

# **Go-To Market Strategy**

The Product Mentor

February 2014

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# What Is Go-To Market Strategy?

(Take 1)

**A coherent set of choices that align your people, processes, products, premises (physical/virtual channels) and partners to deliver your brand promise, the desired customer experience, and tangible value.**

- Bill Brown

# What Is Go-To Market Strategy?

(Take 2)

1. Who will we actively target within the market?
2. What will be our product portfolio for target customers?
3. How much will we charge for our products for different customers?
4. How will we promote our products to target customers?
5. Where will we promote and sell our products to target customers?

- Wikipedia

# What is Go-To Market Strategy?

(For Product People)

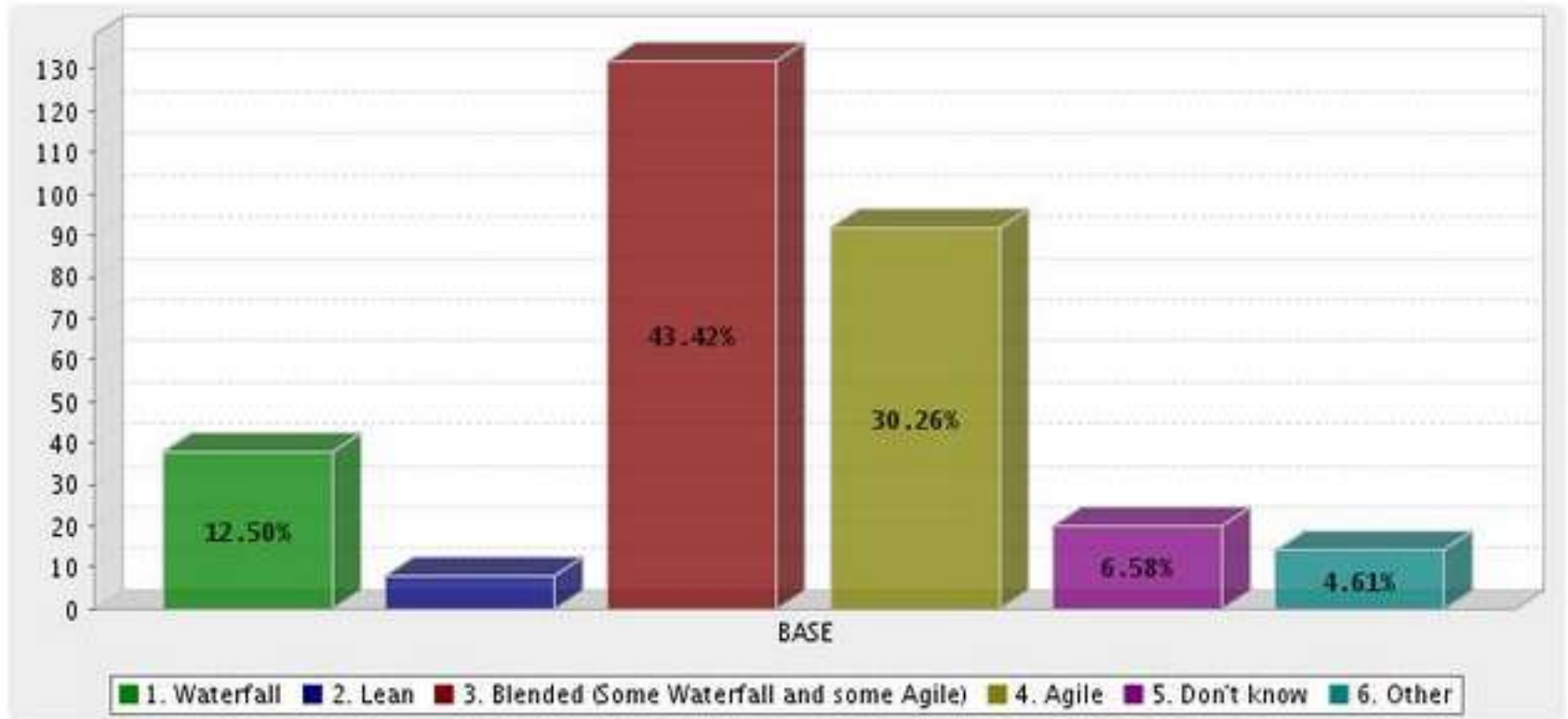
Everything and anything that ensures that you build the right product so that when you go to market, it will succeed & you will keep your job.

