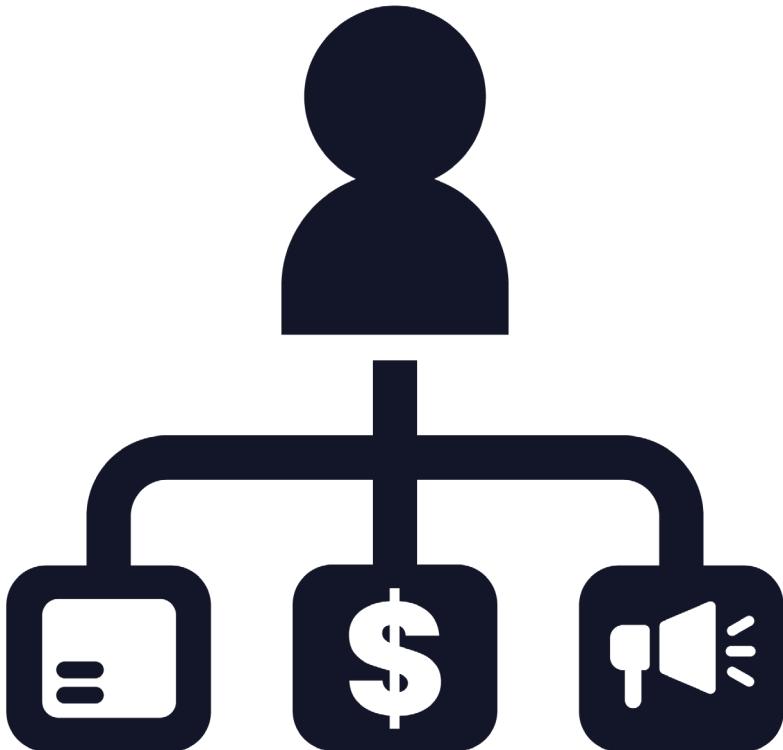


\$100M SCALING ROADMAP

► STAGE 7: CATEGORIZE ◀



A PERSONALIZED GUIDE FROM



ACQUISITION.COM

YOU ARE HERE

STAGE 7: CATEGORIZE



6: OPTIMIZE				7: CATEGORIZE				8: SPECIALIZE			
HEADCOUNT	20 to 49	HEADCOUNT	50 to 99	LEADERSHIP STRUCTURE	2 layers: Full Team of Managers	LEADERSHIP STRUCTURE	3 Layers: Leadership Team	CONSTRAINT		TO GRADUATE	
YOUR ROLE	Leader	YOUR ROLE	Executive	# OF COMPANIES HERE	2,100,000	# OF COMPANIES HERE	1,200,000		<th></th> <td></td>		
PRODUCT	Improving two products slows down improvements.	Product	Product outdated. Improvements take too long to roll out.	Fix one problem at a time with focused feature specific teams.							
MARKETING	Ads don't convert as well to colder traffic. CAC goes up.	Marketing	Lead flow is volatile because you only have one way to get customers.	Fund 2nd acq channel with referral process (& track it) & segmented LT nurture by lead score. Pick most similar platform -> or new core 4 programs.							
SALES	Closing efficiency on core product drops. Becomes inconsistent.	Sales	Leads getting wasted. Not worked consistently.	Better schedule coverage. Create a nurture checklist & kudos for top show results.							
CUSTOMER SERVICE	Refunds go down. Let's do more closeouts.	Customer Service	CS only reactive. All firefighting.	Create proactive customer journey & communication. Focus on renewals and ascensions.							
INFORMATION TECH (IT)	Churn increases due to volume & new product.	Information Tech (IT)	Data, IP, Access all over the place and disorganized.	Network technology. Bring solutions to the cloud. Data host. Centrally locate hardware if onsite.							
RECRUITING	Cyber security is a concern.	Recruiting	Takes too long to hire good people and they get hired elsewhere. You have too many roles open to keep track of candidates and where they're at in the process.	Install Applicant Tracking System to keep track of so many open roles. Pay specialized recruiting firms to keep up.							
HUMAN RESOURCES (HR)	The number and type of roles you need depend on your current network. (Everyone who gets hired goes elsewhere.) You can't get higher retention because they expect full compensation package (benefits, retirement, etc).	Human Resources (HR)	There are too many different places for employee information and you have no data.	Setup HRIS - Human Resource Information System							
FINANCE	You can't get higher retention because they expect full compensation package (benefits, retirement, etc).	Finance	Your team starts spending your money stupidly.	QTRLY expense management. Budgets by dept. Cards w limits. Expense approval process. Add insurance coverage & get fancier projections.							
<i>Bottom line</i>		<i>Bottom line</i>		Every system is overwhelmed. The business is disorganized.		Triage appropriately.					

