



**CLIENT CASE STUDY**

# **A DIGITAL GROWTH ENGINE**

(A TWO YEAR STUDY)

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**JULY 2020**

## Executive Summary

In late 2017, the C-Suite at an engineering technology SaaS company created a strategic initiative designed to expand its new business pipeline.

Prior to the initiative, the company had established a significant regional presence, a strong SaaS product offering, and a loyal customer base. As such, new business opportunities came predominantly through word-of-mouth, referrals, trade shows, and membership activities with various organizations in its industry. The C-Suite, realizing it needed a fresh approach to grow beyond its strong regional presence, hired a seasoned sales professional to lead this new business development effort.

The new team member quickly worked through the backlog of customer reinstates and available leads but was getting bogged down doing cold outreach from purchased lead lists and other conventional lead generation approaches. As a solution, Open Path equipped this company with a Digital Growth Engine that combined inbound lead generation, Hubspot CRM, and key sales and marketing automations.

This case study examines the results and key takeaways from the company's recent transformational sales and marketing journey.

The following is a summary of results as seen by this engineering SaaS provider over the first two-year period:

- A 25X increase in new business leads captured by the website from averages of 15/qtr to 400/qtr, with 20% of those leads requesting a quote.
- A 21X increase in new business dollars quoted/qtr - a result of improved lead generation and time savings from automations.
- Average quote price increased 5X on average for 2018 and 2019 by equipping the sales team with an ideal customer profile and refining the company's value proposition.
- The initial Growth Engine investment during the first year, which consisted of a redesigned website, lead generation, automated workflows and an inbound content development package, produced a return-on-investment (ROI) of \$2 for every \$1 spent.
- By the second year—with further tuning and strategy implementation—the company experienced an ROI of \$9 for every \$1 spent based on projected income from new business engagements.
- From year three onward, ROI is expected to continually improve as the heavy lifting and development expenses of the first two years are reduced. With minimal maintenance and data-driven continuous improvement, the Growth Engine is expected to provide sustainable revenue creation and an ROI ratio of 15:1 for the next 3-5 years.

# The Start of Something Good

As the company's management team was evaluating how to boost its new business sales in Q4 2017, it realized its need to have an "outside-of-the-company" perspective. A trusted consultant with deep industry knowledge was selected to provide this perspective.

After an initial discovery session with the C-Suite, the consultant recommended a revamp of the company's website and the implementation of a marketing automation software. This search led the team to select Open Path Digital Solutions (a HubSpot partner agency) to help support the company's transformation.

Please note that this engineering SaaS company's journey follows Open Path Digital's Growth Engine process. Essentially, a [Growth Engine](#) is a digital platform that aligns a company's marketing, sales, and service around a unified strategy for growth. Further details on the Growth Engine process are described at the end of this case study.

## Building Out the Digital Foundation:

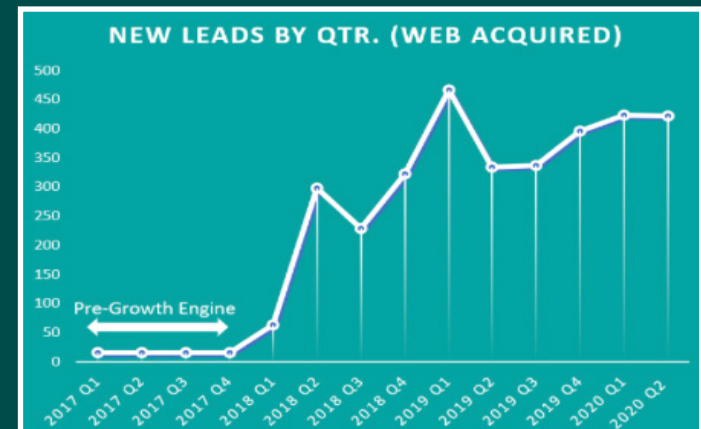
The Open Path Digital team started the process of updating the company's brand messaging and building the foundation of the growth engine with three major goals in mind:

1. Improve lead generation.
2. Save valuable sales time and increase sales through automation.
3. Build brand and product awareness in a global market.

