

# A GUIDE TO GO-TO-MARKET STRATEGY

Planning and Aligning Resources  
to Achieve Revenue Objectives



# Go-To-Market Strategy

Go-to-market strategies help companies align, size, and enable their sales organization to maximize their impact on the top and bottom lines. The sales organization is an expensive investment for most firms (typically between 10-40%+ for B2B firms). Part art and part science, your go-to-market strategy aligns your Customers (and target markets) with the Coverage, Capacity, Capability, and Cost of your sales team – collectively called the 5C's.

Is your organization receiving the best return on its investments in Sales? Key questions include:



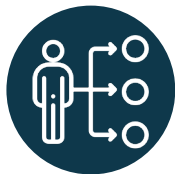
## 1. CUSTOMER

Have we identified the highest potential market segments and customers?



## 2. COVERAGE

Are our sales and service resources aligned against the highest potential markets and customers?



## 3. CAPACITY

How many resources do we need, by market segment and across the customer lifecycle?



## 4. CAPABILITY

Does our team have the right mix of skills and capabilities to sell and deliver on our value proposition?



## 5. COST

How can we streamline the cost of sales and maximize our investments on sales resources?

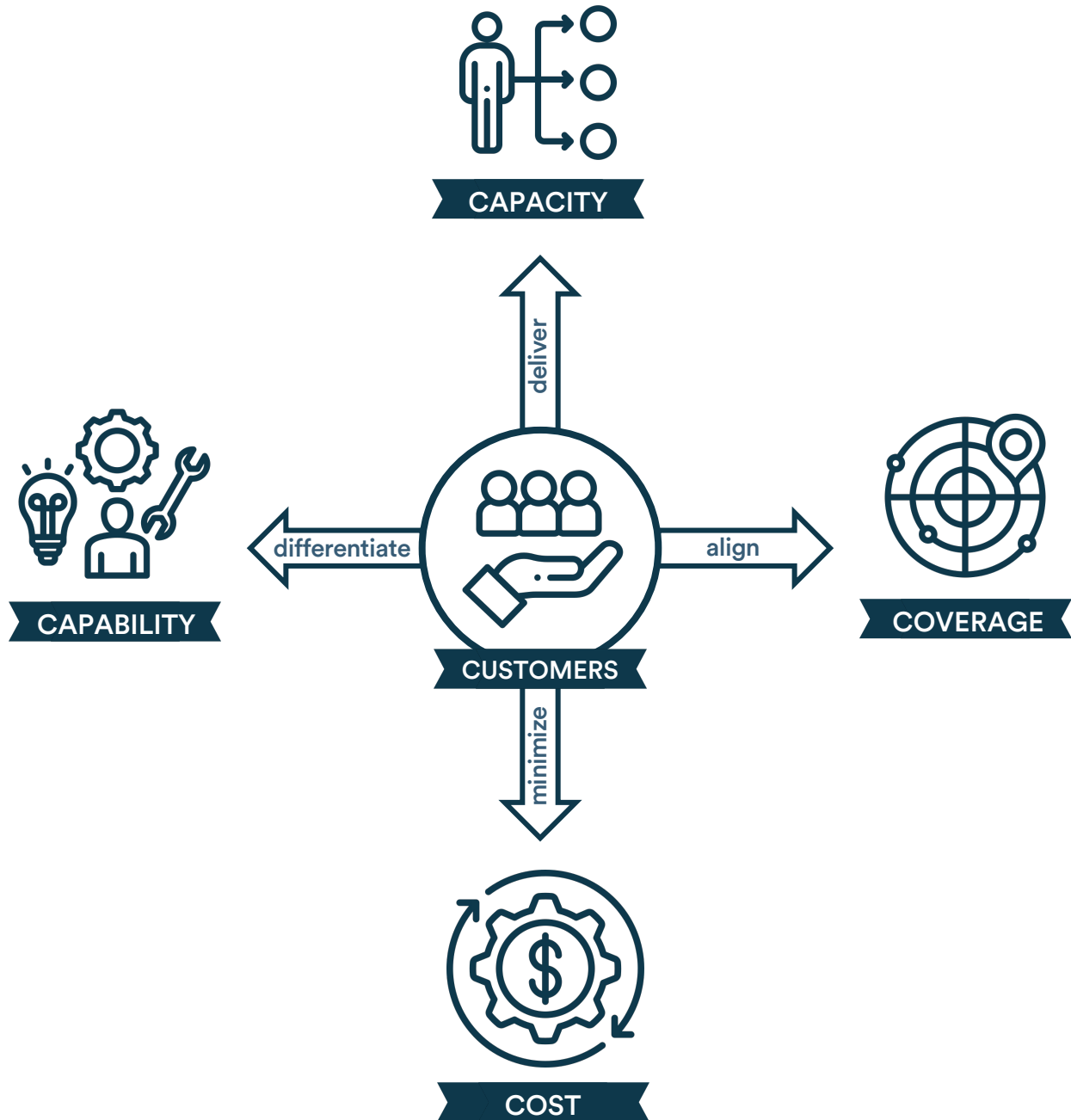
Whether you own the company's strategy or are tapped to execute it, driving alignment across the 5C's is fundamental to optimizing the best return on your investments in sales capabilities.

