

Guillaume Cabane: [00:00:00] What I care about how many experiments can I have running at the same time where I learn

If you can drive value about mistakes, problems of the business, you have discovered that your audience does not know, you will get engagement, guaranteed.

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Scarlett 2i2 USB: Welcome to 20 growth with me, Harry Stebbings. Now this is the monthly show where we sit down with the best growth leaders in the world to discuss that tips, tactics, and strategies. When it comes to scaling growth, experiments and teams today's show is why I started this series actionable, granular advice that founders can learn from and using that business today. And so with that, I'm thrilled to welcome G combine or Turbine growth advisor to high-growth SAS startups, including ramp G2, gorgeous and others. Kian previously held VP of growth roles at drift segment and other successful startups where he helped them grow [00:01:00] from 50 to 300.

And before that Guillermo. He almost spent six years at apple.

Ely Lerner: But before we dive into the episode today,

Scarlett 2i2 USB: I'm refreshing the 20 VC mirror board. And I'd love your input again. It's really easy. Just head on over to miro.com forward slash two zero VC and leave your guests suggestions for future shows and you can do it with a digital sticky note or a comment you can head over to miro.com forward slash two zero VC and mariachi sponsored this episode. If you haven't already tried it. I think you'll love it. Mirror is the online white space for innovation is packed with the right capabilities to be your dream products, home base, that you can visualize content, data and research findings all in one space with no problem. It means this space is where you map customer journeys with the whole product team, create user behavior, dashboards, and map process diagrams.

And finally, it's where you'll run productive team Springs, using integrations with tools you already love and use. Like jira for developers or sauna for project managers figma for designers and so on we use mirror [00:02:00] and love it to brainstorm future shows vote on potential guests and leave feedback for the rest

of the team in our own time and right now i'm using it to hear from you leave your thoughts on the board@miro.com forward slash two zero vc that's miro.com forward slash two zero vc

Scarlett 2i2 USB-1: Um, 20 growth is obviously focused on building the best growth teams and.

Ely Lerner: great growth teams are obsessed with making data driven decisions, but getting good data is hard and growth and product teams have to spend hours each week. Configuring metrics, setting up experiments, and writing custom queries. Or what if your growth team could get this time back?

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Harry Stebbings: Gee, I am so excited for this. We last spoke in 2017, six years ago, which is just incredible. My word, I'm like Benjamin Button, but thank you so much for joining me today.

Guillaume Cabane: I'm so glad to be here. It's been a while and I think we've got a ton more stuff to talk

Harry Stebbings: about. Oh my god, we've got so much more to talk about, but I just want to start with some context.

Growth is a weird world. How did you first make your way into growth and what you think is your first growth role?

Guillaume Cabane: One is, I'm an old man now. I started in the early 2000s at Apple. And if there's one thing you want to know about Apple, [00:05:00] especially, you know, I was based in Europe, is that it's a very centralized company, and so you need to ask authorization for everything, and you never get it in marketing.

You just never get it. And so my boss, who was the head of marketing for Apple France, He was not running campaigns because he was not getting authorized. He was running experiments because for experiments, he did not need to ask. We're talking about 2005 here, 2004. He didn't need to ask for anyone. And then when he got caught, he's like, Oh no, we're just running an experiment to see if the audience of the market reacts well to that.

I'm like, that's smart. Right. And the second founding story, a couple of years later, I was an IT security consulting firm. Leading marketing over there. that's when I realized that leveraging engineers to build quasi products, to build, demand gen, drive people to the product that is different.

So have people build something, which is a quasi product works really well, especially for technical audiences. Both of those things merged in 2014, 2015 when I joined mention and I started using segment and I'm like, [00:06:00] Hey,

I'm fairly technical now. And I know how to run experiments, and I know how to do technical marketing.

And at that time, it has started to be called growth. And I just landed in the right place at the right time. I

Harry Stebbings: love that in terms of kind of an alternate tool that drives demand gen to the core product. I automatically think of actually HubSpot and the website grader which did it so well. Do you think that still works today? Or is it too commonly trodden path now where everyone's tried to do

Guillaume Cabane: it? It's hard. To come out with a really good product that you're not monetizing directly. First, because many people, if there is interest for a product, people have built a better version of it and have monetized it. So like a lot of those niches have disappeared, And the second is that the quality has gone down and people have become desensitized when they say, Oh, there's like a free cost calculator, return on investment calculator, like one of those typical things, right? Or website grader, most of those are terrible now.

And so people will think like, Oh, I'm not going to like sign up or put my info, my PII there, because I'm not going to get my values [00:07:00] worth Right. But if you have something truly amazing, does it still work? Absolutely.

Harry Stebbings: You mentioned segment there, you grew revenue for exit segment. what was your biggest lesson from your time at segment?

Guillaume Cabane: Segment is a, it's a technical product targeting a engineering audience. I know I often get founders who have a similar audience. Want to sell to engineers and, and they're telling me, gee, like, you know, outbound emails doesn't work.

Engineers don't want to be sold to. And by and large, that's true. Though if you're lucky enough to have a really good product, let's put aside those that have like a bad product. We have a truly good product that is useful. You have an incentive to have a free plan, a startup plan, because engineers.

We'll stay engineers as they change jobs and they no longer are in startups and they join a real legit company. And they will bring your product along with them. That's what we found at Segment. We did a crazy attribution logic where we found engineers across jobs by, keying not on the link, not on the email, [00:08:00] because you, the email changes, domain changes, not on the name,

that's not relevant on the LinkedIn URL, because unless you're a psychopath, you don't change your LinkedIn URL between jobs.

It's the same, Slug, And so we just took from all the LinkedIn URLs of all the people and we say, Hey, has that person came three months ago, four, five months ago? And if yes, did they come through a startup plan? And then we did reverse attribution that way. And we found that a lot of people coming for like mid market enterprise deals had used the product quarters ago at a small startup that had died.

And that attribution was worthwhile. So if you can do that, go for it.

Harry Stebbings: if you can do that, go for it. The thing I find really challenging, I told you fucking up the schedule, but the thing I find really challenging with that is like, then you're doing kind of a PLG motion and an enterprise motion at the same time.

And I'm always like, to startups, you can't do both well. Do one, focus, and then move to another over three to five years, honestly. Am I wrong? Who does

Guillaume Cabane: it well, Harry? Name me companies that, at the early stage, [00:09:00] a really good at PLG or enterprise. It's very rare that they have one of the two motions, like pin down.

And so most of the time they try a bit of PLG, they try a bit of enterprise in a land, most of the time in between segment. Both PLG and enterprise sells that drift. Ditto gorgeous. Ditto all of the companies I worked for, I worked with, and we're going to talk about CAC, I'm sure, but like mostly for CAC reasons, they optimize for efficient acquisition and selling.

And they land with both motions.

Harry Stebbings: so no one kind of does it well, and they kind of do

Guillaume Cabane: both at the same time? No, it happens. It's rare. It's extremely rare that you have, like, super strong virality, real PLG. I mean, most people who, like, say, I want to do PLG, they don't do PLG, right? They have a free plan.

