

The Expansion Revolution

How One CRM Vendor Unlocked \$1.66M in ARR in 90-Days Without Relying on Net-New Sales

LTV:MAX 

Welcome!

I'm Lincoln Murphy, and I help companies **turn expansion into a predictable, scalable revenue engine**—not a reactive afterthought.

With my **LTV:Max Framework**, I've helped SaaS companies unlock **millions in expansion revenue** by engineering growth **around customer progress** instead of relying solely on net-new sales.

I'll help you:

- ✓ **Build expansion into your customer journey from Day 1**
- ✓ **Turn expansion into a repeatable system**
- ✓ **Maximize customer lifetime value without friction**

Expansion isn't a nice-to-have—it's the difference between scaling and stagnating.

If you're done watching competitors outgrow you while your team grinds for net-new, **let's change that now.**

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Your Expansion Strategy Is Costing You Millions

Most SaaS companies leave millions in expansion revenue on the table because they treat expansion as an afterthought—something that happens only if customers “see enough value.” The reality? Expansion isn’t slow. It’s just broken.

If your upsells feel like a grind—or worse, they don’t happen at all—it’s because your expansion model is built around arbitrary tiers, bundled features, and outdated sales tactics.

There’s a better way.

VVR & Orchestration

Expansion happens when a customer reaches a natural inflection point—when an upgrade becomes necessary and the value of doing so is undeniable. We call this the **Velocity of Value Recognition (VVR)**: the speed at which a customer perceives and realizes value from your product. Aligning your expansion strategy with VVR unlocks revenue faster, without discounting or forcing your CSMs to “sell” upsells.

This article demonstrates how a structured, milestone-driven expansion model can triple subscription revenue and unlock scalable consumption-based growth. And if you’re ready to implement this “secret sauce,” let’s talk.

Reach out to me directly— lincoln@ltvmax.com—this isn’t just theory, it’s a proven strategy for high-value, expansion-ready customers.

This Might NOT Be for YOU

If you're okay leaving millions in **revenue and valuation** on the table while competitors engineer expansion into their model—**this isn't for you.**

But if you **know** expansion is key to growth—you just haven't been able to figure out how to scale it yet—then what follows will change the way you think about revenue growth.

FOREVER.

A Note on Traditional SaaS Pricing

Most SaaS pricing models **kill expansion before it even starts**—not because customers don't want to buy more, but because the structure **makes growth feel unnatural**.

Common Pricing Mistakes That Block Expansion

- **Overstuffed Initial Sales** – Customers are forced to buy **everything upfront**, including features they don't yet need. This kills upsell potential because they've already “bought everything.” Adoption lags, and instead of expanding, customers feel like they're overpaying.
- **Arbitrary Tiered Pricing** – Instead of guiding customers through a **logical growth path**, tiers force them into **predefined buckets** that don't align with their actual needs. Expansion isn't tied to progress—it's tied to artificial limits.

Overstuffed Initial Sales Devalue Features

If your customers feel like they're overpaying from Day 0, why would they ever want to expand?

Traditional models create **friction, hesitation, and lost revenue** because customers:

- **Perceive unused features as waste.**
- **Feel upsells are forced rather than earned.**
- **Struggle to justify additional investment.**

Stop Selling—Start Engineering Expansion.

Instead of making customers feel like they're **paying for what they don't use**, your pricing should **pull them forward naturally**—rewarding progress and making expansion **feel inevitable**.

- **Strategically unbundle your offerings.**
- **Trigger expansion on customer progress and value realization.**
- **Make every upsell feel like an investment in scaling, not an expense.**

The problem isn't that customers won't expand—it's that **most companies don't engineer expansion into the journey.**

Introducing Expansion Milestones

Expansion Milestones are the critical moments in a customer’s journey when an upgrade isn’t just an option—it’s a natural next step. Unlike traditional upsells that feel forced, these milestones coincide with genuine progress.

They’re designed to reflect the moments when a customer’s experience with your product transitions from “good enough” to “I need more” because their business is growing.

Three Steps to a Robust Expansion Strategy

01 Inventory Expansion Opportunities

02 Identify & Value Expansion Milestones

03 Orchestrate & Execute Expansion Motion

Case Study:

**How
Engineering
Expansion
Transformed a
CRM
Company's
Growth**

The Situation

A mid-market CRM vendor had long depended on net-new sales to drive growth. As acquisition costs increased and pipeline velocity slowed, it became evident that net-new sales alone couldn't sustain the company's growth. The breakthrough came when the vendor shifted focus to existing, expansion-ready customers by unbundling key features and structuring expansion around natural milestones.

The Opportunity

Existing customers were already reaching key moments in their journey where an upgrade was not just beneficial, but essential. Without a systematic process, this revenue was lost. By leveraging the **LTV:Max Framework**—our secret sauce—you can capture these natural progress milestones as predictable revenue drivers.

