

# GROWTH—IN THE AGE OF AI

## Growth is back—but not the same way as before.

August 22, 2025 | By Jacco J. van der Kooij, Founder, Winning by Design.

While SaaS-Natives stall, AI-Natives are breaking through at speeds not seen in more than a decade. A handful have already proven themselves at scale, with many more close behind. It's still early, but the pattern is now too consistent and too widespread across verticals to dismiss as hype. It isn't just better execution. It's a fundamentally different growth architecture, one that delivers faster growth at far lower cost.

In today's market, where breakout velocity once again drives valuations, that difference matters. For CEOs and CFOs, the implications are immediate: valuation multiples, investor confidence, and competitive positioning are being redefined in real time.

**The question is no longer if this shift will reach your market, but how soon, and how you will respond.**

The good news is that hypergrowth follows consistent patterns. They are not new or unique, and can be engineered to ignite high-velocity growth in any company willing to evolve.

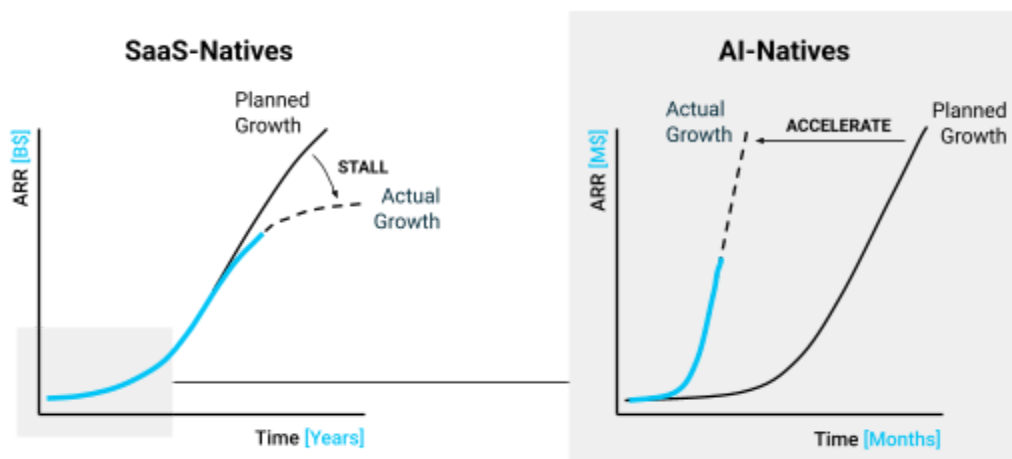
### What You'll Learn in This Article

- How AI-Natives achieve faster growth
- Why efficient growth is shifting from people-heavy teams to system-driven engines
- What compound growth loops are, and how they power sustained growth
- Why real-time, closed-loop data infrastructure is essential for compounding growth
- How to re-architect your GTM for velocity, scale, and efficiency to reignite growth

## Part I. The Growth Chasm

This isn't the first time we've seen a shift in growth velocity. In the early 2010s, SaaS rewrote the rules, disrupting the perpetual software model by scaling faster, cutting sales cycles from years to months, and growing revenue 2–4x more efficiently through a subscription model.

Soon, the world came to depend on SaaS. That dependence became undeniable during the pandemic, when over a billion users relied on SaaS to keep businesses running and teams connected. However, the tables have now turned. Today, it is SaaS-Natives that are being outpaced.



*Figure 1.1: AI-Natives' growth hit breakout velocity earlier; SaaS-Natives' growth has started to stall.*

The new generation of AI-Natives is scaling faster, with smaller teams and far greater capital efficiency. This shift is evident not only in headlines but in the operating plans of leading companies. While SaaS-Natives see growth stall, AI-Natives are accelerating, widening the gap between those built for the AI era and those still running on outdated grow-at-all-cost playbooks.

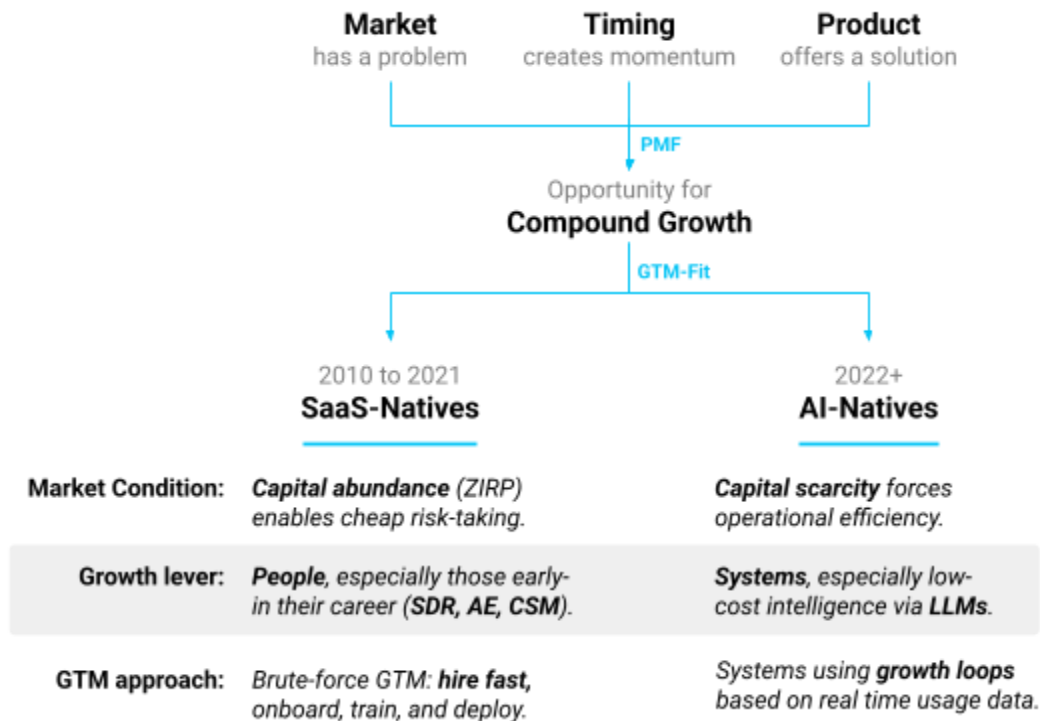
## 1.1 Two Different Compound Growth Engines

SaaS-Natives and AI-Natives have one thing in common: they both rely on the same type of engine to power their growth, **a compound growth engine**.

