GO-TO MARKET STRATEGIST

MAJA VOJE

CHAPTER 2

Market

"No plan of operations extends
with certainty beyond the first encounter
with the enemy's main strength."

Elder Moltke,
German field marshal and strategist in Prussian times

Focus is hard.

Rationally, while you well know that you cannot spread your finite resources too thin, the decision to focus carries a large weight. The consequences of niching down to the wrong market entry segments can be scary. It is really hard to make a good decision with a limited understanding of the market in the early stages of GTM. This is why the mission of this chapter is to help you choose the best terrain to win.

If your thought process is similar to this email from Jasper, a technical founder who is developing an onboarding SaaS solution, this chapter will take you from being overwhelmed to hyper-focused. Buckle up.

To: **Maja Voje** (grow@majavoje.com)

Subject: **Should we go for indie, corpo, or SMBs?**

Hey Maja!

Something has been puzzling my team.

We launched an invite for our beta on private social media and got over 250 applications from various people.

Initially, we believed our user onboarding solutions would be an excellent fit for indie developers. That was our vision from the get-go.

Yes, there were some, but based on beta applications, we found three additional segments that responded positively to our invite:

• **Many B2B SMBs**
• Even **larger SaaS** companies
• **Ecommerce companies** also applied, and we were stunned.

Now we are in doubt. You always say that we need to focus on a single or be very limited about our ICPs. But how? Many different groups are interested in the tool.

Thanks for sharing your knowledge, as always!

Jasper

The special ops plan discussed in the previous chapter focuses your GTM efforts on a **single focal point (the market)** that you will conquer first. By focusing all your forces here, you increase your chances of winning. You also strengthen your

company's capacity and resources to conquer other markets later on. This is called the **Beachhead Strategy.**

The Beachhead Strategy was named after one of the most pivotal battles in World War Two. The Allies struck strongly at the beaches of Normandy and created a critical breakthrough that was the turning point in the war. Crafted and led by Supreme Commander of the Allied Expeditionary Force Dwight D. Eisenhower, the plan was to establish a beachhead by taking one beach after another. The rest is history.

In business, the Beachhead Strategy is all about focusing on a small market segment first to increase your odds of winning. It is called the **Beachhead Segment**, and choosing the right one can be pivotal for your GTM.
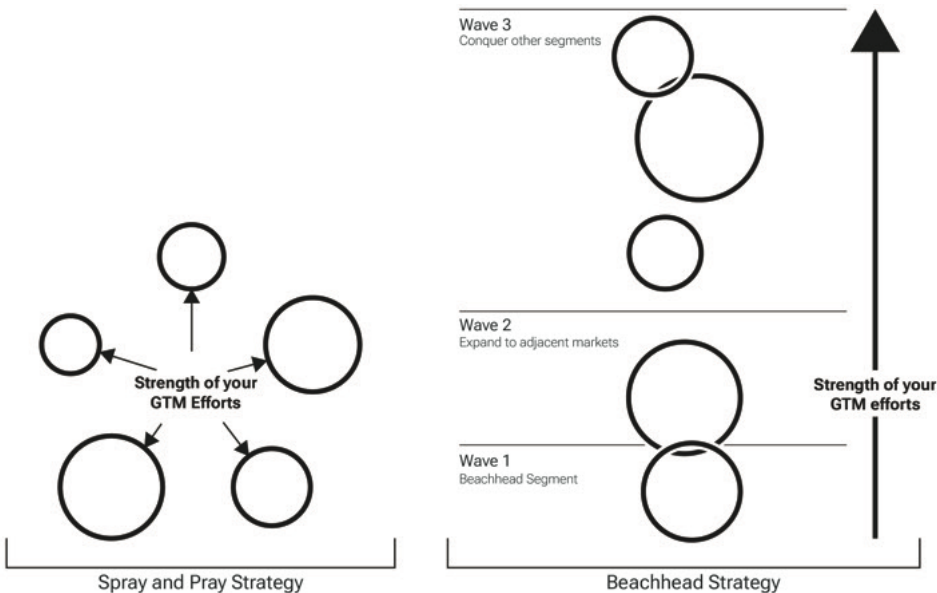
After creating significant traction with your selected Beachhead Segment, a company is in much better shape to start expanding to adjacent markets. Preferably those that have some intercept with your Beachhead Segment will give you a competitive edge. There are numerous examples of unicorn companies that used a Beachhead Strategy for gradual expansion:

- Facebook was first available exclusively for Harvard University students, then for other Ivy League and Boston-area universities, then gradually other American universities and high schools, and then finally, the general public.
- Uber started to expand city-by-city in California.
- Figma first targeted game designer studios.
- Amplitude became a trusted ally for product managers by organizing conferences for them.
- Tinder started by organizing parties at fraternities and sororities.

The selection of the Beachhead Segment has a huge impact on your GTM. It will determine other aspects of it: the product, messaging, pricing, branding, marketing and sales channels, etc. Remember Jasper's email? If their Beachhead Segment is **indie developers**, they will probably:

- Create a bunch of commits (pushing the code to GitHub) and create docs on GitHub.
- Invest in developing a strong community.
- Use content marketing, which is very education-oriented.
- Pricing will remain accessible because there is only so much they would spare so they would need a lot of users.
- Have an ungated demo version of the product available (a try it before you buy it approach, also known as product-led growth).

Oppositely, if Jasper's team selects **ecommerce companies** as the Beachhead Segment, their GTM will look entirely different:

- Launch some pilot projects with early customers to prove results.
- The solution will probably have to integrate easily with popular ecommerce platforms such as WooCommerce and Shopify. Since it's hard to develop all integrations at once, they'll first have to limit to one underlying technology and narrow down the market to their users.
- Mainly communicate conversion uplifts and revenue increases by using a solution. Case studies will become their next best friend.
- Price-wise, they could charge a higher fee or even sell consulting services in addition to subscriptions based on complex integrations.
- Channel-wise, there are podcasts, social media groups, and technology marketplaces such as the Shopify store, WooCommerce plugins, etc.

○ Since many teams do not have in-house development, get ready for some hands-on work with teams or vendors, which calls for partnership programs.

These are two entirely different companies.

Jasper might be facing another problem. It can be psychologically hard to accept many trade-offs of implementing a Beachhead Strategy. There are mental barriers to cross, such as:

1. **My solution can help everybody.** And you probably built it with this grand vision in mind, right? Even though you've got the enthusiasm, try to make peace knowing that one of the most secure paths to success in GTM is to win one segment after another. This decision is made to derisk your business. And remember this:

YOU CAN'T MAKE EVERYONE HAPPY
YOU'RE NOT A NUTELLA JAR

2. **What if I am leaving money on the table?** A Beachhead Strategy will strengthen your business by focusing on the terrain you can most likely win, while protecting you against spreading yourself too thin. In GTM, you need to create a critical mass of validation. That is usually more likely to be achieved with a smaller selected target market than "go big or go home." Some of you might be shaking heads here. You have different plans: grow fast and exponentially across a big market. Fair. A Beachhead Strategy is not the only option. There are other GTM strategies. Yet, the Beachhead Strategy is one of the most applicable for bootstrapped companies and ones that are still on their route to verify pre-product-market fit.

3. **Shiny object syndrome.** There are so many opportunities out there. New technologies emerge, and you might be presented with an interesting new business opportunity. Most practitioners leave some lever for "moonshot projects," and up to 20% of available resources can be used to explore such opportunities. However, 80% or more must be invested into the original GTM plan to create a critical mass of activities for success. You will not come a very long way if you keep on changing directions. Focus on validating the opportunity at hand before moving to the next big thing.

Beginnings can be very humble. But one year and a half from now, others will look at your traction and say: "Wow, they have become the #1 choice for ecommerce onboarding. We should check them out!" Your punching power in business increases with GTM traction. You have more insights with each segment you win. Once you achieve your objectives there, you win other segments with greater confidence because you already have existing traction. Ideally, these segments are slightly interconnected, so they serve as a great reference to each other.