*A product that is usable, valuable and feasible.*

# So How Do You Build the Right Product?

You begin with a strong product development methodology

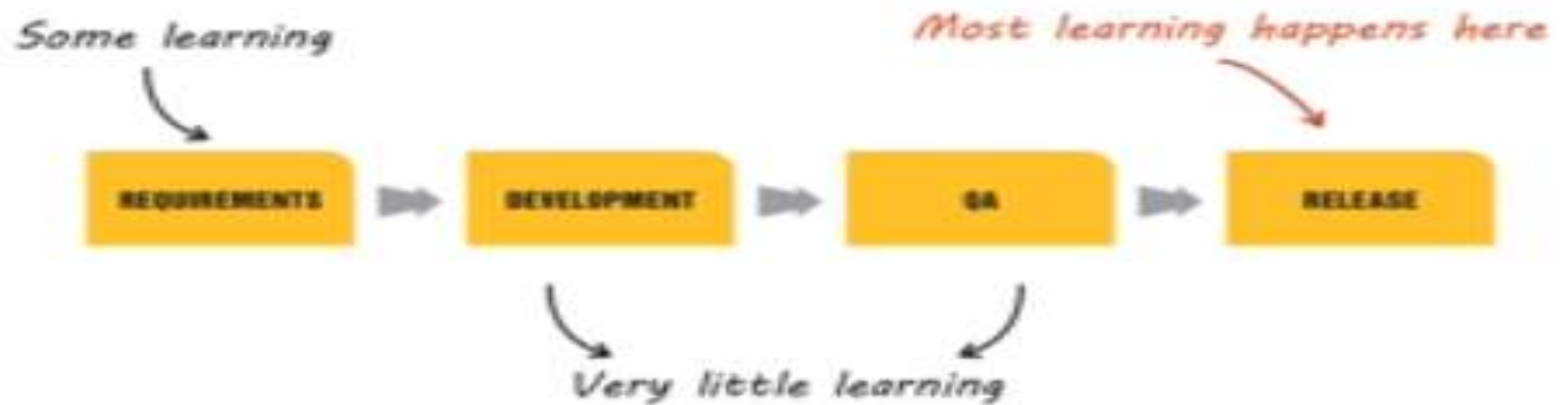
# What Product Development Methodologies Are Used Today?



Source: Actuation Consulting ©2013

- Of those using Lean, 75% are using a startup Lean method
- Of those using Blended or Agile, 83% use the Scrum method

# One Thing For Sure: Avoid the Waterfall...



Source: Ash Maurya, author of "Running Lean"

- While executives like it because it feels like everything is "known"
- It is overly dependent on quickly-aging assumptions and market data
- The real learning comes too late...

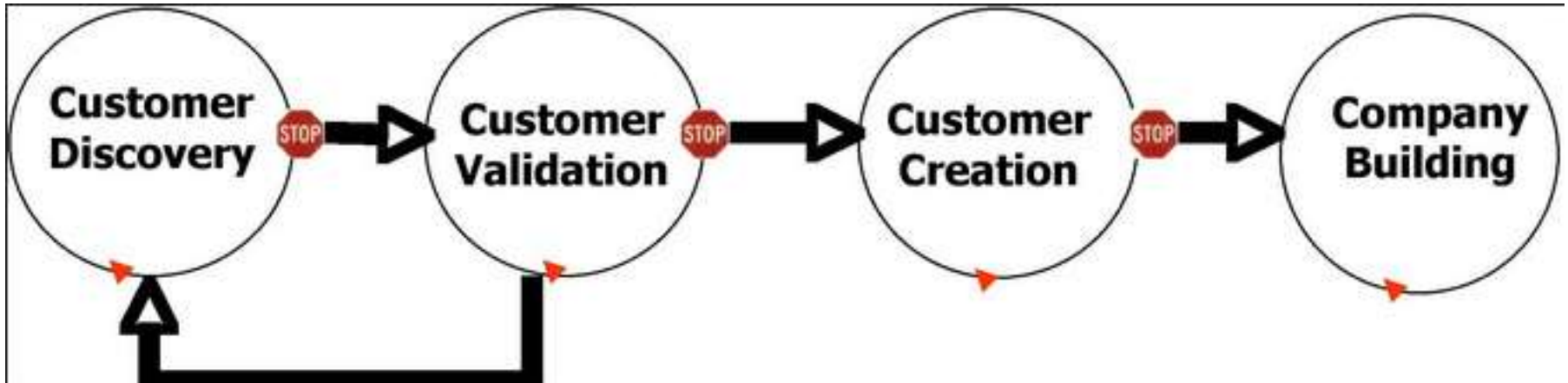
# Lean's Build-Measure-Learn Feedback Loop



