Stella Zhang
New Venture Competition 2022

Go-to-Market Strategy

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UCI Paul Merage
School of Business

Dan Jenkins
Executive Board, Beall Center for Innovation & Entrepreneurship
40-year technology executive & innovator
Startup founder, co-founder & advisor
AGENDA

- About
- Back to the Future!
- Go-to-Market Strategy
- A Methodology
- Elements & Examples
- Putting It All Together
- Q & A
About Dan

- Pedigree: 39-year tech sales & marketing
- Products: hardware, software & services
- Markets: Consumer, SMB & Enterprise
- Scale: Revenue budget exceeding $800 Million
- Founding EiR (IA) UCI Applied Innovation
- Founder/Co-founder: 14

- Launched 1,000s of products
- Advised 200+ startups
- Co-Chaired UCI New Venture Competition
- Pioneered game-changing technologies

200+ startups advised
UCI New Venture Competition Co-Chaired
1,000s of products launched
Game-changing technologies pioneered
RoboCash
SWAPPIIT

Let’s take a trip in the Wayback Machine…
1967: My first camera!

If it's going to be a great summer, you ought to have a great camera.

There's just no reason to let another summer get away. But there are some very good reasons why your camera should be a Kodak Instamatic. It's small and light. It has instant recall. And it gives you great color snapshots. (What's a color picture without film?)

You can get the 35 frame in an outfit with Kodak Ektachrome for color prints, flashcube, white strip and batteries. All that for less than that film. These are the reasons we think you should have our camera. Of course, you may meet a few other reasons of your own.

Kodak Instamatic color outfits. From less than $40.

The Peak

From its inception, Kodak dominated the American photography industry. As late as 1976, Kodak commanded 96% of film sales and 85% of camera sales in the U.S., according to a 2005 case study for Harvard Business School. By 1988, Kodak employed over 145,000 workers worldwide.

1996 was the peak year for Kodak. The company had over two-thirds of global market share. Kodak's revenues reached nearly $16 billion, its stock exceeded $90, and the company was worth over $31 billion. The Kodak brand was the fifth most valuable brand in the world.

Downfall

Despite helping invent and lead the photography revolution with cameras and services, Kodak never found a cash-cow to replace film. From 2003 to 2011, Kodak shed 47,000 jobs, 13 manufacturing plants and 130 processing labs. It has not made an annual profit since 2004 and its cash reserves were soon depleted.

1962 U.S. population 190M vs. 330M today

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>The company's U.S. consolidated sales exceed $1 billion for the first time. Its workforce tops 75,000.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1962</td>
<td>$18</td>
<td></td>
</tr>
<tr>
<td>1963</td>
<td>Instamatic</td>
<td>Kodak introduces a line of easy-to-use Instamatic cameras with cartridge-loading film (selling more than 50 million by 1970).</td>
</tr>
</tbody>
</table>

An ugly picture

Kodak's

Source: Company reports; Thomson Reuters
It seemed “magic” at the time

- $20, including a case
- $4-6 cartridges
- Black & white or Color
- 24 or 36 shots
- $3-5 flashcube 4-pack
- $4-6 to develop a roll
- Grainy, square photos
- Approx. $.33 per photo

Think today’s cheap printers & pricey ink cartridges – huge LTV
Taking a Photo: 1967 -- 1992

1. go to store (15)  
2. buy film (15)  
3. go home (15)  
4. load film (3)  
5. take 24/36 pics (1)  
6. back to store (15)  
7. fill out envelope (10)  
8. back home (15)  
9. wait (5-7 days!)  
10. back to store (15)  
11. back home (15)  
12. lots of bad pics (1)

Approximate Elapsed Time = 7 days ... 1 hour ... 11 minutes!
Taking a Photo: 1992

1. Aim/Shoot
   - $995
   - B&W
   - 376 x 284 res.
   - 1 MB RAM
   - 32 pics max

2. Connect to PC via PS/2 connector

3. Import from camera

4. Edit images w/ PC app

5. Share (email)

- $1,400
- Color
- 756 x 504 res.
- 4 MB RAM
- 48 pics max
- 1 pic/5 seconds

Minimum Elapsed Time = 10 minutes!
Taking a Photo: 2021

1. Aim
2. Shoot
3. Edit
4. Share

Minimum Elapsed Time = 30 seconds!

