

Forging your Company's Legacy in a World Where Conventional Wisdom Doesn't Work



Donald B. Hawthorne

Fact #1: High Failure Rates are the Norm

“Tackling problems that are interesting to solve rather than those that serve a market need was cited as the No. 1 reason for failure, noted in **42%** of cases.”

- *CB Insights, Top 20 Reasons Startups Fail*

“**72%** of all new products are a flop...Most companies deal with product pricing and marketing when it's already too late – often right before the launch.”

- *Simon-Kucher & Partners*

Fact #2: Eight Conventional Wisdom Fallacies

Customer needs are clearly defined

Measuring competitive landscape by industries, not arenas

Validated product ideas with voice-of-the-customer interviews

All innovation is the same

It's all explained in our MRD

Competitive advantages are sustainable

All we need is a 2% share of a billion-dollar market

The sales team will figure it out

Fact #3: Four Critical Mistakes Driven by Conventional Wisdom

Does your company...

Communicate frankly, including asking hard questions **38%**

Map out, test & validate key product assumptions **46%**

Have a common understanding of its customers' needs **46%**

Map out, test & validate key business model assumptions **46%**

Simplifying a Complex World Into a Single Organizing Principle

Building an enduring company requires delivering on two success metrics

- **Valuations**
- **Operating performance**

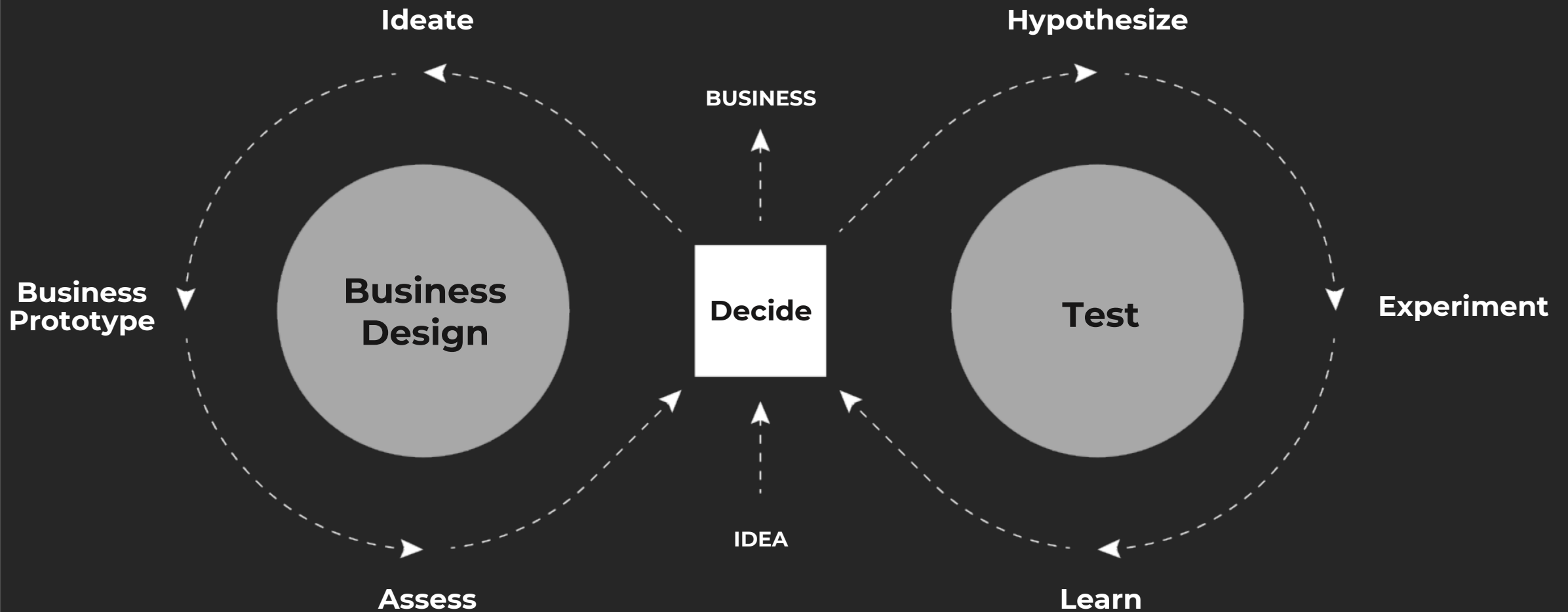
both of which are determined by third-party evaluations of the effectiveness of your go-to-market (GTM) strategies and performance

