**Disciplined Entrepreneurship Workbook**

# Step 18: Map the Sales Process to Acquire a Customer

## WHAT IS STEP 18, Map the Sales Process to Acquire a Customer?

Visually show how you will create and fulfill demand for your product over the short term, the medium term, and the long term.

## WHY DO WE DO THIS STEP AND WHY DO WE DO IT NOW?

The sales process is a critical input to estimating the Cost of Customer Acquisition (COCA) in the next step, Step 19. The sales process, including selecting your sales channels, will allow you to understand the unit economics of your product and then adjust accordingly to increase profitability. You can intelligently map the sales process now that you have an estimate from Step 17 of the LTV, which helps indicate which sales methods are affordable and practical for your startup.



*Figuring out how to generate demand and to fulfill it with a sales channel strategy is your next key decision.*

## By the Book

See pages 195-201 of *Disciplined Entrepreneurship* for base knowledge on this step.

See pages 201-202 of *Disciplined Entrepreneurship* for examples of how different companies and teams have addressed this step.

## Process Guide

Now that you have a general range for what the LTV is going to be for your product, you can now start to focus on your sales strategy. In *Disciplined Entrepreneurship* I chose not to call it a channel strategy because the decision should be more thoughtful than a typical channel strategy, but most people still recognized it as a channel strategy. I won’t fight this nomenclature too much, but I think of it as a “channel strategy plus.” It is a dynamic go-to-market strategy to both create demand and then fulfill demand, which are two quite different processes.

There are four main categories of sales channels to consider:

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| --- | --- | --- |
| **Option** | **Pros** | **Cons** |
| 1. **Field Sales**: Direct salespeople who are employees of the company. They call on prospects in person at some point in the process. They provide high-touch connection and line of communication to the potential customer. Also known as “outside sales.” | - Excellent for demand generation when creating new markets; may well be only option for demand generation  - High-touch approach creates excellent feedback loop  - High-touch approach also generally creates deep customer loyalty | - Very expensive (salary, bonus, expenses)  - Requires an LTV of $30K or likely higher  - Hard to scale up as hiring them is hard and expensive and the success rate is unpredictable  - Takes a long time to become productive  - A challenge to manage |
| 2. **Inside Sales:** Also known as “telesales” in the past, but today no longer just telephone sales reps. They use email and other electronic communication to create and continue a dialogue with the customer, but do not visit the customer in person. | - Much cheaper than field sales  - Maintain direct connection with prospects, potential customers, and customers  - Able to get nuanced feedback from prospects because a human is in the loop  - High productivity because of lack of travel  - Good systems exist to further increase productivity and track progress of sales funnel and sales reps | - Lower touch, resulting in less customer engagement and less demonstration of the company’s commitment to the customer  - Still expensive because the salesperson is interacting one-on-one with customers  - Some products just can’t be sold without an in-person demo or meeting with the customer |
| 3. **Internet Sales:** This is a general catch-all category for sales done by computers through automatically generated emails, big data analysis, social media, preference engines, etc. The key differentiator is that there is no human in the loop. | - Direct interaction with the customer  - Ability above all others to systematically capture even more data on the customer and track their progress – as well as spot patterns and make intelligent recommendations  - Lowest cost by far  - Actually preferred by some prospects | - Low touch  - Can’t read some nuances that only humans can  - Some prospects do not react well to it  - Privacy considerations  - Can be hard to build customer loyalty  - Risk for high LTV prospects/customers that others who use the higher touch channels above will steal these valuable customers |
| 4. **Third-Party Resellers:** These people sell your product but are not employees of your company . They include VARS (Value Added Resellers), distributors, stores, catalogues, independent sales agents, etc. | - Instant geographic coverage  - Easy to manage  - Understand cultural context and have pre-existing contacts in their databases  - Lower cost than field sales  - Don’t have to hire, fire and manage salespeople  - Good for quick demand fulfillment  - Potential temporary solution  - Potential good solution for a mature product | - They own the customer, not you (very bad!)  - Unlikely to have direct interaction with prospects, hence miss important learning about customer needs  - Poor at demand generation  - Expensive compared to inside sales and Internet sales  - Most likely low loyalty to you and your product (just another product in their portfolio) |

Within each of these four categories, there can be many different variants, as well as hybrids across the categories. For instance, someone in field sales often spends a reasonable fraction of time on the phone, but their training and expertise is in face-to-face closing the sale, and their pay reflects that.

