



Truly

**The Startup  
Guide to  
Growth  
Hacking**

# **Thank you for downloading this guide!**

The goal of this guide is to get you started with growth hacking. You can be an entrepreneur, CEO or a part of any function of a company. Whatever your role is, you can implement something useful in your work routines by using the growth hacking methodology.

Growth hacking is a tool for systematic problem solving. You can use it in your work or everyday life by creating a more systematic approach to helping to reach your goals.

We've used the core methodology presented in this guide with each and every one of our startup clients for years. It's easy to get started, give it a go, it can be the best decision you make!

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# Systematic problem solving

The goal of growth hacking is to use a systematic testing process to solve business problems and to achieve objectives via learning experiences.

A systematic testing process focuses on creating tests related to achieving important goals. Testing is done through an agreed-upon cycle, and the analysis made on focuses on creating learnings.

Growth hacking is a tool independent of silos, and can be used to increase efficiency in any function of a company, in any scale or lifecycle stage the company might be in.

## The main terminology

### **Systematic**

Operations are formed into a repeatable routine.

### **Testing**

the focus lies in testing, so we embrace the fact that we do not know the end result when we start.

### **Process**

A routine is created by continuously going through all the stages of a process.

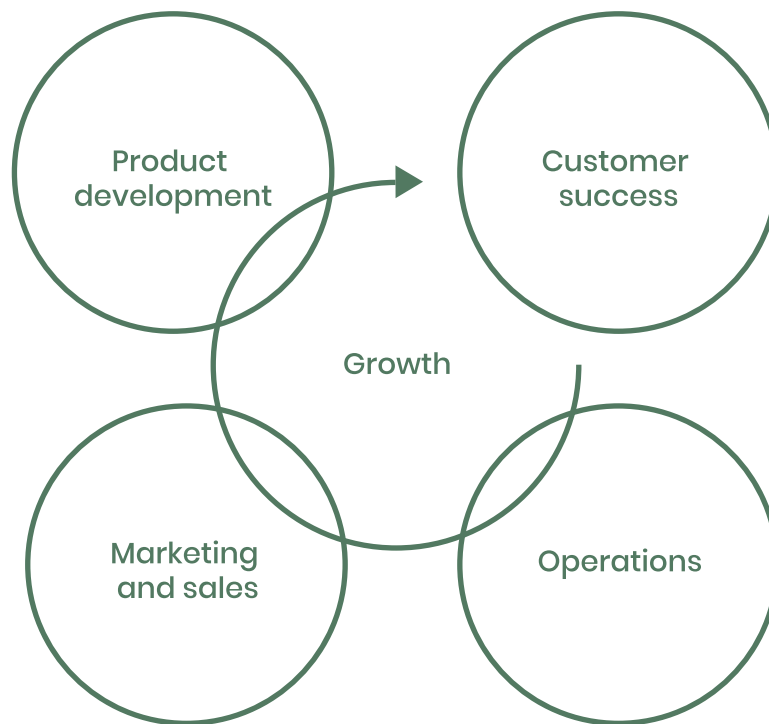
### **Problem-solving**

Focused and systematic testing striving towards a predetermined objective.

### **Learning experience**

Test results are seen as valuable learning experiences. Also failed tests are opportunities for learning.

# Embedding growth hacking into a startup organisation



Many companies have their growth department stuck within the marketing department. However, all business growth challenges cannot be solved by marketing alone. Complete and effective growth work requires all departments to participate in data collection and testing.

Make growth (hacking) its own department. In the best case scenario, you'll have the testing culture spread out over the entire company. Self-guided units improving on their own operations based on data are an immensely valuable power source as the company grows.

# The basic growth hacking process

The basic growth hacking process consists of 4 phases. Focus on every stage of the process and repeat all of them in every testing cycle (a week or two weeks). Focus on the testing routine – achieving results always takes some time.

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## Testing

Implement the chosen hypothesis as a test. Try to choose a hypothesis that you can test within the agreed-upon testing cycle.