# What is the Ultimate Goal of a Go-To-Market Strategy?

To align our coverage plan, capacity to deliver, and capability to differentiate against customers with the highest propensity for growth within a target cost of sales.

FIGURE 1

Expected Outcomes of a Go-To-Market Strategy



# Customers

It's self-evident that customers are central to the ongoing success and growth of a business.



**The purpose of a business  
is to create a customer.**

– Peter Drucker



As part of a go-to-market strategy project, the key question to answer is: Are our selling efforts aligned against the highest potential markets and customers?

There are a few things to ‘unpack’ in that question. Selling efforts mean all the selling resources – people, programs, money – that a company utilizes in going to market – including from other functions such as Marketing, Operations, and IT.

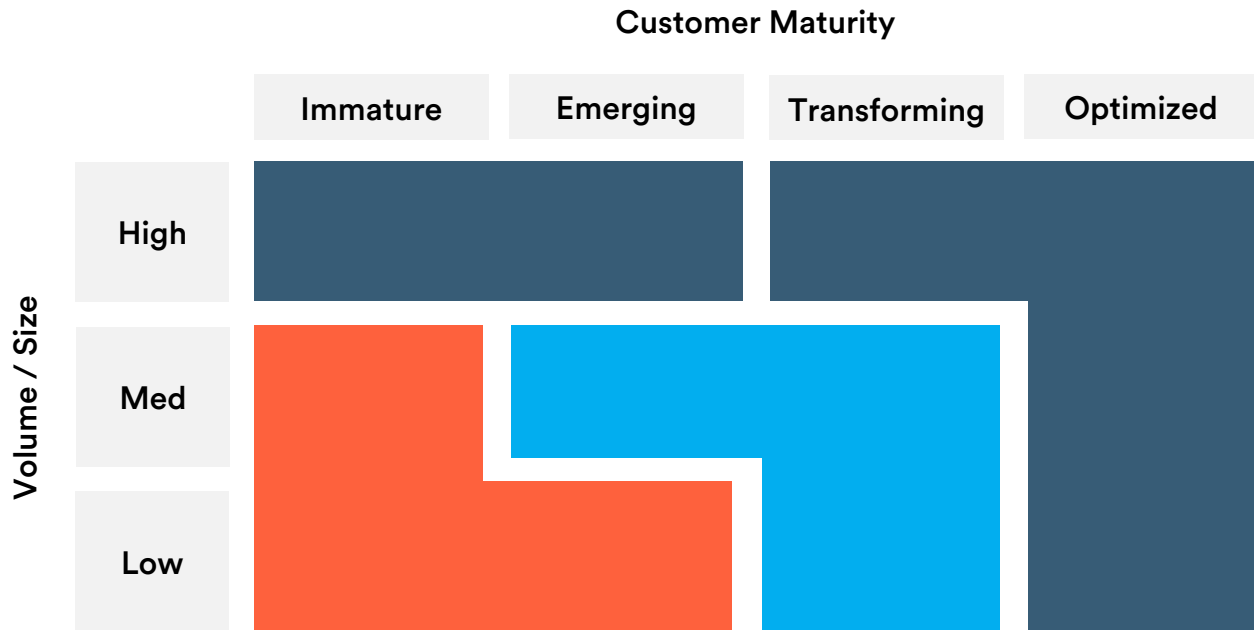
For example, are you targeting markets that are growing at high-single or double-digits and can your company create a competitive advantage within the market? We all know that double-digit and high-growth markets draw competitors and many other entrants, like high-potential accounts. For example, if you are a smaller firm (relative to your competitors) going after Fortune 2,000 accounts, you will typically be competing with firms that have extensive resources to penetrate those accounts – you’d want to be thoughtful around the approach and investment.