Compound growth doesn't happen by accident. It requires the right conditions: a great product launched into a rapidly expanding market with a big, immediate problem to solve, at exactly the right time. In other words, achieving a strong product-market fit (PMF).

Momentum builds quickly and, in a market still in its early and rapidly developing stage, a great product spreads like wildfire, often through word of mouth. The result is an initial burst of growth. First-generation SaaS-Natives experienced this kind of burst around 2012.

As they found out, a burst alone is not enough; it must be sustained over years. What made first-generation SaaS-Natives so successful was not just achieving PMF and an early growth burst, but their ability to sustain that growth for years in an increasingly competitive field. It was the result of their GTM approach, an approach shaped by the era in which it was born.



**Figure 1.2:** SaaS scaled through people; AI-Natives scale through systems.

Here lies the difference:

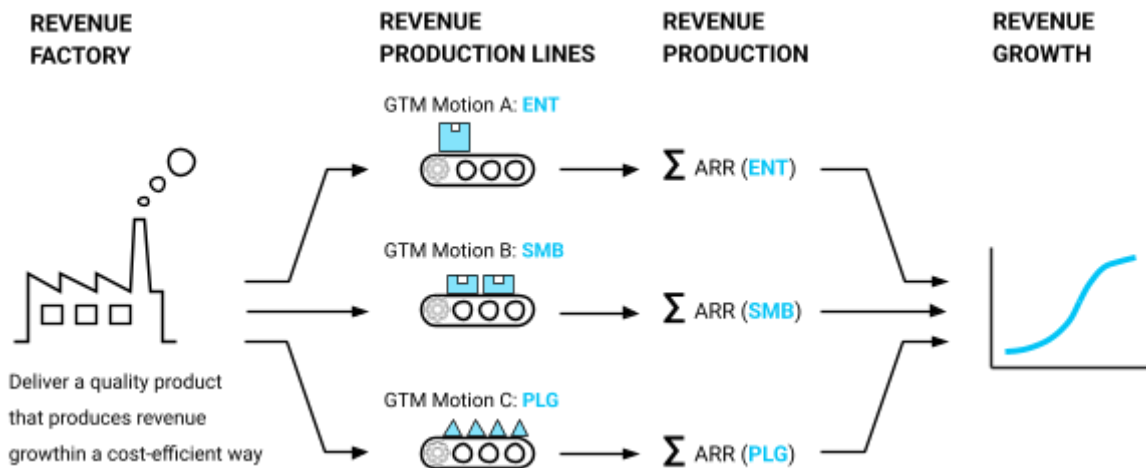
- **SaaS-Native “People” Era (2010–2022):** SaaS-Natives scaled in the ZIRP era, when capital and talent were abundant. Their growth engines were fueled by people, sales teams, customer success, and marketing headcount. The primary lever was hiring.
- **AI-Native “Systems” Era (2024 and beyond):** AI-Natives emerged in a different environment: capital scarcity, low-cost infrastructure, and abundant public data. Their growth engines are automated, data-driven, and designed to scale without adding headcount at the same rate. The primary lever is technology.

SaaS-Natives can borrow from the AI-Native model, replacing people-based scaling with systems to reignite growth. Systems-based growth engines are powered by AI infrastructure backed by massive, nation-level investment. As supply increases, costs fall, access expands, and scalability improves. How do you design for compounding growth?

The answer starts in an unexpected place, the factory floor.

## 1.2 Three Growth Levers

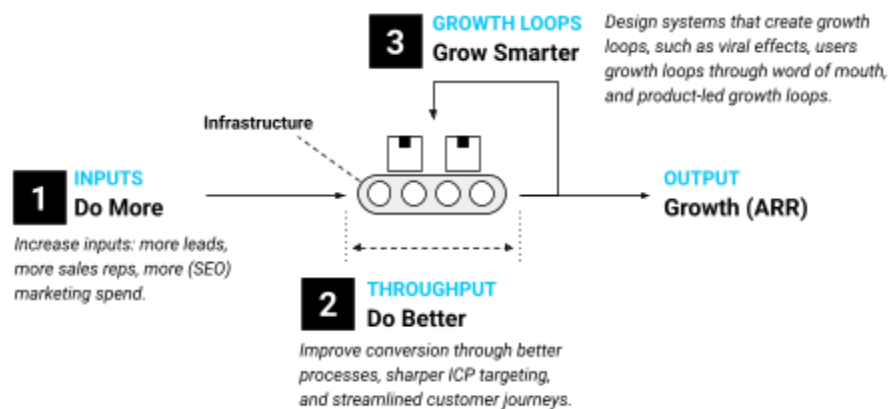
Think of your GTM system like a factory, built to consistently produce revenue in a cost-efficient, high-quality way. Like any factory, it runs on multiple production lines, each optimized for a specific output. In GTM, those lines are your motions: Enterprise, SMB, PLG. By separating them, we can benchmark performance, isolate bottlenecks, and unlock underutilized capacity.