Deciding whom to target is a serious strategic choice since it can make or break the business. Yet, sometimes, making that choice seems like playing battleship: guessing where to start and hoping not to sink. There must be a better way. Let's learn how to analyze the market to select the terrain that will most likely make your go-to-market triumphant.

Plan to Win

"If everybody else seems to be doing it one way, there might be more opportunities the other way."
Andrew Scheuermann, industrial IoT and AI entrepreneur

GTM values speed, intensity, and action. But action could be placed in the wrong direction.

Since you now understand how important the selection of your Beachhead Segment is, you will stop the fast-paced and turbulent reality of a GTM ride and do some planning. Planning in GTM is not limited to desk research and reading reports. You need proprietary information since you're taking on the unknown unknowns.

But if you are in a new market with a new solution, how much planning can you or should you really do? Enough to ensure that your Beachhead Segment matches the following criteria:

- **You can win it over in the next 18 months or less.** Entrepreneur and GTM expert Rishi Chowdhury shares a convenient rule of thumb rule for selecting your Beachhead Segment: "In B2B, the focus can be as narrow as choosing a Beachhead Segment of 100 companies and consider it a win if you can win 30 to 50% of that segment in a year and a half. At Incube Space, we selected UK universities as our Beachhead Segment for CubeOS, which maximizes commercial real estate energy efficiency. Part of why is because universities occupy their own business, whereas, in an office building, you have to convince the building manager and tenants, which would take longer."[8]

- **A high pain point for the solution you are bringing to market.** Your solution should be a painkiller, not a vitamin to your Beachhead Segment. A well-chosen Beachhead Segment has to be aware they have a problem. When you pitch them, they should reply with more of a "shut up and take my money" than an "interesting, we are budgeting in November, maybe let's follow up then." If you developed software to identify vulnerabilities in code, clients from industries that process highly sensitive data, such as

8 Voje, M. (2023). Rishi Chowdhury: Beachhead Strategy. GTM Strategist Podcast. https://open.spotify.com/episode/44JumI4h8ADANXYU3QEuF

banks, hospitals, and insurance, would be more likely to care about solving this problem than small ecommerce companies that are tweaking their WooCommerce stores with 30 plugins.

- **Adequate willingness to pay for the solution.** Do budgets for solving this problem already exist? If so, what is the money they can spend with you? I had this issue once in an online course. Usually, my B2C products are priced at up to $99 a product. No complaints. But when we launched a B2C online program for $297 (+VAT), users started asking if they could buy it in three installments. The challenge was that it was targeting people who were still employed and wanted to start their own businesses. The price of the product was nearly 1/3 of monthly earnings for some. In retrospect, I should have crafted the program towards experienced professionals who already run successful side or main service businesses. For them, if they got one client by implementing the knowledge, the return on investment is already 10x.

- **The market is seizable and healthy enough to support your future growth.** While the Beachhead Segment can be very small, the total market you choose should be in good shape – preferably low in competition, open to embrace innovation, and with manageable market barriers. I mentored a company that developed software for recruitment and candidate selection. Their selected Beachhead Segment was hotel chains. Unfortunately, they entered the market in 2020, just before the COVID-19 lockdowns. For nearly two years, they had to pivot to other industries and rely on much smaller businesses that remained open. Once the pandemic settled, the market went crazy for hiring. It looked great, but at the same time, hotels wanted recruiting services, not software to evaluate candidates. That team had quite a ride. I am very proud they endured. But I cannot help but wonder if they had chosen another market, such as small IT development agencies, that their life would have been much easier.

A Beachhead Strategy in GTM leads you to identify the minimum viable segment (**MVS**) that your minimum viable product (**MVP**) can serve better than anything else. This is how you win markets.[9] Entrepreneurship, at its heart, is all about

9 Skok, M. J. (2023). | Startup Secrets: Go to Market StrategiesHarvard i-lab. Harvard Innovation Lab. https://www.youtube.com/watch?v=rqi-n0hA4uo

creating solutions to solve problems, finding target audiences that appreciate this value the most, and capturing a proportion of the value added as an exchange in the foreseeable future.

Another reality strikes for bootstrapped GTM companies here. Not only will they love it – but are they prepared to pay for it? If you need to monetize soon, you will have to test product-market fit and business model simultaneously.

A winning strategy is the following:

- Your customers recognize you for delivering a unique value-added solution and are willing to pay for it.
- The solution is valuable to the target audience and differentiated from your competitors' offers.
- It is hard to copy in a short period of time.

Adjusted from Startup Secrets: Go to Market Strategies by Michael J. Skok

Planning in GTM is all about doing sanity checks that you are not on a bad terrain and generating proprietary knowledge and insights that will lead to creating a truly differentiated and hard-to-copy GTM strategy. Remember the special ops lesson. The kernel of the GTM strategy is to create a **simple plan** which consists of:

1. Limiting the number of objectives (done with OKRs).
2. Having good intelligence.

3. Playing on your strengths and the enemy's weaknesses.
4. Innovating to build a competitive edge.

You already limited the number of objectives with OKRs to focus your GTM mission. Now, it's time to start developing a proprietary plan to win. By researching the market and crafting your GTM strategy based on high-quality intelligence, the fit between MVS and MVP can be found more reliably and quickly.

Generate Good Intelligence

"Intelligence is quickness in seeing things as they are."
George Santayana, Spanish-American philosopher, essayist,
poet, and novelist

In GTM, the research part is far from boring. You seek proprietary information that will drive a competitive edge and make you different, better than others, and ready to win. In special ops, one of the greatest ways to generate great intelligence is to infiltrate enemy camps, engage spies, get information from locals, and secretly observe enemy territory without them knowing.

The best research is generated in the field and used swiftly to create an advantage.

I launch anywhere from five to 10 products each year. This includes online courses, workshops, frameworks, and cohorts. The inception process is so optimized by now that I spend up to two hours putting the idea together. The rest is research and validation. For each new product, I structure a one-pager that answers six questions:

1. **What is the core idea of the product?** Let's say I want to build a LinkedIn content creation system to help experienced professionals unlock new business opportunities by sharing knowledge without becoming "crying CTOs" and "copywriting wizards." The mission here is: let's make LinkedIn a more intelligent place to learn from experts who are walking the talk.

2. **For whom is this product the best fit?** Product managers, consultants, technology experts, and communication professionals who identify as introverts and believe they (may) have imposter syndrome, but in reality, they have 10+ years of experience being a world-class professional, and have a ton of knowledge and examples to share.

3. **What are the problems the product is solving?** These professionals love processes and structure. Vague advice such as, "Just write whatever is on your mind," will never land. The other issue is that LinkedIn will definitely not be their part-time job. They work elsewhere and may invest two to three hours a week on LinkedIn. We have to make the system work for them. Last but not least, certain formats and messages are just a no for them. They might not be open to sharing about their personal life and don't want to shoot videos or design their posts. The system has to accommodate their preferences.

4. **Who am I competing against? What is their offer, traction, and price?** Some experts price their one-on-one LinkedIn programs at $600 a month or more. Online courses are available in the range from free to $300, mostly gravitating towards $99. Cohorts are available for monthly fees of $79 to $500.

5. **What is your MVP and business model that you would like to test?** Courses enable scale. The problem with online courses is that only up to 6% of participants finish them, and I would not even want to guess the percentage of participants who actually apply the knowledge. Personal consultations take a lot of time and resources to deliver but provide better results regarding transformation. Cohorts work well if they are managed as communities of a finite number of attendees on a mission to deliver results in a finite time. In terms of value delivery and exchange, we believe that our best bet is an 8-week cohort for professionals on how to develop and grow personal brands on LinkedIn. We'll measure their success by the number of new followers, opportunities, reach, and engagement they receive during the program. We will mostly focus on North America and Western Europe at first since the class will be in English and priced within the $450 to $1,000 range and limit each cohort to 30 to 50 attendees.