**Your go-to-market approach is essentially a system whereby you invest your sales resources for a maximum, risk-adjusted return.**

## Market Map and Customer Segmentation

There are a couple of approaches that we’ve found helpful in analyzing the customer base for a go-to-market project. Two of the most common and most valuable are a Market Map Analysis and Customer Segmentation. A Market Map is best used for changes in your market which can then inform customer segmentation and prioritization based on expanded criteria.

## Market Map Analysis



For companies experiencing or driving transformation within their markets, a market map provides a framework for prioritizing customers and prospects against criteria like maturity or product adoption versus criteria such as size or revenue only. This type of analysis will identify new or previously underserved customers and prospects.

For a client in the publishing industry, this analysis helped further differentiate the need between customers requiring a strategic selling capability vs those needing account management and product selling capabilities, with implications for talent and cost of sales.



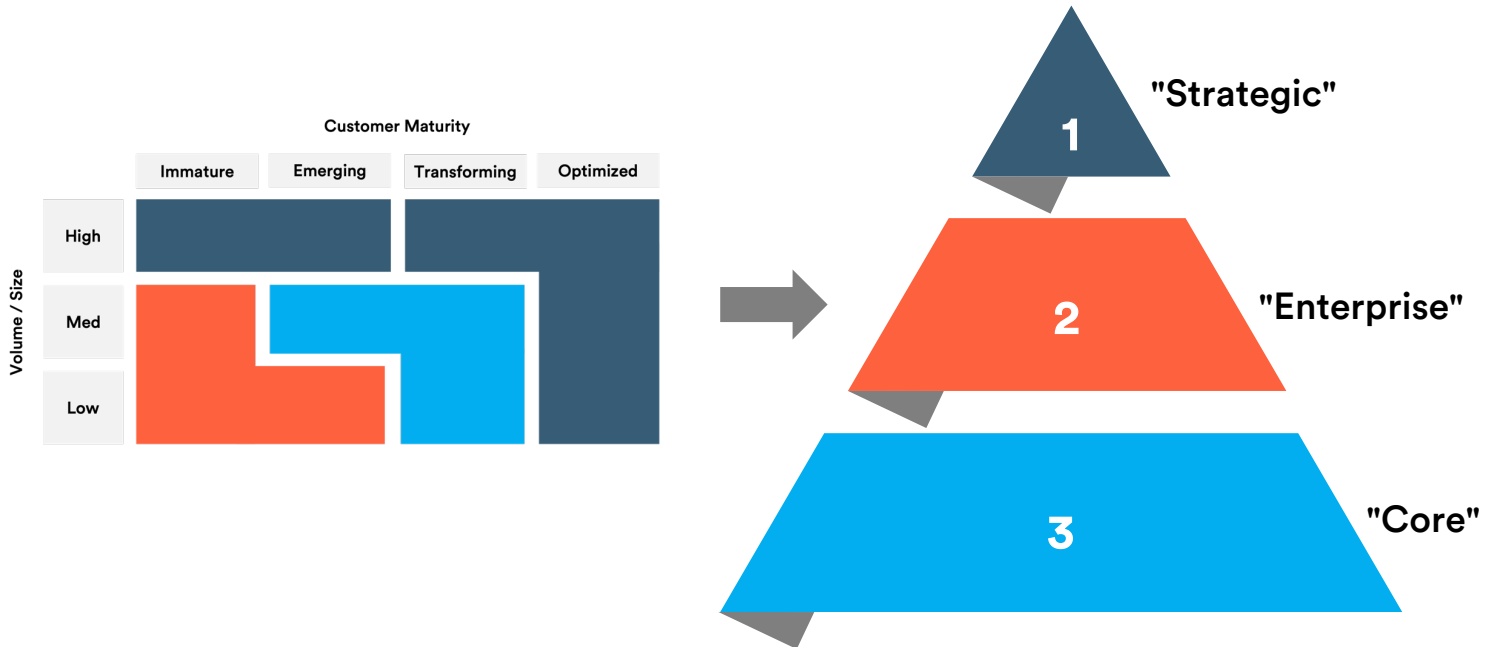
The Market Map approach helped us visualize the rapid pace at which our customer's needs were changing, and how the need for our legacy offering was diminishing even faster than expected.

