value through a continuous process of opportunity identification and value realisation. The business case for leaders to adopt this practice is broader than its direct contribution to value, as Growth Hacking has been proven to deliver growth in three distinct ways:

Direct value | Performance uplift

The primary reason for businesses to embark on Growth Hacking is to achieve organic growth, which is typically articulated in terms of financial metrics such as top-line growth (revenue), bottom-line growth (gross margin or earnings before interest, taxes, depreciation, and amortisation (EBITDA)), or leading KPIs such as new customer acquisition or monthly active users (MAU).

It is important to note, however, that Growth Hacking can also be designed to deliver different types of non-financial value – such as carbon footprint or waste reduction targets – as long as this value can be objectively defined, quantified, and measured. Growth Hacking can therefore be leveraged as a practice to target and realise a broad range of values to serve different strategic agendas and priorities.

By design, the Growth Hacking process leverages small but targeted bets to realise gradual performance improvements. Taken individually, each of these improvements – improving conversion rates by 2% or reducing customer churn by 5%, for example – accounts for only an incremental direct value contribution. However, the impacts of these improvements build on one another with a compounding effect – making them collectively very significant.

Organisational capabilities | Quality and speed of collaboration

Teams who are just embarking on the Growth Hacking journey may find that pod-based ways of working require getting used to. Once that happens, however, the benefits can be enormous: based on our experience working with businesses to adopt these ways of working, we have found that it can potentially increase team productivity by up to 25% and slash time-to-market for new products and initiatives by up to 50% – while still increasing customer satisfaction.

Many modern leaders are cognisant of the potential of pod-based ways of working; however, transforming to adopt these practices can be daunting. In this regard, Growth Hacking could offer a means for leaders to introduce teams to these ways of working as a pilot. Such an approach would reduce the magnitude and impact of the change, and allow teams to familiarise themselves with the ways of working to encourage greater buy-in.

Our experience has shown that it takes about three months for teams to gradually overcome their initial scepticism and embrace the new ways of working, at which point both productivity and speed will begin to rapidly accelerate. As teams begin to appreciate and enjoy the new ways of working, they also tend to become more autonomous and self-managing. Functional boundaries fade away, team members have a broader understanding of one another's skills and abilities, and traditional 'handovers' – with their inherent operational risks – disappear as team members become committed to a single mission.

Gradually, teams also become more critical and demanding of their own performance, and this results in enhanced output quality and sprint capacity; our experience has shown that the latter increases at an average of about 30-50% depending on the team's initial familiarity with such practices.

Establishing such a cross-functional team setup enables individual team members to develop more holistic perspectives of growth and value creation, while still retaining a direct line of sight on the strategic rationale of the experiment. In the long run, this not only enables them to build business acumen, but also motivates them to enhance their performance within their individual functional areas as they seek to develop or enhance solutions to the problem at hand.

Performance culture | Mindset, employee satisfaction, and other indirect benefits

Perhaps an unexpected by-product, the third type of value that the Growth Hacking practice delivers is an enhanced performance culture. This can be attributed to a gamification of the process – a result of the combination of a large degree of team autonomy, a clear focus on growth and value, and continuous performance monitoring – that in turn drives high levels of employee engagement.

As teams progress through their sprints, performance dashboards take centre stage. This creates a 'value-obsessed' culture as teams no longer have the patience to wait for sprint reviews. They are constantly tracking their progress, and thinking about why their experiments did not deliver their intended value. Rejected hypotheses or unsuccessful market experiments are perceived as challenges. Where did the business logic go wrong? Which elements did we overlook or fail to properly execute?

In their desire to better understand their own performance and make improvements, teams become motivated to seek out the root cause as to why the hypotheses that they were confident in had been rejected by in-market testing. As teams are given end-to-end responsibility and autonomy over their missions, they often discover new or even systemic issues within existing systems, such as the unintended effects or sub-optimal configurations of certain automated process flows and/or pre-defined allocation rules in IT systems.

Oftentimes, the feedback we receive from teams is that they tend to be sceptical of the process at first – and indeed, many of them tend to struggle in the initial stages – but later come to appreciate Growth Hacking as a practice that enables them to not only deliver at greater speed, but also with less effort (increased collaboration) and greater satisfaction (higher quality outcomes).