## Analysis

Analyze the starting situation or the learning experience from the previous testing cycle.

1

## Key performance indicator (KPI)

Choose a key performance indicator (KPI), a target value for the growth hacking process to strive for and to measure. Targets might include revenue, website traffic, sales calls, or customer satisfaction.

3

## Prioritisation

Prioritise the hypotheses based on success likelihood, resource-intensity (money and/or time), and scalability.

## Hypothesis

Make 1-3 hypotheses to improve the KPI based on data analysis or interviews.

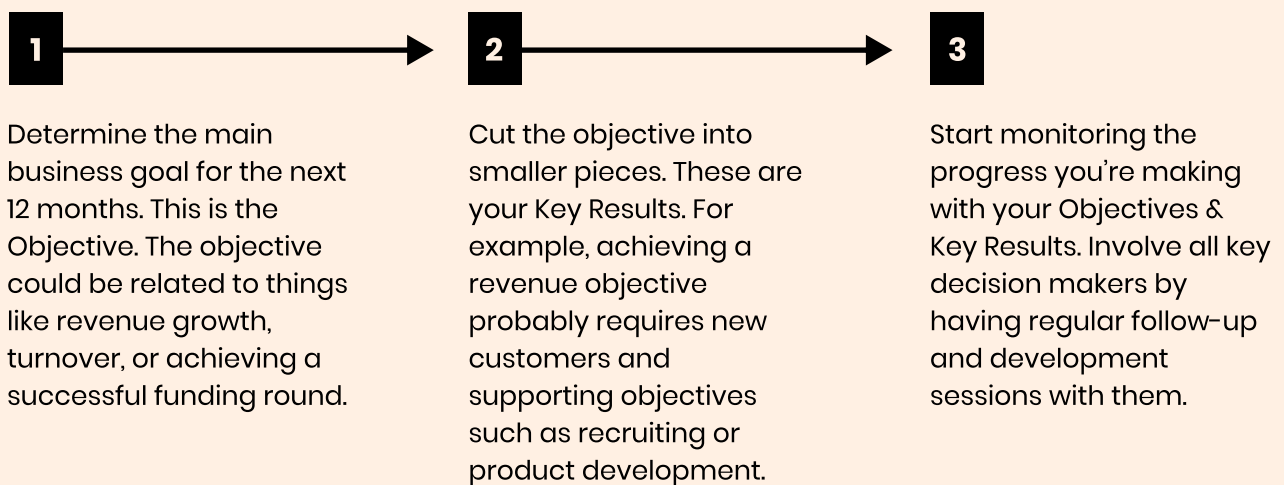
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# Working with OKR's

As the name implies, growth hacking often focuses on getting quick business wins. But looking beyond that, we see it as a natural part of developing the business core numbers with a continuous testing culture.

OKR's (Objectives and Key Results) is a great way of making growth hacking a part of your company's core business operations. The efficient use of OKR's requires practice. Here's an easy way to implement OKR's in your own job or organization.

## Quick-start with OKRs:



# Monitoring your progress

Monitoring your OKR's is pretty simple. Use the four-phase growth hacking process to help solve problems related to your objectives ("how to turn red into green?") or achieving goals ("can we double this 100 contact goal of yours?"). Assign a Growth Lead whose role is to organise the process, data collection and task management. The process of organising your growth efforts could look like this:

- 1. A light-weight weekly update to the entire company via group chat or email.**
- 2. A weekly meeting with every department head or team lead.**
- 3. A monthly meeting with the entire company to go through each theme and progress in them.**
- 4. Practical work on the problem points (implementing the testing process).**



# AAARRR: The Pirate Metrics framework

If your goal is to achieve sustainable growth, it's important to transition to a long-term perspective on development. Real growth rarely happens overnight. Revenue, often used as the main objective, consists of multiple parts of a business: departments, people, functions. The larger the business, the more complex all of this gets.

The role of a growth hacker is to find the most relevant bottleneck in the whole business at that moment in time, to solve it with the four-phase process, and to move on to the next one.