## Improving Lead Generation **25X**

Prior to the launch of its Growth Engine, the lead sales representative was spending 80-90% of his valuable time trying to manually generate, educate, and qualify leads before he could even begin trying to close deals.

Now, with a strategic focus on SEO, the website started attracting new visitors and capturing more leads using content offers, email campaigns, and webinars.



*Less than 15 leads/qtr were generated pre-Growth Engine*

## The Results

A 25X increase in new business leads captured by the website (from 15/qtr to 400/qtr), with 20% of those leads requesting a quote.

# An Increase of 19X for New Business Quotes

From the chart on the right side, “New Business Quoted by Quarter” you can see that quoting activity — for the purpose of this case study — was normalized to a reading of 1.0 on the vertical scale, based on pre-Growth Engine performance. The lead sales representative started focusing on new business growth in Q4 2017 and Q1 2018. His initial quoting activity (shown in blue) targeted the reinstatement of former customers and offline leads that were originally sourced through trade shows or the company’s existing database.

In March 2018, the company launched a redesigned website, which is integrated with HubSpot lead capture and adopted key automations, and achieved a 21X improvement in dollars quoted per quarter. Designed to reduce the sales time requirement for new business development, the system attracted, educated, and qualified leads automatically and continuously. Meanwhile, the lead sales rep focused on working with the sales opportunities identified as most likely to close. The impact is clearly seen through an increase of “Direct Traffic,” “Organic Search,” and “Web Referral” quotes shown below. Additionally, “offline” leads increasingly found their way into the Growth Engine, reducing the sales professional’s outreach time.



Open Path leveraged Hubspot analytics and insights to invest in targeted Growth Sprints throughout 2018 and 2019. This data-driven focus enabled the sales team to more efficiently quote a higher volume of new business. The main areas of impact included:

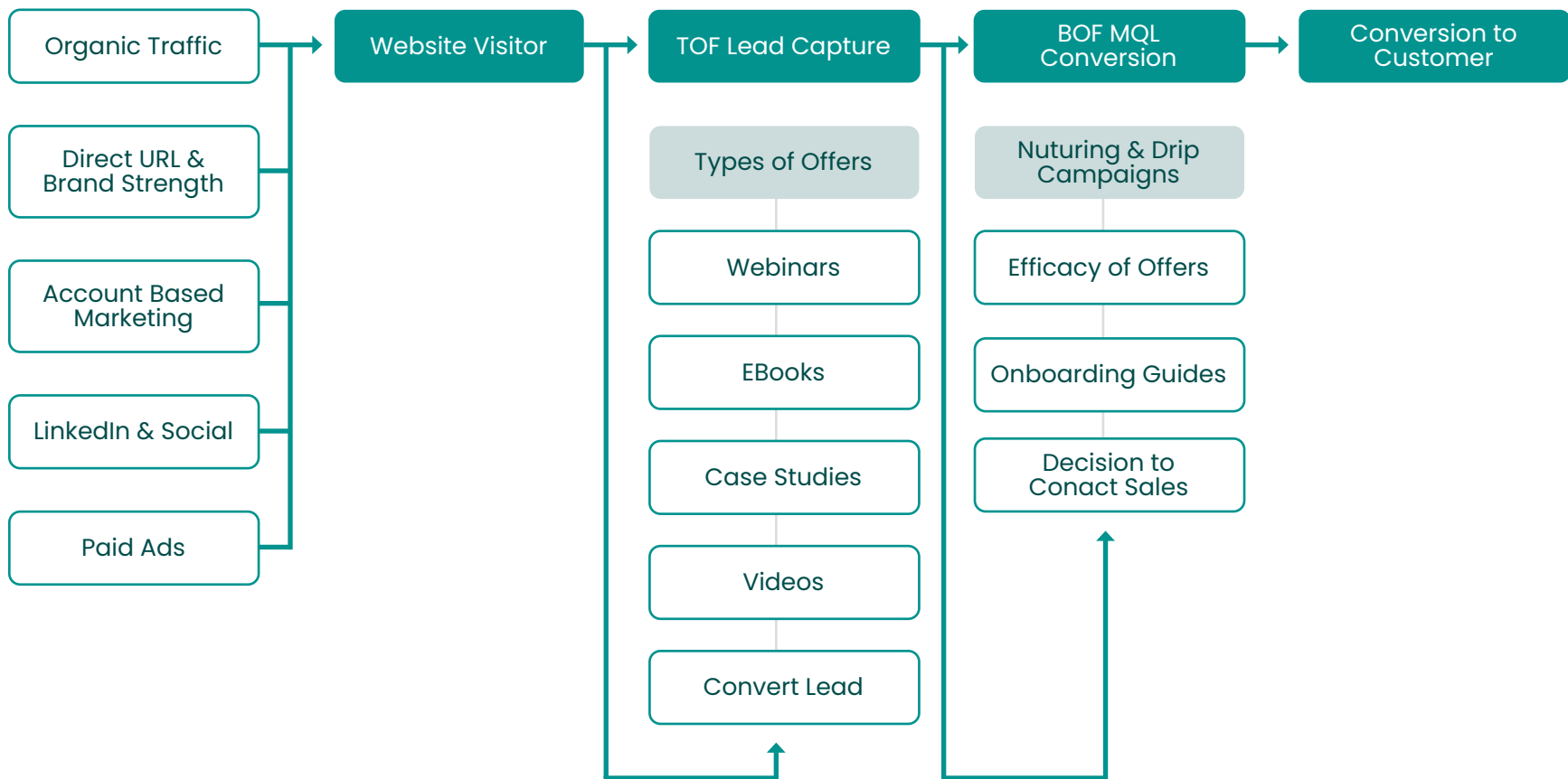
- An average of nearly 600 hours of educational and lead-generating blogs read per month.
- A 29% overall engagement rate on marketing email outreach to new leads and existing customers. This is a significant improvement over prior engagement metrics.
- Automated workflows, education, qualification, and detailed quote request forms steadily reduced the amount of time needed to move leads through the sales funnel to a “Quote Ready” stage.