Two Crucial Components of GTM Success

- Creating value for your **customers** – a compelling **value proposition**
- Capturing some of the value you create for your **company** – a profitable and scalable **business model**

Peter Thiel: “competition is for losers...[build] the kind of company that is so good at what it does that no other firm can offer a close substitute”

Acting Differently: GTM Begins Early, Never Ends



Responses to 6 GTM Challenges Will Determine Your Company's Legacy

Is your company...

- **Initiating** equity investor diligence of strategies and performance?
- **Ensuring** new offerings have compelling value propositions, business models?
- **Dissatisfied** with current performance?
- **Uncertain** it can sustain acceptable performance?
- **Seeking** higher growth rate performance?
- **Preparing** for corporate partner/M&A diligence of strategies and performance?

Road Map #1 to GTM Success

Product-Market Fit

Jobs-to-be-Done

“Focusing a product and its brand on a job creates differentiation.”
- Clayton Christensen

Breakthrough
Insights

“[Test] your beliefs that are critical for success and yet have the least amount of evidence to support them.”
- David Bland

Value Proposition

“What do you uniquely offer that people desperately want?”
- Andy Rachleff

Case Study: Life Science Tools Company

Go-To-Market Challenge: Early-stage company, with a high-potential technology and the need to raise Series A funding had done only limited thinking about its value proposition and go-to-market (GTM) strategy, including lacking sufficient external market research to validate its key assumptions.

Project Results:

GTM Clarity via Primary Market Research: Conducted qualitative interviews of operating executives, oncologists, research scientists, and lab personnel at diagnostic companies, CLIA labs, life science tools companies, clinical research organizations, pharmaceutical companies, cancer centers, and research hospitals.

Described Value Proposition to Satisfy Unmet Needs: Developed externally validated conclusions about where company's technology fit in the competitive landscape and how it could uniquely deliver value by filling gaps where there were clearly identified unmet market needs. Worked with CEO to translate those findings into messaging for fundraising.

Identified Market Opportunities via Jobs-to-be-Done: Developed qualitative oncologist, pathologist and lab manager job maps and desired outcome statements. Quantitative survey identified underserved market opportunities.

Subsequent Financing Outcome:

Company closed financing, raising \$12 million (2X originally targeted amount of monies) at share price equal to 3X the previous financing closed 14 months earlier.

Road Map #2 to GTM Success

Business-Model Fit

“Visualize/analyze/manage business models you are improving/growing and future business models you are searching for/testing.”

- *Alexander Osterwalder*

Portfolio Management

“Digitization...has upended the very nature of competition today, and made twentieth-century ways of thinking about competitive advantage obsolete.”

- *Ram Charan*

Digital Transformation
& Matrix of Change

“Transformation is becoming the “new normal”...will force us to rethink and relearn how we build and operate companies globally.”

- *Christian Rangen*

Business Model

Case Study: Diagnostic Testing Laboratory

Go-To-Market Challenge: Company offered only undifferentiated, me-too infertility diagnostic products, limiting long-term growth opportunities and making it vulnerable to larger competitors.

Project Results:

Delivered Record Operating Performance: In only three quarters, spending time in field with sales team achieved:

- *Doctors Placing Orders:* 39% increase over prior year, to highest quarterly number in company's 12-year history.
- *New Doctors Placing Orders:* 119% increase over prior year, with all 3 quarters being highest-ever quarterly numbers.
- *Lab Specimens Tested:* 40% increase over prior year, to third-highest quarter ever.