Source: Eric Ries, author of "The Lean Startup"

- This is the core of the Lean Startup model
- The objective is to MIN the total time through the loop
- An MVP enables a full turn of this loop with MIN effort/development time

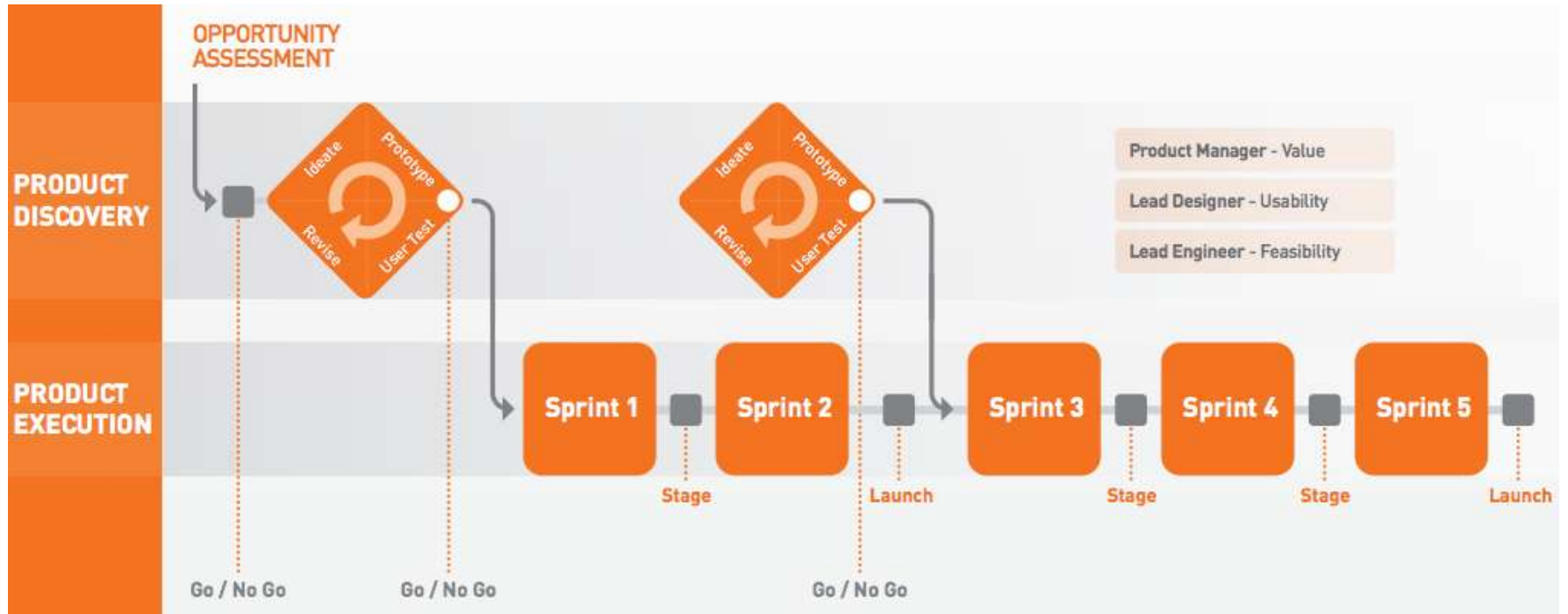
# Customer Development



*Source: Steve Blank, author of "The Startup Owner's Manual"*

- **Discovery:** a structured process for testing hypotheses and finding facts
- **Validation:** tests whether business model is repeatable & scalable
- **Creation:** builds end-user & drives it into sales channels to scale the biz
- **Co Building:** transforms org from startup into a company executing a valid model

# Agile/Scrum Product Development Process



Source: Marty Cagan, SVPG, author of "Inspired"

- Product Discovery is about decreasing solution risk
- It uses MVP tests to get product-market fit (vision)
- It forces the product's usability, value, and feasibility

Great. Now Where Do I Start?

