

Drive your Business!!

Become a more efficient, business oriented and successful leader







- Intro
- Where do you stand?
- Financials
- Planning
- Operations
- Be a multiplier

Who am I?

Now: CTO @Metacore

Past: senior management at <u>Delivery Hero</u>, <u>N26</u> and <u>Zalando</u>

Long time ago: Co-founder of a company [Untile]

Started as: Consultant and Teacher

Failed game developer converted to a business tech leader





A business doesn't need a mission, a vision, a guiding light, or a north star to stay in business. It doesn't need AI or this framework or that tech stack. It doesn't need an investor, a board, or the backing of X, Y, or Z.

It just needs to make more than it spends.

10:26 PM · Mar 12, 2024 · **67.7K** Views

Your ability to **focus and drive business outcomes** will determine
your success as a leader in Tech.



"You do not rise to the level of your goals. You fall to the level of your systems."

by <u>James Clear</u> author of <u>Atomic</u> <u>Habits</u>



Key Lessons



Understand the business and it's goals

You need to be able to talk about and understand all business of your company



Measure your impact

Assess ROI, cost-benefit analysis, and revenue generation opportunities



Cross Collaboration

Do not be stuck in silos and have everyone collaborating and defining common goals everyone wants to achieve

[#Planning]



Make it visible and improve

Use quantitative and qualitative data to show the impact will bring sense of accomplishment and all will care

[#Business]

[#Financial]

[#Operational]





Ask questions to learn more

How does the business work? Where does the money come from? Where does the money go? How much money do you have in the bank? What needs to be true in the next year for the business to make a step function increase in value? What are the knowledge gaps between folks in engineering and folks operating the business?

"Your first 90 days as CTO or VP Engineering." by Will Larson

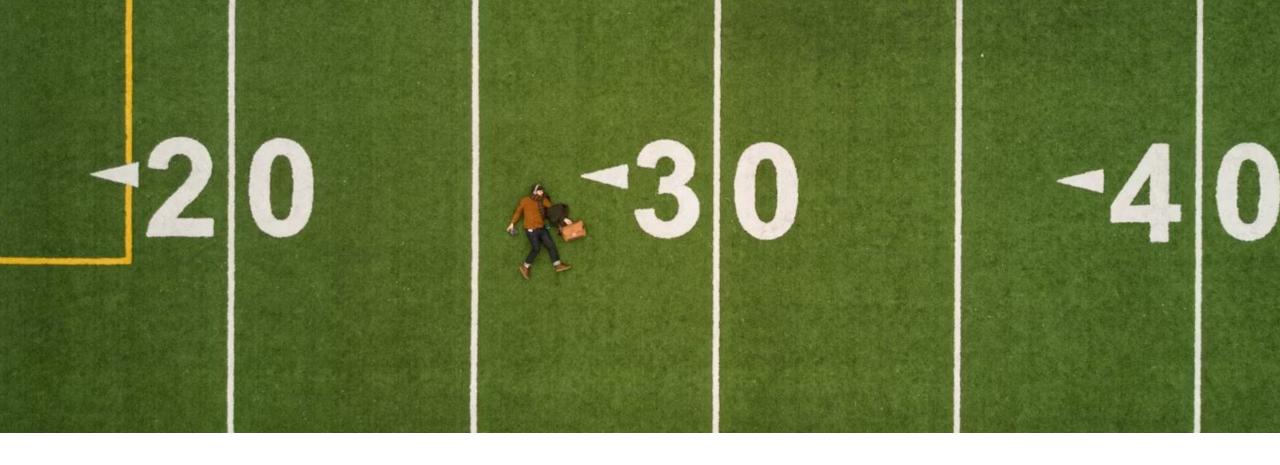
Example Cash Flow Statement Outline

Let's assume we're modeling cash flows on a monthly basis.

The Net Cash Flow reflects the amount of cash remaining after all expenses are paid.

