FRACTIONAL
BY JOSH

FREE PLAYBOOK · 2026 EDITION

THE ELITE CMO PLAYBOOK

RUN YOUR BUSINESS LIKE AN ELITE CMO. BEYOND ADS.

How senior CMOs think about growth: the numbers, the ratio that decides whether you can scale, the offer, retention, channels, team, tech stack and cash. Plus how to run it all with Claude, and how to build systems your team runs without you.

$500M	$175M+	200+	2x
REVENUE FROM ADS	AD SPEND MANAGED	BRANDS	AGENCY CMO

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WHAT'S INSIDE

Twenty short chapters. Score yourself first, then jump to your two weakest areas. Chapters marked NEW are drawn from my longer playbooks on joshgowing.com.

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How to use it. Score the six areas in chapter 02. Work out your LTGP:CAC ratio in chapter 03. Then go to your two lowest-scoring areas first. Pick one priority per area, put it in a 90-day plan, and track it on the weekly scorecard in chapter 17.

00 · START HERE

ADS ARE ONE PART OF THE BUSINESS. NOT THE BUSINESS.

An elite CMO grows profit by working on six things at once: the numbers, the offer, retention, channels, the team, and the tech and cash behind it all.

This playbook is for founders who are past the early stage. Your ads work, but growth has stalled, and more spend isn't fixing it. It follows the same six-area method I use with clients at Fractional by Josh.

Most founders I meet think they have an ads problem. Usually it's one of three things underneath: the numbers don't support more spend, the offer or retention can't carry a higher cost per customer, or the team and tools can't execute the plan. Fixing the ads first just buys you the same problem at a bigger budget.

> If more than half your new revenue comes from paid ads, your business is rented, not owned.

WHAT YOU'LL GET

A score for each area of the business, the one ratio that tells you whether you can scale, and a 90-day plan.

WHAT YOU'LL NEED

12 months of revenue, margin and ad spend, plus your new vs returning customer split. An hour with your bookkeeper helps.

WHAT IT ISN'T

A media-buying manual. For that, see the platform playbooks on joshgowing.com, listed at the back.

01 · THE MINDSET

THINK LIKE A CMO, NOT A MEDIA BUYER

A media buyer asks "how do I get a cheaper lead?" A CMO asks "what makes this business more profitable, and what's in the way?"

01 **Profit over vanity.** Impressions, clicks and platform ROAS are inputs. Profit, cash and customer value are outputs. Report on outputs.

02 **Start with the numbers, not the channels.** Before touching a campaign, know what makes money, what loses money, and where the next dollar of growth is.

03 **Fix the offer before the ads.** Better targeting can't save an offer people don't want. A great offer makes every channel cheaper.

04 **The second sale is the real business.** Acquisition is expensive; retention is where margin lives. Most stalled brands have a repeat-purchase problem disguised as an ads problem.

05 **Own your demand.** Every customer you can only reach through Meta or Google is rented. Build email, organic, partnerships and brand.

06 **Cash is the constraint.** Profit is a reported number. Cash in the bank is the only thing you can spend, and growth always needs it up front.

07 **One focus per quarter.** Pick the one thing holding growth back and fix it. A 90-day plan with ten priorities has none.

08 **Be the truthful voice in the room.** The founder needs someone who says "don't hire that person" or "your pricing is too low". A yes-man CMO is expensive decoration.

09 **Get in before the decisions are made.** If strategy, budget, messaging and the offer are locked before marketing leadership is involved, the best anyone can do is optimise someone else's plan.

02 · SELF-ASSESSMENT

THE SIX-AREA HEALTH CHECK

Score each area out of 100. Anything under 50 is where you start.

AREA	THE QUESTION	HEALTHY LOOKS LIKE	WARNING SIGN	SCORE
Growth strategy	Where does the next dollar of profit come from?	A written 90-day focus everyone can repeat; LTGP:CAC known	"Grow revenue" is the strategy	
Offer & pricing	Why do customers choose you, at this price?	Clear reason to buy; profitable on the first order	Discounting to hit targets	
Retention & LTV	Do customers come back?	Cohort gross profit rising; email a top-3 revenue source	Repeat rate under 15%	
Channels beyond paid	Could you survive a bad month on Meta?	30%+ of new revenue from non-paid channels	80%+ of new revenue from paid	
Team & hiring	Does the team act without you?	Clear owners, weekly rhythm, right skills	Founder approves every ad and email	
Tech stack & cash	Can you trust your numbers and fund the plan?	One source of truth; rolling 13-week cash forecast	Dashboards disagree; cash surprises	

AVERAGE SCORE

Add the six scores and divide by six.

START WITH

Your two lowest areas. Ignore the rest for this quarter.

THRESHOLDS ARE WORKING RULES OF THUMB, NOT UNIVERSAL LAWS. BENCHMARK AGAINST YOUR OWN TREND FIRST.

