

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

---

January 17, 2023



Donald B. Hawthorne  
dbh@GTMHawthorne.com

# The Rarely Asked Question

---

## Question: Why are there not more great companies?

Not for lack of:

- Executive ambition
- Investor capital
- Breakthrough technologies
- Ideas

Something is missing: Robust Go-To-Market (GTM) solutions

3 components to GTM strategy:

- **Product-Market** Fit
- **Business-Model** Fit
- **Organizational** Fit

# Wrong Mindset: Poor Management Habits are the Norm

---

## 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% |

# Conventional Wisdom's Appalling Outcomes

---

**“72%** of all new products are a flop...” - *Simon-Kucher & Partners*

“About **75%** of all new products and services...fail to reach viable, profitable scale and are withdrawn.” - *Christensen, Anthony, Berstell & Nitterhouse*

“Of the more than **20,000** new products evaluated...only **92** had sales of more than \$50 million in year one and sustained sales in year two.”  
- *Christensen, Hall, Dillon & Duncan*

“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*

“Only **9.9%** of US venture capital investments generate more than 1-5X return.”

# Creating Initial Clarity About GTM

---

Peter Drucker provides context:

- “There is only one valid purpose of a corporation – to **create a customer**”

**Most common definition** of GTM contributes to lack of clarity:

- Commercialization efforts such as channel strategies, i.e., how to reach customers, often downplaying value creation efforts that must happen first

When GTM efforts **start and end** in great companies:

- Start with raw unproven technology and unvalidated hypothesis about unmet market need
- Never end until kill project or retire product

# Your GTM Strategy Unfolds in Two Distinct Stages

---

## **Exploration – Inventing the future**

- The value hypothesis phase, where find Product-Market Fit & Business-Model Fit
- Value creation first occurs by testing business ideas in order to turn assumptions into knowledge as quickly and inexpensively as possible to confirm the “what has to be true” assumptions embedded in your strategy, or pivoting if assumptions are shown to be wrong

## **Exploitation – Managing what you have**

- The growth hypothesis phase, where sales model is validated
- Value is realized by capturing tangible value in marketplace transactions

**Adverse consequences** of not getting Exploration stage right can lead to company **underperformance or failure**

# Your GTM Strategy Impacts Everything

---

GTM **preparedness** and **performance** directly **impact** all key **value creation** moments during a company's existence, including the following:

**New products:** Properly vetting opportunities before making major investments

**Current products:** (i) Dissatisfied with current performance; (ii) uncertain can sustain acceptable performance; or (iii) seeking higher growth rate

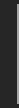
**Investor diligence:** Initiating new investor review or post-deal replanning

**Strategic transactions:** Preparing for corporate partner/M&A diligence

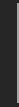
# Right Mindset: Executives are in the Persuasion Business

---

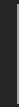
Build great & enduring company



Realize dominant valuations & operating performance



Navigate due diligence scrutiny by investors,  
corporate partners, and customers



Persuade via robust GTM strategies & performance outcomes:

**Product-Market Fit - Business-Model Fit - Organizational Fit**



# The Persuasion Framework: GTM<sup>®</sup> Road Map

## Product-Market Fit

Unmet Customer Needs

Critical Assumptions

Value Proposition

## Organizational Fit

External Inflection Points

Innovator's DNA

Internal Checkpoints

## Business-Model Fit

Portfolio Management

Digital Enablement

Business Model

# Road Map #1 to GTM Success

---

## Product-Market Fit

Unmet Customer Needs

“The job, not the customer, is the fundamental unit of analysis.”  
- Clayton Christensen

Critical Assumptions

“[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

# Road Map #2 to GTM Success

---

## Business-Model Fit

“Invincible Companies strategically guide, diversify, measure, and act upon their portfolio of existing and potential new businesses simultaneously.”

- *Alexander Osterwalder*

Portfolio Management

“Recognize that modern digital technologies have two notable value drivers: data in its new expansive role, and emergent digital ecosystems.”

- *Mohan Subramaniam*

Digital Enablement

“Business management at its best is so much more than executing already-existing business models – it is the art and science of exploring and discovering disruptive new ones that ensure a future of sustained growth and longevity.”

- *Mark Johnson*

Business Model

# Road Map #3 to GTM Success

## Organizational Fit

“The single biggest predictor of executive success is how you deal with ambiguity.”

- Sam Yagan

External Inflection Points

Innovator’s DNA

Does your organization encourage challenging the status quo? Does it reward discovery-centric behaviors of questioning, observing, networking, and experimenting? Does your team then work together to connect the unconnected in new ways?

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

- Rita McGrath & Ian MacMillan

Internal Checkpoints

Your  
GTM Readiness  
Self-Assessment  
(Product-Market Fit)

# Score Yourself: Are You Ready For Prime-Time?

---

1 – **Never**

2 – **Rarely**

3 – **Sometimes**

4 – **Often**

5 – **Always**

# Strategy - Four Questions

---

1. Does your company's chosen strategy have well-defined **where-to-play** metrics, including: geography, product/service type, customer segment, distribution channel, and vertical stage of production?
2. Is your company's **how-to-win** competitive advantage based on low cost or differentiation?
3. Has your management team defined **what-would-have-to-be-true** for your strategy to be successful?
4. Is your company's chosen strategy compelling the **desired customer actions**?