0. IMPROVISE

1. MONETIZE

2. ADVERTISE

3. STABILIZE

4. PRIORITIZE

5. PRODUCTIZE

6. OPTIMIZE

7. CATEGORIZE

8. SPECIALIZE

9. CAPITALIZE

STAGE 7: CATEGORIZE

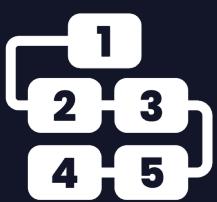
HEADCOUNT	50 to 99	
YOUR ROLE	Executive	
LEADERSHIP STRUCTURE	3 Layers: Leadership Team	
# OF COMPANIES HERE	1,200,000	
	CONSTRAINT	TO GRADUATE
PRODUCT	Product outdated. Improvements take too long to roll out.	Fix one problem at a time with focused feature specific teams.
MARKETING	Lead flow is volatile because you only have <u>one way</u> to get customers.	Fund 2nd acq channel with referral process (& track it) & segmented LT nurture by lead score. Pick most similar platform-->or new core 4.
SALES	Leads getting wasted. Not worked consistently.	Better schedule coverage. Create lead nurture checklist & kudos for top show rates.
CUSTOMER SERVICE	CS only reactive. All firefighting.	Create proactive customer journey & communication. Focus on renewals and ascensions.
INFORMATION TECH (IT)	Data, IP, Access all over the place and disorganized.	Network technology. Bring solutions to the cloud. Data host. Centrally locate hardware if onsite.
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HUMAN RESOURCES (HR)	There are too many different places for employee information and you have no data	Setup HRIS - Human Resource Information System
FINANCE	Your team starts spending your money stupidly.	QTRLY expense management. Budgets by dept. Cards w limits. Expense approval process. Add insurance coverage & get fancier projections.
Bottom line	Every system is overwhelmed. The business is disorganized.	Triage appropriately.

WATCH THIS FIRST

"START HERE"



THIS VIDEO EXPLAINS THE ENTIRE
\$100M SCALING ROADMAP. **THIS INCLUDES:**



The methodology



The differences
between stages



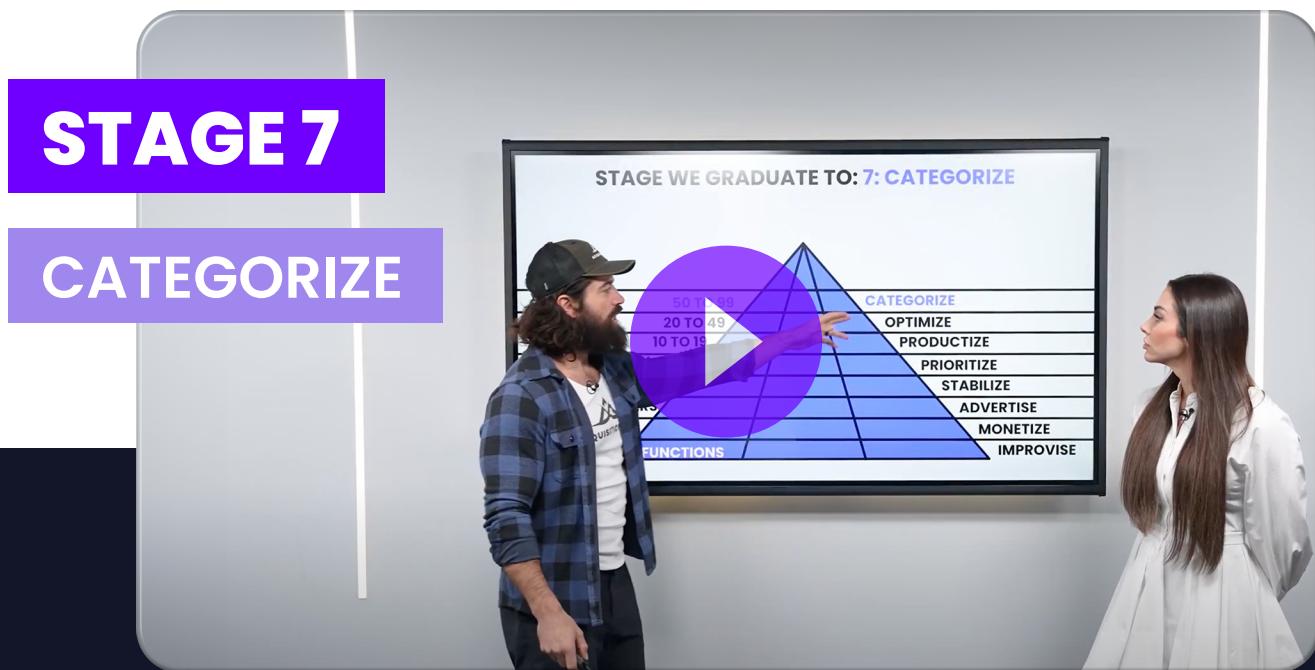
Repeat themes
to be aware of



How to get the most
out of your business

GOT IT? LET'S START SCALING ►►►

YOUR STAGE



THIS VIDEO PROVIDES AN
IN-DEPTH LOOK AT THE CONSTRAINTS
& SOLUTIONS AT **STAGE 7**



YOUR ROLE

EXECUTIVE



HEADCOUNT

50 to 99



BOTTOM LINE

Every system is overwhelmed.
The business is disorganized.