# For Startups or Entirely New Businesses: Lean Canvas

<b>PROBLEM</b> List your customer's top 3 problems  <b>2</b>	<b>SOLUTION</b> <span>?</span> Outline a possible solution for each problem  <b>4</b>  Add Comment	<b>UNIQUE VALUE PROPOSITION</b> Single, clear, compelling message that turns an unaware visitor into an interested prospect  <b>3</b>	<b>UNFAIR ADVANTAGE</b> Something that can't be easily copied or bought  <b>9</b>	<b>CUSTOMER SEGMENTS</b> List your target customers and users  <b>1</b>
<b>EXISTING ALTERNATIVES</b> List how these problems are solved today	<b>KEY METRICS</b> List the key numbers that tell you how your business is doing  <b>8</b>	<b>HIGH-LEVEL CONCEPT</b> List your X for Y analogy (e.g. YouTube = Flickr for videos)	<b>CHANNELS</b> List your path to customers  <b>5</b>	<b>EARLY ADOPTERS</b> List the characteristics of your ideal customers
<b>COST STRUCTURE</b> List your fixed and variable costs  <b>7</b>			<b>REVENUE STREAMS</b> List your sources of revenue  <b>6</b>	

Source: [Leanstack.com](http://Leanstack.com)

- If execs only read the Executive Summary of a business plan, why not...
- Give them everything they need to know at a high level on a single page
- It also forces *you* to address, quickly, the big picture (those pesky...)

# For Existing Product, Use the Opportunity Assessment

1. Exactly what problem will this product solve (value proposition)?
2. For whom is this product intended (target market)?
3. How big is the opportunity (market size)?
4. How is success measured (metrics, revenue strategy)?
5. What alternatives are available (competitive landscape)?
6. Why are we best suited to pursue this (differentiation)?
7. Why now (market window)?
8. What factors are critical to success (sol'n reqs - dependencies/constraints)?
9. What's the recommendation (go/no-go)?

And Then?

# You Do What You Must To...

- ✓ Understand the customers' problems, passions, or needs.
- ✓ Confirm that the VP solves the problem, passion or need.
- ✓ Demonstrate that a sizable # customers exists.
- ✓ Learn what customers will pay for the product.
- ✓ Make certain that the revenue will deliver a profit

## Asked Another Way...

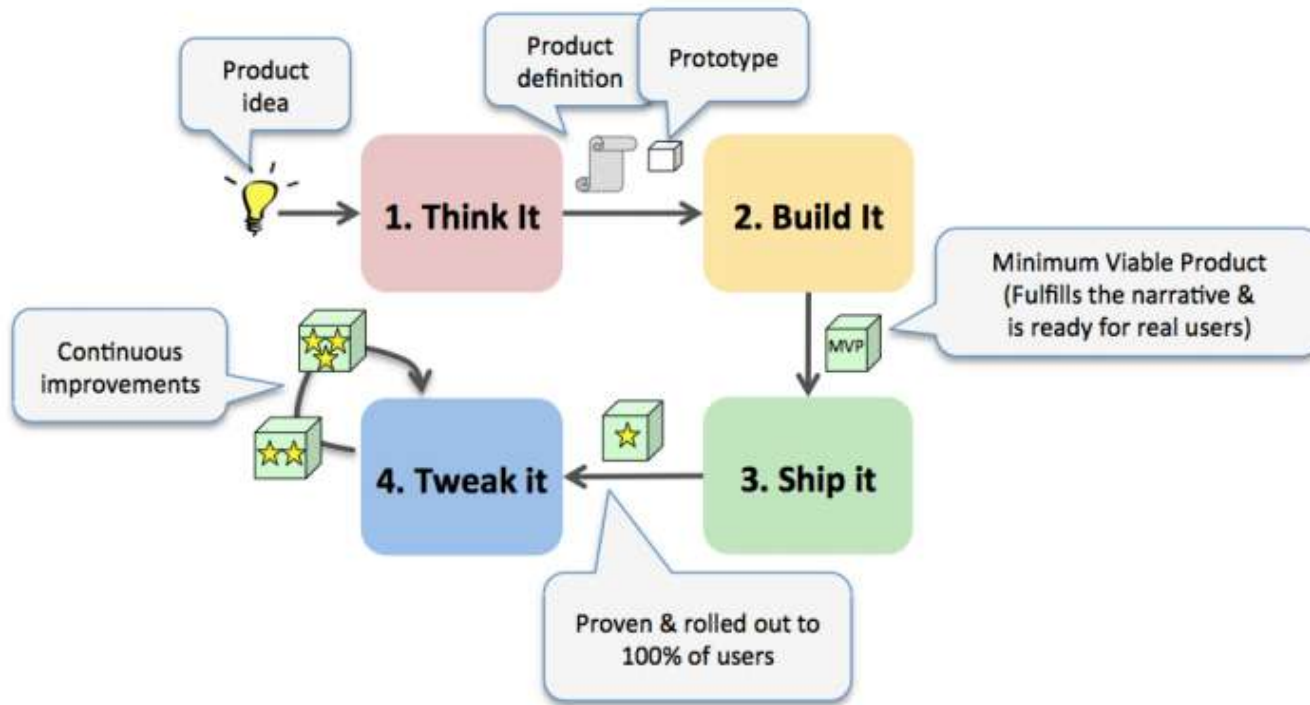
- ✓ Have we identified a problem a customer wants to see solved?
- ✓ Does our product solve this customer problem or need?
- ✓ Do we have a viable and profitable business model?
- ✓ Have we learned enough to sell?