03 · THE RATIO NEW

THE RATIO THAT DECIDES EVERYTHING

Before strategy, channels or creative, know one number: how much gross profit a new customer brings in, divided by what they cost to acquire.

```
LTGP:CAC = lifetime gross profit per customer ÷ cost to acquire a new customer
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Use gross profit, not revenue: revenue after product cost, shipping, payment fees and returns. Use CAC for *new* customers only: total marketing spend ÷ new customers that month. For "lifetime", use the window that fits your category (see chapter 07); for most ecommerce brands, 30 to 90 days is the honest starting point.

WHERE YOUR RATIO SHOULD SIT

UNDER 1
LOSING MONEY
Every new customer costs more than they return.

1 TO 2
FRAGILE
Works only with very lean overheads or huge volume.

2 TO 3
SCALE HERE
Healthy margin to cover overheads. Push budget.

OVER 3
UNDER-SPENDING
You're probably leaving growth on the table.

WORKED EXAMPLE · ILLUSTRATIVE

30-day gross profit of **$90** ÷ CAC of **$110** = **0.82**. Each new customer costs you $20. Ecommerce should aim to profit on the first order; a second purchase is a bonus, not a plan.

HOW THE STALL CYCLE STARTS

A small rise in acquisition cost, left unchecked, compounds into a business that can't grow:

STEP 1
CAC creeps up. $45 becomes $55.

STEP 2
Fewer new customers. Same budget, smaller haul.

STEP 3
Revenue dips. No repeat buyers to cushion it.

STEP 4
Spend goes up. Colder audiences push CAC higher. Back to step 1.

THREE COMMON MISDIAGNOSES

"It's traffic." More spend or cheaper clicks won't fix a ratio that's broken underneath.

"It's creative." New ads can't rescue poor margin or zero retention.

"It's seasonal." Rates, the economy, a soft quarter. Easy to blame, rarely the cause.

> Start from LTGP and CAC, then work backwards to find the real constraint.

FUNDING FIRST-ORDER LOSSES

Running below 1 on the first order isn't automatically fatal. It just has to be paid for by something: **returning customers** (the healthiest option), **investor capital** (needs an experienced operator at the helm) or **debt** (clouds profit visibility fast, and risky for a brand still finding its feet). Know which one you're relying on.

04 · AREA 01

GROWTH STRATEGY: START WITH THE NUMBERS

The output of this area is one page: a 90-day focus with no more than three priorities.

WHAT TO LOOK FOR

- **What makes money?** Profit by product, customer type and channel, after COGS, shipping, fees and ad spend. Not revenue.
- **What eats it?** Returns, discounts, low-margin SKUs, unprofitable channels, overheads growing faster than sales.
- **What does a customer cost and pay back?** Cost per new customer, first-order gross profit, months to payback, LTGP:CAC.
- **Where is the next dollar?** Usually: raise price, lift repeat rate, open a new channel, or fix conversion. Rarely "spend more on ads".

START WITH THE FOUNDATIONS

A clear vision is a decision-making tool. Your team makes dozens of small calls every day without you; each one should trace back to why the business exists.

QUESTIONS TO ANSWER BEFORE YOU TOUCH THE AD ACCOUNT

- What's the vision? Could every person in the business say it in three seconds?
- What is the one goal the business is working towards this year?
- What do you do better than your competitors?
- Who exactly is your ideal customer, and how are you talking to them?
- Where do your customers spend their time, and are you showing up there?
- How aware are they? Do they know they have the problem? Do they know solutions like yours exist?
- What do they need to hear to buy, versus what you want to say?
- Does your pricing lift perceived value, or undercut it?
- Is revenue per site session high enough to scale traffic profitably?
- Can you show cause and effect between what you do and the revenue that follows?

> Fix the house before you invite more guests. More traffic magnifies whatever is already there, good or bad.

HOW TO BUILD THE 90-DAY PLAN

1. List every growth idea on the table.
2. Score each on profit impact, confidence and effort.
3. Pick the top three. Give each an owner, a metric and a target date.
4. Write down what you are *not* doing this quarter. Most teams skip this.
5. Review weekly; reset every 90 days.

05 · AREA 01, CONTINUED NEW

READ THE P&L LIKE AN OPERATOR

Most P&Ls are built for the tax return, not for decisions. Ask your bookkeeper to report in this format every month so you can see exactly where margin compresses or expands.

LINE	CONTAINS
Net revenue	Gross revenue less discounts and returns, plus shipping collected
− Cost of fulfilment	Landed COGS, fulfilment and shipping, payment fees, returns
= CM2 · gross margin	What each order earns before marketing
− Marketing	Paid media, agency and creative costs
= CM3 · contribution margin	What's left to fund the team and overheads
− Operating expenses	People, software, rent, everything else
= EBITDA	**Operating profit**

SPLIT IT BY CUSTOMER TYPE

Filter every line by your store's first-time vs returning order tag to build two P&Ls. A healthy total can mask an acquisition engine that's bleeding.

FIRST-TIME CUSTOMERS
-$45K
The acquisition engine is losing money.

RETURNING CUSTOMERS
+$260K
Repeat buyers are carrying the business.

MONTHLY PROFIT
+$215K
Looks fine, until retention slips.

ILLUSTRATIVE MONTHLY CONTRIBUTION

A caveat on overheads. Smaller brands, roughly $40K to $250K in monthly revenue, often sink for a different reason: they hire and spend ahead of the margin to support it. Opex climbs faster than profit, margin compresses, debt funds the next stock order, and the business runs out of cash. A stronger ratio would have covered the overheads, so it still comes back to LTGP:CAC.

06 · AREA 02

OFFER & PRICING: WANT IT, AT A PROFIT

The goal is an offer people actively want that still leaves margin after acquisition costs. Most brands underprice, then over-discount.

WHAT TO LOOK FOR

- **Why do people buy?** Ask 10 recent customers. Their words beat your brand guidelines and become your ad copy.
- **Why don't they?** Exit surveys, abandoned-cart replies, sales call notes. Price is rarely the real objection.
- **Gross profit after acquisition.** Negative first-order gross profit means you need repeat purchases or a higher price.
- **Discount dependence.** A rising share of revenue from promos means the brand is being trained down.
- **Your hero product.** Which product brings in the most profitable new customers? Lead with it everywhere.

LEVERS TO PULL

- Bundles and kits that raise average order value without discounting.
- Good, better, best tiers so the middle option looks like value.
- Guarantees and risk reversal instead of price cuts.