GRADUATE BY

Triage appropriately.

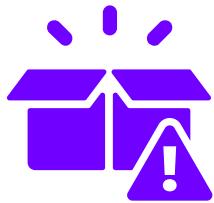
WHEN YOU HIT “STAGE 7: CATEGORIZE”

HERE'S A SIMPLE EXPLANATION OF STAGE 7 (CATEGORIZE) WHEN A BUSINESS HAS 50–99 EMPLOYEES:

At this stage, your business has grown quite a bit – you now have between 50 and 99 employees. Only about 1.2 million companies in the US ever reach this size. You're no longer just a manager or leader – you're now an executive with three layers of leadership under you. The main challenge at this stage is that everything feels messy and disorganized. Let me break down what's happening and what needs to be fixed in each area:

- Product Problems
- Marketing Problems
- Sales Problems
- Customer Service Problems
- Tech Problems
- Recruiting Problems
- HR Problems
- Money Problems





Products Problems

Your product is starting to feel outdated, and it takes forever to make improvements. Imagine trying to fix up an old car – there are so many things that need work, but you can't fix everything at once. The solution is to make your teams focus on fixing one problem at a time. Instead of everyone trying to fix different things, you have specific teams work on specific features.



Marketing Problems

Your business is like a boat with only one engine – if that engine breaks, you're stuck. Right now you only have one main way of getting customers. This is risky because if something goes wrong with that method, your whole business could be in trouble. The fix is to add a second way to get customers, like starting a referral program where happy customers bring in new ones. You also need to get better at scoring leads (potential customers) so you know which ones are worth pursuing.



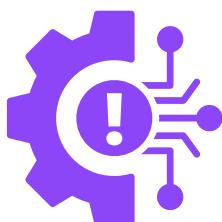
Sales Problems

Leads (potential customers) are being wasted because your sales team isn't working them consistently. It's like having a garden but forgetting to water some plants. The solution is to create better schedules so someone is always available to talk to potential customers. You also need to create a checklist for following up with leads and reward salespeople who get lots of customers to show up for meetings.



Customer Service Problems

Your customer service team is always putting out fires instead of preventing problems. It's like being a firefighter who's always rushing to emergencies instead of helping people prevent fires in the first place. The fix is to create a plan that helps prevent customer problems before they happen and focus on getting customers to renew their contracts and buy more stuff.



Tech Problems

Your company's important information, documents, and passwords are scattered everywhere – it's like having important papers spread all over your house instead of organized in filing cabinets. The solution is to move everything to the cloud (online storage) and set up a central place where all company data is stored. If you have physical computers and equipment, those need to be organized too.



Recruiting Problems

It's taking too long to hire good people, and sometimes they accept other jobs before you can hire them. Also, you have so many open positions that it's hard to keep track of all the people applying. The fix is to get special software that helps track job candidates and hire professional recruiting firms to help find people faster.



HR Problems

Employee information is scattered in too many different places – like having one drawer for medical forms, another for tax papers, and another for performance reviews. The solution is to get an HRIS (Human Resource Information System) – think of it as one big digital filing cabinet that keeps all employee information organized in one place.



Money Problems

Your team is spending money without thinking carefully about it. It's like giving everyone a credit card without any rules about how to use it. The fix is to create quarterly (every three months) budgets for each department, give people spending limits, and require approval for big purchases. You also need better insurance coverage and better financial forecasting.

THE BIG PICTURE

At Stage 7, everything feels overwhelming and disorganized. The key is to start sorting things into categories (that's why this stage is called "Categorize") and create systems to handle each category properly. It's like organizing a messy garage – first you sort everything into piles (tools, sports equipment, holiday decorations, etc.), then you create a proper storage system for each category.