– VP of Sales Strategy and Operations



## Customer Segmentation

Whether a Market Map is used or not, the customer base should ultimately be segmented into distinct tiers to ensure sellers are maximizing their time and effort. Spending finite resources on the wrong opportunities means leaving money on the table.



A more traditional segmentation model like the one above is often based on revenue, # of FTEs, or growth. Often additional factors come into play, like the geographic spread, verticals, and customer personas.

The segmentation model will help sales leaders identify their top customer segments or markets, segments with the highest growth potential, and interesting segment economic nuances. Once outlined, the segmentation will inform how to best optimize sales coverage.

# Coverage

The key question to be answered around sales coverage is:

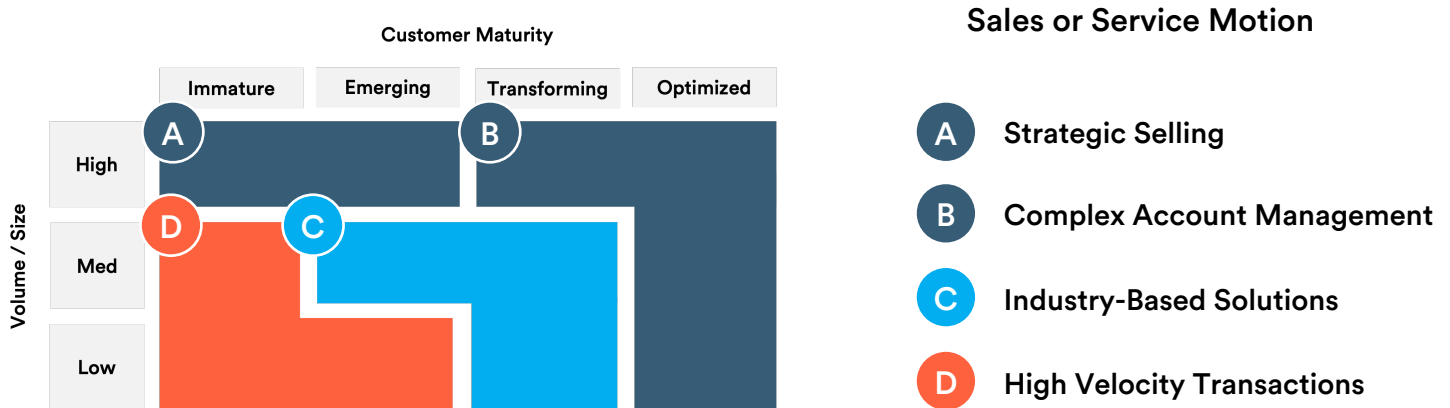
How do you optimize account coverage against your prioritized markets and accounts?

## Sales or Service Motions

The first step in determining coverage is identifying the sales and services motions needed to support the markets and accounts identified in the segmentation model. For example, for high, medium, or low-touch accounts, what should interactions look like? Who needs to be involved? What level of expertise is required? Sales motions should be defined in detail and ultimately align with the organization's sales process.