Photo Cost = $0
So why isn’t Logitech a player in digital photography...?

In a nutshell... We didn’t understand the market!

Blinded by “cool” technology without market validation...
### Reasons that Startups Fail...

<table>
<thead>
<tr>
<th>Reason</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>No marked need</td>
<td>42%</td>
</tr>
<tr>
<td>Run out of cash</td>
<td>29%</td>
</tr>
<tr>
<td>Not the right team</td>
<td>23%</td>
</tr>
<tr>
<td>Get outcompeted</td>
<td>19%</td>
</tr>
<tr>
<td>Pricing / Cost issues</td>
<td>18%</td>
</tr>
<tr>
<td>Users un-friendly product</td>
<td>17%</td>
</tr>
<tr>
<td>Product without a business model</td>
<td>17%</td>
</tr>
<tr>
<td>Poor marketing</td>
<td>14%</td>
</tr>
<tr>
<td>Ignore customers</td>
<td>14%</td>
</tr>
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</table>
GTM: The Basics

Marketing Strategy

WHO your target market is + WHAT you will offer them

GTM Strategy

Your overall marketing strategy that explains HOW you will make it happen
Many Considerations...

Is there a specific industry or industries that are best suited for the offering?

Is this a complete solution or a point product?

Is this a complex sale that involves an approver, decision maker, recommender and influencer?

Will this be sold by a direct sales, inside sales, online sales, or indirect channel?

Is there a specific size (revenue, assets, employees) of organization that is being targeted?

Is this a new market where the focus is on early adopters or a mature market?

What is the average selling price and the average sales cycle?
Determine Your Market

1. WHO you’ll sell to > Person/Persona
2. WHAT you’ll sell > Product/Packaging
3. what you’ll CHARGE for your solution > Price
4. where and how you’ll SELL your solution > Place/Partners
5. how you’ll PROMOTE your solution > Promotion

GO TO MARKET STRATEGY: JoinCargo focuses on road transport, as 98% of the transport is executed by trucks. On the carrier side, JoinCargo focuses on “trucks for hire” - either individuals or small transport companies. On the shipper side, the target market includes manufactures & wholesaler with €1M-€10M sales and between 1-10 employees in different industries (Industrial Goods, Food & Beverage, Pharmaceutical & Cosmetics, Printing & Packaging, Plastics and Logistics), as these sectors need frequent, structural, deliveries containing small quantities (less than one truck load) and consisting of many delivery points. Plus it is common to outsource transport in these industries. Facebook, referrals and exhibitions are found to be the best channels to acquire new customers. The biggest problem of empty trucks is on national level (40% national vs 8% international) of which most transport takes place within cities and therefore, JoinCargo kicked off in Athens, as Greece is our beachhead which is a very unpenetrated market. In the near future, JoinCargo will infiltrate other European cities, starting with the Balkans.
Validate Your Assumptions!

- Who can you learn from?
- What do you need to learn?
- How will you reach them?
- How do you maximize the discussion?
- How do you make sense of the input?

what “they” think is ALL that matters…
IF I WERE OUR TEENAGE GIRL TARGET, I WOULD LOVE OUR NEW PRODUCT.

HAVE YOU ACTUALLY TALKED TO ANY TO MAKE SURE?

WHAT? AND LEAVE THIS ROOM?
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LAY A FOUNDATION

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“Business Model Canvas” (BMC)
Craft Your Elevator Pitch:

Our Product or Service
help(s) Customer Segment
who want to accomplish something

by verb + a customer pain
and verb + a customer gain
(unlike competing value prop)
A Sample Elevator Pitch …

Our “Surf Adapter” helps Skaters & Surfers who want to surf anytime & anywhere by eliminating need for water and let any skateboard carve like a surfboard. (unlike anything else!)

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The makers of Business Model Generation and Strategyzer
The Elevator Pitch then informs your BMC:

(See "Value Proposition Canvas")

- **Value Propositions**
  - Your offer? Gains? Pains? Do they Care?

- **Customer Segments**

- **Customer Relationships**

- **Channels**
  - How to reach? Direct? Indirect? Wholesale (B2B) Retail (B2C) Strategic partners?