# Product-Market Fit - Four Questions

---

1. Is your company culture obsessed with **understanding customers**?
2. Has your company developed **breakthrough insights** that are singularly different?
3. Does your company offer a **unique** solution that people **desperately** want because there are **no good alternatives**?
4. Have you identified your **Early Adopters**, i.e., people who have a problem you solve, know they have the problem, are actively seeking solutions, and have budget monies?



# Unmet Customer Needs - Four Questions

---

1. Do your company's conversations focus on **customer problems** in getting their jobs done instead of features/benefits of your **company's solutions**?

Does your management team have a shared understanding of:

2. Your company's **market opportunities**?
3. **All the customer needs** in those market opportunities?
4. Which of those needs are **most important** and **least satisfied** today?

# Critical Assumptions - Four Questions

---

1. Has your team **written down** all assumptions implicit in your business model?
2. Has your team identified which key assumptions are **critically important** to the future success of your company?
3. Does your team have strong experimental **evidence validating** those key assumptions?
4. Does your company have established **organizational habits** for the ongoing testing of key assumptions?

# Value Proposition - Four Questions

---

1. Are your company's value propositions based on a deep understanding of your **customers' jobs**?
2. Do your company's value propositions address **essential gains** desired by customers and **extreme pains** experienced by customers in getting their jobs done?
3. Do your company's value propositions align with how your **customers define success**?
4. Do your company's value propositions ensure you are **outperforming the competition** in a significant way?

# The Persuasion Framework: GTM<sup>®</sup> Road Map

## Product-Market Fit

Unmet Customer Needs

Critical Assumptions

Value Proposition

## Organizational Fit

External Inflection Points

Innovator's DNA

Internal Checkpoints

## Business-Model Fit

Portfolio Management

Digital Enablement

Business Model

What Next?

# Three Keys to Go-to-Market Success

---

**Maintain strategic mindset**, as GTM issues are dynamic and involve issues over which you have no direct control, requiring an ongoing, long-game perspective

**Develop disciplined daily GTM habits**, as it is easy to be distracted by daily busy-ness

**Keep your key stakeholders aligned**, making them your GTM thought partners so all of you can learn and adapt quickly

# Maintain Strategic Mindset: Non-Consensus & Right

---

**Insight development** has to precede customer development, and both precede product development

**Compelling value proposition** your customers are desperate for

**Profitable and scalable business model** that captures value for your company

# Develop Disciplined Daily Go-To-Market Habits

---

Recognize **full timeline** of go-to-market activities

Adopt **beginner's mindset** & constantly ask **hard questions**

**Map out, test, and continuously validate** customer need, product, and business model assumptions

Adopt a **diligence-scrutiny mindset** that will persuade investors, partners and customers

Develop rigorous **product-market fit, organizational fit, and business-model fit** solutions

**Use GTM<sup>®</sup> Road Map** to organize and guide your efforts



# Keep Key Stakeholders Aligned

---

It is easy, but costly, to **put off dealing** with dynamic GTM issues

**Achieving alignment** between management and the Board is always a challenge

At the outset, set the right tone by using GTM<sup>®</sup> Road Map and self-assessment diagnostic to align Board and management team with **clarity** and **shared understanding** about GTM issues

Turn **timely candor** about important GTM issues into a primary company ongoing habit, allowing **problem-solving** as issues arise

Ensure rapid readiness for external party **due diligence scrutiny**

“You don’t implement go-to-market, **you live it.**”

# Donald B. Hawthorne

---

Don Hawthorne is a go-to-market (GTM) strategy consultant who helps executives **develop robust GTM solutions** that successfully **navigate due diligence scrutiny** and thus **persuade investors, strategic partners, and customers** that they should care enough to **invest** in, **partner** with, or **acquire** your company, or **buy** your products/services – enabling the dominant valuation and operating performance outcomes necessary to build a great and enduring company.

Don delivers value through a unique combination of (i) a **novel GTM<sup>®</sup> Road Map** that is curated from global best practices and filtered through a pragmatic operating executive lens. The Road Map rejects conventional wisdom, delivers product-market fit/business-model fit/organizational fit solutions, and has an 86% consulting project success rate – driving superior valuation and operating performance outcomes; and, (ii) **experience holding 11 C-suite positions (CEO-6, COO-2, CFO-3)** that allows him to work alongside executives as a trusted peer-level partner in the joint development of customized go-to-market solutions – ensuring the right products and services are taken to market with greater speed and capital efficiency.

With over 30 years in the life sciences industry, Don has worked in or with 48 companies across 16 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 24 go-to-market initiatives – 14 as a consultant.

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