Ultimately, the bottomline is that gamification plays an important role in incentivising a high degree of commitment and engagement – that in turn leads to a high-performance culture centred around 'team wins'. Such a team dynamic drives success, collaboration, and employee satisfaction.

CASE STUDY

Transforming ways of working to unlock exponential growth

Following an initial period of rapid growth, a leading digital-led company in Southeast Asia had found itself struggling to unlock new value in the face of plateauing revenues outside its core lines of business. The implementation of a Growth Hacking pilot enabled it to successfully transform its ways of working – and thereby, unlock exponential growth to overcome this stagnation.

Business problem

A leading digital-led company in Southeast Asia, which operates primarily in the business-to-consumer (B2C) segment of the travel and hospitality sector, had undergone a period of significant growth in recent years. By leveraging its rich customer dataset to expand into multiple new lines of business, it had successfully managed to build a large organisation – and with it, a strong organisational culture where employees took great pride in the company's success and its ways of doing things.

As the company grew, however, revenues outside its core lines of business – that is, those with relatively less established brands and customer bases – plateaued. This stagnation was due at least in part to the business and functional silos that had been created over time; as the organisation grew in complexity, it was no longer as agile or as willing and able to commit to 'failing fast'.

In the search for growth, many individual lines of business started to double down on their own siloed business models. Consequently, go-to-market efforts became increasingly fragmented, and priorities were constantly changing. With the pressure to deliver growth quickly mounting, targets and KPIs soon dominated conversations at nearly every internal discussion. But alas, this had the counterproductive effect of eroding accountability, as teams lost the direct line of sight to their customers and their focus on delivering value and performance.

Deloitte's value

Entrusted with the mandate to deliver short-term revenue growth, improve operating margins, and grow the company's digital platform by increasing customer acquisition, customer 'stickiness', and MAU retention, Deloitte undertook an initial exercise to engage stakeholders across the broader organisation in conversations on its current growth context, as well as experiences and lessons learnt. Through this effort, we were able to help the various business leaders acknowledge their challenges, articulate their need for change, and recognise Growth Hacking as a practice that would build on – rather than replace – their existing practices.

To structure and execute a Growth Hacking pilot for the client, we subsequently established a Transformation Office under the leadership and endorsement of the CEO. Key activities carried out by the Transformation Office included the setting up of cross-functional Growth Pods, as well as the provision of support during the opportunity identification process. In parallel, we also worked to establish a Customer One-View platform to enable it to enhance its ability to identify growth opportunities across all lines of business, generate new opportunities across customer cohorts, and pinpoint sources of value leakage across customer touchpoints.

With a backlog of more than 100 growth opportunities in place, the Growth Hacking practice was launched in a series of sprints to validate, test, and deploy the relevant hypotheses. Highlights included, but were not limited to:

- **The identification, validation, and targeting of an underserved 'local for local' opportunity**
  Within the second-largest line of business, the team had identified significant performance variances between two core markets with highly similar characteristics. A list of hypotheses was developed to address this opportunity, and each of them was validated with insights derived from customer journey analyses. Through this process, a certain customer segment was found to have been underserved as a result of several issues relating to inventory availability, offering design, value proposition, and payment options. 'Local for local' initiatives designed to target these issues ultimately resulted in a sixfold increase in market revenue, while also reducing discount spend by half.

- **The reallocation of resources to optimise investments across the funnel**
  Within another sizeable line of business, the testing process had validated the hypothesis that existing investments were being channelled to the wrong areas – in this case, customer awareness, instead of inventory and supply. By combining data across several lines of business obtained from the Customer One-View platform and structurally breaking down the various performance drivers, the team was able to develop a set of coordinated and synchronised interventions for more optimal resource allocation.

  Initiatives included, for example, the data-driven identification of opportunities to realign inventory such that it is available at the right time and at the right place; deployment of non-traditional partner recruitment activities across channels; resolution of technical and process issues hindering the effective allocation of resources; and moving customer spend further down the funnel so that investments can be better targeted at the point and time of conversion, rather than at the initial customer awareness phase. Taken together, these efforts resulted in a more than 40% increase in returns over a six-month period.