**Figure 1.3:** Distinct revenue production lines model growth mathematically to reveal underutilized capacity.

When you break it down, each production line has three fundamental levers for growth:

1. **Do More** – Increase inputs. Generate more leads, hire more reps, launch more campaigns, and push more volume through the line.
2. **Do Better** – Improve efficiency. Raise conversion rates, shorten cycle times, and streamline the customer journey.
3. **Grow Smarter** – Redesign the architecture. Introduce self-reinforcing growth loops where the product, users, and systems generate demand automatically.



**Figure 1.4:** Three levers of growth: Do More, Do Better, Grow Smarter.

In the “Grow at All Costs” era, most companies leaned heavily on doing more. As capital became more expensive, some shifted their focus to doing better. However, the companies achieving the fastest, most efficient growth today, AI-Natives, excel at growing smarter, enabling them to achieve compound growth.

The most effective way to achieve compound growth is through compound growth loops, engines that propel growth in record time.

Compound growth is growth that accelerates over time, becoming faster and more efficient. That makes it increasingly difficult to compete with.

## Part II. Modeling Growth

Today, growth at many SaaS-Natives is stalling against expectations. The figure below reflects what we see across several customers. The top line represents investors' growth expectations, while the bottom line shows current performance. Clearly, growth has stalled – and projected forward, the model predicts a **90% probability** that performance will fall well short of the targets promised to investors, with only a **5% probability** of meeting them.

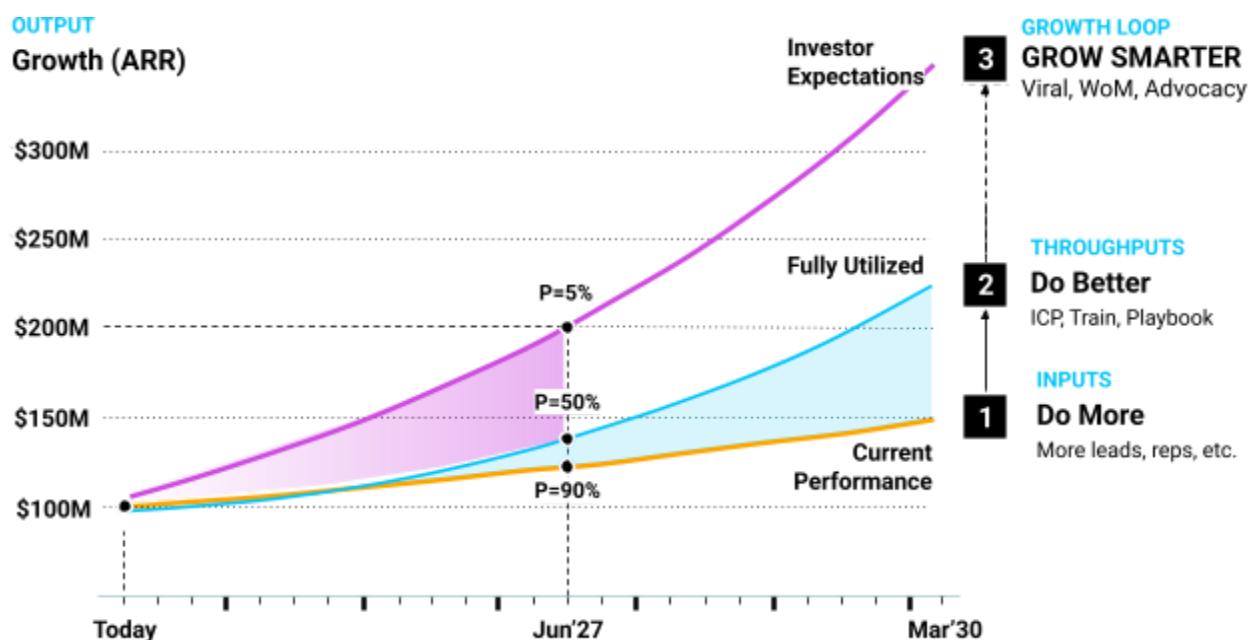


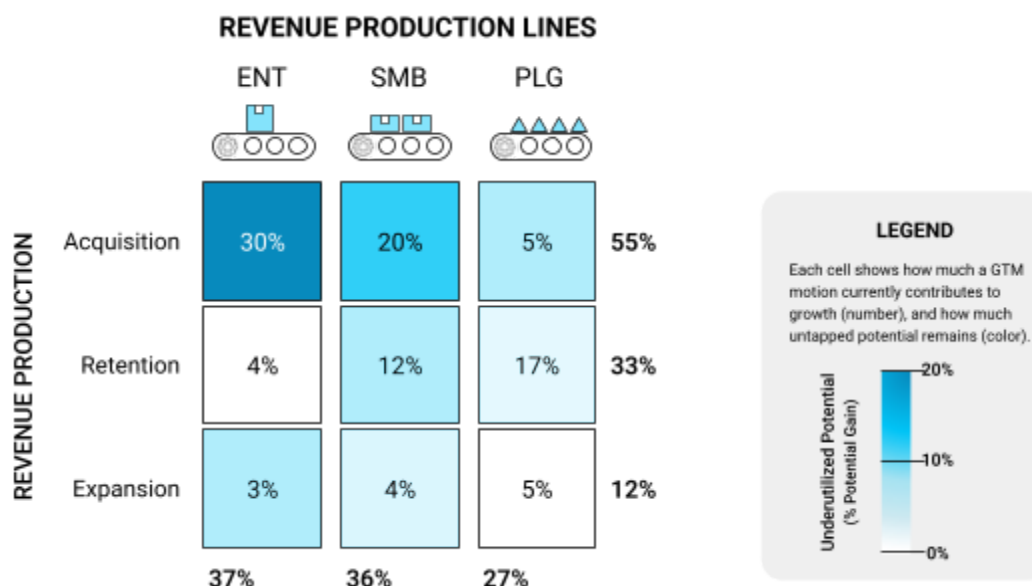
Figure 2.1: Companies stuck on “Do More” will miss growth targets by a significant margin.