They have a self serve plan. It does not mean there's virality. It does not mean that people invite each other. Even the people I love and care about, you think of like, something like a, Reamp? Amazing company. [00:10:00] Like, do you

think they're speedy? Do you think CFOs randomly invite other CFOs to use Reamp?

Hell no! It doesn't happen like that. It doesn't work like that, Maybe there are some network effects we can talk about, but there's no PLG.

Harry Stebbings: I agree. You know what worries me most though, actually, is the fact that a lot of startups that I work with today, essentially layer on the enterprise cost base of sales, marketing, customer success.

Onto a PLG style price, and I'm going, that doesn't work! Am I right or am I wrong? Because they are on liquid scale. You're

Guillaume Cabane: right, but there's worse you're absolutely right. If you don't create the packaging, the pricing plans to support the high cost of the enterprise motion, then you're killing yourself, but there's worse.

It's companies that are enterprise first with the entire like cost structure and product structure of an enterprise software, and then want to open a PLG angles is, Hey, let's let people like. Signed up on their own and like nothing works. Like the [00:11:00] acquisition does not work. The product is not self serve.

You can't build like a self serve like feature into like something that was meant for your CSMs to build the instance. Like, and that happens. I see those people come to me. And it's like this is just not going to work. It's impossible. You can't pivot that way.

Harry Stebbings: Does it matter? And what I mean by that is you got nothing to lose by opening that up.

Focus.

Guillaume Cabane: Success in startups is being able to focus your efforts to grow faster than your competitors. If you lose focus, your competitors Grow faster than you, you lose. So if

Harry Stebbings: I'm a startup founder listening to this, and I hear her say, well, you kind of do both at the same time, try and make it work. How do I think about that?

How do I think about messaging, resource allocation, marketing channels? They're so different. I'm torn between two

Guillaume Cabane: worlds. Let's first talk like, why do you land in that situation? Generally, it's because you find one of the two motions, generally to be honest, like most people start with the SMB market because you, you don't have what it takes to close like enterprise mid market companies.

You don't have SOC 2 [00:12:00] compliance and whatnot, right? And eventually, one exec at a larger company is more risk prone than others and likes, is an early adopter. And we'll come to you and we'll offer like a three, four, five times your current ACV and you're going to take it. Of course you're going to take it.

And then you're going to wonder, are there more like that? It happens like kind of naturally. It just happens. You just start closing a few of those and then you need to start layering the cost structure. You need like to support them. You don't want to lose them because the churn would look bad.

You put the logo on your page because you want like that's an. Exciting logo you put in your board deck. So you need to support that, prevent the churn. most of the time it happens It's very rare that I have people tell me I do not want to do enterprise features. I don't want enterprise customers.

I have one example, Zapier did that for very, very long. I talked to the Zapier founders. when I was at Segment and I wanted enterprise features. And he said, gee, we love you, but I'm sorry. We're not going to build those features. I'm like, why? I pay for that. He's like, yes, but we are [00:13:00] lose focus of the huge market of SMBs.

And we want to close as many of those. Other people will take care of the enterprise markets. We don't want you to go there. I remember it because it's extremely rare.

Harry Stebbings: I totally agree with you. I always think, now that Frank Sloodman's narrowed the focus, increased the quality. My question to you then is, how do you know when is the right time to expand the focus?

How do you know when you should go from SMB to mid market? And also, how do you think about diversification? Like, hey, sorry, I'm just ranting now. But I hate companies, where it's like, we're just selling to, like, high grade startups. And I'm like, yeah. There's that thing called a macro recession that's going to impact spending and funding I don't like concentration on customers Basically,

Guillaume Cabane: I think often what you see is companies find one Early adopters market one audience where in the words of Ryan Balfour, there's like, there's a message to audiences or a product to audience fit.

And you start just maxing that out. You have a competitive advantage. Your message resonates well. And eventually you're going to plateau because you have convinced most of the [00:14:00] early adopters, the people that are early, into your product and the others have made the conscious decision.

They don't want your product. Alright, the friction increases and you're gonna start looking for new audiences. You can think hey, this small audience is too small for us I can't raise my price. I can't convert more of those. I can't sustain my growth there All right. I can't do my two X, my no three, three, two, two, two.

And so you're looking for new audiences and those new audiences will be either in different industries, in different segments, generally, more rarely in different geos, so you tend to generally go like. Same company size, different industries. Then you go different segments, company sizes, and then you go into different geos.

That's the way that you, that I see most companies

Harry Stebbings: grow. You know this shit's getting real when I get my pen out. You said 3, 3, 2, 2 when it came to growth. For people who don't know what that framework is, can you just explain that for us?

Guillaume Cabane: the golden rule. to be in the top decile of startups in terms of performance, thus in terms of [00:15:00] valuation and funding and outcomes, you would have to grow past the first million. 3x the first year, 3x the second year, and then 2x for every year for the next three years.

So 3, 3, 2, 2, 2, right? And if you do that, you end up at 100 million plus in revenue in five years.

Harry Stebbings: When we chatted before thinking of kind of that growth mechanism, you said boards want, I'm just skipping to CAC, I love CAC.

You said that boards want low CAC and high scale growth. I just want to kind of. break that down. How do you define low CAC,

Guillaume Cabane: G? It's a great question. So, at first, like, why do boards want that now? Well, it's because we're in, we're in this, kind of recession or tough times, I want to say, in a way where capital is scarce.

And when capital becomes scarce, there's two ways to win. You either grow fast out of it, well that's tough, or you reduce cost. And founders try to do a bit of both, right, to de risk. when you think of all of the people [00:16:00] asking about PLG, for PLG, that's another way of saying they're looking for low cac tactics.

They're looking for customers that bring themselves, that bring other customers for free that you don't have to pay for. If you go beyond that, if you can't do the PRG, which most can't, as we discussed. I'd say low CAC, if you look at the, look at the top quartile of startups in terms of performance, post 5 million revenue, you're going to see that the, roughly, it's about a dollar of revenue, sorry, a dollar of cost for a dollar of revenue.

So you spend a dollar to get a dollar, That's the top quartile and that's fully loaded CAC. What that means is that takes into account like the marketing spend, the marketing headcount, the sales team, bonuses and whatnot, everything, but building the product. marketing generally represents about 30 percent of that.

So about 30 cents on the dollar, And so if you take, you know, on a payback time of 12 months adjusted, like one for one, that's about four months of payback time. Four months of payback time is really good. That's really good. You pay back, you think about it, it's just like if you're doing a loan.

You actually loan four months. To [00:17:00] a third party to your customer. after four months, you start being in the money. That's how you should think about it. every time a customer turns before four months. Is a loan that has not been repaid. It's a default on your

Harry Stebbings: debt four months is very very rare though I never see four months when it's 12.

It's like, okay, like what is a good payback to you

Guillaume Cabane: anything below 12 Is good now when you think of that generally like that's a very simple framework if you want to be a bit smarter you're going to like CAC2 LTV. Again, going back into, you know, I'm in fintech these days with RAMP. When people onboard a financial, you know,

platform, global platform like, like RAMP, they tend to stick, to stick for very, very long, multiple years.

