

Seven First “Go-to-Market” Steps for Entrepreneurs

Pradeep Anand

February 2015

pa@seeta.com; +1 281 797 0797; www.seeta.com

Table of Contents

- Introductions
- Go-to-Market Principles
- Startups & Investors
- Seven First “Go-to-Market” Steps
- Summary

Pradeep Anand

Focus: Successful Commercialization of Technologies in the Oilfield

- Vice-President, Marketing, Landmark Graphics
- Manager, North American Operations, Baker CAC, Baker Hughes
- Marketing/Business Development Manager, LWD/MWD, NL Sperry-Sun

Pradeep Anand

Focus: Successful Commercialization of Technologies in B2B Space

- Vice-President, Marketing, Landmark Graphics
- Manager, North American Operations, Baker CAC, Baker Hughes
- Marketing/Business Development Manager, LWD/MWD, NL Sperry-Sun
- **Oil & Gas** – AirXChangers, Baker Hughes, Baroid Corporation, Daniel Industries, Dresser Industries, Dresser Oil Tools, Key Energy, Integrated Exploration Systems (Germany), Landmark Graphics, NL Industries, Numar, OFS Portal, Petrabytes, Photon, PGS-Tigress, Praxis, Preng & Associates, SigmaCubed, Sperry-Sun, Object Reservoir (US Venture Partners), Volumetrix
- **Engineering/Manufacturing** — Aggreko, Astralloy, CompX, Continental Carbon, Excell Minerals, Express Integrated Technologies, Fabsco, Fort Lock, Gundle/SLT Environmental, Harsco Corporation, Harsco Industrial, Harsco Infrastructure, Harsco Metals & Minerals, Harsco Track Technologies, Hendrickson Trailer, IKG Industries, MultiServ, National Cabinet Lock, Nutter Engineering, Ohmstede, OnePoint, Patent Construction Systems, Patterson-Kelley, Reed Minerals, SGB, SteelPhalt, VisionMonitor Aviation Software, Waterloo Furniture Components
- **Technology** — AMD, Sun Microsystems, Wipro Syntel, Wipro, Metasolv, NobleTek, Avalon Imaging, Scicom, Silicus, Laversab, Facet, Zresearch
- **Other** — Kanaly Trust, Fort Bend Independent School District, American Sleep; Willy, Nanayakkara, Rivera & Goins

Since 1994

Pradeep Anand

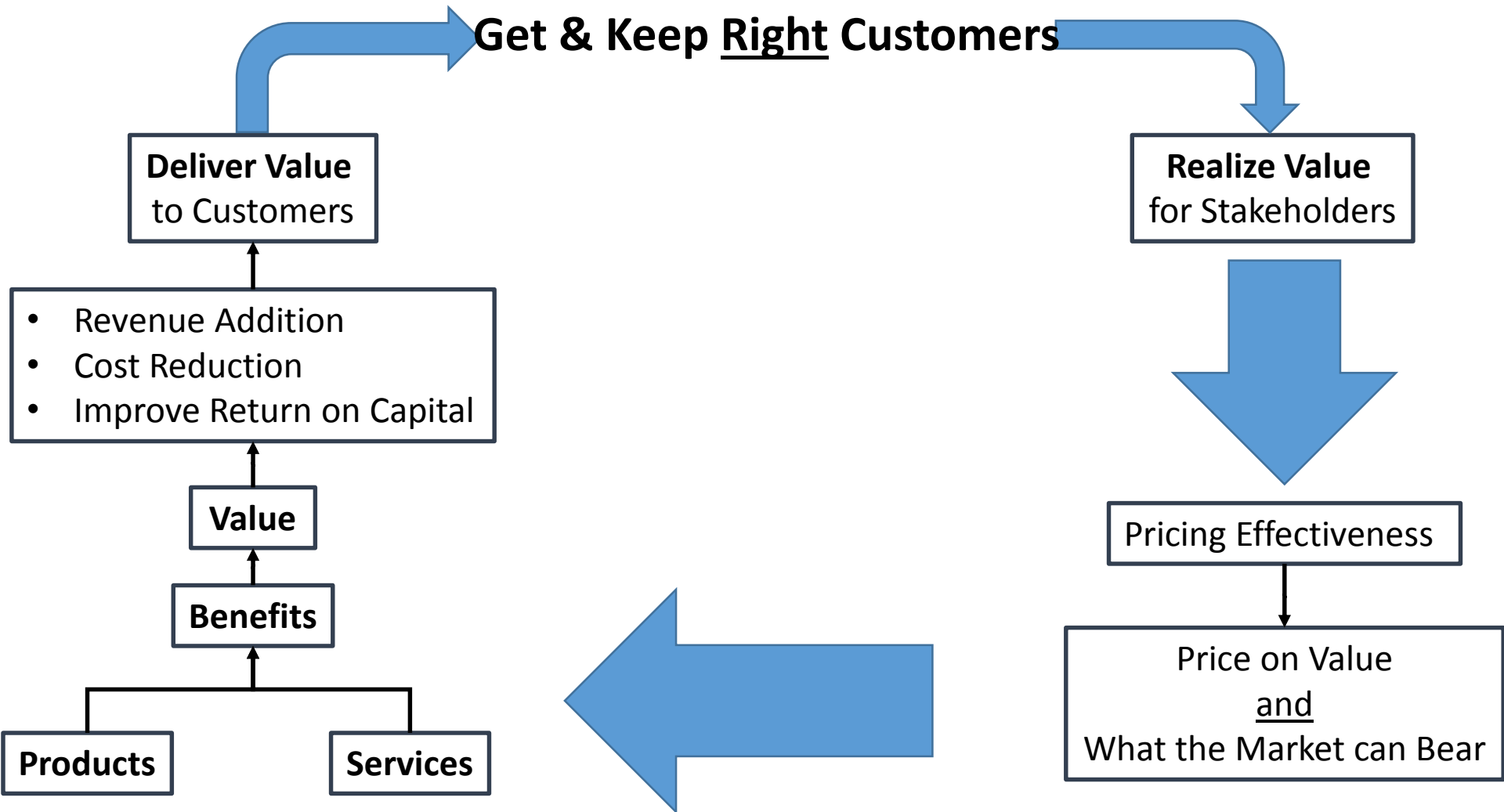
Focus: Successful Commercialization of Technologies in B2B Space; Mentor/Train/Teach

- Vice-President, Marketing, Landmark Graphics
- Manager, North American Operations, Baker CAC, Baker Hughes
- Marketing/Business Development Manager, LWD/MWD, NL Sperry-Sun
- **Oil & Gas** – AirXChangers, Baker Hughes, Baroid Corporation, Daniel Industries, Dresser Industries, Dresser Oil Tools, Key Energy, Integrated Exploration Systems (Germany), Landmark Graphics, NL Industries, Numar, OFS Portal, Petrabytes, Photon, PGS-Tigress, Praxis, Preng & Associates, SigmaCubed, Sperry-Sun, Object Reservoir (US Venture Partners), Volumetrix
- **Engineering/Manufacturing** — Aggreko, Astralloy, CompX, Continental Carbon, Excell Minerals, Express Integrated Technologies, Fabsco, Fort Lock, Gundle/SLT Environmental, Harsco Corporation, Harsco Industrial, Harsco Infrastructure, Harsco Metals & Minerals, Harsco Track Technologies, Hendrickson Trailer, IKG Industries, MultiServ, National Cabinet Lock, Nutter Engineering, Ohmstede, OnePoint, Patent Construction Systems, Patterson-Kelley, Reed Minerals, SGB, SteelPhalt, VisionMonitor Aviation Software, Waterloo Furniture Components
- **Technology** — AMD, Sun Microsystems, Wipro Syntel, Wipro, Metasolv, NobleTek, Avalon Imaging, Scicom, Silicus, Laversab, Facet, Zresearch
- **Other** — Kanaly Trust, Fort Bend Independent School District, American Sleep; Willy, Nanayakkara, Rivera & Goins
- **Adjunct Faculty**, Rice University's MBA Program: Teach "Marketing in the Energy Industry"; Commercializing Technologies in the Oil & Gas Industry

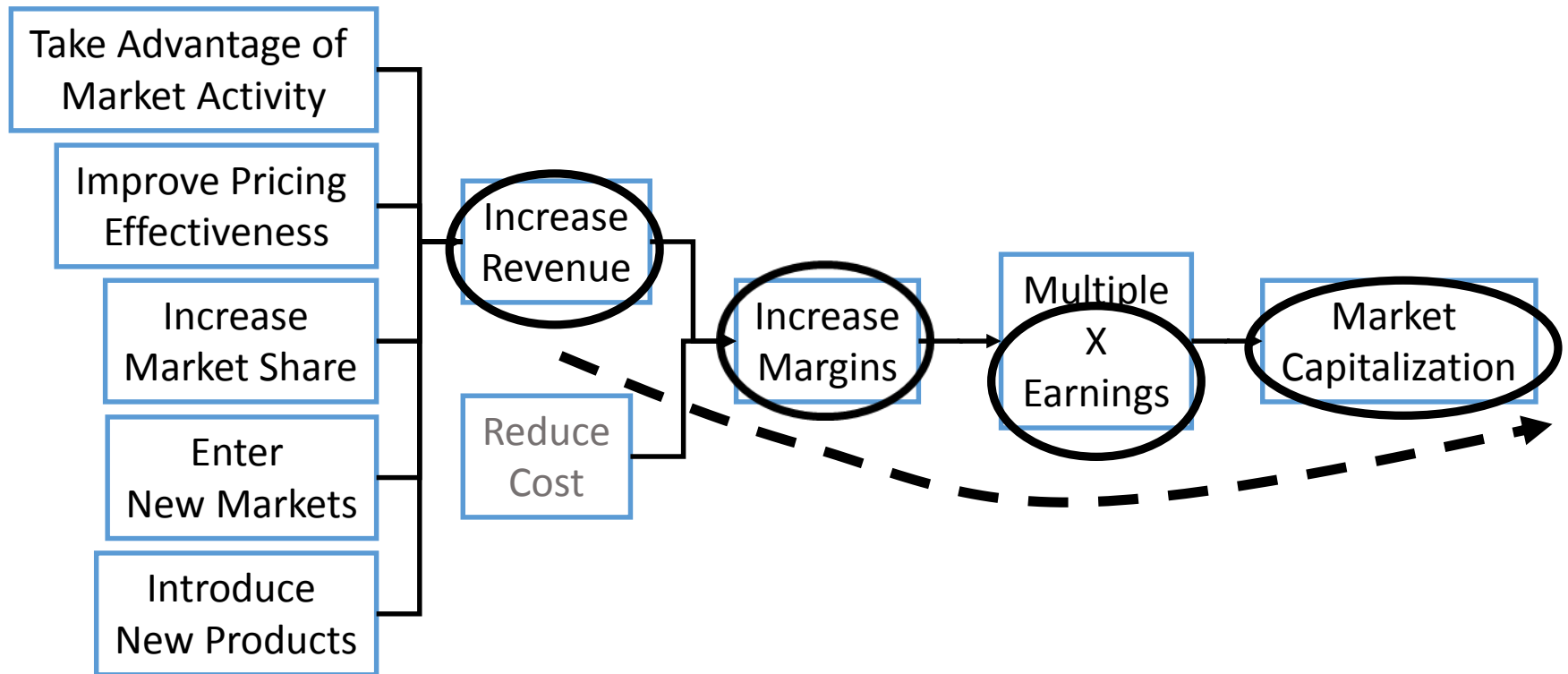
Since 1994

Go-to-Market Principles

Purpose of a Business



Quality Revenues & Margins Increase Market Capitalization



Go-to-Market Process

Aim!

Shoot!

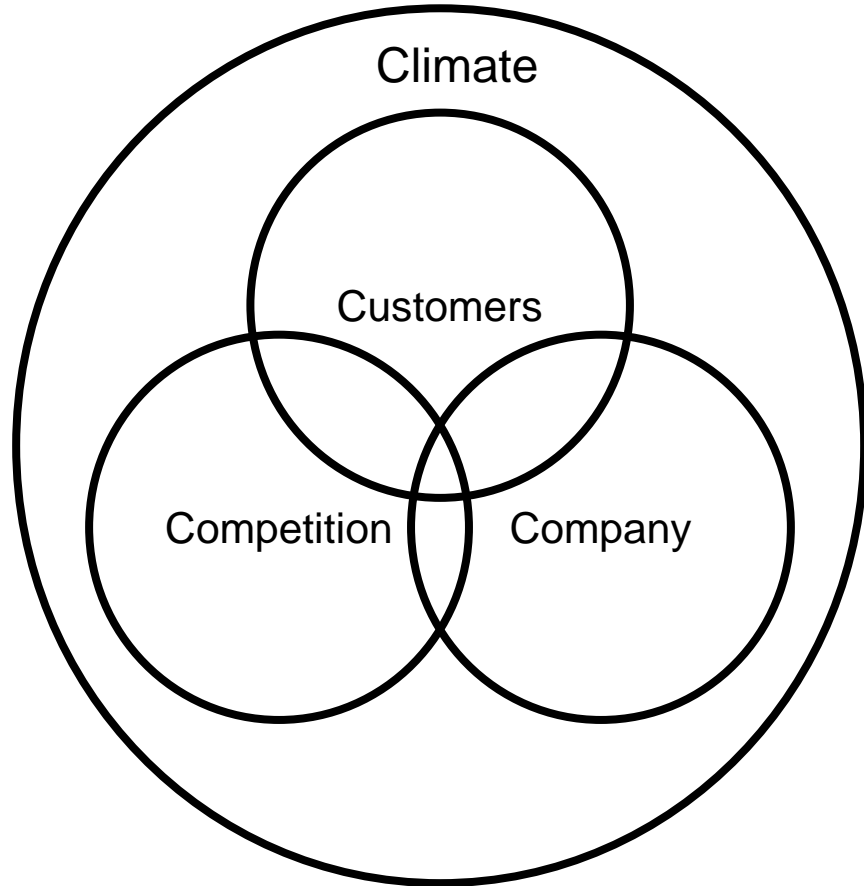


Go-to-Market (Traditional)

- ... refers to the **channels** a company will use to **connect** with its **customers/business** and the organizational **processes** it develops (such as high tech product development) to guide **customer interactions** from initial **contact through fulfillment** . This strategy defines the **what, who, when and where** of a **service or product introduction**.
- ... ought to embrace all the elements that enable them to **identify, engage with, persuade, and profitably satisfy** a growing customer base.
- ... bring together all the commercial **functions—sales, marketing, brand management, pricing, and consumer insight**—to drive the bottom line
-
- ... needs to go far beyond defining sales channels and establishing pricing policies - it has to capture the essence of **how a company chooses to do business**, and help to **align the entire organization** behind this

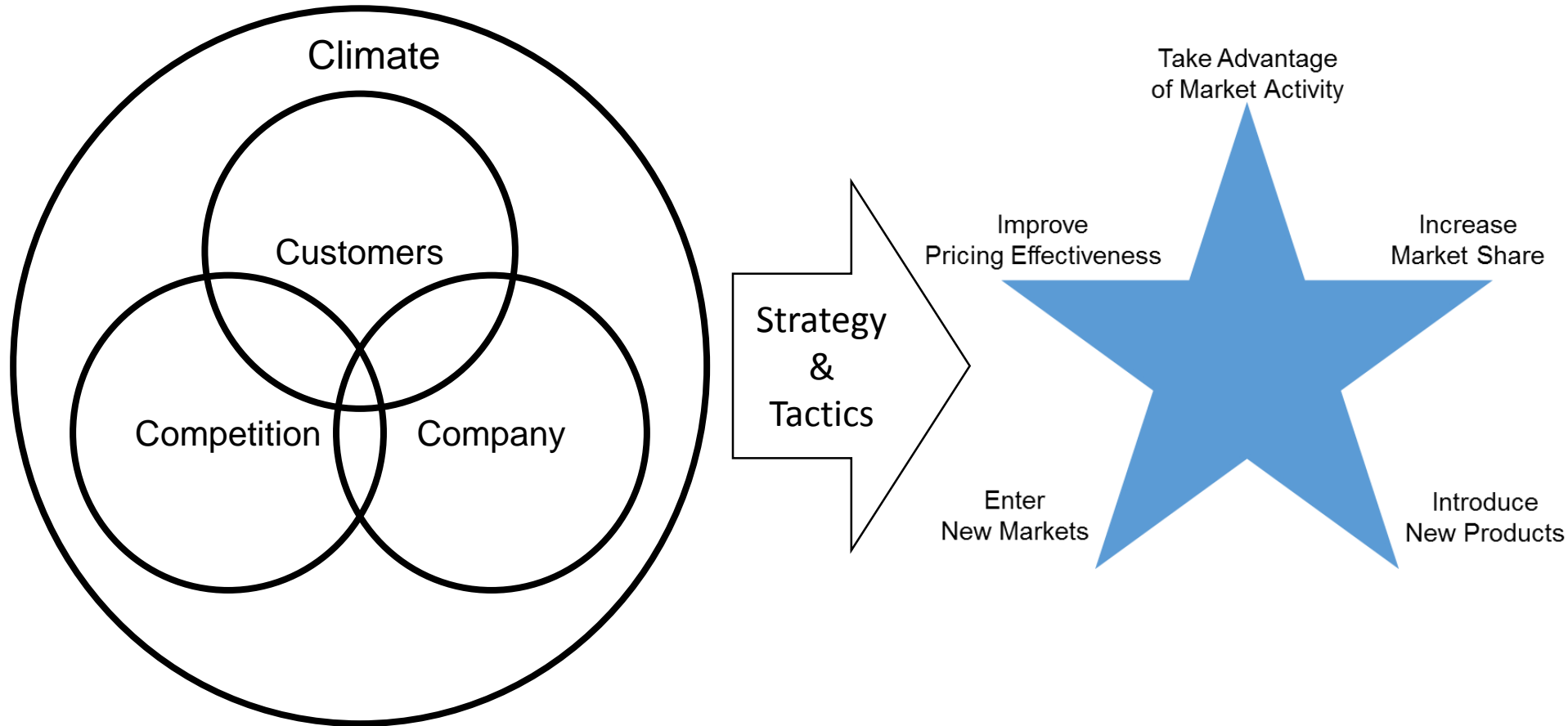
Go-to-Market Process

Where are we?



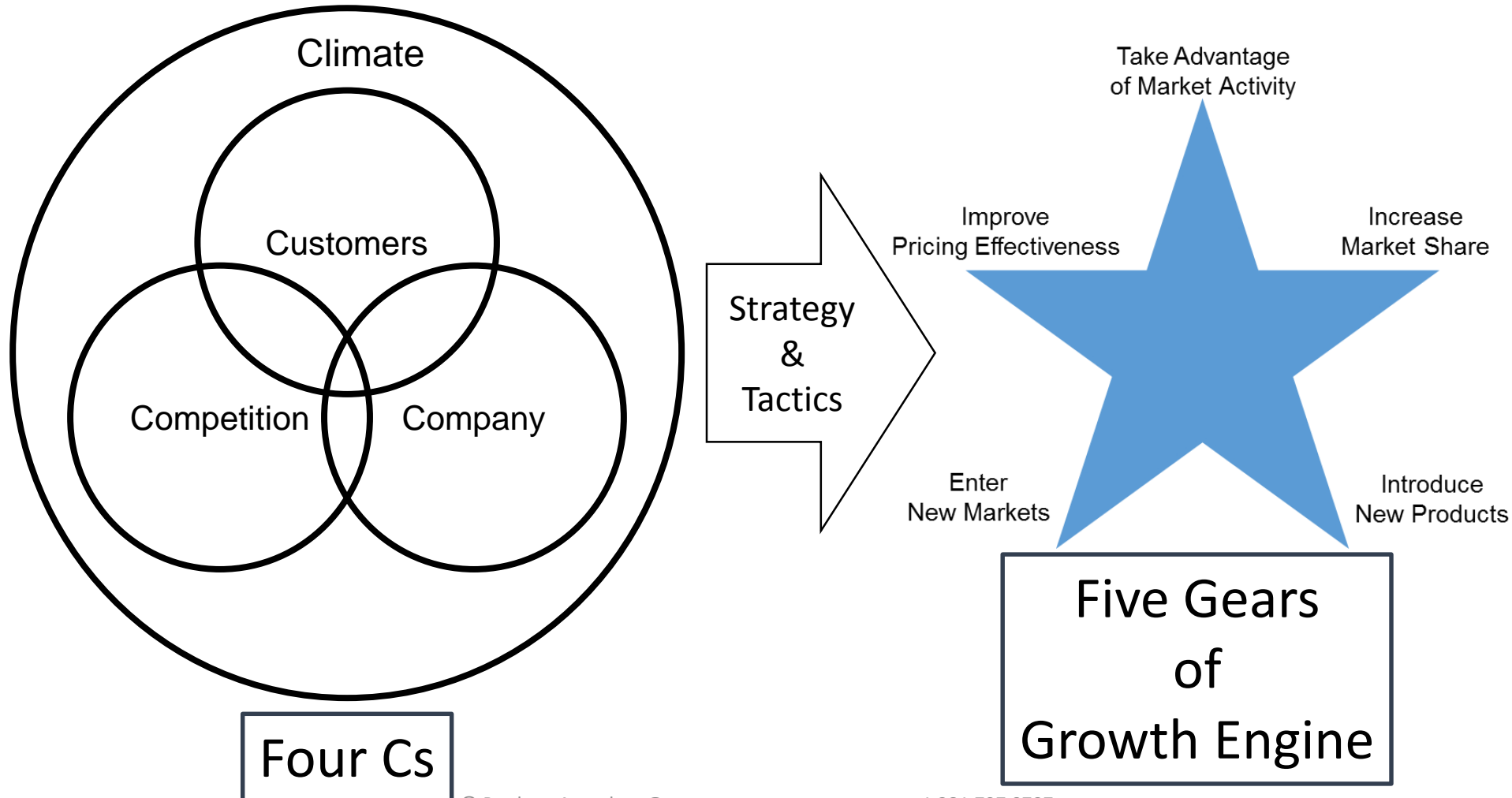
Go-to-Market Process

Where are we? Where can/should go? How do we get there?



Go-to-Market Process

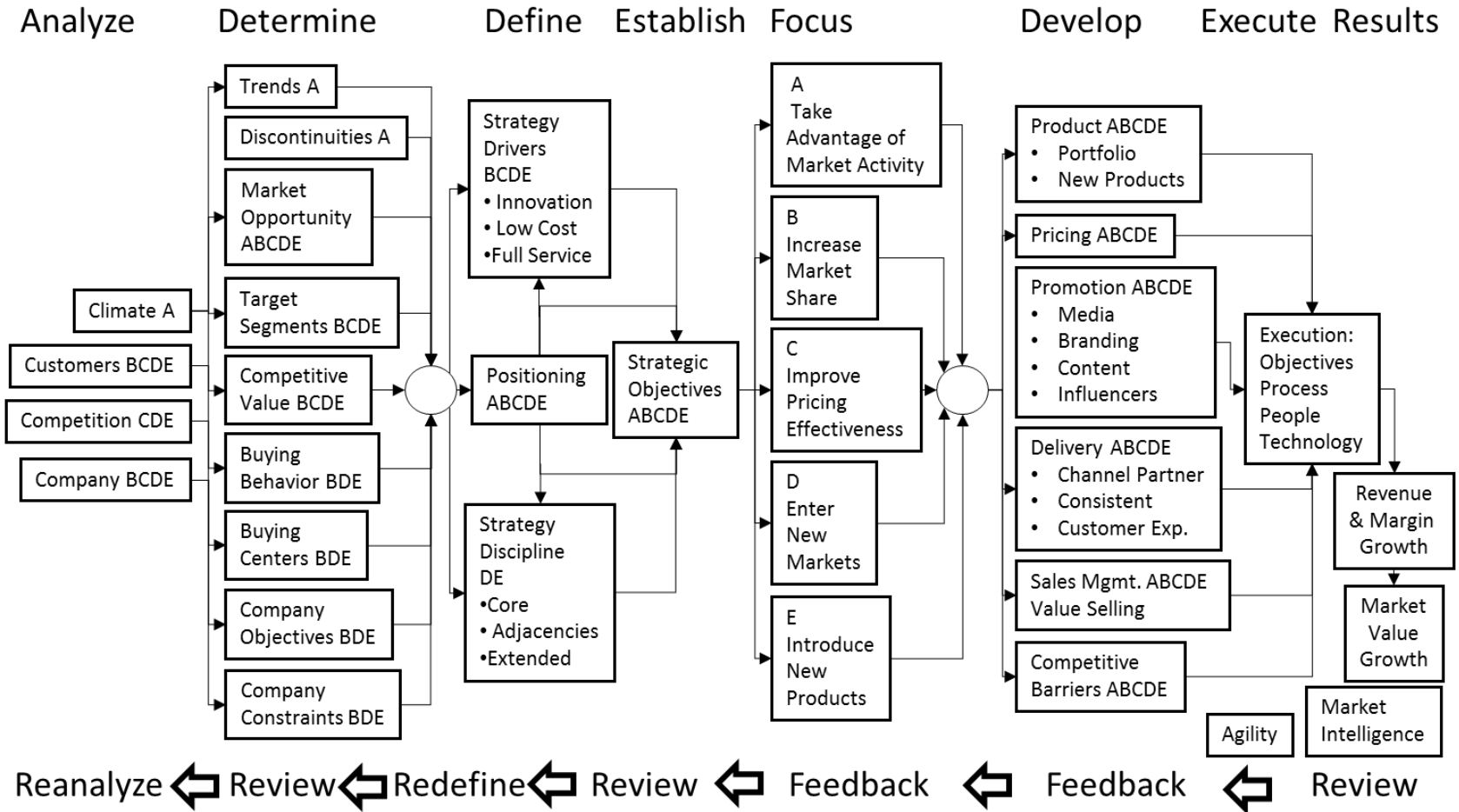
Where are we? Where can/should go? How do we get there?



