



From startups to multi-billion dollar vendors, the GTM strategy of any hardware, software, SaaS or services company relies on a clear articulation of the methods by which companies get their products into the market to be consumed by users for business outcomes. And perhaps the most crucial step in the GTM alignment is a sales decision: Which market segments will be served through a direct selling model, which segments will be served through partners, and when can this model be executed?

Go-to-Market Strategy Defined

The simplified go-to-market strategy illustrates the steps in the journey to define a GTM plan. At the risk of over-simplifying, let's review the key steps:

1. **Corporate Vision/Strategy** - What the company stands for, what is the core essence of the company's reason for being, how it creates value and what drives its mission forward.
2. **Product Strategy** - The translation of the vision and mission to a set of deliverables often called "products." These can be goods or services, solutions, etc., that are offered to buyers.
3. **Customer/Market Segmentation** - Before looking at the marketing and sales approach, current and prospective customers need to be clearly defined via some segmentation method. Often customer company size is a critical variable, though others such as type of business, level of business maturity, and tolerance for risk will help define the product fit for businesses.



Strategy - What needs are these products being developed to meet? This is contingent upon identifying certain market segments that are targeted in order to meet a certain set of their specific needs. This part of the GTM is a two-way street that influences how the product gets refined to best serve customer needs, and leads directly into the marketing approach, the selling methods, and channel coverage, or essentially how best to reach customers.

5. **Sales Coverage/GTM Model** - Often referred to more narrowly as the GTM strategy, this step is the formulation of a sales plan or coverage model to access and gain customer acceptance of the product. All GTM decisions made to this point hinge on the mapping of the market segments to channels (including the sales force) that can serve them best. Hopefully this leads to a model that is optimized for maximum customer satisfaction as well as peak revenue and profit for the vendor.

6. **Route to Market** - At last we get to the routes to market whereby we define the roles and the particular profiles of the channel partners, as well as the sales force, in serving different categories or segments of customers. This step is sometimes called the *Channel Strategy*.

Where Does the Channel Strategy Fit in?

A good channel strategy incorporates both channel partners (essentially resellers) and alliance partners (more strategic partners, who incorporate both reselling and product/market expertise), but oddly I've found that there are so few books on how to build out this partner distribution or channel strategy, and I often wonder why. My whole career has been focused on building and enabling channels, marketing to and through channel partners, and developing third party (channel and alliance) partnerships to achieve corporate goals. A new boss once asked me what our company's channel strategy was. After repeated presentations of our strategy, he finally asked me – what is a channel strategy? Now we got to the heart of his question. What he really wanted to know is what the GTM strategy of the company was and how the channel strategy (the indirect channel strategy at that), supported the GTM model. We spent more productive time together thereafter to outline the company's GTM strategy, which had not been well articulated, even for a successful multi-billion dollar company.

The company's channel strategy is - in basic terms - the vendor's plan for moving products and services through a chain of commerce to the end user. Nice and simple right? But behind that simple sentence is the complexity of developing, articulating and executing the GTM model that led to this step in the journey.

The GTM Strategy is key to and will help you formulate a channel strategy, not the other way around. Elevating the discussion to the GTM Strategy and then building a comprehensive plan and model is ultimately what will generate the most effective



(/)



So far all this sounds intriguing, but it is not a static effort. Executives want the template to complete and yet, it is a series of iterations that never ends. At many points in a company's development, the GTM strategy needs to be reviewed and revised. It is ongoing and constant, I'd argue it's essentially a living document. And having some agreed upon strategy statements helps guide the business both internally, and often more importantly, externally. Without this foundation, customers as well as suppliers and investors may get lost along the way towards creating and executing the GTM.

As the GTM model evolves, the channel strategy is a normal outgrowth of the GTM strategy. It can be, and usually is, a set of stand-alone statements, plans, and engagement principles, used for the organization (including the board), its partners or other stakeholders. But always remember that the GTM model is the driver, not the channel strategy. It should be an early consideration or set of inputs to formulate the GTM model, but it can't exist in a vacuum.

For example, using managed services providers (MSPs) to sell your solution will probably require different product options, pricing, and packaging than what might have been the case with a software solution sold through global system integrators (GSIs). So it could be said that the channel will help "define" or more accurately "inform" the GTM, but it won't be the only or even the primary driver. All the inputs above need to be factored in to get to the most optimal GTM model for the company.

Sound too esoteric? I don't think so, especially when your executive team, your board, your partners and your employees start and keep asking you – *What is our channel strategy?*

How to Build the GTM Model – Data and Insights Will Enable

Not such a trivial activity, to be sure. Channel leaders become more central to the organization when they are able to operate as general managers who get to wear all the different marketing, sales, business operations, support, and strategy hats required to move organizations forward to better articulate and manage the GTM models of the company. As such they become invaluable in helping develop the channels needed to achieve the company's goals.

But what's the best way to approach such a daunting task? We are so much better off today in the age of digital transformation than in prior years thanks to the amazing amount of data at our disposal. We can access and analyze data about our products, customers, sales force, alliances, and channel partners that we could have only hoped and dreamed about before. Better data fueled by more powerful