Cash Flow Statement (Monthly)

	Jan				
Cash Inflows					
Product Sales Revenue	\$300,000				
Subscription Fees	\$20,000				
Advertising Revenue	\$5,000				
Affiliate Revenue	\$2,500				
Bulk/Wholesale Sales	\$10,000				
Total Cash Inflow	\$337,500				
Cash Outflows					
Cost of Goods Sold (COGS)	\$150,000				
Logistics & Shipping Costs	\$25,000				
Marketing & Advertising	\$30,000				
Technology & Platform Costs	\$10,000				
Operational Expenses	\$50,000				
Payment Processing Fees	\$5,500				
Total Cash Outflows	\$270,500				
Net Cash Flow	\$67,000				



The rule of 40

Rule of 40 = Growth Rate + Profit Margin ≥ 40%

Rule of $40 = (revenue) + (EBITDA) \ge 40\%$



Cost of your infrastructure is correlated to your business



Business & Productivity

Teams own the business







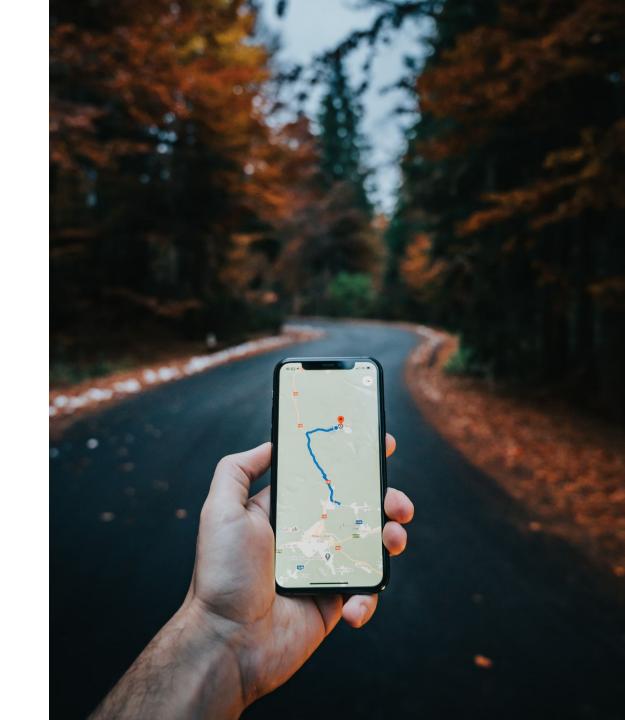
Are you
delivering what
customers want
and are you
doing it
efficiently?



Aligned with the business

OKRs is a common framework But whatever you have you need to ensure that your Tech strategy is aligned with the expected business outcomes and profitability goals