- Subscriptions or memberships where the product is used up.
- Test a price increase on one product. Often the fastest profit win available.
- **Test shipping.** Free-shipping thresholds, or delivery built into the price. For bulky or high-ticket products, shipping is often the biggest objection.
- **Pair the value with the offer.** People buy because the product solves a problem; the discount is just what gets them over the line. Lead with why they need it, then the deal, then genuine urgency.

Watch the discount months. Your CAC can hold flat at $55 while first-order gross profit drops from $72 in August to $38 in November: a ratio of 1.3 becomes 0.7. Discounting and product mix compress margin, and promo-month cohorts often retain worse too. Watching only one side of the ratio misses all of it.

ILLUSTRATIVE FIGURES

07 · AREA 03

RETENTION & LTV: BUILD THE SECOND SALE

Every point of repeat-purchase rate you add makes your ads more profitable without touching them.

WHAT TO LOOK FOR

- **Repeat purchase rate** within 90 and 365 days. Under 15% is a red flag for most consumer brands.
- **Time to second order.** Post-purchase flows should land just before the typical reorder window.
- **Email and SMS share of revenue.** 25–35% is a sensible target for established ecommerce.
- **Cohort gross profit.** Are this year's customers worth more or less than last year's?

MEASURE RETENTION WITH COHORTS NEW

Not email-attributed revenue, not "returning-customer revenue", not "% new customers". Group buyers by the month they first ordered and track cumulative gross profit per customer over time. Divide the day-90 column by that month's CAC: that's your 90-day ratio.

COHORT	DAY 0	DAY 30	DAY 60	DAY 90
January	$58	$64	$69	$73
February	$61	$66	$72	$77
March	$55	$62	$68	$71
April	$63	$70	$76	—

ILLUSTRATIVE · CUMULATIVE GROSS PROFIT PER CUSTOMER

YOUR CATEGORY SETS THE CEILING

FURNITURE · HOMEWARES
~0%
Repeat purchase is years away. Play the first-order game: hold CAC flat.

FASHION
~50%
Gross profit lift by day 365. Track a 90–180 day window.

CONSUMABLES
~100%
Lift by day 365. You can afford a higher CAC, if the cohorts prove it.

INDICATIVE BENCHMARKS

RETENTION BASICS CHECKLIST

- [ ] Welcome flow for new subscribers (not just a discount code)
- [ ] Post-purchase flow: thank you, how to use it, review request, cross-sell
- [ ] Replenishment or "time to reorder" flow
- [ ] Win-back flow for lapsed customers
- [ ] Abandoned cart and browse flows
- [ ] A reason to come back: new drops, loyalty, community, content
- [ ] A monthly cohort report the team actually reads

08 · AREA 04

CHANNELS BEYOND PAID: STOP RENTING GROWTH

The aim is less reliance on two platforms for new customers. Paid ads stay, but become one engine of several, each with one clear job.

CHANNEL	ITS ONE JOB	ADD IT WHEN	WHAT GOOD LOOKS LIKE
Google Search & Shopping	Capture demand that already exists	From day one	Profitable on new customers, not just brand terms
Meta (FB/IG)	Create demand; scale on creative wins	From day one	Blended cost per new customer inside payback target
LinkedIn	Reach decision-makers (B2B, high-ticket)	Customers are businesses or professionals	Cost per qualified lead, not per click
TikTok	Earn attention; test hooks cheaply	You can produce lots of native video	Content that also works on Reels
Email & SMS	Retention, launches, the second sale	Immediately	25–35% of revenue for established ecommerce
Organic & SEO	Compounding, low-cost demand	Content can be produced consistently	Steady growth in non-brand traffic
Partnerships & affiliates	Borrow trust from existing audiences	Clear offer and margin to share	Partners driving repeat sales
Marketplaces	Reach where buyers already shop	Product and pricing are dialled in	Incremental profit, not cannibalised DTC
Retail & wholesale	Scale and credibility	Margin can carry wholesale pricing	Sell-through, not just sell-in

> **Rule of thumb:** add one new channel at a time and give it 90 days with a clear owner. Five half-run channels lose to two run properly.

PAID MEDIA PRINCIPLES A CMO SHOULD HOLD THE TEAM TO

- **Spend more time outside the ad account.** The biggest gains usually come from offer, pricing, shipping, site and messaging decisions, not in-platform tweaks.
- **Back the winners.** When one ad takes most of the spend, the platform has found a path to conversions. Make more ads like the winner.
- **Use the founder, and keep creators native.** A founder explaining why the product exists often beats studio shots; the best creator ads don't look like ads.
- **Build creative from pillars and personas.** Agree the core messages and the customer types first, then produce volume against them.
- **Audit the automation.** Platform "enhancements" can switch themselves on and pull old media, expired offers or wrong prices into live ads. Check the settings every month.

09 · AREA 04, CONTINUED NEW

RESET THE PAID ENGINE

When budgets climb but the bank balance doesn't, nothing is usually broken. The account is simply tuned to win cheap clicks and cheap leads instead of profitable customers.

THREE LEAKS IN ALMOST EVERY ACCOUNT

LEAK 1

THE WRONG FINISH LINE

Conversions are counted at the form, not at the sale. The algorithm never learns who actually pays.

LEAK 2

BUDGET SPREAD TOO THIN

Dozens of small campaigns, each starved of data, none able to exit the learning phase.

LEAK 3

TIRED CREATIVE

The same handful of ads running for months. Costs creep up as the audience stops noticing.

FIVE FIXES, IN THE ORDER THEY PAY OFF

01 **Signal: teach the algorithm what a good customer looks like.** Connect your CRM and import offline conversions so a sale is a conversion, not a form. Weight each stage by what it's worth and bid on value, not volume. Remove duplicate and vanity events.

02 **Structure: fewer campaigns, more data in each.** Going from 27 campaigns with 4 conversions a week each to 5 campaigns with 22 each gives every campaign enough data to learn. Split only for a real business reason: different margin, market or offer.

03 **Creative: your ad is the targeting.** With broad audiences, the message does the filtering. Ship 3–5 new concepts every fortnight, test new angles (not new colours), earn the first two seconds, and retire ads once frequency climbs and click-through slides.

04 **Channel roles: give every platform one job.** Google captures demand, Meta creates it, LinkedIn reaches decision-makers, TikTok earns attention. Judge each against its job.

05 **After the click: great ads can't rescue a weak page.** Match the headline to the ad, load in under 2.5 seconds on mobile, give one clear next step, and show proof above the fold.

WHAT ACTUALLY DRIVES CAC