## Why Automation Generates Leads & Quotes More Efficiently

While the data shows the improvement in the sales rep's ability to quote more new business, let's look into the impact that HubSpot automations have when embedded into a Digital Growth Engine strategy.

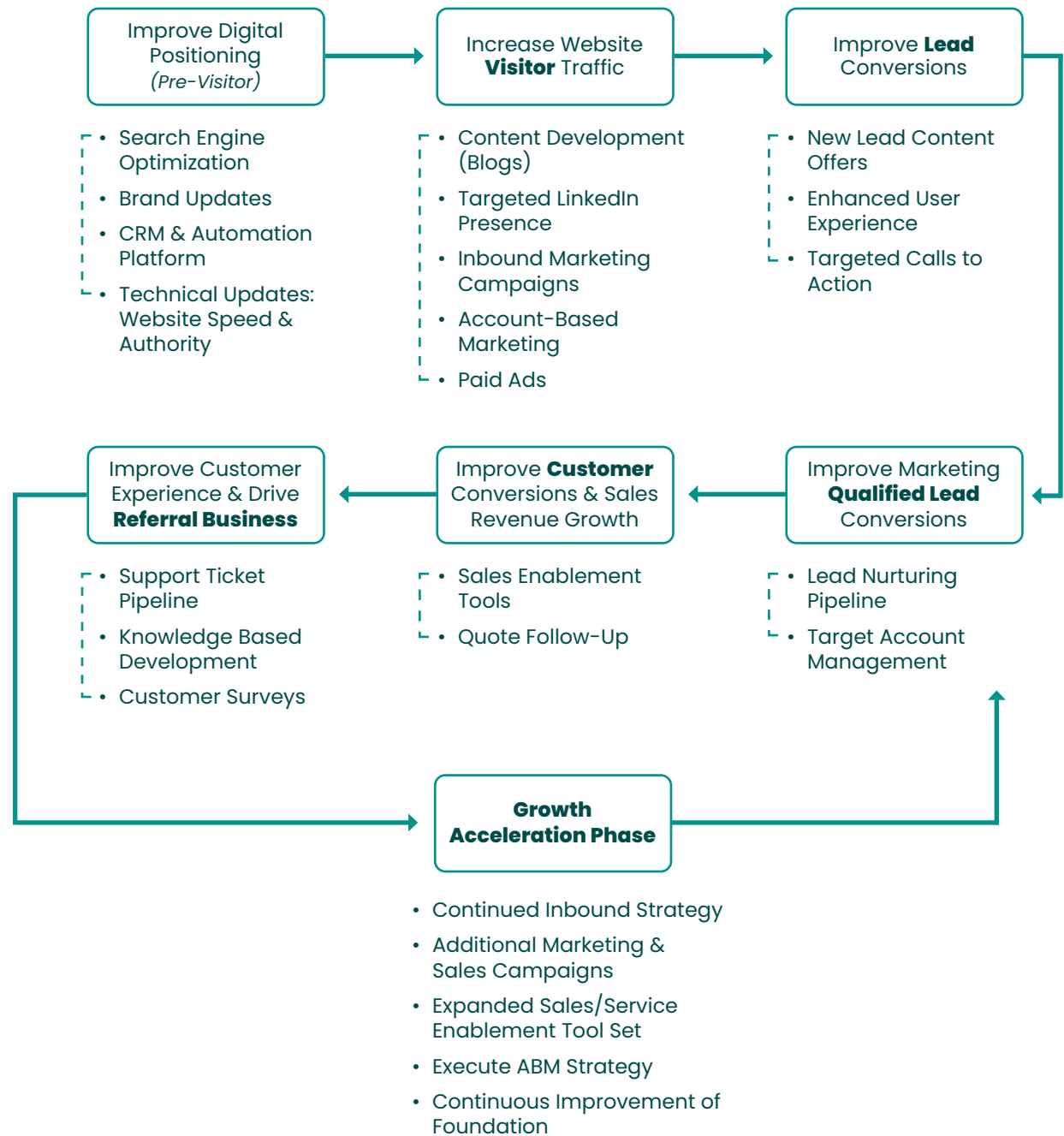
The diagram on the next page presents detail on how website visitors flow through the "Buyer's Journey" on their way to becoming a customer. The shaded areas in the diagram represent automated movements, which save a significant amount of sales staff time.