- **Key Partners**

- **Key Activities**

- **Key Resources**

- **Cost Structure**

- **Revenue Streams**

(See www.strategyzer.com)
The “Value Prop Canvas” Helps Dial It In

YOU

Gain Creators

Products & Services

Pain Relievers

add “Value”

TARGET CUSTOMER

Perceived “Value”

Gains

Customer Job(s)

Pains

Customers only buy solutions that provide enough perceived “Value”
BMC Applied to Uber

**Key Partners**
- Drivers
- Lobbyists
- Investors
- Other Partners

**Key Activities**
- Platform (app) development and enhancement
- Marketing
- Sales promotions to acquire new customers
- Communication with the driver, customers, and partners

**Value Propositions**
For the drivers:
- Ease in getting started
- Opportunity to earn
- Ease in accessing more passengers
- Freedom to choose their hours for work

For riders:
- Safety and security
- Chance to avail services with lower prices than the normal taxi service
- Convenient with easier transactions

**Customer Relationships**
- Customer is the critical component
- Same is the case with their drivers
- General Public
- Regulators

**Customer Segments**
- Passengers
- Drivers

**Key Resources**
- Network (Drivers & riders)
- Platform (apps)
- Technology talent
- Improving its algorithms and data analysis
- Brand image

**Channels**
- Word of mouth
- Social media
- Voucher, digital ads, paid ads
- Media coverage

**Cost Structure**
- Customer Acquisition Costs (CAC)
- Legal and settlement costs
- Insurance costs
- Research and development
- Lobbying & compliance

**Revenue Streams**
- Ride transaction fees
- License fees
- Uber eats – Advertisement, delivery fees, Share in revenue

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1. THE WHO

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Market Sizing Analysis

- Market characteristics?
- How big now? Potential?
- Growth? New segments?
- Focus niche? Why?

Be realistic … find an entry beachhead … then focus on gaining traction!
Market Potential Visualized

*EPM = Enterprise Performance Management Software

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AirBnB: Market Opportunity

Realistic & substantiated – *not* a $200B market...
Market Segmentation

1. Which customers will you serve (primary & secondary)?
2. Where are they located?
3. What is the demographic & psychographic profile of each?
4. What are their pains?
5. How are you solving their pains (value proposition)?
6. How does each segment want to be reached?
Market Segmentation: Profiles

<table>
<thead>
<tr>
<th>Demographics</th>
<th>vs</th>
<th>Psychographics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td></td>
<td>Personality</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td>Values</td>
</tr>
<tr>
<td>Race</td>
<td></td>
<td>Attitudes</td>
</tr>
<tr>
<td>Location</td>
<td></td>
<td>Interests</td>
</tr>
<tr>
<td>Employment Status</td>
<td></td>
<td>Lifestyles</td>
</tr>
<tr>
<td>Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Education</td>
<td></td>
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</tbody>
</table>

Visualize target segments as avatars, each with unique attributes
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2. THE WHAT

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Differentiators, Pricing, Value Prop
Step 1: Why do market research?
1. Identify potential customers
2. Understanding your existing customers
3. Set realistic targets
4. Develop effective strategies
5. Examine and solve business problems
6. Prepare for business expansion
7. Identify business opportunities.

Step 2: Set your research objectives
- What is the purpose of the research?
- What information is being sought?
- How will the information be used?

Step 3: Find out what information already exists
Primary data research
Primary data is the information you gather through specialized surveys or group discussions. Generating primary data can be costly and potentially more risky than the collection and collection of secondary data. To make sure your research is effective, take time to define your objectives and understand the problem you are researching.

Secondary data research
You can save time and money by using secondary data. Much of the information you need can be found in internal company records or official sources. Information collected on a day-to-day basis can help you identify trends such as popular products or the seasonality of product/service demand. Other secondary information falls into two areas: official and non-official.

Step 4: Do your own research through surveys
- Personal interview
- Observation
- Face-to-face surveys
- Group interviews (focus groups)
- Post or mail surveys
- Online surveys
- Survey samples

These surveys could include a visit to your competitors to see how they perform, the products they stock, the number of delivery vehicles they use, the prices they charge or image they convey. Observational surveys include listening to what people say about your competitors. The Internet may also provide an excellent platform for observational surveys by studying the websites of your competitors.
Competitive Differentiators

a) Who is the competition?
b) Their strengths…
c) Their weaknesses…
d) Their vulnerabilities?
e) Compare & contrast
f) How do you compete?