```
CAC = CPC ÷ conversion rate   ·   CPC = CPM ÷ (CTR × 1,000)
```

Platforms have to grow revenue every year, and a feed can't be all ads, so CPMs only move one way. Budget for them to rise, and lift click-through rate (hooks, angles, offers) or conversion rate (pages, offers) faster than they do. Then CAC holds flat.

WORKED EXAMPLE · ILLUSTRATIVE	MONTHLY SPEND	LEADS	JOBS BOOKED	COST PER JOB
Home-services brand, 90 days after the reset	$18K, unchanged	−14%	+47%	$212 → $144

10 · AREA 04, CONTINUED

PLANNING YOUR PEAK SEASON

Your biggest sale period is where the year's work pays off, or leaks away. Plan the whole window (for most brands November to January), not just one spike.

MONTHS BEFORE

- **Plan the cash first.** Stock for a November peak usually gets paid for in August, exactly when cash looks healthiest and is most tempting to spend elsewhere. Put the purchase orders in your 13-week forecast (chapter 14) before you commit the ad budget.
- Build the list and audiences early. New attention is cheaper to buy before peak, when everyone else's spend pushes costs up.
- Front-load the planning: offers, creative, landing pages and email calendar locked weeks out, so peak week is about execution.
- Launch new products, angles and messages ahead of time so you know what works before the money is on the line.

THE OFFER TEST

- [ ] It's simple enough to understand in one glance
- [ ] It includes your best sellers
- [ ] It beats what your competitors will run
- [ ] Stacking rules with other discounts are clear
- [ ] It gives people a reason to spend more (thresholds, bundles, gifts)
- [ ] Your margins can carry it, and first-order gross profit still beats CAC
- [ ] You'd get out of bed for it as a customer

THE WEEK BEFORE LAUNCH

- Hunt down old codes, banners and promo creative everywhere: site, emails, ads and product feeds.
- Check new email lists aren't using double opt-in by default. Early-access sign-ups you paid for can quietly never make it onto the list.
- Plan a fresh reason to come back every few days (a gift, a new deal, a restock) instead of one flat month-long sale.

> **After the peak:** December and January decide whether sale buyers become repeat customers. Have the retention flows from chapter 07 ready before the first order lands, and watch the promo cohorts separately.

11 · AREA 05

TEAM & HIRING: HIRE FOR A REAL GAP

The goal is a team that acts without waiting for the founder. Often that comes from coaching the people you have, not hiring new ones.

BEFORE YOU HIRE, ASK

1. What specific outcome is this person responsible for in 90 days?
2. Is this a strategy gap, a skills gap or a capacity gap? Each needs a different fix.
3. Could a freelancer, agency or better process cover it for six months first?
4. Who will manage and coach this person? A junior with no senior above them will stall.
5. Can the business afford them for 12 months if the plan is slower than expected? Check it against your contribution margin, not your revenue.
6. Would you genuinely enjoy working with them? In a small team, attitude and fit matter as much as the CV.

A benchmark for the senior hire: a Head of Marketing for an established ecommerce brand typically has 7–10 years' experience, has held the role before and is hands-on with Meta and Google. In Melbourne that's roughly a A$150–200K package (late 2026). Offering a 30-hour week or flexible days widens the pool considerably.

THREE WAYS TO FILL THE SENIOR MARKETING GAP

OPTION	GOOD WHEN	WATCH OUT FOR
More ad spend only	Offer, retention and margins are already strong; LTGP:CAC above 2	Scaling a leaky bucket; spend rarely fixes a plateau
Full-time senior CMO	You need someone in the seat every day	Full salary, notice periods; slow and costly to undo
Fractional CMO	You need senior strategy and team leadership, not a full-time seat	Needs a team (or freelancers) to execute the plan

TYPICAL HIRING ORDER FOR A GROWING BRAND

1. Senior strategy (founder, fractional CMO or head of growth) sets the plan.
2. A strong generalist marketing manager or coordinator runs the week.
3. Specialists or agencies for paid media, email and creative, measured on outcomes.
4. Full-time specialists once a channel is proven and big enough.