Most teams know how to Do More, hire more reps, spend more on ads, crank up activity. Far fewer know how to Do Better, and that’s a problem. As more of our GTM motion is handed off to AI, the underlying system must work as promised. Doing Better is no longer optional. It’s a must.

### 2.1 Modeling Growth Opportunities

Having broken the revenue factory into distinct production lines: Enterprise, SMB, and PLG, we can use mathematics to simulate their impact. The following matrix maps each revenue

production line (GTM motion) against its core growth drivers: Acquisition, Retention, and Expansion. Each cell shows both its contribution to overall growth and its underutilization.



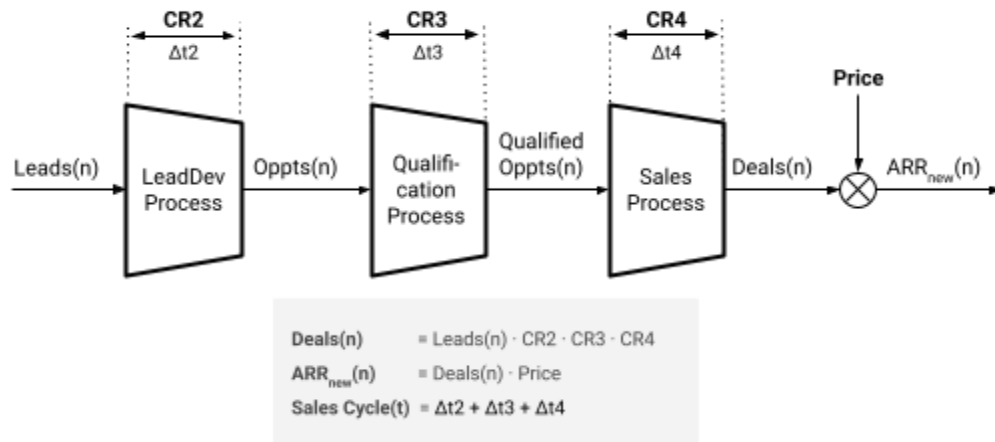
**Figure 2.2:** Mapping growth drivers reveals where revenue is untapped.

Consider Enterprise Acquisition: it's already contributing 30% to growth, yet the deep blue shading shows it's still underperforming relative to its potential. That makes it the highest lever to accelerate growth. In contrast, PLG Retention contributes a healthy 17%, with lighter shading, suggesting it's closer to fully optimized, which makes sense given it's natively more data-driven.

## 2.2 Running Simulations

The first step in making better decisions is creating a shared understanding of how your revenue engine works. In most companies, acquisition performance is uneven. Different reps, regions, or lead sources exhibit distinct behaviors. One team may have a higher win rate but lower volume, another has great top-of-funnel flow but poor conversion. Without a model, it's hard to tell what's working. That's why we build a structured model of the system.

The following diagram, based on Winning by Design's Bowtie framework, breaks acquisition into measurable stages, each with a conversion rate. With it, we can simulate how the system behaves under different conditions.



**Figure 2.3:** An exploded view of the acquisition engine.

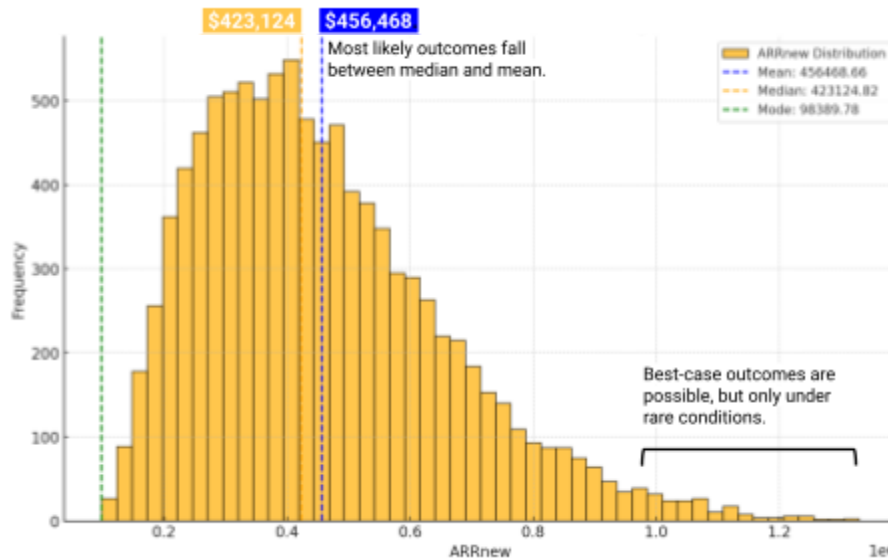
**AI Prompt:** Can you help build a growth model based on the Bowtie framework, a model discussed in *Revenue Architecture by Winning by Design*? Specifically, I'd like you to assist with calculations and run growth scenarios. To begin, please analyze the attached diagram that represents the left side of the Bowtie, which is an exploded view of the acquisition part of the customer journey.

Once modeled, we can run 10,000 growth scenarios using Monte Carlo simulation, accounting for variations in lead volume, conversion rates, win rates, pricing, and discounting.