Go-to-Market Process

Increase Probability of Success
Reduce Uncertainty

Competitive Playing Skills

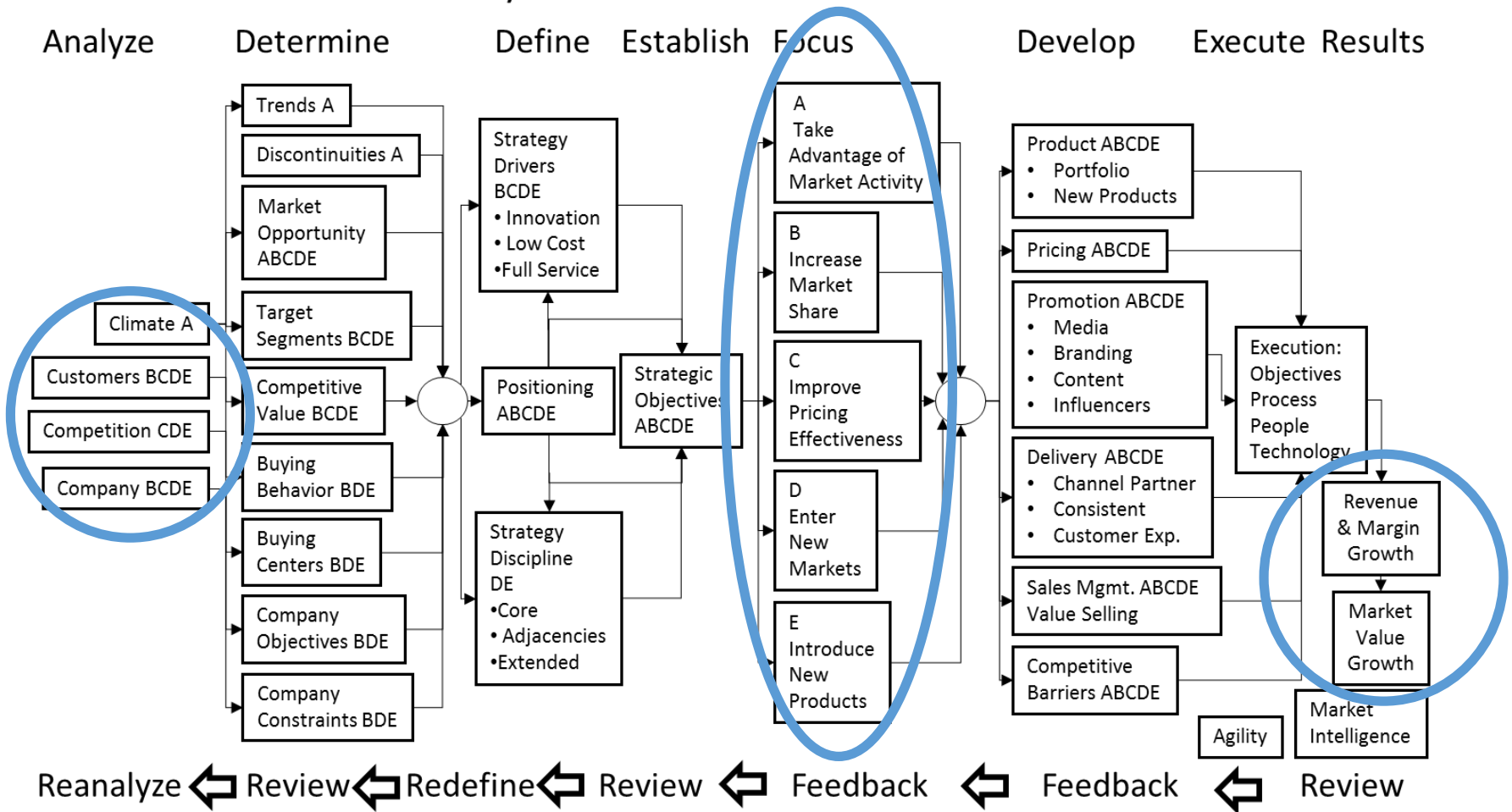


Where are we? Where can/should we go? How do we get there, successfully?

Go-to-Market Process: 4Cs+5Gs

Increase Probability of Success
Reduce Uncertainty

Competitive Playing Skills



Where are we? Where can/should we go? How do we get there, successfully?

Startups & Investors

But ...Startups are different

Limited Time
Limited Money
Limited Resources

You have to get “there” from “here”
At supersonic speed
Without leaking precious market value

Investors are also customers

An Investor's Job

“Our job is to pick the right projects, those that can jump over the valley of death/chasm past the early adopters”

What do Investors look for?

1. Clearly articulate value compared to all alternatives, especially to doing nothing

- There are 3 ways to differentiate—Technology, Price and Service
- Risk is the key issue
- Just a 30% differential is not enough; it has to be step change
- It should also be hard to copy

2. Entrepreneurs largely overestimate market size

- Market potential is irrelevant. What can you do in 5 to 10 years?
- Analyze the market today, not 10 years

What do Investors look for?

3. Strong leadership

- Competent management skills to deal with uncertainty and failure
- Most lack commercial acumen

4. Integrate into current processes

- Don't like disruptive technologies and processes
- The E&P industry is slow moving
 - Someone from a hundred years ago, who worked in the industry, will still recognize a current drilling rig

What do Investors look for?

5. You need time to win

- You need to have an engineering plan that includes testing and commercialization
- Every year of delay from plan reduces returns by 50%

6. How do people make money?

- Borrowing from Leadership Skills of Attila the Hun—You need Booty for All
- Business Plan has to show reward for all, “not just \$\$ but titles and stuff”

What do Investors look for?

7. Need a “Go-to-Market” business plan

- To most a business plan is a spread sheet
- No content in strategy and selling to customers

The Go-to-Market Business Plan

1. What are we selling?
2. Who are our customers?
3. Who is our competition?
4. Why would customers buy from instead of the alternatives?
5. What is our competitive value proposition?
6. How will we price it?
7. How will we market and sell it?
8. Where will we market and sell it?
9. Who is going to do it?
10. When will this be profitable?

Seven First “Go-to-Market” Steps

Without sacrificing your future value

Seven First “Go-to-Market” Steps

1. Where’s the money?
 - With your customers
 - With your competition
2. Why do customers buy from you or your competition?
 - A **unique, trusted** source who delivers **value**

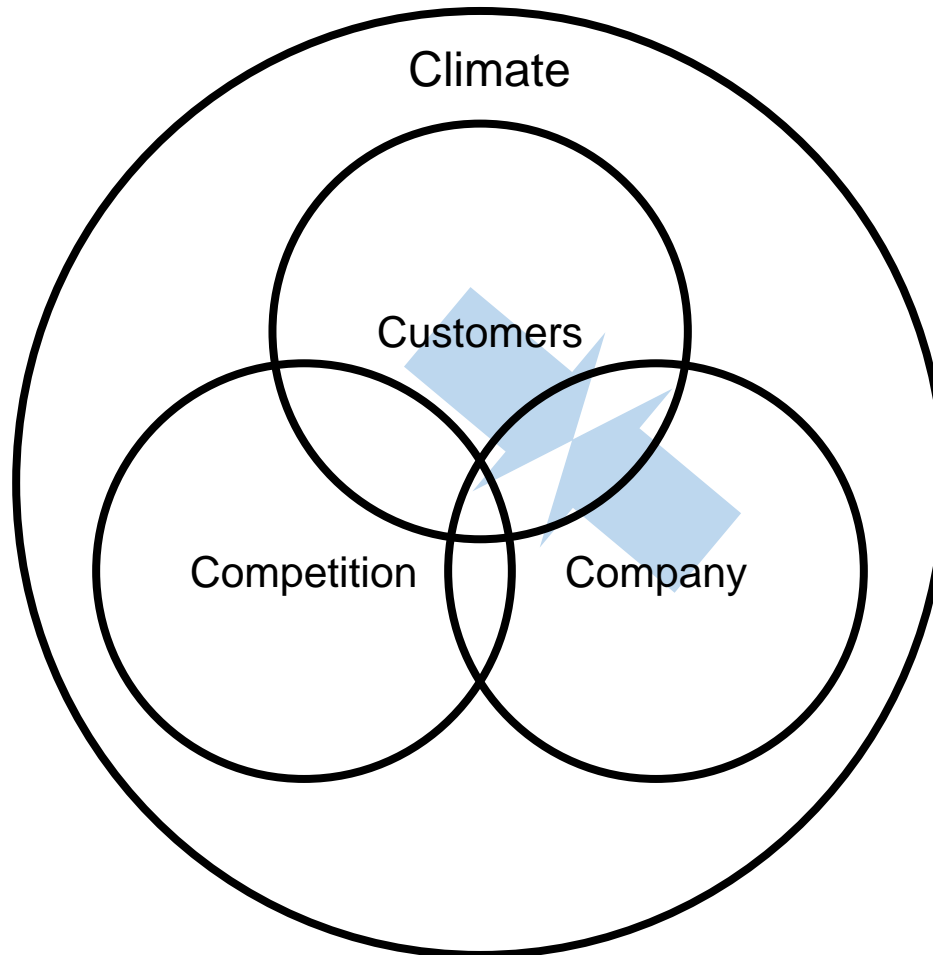


Step 1.

Answer the Question:
Where's the Money?

Where's the money?

With the RIGHT customers



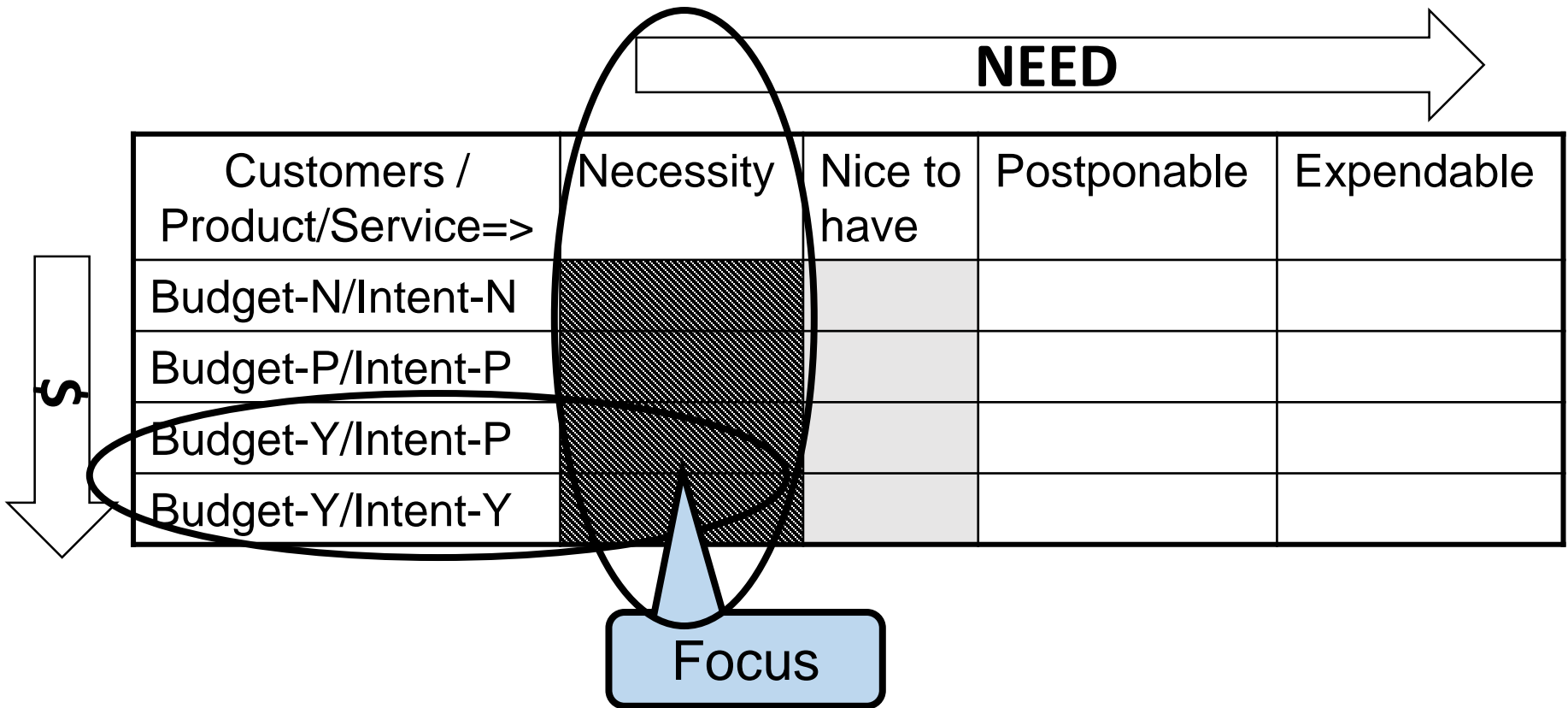
Where's the money?

With the RIGHT customers

	Yes	Perhaps	NO
Need			
Budget			
Intent			

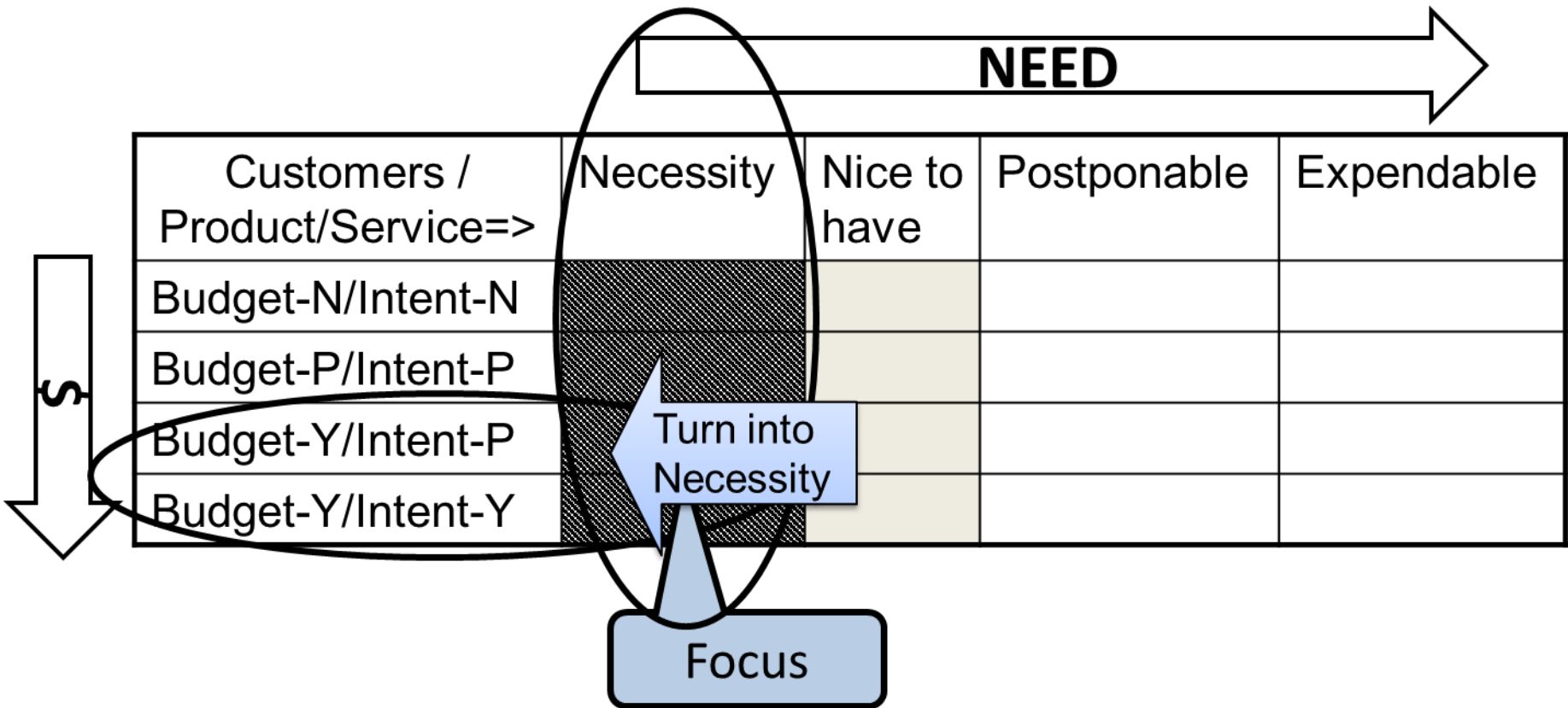
Where's the money?

With the RIGHT customers



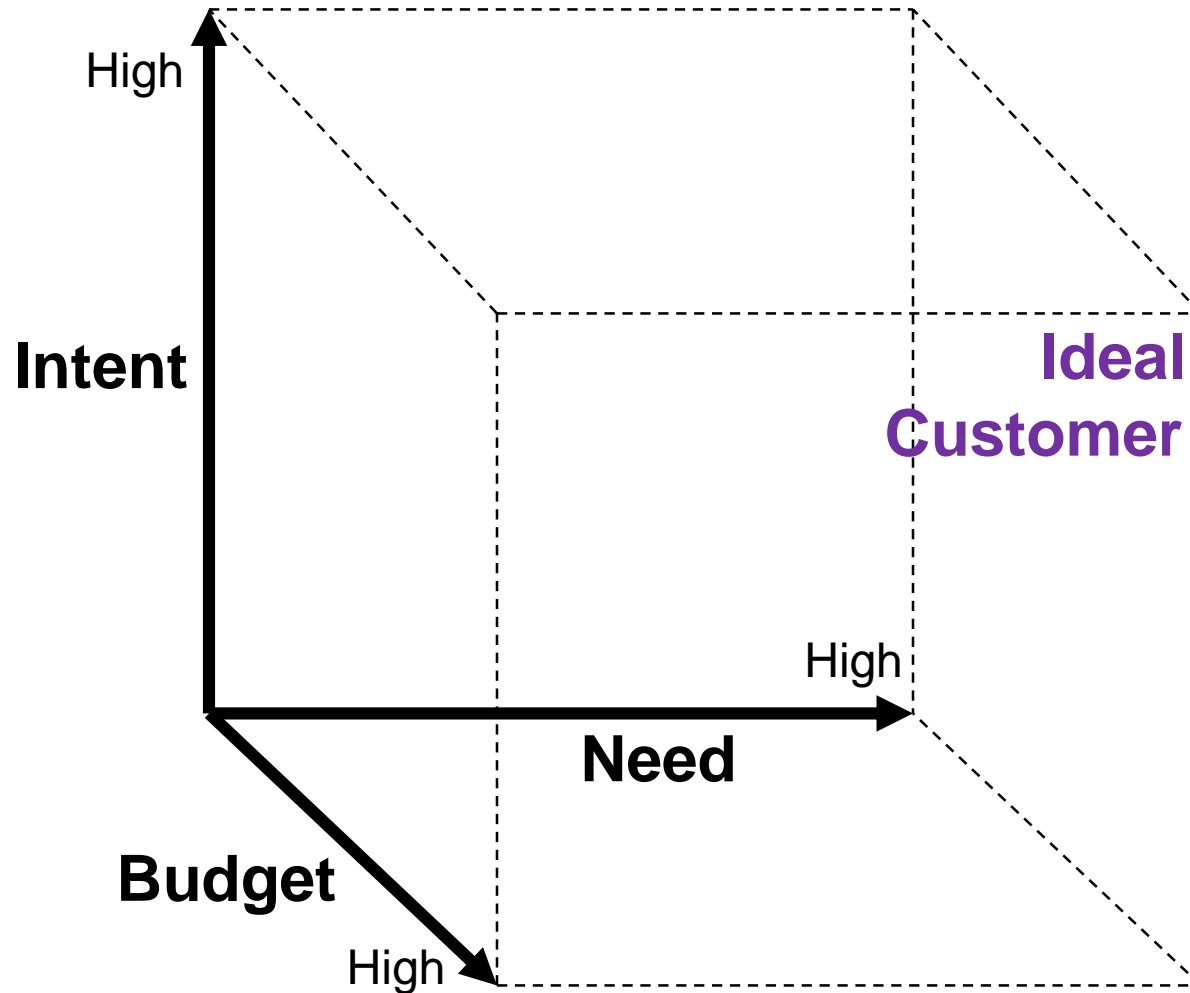
Where's the money?

With the RIGHT customers



Where's the money?

