



Go-To-Market Strategy

OVERVIEW

For early-stage companies, success is not just about developing a unique product and securing financing; success requires effectively going to market to create awareness and to get customers to purchase your new offering. Good go-to-market strategies are based on understanding who the customer is, what problem you are solving for them, and their journey and purchasing process. This understanding will help founders make decisions about sales, marketing, and resource allocation.

5 MYTHS

There are five myths about going to market that need to be debunked.

Myth	Truth
We will figure out this go-to-market thing after we are finished building our product or service.	Understanding your customer, building your solution, defining your business model, and going to market are all tightly linked. Go-to-market is not something to hold off on until the solution has been perfected.
We'll craft a brilliant strategy and hire a head of marketing/sales to execute it.	First, the strategy is never finalized. It is iterative. Second, for early-stage companies, the go-to-market is not something to be outsourced; the founders must own it. You are the primary salesperson.
We're going to follow the standard direct-to-consumer playbook.	There is no standard playbook. There is no magic formula. The market and social media are constantly changing; your strategy needs to be unique to your business, customers, market, and circumstances.
We don't need a go-to-market plan. We are building something so amazing and innovative, customers will line up for it.	This is delusional. Even Apple, which makes amazing, innovative products, has a go-to-market strategy. You have to have a strategy.
Anyone can use our product/service; it is universal and everyone will be interested.	No product or service is universal. You have to define your customers, understand them, and target them.

4 KEY QUESTIONS TO ANSWER

1. Who is your customer?

Companies need to have a very clear understanding of who their customer is, which includes customers' demographics, pain points, and motivation. Also, companies need to know how to identify customers in a repeatable way in order to drive growth. Creating a customer persona is a helpful process.



Pro tip: To define and understand your customer, YOU HAVE TO TALK TO THEM. You have to hear their voice and understand their emotions.

2. What problem are you solving for customers?

Often, when founders have an idea for a startup, they have a solution, a technology, or a business model. However, successful startups with successful go-to-market strategies solve very specific problems for very specific customers. Again, this requires speaking with customers to understand precisely a problem they have. Customers don't buy products or services; they buy solutions to problems. Another way to think about this is that customers hire products or services to do jobs for them. What job is a customer trying to get done that they would hire your product/service for?

The way to answer these questions is to engage in customer discovery. Choose discovery methods that are:

- **Fast and cheap.** You want a fast feedback cycle and want methods that are inexpensive in terms of both time and money.
- **Use qualitative, not quantitative research.** To develop deep understanding at an early stage, methods such as interviews, observation, and ride-alongs can be more effective than surveys. When doing research, pay attention to what people do, not what they say. (Example: people say they intend to eat healthy, but often act differently.)



Pro tip: "You really need to answer, what job is your customer hiring your product to do? This is potentially the most important question."

3. What is your customer's process for learning about solutions? How and where do they learn and how do they buy?

You want to understand how customers learn about solutions so you can decide how and when to insert your company/solution into the buying process. The starting point is to map the customer buying journey. (An example of a journey map is shown below).



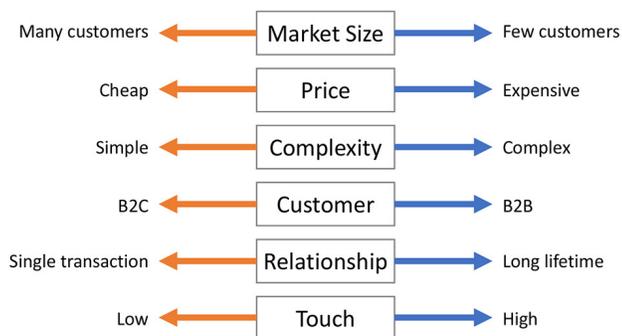
While the map is linear, in reality, the customer journey in today's omnichannel world is not at all linear. A customer will be looking online for solutions, seeing recommendations and comments, eliminating options, and ordering other options. It is a fast-paced, scattered process. Again, customer interviews are crucial to understand this process.

It's also important to understand who is involved in the process. Is it a single consumer making their own decision? Is it a family? Is it an enterprise, where multiple people are involved?

 **Pro tip:** Understanding the buying journey is crucial for understanding where you can become part of the process.

4. Are they buying or are you selling?

Go-to-market strategies can emphasize marketing to create awareness, convey a promise, and induce customers to buy. Or, GTM strategies can focus on selling to persuade customers to purchase. A framework to help think about your weighting of marketing (orange) versus sales (blue) is shown below.



A company with a go-to-market strategy that emphasizes marketing will focus on levers such as paid, owned, and earned media, which a range of tools including SEM/SEO, social, PR, and emphasis on the brand promise, packaging, and customer experience.

A go-to-market strategy focused more heavily on sales may use marketing for lead generation, with important decisions about inside or outside sales, compensation, channels and partnerships, and post-sale customer support.

 **Additional Tips**

- **At the beginning, don't worry about scaling.** The priorities at an early-stage startup need to be understanding the customer, the customer's problems, and the journey. Focus on linking the go-to-market strategy and proving the concept and the model. Worry about scaling later.
- **Focus on prioritization.** Startups don't starve, they drown. The founders become overwhelmed. Founders must determine priorities and resource allocation, and know when to say no.
- **Strategies require constant iteration.** For an early-stage company, you can't "set and forget" your strategy. You must constantly learn and modify.
- **The same principles apply for B2B.** The idea of speaking with customers, understanding their problems, and making decisions about the go-to-market strategy applies equally to B2B.
- **Talk to customers.** Talking to customers can be difficult and uncomfortable, but early on, it is the most important thing founders must do.



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Previously, Wallace was vice president of growth at Bionic, a growth advisory firm that focuses on entrepreneurship inside large organizations. Prior to joining Bionic, she founded BridgeUp: STEM, an edtech startup inside the American Museum of Natural History, was the founding director of Startup Institute New York, and was the co-founder and CEO of venture-backed fashion company Quincy Apparel. She was also, very briefly, a management consultant with the Boston Consulting Group and began her career at the Metropolitan Opera. Wallace holds undergraduate degrees in mathematics and theater from Emory University and an MBA from Harvard Business School.

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