**AI Prompt:** Simulate with 10,000 iterations and provide results in a histogram with markers for the mean and median. Provide the details for the standard deviation, and the 5th and 95th percentiles of the estimated  $\text{ARR}_{\text{new}}$ .

- **VM2:** Integer values uniformly distributed between **500 and 1000 per month**
- **CR2:** Decimal values uniformly distributed between **0.10 and 0.30**
- **CR3:** Decimal values uniformly distributed between **0.80 and 0.95**
- **CR4:** Decimal values uniformly distributed between **0.12 and 0.28**
- **ACV:** Fixed at **\$24,000**
- **CR5:** Decimal values uniformly distributed between **0.60 and 0.85**

The simulation shows the full range of outcomes: where the average result falls, how wide the distribution is, and how much potential is still underutilized.



**Figure 2.4:** Simulation highlights probable outcomes and identifies underutilized potential.

## 2.3 Incremental Gains Are No Longer Good Enough

The simulations make the reality clear. Traditional SaaS levers still function, but they no longer scale fast enough; they are too slow and too costly, and investors know it. “Doing More” on its own will not close the gap. Investing in “Doing Better,” improving efficiency, raising conversion, and tightening execution helps, and it is a must. But even with those improvements, a significant gap remains. The model shows the current system simply cannot meet expectations through incremental gains alone.

This means something extraordinary has to happen. SaaS-Natives must look beyond their playbooks. AI-Natives are proving that faster, more efficient growth is possible. The question is no longer whether it can be done, but whether SaaS-Natives are ready to learn and adopt what has already been proven to work for AI-Natives.

## Part III. How AI-Natives Grow

Before examining how AI-Natives grow, it’s worth starting with why they are so disruptive: their velocity and efficiency. In some cases, AI-Natives achieve in a single quarter what took leading SaaS-Natives years.

The following data, drawn from public LinkedIn posts, founder statements, and investor profiles, may not be certified, but it paints a remarkably consistent picture. The fastest-growing companies on this list, Bolt, Cursor, Glean, ElevenLabs, and Mistral, are reaching \$10M, \$50M, and even \$100M in ARR in record time. Many hit these milestones in months, growth curves that have taken SaaS-Natives years to achieve.

Account Name	Revenue (\$M)	Time (mo's)	Account Name	Revenue (\$M)	Time (mo's)
AI Squared	15	38	Lovable	100	8
Anthropic	3,000	41	Magnific	10	12
Aragon.ai	10	24	Mercor	100	24
Bolt/Stackblitz	40	5	Midjourney	50	12
Cal AI	21	10	Mistral	100	16
Codeium	100	38	Morphos AI	10	22
Cohere	100	72	Perplexity	200	33
Crescendo	100	18	PhotoRoom	94	58
Cursor	500	24	Runway	30	18
Deepgram	22	108	Replit	10 to 100	6
ElevenLabs	100	24	Sana	5 to 50	36
Fyxr AI	10	7	Scale	100	36
Gamma	50	6	Stability AI	100	25
Genspark	10	0.3	Synthesia	100	24
Glean	100 to 300	7	Torq	24	48
Harccey	100	36	Windsurf	72	6
InVideo	61	16	Writer	47	52
Jasper	75	24	Vapi	10	12

**Figure 3.1:** A growing number of AI-Natives are reaching \$10M–\$500M ARR, making it no longer an exception.

### 3.1 Velocity and Efficiency Have Become a Competitive Weapon

SaaS-Natives typically take five to ten years to reach revenue milestones like \$10M or \$100M. AI-Natives achieve their results in a third of the time, and with dramatically higher revenue per employee, signaling this isn't brute-force growth. That efficiency frees capital for product innovation, infrastructure, and market expansion, accelerating the cycle even further.

Milestone	SaaS-Natives	AI-Natives (FirstGen)	
Time to \$10M ARR	5 years (10% 4 years)	<12 months	} 4x as fast at half the cost
RPE @ \$10M	\$100K–\$150K	\$200K–\$300K	
<hr/>			
Time to \$100M ARR	8–10 years (10% 5 years)	<36 months	} 3x as fast at a quarter of the cost
RPE @ \$100M	\$200K–\$300K	\$500K–\$1,500K	

**Figure 3.2:** AI-Natives hit \$100M 3x faster with 4x productivity.

For CEOs and CFOs, this rewrites competitive timelines. AI-Natives can scale so quickly that incumbents have less time to respond, and challengers can overtake market leaders before the next planning cycle.

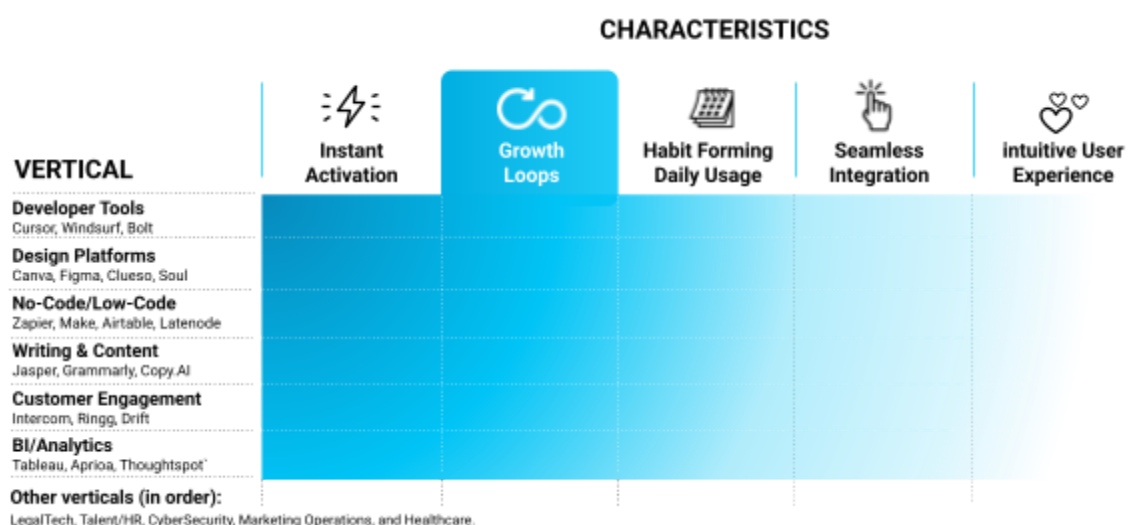
AI-Natives are now doing to SaaS what SaaS once did to perpetual software, and it's not because they have better GTM teams.