The chart below indicates that nearly all pre-quote and pre-demo activity is done without burdening the sales team with time conventionally spent educating and nurturing a lead. Additionally, sales budgets are no longer constrained by trade show expenses and team members are no longer wasting time cold calling or seeking access to decision-makers.



The flowchart to the right demonstrates in more detail the processes Open Path Digital and the SaaS company implemented as a part of the Growth Engine Development stage (described on page 4). The Growth Engine Development stage is one of the many service offerings Open Path Digital Solutions provides for its clients.

These are the specific steps the engineering SaaS company took, which lead to the initial 21X boost in revenue quoted.





# New Business Average Quote Amount Increased

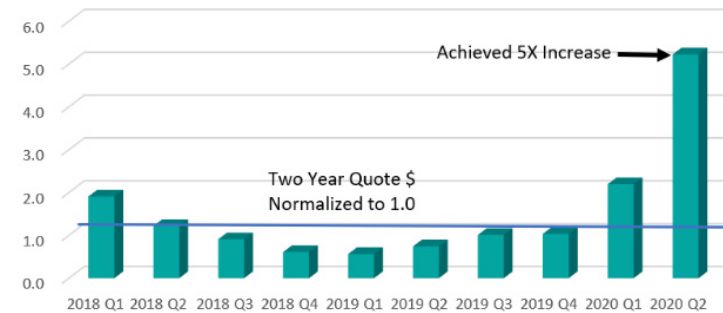
Over time, the data clearly indicates that lead generation and sales have trended in a positive direction, but there are also valuable intangibles that have started to develop as well. While the company's Growth Engine has been working hard to expand its digital presence, the team has also taken advantage of its increased capability and time to grow its business through acquisitions and new product offerings.

A strong digital presence and lead pipeline enabled the company to expand into the global marketplace, supporting the company's strategy to focus on prospects that more closely match the company's ideal customer profile. The ideal customer is one that achieves maximum ROI from the company's product line and is willing and able to pay more than a customer with marginal ROI. This strategy is resulting in larger quotes to larger companies.