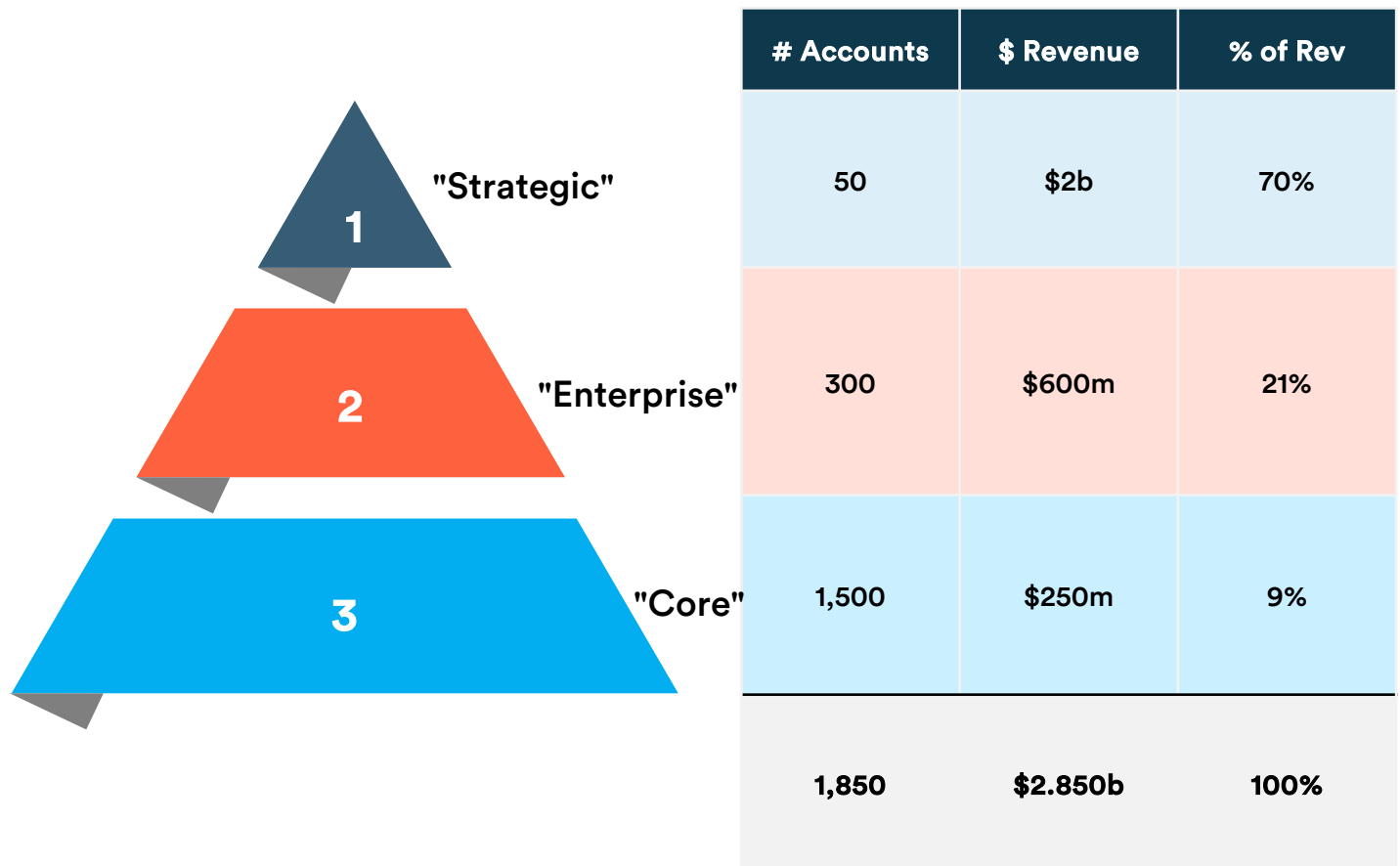
We have worked with several clients where customer segmentation has yielded a need to focus on large, global accounts, and to move from selling stand-alone products to more holistic solutions. This change in strategy required different selling "motions" oriented around strategic selling with implications for skill sets.

We recently recommended a "pod" coverage structure to a client due to the varying levels of expertise required in the coverage of their highest priority accounts. While the pod structure can be a great way coverage approach, activity ownership can become very complex.



## Aligning Coverage Model with Customer Data

Generally, more strategic, expensive, selling resources should focus on going deeper with larger, high priority accounts, while more tactical, lower cost resources should focus on scalable support to smaller, lower-revenue accounts.



In the illustrative example above, the highest priority “Strategic” customer segment includes only 50 accounts but generates 70% of the organization’s revenue. We would recommend your best sellers (and likely most expensive) align to this segment. The middle “Enterprise” customer segment includes 300 accounts that generate roughly 20% of the organization’s revenue. The middle tier could be covered by a more classic, average-cost selling team. In the bottom tier, the biggest bucket of customers (1,500) generates the smallest amount of revenue (9%). This segment of customers likely requires coverage and support, but with a significantly lower cost resource.