THE BOTTOM LINE

YOUR MAIN JOB AT THIS STAGE IS TO SORT THROUGH THE CHAOS AND START ORGANIZING EVERYTHING. THIS MEANS ORGANIZING:



YOUR LEADS
(WHICH TO FOCUS ON)



YOUR CUSTOMERS
(WHICH ONES NEED
THE MOST ATTENTION)



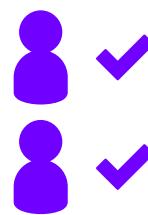
YOUR JOB APPLICANTS
(WHICH ONES
TO INTERVIEW)



YOUR MONEY
(WHAT TO SPEND
ON WHAT)



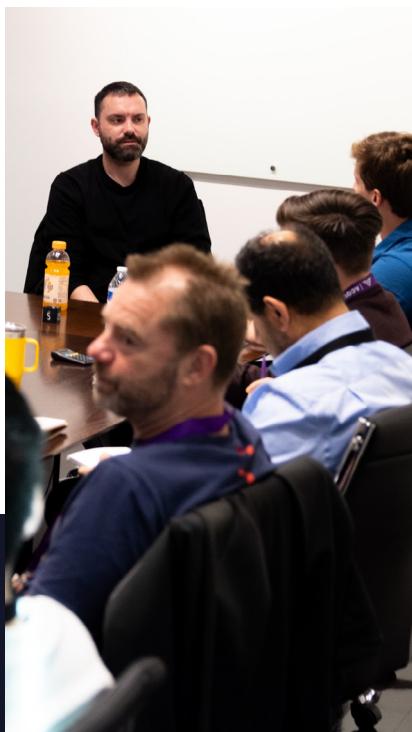
YOUR DATA
(WHERE EVERYTHING
IS STORED)



YOUR EMPLOYEES
(WHO DOES WHAT)

Only after you get everything properly sorted and organized can you move on to the next stage of growth. Think of it as laying the foundation for becoming an even bigger company. You need to segment these categories for what comes next...

DO YOU WANT TO SCALE TO THE NEXT STEP?

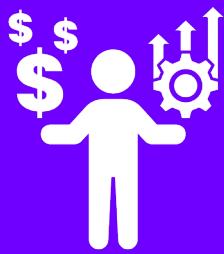


Two words: Organized Chaos. Your business has become larger than most but everything feels disorganized & your systems are bursting at the seams. You have to triage appropriately. If you want the help of people who have done this (We have 4 portfolio companies each worth in excess of \$100M), you can see how we do this at a Scaling Workshop.



Check Dates

THIS IS THE STAGE YOU JUST GRADUATED FROM...