## Continued Growth & Success

During this two-year period, the company's Growth Engine returned an average of \$9 in customer lifetime revenue for every \$1 spent while building the marketing and sales platform and automations. Additionally, as the company moves into the "Growth Acceleration" phase, its expenses will decrease while its ROI will increase. Why? Once built, maintaining and continuously improving a Growth Engine requires less expense and resources while returning the same or better performance. The company's initial investment in building a platform to align and unify its marketing and sales will continue to pay dividends and facilitate growth for years to come.

## AVG. QUOTE VALUE IS INCREASING



## The Importance of a Digital Marketing Presence

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## Brand Building & Customer Interaction Benefits

In a typical month, around 8,000 visitors and 100 existing customers spend a combined 600 hours reading blogs and learning about the engineering SaaS company's industry-leading solutions. This means that visitors are self-educating and learning about the company's product offering without tying up vital sales resources. These leads don't need the sales team to spend countless hours with them explaining something they can learn online. The blogs do the hard work traditionally done by sales reps and at a fraction of the cost. Think of it like this: to replace the market education the blogs provide customers, the company would need to dedicate five sales reps each month to spend 100% of their time making phone calls, writing emails, and engaging leads that are not yet qualified to buy. Clearly, the blogs are a value-add and a critical aspect of the growth strategy.

The company has also demonstrated an incredible ability to utilize the Growth Engine to communicate with leads through email. While most people do not regularly open marketing emails, 57% of this company's contacts opened them during the two-year study. Out of this cohort of readers, the average person opened 8 emails, showing strong engagement and interaction.

Using Hubspot marketing emails and automations, the company is able to efficiently segment and engage the right contacts in the CRM with helpful content and support such as webinars, new blog content, product updates, and new product releases, all of which contribute to increased sales revenue.

Additionally, the company leveraged marketing emails as a means to improve brand presence and product awareness in its industry. The following metrics indicate the achievement of successful outreach and industry interaction as a direct result from marketing email efforts:

**31%**

of Email Recipients Visited  
the Website

**29%**

of Recipients Submitted a Form  
(Interaction with the Company)