6. **What is the customer transformation? How can I validate this product in the next 2 weeks?**
   - Write a Google Doc with the idea and offer.
   - Test the doc with five to 20 representatives of the selected target group and discover who immediately resonates with the idea. Is there a sub-group who is already eager to buy the program? If so, sell it to them.
   - If not, it's best to revamp the offer and incorporate their feedback before sending it out into the wild.
   - Send out a batch of emails, or post in a social media group that's identified to be relevant to the target audience. Ask them to either already buy or give feedback.
   - Run a pilot.
   - See what happens and elaborate. Choose a new channel, do it in partnership with an accelerator instead of yourself, improve the document, and learn from the previous iterations.

Points 2, 4, and 6 are specifically interesting. It's a very light version, but almost any research is better than no research when you are starting out. I didn't spend months on it; it was done in a week. I did not secretly infiltrate all of my competitors for months; I read their reviews and asked colleagues who had experience with their program.

That example was fairly straightforward. Let's move on to a more complex case.

Simon Belak is a data scientist, CTO, Growth expert, and one of the smartest people I have ever met. He built state-of-the-art solutions and algorithms to support GoOpti, Metabase, and Zebra BI. Here is an example from his practice.

GoOpti is a shuttle that gets passengers from one city to a more prominent airport in Europe, where they can continue their journey at a lower cost than if they flew from a smaller city. The value proposition is to "save up to 50 euros per hour." When Simon was a CTO there, one of his core interests was to build a data model to help the company decide which city to enter next.

What would happen if you were willing to drive four hours to another airport? Would you get a better deal that would still cover that ride? Simon realized that understanding value propositions and scraping flight data for all European airports are connected.

What is the average price, the best traveling option, and the best connection?

By assuming that passengers are keen on making rational choices, Simon could calculate a difference in what would happen if people drove to other airports. Eventually, the GoOpti team determined how much value they could bring to a certain town and calculated potential savings. They did it for all the towns in the EU with a population between 150,000 and 800,000 and clustered the findings to create heatmaps of town-to-town dependencies that helped inform their GTM strategy.

Ultimately, it all came down to identifying the value proposition and determining how much value they could bring at a certain time. This insight gave them a prioritized list of interesting markets to enter. The result of this study was a virtual map of which town in Europe they should enter.

Fascinating, isn't it? You can generate intelligence without having the product ready to launch and buying fancy industry reports that your competitors have at their fingertips. Now let's dive into the competitive research world.

Market Research: Know the Terrain

"If we knew what we were doing, it wouldn't be called research."
Albert Einstein, theoretical physicist, one of the most influential scientists of all time

In GTM, market research is done to prove there is a sizable opportunity for the company to build a sustainable business. Even if you select a Beachhead Strategy – a radical focus on growing segment per segment – you should ensure you're not serving a market "of too few" where you could not build enough traction to move to other market segments.

The TAM, SAM, and SOM model (I'll define these acronyms below) is the most widely used model based on which companies prove their selected markets offer attractive growth prospects. The ground logic is to start in a niche and expand towards areas with great TAM to secure further growth potential.

Let's visit this using an example of a genetic testing provider.

- **Total Addressable Market (TAM)** was estimated at $7.4 billion USD in 2022. According to Grand View Research, the global market size is projected to reach $35 billion USD in 2030,[10] at a compound annual growth rate (CAGR) of 21.4% during the forecast period (2022 - 2030).

- **Serviceable Addressable Market (SAM)** is calculated by the market growth and the number of companies in the vertical (heritage testing). By calculating the market growth and considering the number of companies in the vertical, the SAM was estimated at $1.6 billion USD in 2022, which is the total market for heritage genetic tests in North America and Europe.

- **Serviceable Obtainable Market (SOM)** is the portion of SAM you can capture in the short to medium term, usually within the next few years. The team sees some strong competitors already in the field, which is also a sign of existing demand and awareness in the market. Based on projections, the portion of the market they can obtain is $190 million USD a year.

- **Early adopters** are those early customers who are very important in GTM. Remember Roger's bell curve from the previous chapter? These will be the early adopters you need to win before daydreaming about what is around the corner. In the lifespan of GTM, this genetic testing provider has to start somewhere. Based on market research, they decided to launch their solution in the European market and target individuals who have been adopted and wanted to learn more about their biological families. Based on their strong points and the market characteristics, the company can project that it's realistic to earn $10 million a year after two years in business. Right now, they are seeking to achieve $200,000 in monthly recurring revenue to get started.

If you are preparing a pitch deck for investors, TAM/SAM/SOM is an important slide to present the size of the market opportunity. This is how you can present it:

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10 This data is usually sourced from external reports created by market intelligence companies, consulting companies or independent analysts.

Market definition (category)	Genetic testing
Market size	$7.4 billion USD in 2022
Market growth	CAGR of 21.4%, $35 billion USD by 2030
Main product applications	Ancestry and ethnicity, traits screening, genetic disease carrier status, health and wellness predispositions.
Key market players	Illumina, Thermo Fisher Scientific, PacBio, Oxford Nanopore Technologies
Key market trends	• Growing awareness about a personalized approach to training and nutrition. • Increasing adoption of direct-to-consumer (DTC) testing. • Integration of AI for data analysis and interpretation. • Next-generation sequencing (NGS) technologies enable high-throughput, cost-effective sequencing. • Growing availability of genomic data for large-scale analysis. • Expanded scope of genetic testing. • Integration of genomics in clinical practice.
Closest competitors	AncestryDNA, MyHeritage, MyDNA
Customer type (individual/ business)	• Individual (B2C, DTC) • Physically active people who are interested in their health. • People interested in longevity.
Customer geographical location	North America, Europe

Source: *https://www.grandviewresearch.com/industry-analysis/ genetic-testing-market-report*

So where do you get this data from? An independent research firm might have an excellent industry report available to buy, such as "Genetic Testing Market Report 2025-2030." But it costs $8,000 to download. Should you invest in this purchase? Of course you can, but most of us would rather first do a sanity check

using free or inexpensive sources and, whenever possible, go directly to the source: to industry experts and prospective customers.

While not everyone has access to market research reports done by Big 4 consulting firms or Gartner, nowadays, data is hugely democratized, and there are more ways to learn about markets and their prosperities, many of them free. You can source from government and statistics office websites, academic research papers, publications, and tools from private data providers or use paid data collection.

You can do the market analysis yourself or rely on external sources. There is much more useful information on how to do research in the next chapter, but for now, let's focus on how GTM combines insight from secondary and primary sources.

Here are three examples of how different companies conduct valuable market research:

- **Social monitoring.** An entrepreneur was developing anti-hangover shots – a supplement a person takes before and after a lively night out. He checked the search volume for the category and found some brands abroad that are already crushing it. To find the best ingredients for his product, he spent months analyzing and engaging in Reddit discussions where people with alcohol addiction or problems talked about their go-to anti-hangover solution. He got a lot of great insights for product development and continued to study professional articles of the industry to get a formulation. Later, he developed a prototype and took it to popular party places in his town. He was chatting with people about their challenges after a night out. These conversations gave him valuable messaging for marketing, and he later offered them a sample shot. Their positive feedback gave him social proof, tons of recommendations, and provided valid proof that he was on the right track with his development.

- **Marketing test with advertising.** A well-known hardware company was researching the market potential for gaming gear for women. They studied Discord, Facebook, and Twitch groups to see how many female players have unfulfilled wants about their gaming gear and setup. They analyzed market data and learned what popular games female players played, along with the most popular groups and influencers they trusted. Before diving into an

expensive R&D process, they launched a survey and promoted it via their newsletter and to a specific ad set: females only, on social media groups. The response rates were suboptimal. It proved the female gamer segment included a large proportion of mobile gaming. For that, you don't need computer hardware and accessories. It also took them a lot of effort and advertising dollars to even get responses. Therefore, the company decided to shut down the project because there were better opportunities to pursue based on the core competencies and audiences the company had already successfully marketed to.