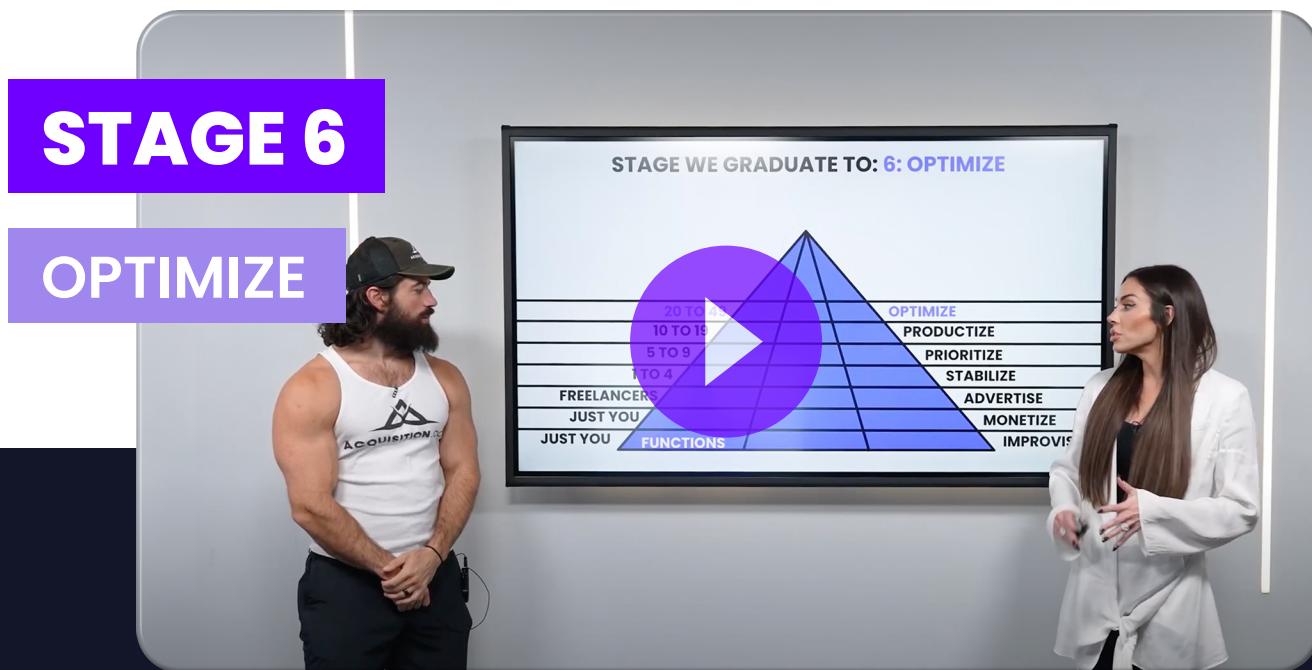


STAGE 6: OPTIMIZE

STAGE 6: OPTIMIZE

HEADCOUNT	20 to 49	
YOUR ROLE	Leader	
LEADERSHIP STRUCTURE	2 Layers: Full Team of Managers	
# OF COMPANIES HERE	2,100,000	
CONSTRAINT		
PRODUCT	Improving two products slows down improvements.	Install incremental product improvement process for both products.
MARKETING	Ads don't convert as well to colder traffic. CAC goes up.	Implement Ad assembly process to increase volume.
SALES	Closing efficiency on core product drops. Becomes inconsistent. Refunds go down but so do closes.	Install sales training system, individual coaching, and team cadence.
CUSTOMER SERVICE	Churn increases due to volume & new product.	Create customer segmentation by cohort and activation points.
INFORMATION TECH (IT)	New people coming in. Old people leaving with IP, data, and access.	Cyber security. Malware. Password protection from and for employees. Onboarding and offboarding employees.
RECRUITING	The number and type of roles you need exceed your current network. (Everyone who's good has a job already.)	You learn to headhunt higher level roles. Add multiple interviews filtering for different skills.
HUMAN RESOURCES (HR)	You can't get higher level talent because they expect full compensation package (benefits, retirement, etc)	Setup benefits, retirement, and advanced compensation plans
FINANCE	You're spending money to grow, but you're not. Money is missing. Where's my return?	Scale up AR/AP. Get more granular financial data. Balance sheet. Begin making quarterly tax payments.
Bottom line	Everything is inefficient.	Grow by doing everything better rather than more.

YOUR STAGE



THIS VIDEO PROVIDES AN
IN-DEPTH LOOK AT THE CONSTRAINTS
& SOLUTIONS AT **STAGE 6**



YOUR ROLE

Leader



HEADCOUNT

20-49



BOTTOM LINE

Everything is inefficient



GRADUATE BY

Doing better rather than doing more

WHEN YOU HIT “STAGE 6: OPTIMIZE”

You've grown to 20-49 employees! About 2.1 million businesses reach this level. You're now a “Leader” with a full team of managers under you. The interesting thing about this stage? Your main challenge isn't doing more—it's doing everything better. You have two products, but they both need improvement.

THE BIG CHALLENGE: EVERYTHING COULD BE BETTER

The biggest problem at Stage 6 is that having more people doesn't automatically make things work better. Things are actually getting less efficient. That's why it's called the “Optimize” stage—you need to make everything work better, not just bigger. Let's look at what's happening...

Products and Marketing

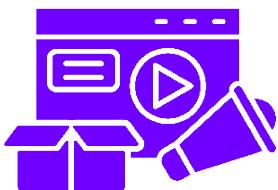
Sales and Customer Service

Tech and Security

People and HR

Money Matters





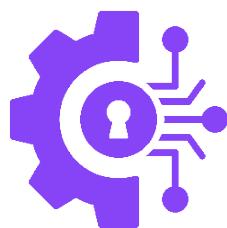
Products and Marketing

- Improving two products at once is slowing everything down
- You need a process to improve both products bit by bit
- Your ads don't work as well with colder audiences
- Your marketing costs (CAC) are going up
- You need a better way to create ads at scale



Sales and Customer Service

- Your core product isn't closing as well as it used to
- Sales team needs real training now
- Customer churn is increasing because you have more products
- You need to group customers by when they joined and how they use products
- You need to track more detailed customer success metrics



Tech and Security

- New people are joining, others are leaving
- Company data and access is at risk
- You need real cybersecurity
- You need better password protection
- You need proper employee onboarding and offboarding for tech



People and HR

- You can't find enough good people through your network
- Everyone who's good already has a job
- You need multiple interviews for different skills
- High-level talent wants full benefits packages
- You need retirement plans and better benefits

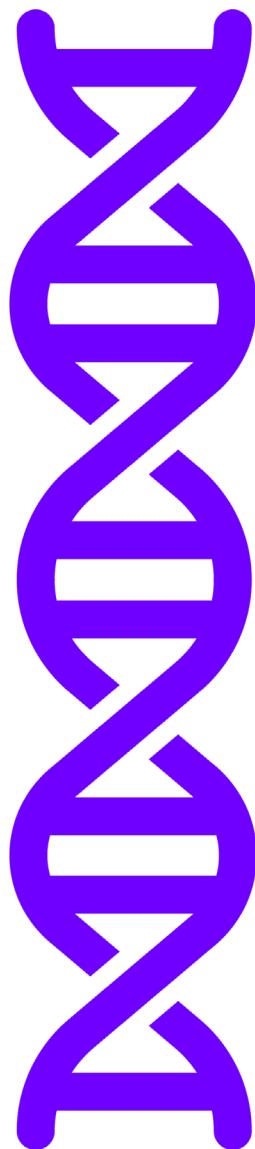


Money Matters

- You're spending money on growth but not growing
- Money seems to be missing or wasted
- You need more detailed financial data
- You need a real balance sheet
- You need to pay taxes quarterly