With the RIGHT customers



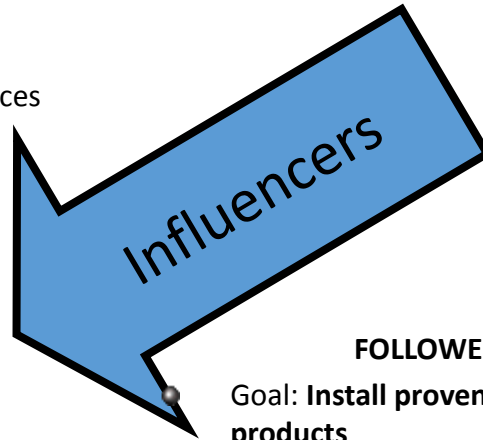
Right Customers

ENTHUSIASTS

- Goal: **Technology Innovation**
- Characteristics
 - Appreciate product characteristics and architecture
 - Alpha/beta test a product
 - Want to move technology forward
- Needs
 - Technical truth
 - Access to superior technical resources
 - Inexpensive/free products and first access

VISIONARIES

- Goal: **Fundamental breakthroughs in how business is conducted**
- Characteristics:
 - Least price sensitive
 - Helpful in defining the “whole product”
 - Highly visible references
- Discover strategic applications
 - Relationships with technology enthusiasts
- Needs:
 - Project-oriented, time-sensitive, order-of-magnitude return on investment



PRAGMATISTS

- Goal: **Incremental improvements**
- Characteristics:
 - Unwilling to take high risks
 - Tend to be vertically oriented; products need to fit in!
- Needs
 - References and relationships with trusted/credible others in their market
 - Comfort with reputation, product
 - “Whole product” solutions

FOLLOWERS

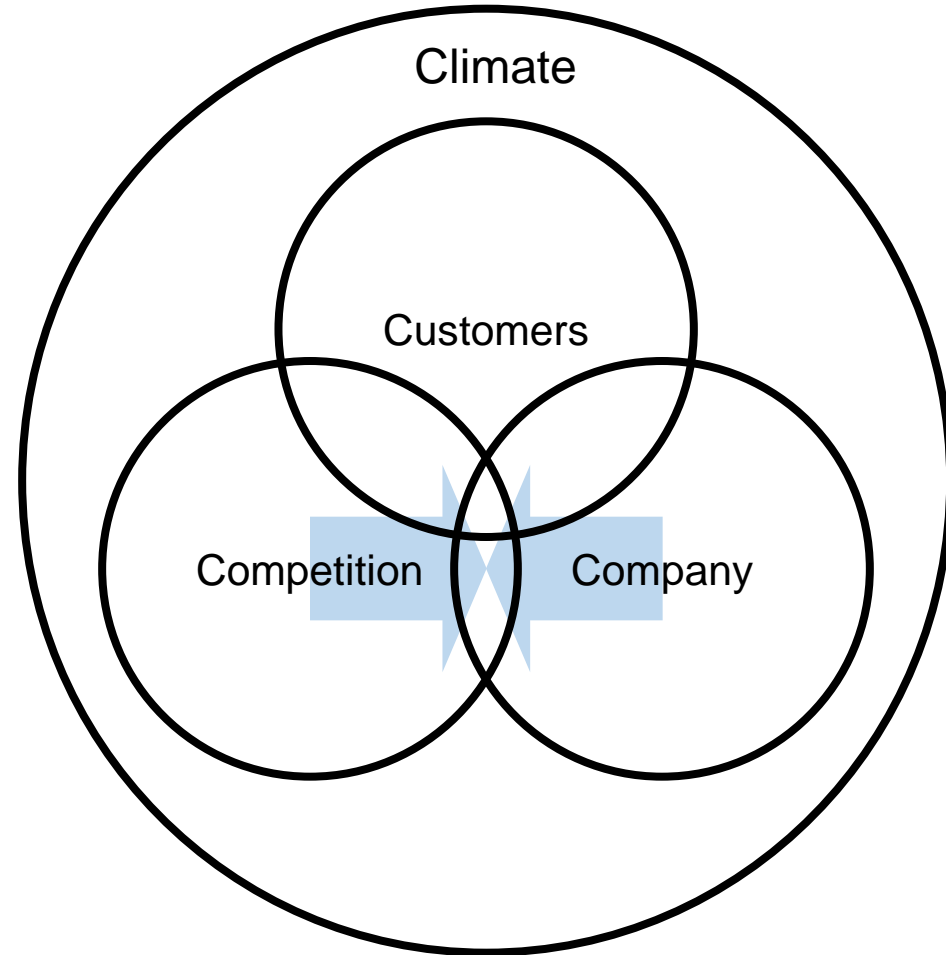
- Goal: **Install proven technologies & products**
- Characteristics:
 - Not risk-takers
 - Slightly afraid of high technology
 - Extend the market for technology products
 - Price sensitive
- Needs:
 - Pre-assembled products at discounted prices
 - Predictable products

RESISTERS

- Goal: **Maintain status quo**
- Characteristics:
 - Skeptical
 - Not risk takers
 - Block purchase of new technology
- Needs:
 - Evidence of value that will be received from product
 - Complete and available whole product

Where's the money? With your competition

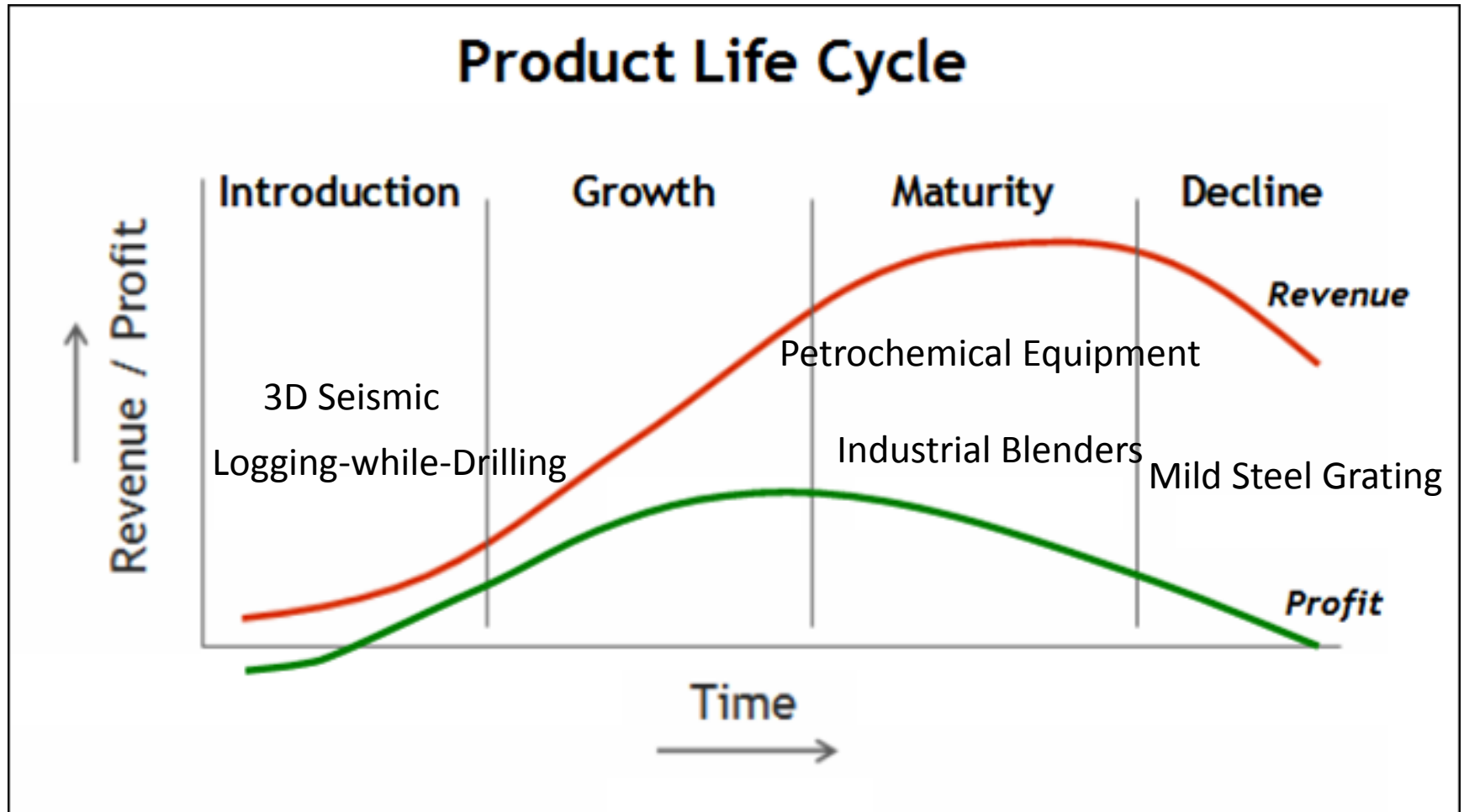
- Types of competition
 - Direct
 - Indirect
 - Substitution
 - Adjacencies
 - **Waste**
 - Suppliers
 - Customers
- Each is an **opportunity**



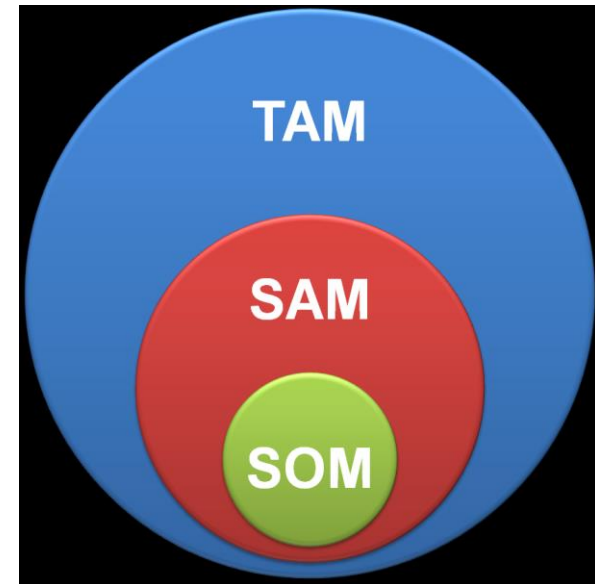
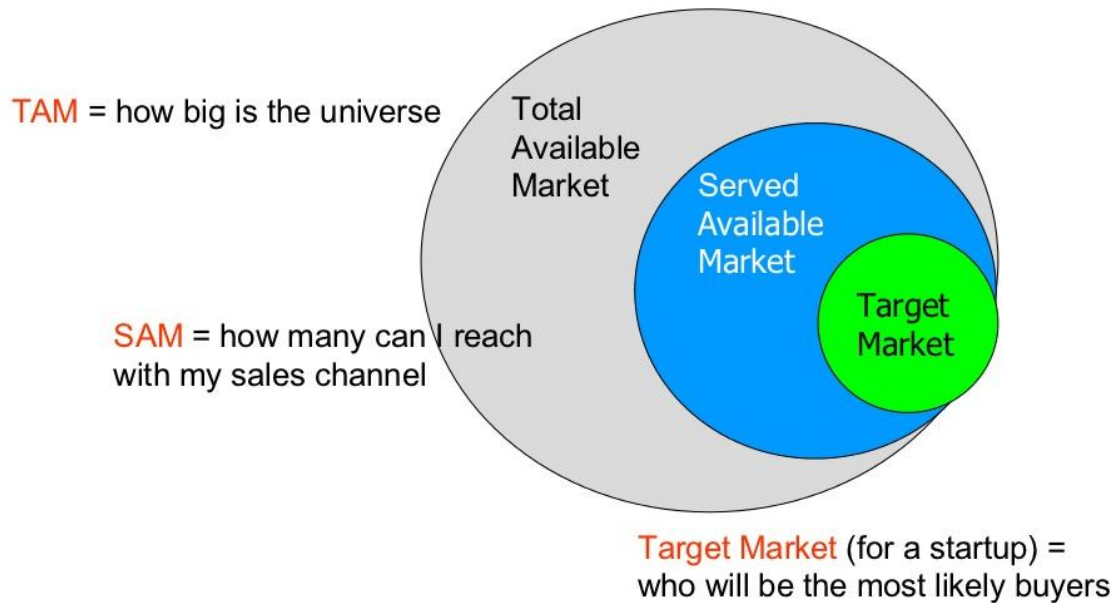
Customer Segmentation

- Important for:
 - Selecting right target customers
 - Focusing resources
 - Reducing waste
 - Increasing probability of success
 - Accurate product positioning
 - Accelerate “Speed to Market”

Segmentation: Discover Markets, Speed to Market, Protect Markets



Sizing Markets:

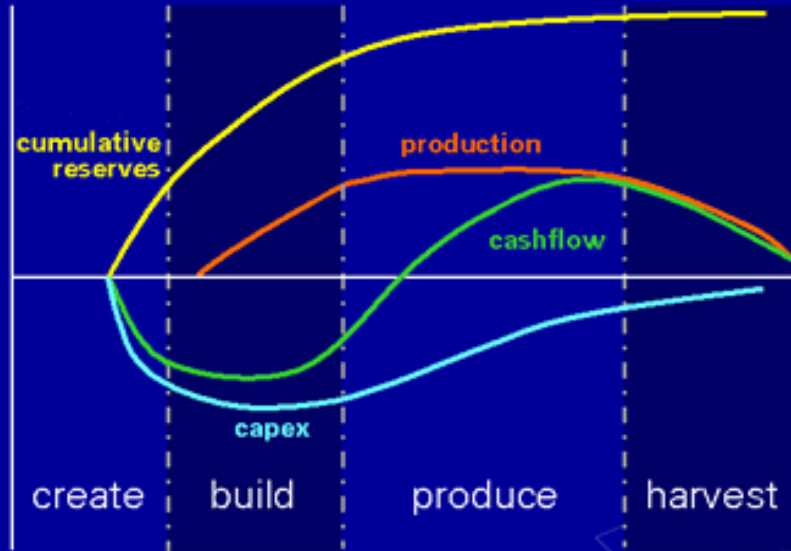


SOM=Serviceable Obtainable Market. Portion of SAM that you can capture

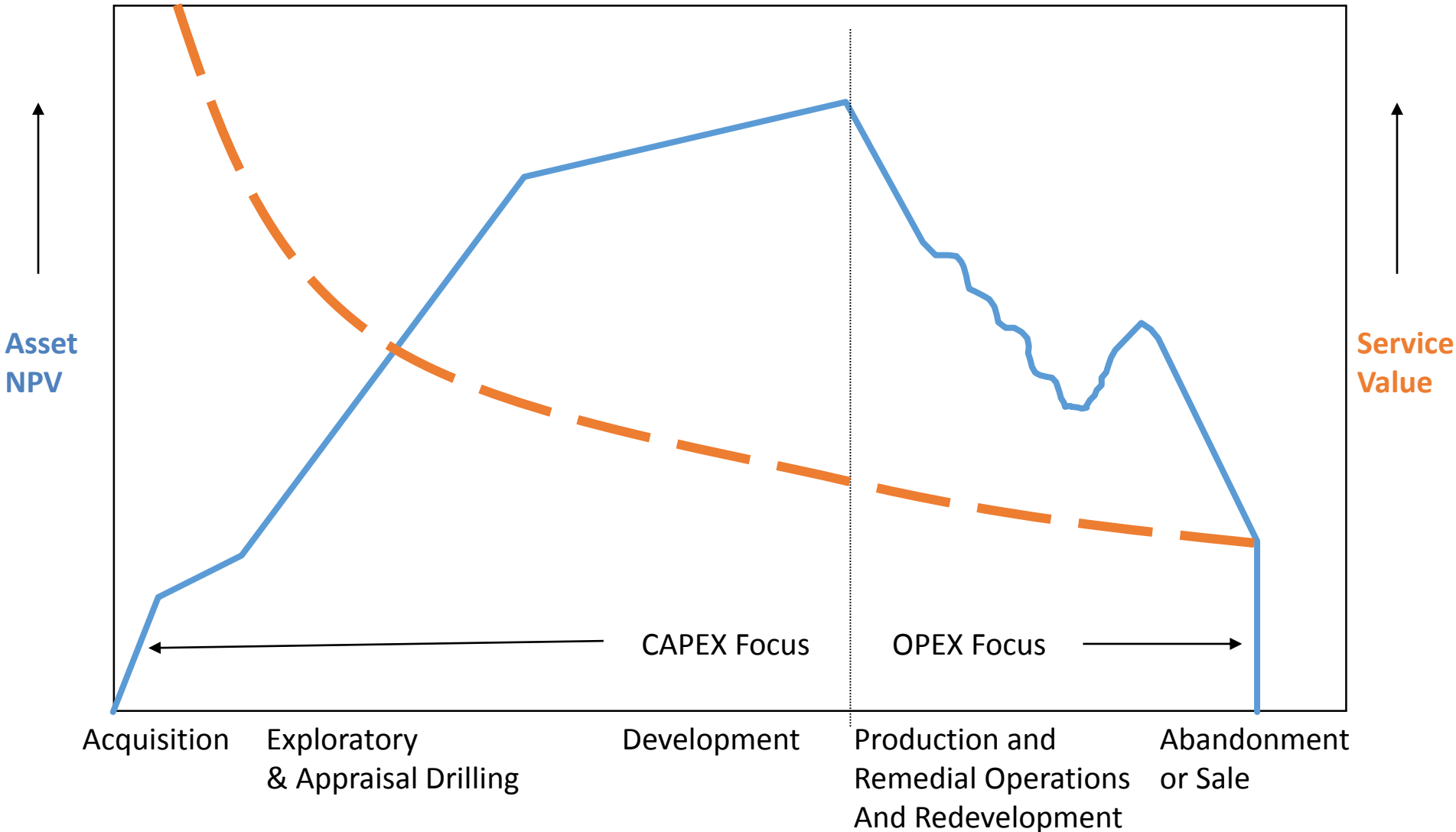
Market Size Calculation

- Precise accuracy of a market assessment difficult
 - Methods of arriving at market size are generally subjective
 - Rarely derived from statistically valid samples
 - Triangulate to the right answer with multiple sources
- Speed versus Accuracy
 - Small versus Large investment
 - Preliminary scan of generic segments versus smaller sub-segments

basin lifecycle



Value of Information & Asset Lifecycle



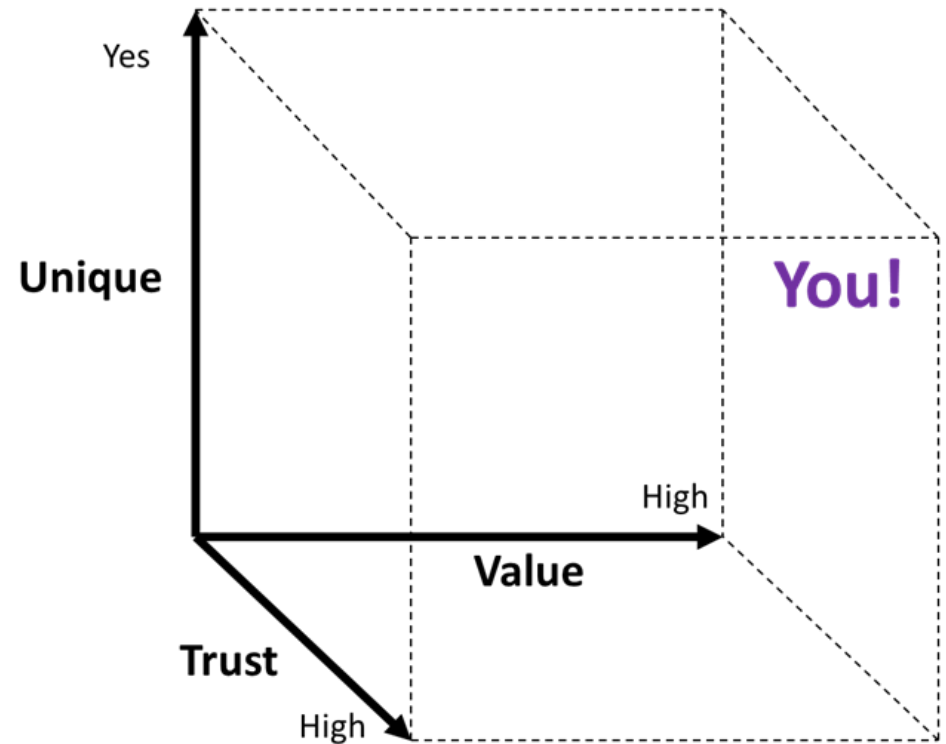
Step 2.

Answer the question:

Why do customers buy from you
or your competition?

Why do customers buy from you?

You are
a **Unique,**
Trusted source
who delivers
Value



“Buy” is a loaded term

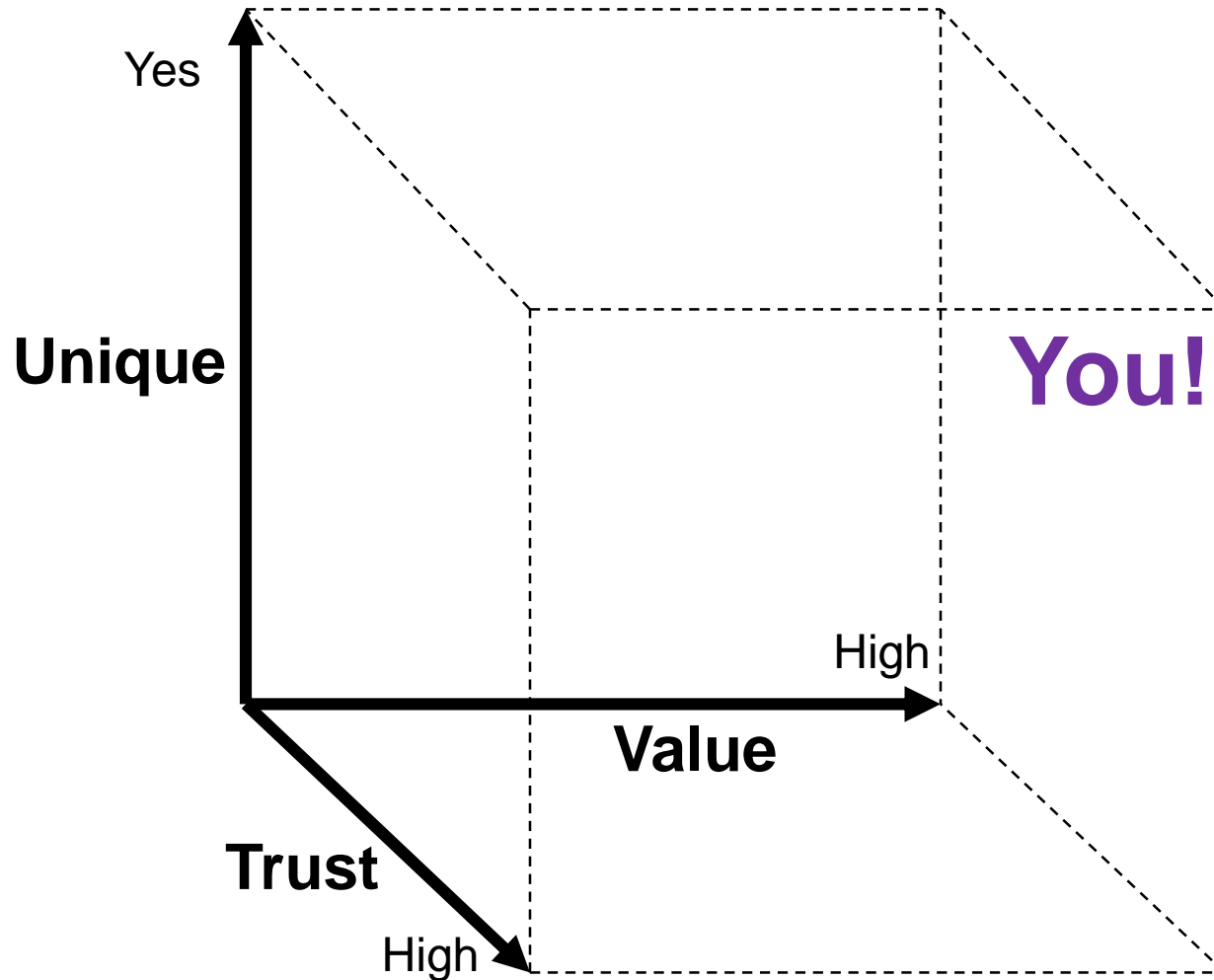
Buy Includes:

- Acquisition
- Use
- Maintenance
- Disposal

Three Kinds of Buys:

- Straight Rebuy
- Modified Rebuy
- New Buy

Why do customers buy from you?



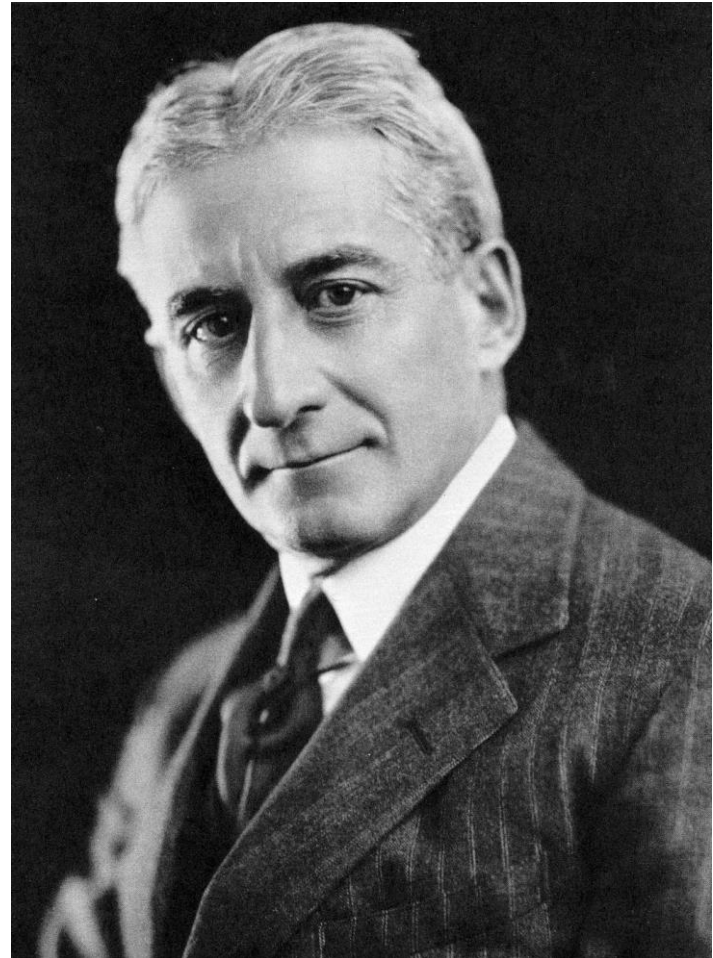
Be Unique

- It's a Battle for **Distinctive Mindshare**
- Be Different in Important Ways
- Design your *image and value* so that your targeted segment's customers understand what your company stand for with respect to your competition

Be Unique: Don't try to be everything to everybody!