If you have an agency or media buyer: review them quarterly on cost per new customer, blended MER and LTGP:CAC, not platform ROAS. If they can't explain results in those terms, that's your answer.

12 · AREA 05, CONTINUED

AGENCY, IN-HOUSE OR FREELANCER?

Keep in-house whatever needs daily context about your customers and brand. Outsource whatever needs deep specialist skill you can't keep busy full time.

WORK	BEST OWNER	WHY
Strategy, 90-day plan, budget	In-house leader or fractional CMO	Needs the full business picture; never outsource the "why"
Offer, pricing, product	In-house (founder + CMO)	Core to the business; agencies see one channel
Customer research	In-house	You hear customers daily; it feeds everything
Paid media buying	Specialist agency or freelancer, until spend is large	Platforms change weekly; specialists see patterns across accounts
Email & SMS	Specialist to build, in-house to run	Flows are built once; campaigns need brand voice
Creative production	In-house creative lead + freelancers/creators	Volume and variety beat polish; a lead keeps it on brand
Organic social & community	In-house	Needs a real voice and fast replies
SEO & content	Specialist for technical; in-house for topics	Technical SEO is specialist; subject knowledge is yours
Tracking & analytics setup	Specialist, one-off project	Done right once, then maintained
Reporting & scorecard	In-house (with AI help)	Owners should see their own numbers
Partnerships, PR, retail	In-house, PR agency for launches	Relationships stay with the business

Bring a channel in-house when it's a proven, top-two revenue driver, the work fills a full-time role, and someone senior can manage that hire. Until then, a specialist usually costs less and moves faster.

Signs your agency setup is wrong: they set the strategy as well as run it; you can't see your own ad accounts; reports never mention new customers or profit; or three agencies blame each other. Keep strategy and reporting in-house, and give each agency one clear outcome.

13 · AREA 06

TECH STACK: NUMBERS YOU TRUST

You need one source of truth for performance. Buy the fewest tools that do the job well.

JOB	ECOMMERCE / DTC	SERVICES / B2B
Store or website	Shopify	Webflow, WordPress or Lovable
Email & SMS	Klaviyo	HubSpot, ActiveCampaign or Klaviyo
CRM & pipeline	Shopify + Klaviyo	HubSpot, GoHighLevel or Pipedrive
Tracking & analytics	GA4, Tag Manager, server-side (Meta CAPI)	GA4, Tag Manager, CRM offline conversions
Blended reporting	Polar Analytics or Triple Whale	Looker Studio or a custom dashboard
Reviews & UGC	Okendo, Judge.me or Yotpo	Google Reviews, case studies
Loyalty & subscriptions	Smile.io, Recharge or Skio	—
Project management	monday.com, Asana or ClickUp	monday.com, Asana or ClickUp
Accounting & cash	Xero + 13-week cash forecast	Xero + 13-week cash forecast
AI assistant	Claude for analysis, briefs, reporting, copy	Claude for analysis, proposals, reporting, copy

COMMON, PROVEN CHOICES, NOT ENDORSEMENTS; PICK WHAT FITS YOUR SIZE AND TEAM.

WHAT TO LOOK FOR

- Do ad platforms, analytics and your store or CRM agree within roughly 10–20%? If not, fix tracking before you scale.
- Does a sale (not a form fill) count as the conversion the platforms optimise for?
- Are you paying for tools nobody logs into? Cut them.
- Can you see gross profit per order, and CAC for new customers only, every week?

14 · AREA 06, CONTINUED NEW

CASH IS THE CONSTRAINT

The P&L tells you what happened. The balance sheet and cash statement decide what can happen next. Profit is a reported number; cash in the bank is the only thing you can spend.

WHERE EVERY DOLLAR CAN GO

Every dollar of cash you allocate has five possible homes. A CMO compares them, not just ad campaigns against each other:

01 **Ads.** Buys new demand. Judge it on marginal, not blended, return.

02 **Stock.** Usually the largest outflow. Treat every purchase order like a campaign budget.

03 **People.** Long, uncertain paybacks, and compounding upside.

04 **Site & ops.** CRO, tools, 3PL. Lifts margin on every order already coming in.

05 **Debt.** Paying it down is the only guaranteed, immediate return on the list.

FOUR NUMBERS THAT SHOW HOW HARD YOUR BALANCE SHEET IS WORKING

CASH CONVERSION CYCLE