WHAT SUCCESS LOOKS LIKE AT STAGE 6

YOUR JOB IS TO MAKE EVERYTHING WORK BETTER.
HERE'S WHAT YOU NEED TO DO:



THE BOTTOM LINE

STAGE 6 IS ABOUT MAKING EVERYTHING WORK BETTER, NOT JUST BIGGER. INSTEAD OF JUST ADDING MORE PEOPLE OR DOING MORE THINGS, YOU NEED TO:



IMPROVE EXISTING SYSTEMS



MAKE THINGS MORE EFFICIENT



FIX WHAT'S BROKEN



BUILD BETTER PROCESSES

WHY IT'S CHALLENGING:

- It's tempting to just do more instead of better
- Fixing things takes time and money
- You have to change how things work
- People resist change
- You have to invest in improvement without immediate payoff

BUT IT'S WORTH IT BECAUSE:

- Things start working smoothly
- You waste less money
- People are more productive
- You can grow without breaking things

REMEMBER

The key to Stage 6 is patience. Making things better takes time. You can't rush optimization. You have to:

- Find what's not working well
- Figure out why
- Create a better way
- Test it
- Train people
- Monitor results

About 2.1 million businesses have mastered this optimization phase. The successful ones usually:

- Focus on one improvement at a time
- Measure results carefully
- Train people properly
- Create good systems
- Document everything
- Make sure changes stick

THE SECRET TO SUCCESS

THE REAL SECRET TO STAGE 6 IS REALIZING THAT “BETTER” BEATS “MORE.”



DON'T DO THIS

Hiring More People → Train Current People Better

Adding More Products → Improve Current Products

Getting More Customers → Serve Current Customers Better

Adding More Tools → Use Current Tools Better



DO THIS INSTEAD

If you can make this shift from “more” to “better,” you’ll build a stronger business that’s ready for even bigger growth.

Remember, at this stage, success isn’t about doing more—it’s about getting more for what you do.

THIS IS WHAT'S COMING NEXT...