Key outcomes

Overall, the Growth Hacking practice successfully delivered measurable revenue growth against the BAU scenario for all participating lines of business. Of note is also the fact this revenue growth is relatively more sustainable, as it had been achieved not only through the delivery of higher value transactions (measured in terms of average transaction value), but also at lower promotion spend (measured in terms of marketing spend and discount spend).

In addition, the pilot also enabled a much larger number of market deployments to be rolled out at higher sprint velocities – the total campaign count was five times that of the BAU scenario – while also increasing the specificity and relevancy of campaigns for target audiences, with the result that the number of communications received by individual customers had reduced by half on average.

All in all, the Growth Hacking practice had successfully established a data-driven and hypothesis-led way of working within the organisation. Indeed, team members who were initially sceptics ultimately embraced the mindset shift, with many even becoming its most vocal ambassadors and advocates.

Client testimonials

"The Growth Hacking pilot has enhanced our competencies, and enabled us to improve our conversion rates and overall business performance. I am extremely satisfied with my experience working with Deloitte. They have significantly improved our capabilities, and I would recommend them to any other partner as they are not only a great team, but also fun to work with."
— CEO

"At the beginning of the project, it was challenging to bring the different functions and lines of business together and encourage them to collaborate in driving and delivering the Growth Hacking deliverables. But today, we are working as a cohesive team towards the same goal of delivering additional uplifts to our business. Everyone adheres to and trusts the process, and is leading their respective scopes to ensure that our deliverables are being met."
— Growth Hacking Pilot Lead

A Growth Hacking playbook

While Growth Hacking is not a radically new idea – nor is it very complex to implement – it does need to be highly structured from the outset and deployed with commitment from the top. Teams should be given freedom and autonomy, but the structure and cadence must be clearly defined and synchronised to deliver results and avoid engine stalls or misfires.

Leveraging our cumulative experience delivering successful Growth Hacking implementations, we have developed a generic playbook to help leaders get started on the journey. It is important to note that this playbook is only directional in nature, as individual organisations possess varying levels of business maturity, base capabilities for the adoption of its ways of working, as well as Growth Hacking objectives – defined in terms of the value or KPIs they wish to achieve – that will make their implementation journey unique.

In this playbook, we set out the four broad phases that leaders should consider:

Phase 0 | Prepare

Phase 0 is critical to success, as it is the phase during which the concepts and intent of the Growth Hacking practice are introduced to the organisation and initial buy-in for the business change is secured. Key activities centre around communication and change management; while it may sound counterintuitive that we begin with change management before any actual changes have been made, it is crucial to ensure that the teams are kept well-informed and have been given the opportunity to discover the new ways of working. Efforts should also be made to help them coalesce around the idea that the Growth Hacking practice will build on, and not replace, their current practices and successes.

During this phase, leaders will need to facilitate the execution of three sequential steps. While the timeline in which these should be completed is not set in stone and could vary depending on the business context, this whole process takes an average of one to three months:

1. **Introduce the Growth Hacking practice and secure organisational buy-in**
   To introduce the Growth Hacking practice, its components, and how they work together, a series of interviews and meetings should be conducted with the relevant functional leaders and teams. It is important not to rush this phase, as stakeholders need time to understand the change and what it means for them. In this step, a baseline of current growth practices, as well as a common understanding of the organisation's current strengths, challenges, and talent pool, should be established. Once that is achieved, resources can be selected to participate in the relevant teams and Growth Pods.

2. **Mobilise teams with explicit leadership endorsement**
   To communicate the mission and define target KPIs, an internal kick-off meeting should be organised for the relevant business leaders and functional leaders. Having the right tone at the top is essential for a successful Growth Hacking practice, and the leadership team will need to agree on and articulate the strategic rationale for pursuing these target KPIs as they will form the basis for organisational behaviour ('value-obsession').

   Once the leadership team is aligned, teams can then be mobilised. When staffing teams, it is important that leaders select team members not only for their skillsets, capabilities, and functional expertise, but also their tolerance for ambiguity, creativity, and pragmatism – traits that are especially essential for teams less accustomed to such ways of working.