### 3.2 The Design Behind the Growth of AI-Natives

AI-Natives' ability to compound growth without compounding cost isn't accidental; it's by design. Three core design principles stand out:

- **User-level focus:** success is measured at the level of the individual user, not the company.
- **Impact-first:** in an instant-gratification economy, users expect impact in minutes, not weeks.
- **Real-time data:** modern infrastructure measures where and when impact happens.

These principles show up consistently as four product characteristics: instant activation, habit-forming daily usage, seamless integration, and intuitive UX — all feeding compound growth loops that power hypergrowth without relying on marketing, sales, or customer success.



**Figure 3.3:** The characteristics of successful AI-Natives reveal which verticals are next.

The characteristics that propelled the first wave of AI-Natives don't just explain their growth — they signal which verticals will emerge next: where impact is immediate, reinforced daily, spreads naturally, and can be measured in real time. But user-side sensitivity alone isn't enough.

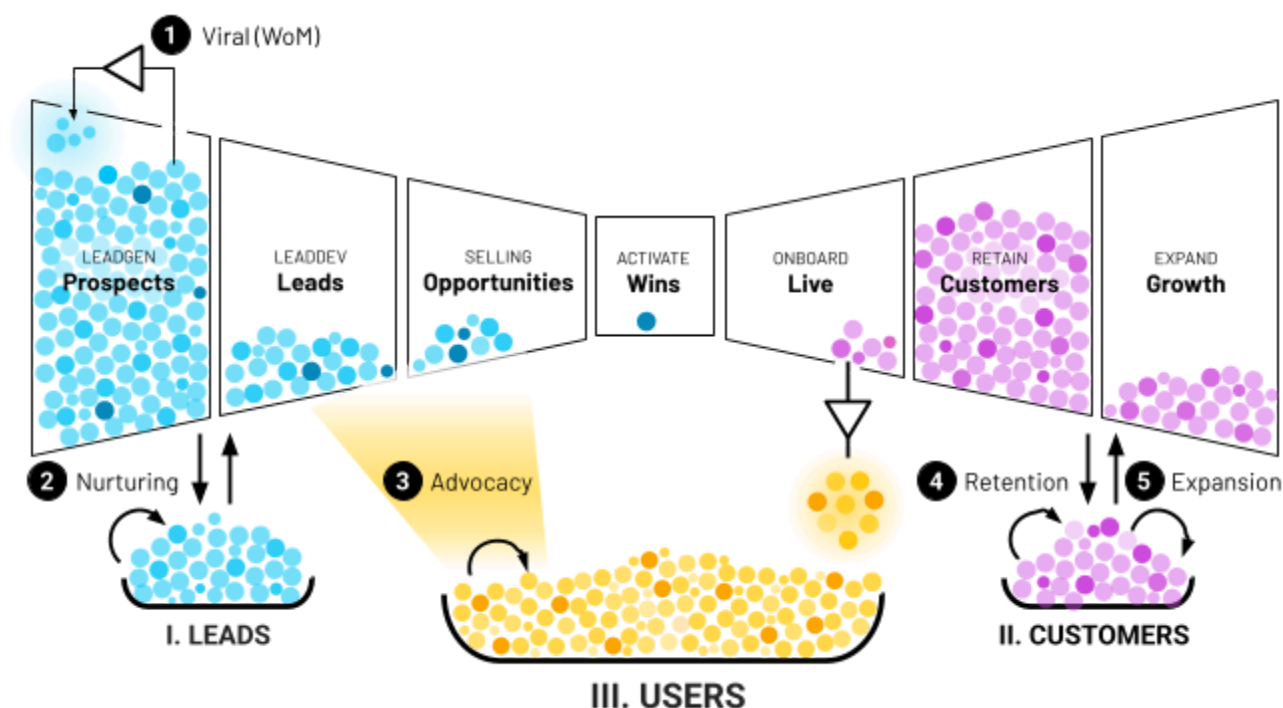
To capture and compound that impact, providers must also be built on a real-time, closed-loop data infrastructure around users and their impact. SaaS-Natives also built loops, but theirs were designed around customers — focused on retention and expansion at the account level, supported by data systems inherited from perpetual software sales. What they lacked was real-time visibility into user-level impact. That is precisely where AI-Natives diverge — and why they can grow so much faster.

## Part IV. The Data Model Behind Compounding Growth

What makes AI-Native GTM different is that its data model spans the entire customer journey, with users at the center. With real-time systems, they can respond instantly to changing demand. SaaS-Natives, by contrast, manage leads and customers in separate silos, powered by latent systems that surface insights too late. Breaking out of this trap requires a new data model, one that unifies leads, users, and customers in a single system.