COMPETITION IN FOCUS:
The three artificial devices currently on the market have been struggling to gain traction since their introduction, and are utilized in only a few hundred cases per year (1% of US and 0.08% of global transplants) worldwide due to their high complication rates. Meanwhile, the global demand for donor corneal transplants continues to rise. Approximately 185,000 donor corneal transplants were performed in 2017, of which 51,000 were performed in the U.S.
There are always competitors: obvious, indirect, manual, or, “status quo”!
What **Price** Will the Market Support?

**Elastic Demand**

- A 33% drop in price...
- causes a 110% increase in demand quantity

**Determine the optimal price**

**Know your costs!**
Finetune Your Value Prop(s)

Consumers buy solutions that provide enough perceived “value”
A Strong Value Prop:

- Benefits are clear and succinct
- Call-to-action booster: “Sign Up Free” + “Sign up, It’s free”
- Trusted 3rd-party review compares favorably to competitors
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3. THE HOW

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Channels, Partners, Promotion
## Channel Sales Model

<table>
<thead>
<tr>
<th>Channel</th>
<th>Strategy</th>
<th>Company Size</th>
<th>Industries</th>
<th>Target</th>
<th>Deal Size</th>
<th>Sales Cycle</th>
<th>Offering</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>Own the sweet spot of our market by developing relationships with customers and prospects via the sales and service directors. These will be large enterprise software solutions.</td>
<td>Primary market: companies that have $500M to $5B in revenue and have an enterprise data center between 5,000 and 50,000™</td>
<td>Financial Services, Government, Healthcare, Insurance, Retail, Technology, Defense, Communications</td>
<td>CTO, COO, CIO VP of: Op's, Infrastructure, Capacity Planning, etc. Director of: DC Op's; Infrastructure, Technology; etc. M-Level: DC Manager, Mgr of IT, etc.</td>
<td>Product: $70K Service: $8K</td>
<td>Typically 6 to 9 months</td>
<td>New Customers: Product A Existing Customers: Product B Upgrade or Product A</td>
</tr>
<tr>
<td>Telesales</td>
<td>Leverage the installed base to drive product upgrades, promote educational classes and develop qualified leads for the Sales Directors over the phone.</td>
<td>Installed base and the primary market when purchases are &lt;=$20K</td>
<td>Installed base</td>
<td>Installed base</td>
<td>&lt;=$20K</td>
<td>Typically 1 to 3 months</td>
<td>Maintenance Renewals Education Deals &lt;= $20K</td>
</tr>
<tr>
<td>Business Partners</td>
<td>Leverage the business partners to provide territorial coverage across North America where we do not have a Sales Director.</td>
<td>Primary market: companies that have less than $500M in revenue</td>
<td>Financial Services, Government, Healthcare, Insurance, Retail, Technology, Defense, Communications</td>
<td>C-level V-level D-level M-level</td>
<td>Typically software component is about $15 to $20K</td>
<td>Typically 3 to 6 months</td>
<td>Resell Product A Resell Product C</td>
</tr>
</tbody>
</table>
Partnering: A Faster Path to Market

Enabling Partners
- Complimentary or supplementary capability
- Scale for operational size or geographical coverage
- Vertical integration along the industry value chain

Delivery partners
- Awareness and credibility building
- Prospecting / lead generation
- Sales
- Delivery and implementation

Partners
- Compliment or supplement your solution
- Deliver the solution with industry, domain or subject matter expertise

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Promotion: Grab Attention & Create Awareness

How will you engage? ... How will you excite? ... How will you convert?

The hardest part

The Buyer Journey
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Putting it all together

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GTM Process Summary

Measure/Optimize
Measure how marketing is performing against KPIs and benchmarks. Then, optimize to improve results and performance.

Tactical Plan
Develop a tactical implementation plan to guide who does what, when and how, as well as tools, processes & best practices.

Goals
Articulate what you want to achieve, how and when. How much of a commitment will it take - time, money, people?

Target Audiences
Focus on who matters. Create buyer personas to get knowledge of customers: their needs, problems and buying behaviour.

Channels
Discover and focus on the most effective channels to engage, educate, entertain and nurture customers.

Competitive Landscape
Do a situational analysis to assess how your marketing is performing. Do a competitive audit to assess rivals' strengths and weaknesses.

Your Story
Create value propositions, boilerplates, elevator pitches, vision and missions statements to tell and share your story.
Know Yourself: Conduct a SWOT analysis

A great team exercise!
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Questions?

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