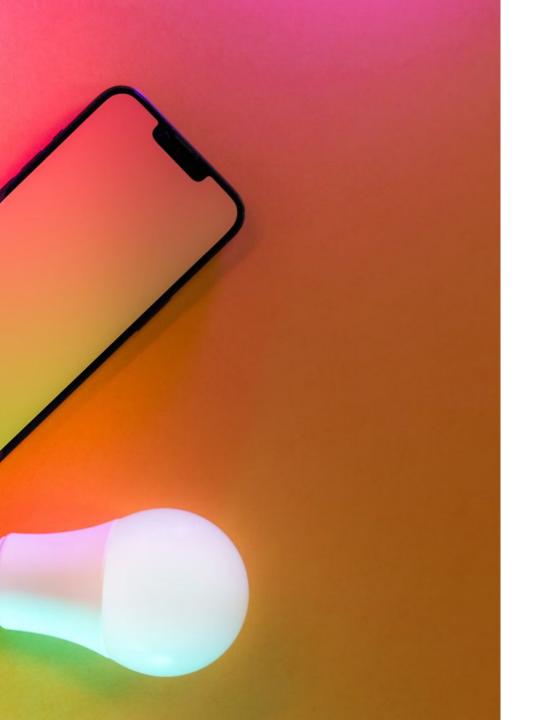
know where to go



Ensuring Alignment

2 3 4 5 8 9 10 11 12 13 14 15





Start ManualThink Automation

Question	State	Category	Points	Current Score
Can you visualize the global business results accurately?	Yes	Business	10	10
You collect customer feedback and this directly influence feature development?	Yes	Business	10	10
Are you measuring metrics that matter and benchmarking it to continuously improve?	Yes	Business	50	50
Are you measuring the impact of each feature in the customer lifecycle?	Yes	Business	10	10
Can you list the major business metrics you have full ownership of?	Yes	Financial	10	10
Do you have a P&L or budget sheet / visualisation?	Yes	Financial	10	10
Are you measuring your direct business impact?	Yes	Financial	20	20
Are you a profitable business?	Yes	Financial	100	100
Are the goals / objectives of your organization / team fully aligned with the company business goals?	Yes	Planning	10	10
Do you continuously review if the company goals are being met and share lessons learned?	Yes	Planning	10	10
Do you use a framework or tool that allows alignment and clear prioritization?	Yes	Planning	10	10
Do you manage to allocate resources and capacity to maximize impact and efficiency?	Yes	Planning	10	10
Do you have a regular Business Operational Review?	Yes	Operational	10	10
Do you realtime monitor all your business metrics?	Yes	Operational	10	10
Do you track and tackle your Business Tech Debt?	Yes	Operational	10	10
Do you have the ability to change and react when your business needs?	Yes	Operational	10	10
		Total	300	300





https://t.ly/lAA6b



Ensure it's not just you but a ripple effect in all Organization! [#spreadtheword]



Learn the Business

Benchmark your goals

Influence the result

Before I go...

- What is your business score?
 Checklist to have a full understanding of your business and your impact
- Build a system that enables you
 A system and not the people
- Better understanding on how you influence and impact the business.
 Develop your internal framework that reflects all your business impact and that you can base your decisions on metrics.
- You biWeekly or monthly financial update. You can write and/or automate the best version of your financial update

• You weekly or biWeekly Ops Review.
review continuously your tech operations
and what you have learned

- Manage your business tech debt. Manage your tech debt and ensure your business understands it.
- Use tools that support your system. You can start with a simple spreadsheet but there are tools that support his like LinearB and Swarmia
- Track your Tech Business Score. This is the process and system that enables you.



and don't forget...

Get the basics right!!





Resources

Links and Articles

https://lethain.com/first-ninety-days-cto-vpe/

https://linearb.io/resources/engineering-benchmarks

https://www.cloudshare.com/blog/measuring-success-across-t he-customer-lifecycle/

https://dovetail.com/customer-research/benefits-of-customer-teedback/

https://canny.io/blog/customer-feedback-in-product-development/

https://www.apptio.com/blog/business-metrics-smarter-way-communicate-business-value-cloud/

https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/how-do-you-measure-success-in-digital-five-metrics-for-ceos

https://www.forbes.com/councils/forbestechcouncil/2022/06/ 1//why-ctos-should-have-a-cash-flow-management-plan/

https://venturebeat.com/enterprise-analytics/how-ctos-can-win-over-the-board-room/

https://www.saasacademy.com/blog/rule-of-40

https://leaddev.com/team/how-business-alignment-works-high-performing-engineering-teams

https://www.linkedin.com/pulse/understanding-importance-regularly-reviewing-your-gavin-bottrell/

https://quantive.com/resources/articles/organizational-alignment

https://www.sharpcloud.com/blog/strategic-prioritization-thekey-to-achieving-organizational-success

"https://nextrevservices.com/power-of-operational-review-and-improvement/"

https://fellow.app/meeting-templates/weekly-technology-operations-review-template

https://digitaldefynd.com/IO/cto-knis-every-chief-technology-o

Books:

Atomic Habits by James Clear

Team Topologies

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