### 4.1 The Data Model

Compounding growth starts with a data model that looks beyond the classic marketing and sales funnel, a model that picks up where the funnel stops and covers the entire customer journey from first touch to expansion.



**Figure 4.1:** Today, growth loops revolve around leads and customers. The center of gravity is shifting to users.

A complete view of the customer journey is critical for building a modern data model as we move deeper into AI-driven GTM. It provides a more accurate reflection of how a growth system behaves. Without it, the feedback loops that power compounding growth can't be identified, and if they can't be identified, they can't be measured, optimized, or scaled.

At its core are three reservoirs of growth: leads, users, and customers. AI-Natives don't treat them as silos; they connect them into a closed system through reinforcing loops. With this system view, we can simulate its behavior and begin to see what truly powers hypergrowth.

## 4.2 Three Centers of Compound Growth

The Bowtie highlights three reservoirs as the true centers of growth. Each plays a different role, and hypergrowth only happens when they are connected into one system:

- I. **Leads** — all potential customers, with Opportunities treated as a subset. Loops focus on generating and qualifying demand.
- II. **Customers** — logos, decision-makers, and champions. Loops focus on retaining deals and expanding opportunities within accounts.
- III. **Users** — the center where AI-Natives stand apart. Individual users experience the product's impact directly. They share results with peers, creating new opportunities and effectively acting as marketing and sales.

AI-Natives are distinct because they don't treat leads, users, and customers as separate tracks. They connect them into a coherent system, with users at the center, feeding loops that compound faster and more efficiently than any model limited to leads and customers alone.

## 4.3 Five Growth Loops That Drive Compound Revenue Growth

The three reservoirs of growth — leads, users, and customers — are connected by five reinforcing loops. These loops determine how quickly you grow, how efficiently you deploy capital, and how resilient you are under pressure. For modern executives, the critical question is simple: which loops are most relevant to driving growth, and how they can be used to close the gap to investor expectations. The most common growth loops are:

1. **Viral ( $k_v$ )** — Generates bursts of new leads through buzz, word of mouth, and viral mechanics in a matter of days to weeks. Measured by Viral Factor ( $k_v$ ) and viral cycle time.
2. **Nurturing (LTO)** — Converts leads into opportunities over months. Measured by Lead Velocity Rate (LVR) and Lead-to-Opportunity (LTO).
3. **Advocacy ( $k_a$ )** — Creates new opportunities directly from engaged users, compounding over time as credibility drives adoption inside accounts. Measured by Advocacy Factor ( $k_a$ ) and % of pipeline from users.
4. **Retention (GRR)** — Protects existing revenue streams, with results showing up over 18–24 month renewal cycles. Measured by Gross Revenue Retention (GRR) and churn.
5. **Expansion (NRR)** — Grows revenue beyond the initial deal through upsell and cross-sell, typically realized over 12+ month budget cycles. Measured by NRR and expansion ARR.

The fastest, most durable growth comes when different growth loops reinforce each other.

## 4.4 Hypergrowth is the Result of Activating Multiple Loops

No single loop creates hypergrowth on its own. Viral loops generate bursts of awareness, nurturing converts leads into opportunities, and advocacy turns users into pipeline creators. But acceleration comes when these loops reinforce one another. Each turn doesn't just repeat the cycle; it strengthens the system.

### Proof in the numbers

What makes this powerful is that it can be simulated. Starting with a modest user base, if viral feeds nurturing at healthy conversion rates and advocacy activates even a fraction of users into opportunity creators, the model shows breakout velocity. With multiple loops interacting, \$100M in ARR can be reached within 18 months and \$500M in 36, not through brute-force hiring, but through compounding growth by design.

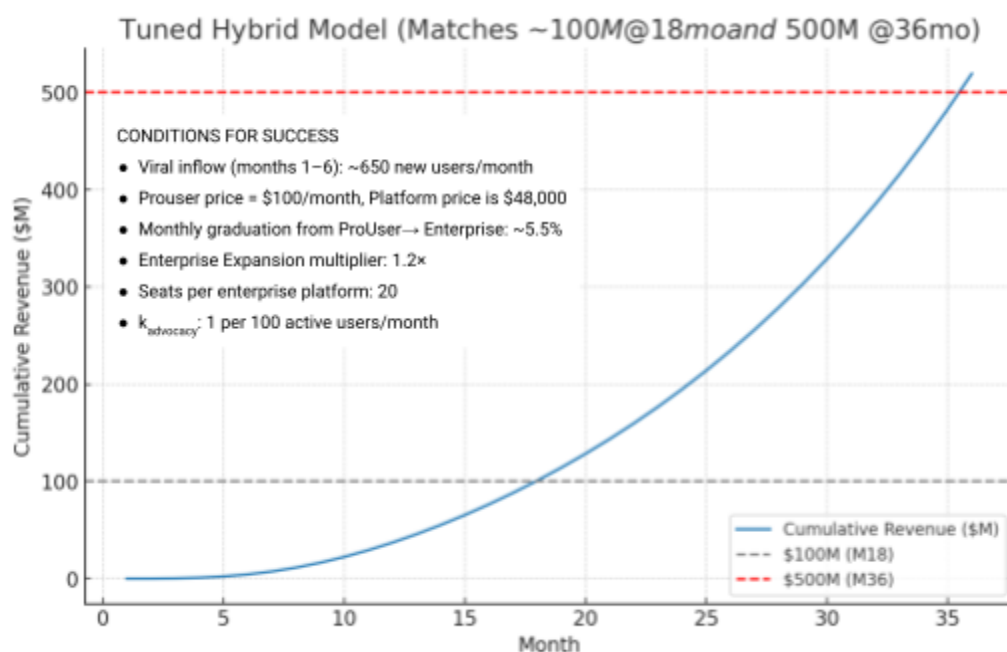


Figure 4.2: Simulation shows how growth can be engineered, provided the conditions for success are in place.