And so you can afford, let's say, something much higher in terms of payback time, because the LTV is huge. People stick for three, four, five, at the mid market, eight years. So when they stick around for eight years, you can start being very aggressive. You can start spending like more than one year, maybe two

Harry Stebbings: years.

I don't like that because we're being very assumptive on the future state of markets. In five [00:18:00] years time, there may be a completely different financial protocol with, I don't know what it is, which is why it's an unknown, but the assumption that we can have eight to nine years as an LTV. In the first two years of a company, I get it more if you're Visa, where we've got 50 years of data.

But like, for a startup, I just think LTV is bullshit. You've got no freaking idea. Am I right or am I wrong? I

Guillaume Cabane: understand where you're coming from on financial products. You can see the rate at which companies have switched their payment platforms and their, like, expensing platform. It tends to be, especially at the mid market, very slow.

And it's unlikely that changes because the cost of switching is super high. And that's the, you know, if you look at why, you know, why, but also Brex and others have raised so much money. It's because the VCs have made the same calculations. And have decided, concluded that it is very likely that people stick for that long.

That's the only reason why those companies are worth that much. It's because the trend is almost like... So

Harry Stebbings: then why do boards want [00:19:00] now

Guillaume Cabane: lower CACs? Because most people don't have an 8 year retention timeframe.

Harry Stebbings: so then when we think about that and we think about the CAC to what is good CAC to LTV to you?

And I know they're generalized questions, but there is kind of rules of thumb where you're like, Oh, interesting.

Guillaume Cabane: Yeah. 3 to 1 is really good. 3 to 1

Harry Stebbings: is good. And grade is five to one. When does that become relevant? Because I see it in seed fund decks.

Guillaume Cabane: I don't think that you can calculate or you can attribute how or why customers have come to you at the early stage.

I don't think it's worth it. You don't have the scale. You don't have the diversity. And even if you have found one channel that works, it's unlikely that you can scale it that way. And so to speak in simple terms, you can't take this Google Sheets cell and like drag it to the right. It's unlikely to, to be real.

And so don't try.

Harry Stebbings: Get more or less expensive to acquire from your experience. You've got one side which says more expensive. Your core audience is saturated, so you're going to less obvious people. And then another one is that [00:20:00] you get brand marketing come to play. Word of mouth, PLG, that makes it cheaper. Where does it go?

Guillaume Cabane: In most successful startups the CAC will rise faster than the brand can compensate for that rise. As you said, like every new audience is slightly harder to acquire and convert. Because if not, you would have converted that audience sooner, earlier, they would be in the first audiences, right?

the people who have, as I said earlier, seen your ad, talked to you, took a demo. And said, no, can you really reach back to them, you know, after three months and say, hey Harry, you told us no three months ago, have you reconsidered your position? Nah, you're not going to do that. That just doesn't work.

eventually I'll give you an example. A gorgeous company that I love. All right. Focusing on, you know, the e commerce merchants. If you look at their total addressable market, we're talking of a couple hundred thousand merchants in the US and Europe. That's the market. By now, they touch each of those merchants at least once a quarter.[00:21:00] At least every single merchant at least once a quarter. So once you do that, how do you grow? Well, you go by,

you know, you've maxed out your typical dimension efforts. You're touching the people. You go by increasing price.

By adding new products to convince people on products that you didn't have before. And by doing brand, by convincing them that their decision that they made prior is wrong. That is an entirely new orientation and new business. It's a completely different, this is no longer growth. That's no longer growth.

Once you touch everyone, every quarter, what takes you to the next stage is traditional traditional product. You're an established business. So how do

Harry Stebbings: you define growth then?

Guillaume Cabane: Answer two questions. One is growth, right? And what is growth? Let's start with what is growth? growth is a risk adjusted way of creating value. What that means is that I have limited information. When I'm an angel investor, I have, I limited due diligence. When I do growth, I have limited knowledge on that experiment, on that hypothesis.

I'm going to do some [00:22:00] simple heuristics and say, Hey, is this a worthy bet? If I make not one. but 20 of those bets. Can one of those pay back all the failures? That is typically a Visa mindset. And that is the growth marketing mindset. I don't know what's going to work. You got to be very humble.

You just need to move fast, have high velocity, and to have just the right level of quality to be able to figure out, will this stick? So it is a multi. Disciplinary way of creating petite moats, whether that's in pre signup, uh, acquisition or post signup in the product, it doesn't matter. And when it's not, it's, I oppose it to core product, core marketing, the traditional way of I'd say.

releasing features or

Harry Stebbings: campaigns. Question for you. You said about the speed that testing experiments you don't know. We were talking about the success we have in TikTok. It takes a lot of time often for new content initiatives to play out. How do you know whether an experiment is failing or whether it just needs more time?[00:23:00]

Guillaume Cabane: That's a great question. So first, the biggest mistake that I see happen in growth teams is they Undertake an experiment without assessing the cost, the effort, or the audience size. And often I ask, can we reach statistical

significance here? Is the audience big enough for us to be able to learn the outcome?

And often when I dig, the answer is no. There's just not enough people. And that happens very often in B2B SaaS products, which is like my stuff, post product. It's very hard to get StatSig post signup in a B2B SaaS because you're going to need like a thousand users to be engaging with the product in a short time frame.

Who has that? It's really, truly, it's rare. Just think about that. So you got to be able to like be ruthless and exclude those experiments where you won't be able to come out with a learning.

What I care about. is not so much the wins, because I can't predict those. What I care about how many experiments can I have running at the same time where I learn whether this is a failure or a success, and I store that [00:24:00] information.

Harry Stebbings:

a lot of people don't actually get good learnings. I didn't think what's that. And they say, yeah, it didn't work. What's a good learning and what's a bad learning. A good

Guillaume Cabane: learning is a. Statistically significant deviation from your status quo. It's hard. I'll give you one example.

Okay. People often change their onboarding email, their welcome email, post signup to get people to use the product. And they test and it's hard to get a lift there. You know what I tell them? Have you tested against a holdout, a control audience? And they tell me yes. And they tell me, Oh, the control is, is the standard email.

I said, no, you're wrong. The control is no email. Have you tried not sending a welcome email, not sending, you know, the, the first three, four, five emails to get people to use the products? And of course they haven't. And I tell them, try it. Take 20, 30, whatever it takes to be statistically significant and don't send emails.

And let's see what the true deviation and activation and retention is. And you know what happens, Harry? Most of the time, it's [00:25:00] not significant to

the people who are going to activate, will activate regardless of getting an email or not. And so the email has no value at all.

Harry Stebbings: Did you do one where actually you changed anything and it did add a lot of value and activation went way up?

Guillaume Cabane: Yeah, that's the value of experience. And I think it's Luke Levesque, who's the chief growth officer at Shopify, who said that. I think growth is one of those disciplines where. The knowledge of something that has worked somewhere else and that is replicable is extremely valuable and rare. That doesn't really happen in product.

Like, you've done a product really well somewhere else, you can't really replicate that in another company. It just doesn't work that way. It's also not true in like, in marketing or in like, engineering. But in growth, if you have something where you're able to like, take a look at human psychology just the right way, It's likely to work again in the next company because they're still the same humans.