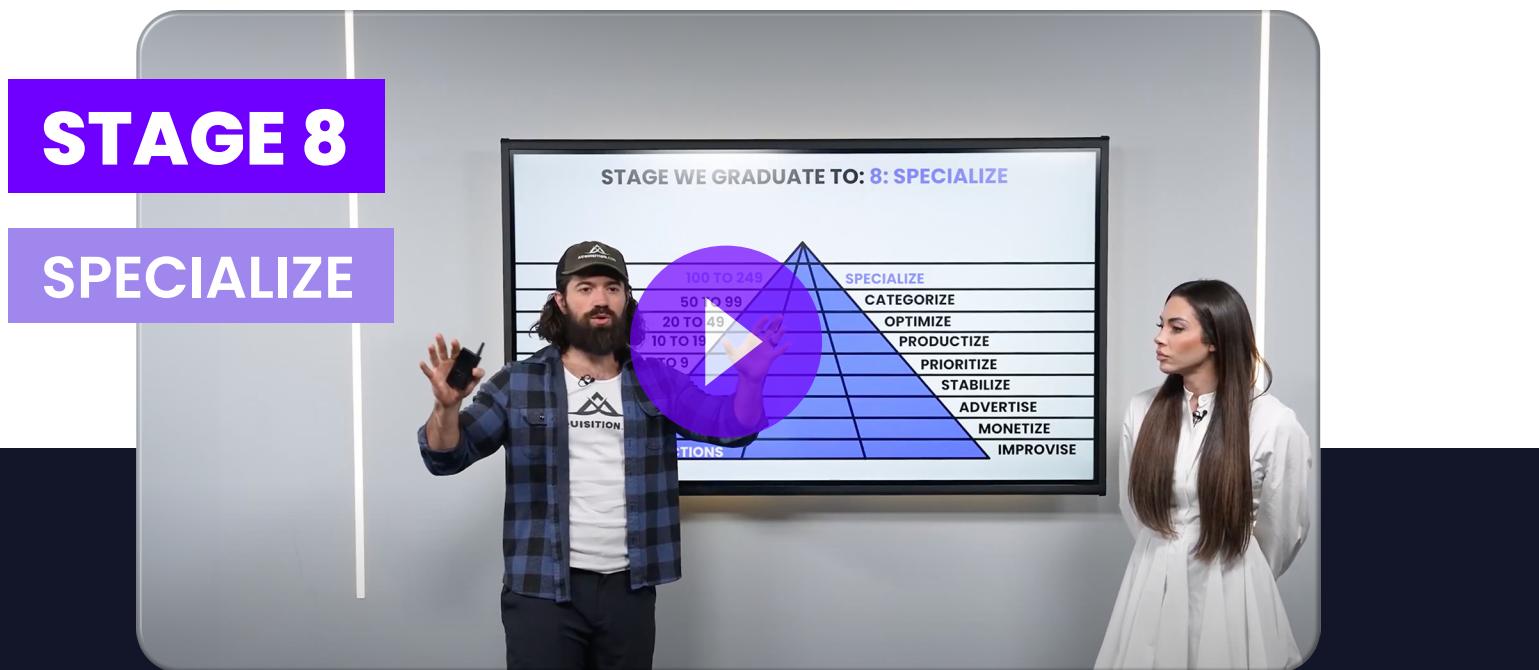


STAGE 8: SPECIALIZE

STAGE 8: SPECIALIZE

HEADCOUNT	100 to 249	
YOUR ROLE	President	
LEADERSHIP STRUCTURE	4 Layers: Executive Team	
# OF COMPANIES HERE	900,000	
CONSTRAINT		
PRODUCT	Product too many features & overwhelms customers.	Survey. Prune. Improve thru deletion. Pruned items can become cross-sells.
MARKETING	Broader creative brings in lower quality leads and <u>dilutes the brand</u> . CAC goes up again because.	Grow brand with standardized messaging + free value + big positive brand associations.
SALES	Closing efficiency on premium product drops.	Route best leads to best closers (front end & ascensions). Automated metrics tracking.
CUSTOMER SERVICE	Multiple customer journeys conflict or poorly timed with one another.	Create proactive recommendations to cross-sell other stuff and a blended customer journey.
INFORMATION TECH (IT)	Departments outgrow general software and need specific solutions. Too many internal inquiries. No inquiry process. Departmental policies.	Get specialized stack for departments. Internal inquiry process. Staff up if needed. Create departmental policies and service level agreements.
RECRUITING	Recruiters hold inconsistent standards and culture suffers. Wrong candidates get too far in the process.	Standardized selection process for all incoming talent. Founder final check.
HUMAN RESOURCES (HR)	So many new and existing employees, performance suffers. Compliance issues and complaints skyrocket	Setup Group Onboarding (software). Documented Performance Management Systems. Insurance (EPLI). Reinforce cultural values.
FINANCE	You're still paying retail for everything (and getting overcharged.) Cash is unprotected & getting 0% returns.	Re-negotiate rates on everything. Cash to yield accs. Specialize finance roles (especially tax mitigation). Internal financial audits cadence.
Bottom line	No one is good enough to know everything.	Create dedicated people and teams for specific tasks.

YOUR STAGE



THIS VIDEO PROVIDES AN
IN-DEPTH LOOK AT THE CONSTRAINTS
& SOLUTIONS AT **STAGE 8**



YOUR ROLE

PRESIDENT



HEADCOUNT

100 to 249



BOTTOM LINE

No one is good enough to know everything



GRADUATE BY

Create dedicated people and teams for specific tasks

WHEN YOU HIT “STAGE 8: SPECIALIZE”

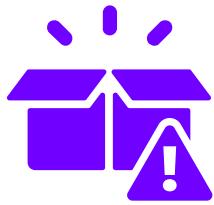
AT THIS STAGE, YOUR COMPANY IS GETTING PRETTY BIG—YOU HAVE BETWEEN 100 AND 249 EMPLOYEES.

Only about 900,000 companies in the US reach this size. You're now a President with four layers of management under you. The main challenge at this stage is that no one person can be good at everything anymore – you need specialists.

LET ME BREAK DOWN WHAT'S HAPPENING IN EACH AREA:

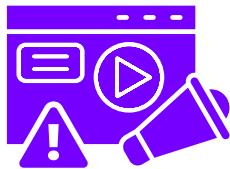
- Product Problems
- Marketing Problems
- Sales Problems
- Customer Service Problems
- Tech Problems
- Recruiting Problems
- HR Problems
- Money Problems





Products Problems

Your product has become like a Swiss Army knife with too many features - it's confusing customers. Imagine a TV remote with 100 buttons when most people only use 10 of them. The solution is to survey customers to find out what features they actually use, remove the ones they don't, and maybe turn some removed features into separate products you can sell separately. It's like turning that complicated remote into two simpler ones.