- **User interviews and usability tests.** A team wanted to develop a Slack and Microsoft Teams integration to help employees connect and nurture their culture while working remotely. In the post-pandemic world, many employees did not wish to return to the office. Based on external research of public data available and by analyzing the discussions in HRM Facebook groups, they realized that technology companies have the most widespread organizations of remote work and are relatively easy and friendly to test new technologies. One of the founders organized 25 customer discovery interviews from a selected vertical in which she learned more about the existing solutions companies were using, what they lacked with current solutions, and what their ideal solution would look like. This research provided valuable insights for product development, and she was happy to learn that many of the companies interviewed actually signed up for the service later on.

We could go on and on with these cases. Almost every company has it, but here is what we can learn from them:

- Use at least some external data to inform your decision-making.
- Test assumptions you made using primary research methods.
- Enrich findings and decide if you want to pursue this assumption.
- Nurture relationships with people participating in your research because they might make excellent early adopters and ambassadors of your innovation.

Now, let's double down on learning who you compete against in your "playing to win" GTM strategy.

Who Else is Playing to Win?

"I'm not in competition with anybody but myself. My goal is to beat my last performance."
Celine Dion, Canadian singer and "Queen of Power Ballads"

Business is never done in isolation. Other businesses are playing to win, too. If you enter a new market, it's nothing but a good signal that some competition exists. That means there is an existing demand for it, and your job will be to find a market segment with an unfulfilled need that you can serve as your first focus.

There are two vastly different views explaining whether or not you should pay attention to competitors in the first place:

1. **Do not reinvent the wheel.** Those who believe there is value in learning from the established players and replicating some of their selected good practices.

2. **"Steve Jobs and Henry Ford" tribe:** Those who believe there is little value in competitor research because the team knows best and should innovate to their best capacities.

If you invent something radically different and new, you might have an opportunity to rewrite the game's rules and educate a new market. But even in this case, can you really completely ignore your surroundings? Your target market probably has an alternative to solving a problem.

Competition comes in many different shapes and forms. Consider these four types of competitors:

1. **Direct competitors** are companies you compete against neck-to-neck. They target the same customers with a similar type of offer at a similar price point. Think iPhone vs. Android, Intercom vs. Drift, or Shopify vs. WooCommerce. Usually, they are direct substitutes. Not many customers use them together.

2. **Indirect competitors** cater to the same audience at similar prices with your differentiated offers. This might be a DIY workflow with an Excel sheet. Consider all of the existing alternatives by which customers satisfy the need for a solution. You can learn that by analyzing social media groups, surveying, or interviewing clients or prospects.

3. **Replacement competitors** are sometimes also called phantom competitors. You do not see them coming. They sell a solution different from yours to different customers, but consumers would still choose to spend their money with them. If customers manually create social media content using a copywriter and designer, an AI platform that provides social media materials to companies is a replacement competitor. Such competitors can threaten the category's existence. But usually, these changes do not happen overnight, and there is plenty of room for differentiation.

4. **Aspirational competitors** are companies that you admire and can learn from. They have developed brilliant marketing and sales strategies, stunning designs, superior products, and stellar customer care. They can inspire your marketing and sales efforts even if you work in another industry. The usual suspects of such companies are Apple, Patagonia, Gymshark, Hubspot, and Tesla. Many GTM experts hold a swipe file or a mood board of examples from awesome companies who are not in direct competition but are more of an inspiration to them.

By now, you might be thinking, wait, do I have 50 competitors? It is impossible to analyze and monitor them all. And you are right. Overanalyzing competition in a 200-page competition report makes limited sense. Your team is unlikely to read it all. To select the best rivals' you are competing with, consider the following:

- **Your target customers know them and consider them as replacements for you in the purchasing decision.** You can learn this very quickly by simply asking your customers what other options they considered before signing with you. Another way would be to observe the discussions in online groups where customers are searching for advice. Whom do others recommend? The answers can be upsetting because you might disagree with them (perhaps you even define the competition differently), but they can be eye-opening.

- **Comparable size and resources to your company**. Industry whales can be a source of inspiration for ideas, but most companies are much tighter with their resources. Choosing competitors that are up to 10x bigger than you are now is wiser. It is more realistic and actionable.

Limit your scope of competitors for analysis to a reasonable number of competitors. Up to 10 will do, but if you learn that your target market has only two to three competitors, that is enough to start with. For the selected batch of competitors you want to analyze, consider using the following competition research methods:

1. **DIY customer research.** Asking or interviewing customers or prospects and learning what the relevant set of competitors they were comparing when they made a purchasing decision is extremely insightful.

2. **Analyzing competitors' online presence.** If you compete against a bigger brand, they might publish yearly reports, roadmaps, and case studies. That is a goldmine of information. Do a teardown of competitors' websites and capture notes on their messaging, pricing, sales funnels, number of offers, etc. Multiple online tools can help you provide better data. It is also great to analyze competitors with tools such as SimilarWeb and BuiltWith, which provide insights into their tech stack and traffic on the website.

3. **Analyzing competitors' marketing and sales activities**. Find the best players in the game and create a swipe file with their examples. It is great to start with SEO tools such as Ahrefs, and Semrush, social media monitoring services such as Brand24 or BuzzSumo, and ad spy tools such as SpyFu, Google Ads, and Meta Ad Library. You can also set up Google Alerts or similar notification tools to get alerts when a competitor has an important announcement.

4. **Hands-on experience with the competitor.** A sales call or an online purchase from competitors will provide invaluable insights. If you are not in a position to make the purchase yourself, you can ask a colleague or a team member to do it on your behalf or hire a mystery shopper who will conduct the purchase and report on it. Stay ethical while you are doing this.

5. **Netnography.** Online user groups and review sites are a threshold of great opportunities and understanding the upsides and downsides of current offers on the market. If you discover that certain reviews and remarks are repeated, you might have an opportunity to fill that gap in the market. You can find reviews on websites like G2, Software Advice, TrustRadius, Capettera, and Clutch for B2B. In B2C, we find them on sales channels such as Amazon, app stores, TrustPilot, forums, Facebook, online stores, and independent review sites. Be careful with the interpretation because many companies incentivize their customers to post reviews. Try to find honest reviews. Those that describe what was missing in the experience are especially useful.

Once you have identified relevant competitors and analyzed them, it's time to compare them.

You'll want to start by selecting criteria to make competitor comparisons. When doing this, it's best to include the criteria that actually influence a buyer's decision-making. Common criteria such as the number of employees, yearly revenue, number of followers on social media, and alleged monthly website visits may or may not be relevant. Do some customer research and determine comparison criteria yourself. You might be surprised that "free trial," "sustainability," or "quality of customer care" may be perceived as the most important. You can select better signals for your industry that will serve as an excellent platform for future differentiation, positioning, messaging, and other elements of GTM strategy.

In the spreadsheets below, there are multiple dimensions where you can run a competitive comparison. It's best to choose ones that are of strategic interest to you and compare them based on the same criteria that are relevant to the customer. To keep the workload manageable, analyze 3 to 10 direct competitors based on 5 to 10 criteria. Below is a simple competitive comparison table for a B2B company. The company works in the HRM process automation space and aims to improve the hiring experience; it's a CRM for candidates who are applying for jobs.

You can run this research again and again. It has the potential to become a living, breathing working tool that you can return to every quarter (at least twice a year) or whenever a new company appears in your competition arena. This overview will give you a snapshot of the current state of the market. But with an evolving landscape, how comprehensive should this analysis be each time?

	My company	Competitor 1
Target Audience	Development agencies with minimum of 100 people in the product who are building projects for their clients.	"Everyone" – all SMBs could potentially benefit from it (poor positioning).
Delivery of Service	SaaS – monthly payments.	SaaS – monthly payments.
Case Studies and Reviews	None (Pilot to be launched soon, 5 prospects).	Some – mostly MSEs appear to use it.
Number of Customers	0	50,000
Pricing	MRR per team license: Up to 10 seats = $200 10 to 50 seats = $400 +50 seats = enterprise deal	Free version of a product – one job to fill + $50 to 200 a month, depending on the number of jobs
Top marketing channels	- Key account management - Sales - Social media	- Product-led growth - Referrals - Paid ads
Messaging	"Developers are hard to find. Never lose a candidate due to system flops."	"HRM does not have to be expensive; this is Trello for hiring."