Designed & Lay Down Foundation for Novel Innovation Hub Growth Strategy: Designed and initiated implementation of novel Innovation Hub go-to-market (GTM) strategy to create proprietary revenue growth opportunities. Began licensing discussions for seven proprietary technologies. Reaching understandings (subject to closing a new financing) with female infertility clinicians affiliated with Harvard, Stanford, UCLA, USC, Oregon Health Sciences University, and Washington University as well as top reproductive urologists at UCSF, Whitehead Institute, Brown University, and Boston University – yielding over 25 clinical study sites that, together, formed the first-ever male and female clinical study platforms for testing new infertility diagnostic technologies.

Realized Financing Term Sheet: New strategy led to receipt of an \$8 million equity financing term sheet for company then operating on bridge loan funding.

Road Map #3 to GTM Success

Organizational Fit

“Inflection points create vast new spaces even as they destroy outdated technologies and models.”

- Rita McGrath

Value Inflection Point
Mindset

Adaptive,
High-Performance
Culture

Are you forthright about the state of your company’s business, do you ask catalytic questions, and do you reward excellence in learning and execution?

“When the assumption-to-knowledge ratio is high...one should prioritize learning fast, at the lowest possible cost.”

- Rita McGrath & Ian MacMillan

Discovery-Driven
Planning &
Execution

Case Study: Medical Device Company

Go-To-Market Challenge: Team capabilities and organizational structure not aligned with new strategic plan focused on delivering significant revenue growth.

Project Results:

Delivered Organizational Strategies to Ensure Company Delivered on New Growth Plan: Working with new CEO to ensure company could deliver operationally as it prepared for third consecutive year of 50% annual revenue growth and targeted revenue of \$50 million.

- *New Organizational Design:* Developed new organizational design based on evaluation of key personnel, identification of critical operational functions, and requirements of new strategic plan.
- *Revised Operating Systems & Processes:* Simultaneously evaluated existing operating systems and processes, translating into specific short-term and long-term opportunities for improvement.

Subsequent M&A Outcome:

Company sold 18 months later for \$370 million.

The Complete Road Map to GTM Success

Product-Market Fit

Jobs-to-be-Done

Breakthrough Insights

Value Proposition

Organizational Fit

Value Inflection Point Mindset

Adaptive, High-Performance Culture

Discovery-Driven Planning & Execution

Business-Model Fit

Portfolio Management

Digital Transformation & Matrix of Change

Business Model

How Well is Conventional Wisdom Working for You?

Are you willing to risk everything on something that fails more than half the time?

If you are ready to shift, design & shape your company's future, **let's talk.**

Donald B. Hawthorne

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Mr. Hawthorne is a go-to-market strategy consultant who helps organizations figure out **where to place their bets** and then **how to take their products and services to market with greater speed and capital efficiency**.

Mr. Hawthorne delivers value through a unique combination of (i) **driving superior valuation and operating performance outcomes** – through his novel go-to-market consulting framework that is curated from global best practices and has an 85% project success rate; and (ii) **serving as a trusted peer-level-partner advisor to C-suite executives** – by integrating a big-picture strategic C-suite mindset that comes from his having served in five CEO roles with the ability and willingness to evaluate more granular operating and financial performance issues based on his having served in two COO and three CFO positions.

During his 37 years in the life sciences industry, Mr. Hawthorne has worked in or with 45 companies across 14 life sciences industry segments, supported 5 M&A transactions, raised more than \$310 million in debt and equity (private, IPO, secondaries, PIPES) monies, closed 10 business development transactions, and been a leader in 22 go-to-market initiatives – 13 as a consultant. He has performed due diligence for both private equity and venture capital investors as well as served as a partner in an equity fund.

Mr. Hawthorne earned his MBA from the Stanford Graduate School of Business and his BS in mathematics from Harvey Mudd College.