



Strategic KPIs to Fuel Growth Initiatives

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Preface

This paper is the first in a series of research projects led by the Revenue Operations Council, with the intention of providing guidance on strategy, best practices, and professional development to the worldwide revenue operations community.

Drawing together thought leaders from the world's most effective revenue teams, Revenue Operations Council charter members include:

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Debra Estrada	Former Global VP, Revenue Operations, WalkMe
Cody Guymon	COO, Global Sales, Qualtrics
Hilary Headlee	Head of Global Sales Ops and Enablement, Zoom
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Introduction

Key Performance Indicators (KPIs) are often tolerated as management overhead—proof offered to leadership that we are doing our jobs. Often more metrics are seen as better, even if we're not sure why we're measuring those metrics in the first place.

But what if KPIs were used to validate strategic assumptions—and to measure progress against strategic initiatives that paved the way for transformative growth? This is the difference between reporting the numbers and operationalizing a strategy.

KPIs can be more than measurement for measurement's sake. They're representative of strategic output, and can be leveraged as a secret weapon to earn a seat at the table.

“KPIs can turn you into a strategic advisor to the business,” says Jake Randall, VP, CIAM and Workflows at Okta. “We created a centralized model to develop the strategy and ensure we were hitting defined milestone markers along the way. We really asked ourselves, ‘what are the metrics we need to think about to hit our targets two years from now,’ and know whether we're actually working against them or not.”

The Role of Revenue Operations and Strategic KPIs

Sitting at the crossroads of go-to-market strategy and revenue execution, revenue operations professionals have access to vital data found in key business systems, but also hold a strategic vantage point that gives them visibility across the business. Their role as the creator of the sales reporting and forecasting processes puts revenue operations practitioners in a position to track and execute on KPIs critical to the growth of their organization.

Defining operational KPIs vs. strategic KPIs

First, let's differentiate between strategic and operational KPIs.

Operational KPIs

Every organization has KPIs that it needs to track, such as revenue, new logos, pipeline coverage, and retention. These are operational KPIs and help assess what's actually happening in the business in real time—and whether or not the team is on track or needs to course correct.

Strategic KPIs

Strategic KPIs are more specific and narrative in nature. They exist in service of organizational-level strategic growth initiatives (more on SGIs in the next section) and should help confirm assumptions about the organization's strategy or illuminate where adjustments are needed.

Both types of KPIs are important, but they should be used to tell different stories. Where operational KPIs are a measure of performance, strategic KPIs are an indicator of whether the company is tracking properly to the long term business objectives.

Below are examples of how the two differ.

Operational KPIs vs. Strategic KPIs (Figure 1)

Operational KPI	Strategic KPI
Net-new logos	Global 2000 (G2K) penetration
Renewals	Churn forecast accuracy
Pipeline creation	First meeting qualification

Using strategic KPIs to support SGIs

Strategic KPIs only exist in the context of company-wide strategic growth initiatives. These SGIs are the means through which an organization translates its goals and visions into practice.

To create enduring value, companies need to commit the organization to a carefully selected and curated set of strategic initiatives. These initiatives are used to grow revenue, stave off competitors, and fund growth. Such initiatives are typically aligned with a company's top strategic priorities. The need for strategic clarity often dictates that a focused few is best.

Strategic KPIs are a representation of these goals and illuminate whether the company is tracking to plan. "Strategic KPIs help rationalize some of the strategy together for folks so they feel tied to those initiatives internally," says Hilary Headlee, Head of Global Sales Ops and Enablement at Zoom.

3 case studies from best-in-class revenue teams

In this research paper, revenue leaders from Okta, Workday, and Zoom will share how they map KPIs to SGIs.

Okta: Going upmarket

Going upmarket is a cornerstone GTM motion that must be mastered to achieve longterm revenue success. For Okta, this initiative was imperative to the strategic vision for the company.

"We really wanted to move upmarket into the world's largest organizations, so we started tracking our penetration into the world's 2,000 largest public companies really diligently," says Randall. "Even more specifically, we asked ourselves if we were getting these companies to spend over a \$100,000 dollars with us."

Okta's SGIs and KPIs (Figure 2)

SGI	Strategic KPI
Going upmarket	G2K customers spending > \$100K

Workday: Install base penetration and cross-sell

As the leader in cloud finance and human capital management systems, Workday supports its customers full range of programs and processes. The company has built a robust portfolio of services not only to land net-new business, but also as cross sell opportunities to its customers. This focus on growing account ARR is a primary goal for the sales team at Workday and the steps required to deliver growth are of key interest to leadership.

As revenue leaders know, you can't just set a goal to grow ARR and expect it to happen. Revenue is a process grounded in day-to-day activities.

"At the end of the day, sales don't just happen. Phone calls happen, conversations happen, engagements happen. Those activities are what drive deals forward," says Ron Johnson, VP, Sales Operations at Workday. "We focus on tracking the high value activities that show us how we're engaging with our accounts. We know that outcomes will be better if we focus the process to that level of detail and we track performance across those actions and activities."