### Which loops engage, and when

Simulations confirm what is possible in principle. In practice, the question for executives is not whether loops exist, but which ones engage first, and in what sequence. That mix depends on context, shaped by vertical, growth stage, and segment.

#### Growth Loops by Vertical

- **Enterprise (Quality):** Advocacy → Retention → Expansion: e.g., Salesforce, ServiceNow
- **SMB (Volume):** Nurturing → Advocacy → Retention: e.g., HubSpot, Zendesk
- **Pro-User (Volume):** Viral → Advocacy: e.g., Figma, Canva, GitHub

## Growth Loops by Growth Stage

- **Early-stage (Velocity):** Viral→Advocacy: e.g., Notion, Slack
- **Mid-stage (Efficiency):** Nurturing→Advocacy→Retention: e.g., Zoom
- **Late-stage (Quality):** Nurturing→Retention→Expansion: e.g., Workday, Atlassian

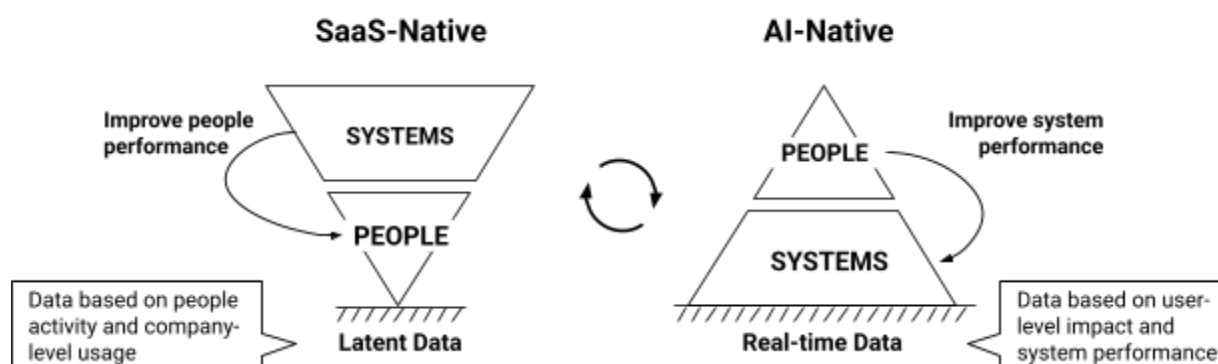
## Growth Loops by Segment

- **Creators (Public):** Viral→Advocacy: e.g., GitLab, Canva
- **Marketers (Brand):** Nurturing→Viral: e.g., HubSpot
- **Operations (Cost):** Retention→Expansion: e.g., ServiceNow

The implication is clear: loops compound everywhere, but the sequence is unique to each business. For modern executives, the challenge is recognizing which loops matter most for their context and activating them in combination to bend the growth curve.

## 4.5 What Powers Growth Loops? Real-Time Systems

AI-Natives build data systems that measure and improve the performance of processes and systems, not just people. Their loops operate at real-time velocity, capturing user-level impact as it happens and feeding it back instantly. SaaS-Natives, by contrast, rely on latent data: people's performance, activity metrics, pipeline reports, and NPS scores, most of which surface only weekly or monthly. The result is slower loops that lose momentum before they can compound.



**Figure 4.3:** AI-Natives optimize system performance on real-time, user-impact data..

This shift in data foundation is what makes growth loops scalable. AI-Natives don't just have better products, they have faster and more stable systems that capture individual impact and compound it into growth.

Most leaders are urged to adopt AI at the application level, but that misses the point. To use AI to solve the growth problem, the priority must be building the right data model first. Once real-time, user-level data is in place, AI can be deployed to extract intelligence from it and drive the loops that power compounding growth.

## Conclusion. Start Winning in the AI Era Today

AI-Natives are breaking through at unprecedented speeds, not by chance but by design. They run on a fundamentally different growth architecture: system-driven, data-led, and engineered for compounding from day one. Meanwhile, SaaS-Natives' growth is stalling, falling short of investor expectations despite cost cuts and optimized playbooks.

The path forward is clear: transition from rep-driven to system-driven, data-led growth built on closed loops. Most leaders are urged to apply AI at the application layer, but that misses the point. Growth comes from real-time data infrastructure powering loops that capture user impact and compound growth. AI is not to be seen as just a tool; it is the architecture of growth.

### Executive Priorities

- Extract underutilized GTM capacity
- Identify and activate compound growth loops
- Build a real-time, AI-ready, data infrastructure
- Reallocate spend from headcount to systems that power growth loops
- Validate growth efficiency in real time with new telemetry (KPIs)

AI can power compound growth through systems and loops, but only linear growth through applications. Where you invest your time and resources matters.

### You Do Not Have to Navigate The AI Transformation Alone

Since 2011, Winning by Design has helped hypergrowth software companies design, build, and scale their growth engines. Whether you're a CEO aiming to reignite growth or a CFO rethinking GTM efficiency, we work with executive teams and operators to architect for compounding growth.

- **For CEOs:** Educate your team, develop a growth plan, and perform board readouts.
- **For CFOs, CROs, and CMOs:** Growth planning and Growth Guidance
- **For GTM Teams:** Implementation, training, playbooks, and workshops at SKOs/RKOs

There is an immediate growth opportunity ahead. Seizing it requires deliberate action from the CEO, and time is of the essence.