I gave you an example I heard recently. One company sent verification emails, but the product does not need verification emails. you don't need to click to verify your email, but they [00:26:00] just tried, Hey, what if we ask people to verify the email? Does that bring the people back into the product?

What if we do it regardless of whether they're in the product and what if we send it twice regardless if they verify the first time, It works. It works. Great. it's interesting to find that that is an example of something that is very replicable in almost any SaaS business.

It's very easy to implement and will drive your user retention up. What are the

Harry Stebbings: biggest mistakes you see companies make or do when it comes to activation?

Guillaume Cabane: Generally, they take a working growth tactic like that one and they tone it down a bit. I'll give you an example. You often see emails where they have this like almost tone and cheek personal from like the CS person or like a sales engineer making it.

Look at the text is personal, but it's wrapped in, in the HTML layer, which makes it very clear it's not personal. And I tell them like, you got to pick folks, either this is a corporate email and it's corporate looking, or this is a text based

email that's me sent through Gmail. [00:27:00] Which behavior are you trying to like get your users to do, right?

What do you want them to believe? Is this coming from a human or is it not coming from a human? They haven't put themselves in the shoes of the recipient. They don't think, what feeling am I trying to create? So the biggest mistake is they don't think of the humans on the other side. They don't think of the psychology enough.

Harry Stebbings: Okay, so they didn't think of the psychology enough. It brings me to my biggest challenge though, actually, with kind of growth and growth marketing, which is, when you have horizontal SaaS products, it could be Airtable, it could be Dropbox, it could be any of these, they can be used by dentists, they can be used by product managers.

And the use cases are so different. So to get messaging that resonates across that spectrum is so tough. How do you think about that horizontal product marketing being done well and resonating and getting in their psychology?

Guillaume Cabane: You know what's fantastic? We live in 2023 and now you have AI products, you name it, all the ones that you love and you can build personalized content with a scale that you never dreamed of before, [00:28:00] which is at a quality that was unachievable before.

And what people care, especially in horizontal products, is that you talk about them. Their problems, their challenges. Actually, I might go back to what I said just earlier. You asked me what was the biggest mistake. Actually, it's probably that companies, marketers, talk of them and their product first. They don't talk about you, the audience, and your problems.

They say, hey, here's my product, here's what we do, here's our customers, here's why we are great. And you know what? As a recipient, I don't care. I really don't care. I've got other things to care about in my day than like a random company I never heard about, But if you reach out to Harry and you have context in his business, what he does, what he loves and care, what challenges you have a really good assumption that he's facing right now, it's much more likely that you can pique his interest.

So these days with large language models and injected data about, Hey, is this a [00:29:00] dentist? What's the size of the dentistry? Well, they're based all day in the mission and SF, You can start being extremely specific and relevant and relevance.

Creates reciprocity reciprocity gets you responses.

Harry Stebbings: Can you just unpack that for me? Relevance creates reciprocity reciprocity gets you responses. Can you just break that

Guillaume Cabane: down? There are two things that work when you try to reach out to someone that you don't know, a prospect, Whether it's like by email, by whatever, whatever the communication channel.

True value, your communication, let's call it an email, contains something that's really helpful. I can give you an example. And the second is reciprocity for humanness. They truly believe it comes from a human, and thus they will feel compelled to respond because somebody else has spent some time. Let's unpack those two here, okay?

True value. give you an example. Gorgias again, right? A support platform for merchants. Merchants sell, you know, these days a lot, of course, on TikTok, but also on Instagram. Instagram is a major platform for merchants, And what we found out is that sometimes some customers, potential [00:30:00] customers of the merchant, of the brand, Posted negative comments on a brand's post and nobody took care of that.

We said, Hey, that's a miss from the brand, but wait, can we scrape that? Can we automate that? We found out that we could. And as we started scraping and automating the detection of negative comments on brand posts on Instagram, sending it to the brand owner, to the company owner, to the marketing leader, and says, Hey, Harry, love your products.

but just let you know there's like a couple of negative comments here on your posts, and it's been 48 hours You haven't responded, and really you should. That's it. Don't talk about gorgeous. Don't talk about the product. This works super well. Why? When it's public. I'm not doing anything like, you know, Sneazy, like, it's just on Instagram, like anyone can see that.

True, it's true, you can see, you can verify, you can click on the post, you will find the negative comment, you know it's not me, and second, like, it's helpful, absolutely, you should take care about it, you should respond if you haven't, right, you see those three things, the only response you can have, Is thanks.

Thanks for catching it. [00:31:00] Thanks. That's it. Of course I'll follow up to that email with an ask for demo. And of course you will be compelled to give me your time. Because you would really be a douchebag not giving me some of

your time. Given that I found some mistakes that you made in your brand. Alright?

So super high response rates there. That's value. I have a million examples of that. If you can drive value about mistakes, problems of the business, you have discovered that your audience does not know, you will get engagement, guaranteed.

Harry Stebbings: Did that scale?

Guillaume Cabane: Absolutely.

the challenge is finding those opportunities, those pockets of opportunity, and scaling those.

That's a challenge,

Harry Stebbings: but that does actually scale. I mean, that's much more scalable than, say, like paid.

Guillaume Cabane: Think of the cack of that. That's why I love growth. There is an upfront cost to finding that, testing it. Of course we don't, we don't automate anything before we test it manually.

We had like some GM people like send a couple of hundred manually to see if it works. And once we knew the response rates were huge, we then like invested in doing it with our engineers. But once you've built it and you've [00:32:00] amortized the upfront costs, the marginal cost of that email is zero. You're just running a few scripts.

The acquisition cost of doing that is zero. if your competitors are not doing it, you have like this, like, green ocean in front of you with like this, no competition, zero dollar CAC. That's competitive mode.

Harry Stebbings: What was the response rate? It's like, just so I, is it like 50%?

Guillaume Cabane: No, it's more like 10 12%. 10 12%, which is about 5x the... standard response rate of a good cold email. Reciprocity. You want to go in reciprocity? Yeah, yeah. What's the other thing that creates responses?

Now, here's the thought experiment I want you and the audience to have. At home, you have a mailbox, a physical mailbox. In that mailbox, you receive junk mail, right? Most of it is junk mail. You take that junk mail, you throw it away. You don't even think about it, you don't care. You have no personal feelings, you have no emotions through that junk mail, You feel maybe even lighter about throwing it away. Now let's say you go through that junk mail as you throw it away. There's this one letter, that's a sealed letter, that's obviously written by a human, obviously by an old person, and there's your name Harry on it, Harry Stemming written on it.[00:33:00] and there's the return address behind it.

They even maybe like lick the stamp and put it on the envelope. You're very convinced as a human. How lucky are you, Harry, to dig that envelope and throw it in the trash without opening it? No way, right? You would be a psychopath if you did that. I tested that thought experiment. At SASTAR, in front of hundreds of people, not one person raised their hand.

Not one. Which makes sense. Why? We have reciprocity. But how

Harry Stebbings: do you do that with email? Because with physical you can do the nice stamp, the nice textured letter, whatever it is. How do you do

Guillaume Cabane: that with email? Give you an example? Ramp. targeting financial platform, targeting CFOs. Notoriously difficult audience to engage with. almost nothing we can scrape about a company or a CFO is useful. They're not posting about their financial issues on Twitter, doesn't happen. What we did is we

Harry Stebbings: scraped the thing.