```
CCC = DIO + DSO - DPO
```

Days of stock held, plus days to get paid, minus days you take to pay suppliers. 150 + 4 − 60 = a **94-day cycle**: you pay for a product 94 days before the customer pays you. Every day you take off is cash you no longer need to borrow.

GROSS MARGIN RETURN ON INVENTORY

```
GMROI = gross margin $ ÷ inventory at cost $
```

A GMROI of 2.85 means every dollar of stock earns $2.85 of gross margin. Think of it as ROAS for inventory.

WORKING CAPITAL % OF REVENUE

```
NWC % = net working capital ÷ revenue
```

At 18.2%, each extra dollar of revenue needs about 18¢ of cash up front. Adding $8M next year means finding about $1.46M now. Watch it monthly; if it creeps up, a cash problem is coming.

INVENTORY GRADING

Grade every SKU by how long current stock takes to sell through:
A under 60 days · **B** 60–120 · **C** 120–270 · **D** 270+ days, cash you won't see again soon. Don't advertise your way out of D-grade stock at full price.

ILLUSTRATIVE FIGURES

THE 13-WEEK CASH FORECAST

Non-negotiable once you're scaling. One quarter is long enough to see a stock buy or a quarterly tax bill coming, and short enough to forecast week by week with real accuracy. It rolls: every week, drop the week just gone and add a new week 13.

Build it on cash, not revenue. Payouts go in, not revenue. Deposits and balances go in the week they leave the account, not when stock arrives. The only question it answers: what will be in the bank?

Then set a cash floor: enough runway to survive a bad month without scrambling for finance.

LINE · $K	WK 1	WK 2	WK 3	HOW TO FORECAST IT
Opening cash	**620**	**722**	**703**	
Store payouts	280	275	290	Model from your payout history, net of fees and delays
Wholesale receipts	0	40	0	From invoices and terms
Stock (PO payments)	-45	0	0	Calendar of deposits and balances
Freight & duty	0	-18	0	Calendar
Ad spend	-80	-80	-85	Your media plan
3PL & shipping	-31	-30	-32	Fixed % of payouts
Payroll (fortnightly)	0	-184	0	Easy: known amounts and dates
Operating expenses	-22	-22	-22	Easy
Tax (GST/BAS)	0	0	-96	Dates from your accountant
Closing cash	**722**	**703**	**758**	**Becomes next week's opening cash**

ILLUSTRATIVE

WHEN THE FORECAST BREAKS THE FLOOR: FOUR FIXES, BEST FIRST

Say a big stock balance lands in week 9 and cash falls $120K below your floor. Spotted nine weeks ahead, you still have two months to act:

01 **Reschedule or split the payment.** Ask the supplier to move the balance back a few weeks, or pay it in two instalments.

02 **Lengthen terms.** Negotiate longer standard terms, or use the lead time to line up a second supplier who'll offer them.

03 **Bridge with a short facility draw.** A few weeks of interest is cheap insurance for the floor.

04 **Cut ad spend, as a last resort.** Media drives the payouts. Cutting $25K a week heading into peak drops revenue and deepens the hole. It's the reflex answer, and usually the wrong one.

PRICE EVERY DOLLAR OF CAPITAL IN APR

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APR = fee ÷ average balance outstanding ÷ years
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OFFER	HEADLINE	WORKING	APR
Bank loan	13% p.a.	Already annual	13%
Supplier: +1.5% on the order for 75-day terms instead of 45	1.5%	0.015 ÷ 1.0 ÷ (1/12)	**18%**
Revenue-based financing, repaid from sales	8% flat, 6 months	0.08 ÷ 0.5 ÷ (6/12)	**32%**

Headline rates are designed to be compared badly; convert everything to APR first. General information only, not financial advice.

15 · AREA 06, CONTINUED

RUNNING YOUR MARKETING WITH CLAUDE

Treat Claude as a senior analyst and operator on the team, not a chatbot. The gains come from setting it up once: your context, your data, and your repeat work turned into reusable processes.

FEATURE	WHAT IT IS	HOW A MARKETING TEAM USES IT
Projects	A workspace with its own files and instructions	One per brand: brand guide, offer, customer research, past results
Memory	Context kept across chats	Stops you re-explaining your business, team and preferences
Connectors	Links to Google Ads, Meta, GA4, Gmail, Drive, Slack, monday.com, HubSpot and more	Pull live performance, read briefs, draft emails, post updates without copy-paste
Skills	Saved, repeatable instructions	Your weekly ads review, health check or brief template, run the same way every time
Docs, sheets, slides, dashboards	Editable outputs to share	Playbooks, 90-day plans, cohort reports, the 13-week forecast
Scheduled tasks	Work that runs on a schedule	Monday scorecard, weekly account check, monthly ratio report

SET IT UP IN ONE AFTERNOON

1. Create a project per brand. Upload the brand guide, offer, pricing, customer notes and 12 months of results.