3. **Engage teams in a solutioning exercise to build an understanding of value drivers**
   Given that the teams and Growth Pods have been assembled from different legacy teams across the organisation, there is a need for them to build trust and develop shared perspectives. To do so, we recommend engaging teams in a logical solutioning exercise that will help them to better understand the value drivers for their mission.

   Broadly, the logical solutioning exercise should aim to de-construct the growth challenge that the teams are trying to address. By breaking the problem down to its individual components and gaining a better understanding of the relationships between them, teams can develop a more holistic view of the options or opportunities – that is, the value drivers or value levers – that 'must be true' in order for them to be able to successfully deliver value.

   Equipped with this logical structure and a deeper understanding of the growth drivers, teams can begin to develop growth hypotheses to populate the backlog. To further enhance the quality and number of hypotheses, as well as better future-proof their tactics, teams should also adopt an outside-in perspective by examining competitor practices and broader marketplace trends.

   These top-down growth hypotheses are an important outcome of Phase 0. They serve as the basis of missions for Growth Pods in the initial set of sprints, during which the Data & Analytics teams are working in parallel to finalise the data models.

Phase 1 | Initiate

The Growth Hacking practice formally commences in Phase 1, with the commitment and deployment of budgets and resources. Ample preparation in Phase 0 is critical to ensuring that leaders can launch this phase with speed, focus, and determination, given that it signals the start of 'Day 1' where the timer – and with it, sponsor patience – begins ticking.

Phase 1 typically takes about three months, and requires leaders to oversee the execution of three steps in parallel:

1. **Invest in data modelling (data foundry/Customer One-View)**
   The structuring, cleansing, and integration of data is a resource-intensive and time-consuming exercise, even in today's world where advanced technologies have been democratised and are widely available at low cost. Consequently, the data modelling process should be started as quickly as possible. While we recommend that this process begins in parallel with Phase 0, we consider it formally a part of Phase 1 as it entails the commitment and deployment of resources.

   Initial attention should be directed to the data model and data foundry that are required to support analysis and hypothesis development. At a later stage, however, the Data & Analytics team will also need to acquire capabilities to deliver two other critical components of the Growth Hacking practice: the performance dashboard, and the ability to attribute or trace outputs from experiments.

   We have designed our Growth Hacking playbook to enable sprint deployments to continue even without these two critical components, as Growth Pods and Business Intelligence teams may require some time to get started. However, the longer the lapse – and the greater the number of sprints conducted without structural data – the higher the risk that the Growth Hacking practice will fail, as the business leadership and sponsors may grow impatient or become disappointed with the lack of outcomes and ROI.

2. **Launch Growth Pods**
   The most visible components of Growth Hacking are the Growth Pods, as they account for the greatest use of resources and bring together team members from a variety of different functions. The launch of Growth Pods for the first sprint is therefore a critical moment in the implementation of the Growth Hacking practice.

   There are two aspects worth elaborating upon. Firstly, there needs to be ample preparation for the launch of the Growth Pods, with an initial set of growth hypotheses defined with a clear mission for teams to commence work on. Should efforts to familiarise and engage Growth Pod members in the Growth Hacking ways of working in Phase 0 be successful, leaders will be able to reap the payoffs in this phase. It is important to note that while we expect individual team members to be knowledgeable about the ways of working by this phase, we do not expect them to have perfect knowledge; rather, they need only be sufficiently familiar with the process such that they do not create a distraction.

   Secondly, while pod-based team structures might be new to the organisation, they are not fundamentally new concepts or practices. Leaders should seek to adapt proven practices and playbooks to their context, rather than reinvent the wheel. Depending on their teams' experience with such ways of working, leaders could also consider the deployment of professional support resources, such as Scrum Masters. These expert resources can support multiple Growth Pods simultaneously by helping them to work more effectively together and facilitating the overall process; these roles are usually only required for the initial period and can be phased out after three months.

3. **Evaluate performance and establish a learning loop**
   Growth Hacking is centred around the creation of measurable value and the attribution of this value to the in-market tactics that have been deployed. Performance measurement is therefore critical for three reasons. Firstly, it provides an underpinning of the value delivered, typically measured in terms of absolute growth in performance or target KPIs.