Wouldn't you love that? Oh, we've got so much data that we just don't know where it is. We're really missing our payments right now. This

Guillaume Cabane: is so much better than LinkedIn. So what we did is that we [00:34:00] scraped very typical their LinkedIn profile. That college is, and here's the trick. The trick is we thought about what's the commonality between CFOs. They're all well educated. They all went to college, like a hundred percent, right? Went to college. Okay. In the U S very specific about the U S U S people who went to a U S college. Tend to be very passionate about the college sports team, very passionate, right? So what we did is that we matched two datasets, the college where each CFO went and the upcoming games of that college against the opponent team. We then built a very simplified betting

algorithm to see is the CFO's team likely to win or lose and we send that in an email and say, hey Harry Your team, the Sharks or whatever, is going against like the Bisons or whatever next week.

And I'm ready to bet 50 bucks that your team is about to lose, If you win up on top, I'll give you 50 bucks. No question to ask. If you lose... I'll just ask for a 20 minute call. Now, that is a typical 50 [00:35:00] for a call email, but, and here's the but, the sophistication of the email with this upcoming game that you know about the ability to be able to bet for free, what looks for free, on sports which people love, makes it feel so human.

Nobody believes this is automated, but it is! Nobody believes it's automated. People are like, Hey, somebody actually researched, somebody knows the upcoming game, somebody cares about something that I care about too. This is fun. The response rate here is 12 to 15%. About the same, no one is saying it's gorgeous.

Again, for a very, very small cost, and something that no one in their right mind would think of doing manually. That is reciprocity. You see that, you immediately believe, hey, there's a human that cares, like, at least I have to respond. At the minimum, I have to respond.

Harry Stebbings: Does AI make this much, much harder?

Because cold, outbound, dumb well, like you've done there, people think that it's actually a human and it's not, kind of the wrapper of AI makes people just inherently more cynical that everyone's a robot. Does it [00:36:00] make it harder?

Guillaume Cabane: It will. I have a conviction, that there are two possibilities and I think two things will happen that will be true at the same time.

Some part of the population will start rejecting communication coming from anonymous people. Because they won't know if it's a human or not. And thus they will, by default, think that it's a robot. And thus that there is no reciprocity that should be. And some other part of the population, maybe the more tech side people will not care and say, Hey, is this information valuable?

The problem is that because the marginal cost is so low, high quality text, high quality communication about you will become huge. It's going to be all the time everywhere. And you just won't have the time for it. It's very likely that we'll start ignoring messages from real humans at a much higher rate.

Because the quality of AI will be better than the quality of humans.

Harry Stebbings: Does that mean Cold Outbound's dying?

Guillaume Cabane: It's not Cold Outbound's communications dying. Personal communications dying. It's not just Cold Outbound. The [00:37:00] same is true on phone calls. Phone calls, text calls, like blog posts, anything that is a human written content is soon likely to be better if done by an AI.

Harry Stebbings: So then what do we do? What replaces it? The existing channels and tactics just get bigger in terms of portion of sales? Is there net new? If that's a total pie of net new, what does it look like?

Guillaume Cabane: I love the worry on your face about the future, Harry. Yeah, you don't like that. I think there's a few things.

One is if you are on the cutting edge of tools and platforms, you will win, regardless of what happens, all right? You will, because the others, like anyone who's not doing the things that I said, is already losing right now. Second, this, negative pessimistic view of communication, is a few years in the future.

It's not a right now issue. so you have a couple years to like handle it. Third, if you ask like a wild bet, I think it will be more about social proof, community and relationships. I've seen a product, [00:38:00] which instead of a chat bot.

On your SAS homepage or pricing page connects to your LinkedIn, your email connections, relationships, and says, Hey, Jeeq, Harry's using this software. Do you want to ask him about it? And I thought that's really smart, right? Instead of like doing random social proof about other companies, other people I don't know, it's like, Hey, this connection of yours, this person, you know, and trust use this software right now, daily, just ask him about it.

And because I have, I trust Harry, I know Harry, I'm like, yeah, Harry's a good guy, I know him. Just give him a call, Harry says, yeah, this is, this is legit. I'm like, okay, cool. Done. That, you can see, has the immediate opportunity of solving the problem we just created.

Harry Stebbings:

Can I ask you, when we think about different channels and getting to, say, 50 million in ARR, I always think to Kip at HubSpot, who told me that it takes one channel to get to 50 million in ARR, and two to get to 100.

From your experience here, you've been at Segment, you've been at Drift, is that the case? Is there much broader diversification? How do you think about that when you [00:39:00] hear it?

Guillaume Cabane: I'm, I'm a big fan of HubSpot and what they've been able to build in the past couple of years. almost no one is HubSpot. And they have one of the biggest addressable markets in the world. So almost any business needs a CRM, That's one. Second, their market is almost an oligopoly. There's Salesforce, there's HubSpot, maybe there's like, Freshdesk, Zoho, that's about it.

There's like, less than five companies that are like, decent when you look at the entire suite, okay? Which is extremely rare given the size of the market that is of so few players in that market. And you need to have one. It's not like you can say, no, I'm good. Like, I don't need a CRM. I don't need a marketing opportunity.

You need to. So you will buy one of those, which is why it's a great company. And it's, it's, they're doing so well, Almost no one has the combination of those market attributes. And I have never seen a companies I've worked with neither at segment or what in the drift gorgeous or ramp and not in one of the companies I engage with. we were able to get to 50 million on one [00:40:00] channel,

Harry Stebbings: not one. the question I have from founders is like, Hey, this channel's working. It's working well. How should I think about the other channels? And I'm normally saying, Hey, don't get too cute. Facebook ads is working. Just pummel it. Keep going, keep going until it doesn't work.

Obviously you want to. Transition quickly, don't be too cute too early. Do you agree with that or do you think actually diversification is important early? I'm in

Guillaume Cabane: between. I'm in business. I don't like to be surprised. And what that means is if I'm going to raise a series A or B, whatever your stage is, I want to know like, can I actually spend that money?

Do I have like more than like hypothesis that I know how to spend that money? And so I recommend increasingly as you go through the stages to test. The CAC and the depth of those channels. I'll give you one example, let's, let's take like paid on Facebook Do you really know what's the depth of that channel?

No, How do you do it? I recommend companies to 2x the budget every week until it flatlines. Just do it for like [00:41:00] four weeks, six weeks. It's not

gonna like burn your budget, your entire like capital, But just 2x on week two. 2x on week 3, 2x on week 4. Very quickly, you're going to find out where the cap is, alright?

You're going to find you're not getting more, like, engagement, more clicks, more revenue. And then you can scale back, and can tell your board, Hey board, we've pressure tested the depth of that channel, and we know how much money we can spend on that channel. And you then go and do the same on every other channel.

I did the same for me on emails. what's the maximum number of emails somebody can receive before there's a negative outcome? Is it like once a year, once a quarter, once a month? Let's just take a small sample and let's go down obviously like there's like diminishing effects, Like you should test it. Test the same way in every channel and then go back to your boxes. Hey. We know the depth of email, we know the depth of like paid, we know the depth of every other channel. This is why we need to raise money and this is how we can spend it.