One of the models we use for developing our long-term perspective is the AAARRR model, or "pirate metrics". It is an acronym of the words Awareness (reach or visibility), Acquisition, Activation, Revenue, Retention, and Referral.

Pirate metrics is a way to visualize your customer lifecycle. The model can be visualized in a funnel, linearly, or as a graph – whatever allows you to identify patterns. Start by drawing the AAARRR visualization step by step with the help of customer interviews. You will likely find plenty of things to improve during the exercise.

# The steps in the AAARRR model

## 1. Awareness

The volume of people you reach is vital. Getting people to visit your website or become aware of your product or service is the first real step in the customer lifecycle.

Increasing awareness is a tactic that is used to reach out to relevant people, and ultimately move them through your marketing funnel. Awareness should aim to build up the brand and introduce you to the market. It can be difficult to track, especially for businesses that aren't in the digital marketing realm, but it's a very important part of the growth equation.

In order to see how your awareness is developing, you want to track things like ad impressions, website visits and google searches made with your brand name.

## 2. Acquisition

Acquisition can be seen as the "gather customer personas" stage. This step gathers information from your leads that include demographic details such as names, emails or geographical locations.

This information can be acquired once a user is properly identified through interactions with your ads or website. Getting a potential customer to provide their email address by signing up to your mailing list or downloading something is a commonly used tactic.

The information gathered in this step of the funnel allows marketing specialists to craft ideal customer personas. These personas let brands know how they should be positioned in the market.

## 3. Activation

Your brand is offering up a solution to a customer's problem or need. Activation happens when a customer signs up to try your service or makes their first product purchase.

For example: A consumer requires a skincare product that treats dry skin. Your beauty brand has released a dry skin product. Through an ad campaign, the consumer finds your website, views the different types of dry skin products you have, and adds items to their cart with a promo code you've displayed via a popup for a 10% discount. Your solution and the consumer's needs match up, and they're engaging. That's activation.

If you have a digital business, you should be closely following your activation rates by tracking event actions on your website or app.



#### 4. Retention

As a business, you want to keep your customers engaged and happy. Acquiring a single brand new customer is several times more expensive than keeping an existing one. It's pricey to bring in new customers.

Retaining customers is the most inexpensive but vital part of the retention step. The best way to keep your customers usually involves gathering and constantly analysing their feedback. It's also important to keep them engaged by communicating about new products, events, and time-restricted sales or features. Keeping your social media and blog content updated is also one tool for keeping your retention rates healthy.

#### 5. Referral

Getting your customers to act as brand ambassadors and refer your product or service to other potential customers can be massively beneficial to your business. It's cost-effective marketing and also living proof that you've established your brand presence in a tangible and respectable way.

Customers are a lot more likely to purchase from brands or businesses that their friends and family recommend. You can encourage word-of-mouth and referrals by encouraging customers who have had very positive experiences with your brand. Talk to your brand ambassadors through referral programs or social media campaigns. Contests are also popular in many cases as well. Who doesn't like a challenge?

#### 6. Revenue

Revenue is the money that remains after the customer acquisition costs (CAC). CAC is defined by the money you've spent on advertising, sales, and any other relevant costs used to get customers. CAC is compared to your customers lifetime value (LTV) to determine what needs to change in order to build revenue and grow the business going forward.

#### **Ideally, the ratio of CAC to LTV should be around 1:3.**

There are a number of ways to increase a brand's LTV and lessen their CAC. Understanding how customers are moving through the AAARRR funnel and detailing each step for improvements is a good start. Looking at pricing and how it aligns with the target customer base is another way to improve that ratio.

# Establishing a testing routine

Maintaining routines is naturally challenging for people. Documentation as a part of the testing cycle is a good way to ensure a systematic approach.

You can document your tests in a way that best suits you. It is crucial to put effort in all four phases of the process when documenting testing: analysis both before and after a test (learning experience), forming different hypotheses, prioritization, and the test itself.