2. Write project instructions: customer, voice, the scorecard metrics, what "good" looks like.
3. Connect ad platforms, analytics, email and project tools.
4. Turn your top three repeat tasks into skills: weekly ads review, creative brief, monthly report.
5. Schedule the weekly scorecard to land before Monday's meeting.

WHERE CLAUDE ADDS THE MOST VALUE

- **Analysis:** what changed and why, across accounts, cohorts and channels.
- **First drafts:** ad angles, email flows, briefs, landing pages, reports.
- **Customer research:** reviews, surveys, tickets and calls summarised into themes.
- **Creative volume:** once your pillars and personas are set, generate hundreds of variations to test. Strategy first, volume second.

Own your context. Keep brand knowledge, prompts and SOPs in shared company projects, skills and docs, not personal accounts. **What stays human:** final strategy calls, budget sign-off, brand judgement, relationships, and approving any change to a live account. Claude recommends and drafts; a person approves and owns the decision.

16 · MEASUREMENT

THE METRICS THAT MATTER & MEASURING REALITY

Run the business on seven numbers, reviewed weekly. Impressions, CTR and in-platform ROAS are diagnostic tools, not results.

METRIC	WHAT IT TELLS YOU	HOW TO CALCULATE
Blended MER	Whether total marketing pays off	Total revenue ÷ total marketing spend
Cost per new customer (CAC)	What growth really costs	Total marketing spend ÷ new customers
LTGP:CAC NEW	Whether you can afford to scale	Cohort gross profit per customer ÷ CAC
Lead-to-sale rate	Whether leads are any good (services/B2B)	Sales ÷ qualified leads
Payback period	How long cash is tied up per customer	CAC ÷ monthly gross profit per customer
Repeat purchase rate	Whether the business compounds	Customers with 2+ orders ÷ total customers
Non-paid revenue share	How exposed you are to ad platforms	Non-paid channel revenue ÷ total revenue

PLATFORM ROAS FLATTERS YOU NEW

Default attribution over-credits the platform. Strip it back layer by layer and the real picture appears:



ILLUSTRATIVE EXAMPLE

In this example the headline number sat flat for a year while the incremental figure kept sliding. That's how a quarter of collapsing profit sneaks up on a brand.

THE LADDER OF EVIDENCE

The higher the rung, the closer you are to the truth. LTGP:CAC is the business-wide answer; these methods tell you which channel is earning it.

1 · True experiment	Geo holdout tests
2 · Quasi-experiment	Before/after comparisons against a control market
3 · Multivariate correlation	Marketing mix models
4 · Simple correlation	Platform-attributed ROAS
5 · Opinion and anecdote	"It feels like it's working"

17 · CADENCE

THE OPERATING RHYTHM

Elite CMOs run a fixed cadence so decisions happen on schedule, not in a panic.

CADENCE	MEETING	INPUTS	OUTPUT
Weekly · 30 min	Scorecard review	Scorecard vs target; 13-week cash forecast	2–3 actions with owners
Weekly · 30 min	Creative & content review	Top and bottom ads, emails, posts	Make more of, kill
Monthly · 90 min	Growth review	Cohorts, LTGP:CAC, channel mix, margin, cash	Budget shifts and next month's tests
Quarterly · half day	90-day planning	Health check, last quarter's results	Three priorities + what you're not doing
Twice a year	Team & stack review	Roles, skills gaps, tool usage and cost	Hiring, coaching and tool decisions

THE MONTHLY RATIO CHECK NEW

Five steps, every month, in the growth review:

1 **Calculate CAC.** Total spend ÷ new customers.

2 **Calculate LTGP.** From real cohorts, using your category's window.

3 **Find the slipping side.** CAC rising or LTGP falling? Dig into that one.

4 **Timestamp big changes.** New agency, channel or product: log the date, check the ratio after.

5 **Double down.** Repeat what improved the ratio, without risking the balance sheet.

WEEKLY SCORECARD TEMPLATE

WEEK	REVENUE	SPEND	MER	NEW CUST.	CAC	LTGP:CAC	REPEAT RATE	NON-PAID %	CASH VS FLOOR

The founder attends the monthly and quarterly sessions. If nothing happens without them in every weekly meeting, that's a team problem to solve in chapter 11.

18 · SYSTEMS

BUILDING SYSTEMS & PROCESSES FOR YOUR TEAM

A system is any task written down well enough that someone new could do it to standard without asking the founder.

SYSTEM	WHAT IT COVERS	WHERE IT LIVES
Brand & offer bible	Customer, positioning, voice, offers, pricing rules, do/don't examples	One shared doc, loaded into Claude projects
Creative brief template	Goal, audience, angle, offer, format, deadline, success metric	monday.com, Asana or similar