Harry Stebbings: How do you know when you've truly hit it?

Is it that obvious? Is that grey? Do you know what I mean? If we're doing Facebook and it's like, Yeah, we're a couple [00:42:00] of percent less effective. Is that the

Guillaume Cabane: depth? Do exit again and you'll find it. Eventually, you won't be able to spend more money. There's a point where you can't spend more money or you're spending more and not getting more engagement, If you're not sure to exit again. I

Harry Stebbings: think people worry about destroying a channel too quickly

Guillaume Cabane: take a randomized sample of the audience if you can't do that It means your target market is too small, and you should be doing ABM. If you have like, let's take Gorgias again, like if you have like 200, 000 companies, can't you take 5, 000 companies, 2, 000 companies, the smallest audience Facebook will let you have, like 2, 000, and like really increase the budget there?

If you burn those 2, 000 out of 200, 000, burn 1%, and you've learned the outcome of the channel, is it not worth it?

Harry Stebbings: I hear you here, and I'm like, okay, so we think about the depth and the returns driven, and that converts to sales. the question I have is, you know, I spoke to Fabrizio before the show, and he said that you're the master of aligning marketing KPIs to dollars.

Can you just help me [00:43:00] understand, how do you approach marketing KPIs to dollars? And just take me through it, imagine I'm a founder trying to understand.

Guillaume Cabane: Reject. Any KPI that is vanity, you don't care about traffic. You don't care about any of those KPIs.

The only thing you care about is weight adjusted pipeline dollars. So all of those KPIs, engagement KPIs, your growth team, your marketing team needs to convert them based on lead score, based on company size and stage, your usual close rates. I every single logo that engages with your brand at any stage needs to be converted into a dollar figure.

We then sum those and you have a pipeline by stage that is not just for your sales team. That is also for your marketing team. Your marketing team has a funnel, TAM to MQLs going drilling down to SQLs, then over to your sales team, they should have a pipeline figure per stage. And based on your conversion rate, you should give them goals at every stage of that pipeline.

The key learning is what has worked for sales. Also works for marketers. [00:44:00] If a marketing candidate that you're looking to hire does not own a pipeline figure, that is the wrong candidate, my friend.

Harry Stebbings: Can I say a pipeline figure? I can give you bullshit though. I can feed your pipe with a lot of low quality leads.

Guillaume Cabane: Then you don't have a good lead score. Then your lead score is bad. If your lead score is good and your pipeline is adjusted with the lead score, that should not happen.

Harry Stebbings: Talk to me about that relationship between lead score and pipeline and how founders can and should use it. If you, let's

Guillaume Cabane: say your ACV is 10k, And your lead score predicts a likelihood to close of 30 percent So the value of that company in your pipe is. It's not 10, it's 3. If the lead score is shit, maybe it's 1. You don't count the 10, you count the 3.

And if you can't make that prediction, then you should be working on a lead

Harry Stebbings: score. How many people have this in

Guillaume Cabane: place, do you think? All the ones who are winning, it's fairly easy to build a lead score.

You know, you could like outsource it to a company like Matt could do, You could build it on a modern AI platform like Akio. [00:45:00] Like there's like even HubSpot has like simplified models for that. If you haven't think of like the lead score, it means you haven't thought of your ICP. If you haven't thought of who's a good customer for you, you just stop everything and just go define who are the good customers and what are their attributes.

Harry Stebbings: Where on earth do these people sit in our company, G? These growth minded people who are working on activation experiments, who are working on testing new channels, are they in marketing? Are they in, are they in product?

Guillaume Cabane: Well, the answer is they're in growth, but... So it

Harry Stebbings: should be a standalone function in your

Guillaume Cabane: mind?

I'd love for that to be true. I have learned that I'm wrong, and that is rarely the case. The local effects of the world are the exception, truly. it generally rolls into like either product or marketing. I would love for that to be a standalone function. The lead score itself generally is within like ops.

Harry Stebbings: when do we hire the first person? When's like, you know what? We've got enough data here. Let's test. Let's start this process.

Guillaume Cabane: After a couple of million in revenue. Once you've handled the early adopters, you've [00:46:00] scaled at least one channel that works well, and you're starting to think of optimization, testing, aggressively building a growth team, then you should have enough data for that to happen.

But let's flip the question the other way. If you don't have enough data. Then your growth team can't learn. If the growth team can't learn, you should not hire a growth team. Well,

Harry Stebbings: sometimes you need a growth team to get data.

Well, if you think about actually like understanding whether a funnel works and is efficient, you need to drive people to that funnel.

I'm playing devil's advocate here, but yeah,

Guillaume Cabane: I don't think, I don't think that's a good case for a growth team because. Kind of like you said earlier, you can drive terrible pipeline to a funnel. I can drive terrible leads to your product. If you hire a growth team too early, will they get you use engagement?

Absolutely. Is that going to be the right users? I, your bed is as good as mine. People respond to incentives. If the incentive of the team. is to drive signups and engagement. The problem is they will optimize for that, not for the [00:47:00] long term viability of the business. That's a huge risk. I'm French.

I know how to cheat 10 times out of 10. You give me anything as a goal that is not revenue, and you incentivize me strongly for that, You're gonna get that KPI, but you're not gonna get the revenue.

Harry Stebbings: Okay, so then it isn't, I agree. So it's this kind of couple of million naira.

We've got enough data. We've got a couple of channels maybe working. Gee, you're an angel. You're an advisor to my business. I'm the founder. We're in that stage. Should I hire a senior person who's got years of experience?

Guillaume Cabane: Should I hire God, no. So stay away from that. Who shot that? Our former founder.

You know what the good thing about startups? Most don't make it out. Like 9 out of 10 die. That doesn't mean it's a bad founder. There's a million reasons for the startup not to have like survived. And most of the founders are amazing individuals. They know how to bounce back. They know how to pivot. They are focused on long term outcomes on revenue.

All of those things that are said are exactly the key attributes you want for somebody who'd [00:48:00] be leading your growth team. If you don't have a former founder, go for somebody from like a consulting background, one of the big five, somebody who's really focused on like data, on precision, on the running hypothesis and on running a process.

Growth is about running a process, not about like being super smart. It's running a process.

Harry Stebbings: we hire a former founder, probably one that hasn't worked out in the earlier stages. Is that it? Do we just hire one at a time?

Guillaume Cabane: You want for a growth team to work out first, it exists after your product team, obviously, otherwise you don't have the product.

Generally after your first few marketers. Right. Who are doing the traditional campaigns, the core campaigns. And you're going to create this startup in the startup. There's this team within the team, and they're going to take risks as we talk as like a VC. What do they need to be able to do that?

They need to be able to build and to ship. That means you have this former founder. Who's like the head of growth slash PM running the process. You're going to have at least one engineer maybe data analyst. The founder can't do it, but you, you're the, the head of growth [00:49:00] is the analyst in the early days.

So you have like head of growth, engineer, and one marketer slash copywriter. That's your team.