It is not uncommon for us to see a very small number of accounts generating a significant portion of the organization’s revenue. The investment in and alignment of resources against this small, critical number of customers is key.



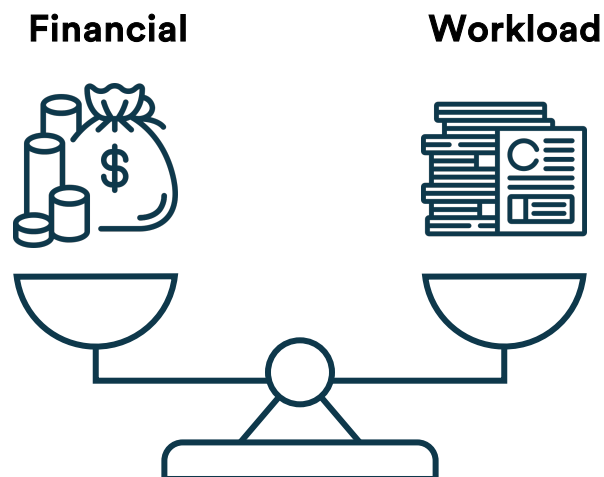
# Capacity & Cost

At this point in the process (and the order is intentional) you have identified your best-fit market segments and customers and the ideal coverage model for serving them. The next question you must address is:

**“How many resources do we need to effectively sell and service our prioritized markets?”**

As routes-to-markets have exploded and specialized expertise and overlay sales roles have become more prevalent, estimating sales capacity has become more complex due to resource “bottlenecks”. By definition, a bottleneck is a point of congestion in a production system that occurs when workload arrives too quickly for the production process to handle – thinking about your sales process as a production system is helpful in determining capacity bottlenecks. Organizations that bring multiple resources to bear on the sales process must recognize that capacity is always limited by a bottleneck. For example, if a product demo is a key part of your sales process and is managed through a limited number of product specialists, which can only manage 20 demos per week, only 20 demos will be completed per week regardless of how many demos are set up by the sales organization. This is why the coverage model should always be determined before estimating capacity.

**The coverage model determines the type of resources which cover your different customer segments across the customer lifecycle. The capacity model then determines how many resources you need within each role to achieve your revenue goals.**



## Capacity Modeling

If several roles are involved in delivering your firm’s value proposition, the goal is not to optimize any one resource, but rather to optimize the system as a whole. If the output of a production process is measured in widgets, the output of a sales process is measured in revenue. Therefore, when estimating capacity, start with those roles that own the revenue target (i.e., quota-bearing responsibility). There are several ways to estimate capacity as illustrated below, but we typically recommend a workload analysis when several roles are involved.

Method Name	Description	Example Model Parameters
Same as Last Year +	Keep quotas and people the same and potentially ratchet by growth rate - typical “peanut butter” spread	<ul style="list-style-type: none"> <li>• “Go Get” Sales Number</li> <li>• CAGR Increase</li> </ul>
Sales Quota Breakdown	Number of sellers is based on future quota or budgets and the estimated productivity of the average rep	<ul style="list-style-type: none"> <li>• Avg. Deal Size</li> <li>• Total Closed deals</li> <li>• Close Rate</li> <li>• # Opportunities Needed</li> <li>• Hours per New Opportunity</li> </ul>
Cost of Sales	Look at budgeted cost of sales and divide fully loaded costs to determine number of sellers - likely need to stratify if sellers have different roles/costs	<ul style="list-style-type: none"> <li>• Revenue Bearing Accounts</li> <li>• Avg. Time on Account Per Year</li> <li>• Total Time on Existing Accounts</li> </ul>
Workload	Uses time available and what’s needed for different key activities, such as managing existing accounts and/or opportunities	<ul style="list-style-type: none"> <li>• Total Hours Available</li> <li>• Hours Per Seller</li> <li>• # of Sellers Needed</li> </ul>

In the workload approach illustrated above, note that surveys are a powerful means to capture critical inputs across different sales roles. These surveys will likely need to be customized based on the role and key drivers of capacity (e.g., our demo example earlier for overlay product specialists). When conducting surveys, it’s also important to look at the underlying variance of responses and seek estimates that are both conservative yet provide stretch objectives that could be achieved by the sales organization. Survey analysis is also helpful in informing important organizational capabilities, as we’ll discuss next. For example, if you find that the sales organization is not spending enough time with customers, consider which sales enablement tools can be introduced to streamline sales administration to free up capacity.