- “I cannot give you the formula for success, but I can give you the formula for failure, which is: Try to please everybody.”

Herbert Swope, editor and
journalist



Be Unique: I hit where they ain't!--Babe Ruth



Be Unique: Competitive Product Positioning

- For the: (Target Segment)
- Who Needs:
- Firm/Product is a: (Category)
- That provides: (List of compelling reasons to buy)
- **Unlike competition** (Name), the company/product, also provides:
 - List of **key differentiators**
 - Features
 - **Benefits**

Be Unique: Differentiate or Die



Value: Defining Value

$$\text{Value} = \text{Benefits} - \text{Cost}$$

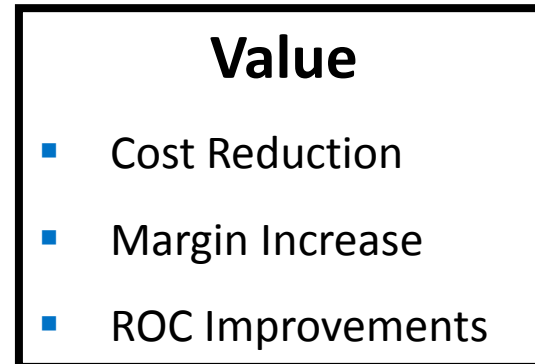
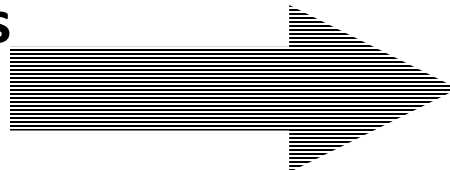


Be Unique in Important Ways

Competitive Positioning + Value

- For the: (Target Segment)
- Who Needs:
- Firm/Product is a: (Category)
- That provides: (List of compelling reasons to buy)
- **Unlike competition** (Name), the company/product, also provides:
 - List of **key differentiators**

- Features
- **Benefits**



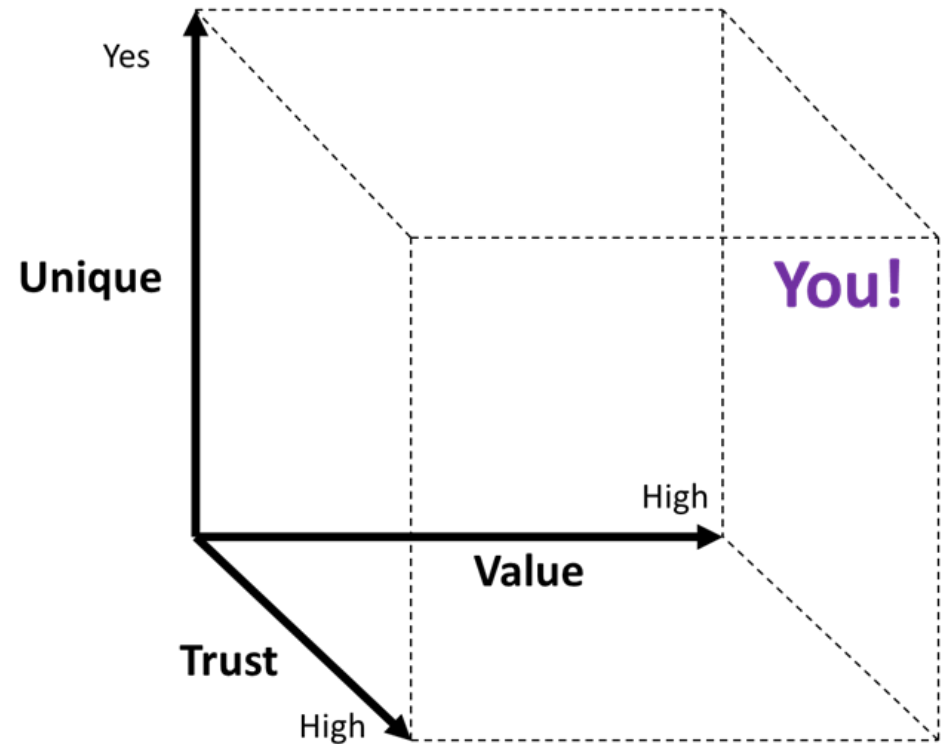
Why do customers buy from you?

Trust

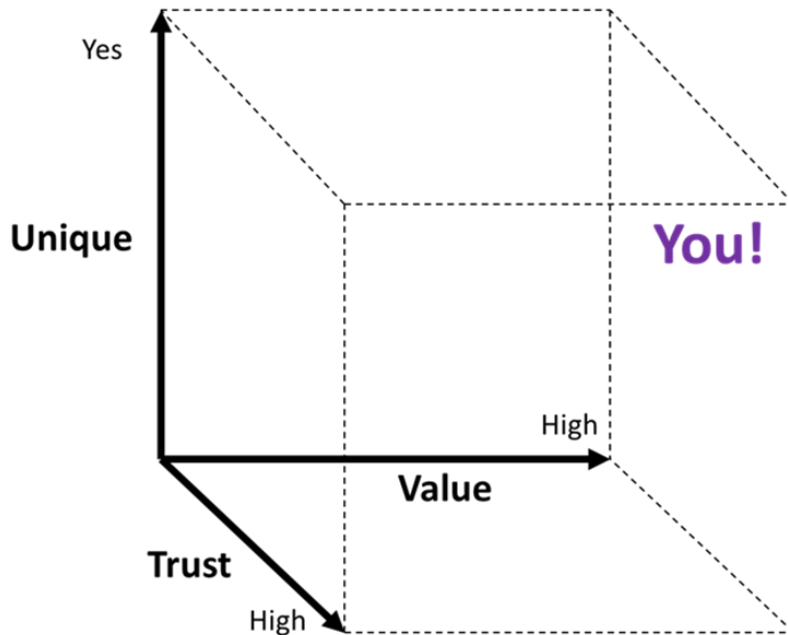
- Buyer' Personal Factors
 - Risk Tolerance
 - Level of Adjustment
 - Relative Power
- Situational Factors
 - Security
 - Number of Similarities
 - Alignment of Interests
 - Benevolent Concern
 - Capability
 - Predictability & Integrity
 - Level of Communication

Why do customers buy from you?

You must be
a **Unique,**
Trusted source
who delivers
Value

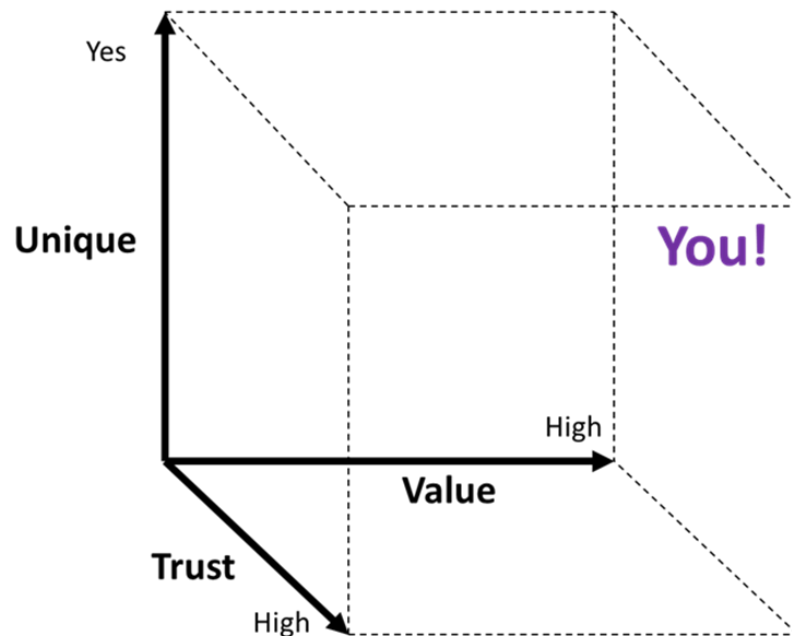


Your First Customers



- Someone who knows you or an “unbiased source” who can recommend you
 - A known entity is far superior to an unknown or less-known one
 - Reduces alternatives
- Knows that you can deliver Distinctive Value
- Trusts you

Building on First Customers



- There are always **Alternatives** and competitors to you
- Focus on showing **Value** to the organization
 - Expertise
 - Process
 - Case Studies/Successes
- Focus on **Trustworthiness**
 - Clients
 - References

Picking Target Markets

Where's the Money? + Why Buy from You?

- Company Objectives
 - Market, financial
- Company Constraints
 - Resources
 - Strategy Drivers
 - Strategy Discipline
- Competitive Customer Value in different market segments
 - How big is the Rebuy, New Buy or Modified Rebuy market?
- Market Opportunity/Headroom available in different segments

Where the puck is going to be!

Hit it where they ain't!

Step 3.

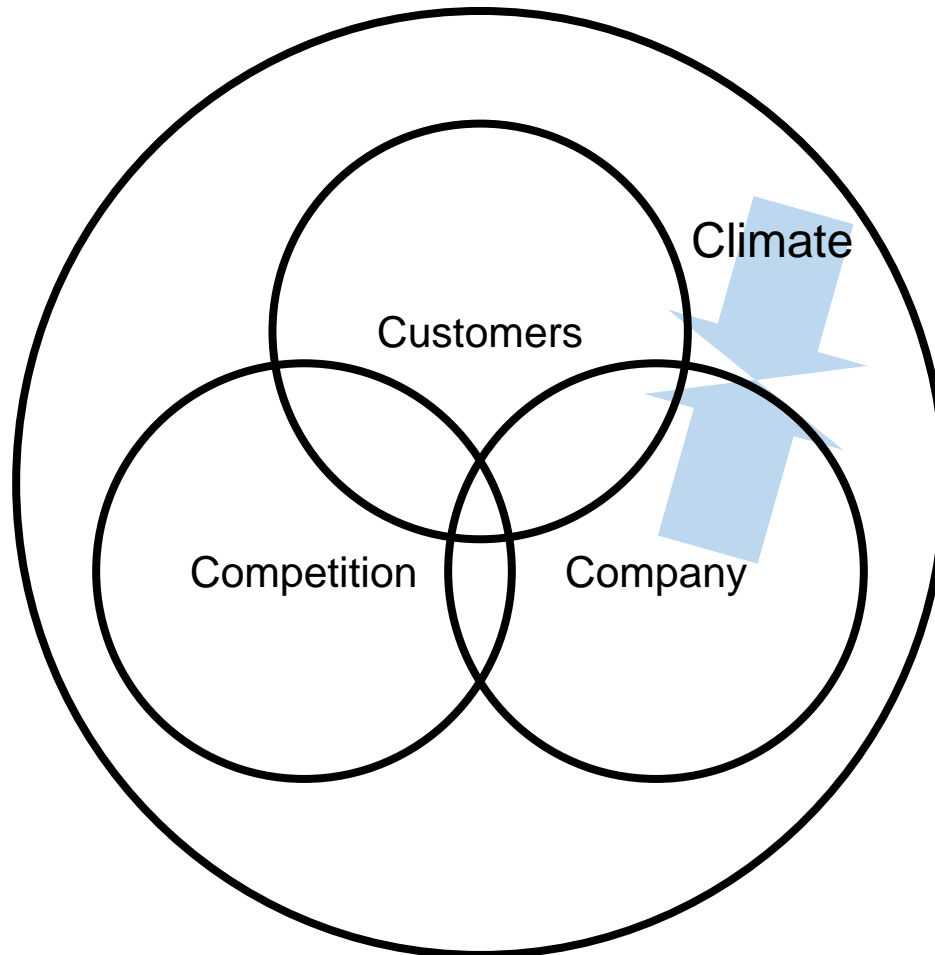
Take Advantage of Market Activity

Take advantage of market activity

3. Take Advantage
of Market Activity



Step 3: Take advantage of market activity

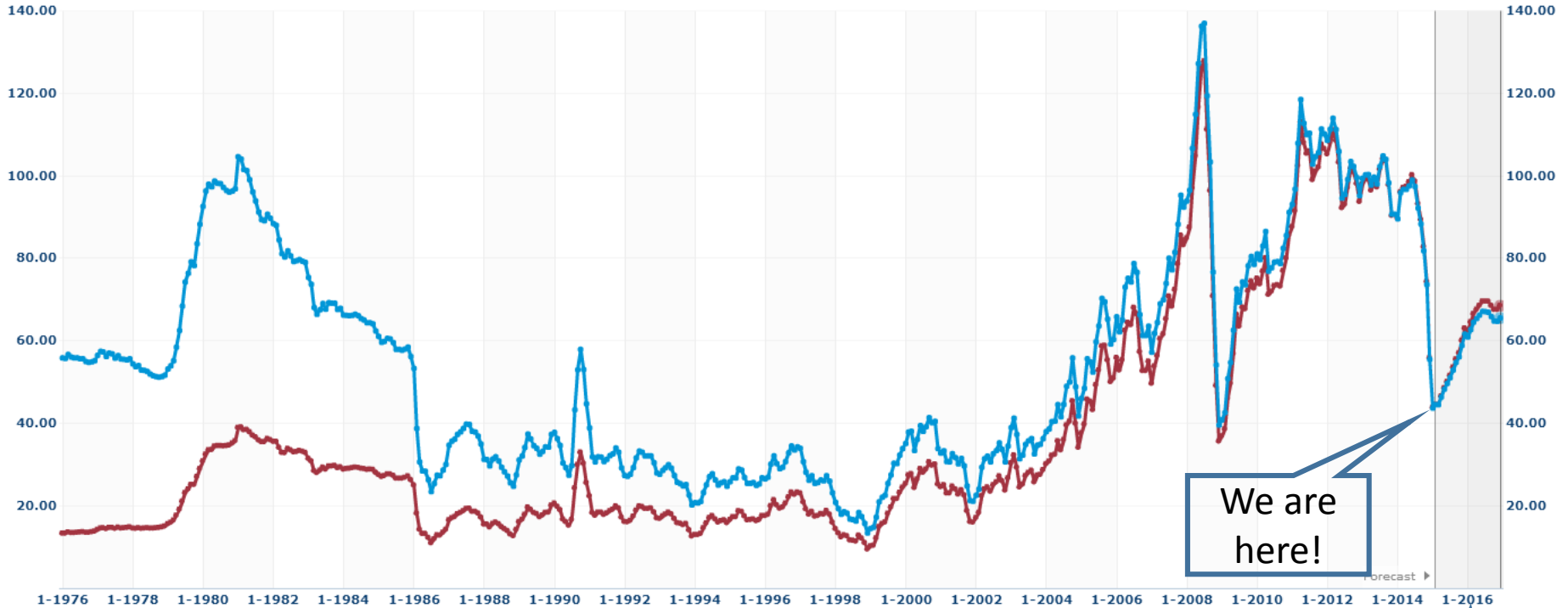


Take advantage of market activity

- Every business has drivers that contribute to its growth
 - It is the tide that raises all boats
 - Your boat and your competitors' boats
- Macro activity does not convey the whole picture
 - Both **Sperry-Sun** and **Landmark Graphics** were born during recessionary times in the upstream oil—NBI/VUT
 - Many early computing companies such as Wang, DEC disappeared during the greatest growth period in the industry—NBI/VUT

Today's Oil Industry Climate: Real & Nominal Crude Oil Price 1976 to Present

Date: 12-2016 ● Nominal: \$68.50 ■ Real: \$65.54 Units: Dollars Per Barrel



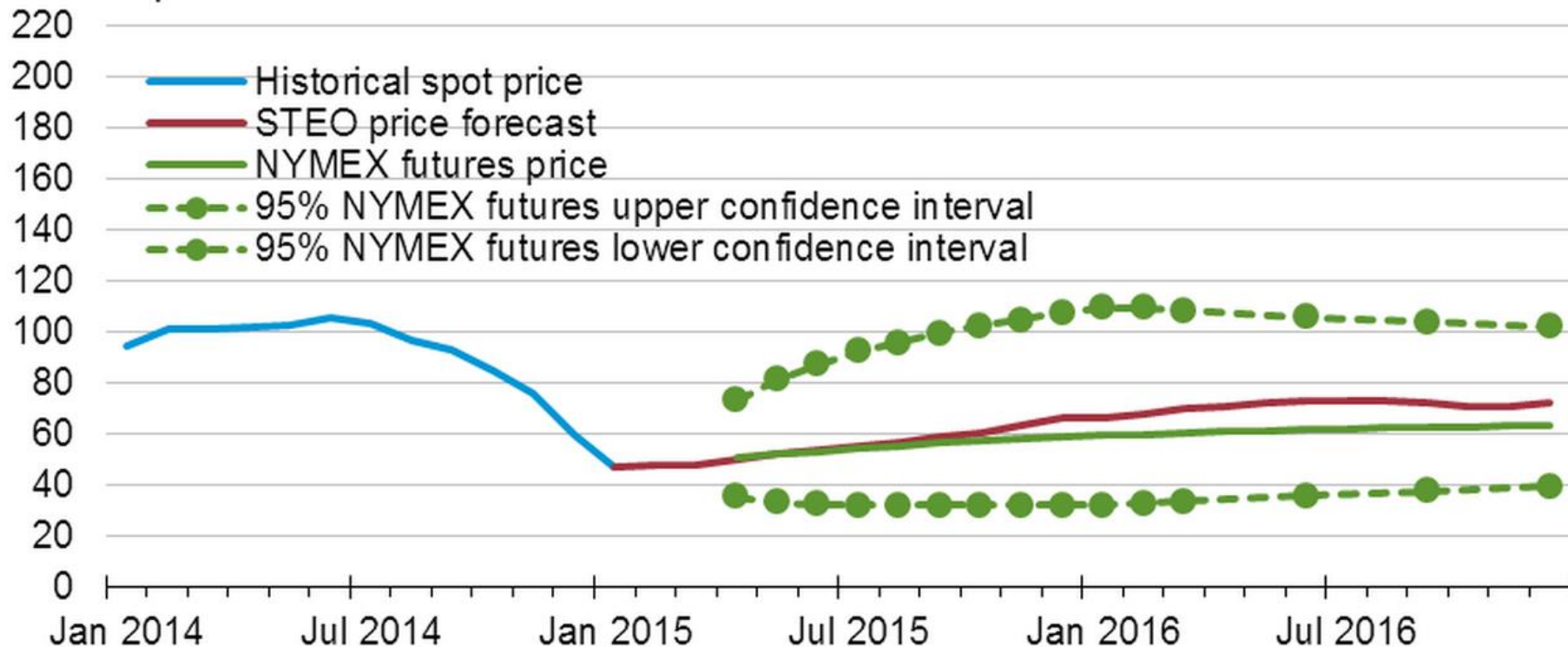
We are here!

Forecast

West Texas Intermediate (WTI) Crude Oil Price



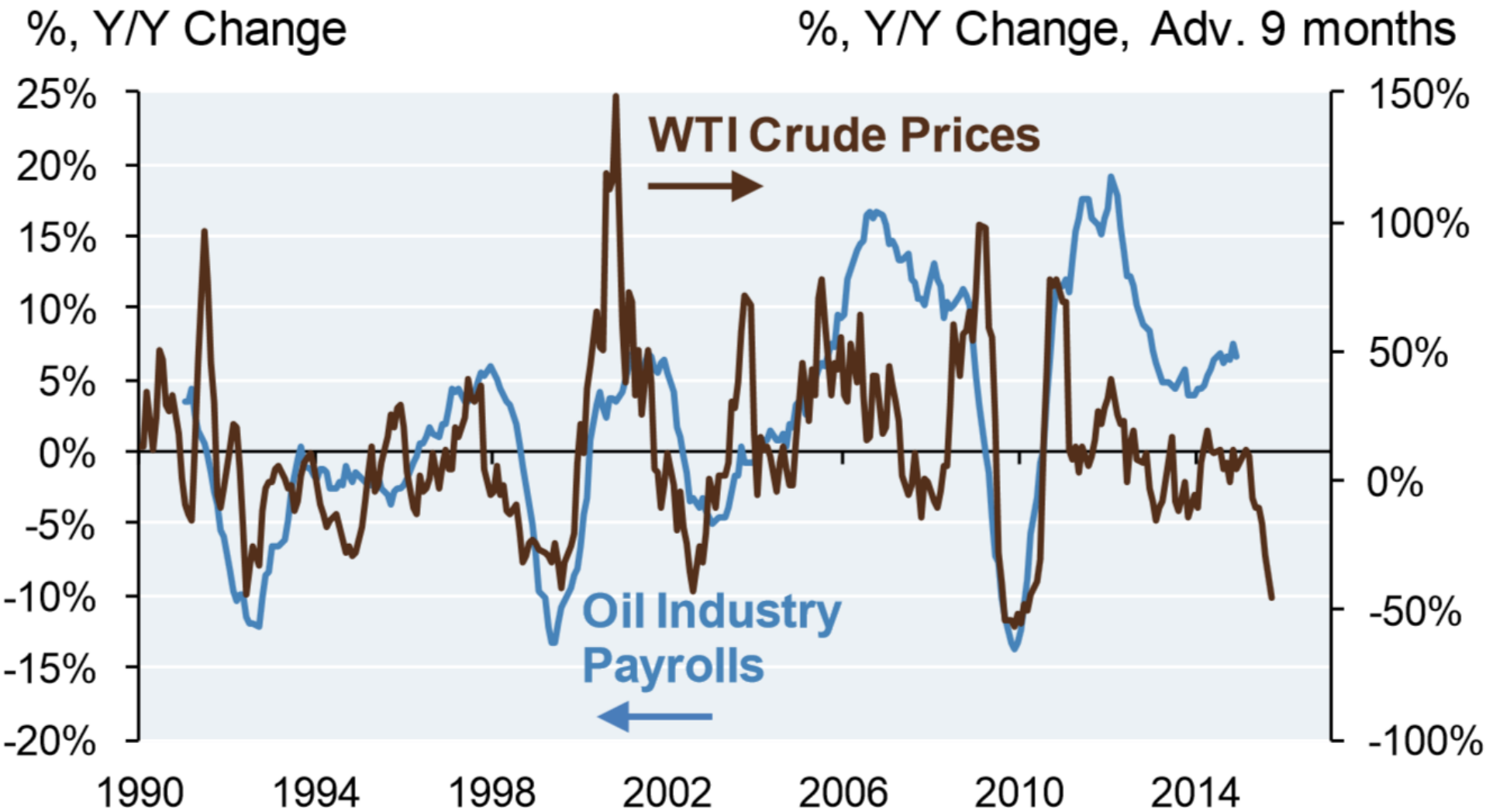
dollars per barrel



Note: Confidence interval derived from options market information for the 5 trading days ending Feb. 5, 2015. Intervals not calculated for months with sparse trading in near-the-money options contracts.

Source: Short-Term Energy Outlook, February 2015.

WTI and Industry Payrolls

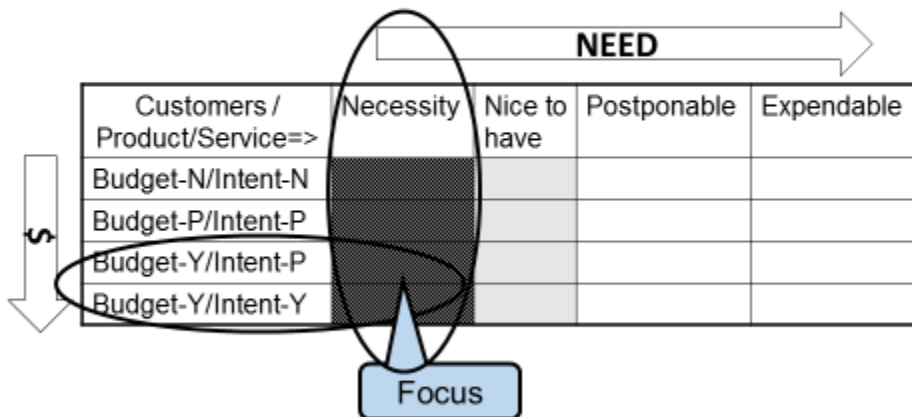


Source: Bloomberg, Bureau of Labor Statistics. January 2015.