If the insights start to repeat themselves, stop. If you run an analysis of another competitor, the new insights are marginal. There are two extremes when it comes to running this analysis:

- Some companies deprioritize research, customer discovery, or market analysis. Remember, there are always more urgent tasks to complete.

Competitor 2	Competitor 3	Notes
Corporates	Users of Microsoft Projects (limiting!)	We appear to be the only vertically specialized company – niche down.
Integration – yearly contract.	Integration – yearly contract, product-led	Product-led growth for more affordable products.
Plenty – 20 Fortune 500 company logos in their portfolio.	They are in Microsoft accelerator, and will be pushed through by their partner.	Partnerships and acceleration with a corporate seems like a good way in.
800	50	We have not launched yet, but expect to onboard 50 prospects to beta.
$50,000 a year – license payment in advance (they do not communicate it).	$12,000 a year license.	Will multiple people buy licenses or share them? Should we consider pushing a yearly limit per number of seats?
- Enterprise sales - Content marketing - User education	- Partnerships (Microsoft) - Cold outreach - Product-led growth	Should we add a free version of the product, at least a demo, video to get our foot in the door?
"Remove the hassle of application. Let AI help you nurture relationships."	"You do not need another tool. Bring it to your Microsoft project system and make it work.	It appears that we are the only company specializing in developers and preventing getting rid of work.

- Other experts are simply obsessed with their competitors to the extent that when a rival sends out a newsletter, they send it to the company's Slack channel within five minutes: "@everyone, why are we not doing this? Calling in a red meeting to get it done asap." Being obsessed with competition is neither healthy for your or your team's well-being. It brings a company to a reactive state. You cannot win your GTM if you merely manically respond to whatever your competitor is doing.

Market and competition analyses are merely reports if you don't put them into action. It is time to bring all the insights together and come one step closer to winning GTM.

Playing On Your Strengths and The Enemy's Weaknesses

"If you don't have a competitive advantage, don't compete."
Jack Welch, US business executive, chemical engineer, and writer

Analyzing market and competition takes time and work, but it is doable. In the wild waters of GTM, you rarely find time and mind space to reflect on the strengths of your team and the company. Some things are so obvious that you take them for granted.

This is why a **SWOT** analysis (Strengths, Weaknesses, Opportunities, Threats) can be so insightful for GTM teams. In addition to market and competition insights, this oldie goldie from the 1960s provides a wonderful inception for your strategy work. It is still widely used in business. Why fix something that's not broken?

To help you get started with your SWOT analysis, here are some questions to think about.

1. **Strengths**

   - What is compelling about the company? (IP, patents, networks, data, process, technology, business model.)
   - What do competitors or even customers acknowledge you do really well?

- Do you have strong brand awareness?
- What is compelling about the clients?
- What is compelling about the partners, such as supplier, distributors, and influencers relationships?
- What proprietary or unique assets do you have?
- What skills do you have that the competition lacks?
- How do your profit margins compare to the industry average? Are they higher?
- Do you operate with strong capital? Can you outlive the competition?

2. Weaknesses

- What are the downfalls that your company has?
- What do the customers and partners frequently complain about?
- Where can you improve based on the feedback from the market?
- Which objections before the sale are to be addressed?
- Are you a new company that still has to earn trust and a good reputation?
- Do you happen to have outdated resources or equipment?
- Are there any limitations to your distribution or market access?
- Are you lacking staff or core competencies to deliver your value?
- Are you struggling with cash flow? Do you carry debt?
- Are your profit margins below the industry average?

Now let's bring the market and competition environment into the mix to get the full perspective.

3. Opportunities

- What unique opportunities derive from the environment that you operate in?
- Do your competitors have any weaknesses that you could benefit from?
- Is the target market growing or shifting in your favor?
- Is there a breakthrough in solution and science that you can utilize faster and/or better than anyone?
- Is there an untapped pain point or niche market that you could win?
- Are there upcoming events you could benefit from?
- Are there geographical expansion opportunities?

- Are there potentially strong sources or financing available?
- Industry or economic trends that you could benefit from?
- Social or political trends that could play to your advantage?

4. **Threats**

- What is going on in the environment that will change the business pace and modus operandi in your company?
- Is there a threat of new competitors entering the industry or an expansion of existing ones?
- Is your target market shrinking or shifting?
- Could indirect competitors become your direct competitors by using innovation or targeting market segments that are relevant to you?
- Industry in economic trends that could work against you?
- Social or political trends that could bring you a disadvantage?
- Any new technology that could work against you?

After identifying these elements, you are ready to derive different strategies for each matrix quadrant. A SWOT analysis does not end by identifying and listing elements. Its main value is to combine elements into possible strategic directions. Here is an example of a SWOT analysis for an email marketing automation software:

	Opportunities	**Threats**
	• Growing demand for email marketing automation in B2B industries. • Expansion into non-English speaking markets with language support. • Integration with emerging technologies such as AI and machine learning. • Partnership opportunities with other B2B software providers.	• Intense competition from established players in the email marketing industry. • Constant changes to email provider algorithms and spam filters impacting deliverability rates. • Increasing privacy regulations such as GDPR[11] and CCPA[12] impacting email marketing practices. • Economic downturns are impacting marketing budgets and demand for email marketing services
Strengths • Advanced email marketing features, including A/B testing, segmentation, and automation. • Easy integration with third-party software such as CRMs and website builders. • User-friendly interface and customizable templates. • Strong customer support and training resources. • Competitive pricing compared to industry leaders.	SO Strategies (strengths and opportunities): • Leverage the software's strengths to take advantage of opportunities in the market, such as expanding to new markets, targeting specific niches, or offering new features. • Develop partnerships with other companies or platforms that complement the software's strengths and can help to reach new customers or markets.	ST Strategies (strengths and threats): • Mitigate potential threats that could impact the software's strengths, such as increased competition or changing regulations, continuously improving the software, and offering exceptional customer support. • Develop strategic marketing campaigns to highlight and differentiate the software's strengths from competitors.

11 GDPR stands for the General Data Protection Regulation. It is a regulation in EU law on data protection and privacy in the EU and the European Economic Area.
12 The California Consumer Privacy Act (CCPA) is a state statute intended to enhance privacy rights and consumer protection for residents of California.

Weaknesses	WO Strategies (weaknesses and opportunities):	WT Strategies (weaknesses and threats):
• Limited social media marketing features. compared to some competitors. • No built-in landing page builder. • May not be suitable for businesses with very large email lists. • Limited language support for non-English speaking countries. • Relies heavily on email deliverability rates, which can be impacted by changes to email providers' algorithms and spam filters.	• Address the identified weaknesses of the software by investing in research and development, improving user experience, or offering additional training and support to customers. • Exploit opportunities in the market by leveraging the strengths of the software and addressing its weaknesses, such as targeting new markets or customer segments.	• Mitigate potential threats that could impact the weaknesses of the software by continuously improving the software and addressing customer complaints and concerns. • Develop partnerships with other companies or platforms that can help mitigate the identified weaknesses of the software and reach new markets or customers.

You'll want to do a sanity check of all strategy candidates that fit your GTM lifespan of 3 to 18 months. While the SWOT matrix can provide some excellent grounds for your strategy work, you have more deep thinking to do. What would make your GTM strategy distinctive? Maybe it's not a straightforward comparison with a competitor. Maybe you can source more inspiration from your previous experiences or aspirational companies from other industries. Seek strategies that would make the most difference to your GTM business. Let's bring another layer to your winning GTM strategy – subversive thinking.

Innovate to Build a Competitive Edge

"Don't try to serve everyone, or you will end up serving no one."
Serena Carcasole, entrepreneur and author

No winning strategy was ever done by copying others. This is what followers do, not winners. It is time to think subversively and add spice to your strategy.

You start this thinking process by identifying where you want to play and what the rules of the game there are. What is the beach you want to conquer first?