Harry Stebbings: That's the team. Now we know that as a structure. If you're advising me on hiring for that team, How on earth do I structure the hiring process for that first growth hire? You

Guillaume Cabane: want to ensure that they can look at your data, which means you need to give them take home.

That has some of your data. I would recommend hiding a few Easter eggs in there, some outliers to see how they look at the data, have they found the Easter eggs and the question that the data set and those lines. That's the first

Harry Stebbings: thing. Just so we're clear, when you say like Easter eggs, this is like an anomalous number that is outside of the pattern.

Guillaume Cabane: Yes, absolutely. I will put a couple of people, a couple of like logos that have like very weird, no retention, revenue, acquisition, stuff like that. Right. Behavior, things like that. Do they see that? All right. If they don't see it, like, can they really eyeball the data sets? That's the first thing. And then

what's their approach to risk, to making [00:50:00] bets and coming out on top, how do they win when they face interesting challenge?

What's their approach? One of the key questions I always ask that is really out there. People don't expect it. I asked them, like, have you played video games? I used to be a gamer before I had kids, And they'd be like, yeah, sure, like, most people have played games at one point in their life, right?

I'm like, cool. Tell me about it. Like what's the platform? What's the game? What's your strategy? How do you win? teach me, indulge me. Tell me about the rules what makes a really good player in that game? do they understand the rules and can they think outside the box?

Because that is growth, is understanding the rules, thinking outside the box and making interesting, valuable bets. Risk adjusted bets. Again, as we said, the risk adjusted works for your pipeline works for the growth experiments works as a VC. It's the same logic. So I'm looking to find, are they reasonable risk

Harry Stebbings: takers?

How many of the candidates do you find can actually do that? I'm thinking of mine now, and I'm saying like, you know, I played FIFA a lot when I was younger with my brother. I don't know, like, what makes me win, particularly, and like, there's [00:51:00] very different styles. It's not like chess, or a kind of formulaic game where maybe it's more black and white on what makes someone win.

Do you see what I mean? So I'm like, hmm, that's hard. Have

Guillaume Cabane: you played a board game like StarCraft?

Harry Stebbings: I play Monopoly. What makes you win in Monopoly is survival. Longer than anyone else.

Guillaume Cabane: Okay, good. So how do you do that? Like, what's your approach to surviving? How do you ensure you can survive?

Harry Stebbings: I stay at the table when everyone else goes for dinner.

Guillaume Cabane: Yes, you can start drilling down. To understand what is one person's approach. Obviously, it's easier when it's like a board game like a

Starcraft or, you know, Walker or something like that. And it's also because it's games that I know better.

But even in more modern games, other games, like, I try to understand that. Like, and maybe you're not a mistake or Harry. I mean, you, Harry, are not the right candidate for that. All That's my point. Do you

Harry Stebbings: find that a bad hire is very obvious in growth? Or do you need time to know whether they're a bad hire?

You mean somebody

Guillaume Cabane: that I have hired and eventually comes out as a bad hire? Yeah, exactly. It's fairly obvious. Really fast. They won't try aggressive things. [00:52:00] It's all about being very aggressive, Let's go back to the things I talked to you about today. I saw your face like you're thinking like, whoa, that's crazy That's out there.

That's out of the box. Like where's the box? that is just aggressively thinking of like what can I do that stands out? That's really different people will question This has to be a human, this is really valuable. This is not like, can that person, can that candidate do that?

Or are they going to say, hey, we're going to run some ads and we're going to talk about a product. Maybe that's a great marketer, that's a dimension person. But it's a combo of being, very thoughtful about the odds and the bets and running the experiment in the scientific way and being aggressively creative.

How do you think

Harry Stebbings: about the sizing of bets? I'm thinking now in venture. But like, if you have a budget, and we're thinking about bets, is 10 percent too big a bet to make on budget, or is that not?

Guillaume Cabane: My budget is my head count and it's the time allocation of my head count. My constraint is how many experiments can my small team ship.

And if you look at a team like [00:53:00] reamp these days with like 10, 15 people on the growth team, they ship about 200 experiments per quarter. Now you go back to the individual. It's not crazy. 10 experiments per person per quarter. So like, you know, roughly a bit less than one per week.

So it's not crazy, at the rate of 200 a quarter, some stuff has to work. Or you're very unlucky, but some stuff has to work and you're getting like a good, you know, 10, 15 solid wins. So my constraint. Is head count and velocity. That's why you optimize for those things.

It's rarely budget because I'm not competing on budget.

Harry Stebbings: What are the biggest hiring mistakes you've made? What was it? Oh, fuck. Gee, can't believe you did

that.

Guillaume Cabane: Hiring to senior, being like, having stars in the eyes because somebody has had a huge track record and is very senior, and believing what they tell me, and they tell me, Yes, I'm excited about going back early stage and getting my hands dirty.

That has never come out to be true. Not once have I hired a senior person in a position where [00:54:00] there's no one else to empower them, and they told me they would get their hands dirty. Have they gotten their hands dirty? Not once they lost it. It's almost like just going back to your like your soccer, like FIFA game.

there's an age and like once you're past the age of playing soccer, you become a coach. Do you ever become a player again? absolutely not. It just never happens. You can't do that. Same thing here. This one thing we can talk about here, which is why does it happen in marketing and not in engineering?

It's very unique. As an engineer, you can be an L8. Engineer. Individual IC, right? Very experienced. You're the best engineer at this code base, You know it in and out and you will be respected and nobody will question it. As a marketer, do you know anyone who has done like 5, 6, 7 years of the same role without becoming a manager and you'd say, yeah, that person's awesome at what they do.

They're the best. Hell no. Everybody in marketing is forced to become a manager pretty fast. Why? Right. Because there is no respect for deep [00:55:00] knowledge of one channel. I know exceptions, like for example, Rex at HubSpot on paid ads is even him. He's a manager now. Actually, I don't think. I can name one person who's still in I.

C., does not manage people, is getting their hands dirty on a daily basis, and has like, plus five years of experience. I don't think I know anyone. So you gotta hire early, because, and don't hire a senior. They won't get the shit done.

Harry Stebbings: Do you think marketing gets the respect it deserves?

Guillaume Cabane: Sometimes, absolutely. When there's like very great and with these good campaigns. It depends where, like, if you're talking about like engineering companies, engineering led companies, engineering products, like segments, I guess, is it harder? Absolutely. For sure it's harder, but there are places, like obviously I started my career at Apple.

Apple is a marketing company, Do people respect Apple's brand and marketing? Absolutely. But that's more like the exception

Harry Stebbings: than the rule. Final one and then we'll do a quick fire. Now you're an advisor in many amazing companies. When should companies hire an advisor?

When should they hire full time?

Guillaume Cabane: You should always hire full time when you can. Like, I always tell people, like, if you [00:56:00] can hire the person you want, that's the right fit for you, go for it. I'm not a good replacement for that. the hole that I plug, the problem that I fix is generally, you can't make that hire, the experienced growth person or that founder that you care about, that is amazing. Do they want to take the risk with you at the Series A? No, they want to go build their own company, And so who are you gonna hire? You're gonna hire a more younger, high on the execution skill, but they don't have the expertise, they don't have the experience.