Marketing Problems

Your advertising isn't working as well as it used to, and it's getting more expensive to get customers. It's like shouting in a crowded room - nobody pays attention anymore because there's too much noise. The fix is to focus on building your brand (like Nike or Apple) instead of just selling products. This means:

- Creating a clear, simple message about who you are
- Giving away valuable free stuff to build trust
- Getting associated with other trusted brands or people



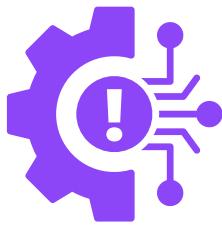
Sales Problems

Your best salespeople aren't closing as many deals as they used to. The fix is to send your best leads to your best closers and use automatic tracking to measure everything. Think of it like a restaurant sending its most experienced waiters to handle the biggest parties and most important customers.



Customer Service Problems

Different types of customers are getting conflicting information and having confusing experiences. Imagine going to a restaurant where one waiter tells you something costs \$10 and another says it's \$20. The solution is to create one clear path for customers who buy multiple products and make smart recommendations about what else they might want to buy.



Tech Problems

Different departments need different software, and everyone is asking IT for help but there's no system for handling requests. It's like having one handyman trying to fix everyone's problems in a big apartment building with no way to organize who needs what. The fix is to:

- Get specialized software for each department
- Create a system for making IT requests
- Hire more IT people if needed
- Create clear rules about what IT will and won't do



Recruiting Problems

Your recruiters aren't consistent about who they hire, and this is hurting your company culture. It's like having different doormen at a club who each let in different types of people. The solution is to create one standard process for selecting new employees and have the founder do a final check on important hires to make sure they're right for the company.



HR Problems

With so many employees, performance is suffering and people are starting to complain more. The fix is to:

- Get software to help train groups of new employees
- Create clear systems for managing performance
- Get insurance to protect against lawsuits
- Keep reinforcing what your company believes in



Money Problems

You're paying full price for everything and not making any money on your spare cash. It's like paying retail prices at stores when you could be getting wholesale discounts. The solution is to:

- Renegotiate prices with everyone who sells to you
- Put extra cash in accounts that earn interest
- Get specialists to handle different money tasks (especially taxes)
- Do regular internal audits to make sure no money is being wasted

THE BIG PICTURE

At Stage 8, the main challenge is that being a "jack of all trades" doesn't work anymore. You need specialists—people who are really good at specific things. Think about a hospital:

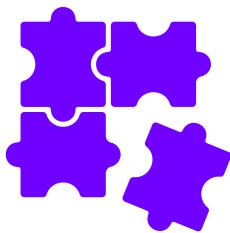
- You don't want a general doctor doing heart surgery
- You want a heart specialist
- And you want that heart specialist to focus only on hearts, not try to do everything

This is true for every part of your business:

- Some salespeople should only sell certain products
- Some customer service people should only handle certain types of customers
- Some tech people should only handle certain types of software
- Some finance people should only handle certain types of money tasks

THE BOTTOM LINE

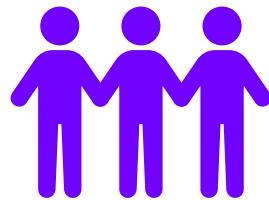
YOUR MAIN JOB AT THIS STAGE IS TO CREATE DEDICATED TEAMS OF SPECIALISTS. NO MORE “EVERYONE DOES EVERYTHING.” EACH PERSON NEEDS TO FOCUS ON WHAT THEY’RE BEST AT. THIS MEANS:



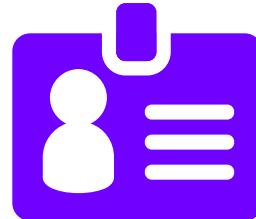
BREAKING BIG JOBS
INTO SMALLER,
SPECIALIZED PIECES



FINDING PEOPLE WHO
ARE REALLY GOOD AT
THOSE SPECIFIC PIECES



CREATING SYSTEMS TO
HELP THESE SPECIALISTS
WORK TOGETHER



MAKING SURE
EVERYONE KNOWS
THEIR SPECIFIC ROLE

This is why this stage is called “Specialize”—it’s all about getting really good at specific things instead of trying to be okay at everything. It’s like turning your company from a high school (where teachers teach multiple subjects) into a university (where professors specialize in one specific thing).

After you get the right specialists in the right roles, you can move to the next stage. This hyper specialization is what can create outsized returns to capitalize on with your next big growth bet.

DO YOU WANT TO SCALE TO THE NEXT STEP?



Two words: Organized Chaos. Your business has become larger than most but everything feels disorganized & your systems are bursting at the seams. You have to triage appropriately. If you want the help of people who have done this (We have 4 portfolio companies each worth in excess of \$100M), you can see how we do this at a Scaling Workshop.



Check Dates