A useful tool to find your best terrain to win is the **2x2 positioning matrix**. By visualizing the competitive landscape, it is easier to see where there are potential gaps you could fill in. In its simplest form, it provides an insightful visual representation of how different competitors rank based on two selected criteria. In most cases, this is price and perceived quality. This will help you determine whether to pursue a **Penetration Strategy,** where you win a big market share fast, or a **Differentiation Strategy**, where you create a unique added value and have the opportunity to charge a higher price.

Below is a simple 2x2 positioning matrix for mainstream cars. The question marks indicate potential market entry options for a new brand in this simplified arena. I completed this matrix based on technical performance (I hope), while others would do it based on safety, image, design, and brand reputation, or most likely, a combination of all these factors.

Here are some best practices to consider when making the positioning matrix:

- **Choose dimensions (axes) that are actually relevant for customer decision-making in the category.** What you put on these axes makes a huge

difference. It's best if you have done some customer discovery research to determine what characteristics customers really value.

- **Scale realistically.** Put all of the data down in a spreadsheet first to find the relevant scales for the axes you have selected. You can do it based on your gut feeling, but it is nowhere as insightful as if you operate with real data.

- **Represent the market share.** Make the "competitor bubbles" different in size according to their market share. This helps you greatly understand the dynamic of power in the market and helps you reconsider some choices.

This matrix will give you first inceptions of where there are potential gaps in the market that you could fill in better than anyone else. Depending on where you have found the gap, you will pursue it differently. If you have high operation costs and low funding, a Penetration Strategy might be a risky move. Most GTM strategists would lean more toward the Differentiation Strategy.

Even if you decide on a Differentiation Strategy, there are multiple opportunities to differentiate. Think of this Tesla example. Tesla found there are no high-end cars that are technologically advanced. They went into the market with something that was missing in luxury cars and was valued by customers − a car that has a lot of high-tech gadgets in it. Nobody before them considered putting a 32-inch tablet in front of the driver. Tesla successfully competes because there is a market gap that users care about.

	Comfort	Luxury	Quality	Reliability	Tech
Audi	9	7	5	4	3
Porsche	7	9	6	5	2
BMW	7	7	8	7	3
Lexus	8	8	8	8	4
Tesla	5	2	2	2	9

By now, you have ideas of where you could potentially win and what card to play. Let's learn how to narrow them down to a couple of opportunities that are the most feasible for you to explore.

What makes you special? How can you create a competitive edge?

The mission of this chapter is to find a couple of entry points to the market segment where you can deliver high value. Customers buy solutions to solve their problems, serve their needs, and advance their lives and businesses. It is all about "**getting the job done**" better than competitors for a selected segment.

When it comes to the innovativeness of your GTM strategy, there are multiple opportunities to stand out. It is not easy to explain how to craft innovative strategies, but these examples may inspire you:

- **Product innovation:** A team I mentored mainly consisted of developers who love sports. They centered their sports activity dashboard GTM around a Chrome plugin and launched on Product Hunt. Instead of playing the app competition game with Strava, Fitbit, Garmin, and other products, they build a Chrome background to inspire users to remain physically active while they are working on their computers.

- **Marketing innovation:** Another team I mentored was on a mission to launch a marketplace and collaboration platform between verified freelancers and small-to-medium companies who would like to develop web apps but do not have the internal resources to manage such projects. Since it's a marketplace, the company had to attract both freelancers and companies at the same time. The company acquisition was done the old-school way – through personal outreach and sales. To increase the awareness of the platform among freelancers, the team organized a contest for 30 days of free rent and a coworking space in their lively city for digital nomads. They promoted it in social media groups. Users started to nominate each other. The campaign went viral and attracted a lot of attention.

- **Pricing innovation:** Two of the biggest concerns direct-to-consumer (DTC) small businesses have when choosing website vendors is if the final price is much higher than their budget. Are there hidden costs? Will the project be delayed? To solve this problem, Jim Huffman and his team launched One Day Design, a productized service that delivers a landing page for a flat fee of $1,300 within a day. The service generated more than $100,000 in a couple of months without big marketing investments. They launched

on Product Hunt and in Indie Hackers. They had a preexisting email list, a mini-podcast tour, and posted into some smaller groups on social media just to let them know the offer exists. The offer almost sold itself.

There are many more examples of the GTM "edge" in strategy. Remember strengths from the SWOT matrix; they can be technological, connected to skill, access to a channel, knowledge to solve a very specific problem, etc. But all the winning edges have one element in common: they add value to your selected target market. Therefore building "the edge" to the strategy begins with the target audience.

Choosing the Market Segment

"The aim of marketing is to know and understand the customer so well the product or service fits him and sells itself."-
Peter Drucker, US professor and management expert

The process of slicing and dicing markets is called **segmentation**. A **segment** refers to a group of individuals or organizations that share a common trait and have similar characteristics, needs, preferences, or behaviors. By dividing a market into segments, you can better understand and target specific customer groups, compare them by ranking, and ultimately select your Beachhead Segment and its adjacent segments.

There are two schools of thought here:

1. **Some GTM strategists and founders swear by empirically testing first and reverse engineering the ideal segment later on** by analyzing data from the early traction of the solution. The underlying premise is "do not assume, test." Once the teams learn from the data what works well for them, they strategize how to find more people like this. "Throw it against the wall and see what sticks" works if your TAM is relatively large and the risk in decision-making is quite low. In other words, even if you mess around at first a little, no one will seriously mind or remember.

2. **Others prefer to do a lot of research before going to market.** They rely on research methods such as customer interviews, surveys, and social media analysis (which you will learn more about in the next chapter), to find signals about who the early audience can be. Later on, they tailor the messaging, communication, value proposition, and all the other elements of GTM to cater specifically to them. This approach works well when customers are extremely involved in the purchasing decisions and when the GTM stakes are high.

Whatever your situation may be, you will benefit from some customer segmentation to test who interacts best with your value proposition before aiming your communication cannons at the market.

But how to find the "common trait" that is shared by a segment? In business school, they say there are different bases for segmentation you can choose from:

- **Demographic segmentation** involves identifying consumers based on their inherent characteristics, such as age, gender, education, occupation, and income. It is one of the most common segmentation methods in B2C because it is easy to target in advertising.

- **Firmographic segmentation** is the practice of segmenting business markets based on specific characteristics and traits of the target companies. It is particularly relevant for B2B. Its criteria include industry, ownership status, legal status, number of employees, profits, etc. It helps in understanding the demographics of businesses, just as demographics are used to understand individuals.

- **Geographic segmentation** involves dividing people into segments based on their residential, work, or travel locations. It can either be done on the regional, country, city, or neighborhood level. While geographic traits may be less significant for companies selling technology online, they become crucial for businesses targeting local markets, as knowing the exact location of customers helps effectively reach them. For some businesses, it makes sense the customers are close together. Consider Uber; it makes sense to do a city-by-city expansion because they need a critical mass of passengers and drivers to succeed in a given geographical area.

- **Psychographic segmentation** is the practice of dividing people into groups based on unobservable aspects of their psychology, such as personalities, lifestyles, habits, social status, activities, interests, opinions, and attitudes. It involves categorizing customers based on how they think, perceive themselves, and what they aspire their lives to be like. Psychographic segmentation can be used in B2B too.

- **Behavioral segmentation** analyzes consumers' behaviors throughout their purchasing journey, including their desires, problems, motivations, sought-after benefits, engagement level, and methods of meeting their needs. It is done by analyzing customer research or product usage data.

Sounds great in theory, but in GTM, we have very limited resources for market research. We are short on time and aim to do what is mission-critical as soon as possible. That's why we lean away from standard frameworks.

Word of advice from the field:

While it is appealing to use demographic and firmographics describe segments because that makes it easy to target them in advertising on social media platforms, it can also be limiting and short-sided. Dr. Else van der Berg, interim product lead/ product advisor specializing in working with B2B SaaS, has a strong point of view when it comes to using B2B:

To her point, oftentimes companies narrow down their markets too soon by strictly using demographic or firmographic data. If you have small, medium and large companies using the same product and getting value for it - doing segmentation based on the company size is suboptimal. The common nominator of your audience is something else. Therefore…

Only use demographics if it's strictly relevant.