Step 1: Inventory Expansion Opportunities

Map out everything your customers can buy beyond the base product. For our mid-market CRM case study, we considered:

- **Licenses & Seats:** Adding more users.
- **Feature Upgrades:** Transitioning from a Power Dialer to a Predictive Dialer.
- **Add-ons:** Integrating an AI Call Assistant.
- **Consumption-Based Pricing:** Such as AI minutes.

CRM Expansion Inventory

For the CRM Case Study we're going to go over, this is the Inventory of plans and add-ons we have to sell customers.

- **Professional Plan:** \$99/user/mo (Includes Power Dialer)
- **Enterprise Plan:** \$139/user/mo (Includes Predictive Dialer)
- **AI Call Assistant:** \$50/mo + \$0.02 per minute

Step 2: Identify & Value Expansion Milestones

Once you've cataloged these opportunities, you need to pinpoint the moments when customers naturally require these upgrades.

In our case study, we focused on a customer who originally signed up on the Professional Plan with three users.

Customer Ascension Path

Expansion as Progress

CRM Customer Ascension Path

Each of these Expansion Milestones directly contributes to a compounding revenue increase—from \$297 MRR at kickoff to \$1,666 MRR within 90 days.

Milestone #3: Scaling the Sales Team

3 Seats for new AEs + AI credits consumption
(\$813 MRR increase)



Milestone #2: Call Admin Work Becomes a Bottleneck

Add AI Call Assistant to reduce post-call admin work
(\$436 MRR increase)



Milestone #1: Closed 25 Deals

Upgrade to Enterprise Plan for Power Dialer access
(\$120 MRR increase)



Day 0: Kickoff

Initial engagement with 3 Seats on the Professional Plan
(\$297 MRR to start)



The Expansion Milestones in Action

Expansion isn't something you push—it's **something customers pull toward** when designed correctly. Each milestone is both a revenue trigger and a moment of **undeniable progress**.

Here's how expansion unfolds predictably:

- **Milestone 1** drives a **\$120/month** uplift.
- **Milestone 2** adds **\$436/month** as efficiency unlocks new bottlenecks.
- **Milestone 3** contributes **\$813/month** as scale demands additional investment.

Each of these increases—some exponential—aligns perfectly with how the customer's **needs evolve over time**. The more value they realize, the more they naturally invest.

- This isn't "selling" to customers. It's engineering their next logical step.
- When expansion is designed correctly, it's simply progress.

Companies that get this right don't "pitch" upgrades—they create an environment where **expansion happens automatically** because it's built into the experience.

Let's dig in.

Expansion Milestone #1: Closed 25 Deals

- **Timeline: Reached:** ~30 days.
- **Signal:** Tactical—reps are maximizing the use of the Power Dialer.
- **Opportunity:** Upgrade to the Enterprise Plan.
- **Value:** \$40/user increase (from \$99 to \$139), adding +\$120/month overall (increasing monthly spend from \$297 to \$417).

Expansion Milestone #2: Post-Call CRM Update Time Exceeded 10% of Reps' Day

- **Timeline:** Reached ~60 days.
- **Signal:** Operational—manual processes are slowing down productivity.
- **Opportunity:** Add an AI Call Assistant.
- **Value:** Calculated at roughly \$436/month (based on \$50/mo plus \$396 in usage), boosting monthly spend from \$417 to \$853.

Usage is based on 5 hours or 300 minutes/day/AE calculated on a 22-day month, or \$132/mo per AE.

Expansion Milestone #3: Added 3 New Reps

- **Timeline:** Reached ~90 days.
- **Signal:** Operational—improved efficiency and results drive further scaling.
- **Opportunity:** Add three seats on the Enterprise Plan.
- **Value:** \$813/month increase (combining subscription and AI call assist usage), raising monthly spend from \$853 to \$1,666.

By structuring these milestones, expansion is transformed from a slow, incremental, and random event into a fast, predictable, and exponential growth lever.

The Case Study

Impact: Expansion

Changes the Entire

Business

The impact of this structured expansion strategy wasn't just more revenue—it fundamentally **changed how the company operated, how investors valued it, and how customers engaged with the product.**



1. Expansion Revenue Became Predictable and Scalable

- Within just **nine months**, the company generated an additional **\$1.66M in ARR from expansion alone**—without factoring in net-new sales.
- Expansion milestones were no longer reactive; they were **engineered into the customer journey, making upsells feel like a natural next step.**

Cohort Analysis: 3 Quarters of Expansion

We analyzed three cohorts of mid-market CRM customers—those who are active, value-centric, and poised for growth—to demonstrate how a VVR-driven expansion model unlocks revenue.