# And What Exactly Might That Entail?

*After the initial assessment or canvassing...*

- 1. Test the problem:** Design tests and pass/fail experiments; Prepare for live customer contact; Build low fidelity MVP; Present the problem, in-person; Capture, chronicle market knowledge; Update the assessment/canvas
- 2. Test the product solution:** Build high fidelity MPV “Test”; Test the solution; Update assessment/canvas
- 3. Verify the problem/solution fit**
- 4. Get ready to sell:** Positioning initial statements, collateral, initial sales team, sales roadmaps, high fidelity MVP, determine KPIs, instrument analytics,
- 5. Sell to Earlyvangelists**
- 6. Develop Positioning**
- 7. Pivot or Proceed**

# Spotify: Product Development Done Right



Source: *How Spotify Builds Product*, Henrik Kniberg, 2013

- **Think It** = figure out what type of product we are building and why.
- **Build It** = create a minimum viable product that is ready for real users.
- **Ship It** = gradually roll out to 100% of all users, while measuring and improving.
- **Tweak It** = continuously improve the product.

# What About GTM? These Are the Big Questions...

1. What are we selling and to whom? (What is the product/service? What are the target markets? Who are the potential buyers? Why would someone buy this? How could a customer become more profitable?)
2. When will this be profitable?
3. What is the value proposition?
4. How will customers hear about this?
5. How will this be sold?
6. What needs to happen?
7. What business infrastructure is required?

# GTM v. Marketing Strategy

*Marketing strategy* answers the question, “To whom do we sell what and how? It interfaces with Development (market requirements) and Sales (content for communications and tools, to build pipeline and to close opportunities)

*Go-to-market strategy* is a super set of the marketing strategy. It answers how an organization will commercialize the product/service to reach pre-defined objectives (e.g., penetration, revenue, profit, etc.).

# GTM Key Elements (Old School)

**Situation Analysis:** Category Analysis (market, category activity, sales, technology, category activity, gov't & social trends, category attractiveness); Sales Analysis, Competitor Analysis, Customer Analysis, Planning Assumptions → **Objectives** (corporate, divisional, market, program); → **Marketing Strategy** (strategic alternatives, customer targets, competitive targets, core strategy) → **Marketing Programs** (pricing, customer acquisition, advertising/promotions, sales/distribution, roadmap, partnerships, value proposition, training, service plan) → **Financials** (budgets, pro forma, etc.) → **Monitors/Controls** → **Contingency Plan**

# **GTM Key Elements (New School)**

## **GET**

(Awareness/Interest/Consideration/Purchase)

Earned Media: PR, blogs, brochures, reviews;

Paid: Ads, Promotions, Tradeshow, Online, etc.

## **KEEP**

(Interact/Retain)

Loyalty Programs, Updates, Surveys, Customer Check-Ins

## **GROW**

(New Rev/Referrals)

Up-Sell, Next-Sell, Cross-Sell, Unbundle, Referrals

## GTM Strategies Observed

- Google Glass and Self-Driving Cars
- Nest
- Uber
- Netflix's *House of Cards*