

URL: <https://ecorner.stanford.edu/clips/its-never-too-early-for-a-go-to-market-strategy/>

Stanford adjunct lecturer and entrepreneurial marketing expert Lynda Kate Smith explains the importance of developing a clear go-to-market strategy early in a startup's journey. The right GTM strategy, she finds, aligns the organization and even informs decisions about the product itself.



Transcript

Lynda You may be asking yourself, 00:00:03,390 "well, doesn't everyone have a strategy?" The reality is no and I'm not gonna mention the companies who don't, but I've been a part of them, I've come into them, I've advised them and what you really wanna look at is what is the go-to-market strategy gonna be for this organization because otherwise, you're likely gonna hit a wall.. So what is that go-to-market strategy? Well, sometimes you'll hear people define it as just really, "How am I gonna drive revenue? How am I gonna just, again, create that demand, sell my product?" I believe it's much broader.. And it really is going back and to really creating that plan, that's going to specify how that company is not only going to reach its customers and achieve advantage, but it's going to include things like what is the product that we're delivering or the service offering, if that's a part of the product.. It's going to take into factors about pricing and distribution.. It's a much bigger concept, but it's what aligns an organization.. And so when you think about your go-to-market strategy, there are key questions that it's going to answer.. It answers what is the market that we're going to pursue? It's going to answer well, what customers in that market are we going to sell to? What is that actual offering, the product, the service, the combination of product and services that you're going to bring out to your market, to your customers.. It's going to lay out what are those channels? How are we going to reach the customer? What's their sales and distribution model? How is marketing going to actually create that demand? What's the price, how much are we going to charge, and then what is that real positioning? What is that unique value that's going to give us that competitive advantage.. This gets the whole organization aligned.. I've walked into very mature companies, series D, series E, well along their journey..

And I'll walk in and I'll talk to the marketing team and say, okay, tell me who our target audiences, what are we creating content for? Who are we creating content for? Oh, CTO, definitely the CTO.. And I'll walk over to the sales organization and I'll say, well, who are you selling to? And they'll say, oh, never to the CTO.. We really go in and we try to sell to the developer, or to the engineer.. Oh boy, I've got a disconnect already between those.. Then I'll go off to product and I'll ask them, and what you start finding is, if everyone's not working towards the same market, the same customer, building the same offering, thinking about it in the same way, you're going to waste resources.. And you're going to find at the end of the day that you're going to hit a wall.. So definitely things that you need to think about, and so let's dig into what those benefits are.. It clarifies that plan and direction for everyone inside.. It establishes that path for growth.. It maximizes that competitive opportunity..

It reduces the time to market because everyone's not going on different swim lanes.. Everyone's going down the same swim lane.. It reduces the costs, it maximizes the profitability.. You're not wasting.. It increases the ability to adapt to change.. Boy, think about it in your entrepreneurial environment.. I've been through a number of companies now where we're going after one direction, and yep.. We have to change and move to another direction.. And that's okay.. You're flexible..

You're agile and everything has to move with it and enables that clear external communication, making sure people, you know, what you're doing.. So go to market strategy, really key.. And don't think that it's something that you can kind of slap on after you've already gotten your product built.. Maybe that product isn't right for the actual market you're trying to go after.. So recommendation lesson learned, get your go-to-market strategy down, get it down quickly and get it down early...