**21%**

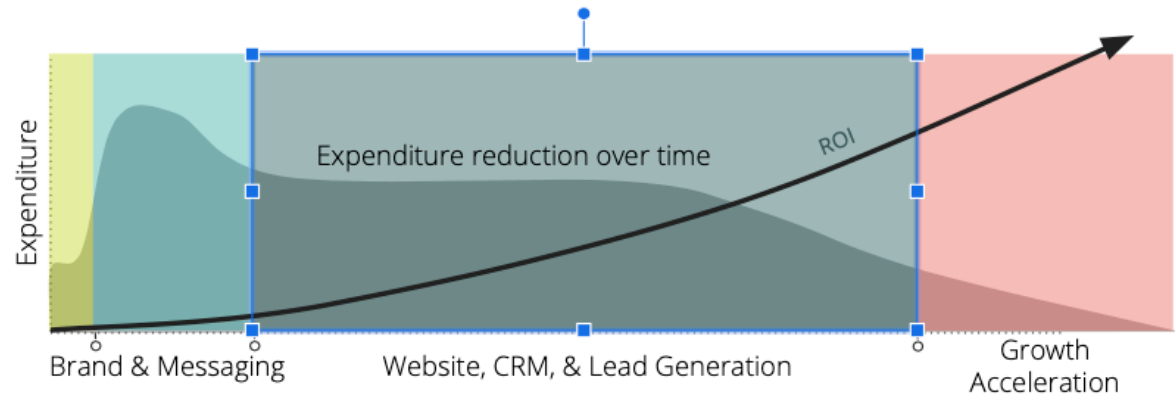
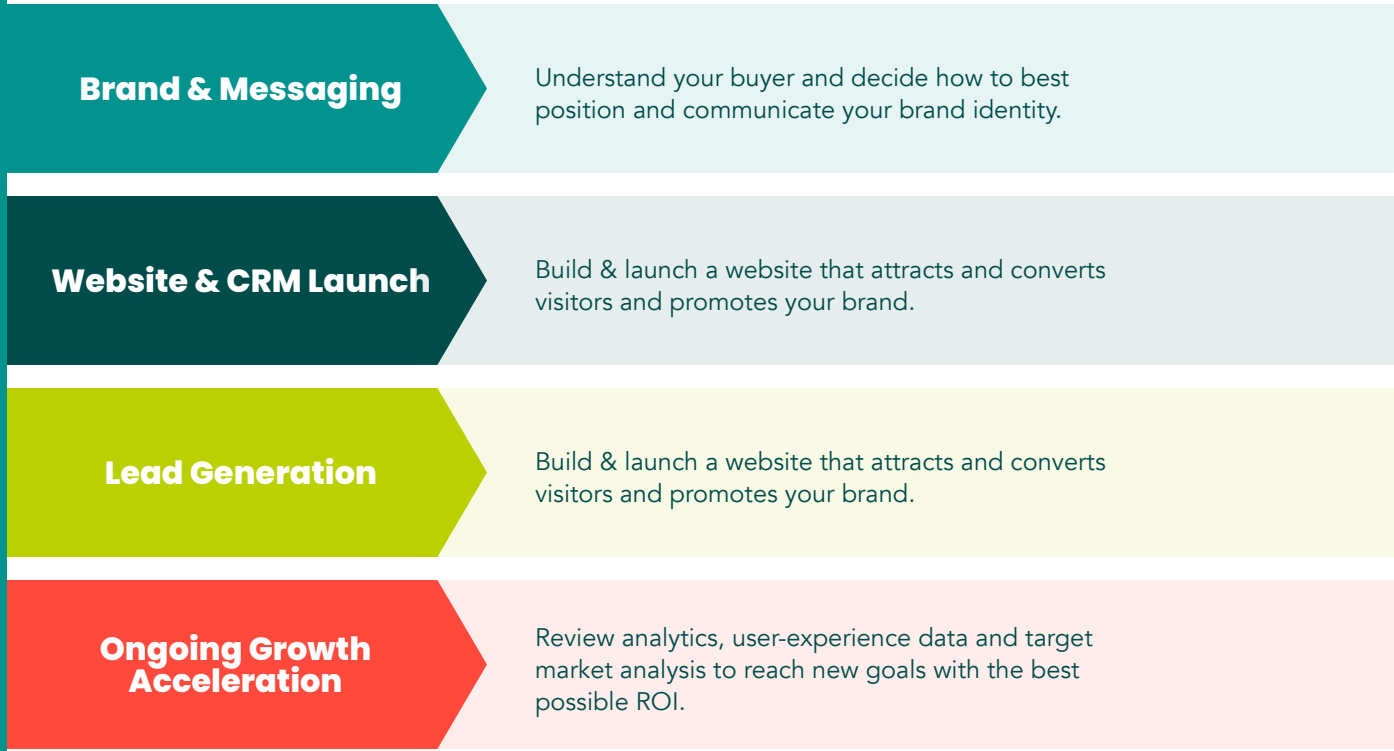
of Recipients Read Blogs

# Phased Expenditures Over Time

Developing a competitive strategy and building a customized Growth Engine does require an initial investment. However, a simple ROI analysis demonstrates a significant decrease in annual expense while the ROI continues to grow. This ROI curve is by design and unique to the Growth Engine approach. In contrast to more prevalent methods, such as paid ads and list procurement, a Growth Engine continues generating leads as long as the content and messaging remains industry relevant.

Depending on the company profile and growth objectives, a Growth Engine may be maintained at a significantly lower cost with minimal improvements to maintain top efficiency and lead generation performance in the long-term.

To the right is a diagram used to visualize a relationship between the expenditure and ROI over the four phases of an Open Path Digital Growth Engine implementation.



## High-Level ROI Calculation

For this case study, only new business revenue for the engineering SaaS company was included in the analysis. The positive impact of the expanded digital presence on the existing customer renewals and the revenue from spinning up a European acquisition were excluded.

- The Growth Engine investment consisting of a fully-customized website integrated with lead management automation and a Hubspot CRM platform, over the first 24 months, generated a return of \$2 of new business revenue for every \$1 spent. Over the average life of a new business engagement, \$9 will be returned for every \$1 spent.
- For three years and beyond, the company will enjoy a reduced expense to cover data analytics and strategic adjustments. The projected ROI for new business development customer revenue for this phase is up to 15:1.
- As needed, the company's Growth Engine can easily be updated or modified to support new product expansions or new company acquisitions, enabling confident growth with a proven ROI track record.



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