   Secondly, performance evaluation provides not only a means by which experiments can be evaluated, but also a basis for teams to decide on the appropriate next steps based on their understanding of the value contribution of newly deployed tactics. For example, a team should abandon an experiment if it has been proven unsuccessful, refine it if it has been proven that there is more potential, or scale it if it has been proven successful.

   Thirdly, performance measurement also informs the development of new hypotheses. By providing teams with feedback, it enables them to better understand the insights from the data and internalise the lessons learnt about their overall market, context, and customers.

The role of leadership in facilitating timely conversations on performance

Leadership has an important role to play in performance evaluation, and leaders' active participation in performance review sessions is a credible signal to teams that this is a priority. We recommend that leaders prioritise three sets of Growth Hacking performance review sessions and attend every one of them for at least the first three months.

By asking probing questions and encouraging teams to share their root cause analysis – such as the team's findings as to why a particular experiment had been successful or unsuccessful – leaders can help to accelerate the organisation's journey towards 'value-obsession'. In addition, leaders should also actively leverage performance review sessions to encourage teams to review their performance in terms of speed, quality, and level of collaboration to focus the attention on the other types of indirect value that Growth Hacking generates for the business.

These performance review sessions also provide teams with the opportunity to raise issues and request support to resolve capacity issues or other conflicts. Once the teams have become more autonomous and effective at reporting their performance, leaders can recalibrate their participation by only attending the monthly cross-pod performance review session.

Performance review sessions	Attendees	Asset
Fortnightly performance review • Review of KPI growth performance across Growth Pods, sprints, and experiments • Consolidated performance review across Growth Pods, including performance contribution of tactics and outcomes of experiments (abandon, refine, or scale) • Highlights or lowlights of individual experiments	• Growth Hacking Lead • Business Intelligence team • Business leadership	Performance dashboard
Fortnightly pod-level sprint review • Review of sprint processes, including level of collaboration, speed, and quality • Review of performance for individual experiments and success of tactics deployed	• Growth Hacking Lead • Business Intelligence team • Growth Pod Lead • Business leadership	Sprint review document
Monthly cross-pod review • Consolidated review of pod-level sprint reviews, including lessons learnt • Discussion of commonalities and application of lessons learnt to other Growth Pods	• Growth Hacking Lead • Business Intelligence team • Growth Pod Leads	Repository of sprint reviews

Phase 2 | Collaborate

On average, teams take about three months to successfully adopt the new ways of working and become accustomed to the new cross-functional team dynamics. Once this happens, sprint delivery accelerates and team members who were initially sceptical of the process start to embrace the process, resulting in increasing speed and productivity.

It is important to note, however, that this assumes that an advanced data model has been put in place by this point in time. Should the development of this asset be delayed, teams may run out of fuel as many of the top-down hypotheses will have been tested and all low-hanging fruits will have been exhausted. The data model is therefore essential to ensuring the continuous flow of new insights for a sustainable Growth Hacking process. Furthermore, without a robust and granular data model, the teams' capabilities for performance attribution – and with it, their ability to learn from the experiments – will be limited.