# Capabilities

Sales organizations have a specific way in which they sell, built on a combination of internal and external processes and best practices. The best sales organizations relentlessly pursue predictability and repeatability when architecting their unique Way of Sales.

The outcomes of the first four steps (Customers, Coverage, Capacity, and Cost) typically inform enablement strategies such as compensation strategies, sales process updates, and training initiatives - thus, the benefits of a GTM initiative can have a significant multiplier effect. While GTM is the first step in visioning the journey from a Way of Sales standpoint, many of our clients use the outputs to identify and better target investment in processes and tools, enablement and people, and their metrics and sales management.

## Way of Sales Assessment

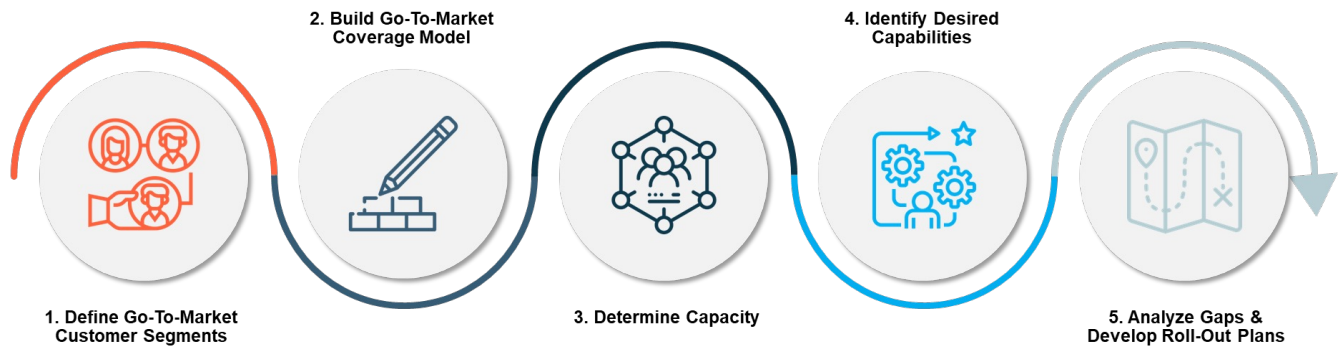


We typically work with our clients to assess existing organizational capabilities against the outputs of the go-to-market analysis and recommendations. This works best when analyses are completed in advance of the budget process so key outputs can be used for prioritizing new investments in the next fiscal period and beyond.