Workday's SGIs and KPIs (Figure 3)

SGI	Strategic KPI
Growth ARR	ARR growth into net-new accounts and existing customer base
Account Engagement	High value activities per quarter

Zoom: Customer happiness

It's easier to keep a customer than get a new one. Companies like Zoom that seek to not just retain customers, but to expand their footprint, take this expression—and their revenue—to the next level. Some might define this SGI as net dollar retention, but Zoom calls it customer happiness—and have found a way to translate customer happiness to KPIs.

“For Zoom, excellent customer experience is everything,” says Hilary Headlee. “If you're happy with us, you'll probably want to use us for more areas and understand how you might be able to leverage new products.”

Zoom's SGIs and KPIs (Figure 4)

SGI	Strategic KPI
Customer happiness	Monthly to annual subscription, churn, product line expansion

Mapping SGIs to strategic KPIs

While SGIs are wholly dependent on the direction and vision for the company, use the table below to map SGIs to strategic KPIs.

Mapping SGIs to KPIs (Figure 5)

Strategic Business Initiative	Description	Example Strategic KPI
IPO Readiness	Preparing for IPO requires the refinement of operational processes and execution rigor to drive revenue predictability	Forecast accuracy, earlier in the quarter
Going Upmarket	Expanding into larger enterprise or strategic accounts as the business looks to drive higher contract values and capture more market share	Global 2000 (G2K) penetration
Geo Expansion	Entering new regions means business leaders must scale the revenue process bringing unified cadences, comms, and rigor across global teams	Account penetration in region
New Product Introduction	Releasing a new product requires visibility into that product	Pipeline build and coverage by product line
Net Dollar Retention	Growing revenue by increasing the percentage of recurring revenue retained from existing customers	Renewal and churn forecast
Business Model Transformation	Transitioning from on-prem to SaaS to incorporate subscription revenue	Net-new annual recurring revenue
Mergers & Acquisitions	Integrating newly acquired companies across products, people, operational cadences, and GTM motions to accelerate a new line of revenue	Cross-sell penetration
Accelerated Rep Ramp	Supporting mass hiring to have efficient ramp and faster utilization across all new reps	High-value activities (HVAs)
Rep Attainment	Increasing average quota attainment across sales rep labor pool for better sales effectiveness	Decreased time in sales tech stack

Once the most suitable SGI, or SGIs, has been identified for the organization, the next step is to design the entire revenue operations process in service of that SGI (see Figure 6).

Designing the entire revenue operations process with SGIs

Best-in-class revenue teams don't map SGIs to KPIs alone. They use SGIs to dictate the entire revenue process. The way the sales forecast is called, for example, should be in service of the SGI, or SGIs, and corresponding strategic KPI.

Answer the questions in the framework below to ensure the entire revenue team is marching in the same direction and every piece of the revenue process is finely tuned to achieve the same company-wide growth goals.

SGIs and the Revenue Process (Figure 6)

	Key Questions
Define strategic growth initiatives	What are the overarching vision and strategic goals of the organization?
Identify Strategic KPIs	What are the strategic KPIs that will allow the team to track to those SGIs?
Develop a Single Source of Truth to Distill and Deliver Insights	What are the contextual insights required to run the revenue process in alignment with the strategic growth initiatives—and what are the means of calculating and extracting those insights?
Establish the Revenue Process and Cadence	What is the right revenue process and cadence to inspect those insights, make the necessary pivots, and continuously optimize, given the specifics of the business?
Establish Communication Channels, Enablement, and Governance	How can communication and enablement be engineered so the entire revenue team understands and can execute on the process in lockstep?

In this first paper from the Revenue Operations Council, we illuminated the first two steps in this framework. We'll dive deeper into the remaining three in subsequent papers.

About the Revenue Operations Council

The Revenue Operations Council is a group of world-class thought leaders sharing market education, strategy, best practices, and professional development to benefit the global revenue operations (RevOps) community. As part of Generation Revenue, the Council features RevOps experts from the world's most effective revenue teams, and their expertise is based on what's worked at their industry-leading organizations—including Workday, Zoom, Okta, Qualtrics, and many more. The Council represents a range of different strategies and revenue approaches, from global enterprise brands to high-velocity growth companies. Learn more about the Revenue Operations Council [here](#).

About Generation Revenue

Generation Revenue (GenR) is a movement representing the brightest minds and boldest leaders in revenue operations. GenR encompasses everyone with a stake in revenue—including marketers, sales reps, first-line managers, customer success teams, chief revenue officers, CEOs, and board members. This new generation of forward-thinking RevOps leaders is banishing siloes and instead embracing alignment, collaboration, and trust. With this modern approach to revenue operations, go-to-market teams can operationalize and scale their strategies across all of their lines of business, driving growth and predictable revenue. Learn more [here](#).