Phase 3 | Outperform

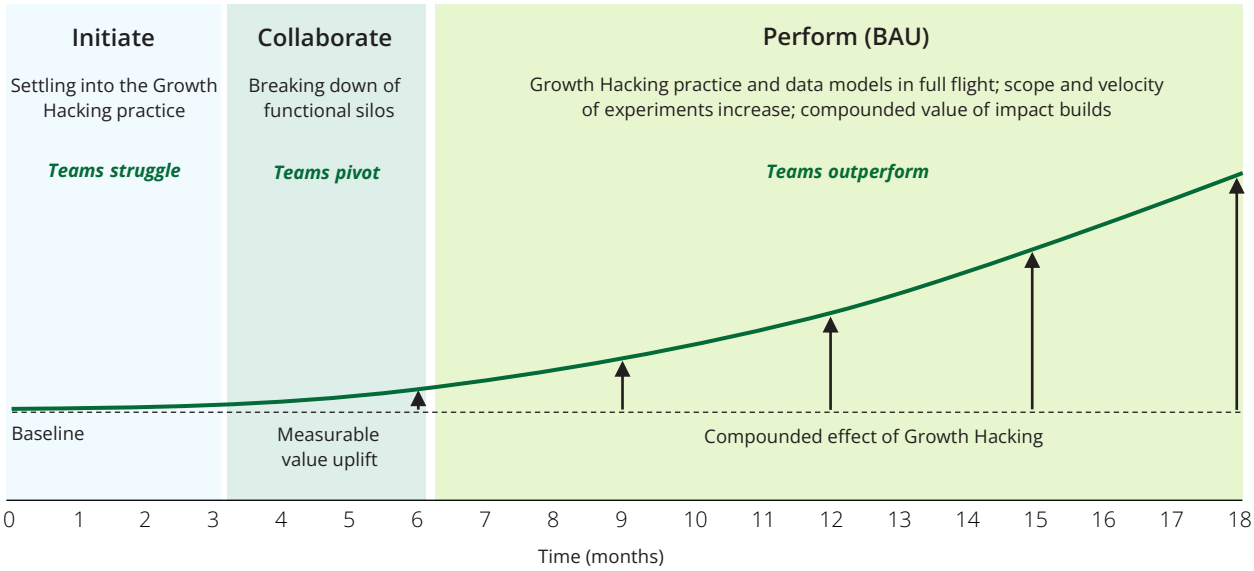
Once the Growth Hacking practice is up and running, teams become more productive and effective, the practice becomes self-propelling, and a 'value-obsession' starts to set in. At this point, the role of leadership shifts towards providing continued support and encouraging teams to become more ambitious and creative in delivering measurable growth. In instances where the Growth Hacking process had been started as a pilot in a part of the business, this would also be the point at which scaling should commence.

Based on our experience, we have found that apart from an initial investment in Growth Pods and training of teams in the ways of working, the investment costs of a Growth Hacking practice are generally low. Furthermore, running costs – such as promotion spend and operational costs – also tend to decrease over time as the specificity of targeting and engagement conversion rates improve.

While timelines may vary between businesses depending on their business maturity and organisational culture, we have found that the Growth Hacking process typically delivers value according to a predictable benefits curve (see Figure 4).

Fundamentally, Growth Hacking is a practice that requires an investment in people and the endorsement of leadership. It is not a quick-fix initiative to rapidly turn performance around; to reap sustained structural benefits, leaders should instead focus on gradual capability building and incremental performance improvements.

Figure 4: A typical Growth Hacking benefits curve



Towards a low-risk, high-reward paradigm

Growth Hacking represents a low-risk, high-reward paradigm to realising organic growth. It focuses on data and facts, and relies on the use of experiments to limit the scale and scope of investments. Once the practice gains momentum, the incremental gains that it delivers will add up – and business leaders will begin to experience the full benefits of compounded value.

To conclude, several important benefits of Growth Hacking are worth emphasising. For one, by establishing an engine for rapid opportunity ideation, prioritisation, testing, and analysis, Growth Hacking provides leaders with a means by which they can quickly and nimbly respond to potential growth opportunities that may arise as a result of ongoing marketplace developments or shifts in business priorities. There is also the added advantage that Growth Hacking is a highly adaptable practice. Apart from revenue growth and margin improvements, it can also be designed and harnessed to deliver different types of financial and non-financial value to meet a range of business needs.

More importantly, however, the practice has also been proven to significantly enhance the quality and speed of team collaboration through the introduction of pod-based ways of working. Given that many leaders in large organisations find it challenging to implement such ways of working within their current construct, Growth Hacking offers an important platform that leaders can leverage to develop these organisational capabilities – and thereby, benefit from the creation of an enhanced performance culture fuelled by 'value-obsession' and high levels of employee motivation.

Fundamentally, our view is that Growth Hacking is a 'no regrets' investment that does not come with any real downsides. Even in a worst-case scenario where a business ultimately decides not to proceed with a Growth Hacking practice after implementing a pilot program, it would still have gained some experience with pod-based ways of working and made progress in enhancing collaboration across functions and teams. All things considered, Growth Hacking is ultimately – through and through – a low-risk, high-reward paradigm.

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