Dr. Else van der Berg suggests using these segmentation bases instead of the standard ones when a "shared characteristic does not compute" or customer data is not yet in abundance:

- **Jobs to be Done** helps teams to understand why customers choose a product and what outcomes they seek. It focuses on identifying desired outcomes and problems rather than features and solutions.

- **Pain points** are the reasons consumers buy a product.

- **Alternatives** that they are using now (or considering using).

- **Values and fears** are psychological segmentation, which can also be used in B2B. [13]

No matter which segmentation base you end up using, it is essential that you describe the segment in detail to make it actionable for marketing and sales messaging. Vague definitions are our enemy in GTM. We need clarity and a shared understanding of what is mission-critical.

Segment	Top-of-mind segment description	Better definition (demographic and firmographic)	Jobs to be done (JTBD) definition
We are selling pre-cooked healthy meals to "Busy moms."	Married women with children.	A female 30-35 with an annual income of at least $140,000 who is a founder and has children in the age group of 2 to 6.	To feed the family with high-quality food that does not take long to prepare.
Compliance automation software for GDPR to "Corporates."	Companies that have more than 2500 employees.	A compliance manager in big pharma who is in charge of internal audits for a region that makes at least $4.5 billion a year.	To protect the company against legal risks in privacy.
We would like to see CRM to "Startups."	Startups with VC money.	EU-based startups that have raised at least $1,000,000 pre-seed capital in AR/VR space.	To ultimately achieve better sales by organizing the pipeline.

13 Van der Berg, E. (2023). Creating a Differentiated Product Strategy. Sonderhouse https://www.linkedin.com/feed/update/urn:li:activity:7100864562463166464?up-dateEntityUrn=urn%3Ali%3Afs_feedUpdate%3A%28V2%2Curn%3Ali%3Aactivi-ty%3A7100864562463166464%29

By running a segmentation process, you can end up with multiple potential segments that you could be serving. But if you're following the Beachhead Strategy, you cannot focus on them all at once. Your next job is to narrow them down to find your best candidates.

From Overwhelmed to Hyper-Focused

"Do or do not. There is no try."
Master Yoda, a fictional character from Star Wars

For many GTM teams, there are many segment options, and it is hard to decide what the ultimate Beachhead Segment should be. If your list of Beachhead Segment candidates consists of more than five segments, it will be challenging to do additional research.

Resist making this decision solely based on the "gut feeling." You might choose the non-optimal segment and end up failing or leaving a bunch of money on the table. According to Dr. Else van der Berg, the sweet spot in GTM is to compare 3 to 5 possible segments and research them further to find "the one."

Too Broad
Testing with too many diverging target audience segments leads to a lack of patterns in the results.

Sweet Spot
3 to 5 segments.

Too Narrow
Testing with too few target audience segments leads to missed opportunities.
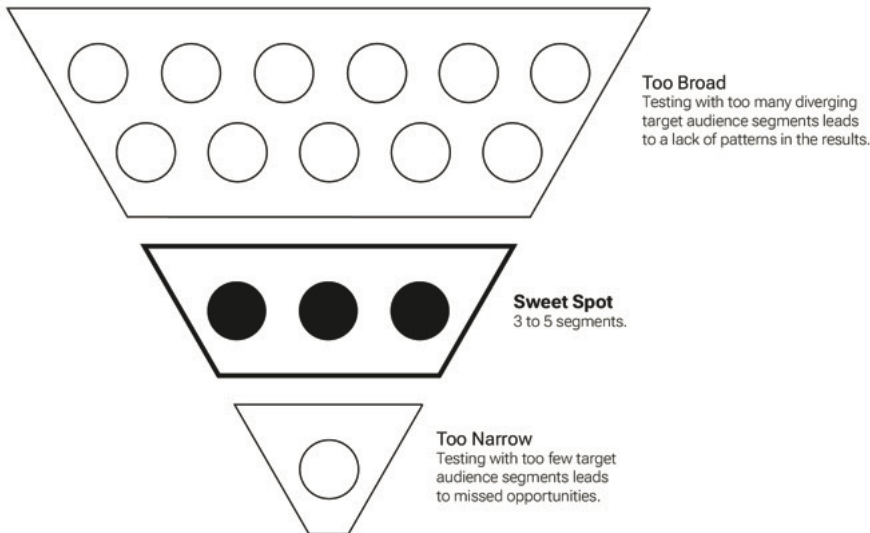
To narrow down to 3 to 5 segments, you can use a segment ranking table. This can help reduce the number of segments to a manageable selection you will research further.

Put all your segment hypotheses in a spreadsheet and start ranking them from 1 to 5 based on the Beachhead Segment must-haves. Here's an example of such a spreadsheet:

	FAIR CHANCE	PAIN	PAY	MARKET SIZE	GROWTH POTENTIAL	SCORE
1: IT dev agencies with up to 20 employees	4	4	3	4	3	3.6
2: Marketing agencies up to $2 milllion a year	3	3	3	4	2	3
3: Freelancers and solopreneurs in digital space	2	5	1	5	4	3.4
4: B2B companies with new products in tech	4	4	3	3	2	3.2
5: Accelerators in Europe	3	5	4	2	3	3.4
6: Product Managers	3	4	5	3	5	4
7: Second time technical founders	4	3	3	4	5	3.8
8: D2C ecommerce companies	2	4	3	3	3	3
9: Innovation centers of large companies	1	2	5	2	1	2.2
	How likely can you win this segment in the next 3 to 18 months? (Think access and competition.)	How strong is the painpoint you are solving for the segment? (Are they motivated to solve it now?)	What is the segment's willingness to pay? (Also think overall lifetime value if it can be a repeated purchase.)	Are there many more such users?	Does this market grow rapidly? (Does the future look good?)	

Next, you want to create a **Market-Problem Map**. This was originally crafted by Simon Belak, a former mad scientist at Metabase, now CTO at Zebra BI. More than 1,000 individuals and teams have gained valuable insights from this exercise. In 2023, it won the Strategy and Planning award at Miroverse, a gallery of templates for collaboration.

A Market-Problem Map is the process of identifying the most pressing problems your customer is facing that you can solve. It helps you decide which segment is most likely going to be a good candidate for centering your GTM market strategy around. At its core, the model has two dimensions:

- 2 to 5 potential segments you could be serving and the problems you could solve for these target audiences.

- Problems that your solution could be solving.

Once you have your segments and problems listed out, focus on the inner fields of the model. How would each segment describe the problem? In their own words, what would they say? Remember, customer interviews are a gold mine here.

Under each problem statement in the inner section, you score them based on the following:

- **Pain level:** How relevant is this problem in your customer's view? If your customer has bleeding pain, they are much more motivated to find a solution. But if they know the solution exists but don't act upon it, the desired change is less likely to happen.

- **Ease of sale:** Do you have access to this segment? Is the sales cycle short and relatively cheap and easy? That would be a high-ease score. Oppositely, if it will take you 12 meetings and 14 months to seal the deal, that would be a low ease level.

- **Ease of implementation:** How easy is it to implement the solution for the segment? It's also relevant if adjustments must be made to serve this segment well. If the segment is easy to please with existing solutions, the ease of implementation effort would be high. There are no worries whatsoever. Whereas if it requires product tweaking, extensive user education, or even a custom solution, the ease of implementation would be on the lower part of the spectrum. If you do not have a developed product yet, feel free to leave this criteria out. The model will serve you without it.

The suggested scoring for this system is from 1 to 10. Once you finish the scoring, sum up all the scores. Segments with the highest scores are most likely to be your best target market to focus on right now.

This model will serve you beautifully to narrow down your thinking and confidently find the focus for the optimal Beachhead Segment.