Creative intake & launch	How assets are requested, approved, uploaded and named	A form feeding a sheet or board, with a daily upload owner
Approval workflow	Who signs off on what, and how fast	Written rules, e.g. budget changes over 20% need CMO sign-off
Weekly reporting	The scorecard, who prepares it, when it's sent	A scheduled dashboard or report
Cash forecast	The rolling 13-week forecast and the cash floor	One spreadsheet, updated every Monday
Account review SOPs	Step-by-step checks for Google, Meta, email	SOP docs, ideally saved as Claude skills
Testing & change log	Every test and big change: date, hypothesis, result, decision	A shared, searchable sheet
Onboarding pack	Logins, tools, SOPs, first-30-day goals	One doc linking to everything

BUILD A SYSTEM IN FIVE STEPS

01 **Record it once.** The person who does the task best records their screen or talks it through.

02 **Write it up.** Numbered steps, screenshots, and a "what good looks like" example. Claude can draft this from the transcript.

03 **Test it.** Someone else follows it without help. Every question they ask is a missing step.

04 **Assign an owner.** One name responsible for running it and keeping it current.

05 **Review quarterly.** Delete what nobody uses; update what's changed.

RULES THAT KEEP SYSTEMS ALIVE

- One home for everything. If a process isn't in the shared space, it doesn't exist.
- Name things consistently: campaigns, files, creatives, UTMs.
- Automate only after a process works manually. Automating a broken process breaks it faster.
- Measure the team on outcomes, not activity.

19 · DIAGNOSE

RED FLAGS & YOUR 30-DAY DIAGNOSTIC

If three or more of these are true, growth is being held back by something other than your ads.

- [ ] More than 80% of new revenue comes from paid ads
- [ ] You don't know your LTGP:CAC ratio, or it's under 2
- [ ] Repeat purchase rate is under 15%
- [ ] You can't say your cost per new customer or payback period from memory
- [ ] Revenue is up but profit and cash aren't
- [ ] You discount every month to hit targets
- [ ] Your agency reports platform ROAS, not new customers or profit
- [ ] The platforms optimise for form fills or add-to-carts, not sales
- [ ] Ad platforms, analytics and your store disagree on the numbers
- [ ] You don't have a 13-week cash forecast, or stock buys still surprise you
- [ ] Overheads are growing faster than gross profit
- [ ] Nobody but the founder can make a marketing decision
- [ ] Every growth idea on the table is a new ad or a new campaign

RUN YOUR OWN DIAGNOSTIC IN 30 DAYS

01 **Week 1, numbers:** 12 months of revenue, gross margin, spend, new vs returning customers. Rebuild the P&L to CM3, split by customer type, and calculate LTGP:CAC and the scorecard metrics.

02 **Week 2, customers:** interview 10 customers and 5 people who didn't buy. Review reviews, returns and tickets. Build the cohort table.

03 **Week 3, channels, team & cash:** audit tracking (does a sale count as the conversion?), map revenue by channel, review roles and the stack, and build the first 13-week cash forecast.

04 **Week 4, plan:** score the six areas, pick the lowest two, and write the 90-day plan with three priorities and what you're not doing.

FURTHER READING

GO DEEPER ON ANY CHAPTER

Each of these is a free, longer playbook on joshgowing.com/playbooks.

PLAYBOOK	READ IT FOR	PAIRS WITH
Scale or Stall	The LTGP:CAC ratio, cohorts and the stall cycle in full	Ch. 03, 07
Cash Is the Constraint	Balance sheet metrics, stock planning, the 13-week forecast and capital in APR	Ch. 05, 14
The Paid Media Reset	The three leaks, five fixes and a 30-day reset plan	Ch. 09
Second Order	Turning customer value into a bid that wins	Ch. 07
The Ad Account Audit	Finding the one thing holding paid media back	Ch. 09, 19
The Landing Page Playbook	Building and auditing pages that convert, with Claude	Ch. 09
Past the Hook	Writing ad scripts that sell after the first three seconds	Ch. 08, 09
Run Ads From Claude Code	Running and reporting on ads with an AI agent	Ch. 15

WANT A SECOND SET OF EYES?

I'LL GIVE YOU THE FOUNDATIONS OF A WINNING STRATEGY WITHIN A WEEK.

Tell me about your business and I'll send back the basis of a custom strategy for your brand, for free. I read every enquiry myself and reply within 24 hours.

GET YOUR FREE STRATEGY

BOOK A STRATEGY DIAGNOSTIC

FRACTIONALBYJOSH.COM.AU/FREE-STRATEGY

Fractional by Josh helps founder-led brands scale beyond ads: strategy, team coaching, hiring and tech stack advice from a 2x agency CMO. I don't run your ads; I make sure the people who do are driving in the right direction. Figures marked illustrative are examples, not client results. Nothing here is financial advice.