Take advantage of market activity

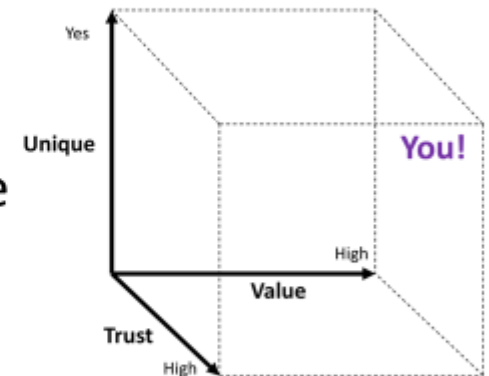
Both **Sperry-Sun** and **Landmark Graphics** were born during recessionary times in the upstream oil industry—NBI/VUT

Where's the money?
With the RIGHT customers



Why do customers buy from you?

You are
a **Unique,**
Trusted source
who delivers
Value



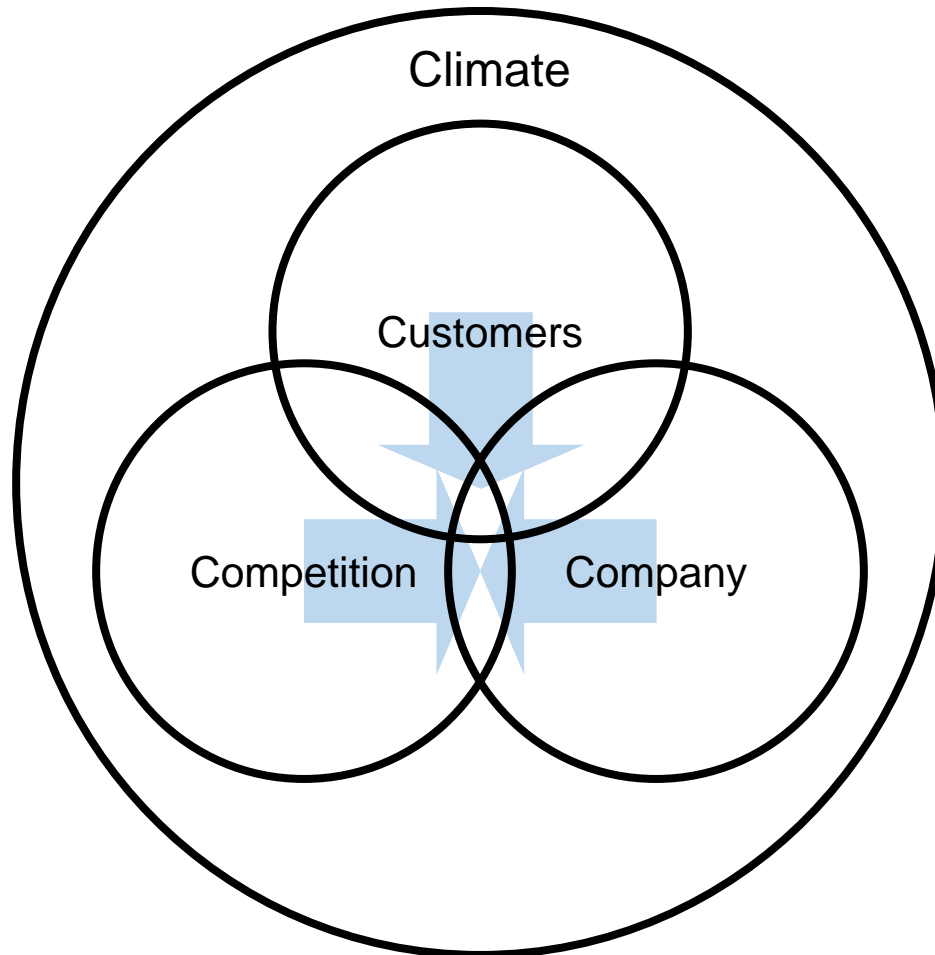
Step 4.

Improve Pricing Effectiveness

Step 4: Improve pricing effectiveness



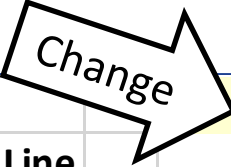
Improve pricing effectiveness



Step 4: Why improve pricing effectiveness?

- There's not much room left for improving profitability with operational cost controls
- It is the fastest most effective way to increase profits
 - 1% increase in price=8% increase in operating profit at an average S&P 1500 company
 - 50% better than a 1% drop in variable costs
 - 300% better than a 1% increase in volume

Step 4: Why Focus on Pricing? Effective Way to Increase Profits



	Base Line	1.0% Price	-1.0% Cost to Serve	1.0% Volume
Units	100	100	100	101
Price	\$1,000	\$1,010	\$1,000	\$1,000
Revenue	\$100,000	\$101,000	\$100,000	\$101,000
Cost to Serve/Unit	\$600	\$600	\$594	\$600
Costs to Serve	\$60,000	\$60,000	\$59,400	\$60,600
SG&A Costs	\$5,000	\$5,000	\$5,000	\$5,000
Gross Margin	\$35,000	\$36,000	\$35,600	\$35,400
GM%	35.0%	35.6%	35.6%	35.0%
Realized Benefit		\$1,000	\$600	\$400
Benefit % of Base Line Revenue:		1.0%	0.6%	0.4%

Increasing price drives as great a benefit as cutting costs and increasing volume

Barriers to Pricing Effectiveness

- Anchors/Magnets/Bad Habits
 - Customer-defined price; sellers are drawn to that price
 - Internal cost structure
 - Minimum ROI expectations
- Effort/Expertise
 - Time/Discipline/Practice/Diligence
 - Technology, Customer/Consumer Behavior, Competition, Economics, Negotiation, Finance

Barriers to Pricing Effectiveness

- Blind Spots

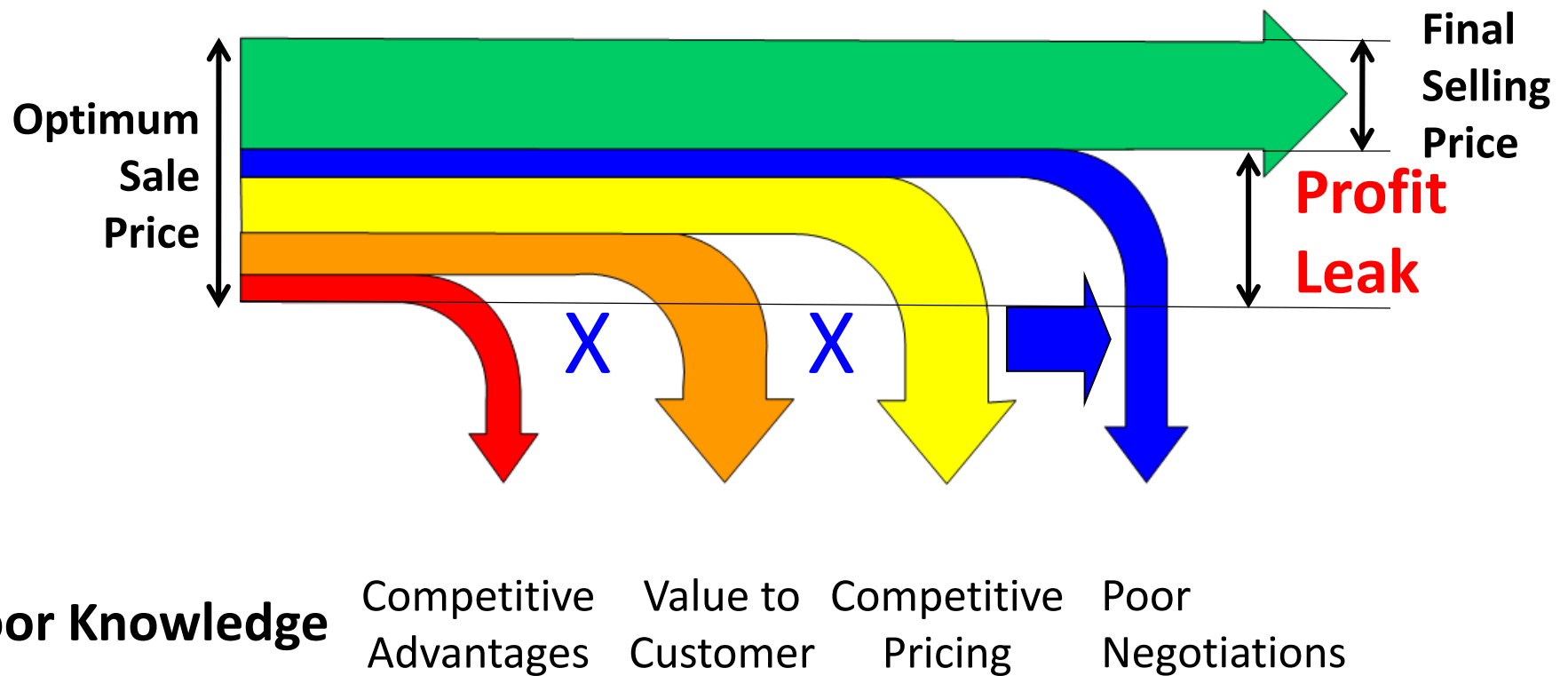
- Institutional

- Limited understanding of Competitive Positions
 - Limited understanding of Competitive Responses
 - Limited Historical Knowledge
 - Limited Processes and Tools to Improve Individual Performance
 - Business case framework
 - Escalation

- Individual

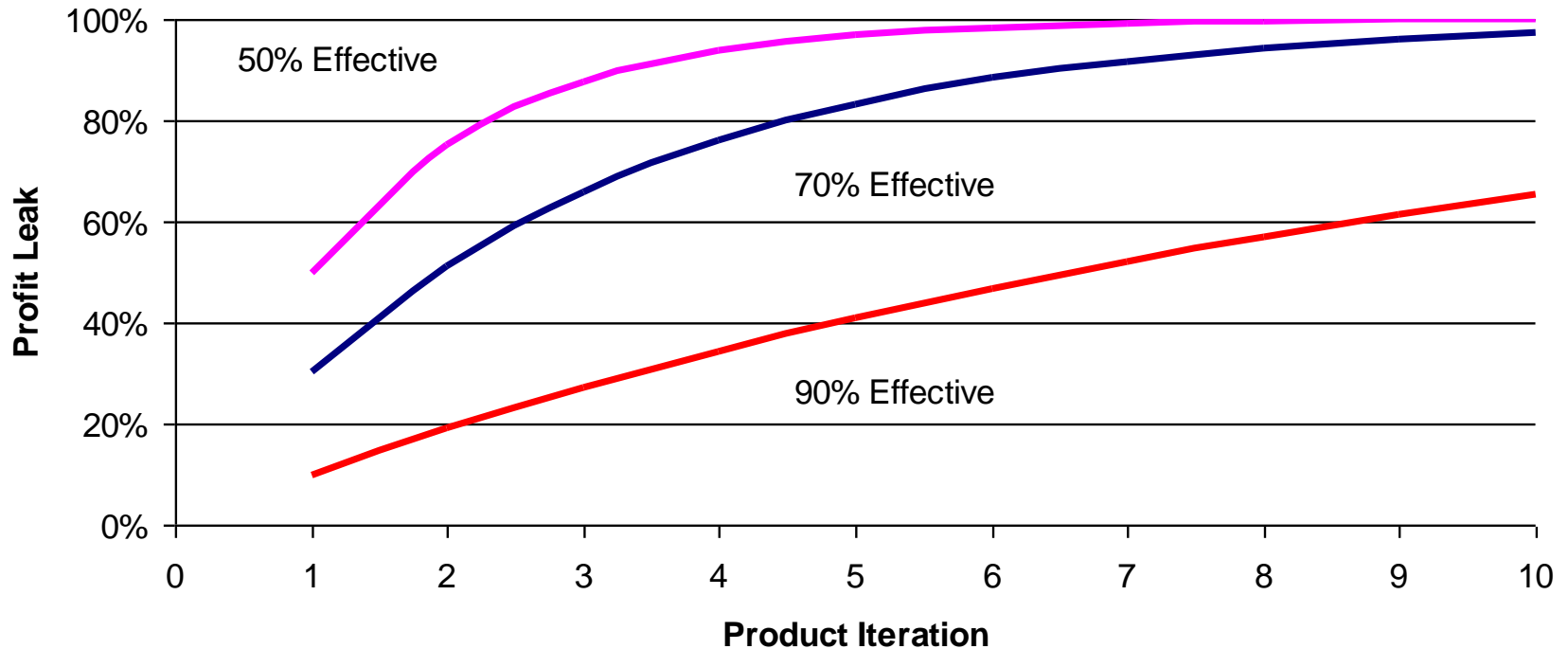
- Innumeracy (numerical illiteracy)
 - Limited comprehension of product's Monetary Value to customers in the local context
 - Lack of Best Practices and Processes
 - Inadequate training and support in Negotiation
 - Limited knowledge of Economics

Consequence: Profit Leaks



Cumulative Effect of Profit Leaks

Profit Leaks & Pricing Effectiveness



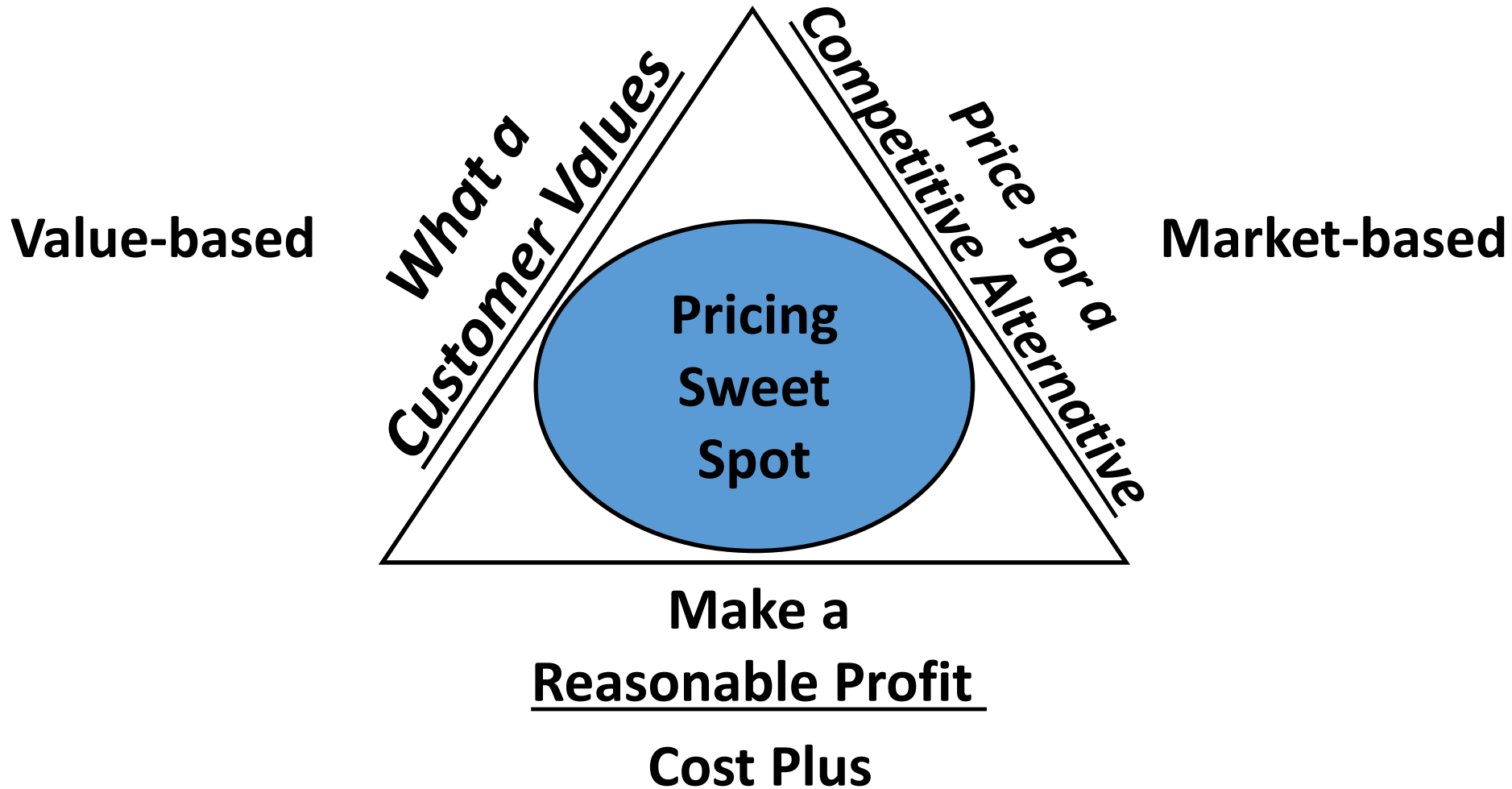
- 50%, 70%, 90% pricing effectiveness
- 10 product iterations

The Bright Side

- Knowledge usually exists within a company
- It is distributed across employees and other stakeholders in a business

- The Challenge: Draw out and organize fragmented information to create astute pricing decisions

Process: The Pricing Pyramid



Step 2: Defining Value

$$\mathbf{Value = Benefits - Cost}$$



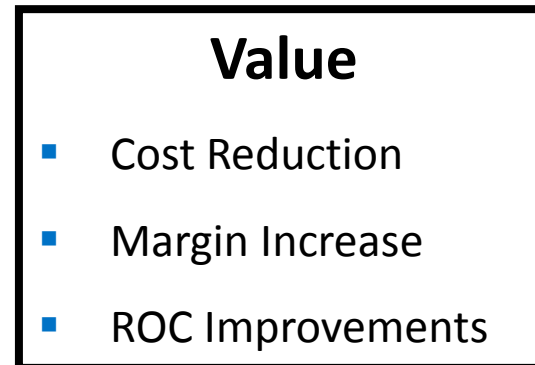
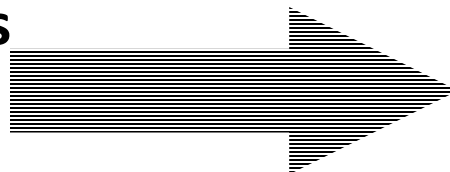
From Step 2: Be Unique in Important Ways

Competitive Positioning + Value

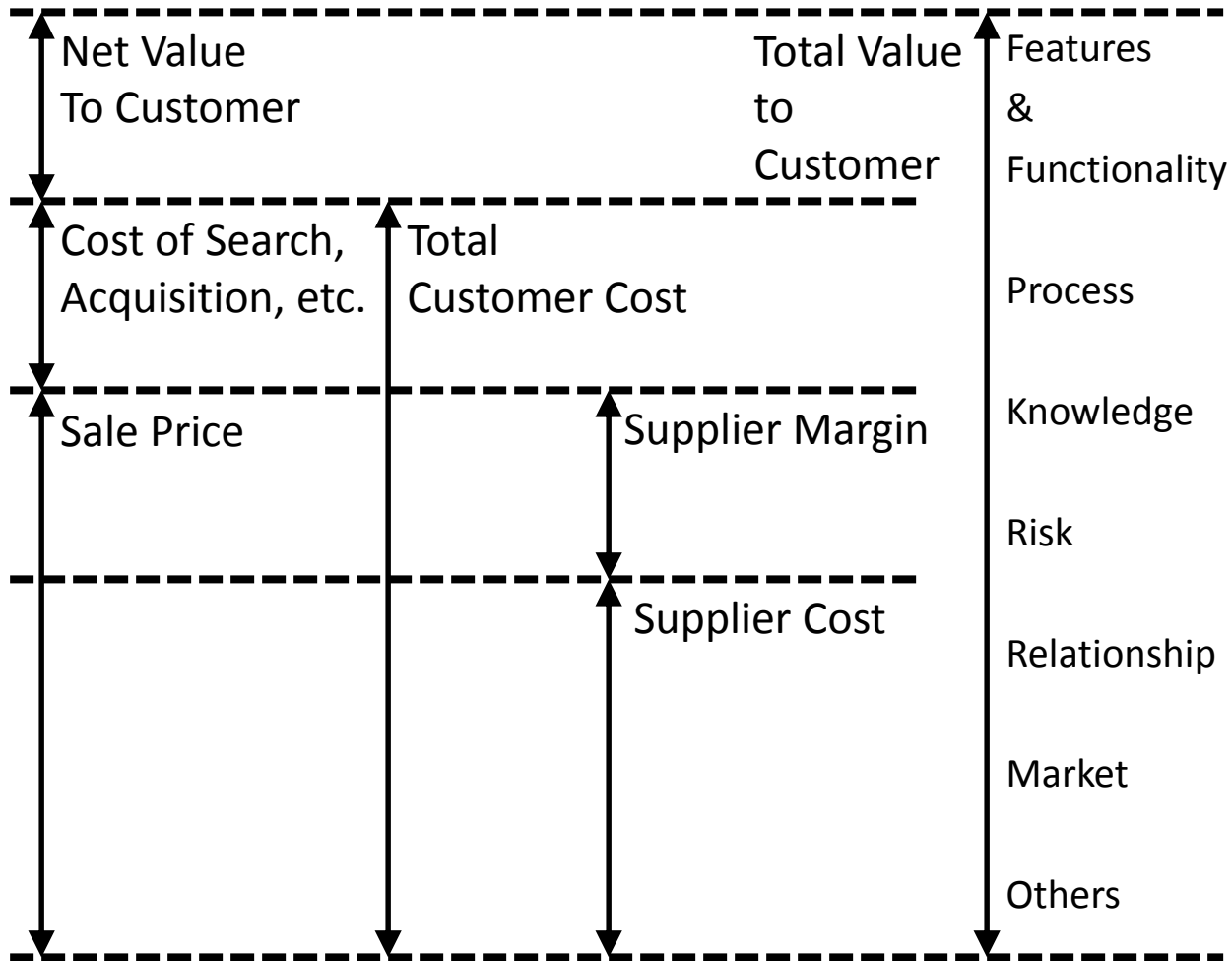
- For the: (Target Segment)
- Who Needs:
- Firm/Product is a: (Category)
- That provides: (List of compelling reasons to buy)
- **Unlike competition** (Name), the company/product, also provides:

– List of **key differentiators**

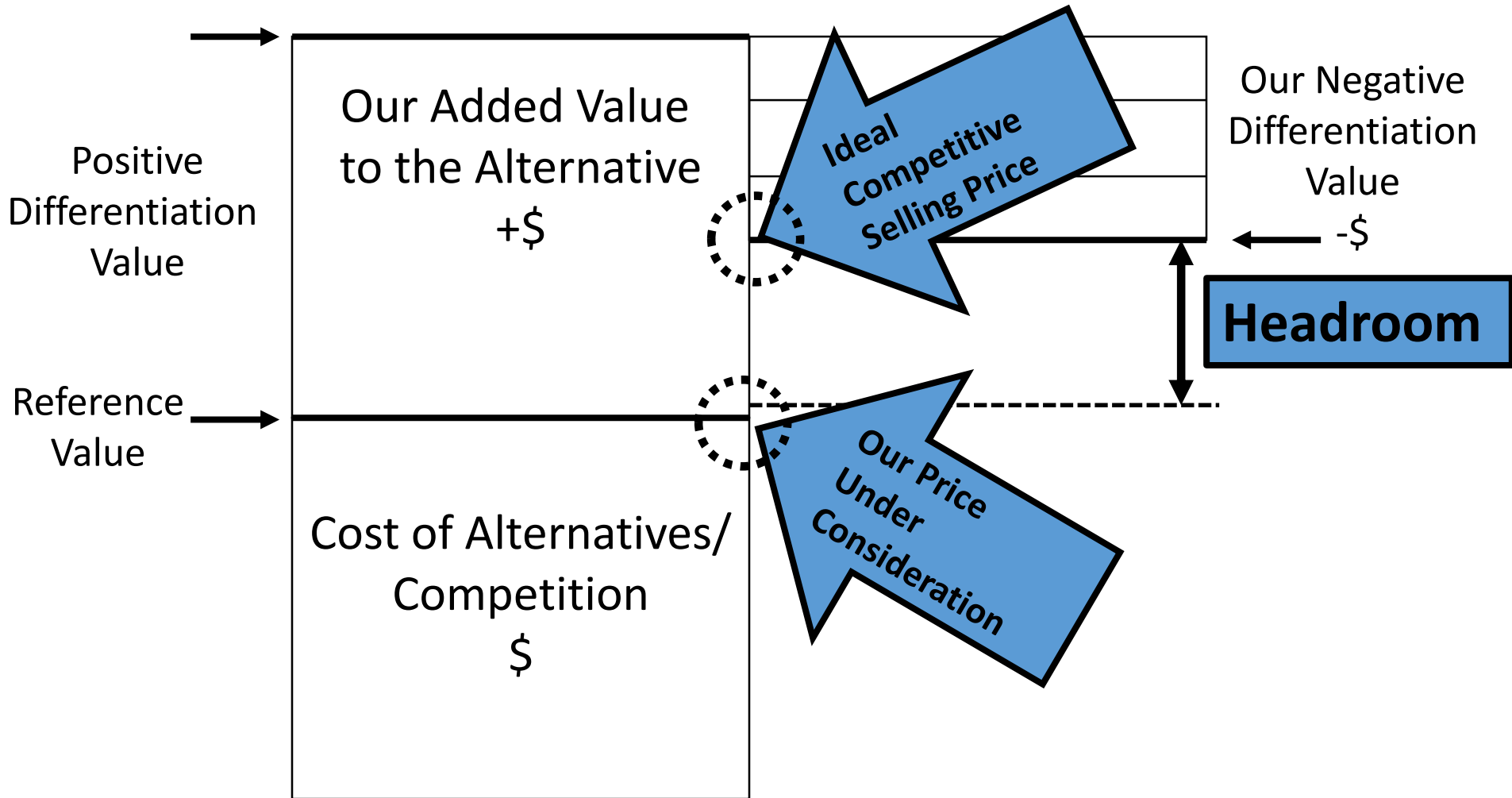
- Features
- **Benefits**



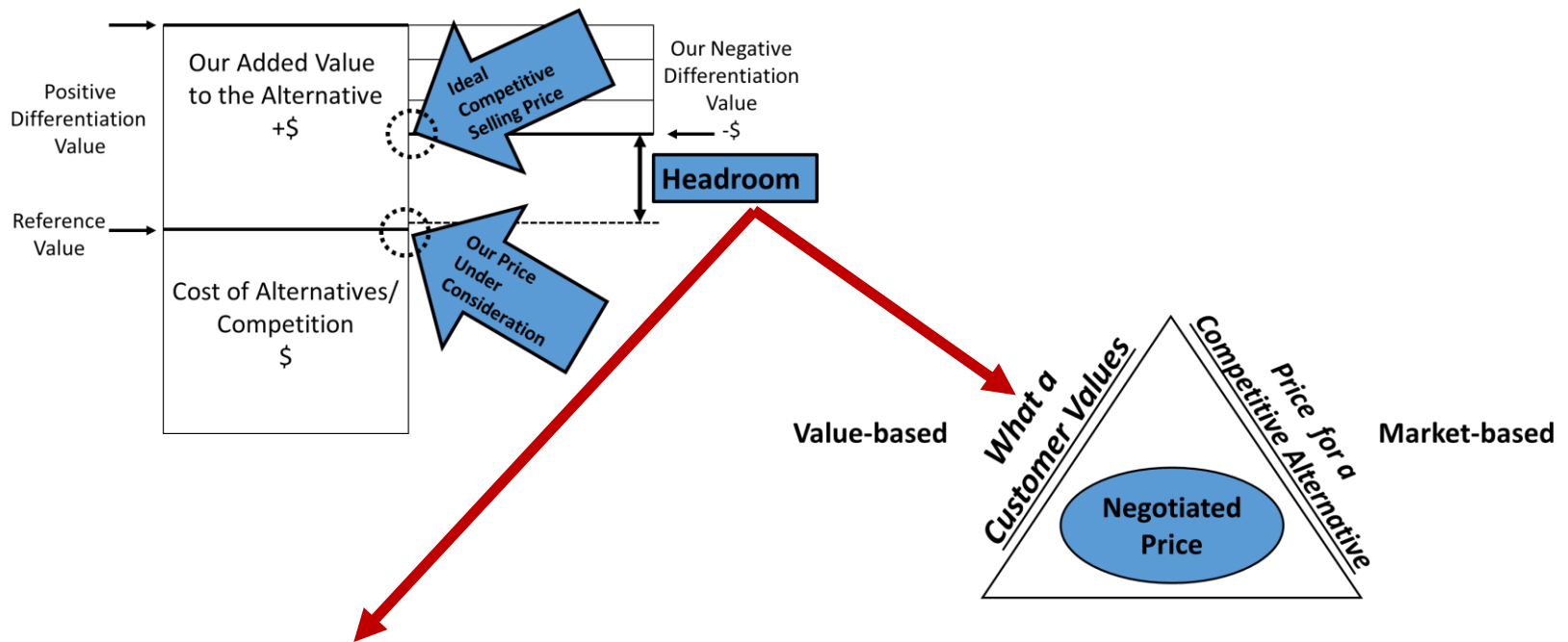
Value Dimensions



Competitive Value Price



Competitive Value Price: The Picture



- Created by a solid, logical, reasonable and simple methodology based on “price on what the market can bear and on customer value”

Case Study: Oilfield Equipment

- Challenge

- A client's distributor wanted a 35% discount on a \$50,000 air-cooling equipment for gas compression industry
- Competition was selling a similar product at \$30,000

- Solution

- Brought teams from distributor and manufacturer together
- Guided them through the Pricing Process to determine Ideal Competitive Selling Price

- Result/Value

- "Pricing Headroom" was \$10,000 or 20% more than current selling price
- Distributor tries to get closer to \$60,000
- Significant impact on Net Margin and EBITDA

Case Study: Construction Services

- Challenge
 - Competitive price was €900,000
 - General belief that we commanded a 20% premium or a price of about €1,100,000 in the market
- Solution
 - Brought internal team together
 - Management, sales, service delivery
 - Guided them through the Pricing Process to determine Ideal Competitive Selling Price
- Result/Value
 - “Pricing Headroom” was €500,000 or 45% more than initial assumption of €1,100,000
 - Helped client in negotiating and winning the contract
 - Significant impact on Net Margin and EBITDA

Pricing Process: Examples

Country	Competitive Price (Local Currency)	Headroom (Local Currency)	Headroom %
Belgium	30,000	13,433	45%
Czech Republic	700,000	218,500	31%
Czech Republic	700,000	301,000	43%
France	50,000	88,554	177%
Germany	900,000	740,000	82%
Netherlands	90,000	70,297	78%
Poland	50,000	10,000	20%
Poland	520,000	354,400	68%
Slovenia	35,000	14,464	41%
UK	50,000	81,302	163%
UK	22,500	21,102	94%

Pricing Process: Used Globally, Across Industries

Industries

- Oilfield Equipment
- Oilfield Services
- Petrochemicals
- Software
- IT Services
- Iron & Steel
- Construction Services
- Power Plant Services

Countries

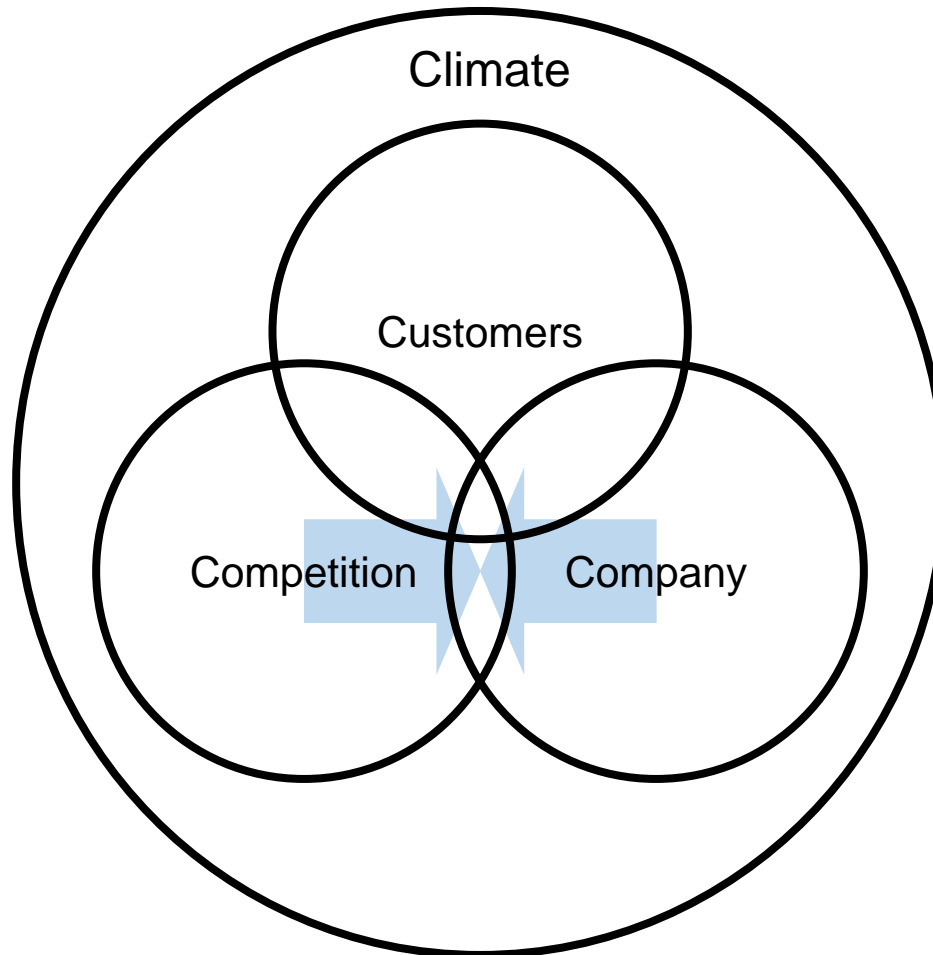
- USA
- Germany
- UK
- Canada
- France
- The Netherlands
- Belgium
- Czech Republic
- Poland

Step 5. Increase Market Share

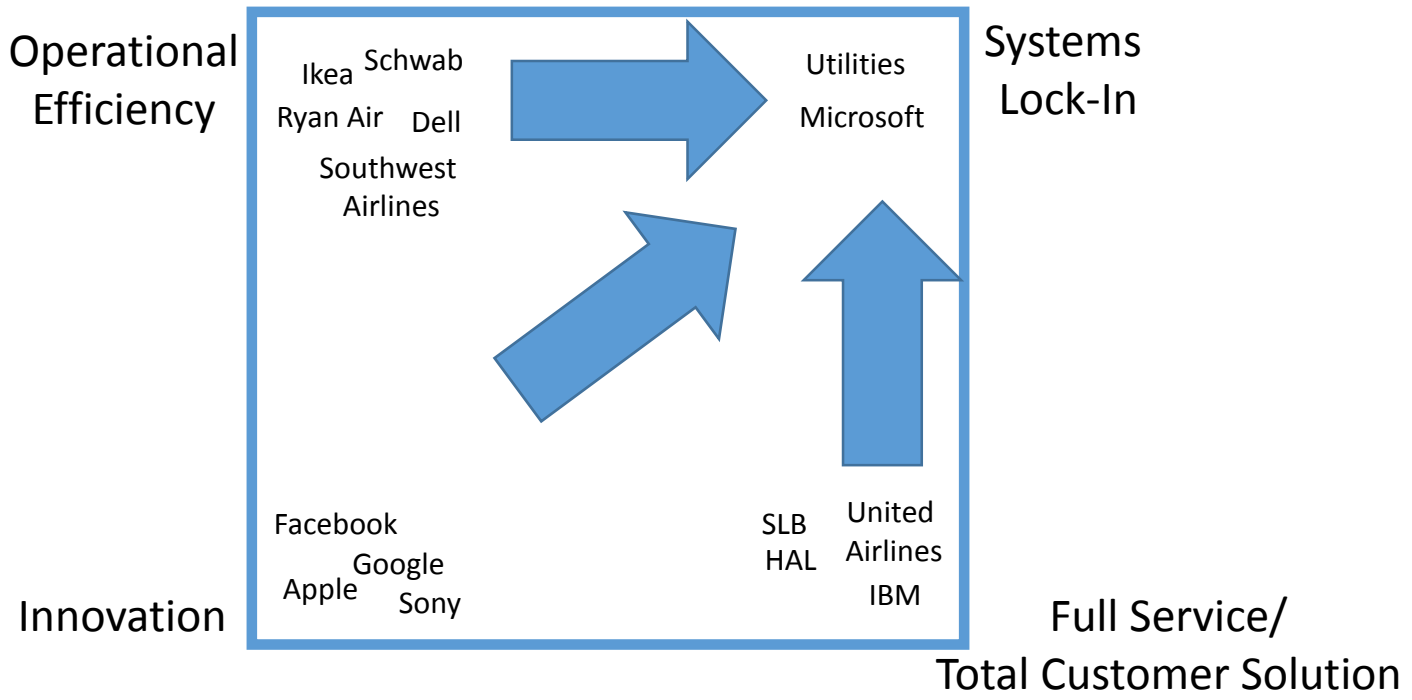
Step 5: Increase market share



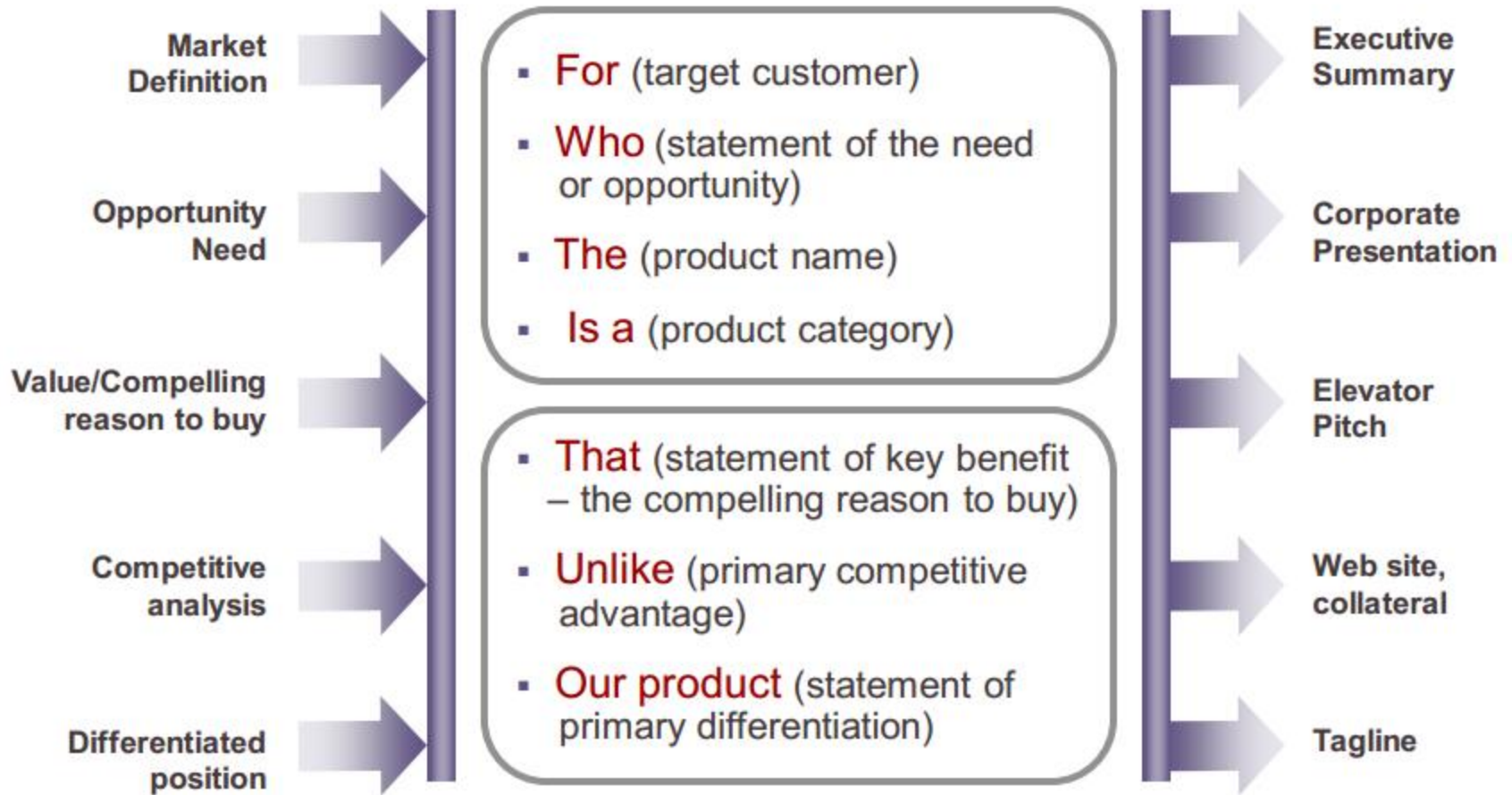
Step 5: Increase market share



Company Strategy Drivers



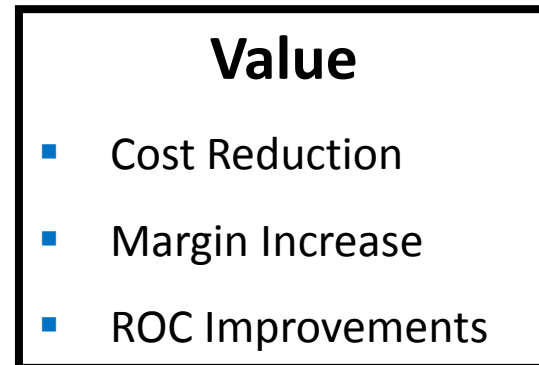
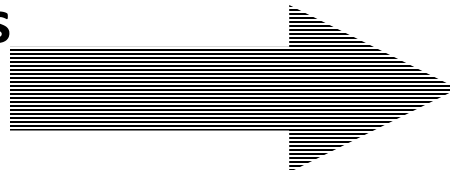
Competitive Positioning Statement



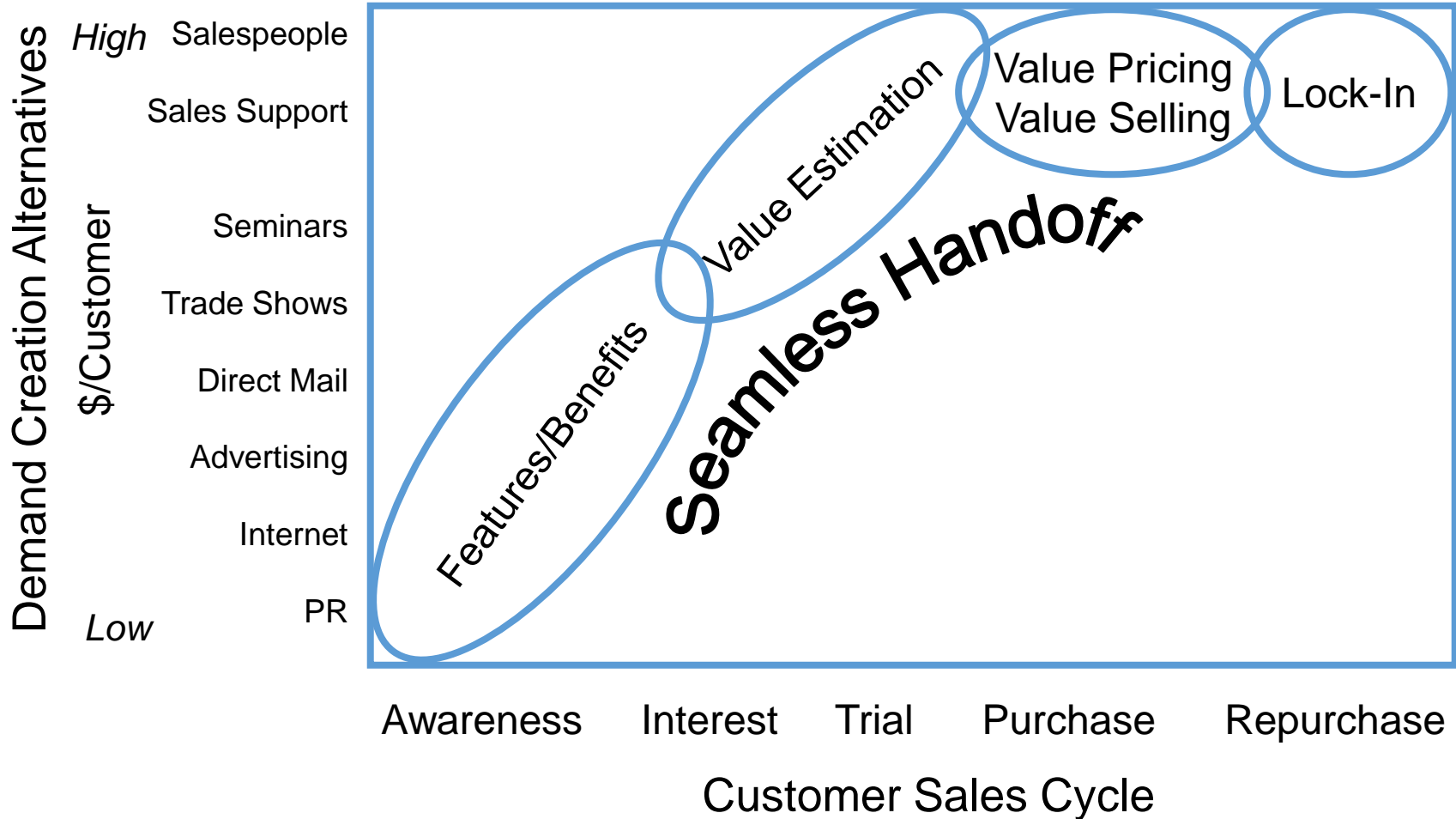
Borrow from Step 2: Competitive Positioning + Value

- For the: (Target Segment)
- Who Needs:
- Firm/Product is a: (Category)
- That provides: (List of compelling reasons to buy)
- **Unlike competition** (Name), the company/product, also provides:
 - List of **key differentiators**

- Features
- **Benefits**



Increase Market Share From Unawareness to Buying Action

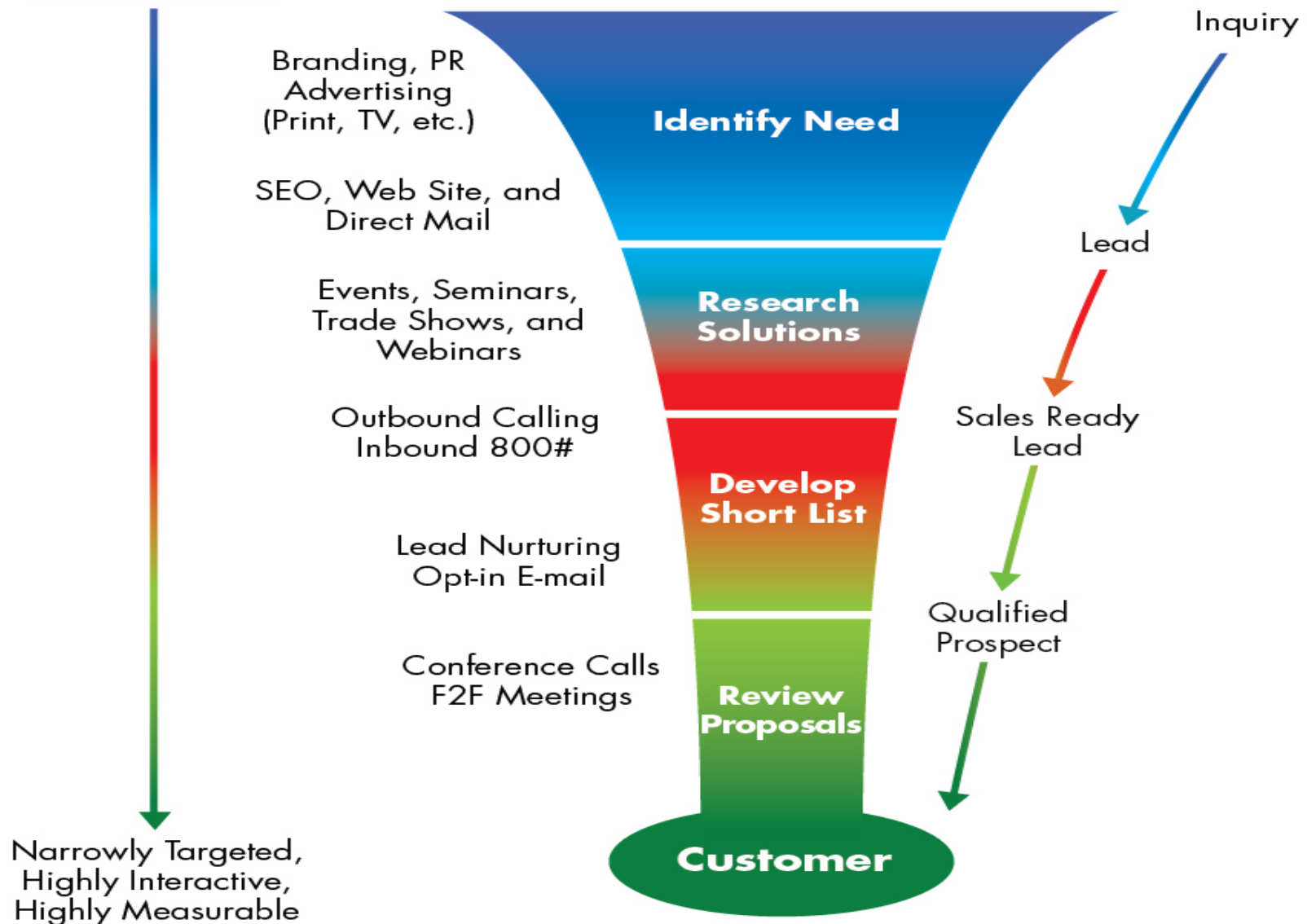


Promotion in the B2B world

- Move customers from Unawareness to Buying Action
- Content is king
- Process
 - Awareness, Interest, Evaluation, Trial, Adoption, Repurchase
 - Mindshare precedes market share
- Personal selling is the key component
- Stage of product lifecycle
- Changing customers' habits