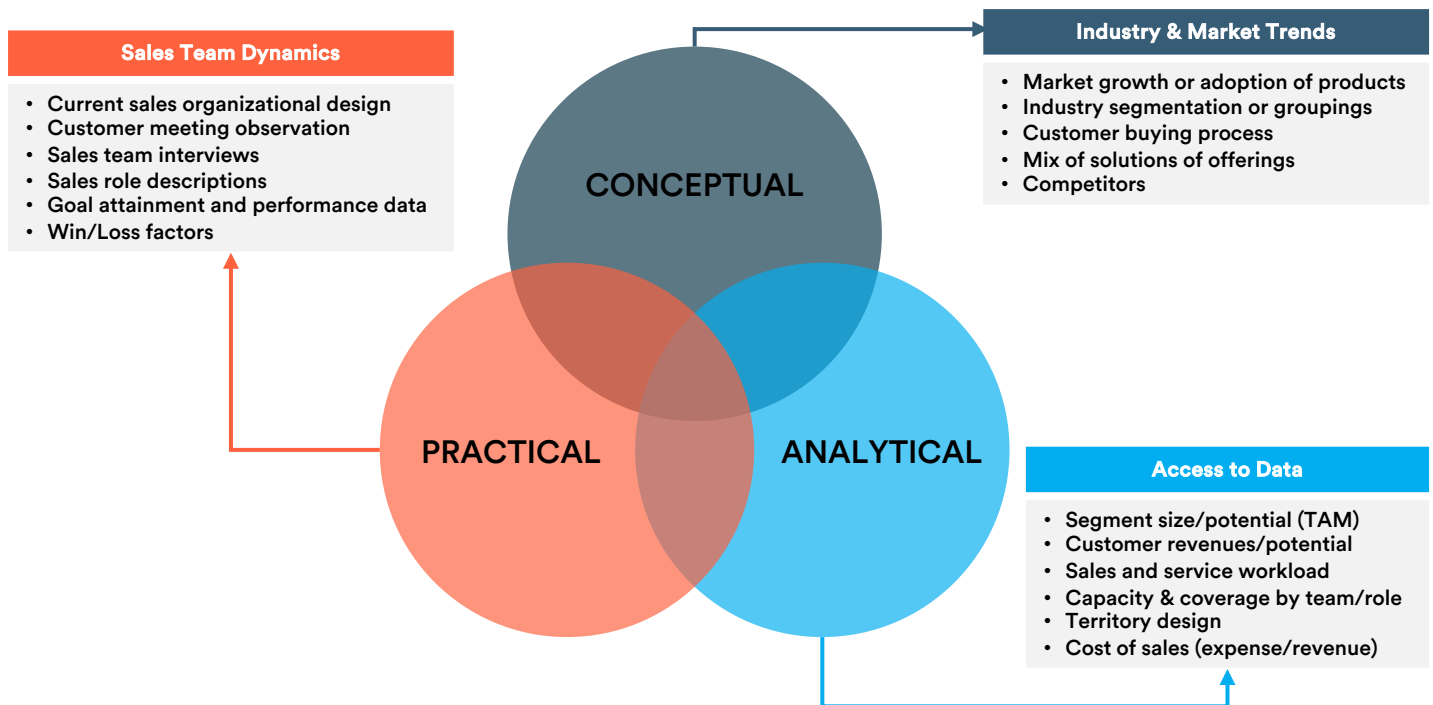
While budgetary limitations may impact what can be done in the short-term, maintaining a longer-term view of sales capability will ensure continuous improvement while allowing for priority adjustments over time. Once we have identified the requisite organizational capabilities, we work with our clients to prioritize the short-, medium- and long-term initiatives based on key criteria such as relative value, the current capability gap, and the ease of implementation. The outcome of this process is an actionable roadmap for sales transformation that can pace investment and change over time to yield sustainable results.

# Approach

Go-to-market strategic planning projects typically follow the path outlined in this briefing, starting with a deep look at the desired go-to-market customer segments and opportunities and moving through the process of defining the coverage, capacity, and capabilities needed to achieve stated objectives. Projects typically take roughly 6 months depending on the organization's access to customer data and the level of analysis required.



Through the project, various organizational inputs will come into play. For the most comprehensive go-to-market assessment, strategy, and plans we recommend a deep understanding of the combination of inputs, as illustrated below.



Brevet works closely with client partners to collect these various inputs and typically plans a series of design workshops throughout the go-to-market project to share thinking and capture critical feedback, especially for the coverage and capacity modeling.

## Conclusion

Many companies pursue go-to-market initiatives as an event-driven initiative – new ownership, an acquisition or divestiture, a significant product launch, or a change in the business model. Too often, the focus revolves around reducing costs while maintaining top-line revenue growth.

Our clients have seen, on average, top-line revenues increase from 2-15% from sales strategy projects with two-thirds of the upside coming through the better allocation of sales resources across products, geographies, customers, and activities. The other third comes from better sizing and structuring of the sales teams.

Given the staggering amount of money that is spent on driving revenue growth, it's imperative that companies 'pressure test' how they are deploying their sales investments. It would be almost criminal to neglect how you organize and invest in sales resources as a fiduciary to your employees, customers, and investors.

Go-to-market strategies define a thoughtful and intentional approach to ensuring that your sales assets – people, programs, and capital – are deployed in a way that maximizes the probability of achieving your growth and revenue objectives.

## About The Brevet Group

The Brevet Group is a sales effectiveness and consulting firm that builds amazing sales teams. Our unique approach applies modern sales enablement practices to customized sales performance solutions.

We partner with clients who have the vision and guts to reimagine their approach to sales. We combine the discipline and insights of management consultants with the practicality of sales training to deliver impactful programs that move the needle quickly.

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