I'm the fix for that, But if you can hire the guy that has experience, the skills, the knowledge, and can, like, ship, hire that person, absolutely, 10 times out

Harry Stebbings: of 10. But it's ironic because they have to be that intermediary, given what we just said about the seniority, they have to be three years in, six years in, that middle ground, it's a tight

Guillaume Cabane: overlap, which is why I have a business, I have a business because the people like me, like I know all people that like my level of experience in the U.

S. there's less than 200. There's 120 [00:57:00] people.

Harry Stebbings: It's so funny. Like, you know, we have 20 growth fund now, which is, Casey Winters is Darius it's Luke Levesque. It's Elena Verner.

Guillaume Cabane: Which one of those can you hire in a Series A company? None. Yeah.

You're laughing. None. Zero. Okay. Zero of those people are available on the market. Not one. of the 120, a third is like semi retired in VC and other things. A third is in like great walls like Luke and you're not going to approach Luke from like Shopify. And there's a third like me who's like doing like consultancy and like advisory and like other things.

You can't hire those people. Not at the Series A at least. I mean, sure, if you're like Shopify, like, everything's possible. But like, you're a Series A, Series B, you're not getting those people. I want to be honest, like, that's just not happening.

Harry Stebbings: I want to go into a quick fire round. So I say a short statement and you give me your immediate thoughts. Does that sound okay? Let's go. What's your craziest experiment? Coffee.

Guillaume Cabane: Hot coffee, cappuccino, on segments, uh, homepage. Talk to me about that. What happened here?

It worked. When you came to the website, instead of asking on the chat, how can we help you, which [00:58:00] is lame and not unique, we said like, how do you like your coffee? And because it was like a reverse IP running pre COVID, we knew what the HQ was, the company domain. I knew the city and we would just ship coffee to you, just ask for your first name.

We know you were Harry. Boom. Ship a cappuccino to you while you were waiting for the cappuccino that was run by Postmates. We would say, hey, do you have 20 minutes for a demo? Of course you'd

Harry Stebbings: say yes. And then it came to them at the end. Of course.

Guillaume Cabane: 20 for a demo? Good cack. It worked

well?

Yeah, it worked well.

Harry Stebbings: That's smart. What tactics have not died a death over the last five years? What is strong as ever?

Guillaume Cabane: Email. People have called the death of outline email every year. It's still going strong. What tactics have totally died a death? One's back. I don't know which one has died to death, but the phoenix of tactics is cold call.

Cold call was dead from like 2012, 2013 to 2022. And with LLMs now and tools like Orum, cold call is back big time.

Harry Stebbings: what would you advise a new growth leader starting a new role today?

Guillaume Cabane: [00:59:00] Have strong connections to learn what others are succeeding. The key to success in growth is testing and learning.

And so if you can outsource the cost of learning to other teams, either through advisory like I did in the early days, or through like good relationships, you are saving a ton of effort and capital. And you can deploy those learnings to your business and look like a fucking genius. What's the

Harry Stebbings: worst strategy you've done?

A worst growth experiment you've done, which did not work. It sucked.

Guillaume Cabane: generally building bundles. Like bundles are a terrible idea. When you start bundling different features, different products together into one, the size of the audience that cares about the entire bundle. Is smaller and smaller as the bundle increases.

What would you

Harry Stebbings: most like to change about the world of growth? The

Guillaume Cabane: fact that it's not independent, growth is not an independent function. It has to roll up to marketing or product, why not? And that, that creates conflicts, which eventually leads into death of growth teams at late [01:00:00] stage. There's almost no company at a late stage with a growth team, say for like Facebook, Shopify, and a couple others.

Harry Stebbings: Final one for you. We've spoken about ramp. We've spoken about gorgeous. What growth strategy have you been most impressed by in another company? The

Guillaume Cabane: one thing I've never I had the opportunity to do my stuff and I always like admire is the typical virality. I think of the Dropbox of the world and like, you know, prosumer think of Zapier.

I know those companies, I know the leaders, I know how they pull it off. And the combination of a huge market, a very viral product, very sticky viral product, good product, creates opportunities unlike no other. The ability to have people, customers, bring other customers to no cost to you. I just want to like sit back and relax and see the customers sign up.

Man, I want to be in that, in my beach chair and see that. And for me, it's always been like hard work. And I always imagine like Darius. You know at Dropbox and other places thinking like a million people just invited themselves last [01:01:00] month. How cool is that?

Harry Stebbings: Gee, this has been so much fun. Thank you so much for for putting up with my meandering and i've absolutely loved this

Guillaume Cabane: harry it's been great for me, too. Let's talk again sooner than six years next time

Bah!

Scarlett 2i2 USB-2: As I said shows like that a wire started 20 growth, actionable, granular advice that you can use today in your startup. If you want to see more from us, you can of course, check us out on YouTube by searching for 20 VC. That's two zero. You see where you can watch the full episode in video, but before we leave each day,

Scarlett 2i2 USB: I'm refreshing the 20 VC mirror board. And I'd love your input again. It's really easy. Just head on over to miro.com forward slash two zero VC and leave your guests suggestions for future shows and you can do it with a digital sticky note or a comment you can head over to miro.com forward slash two zero VC and mariachi sponsored this episode. If you haven't already tried it. I think you'll love it. Mirror is the online white space for innovation is packed with the right capabilities to be your dream products, home base, that you can visualize [01:02:00] content, data and research findings all in one space with no problem. It means this space is where you map customer journeys with

the whole product team, create user behavior, dashboards, and map process diagrams.

And finally, it's where you'll run productive team Springs, using integrations with tools you already love and use. Like jira for developers or sauna for project managers figma for designers and so on we use mirror and love it to brainstorm future shows vote on potential guests and leave feedback for the rest of the team in our own time and right now i'm using it to hear from you leave your thoughts on the board@miro.com forward slash two zero vc that's miro.com forward slash two zero vc

Scarlett 2i2 USB-1: Um, 20 growth is obviously focused on building the best growth teams and.

Ely Lerner: great growth teams are obsessed with making data driven decisions, but getting good data is hard and growth and product teams have to spend hours each week. Configuring metrics, setting up experiments, and writing custom queries. Or what if your growth team could get this time back?

[01:03:00] With StataSig, they can. Thousands of companies, from huge enterprises to startups, rely on StataSig to ship faster, automate experimentation, and improve key metrics. If you're building software products, Static is the one stop platform you need for experimentation, feature flags, and analytics. After implementing Static, the growth team at Ancestry.

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including 5 million free events a month and white glove onboarding support. Visit static. com forward slash 20 growth, that's 2020 growth, to get started on your data driven journey. And finally, so do you know the impact of your marketing efforts? It's more important this year than ever to know the impact or [01:04:00] how much you've spent so far this month and what you got as a result. You're not alone in not knowing these answers. Even though marketing is now all about the data, most companies still use manual spreadsheets for reporting and analysis.

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out of data collection and lets you blend data from different platforms to unlock new, deeper insights. And the best part is this can all be achieved without writing a single line of code.

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Scarlett 2i2 USB-3: As always, I so appreciate your support and stay tuned for an incredible episode. This coming Friday with Dominick, founder, and CEO at HelloFresh.