Broadly Targeted,
Less Interactive,
Less Measurable

Lead Generation Model



Narrowly Targeted,
Highly Interactive,
Highly Measurable

When researching solutions, buyers rely most on their peers, industry influencers, and Web search

Which sources of information are the most helpful when you are researching possible solutions? % of Respondents (N=486)



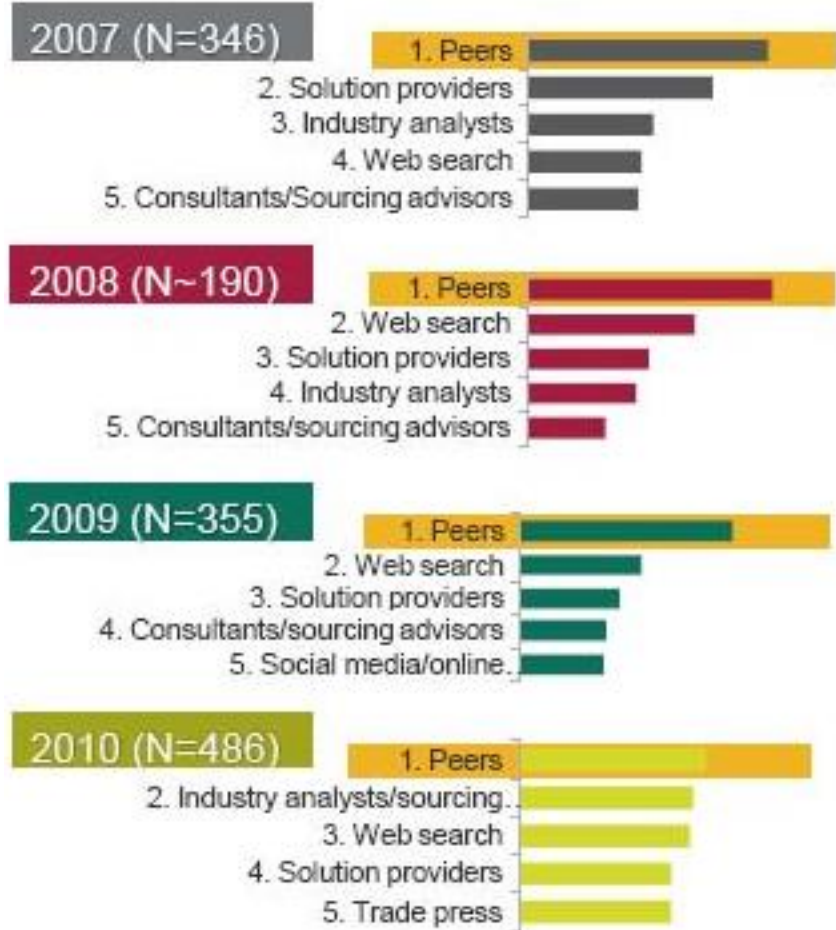
Note: Multiple responses allowed.

Source: ITSMA and PAC, *How Customers Choose Study, 2010*

Peers are no longer the #1 source of information during the early stages of the buying process



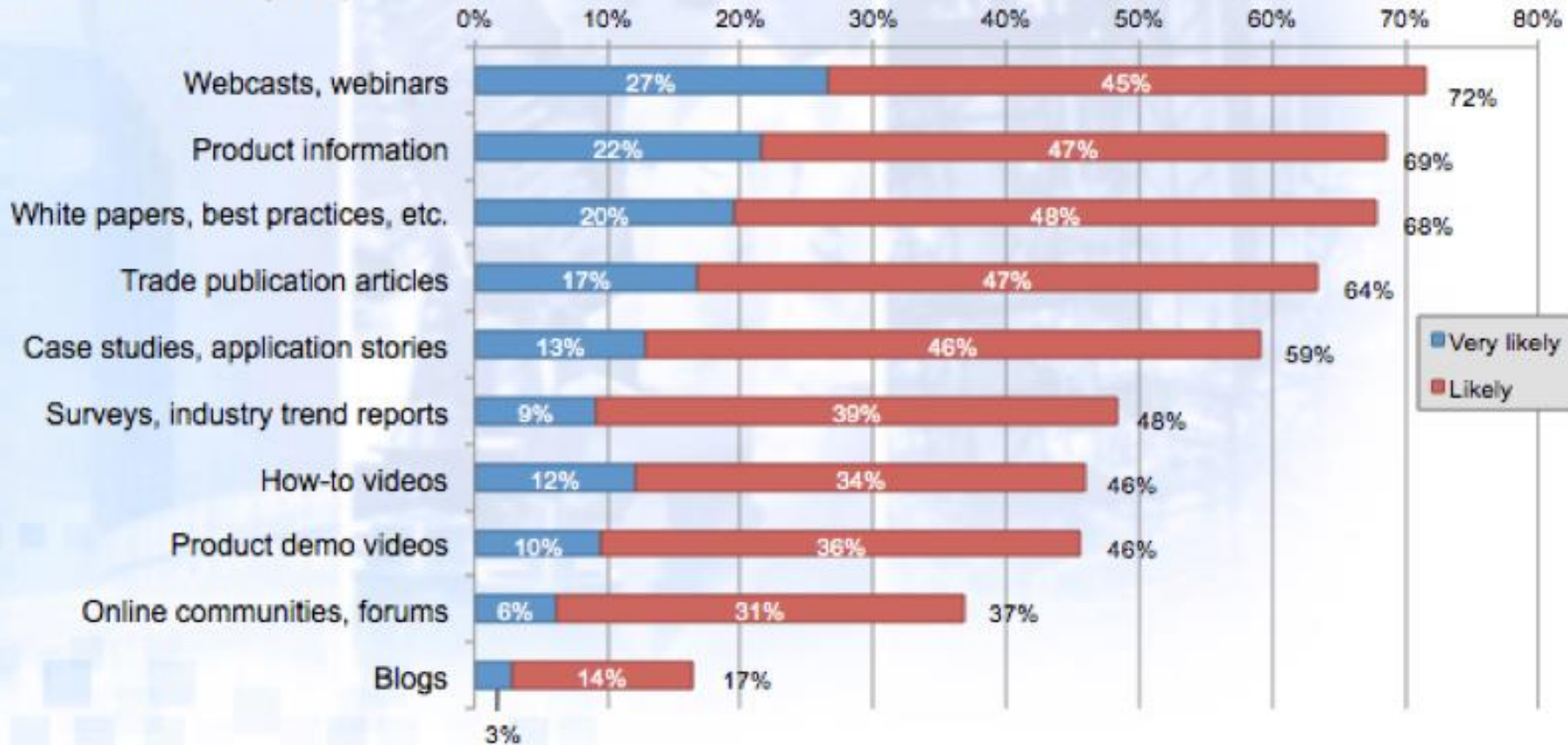
% of Respondents



Source: ITSMA, *How Customers Choose Study*, 2007, 2008, 2009, 2010; *How B2B Buyers Consume Information Study*, 2011

Providing basic contact information

Respondents were most likely to provide basic contact information in order to access webcasts and webinars (72%); product information (69%); white papers, best practices, etc. (68%); and trade publication articles (64%).



Q: How likely are you to provide basic contact information (i.e. first name, last name, and e-mail address) in order to access the following content related to your job/industry? (n=750)

Sales Management

- Responsible for degree of customer satisfaction
- Part of the company's total capability for solving customer problems and creating satisfied customers
- Part of the company's product offering
 - Help customer define the buying problem
 - Assist customer in integrating purchased solution into a production system
 - Represent the customer's interest to the company
- Part of the company's communications mix and promotional strategy
 - Skilled in personal interaction
 - Stimulate demand
- Organizations
 - Geographic, Product, Market/Customer

Sales Management

- Right mix of marketing and sales efforts for the right target customers for each stage of the sales cycle
 - Customer acquisition: 60% Direct Marketing/40% Sales
 - Customer Growth and Retention: 30%/70%
 - Customer Loyalty:60%/40%
 - Customer Reactivation:90%/10%
- The right metrics
 - How much does it cost to acquire and keep customers
 - Sales funnel

Sales Funnel

- Prospect
- Inquiry
- Lead
 - Types: Curious, Beginning of Process, Active Evaluation, Close to Buying Decision
 - Lead Qualification:
 - Need
 - Budget
 - Authority
 - Timing
- Proposal/Quote
- First Purchase
- Repeat Customer
- Past Customer
- **Lead generation is the key to sales success**
- **Benchmark the sales funnel**

Step 6 & Step 7: New Products & New Markets

Step 6/7:

Enter New Markets + Introduce New Products

First Steps

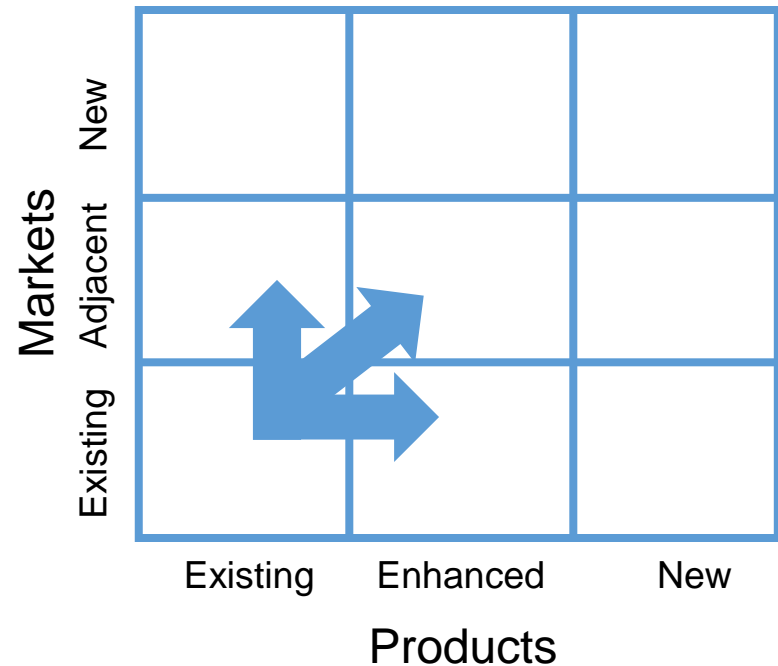
1. Take existing products to adjacent markets
2. Create enhanced products for existing markets

Secondary Steps

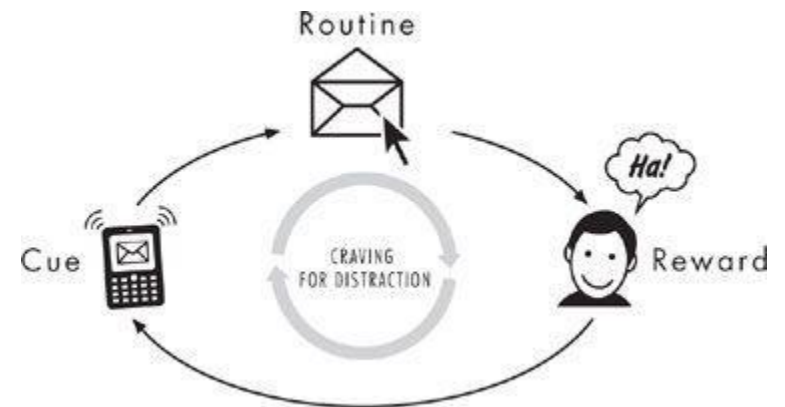
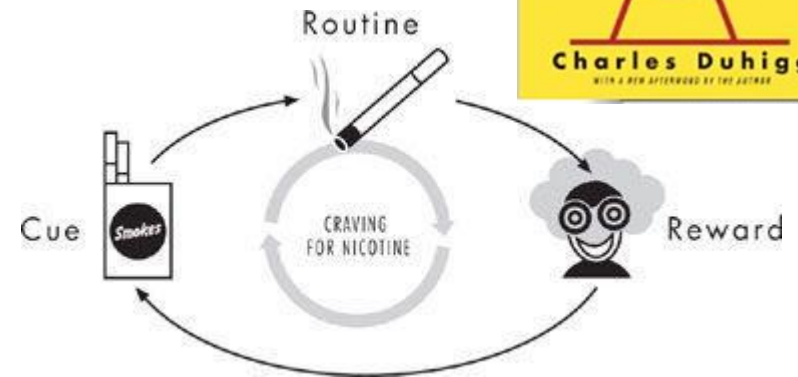
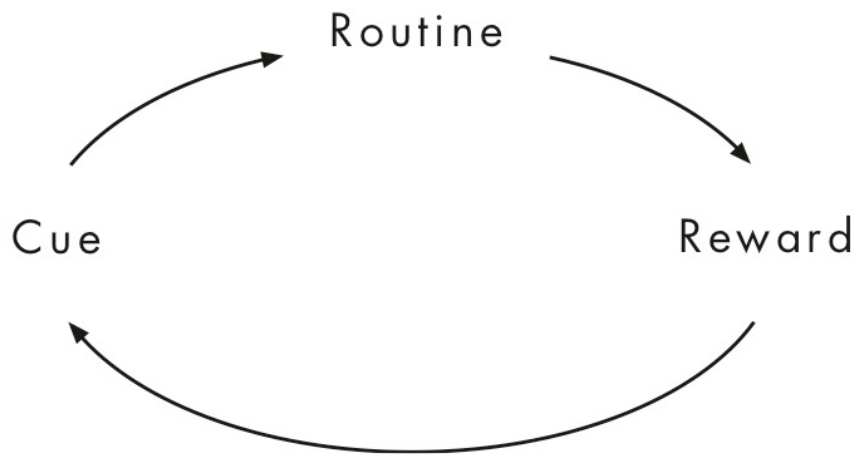
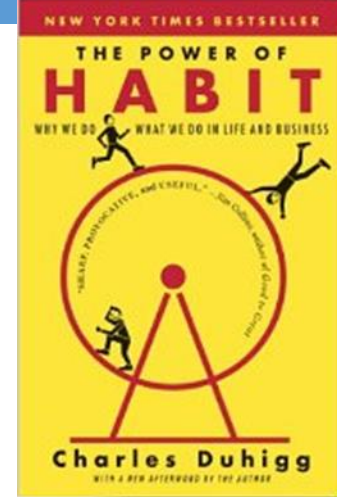
3. Existing products to new markets
4. New products to existing markets
5. Take enhanced products to adjacent markets

Tertiary steps

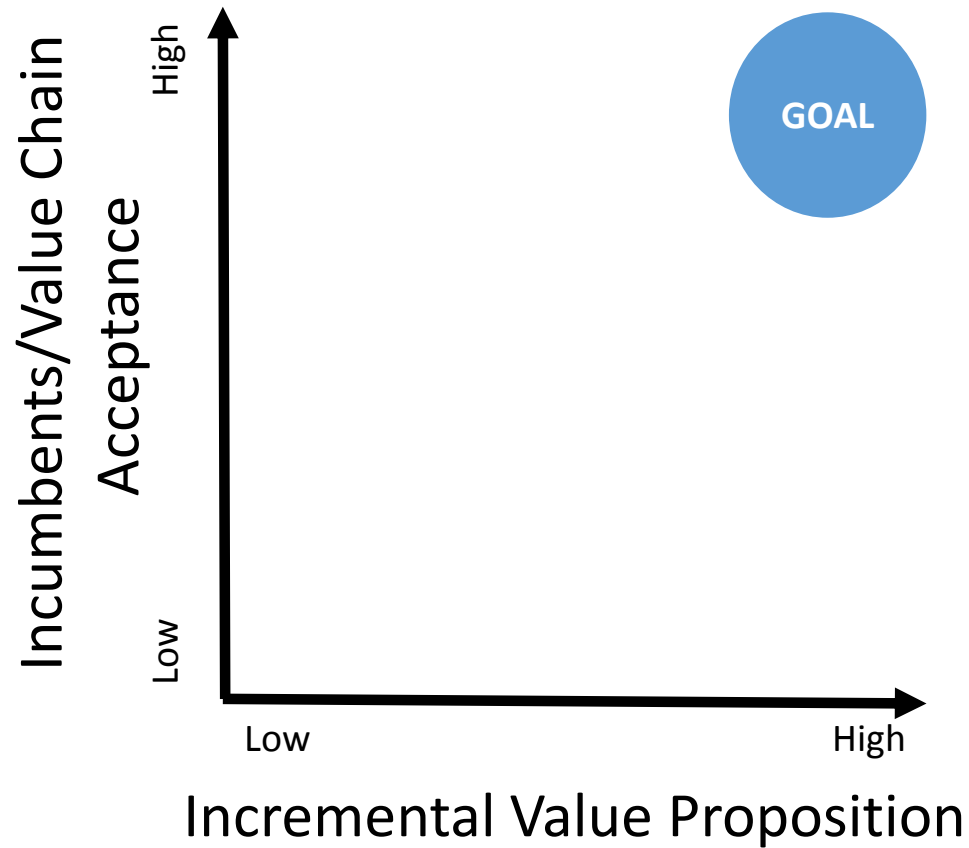
6. New Products to Adjacent Markets
7. Enhanced Products to New Markets
8. New Products to New Markets



Steps 6/7: Change Customers Habits



New Product Failure Modes



New Product Failure Modes

Incremental Value Proposition

- View new product as a utopian panacea
 - Focus on virtues, overlooking shortcomings
 - Overlook effect on adjacent/dependent products
- Imbalance between benefits and the potential liabilities of failure
 - Surface
 - Downhole
- Poor segmentation
 - Companies tend to believe that their products appeal to a much broader market than they actually do

These can lead to value pricing on points that selling companies see but customers do not

New Product Failure Modes

Incumbents/Value Chain Acceptance

- Underestimation of inertia in organizations and value-chain players
- Benefits to the end user do not always equate to benefits to incumbents in the buying center and value-chain players leading to resistance to adoption
- Product's performance along the complete value chain creates risk of unexpected delays in uptake
- Buying Center and Value-Chain complexity influences adoption time

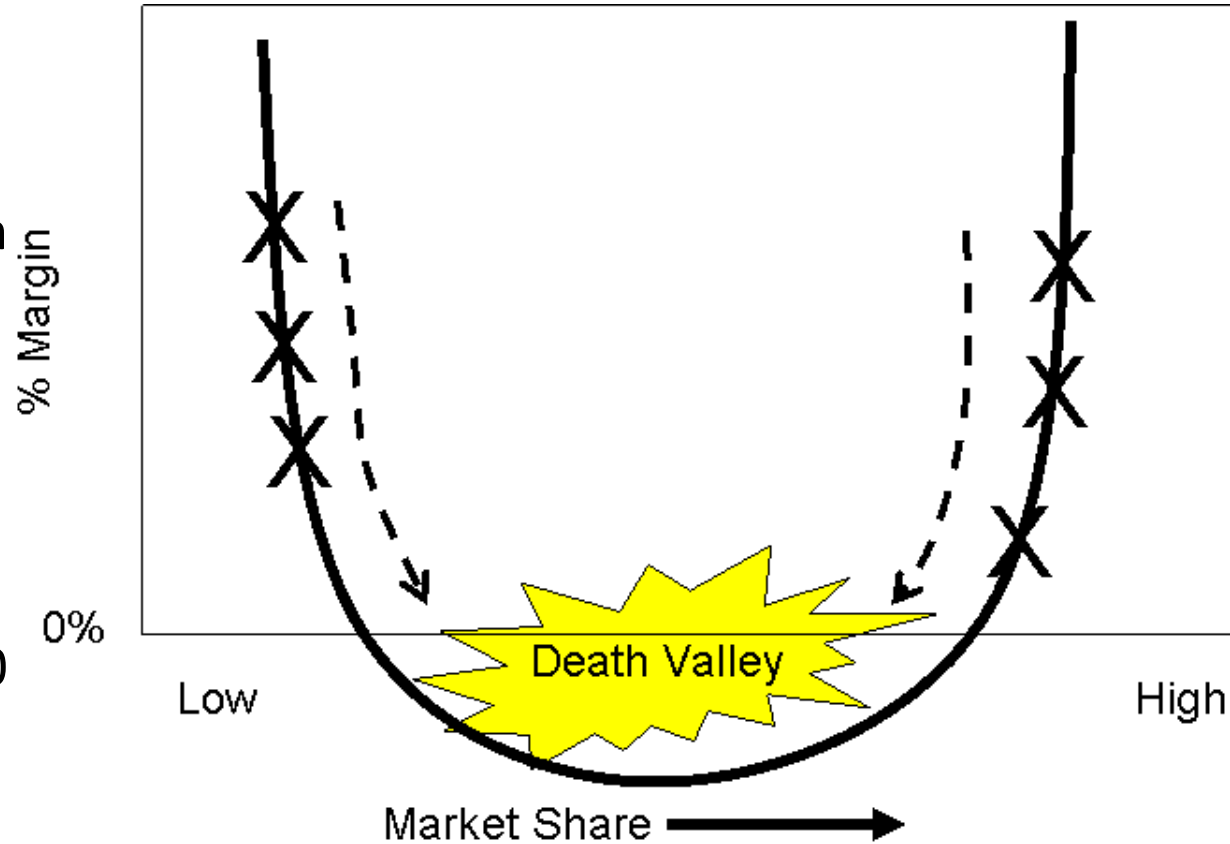
Pick Davids, Not Goliaths

■ Customers

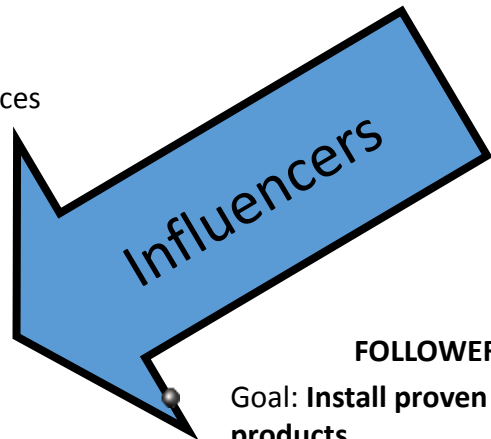
- Pick first customers who are closer to death valley
- Others don't have reasons to change habits

■ Competition

- Don't wake up 800 pound gorillas from their slumber



Right Customers



ENTHUSIASTS

- Goal: **Technology Innovation**
- Characteristics
 - Appreciate product characteristics and architecture
 - Alpha/beta test a product
 - Want to move technology forward
- Needs
 - Technical truth
 - Access to superior technical resources
 - Inexpensive/free products and first access