Below is the detailed table:

Cohort	Customers with Expansion Potential	Q2 Starting Revenue (\$297/mo)	Q2		Q3		Q4		Ending Revenue
			Customers that Expanded	Incremental Revenue Milestone 1 (+\$120)	Customers that Expanded	Incremental Revenue Milestone 2 (+\$436)	Customers that Expanded	Incremental Revenue Milestone 3 (+\$813)	
Q2 Initial	125	\$37,125	111	\$13,320	79	\$34,444	49	\$39,837	\$124,726
Q3 New	77	\$22,869	69	\$8,280	49	\$21,364	0	—	\$52,513
Q4 New	212	\$62,964	174	\$20,880	0	—	0	—	\$83,844
Total	414	\$122,958		\$42,480		\$55,808		\$39,837	\$261,083

Revenue Impact in Real Terms

- **Monthly Recurring Revenue (MRR) Post-Expansion: \$261,083**
- **Annualized Recurring Revenue (ARR): \$3.13M**
- **Starting ARR (if no expansion occurred): \$1.48M**
- **Net Expansion ARR: \$1.66M added in just nine months**

This analysis focuses exclusively on expansion revenue. Churn, while always a consideration, is addressed separately. Our model is predicated on the idea that customers who derive true value will stay, progress, and expand. After all, you can't expand with a customer who has churned.

2. Board and Investor Perception Shifted

- Investors prioritize **high-margin, expansion-driven revenue** because it's predictable and scalable—unlike volatile, high-CAC net-new sales.
- **Expansion revenue is higher-margin and more reliable**, making the company a stronger investment opportunity.
- This shift **increased valuation multiples**, positioning the company as a **high-growth, low-CAC SaaS business**.

3. The Company Became an Acquisition Target

- Companies with **high Net Revenue Retention (NRR)** and **strong expansion strategies command premium valuations.**
- Expansion-driven growth **reduces reliance on costly customer acquisition**, making the company a more attractive asset.

4. The Sales & GTM Motion Evolved

- **Sales cycles shortened** because reps were no longer pressured to “**stuff**” **deals upfront**—they knew expansion was built into the model.
- Expansion was no longer a **CS-led “hope-driven” initiative**—it became a **core part of the GTM motion**.
- **Customer Success transformed from a retention team into a revenue-driving function**, aligning incentives across the org.

5. Expansion Reframed the Company's Product Roadmap

- Growth was no longer limited to net-new features for acquisition—the roadmap now **prioritized expansion-first capabilities** that naturally increased customer investment.
- Instead of just chasing new logos, the company **engineered its product to fuel continuous expansion**—ensuring that every new feature became a revenue accelerator.
- Companies that **engineer expansion** into their business don't hit a 'wall' when net-new slows—they accelerate while competitors stall out.

Expansion Was No Longer an Afterthought—It Became the Growth Engine

This wasn't just a **bump in revenue**—it was a **complete shift in how the company operated, scaled, and was valued by the market.**

Expansion didn't just make them more money. It made them a **better business.**

That's how you create **unstoppable revenue growth.**

Quotes from the CRM's Customers

Sales Leader Perspective “*As a Sales Leader myself, I was blown away by how they guided us to spend 5x more—without ever feeling pressured. It wasn't about pushing upgrades; it was like they unlocked our own desire to grow. We're literally stealing this strategy.*”

Owner at Small Manufacturing Firm “*I've never seen an expansion strategy this effective. It wasn't about selling us more; it was about helping us achieve our goals. When the upsell hit, it felt like we were earning rewards for our own progress. It completely changed the way I view customer success.*”

Quotes from the CRM's Team

Founder & CEO of the CRM Company *"I was skeptical at first. Under pressure to grow, I expected just a marginal revenue boost through some simple upgrade campaigns. Instead, Lincoln and his LTV:Max Framework transformed our entire business model—changing the trajectory for both our customers and our stakeholders."*

Customer Success Manager *"I'm a CSM, not a salesperson, so I used to dread pushing upgrades. Lincoln's approach redefined expansion for me—it's about guiding customers on their journey, not forcing sales. Now, my conversations are meaningful and focused on helping our customers succeed."*

Sales Leader *"I'll admit, I was hesitant. I thought pushing for the biggest deal upfront was the only way to maximize revenue. But Lincoln convinced me otherwise. Our sales cycles are shorter, close rates are higher, and we're seeing significant expansion revenue **often within the same quarter as the initial sale**. Insane that this isn't more well-known."*

Expansion Isn't Luck— It's a System

🔥 You wouldn't ignore your net-new pipeline for three quarters—so why are you ignoring your expansion pipeline?

The **revenue is already sitting inside your customer base**—it's just waiting to be activated.

Every company says expansion is important—almost **none of them systematize it.**

If you're serious about turning expansion into a growth engine, **let's make it happen.**



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