Documentation helps us go through all the phases properly.

Always make sure the tests you create can be linked back to your OKR's and your main business objective. Only then can you be sure you're on track to uncover valuable, business-changing learning experiences.

# **Time management (not micromanagement)**

In addition to documenting tests, we recommend making a routine about tracking tasks. The four-phase process leads to some sort of end result sooner or later, sometimes even business wins, as long as all of its phases are performed during the testing cycle. Task management helps keep track of the process, and see that all the phases were performed, and especially which ones didn't. What was the time spent on doing?

Weeks of failed tests usually contain time investments that don't benefit growth hacking in any way. A good example of this are unnecessary meetings and tasks that have nothing to do with testing. Making these transparent helps you prioritize the way you use time.

The heightened transparency on how time is spent can also be very valuable when making future recruiting decisions.

# Creating transparency through communication

Growth hacking focuses on testing. Aimed at uncovering what's hidden, it means the end result not known beforehand. It's pretty common that the your tests do not show positive progress for weeks or months.

It's actually more common that the first weeks are spent on learning the new process and on solving internal bottlenecks, such as a surprising lack of resources.

Uncertainty and "vague testing" quickly lead to questioning the entire growth hacking process, by both the growth hacker and the rest of the company. **The feeling of uncertainty felt by all parties can be eased by overcommunicating everything that's happening with the growth hacking effort.**

Make reporting of the testing cycle a part of the growth hacking routine immediately. Communicate details on the testing via email or group communications to everyone who's interested in hearing them.

## Example: A weekly report

It's recommended to include the following parts in your growth hacking reports:

1. **Progress towards the goals**
2. **The latest things done**
3. **The latest learning experiences**
4. **What comes next and who is responsible**

Weekly report example:

Monthly sales objective **14 000€ / 20 000€**

Last week we made **4 000€** of sales instead of the usual **3 000€**, which means we are likely to reach the sales objective this month.

Last week we expanded our **LinkedIn advertising** structure to a new market, which led to new sales. Based on this we have learned that the message that works in the UK, combined with the same audience, also works in Germany.

This week we are testing the working message + audience combination in **cold calls** as well. The head of sales is responsible for this test. The objective is to call **20 prospects**, and analyze the results next week to see if the combination can be scaled to be used by sales as well.

# Most common growth hacking pitfalls

The growth hacking process is very simple and makes sense, but beneficial, routine-based processes are usually the most difficult ones to the human nature.

Most people know that it pays off to exercise and how to eat in a healthy way, yet many need personal trainers and nutritional therapists to do so. That is why it is natural that the first weeks or months of growth hacking do not seem to lead anywhere. Here are the most common pitfalls listed:

## **Main objective is missing**

The growth hacking effort is not linked to the business goal, but is instead confined to a less meaningful silo (often marketing), and has no connection to business development. A critical mandate is missing, so the growth hacker has no ability to make decisions in order to solve bottlenecks.



## **The basic process phases are forgotten or not done properly**

Working with the basic core process thoroughly over and over again allows you to learn something new every week.

## **Tests are not finished**

For some reason tests are left unfinished or undone. The most common reason for this is the lack of courage, the fear of an unwanted end result, or challenges with time management.

## **Not enough risks are taken in testing**

Tests are meaningless in terms of learning, if they are too small. The fear of failure and the lack of mandate typically lead to a situation where tests focus on small, insignificant things.

## **Internal communications are lacking**

Testing-centric growth hacking easily causes internal problems and mistrust if not overcommunicated. Routinely reporting on the testing done and your results solves the majority of these issues before they become problems.

## **Lack of patience**

Carefully designed and thought-out tests and following every phase of the basic process leads to valuable learning experiences sooner or later. The first weeks are likely to be spent on learning the process and the routine, meaning that reaching actual results could take weeks or months. **Be patient.**

## **Lack of ownership**

Every task, test, and growth hacked item always has to have an owner – it's the only way to make sure it gets done.



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