VISIONARIES

- Goal: **Fundamental breakthroughs in how business is conducted**
- Characteristics:
 - Least price sensitive
 - Helpful in defining the “whole product”
 - Highly visible references
- Discover strategic applications
 - Relationships with technology enthusiasts
- Needs:
 - Project-oriented, time-sensitive, order-of-magnitude return on investment

PRAGMATISTS

- Goal: **Incremental improvements**
- Characteristics:
 - Unwilling to take high risks
 - Tend to be vertically oriented; products need to fit in!
- Needs
 - References and relationships with trusted/credible others in their market
 - Comfort with reputation, product
 - “Whole product” solutions

FOLLOWERS

- Goal: **Install proven technologies & products**
- Characteristics:
 - Not risk-takers
 - Slightly afraid of high technology
 - Extend the market for technology products
 - Price sensitive
- Needs:
 - Pre-assembled products at discounted prices
 - Predictable products

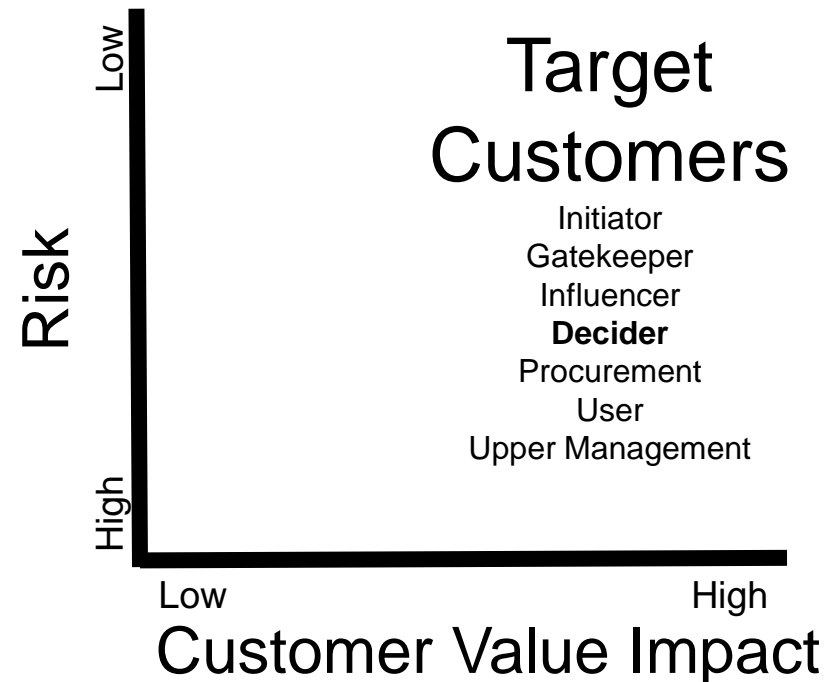
RESISTERS

- Goal: **Maintain status quo**
- Characteristics:
 - Skeptical
 - Not risk takers
 - Block purchase of new technology
- Needs:
 - Evidence of value that will be received from product
 - Complete and available whole product

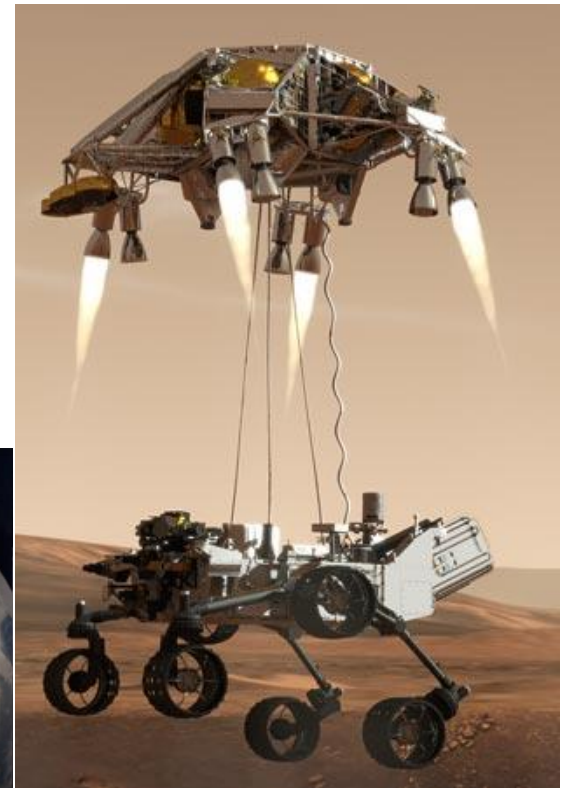
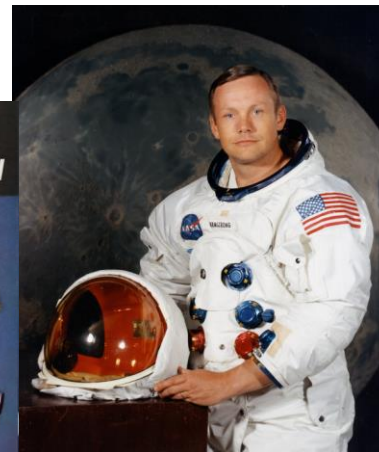
Include All Major Stakeholders in Purchase Decision

- Individuals/Roles

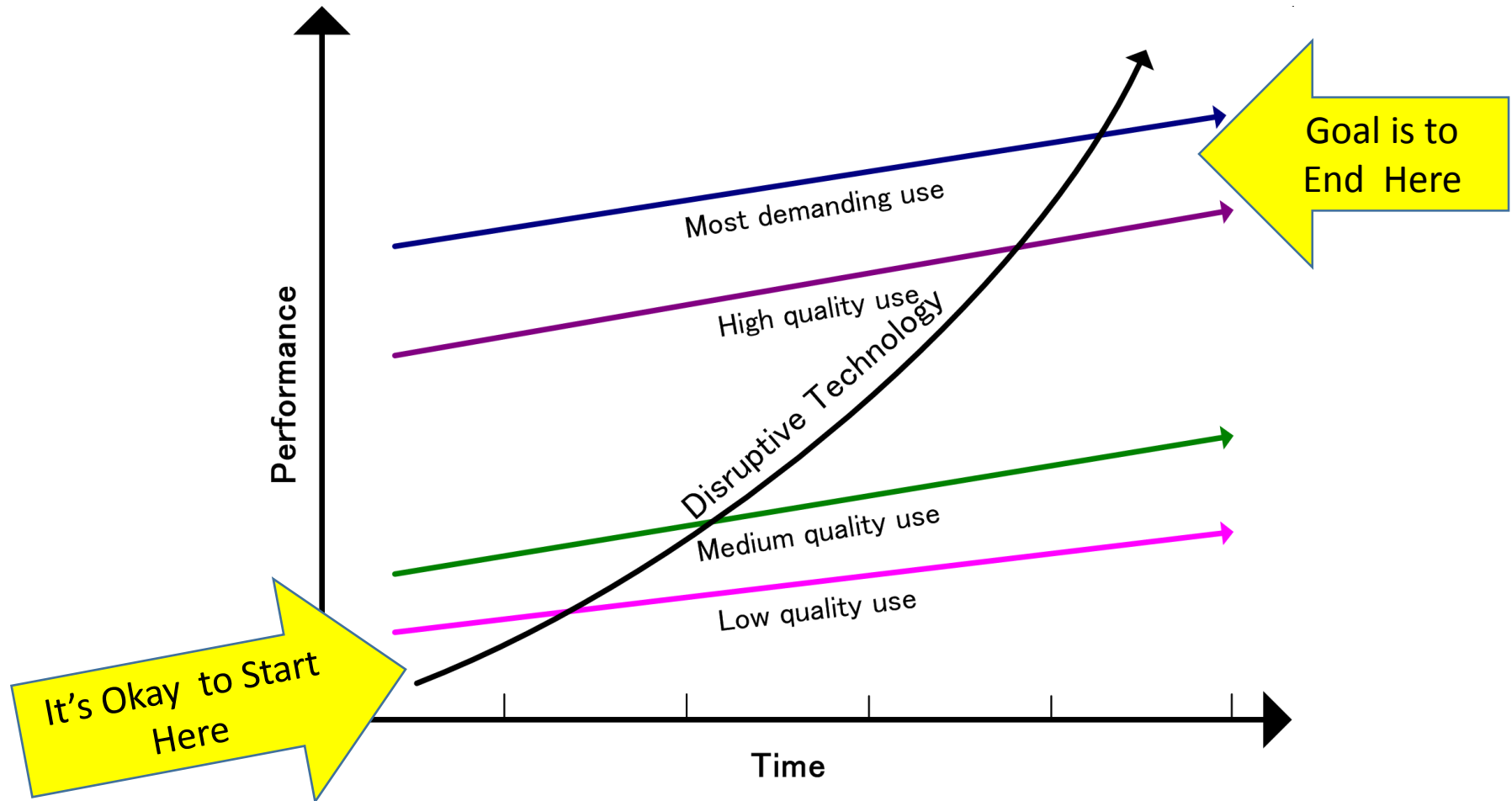
- Initiator, Gatekeeper, Influencer, Decider, Procurement, User, Upper Management
- Each attempts to maximize gain or minimize loss from the “New Buy” situation



From Small Steps to a Giant Leap



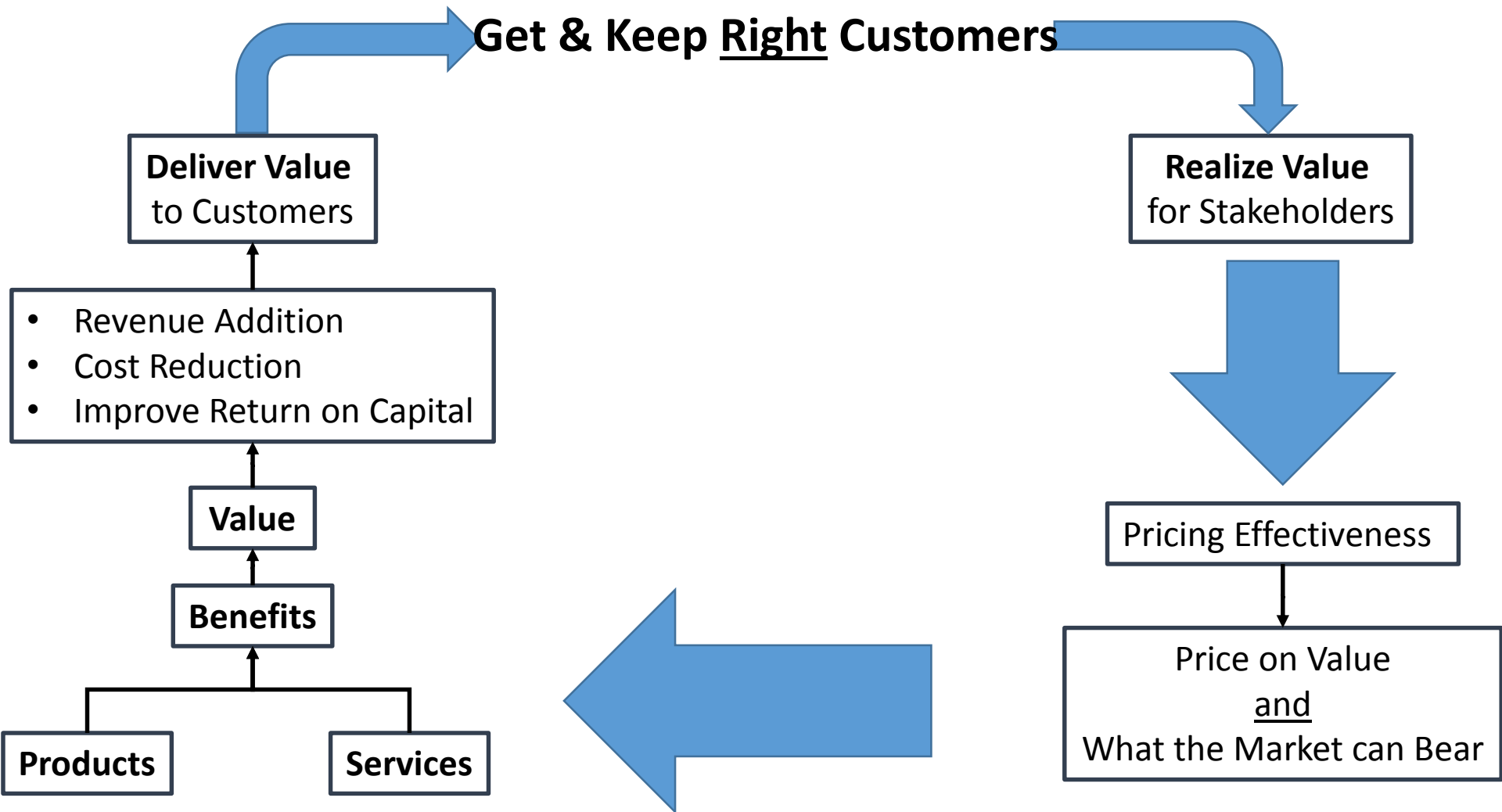
From Small Steps to a Giant Leap



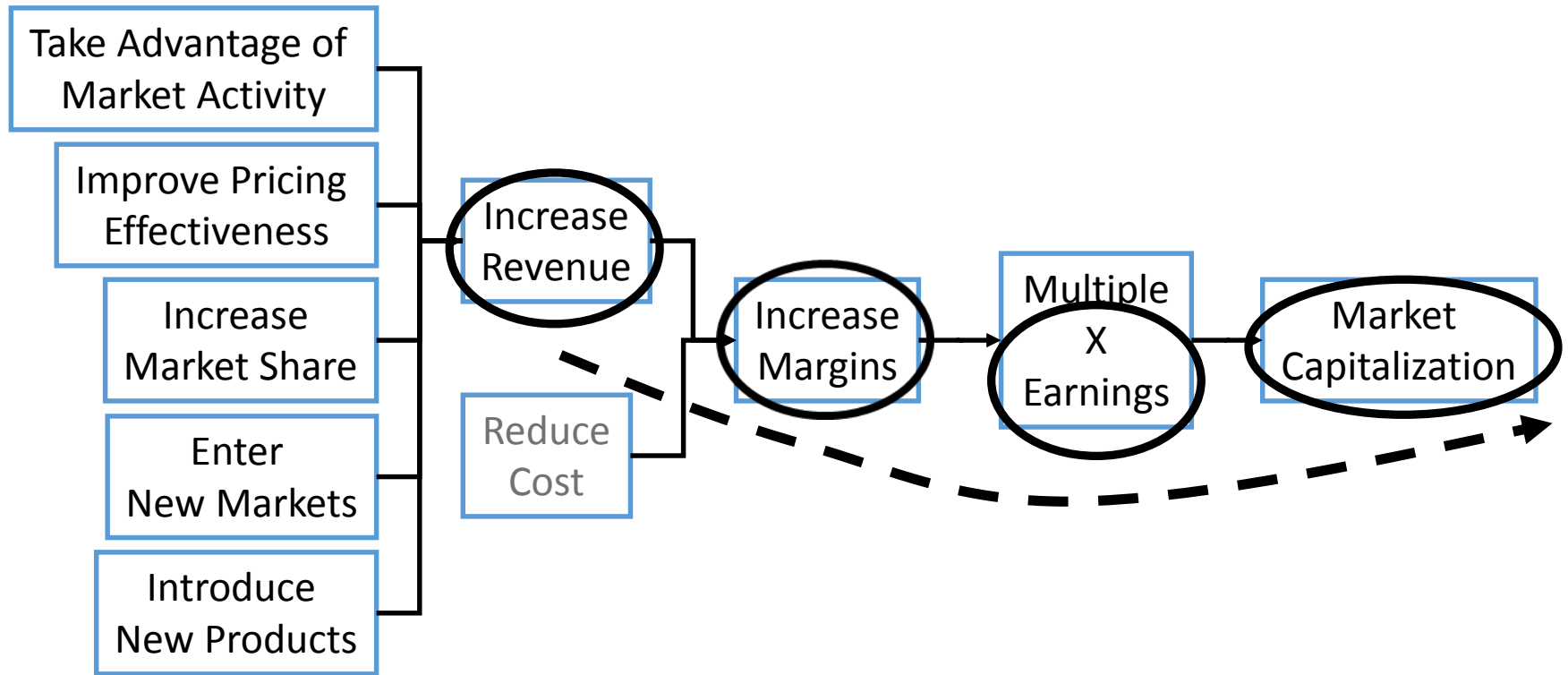
Seven First “Go-to-Market” Steps

Without sacrificing your future value

Purpose of a Business



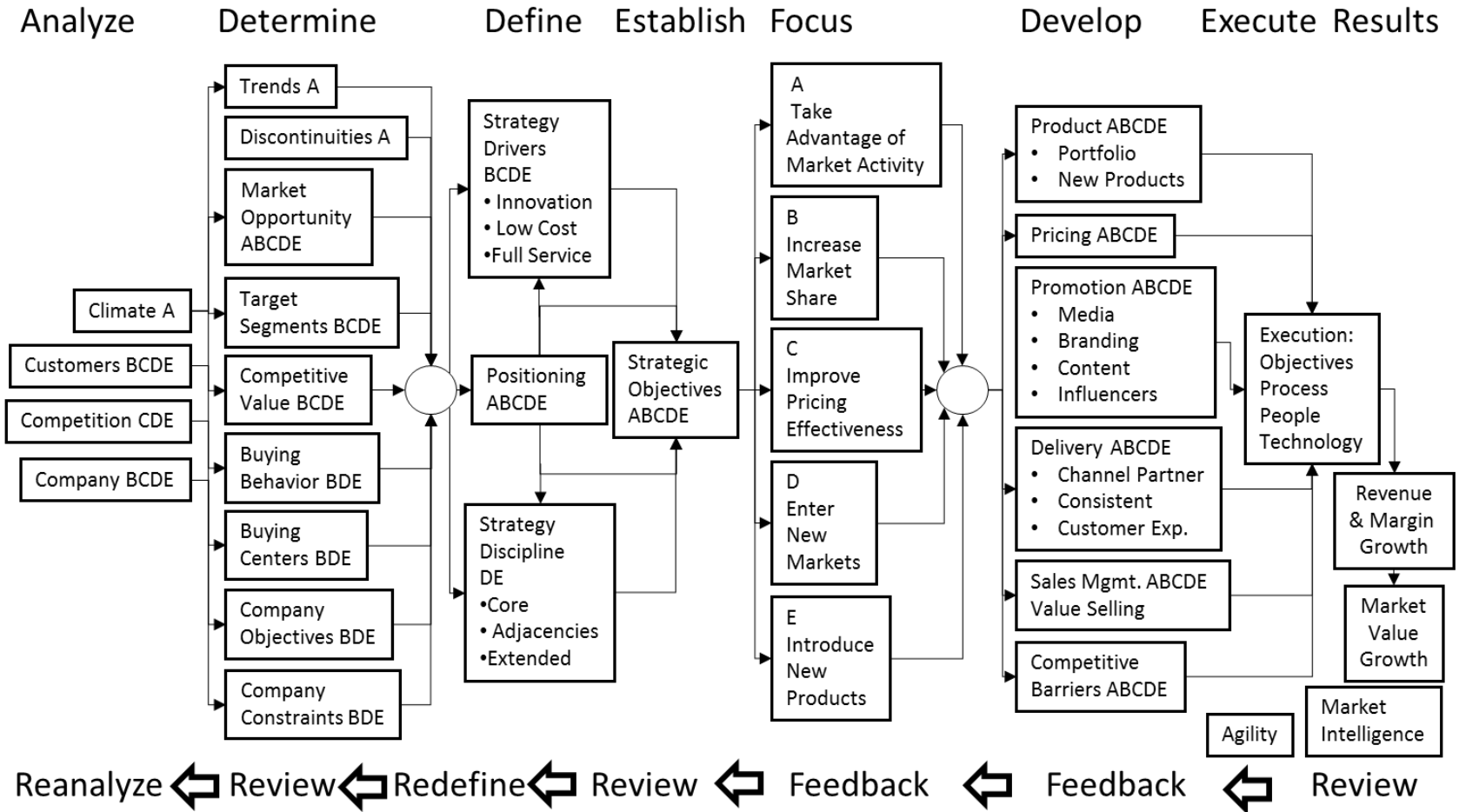
Quality Revenues & Margins Increase Market Capitalization



Go-to-Market Process

Increase Probability of Success
Reduce Uncertainty

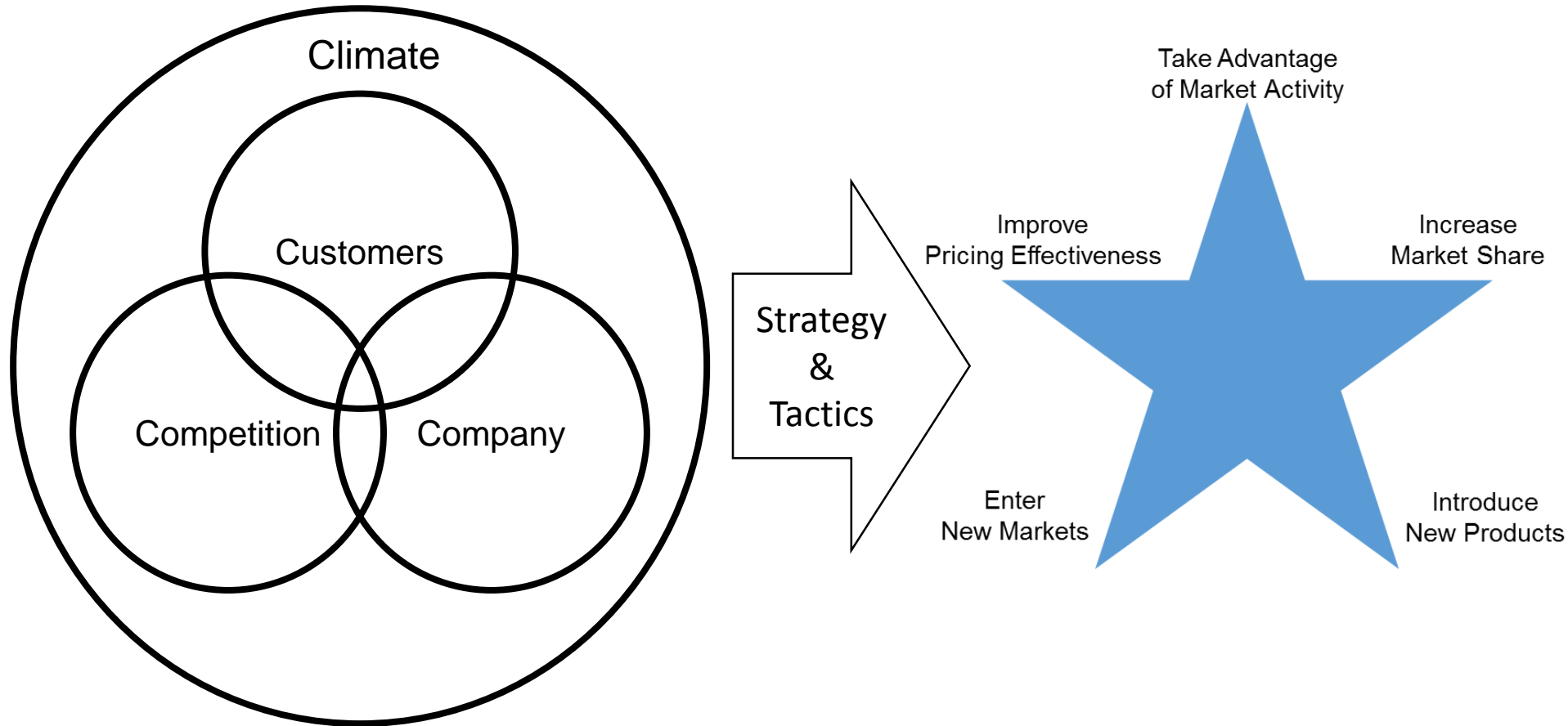
Competitive Playing Skills



Where are we? Where can/should we go? How do we get there, successfully?

Go-to-Market Process

Where are we? Where can/should go? How do we get there?



Seven First “Go-to-Market” Steps

1. Where’s the money?
 - With your customers
 - With your competition
2. Why do customers buy from you or your competition?
 - A **unique, trusted** source who delivers **value**



Good Luck!



Thank you!

Seven First “Go-to-Market” Steps
for
Entrepreneurs

Pradeep Anand

February 2015

pa@seeta.com; +1 281 797 0797; www.seeta.com