Market-Problem Map

Cheat Sheet

Level of pain
How big is the problem for the segment?
1 - Lowest pain
10 - Highest pain

Ease of sell
How easy it is to sell to the segment?
1 - Hardest to sell
10 - Easiest to sell

Implementation ease
How easy it is to implement the solution for the segment?
1 - Hardest to implement
10 - Easiest to implement

Total Score
The sum of all ranking dimensions.
Higher score = better

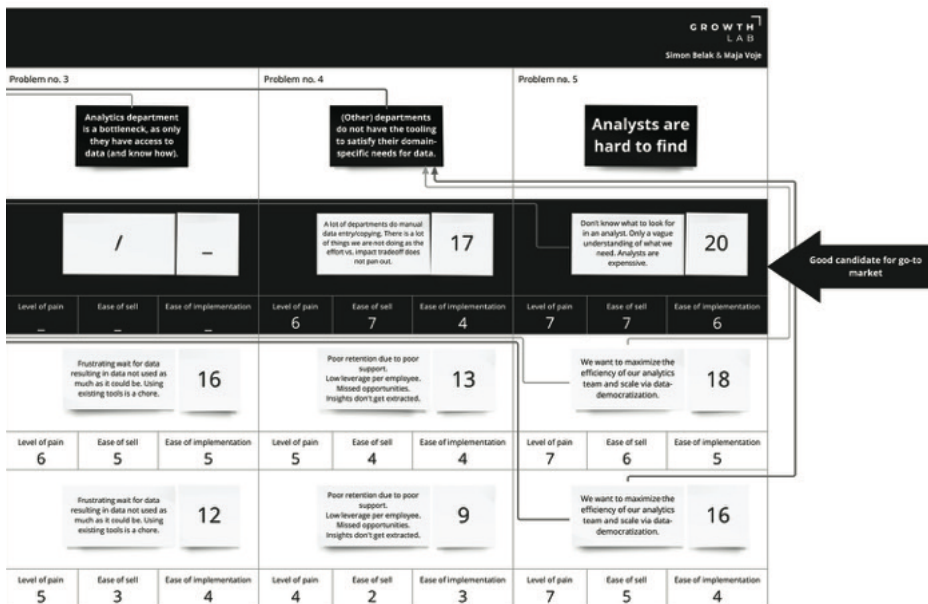Add or remove **segments** and **problems** as necessary.

Feel free to add **your own ranking dimensions**, or drop some.

Segments / Problems	Problem no. 1 — 1. BI is complex to use			Problem no. 2 — Everything is cloud SaaS – compliance headaches.		
Segment no. 1 — Startups that want to start using data, but are still too small to justify having a dedicated analyst or are having trouble hiring one. Need to somehow cross the chasm.	CEO/product owner wants to understand how the product is used and who are best customers product-market fit, but nobody on the team has the knowhow to get the data — **23** — Start here for traction (no. of users)	/	–	/	–	
Level of pain / Ease of sell / Ease of implementation	8	9	6	–	–	–
Segment no. 2 — Big enterprises with centralized analytics departments and data silos.	/	–		We do the bare minimum (same as what everyone does). — **12**		
Level of pain / Ease of sell / Ease of implementation	–	–	–	3	2	7
Segment no. 3 — Companies that have very high compliance demands. Externally visible as having a DPO, Compliance Managers, etc. (Check out the reference from compliance consultants check and target their references)	/	–		We cannot follow data-driven best practices as we are limited in what tools we can use and who has what access to data. — **21** — Start here for money		
Level of pain / Ease of sell / Ease of implementation	–	–	–	8	8	5

Congratulations, you made it! By now, you have a much better understanding of where you should be playing to win, and you have selected promising market segment candidates with whom you can target your GTM strategy. Now, let's dive deeper into understanding who exactly is "the one" to target in your GTM by conducting some really cool customer research in the next chapter.

Key Takeaways:

- For most GTM companies, a Beachhead Strategy – winning one segment after another by focusing all the resources to get the job done – is the key to success.

- Your Beachhead Segment should be carefully selected since it strongly determines all other GTM elements: price, brand, messaging, sales, and marketing channels, and even the product.

- You have more insights with each segment you win. Once you achieve your mission there, you win other segments with greater confidence because you already have existing traction.

Problem no. 3			Problem no. 4			Problem no. 5		
Analytics department is a bottleneck, as only they have access to data (and know how).			(Other) departments do not have the tooling to satisfy their domain-specific needs for data.			Analysts are hard to find		
/	–		A lot of departments do manual data entry/copying. There is a lot of things we are not doing as the effort vs. impact tradeoff does not pan out. **17**			Don't know what to look for in an analyst. Only a vague understanding of what we need. Analysts are expensive. **20**		
Level of pain –	Ease of sell –	Ease of implementation –	Level of pain 6	Ease of sell 7	Ease of implementation 4	Level of pain 7	Ease of sell 7	Ease of implementation 6
Frustrating wait for data resulting in data not used as much as it could be. Using existing tools is a chore. **16**			Poor retention due to poor support. Low leverage per employee. Missed opportunities. Insights don't get extracted. **13**			We want to maximize the efficiency of our analytics team and scale via data-democratization. **18**		
Level of pain 6	Ease of sell 5	Ease of implementation 5	Level of pain 5	Ease of sell 4	Ease of implementation 4	Level of pain 7	Ease of sell 6	Ease of implementation 5
Frustrating wait for data resulting in data not used as much as it could be. Using existing tools is a chore. **12**			Poor retention due to poor support. Low leverage per employee. Missed opportunities. Insights don't get extracted. **9**			We want to maximize the efficiency of our analytics team and scale via data-democratization. **16**		
Level of pain 5	Ease of sell 3	Ease of implementation 4	Level of pain 4	Ease of sell 2	Ease of implementation 3	Level of pain 7	Ease of sell 5	Ease of implementation 4

Good candidate for go-to market

- Ideally, these segments are slightly interconnected, so they serve as a great reference to each other.

- In GTM, you aim to find a winning intercept between the needs of the target audience (called a minimum viable segment, or MVS) and your solution (called a minimum viable product, or MVP). You have to solve your target customer's problem better than anyone else. Sometimes, 10x more added value needs to be created by a GTM company.

- In GTM, it is essential to choose market segments that you can create significant traction on in 3 to 18 months. Early adopters and early majority consumers play an especially important role in GTM.

- 90% of success correlates with having the correct data. The remaining 10% could be a lucky coincidence.

- The first sanity check happens with market research. Is there a market out there that you can grow your business? Combine multiple primary and secondary research methods to gain a holistic understanding of the space.

- Since you are not the only player who plays to win in that market, there will always be some competition present. Make sure to study them, analyze their strengths and weaknesses, and compare them to yours.

- To win, you need to determine your competitive edge and specific space on the market that is currently being underserved or neglected by market leaders.

- The choice is very important because niche specialization and differentiation strategy are the best chances to win. Most GTM companies cannot solely compete on low prices in the long term.

- There are multiple bases on which you can do segmentation, but for most GTM companies, it is recommended to start with problem statements or jobs to be done.

- After identifying multiple market segments, it is important to compare them. Ranking based on selected criteria will help you narrow this range to a manageable selection of 3 to 5 segments that you can best cater to.

- A Market-Problem Map is a tool that helps you better understand selected segments' pain points and rank them based on pain levels, ease of sale, and ease of implementation.

To-Do List:

☐ Conduct market research and present key characteristics of the market and its trends in a spreadsheet.

☐ Prepare a competition comparison spreadsheet.
    ☐ Optional: Create a swipe file in which you can collect the most interesting competitor's resources that are relevant to watches.

☐ Create a SWOT matrix for your solution.
    ☐ Optional: Craft a 2x2 positioning map.

☐ Do the segmentation and rank segments with the segments ranking spreadsheet to find the best GTM candidates.

☐ Refine problem statements with a Market-Problem Map to find the best market entry opportunities.

Find all the worksheets, frameworks, and models mentioned in this chapter at *https://gtmstrategist.com/resources*. They are free and yours to benefit from.