Still, this table is useful because it will help you determine what sales strategies are affordable based on your LTV:

|  |  |
| --- | --- |
| **Estimated LTV** | **What you can afford for sales channels in the long term** |
| ~$30 | Only Internet sales; no human can be in the loop |
| ~$300 | Predominantly if not all Internet sales, with maybe a very small amount of inside sales for the most important prospects |
| ~$3,000 | Mix of Internet sales and inside sales and maybe some third-party resellers, especially if the product is mature or low support required |
| ~$30K | Mix of all channels, with heavy reliance on inside sales and judicious use of field sales on big accounts. Third-party resellers can play a role in this scenario for geographic coverage and quick scale-up. |
| ~$300K | Likely led by field sales, with support from inside sales and some third-party resellers in selected areas for geographic coverage. |
| ~$3M | Dominated by field sales, with other channels in a supporting role |
| ~$30M | The field sales representatives are the all-powerful dictators; other sales channels don’t even look at highly qualified prospects or customers without their approval. Customer intimacy and professionalism is crucial in this scenario. |

To map your sales process, you will start by determining for the short, medium, and long term what proportion of sales will come from different channels. Use the worksheet "Sales Channels for the Short, Medium, and Long Term" to define the periods of time and proportions, as well as sales goals to achieve during that period, and assumptions and risks involved. You will also define what milestones you need to reach during each period so that your company is prepared to shift to the sales strategy for the next period.

Short term, medium term, and long term are defined in large part on the progress you make on your product. In the short term, you are figuring out what your product is and creating demand; in the medium term you are refining your product and starting to produce it in a repeatable fashion, you are fulfilling demand, and you are building the manufacturing and sales infrastructure you need to be successful; and in the long term, you are scaling your business. The key is that you define and understand what milestones allow you to shift your approach from the short-term sales channels to the medium term to the long term. Typically, short term will map to the first year from your LTV calculation, medium term the second year, and long term the third year and beyond, but this may differ if your product has significantly longer or shorter development cycles, such as new pharmaceutical development.

As is explained in more detail in *Disciplined Entrepreneurship*, the short term is where you will focus on demand generation and creating market awareness, and you will also still be iterating on your product and marketing, so field sales will be important despite its higher costs. As you progress through the medium term and then the long term, your sales channels should shift away from focusing on field sales, particularly for an LTV less than $1M in the medium term and less than $100K in the long term.

Next, you will take the sales funnel work you did in Step 13 and refine it into second draft sales funnels, one for each of the short-term, medium-term, and long-term time periods. Now that you know which sales channels are viable – and more importantly, not viable – for the long term, you have enough information to be much more specific than in your original draft from Step 13. Like everything, you will continue refining your sales funnels over time.

You’ll also think through what techniques and actions you can use to maximize conversion between steps. Be creative and draw on the work you’ve done so far in the 24 Steps as well as ideas from other companies and industries. At the end of this chapter I’ve provided an example from one of my student teams to inspire you.

A disclaimer: These worksheets are comprehensive and may be overdesigned for your situation. Or, if you have a complicated multi-sided market, they may be under-designed. Use common sense and customize this framework to fit your customer/product scenario. For instance, if you are B2C (Business to Consumer), some of this detail is not necessary, though I would argue it is still good for you to go through all the details so that you fully understand the big picture. Knowledge is a good thing – if you have the time.

## General Exercises to Understand Concept

See the back of the book for sample answers to some of these questions.

1. **Personal Experience with a Consumer Product:** Identify a product in your personal life that you enjoy buying. Quickly map the experience you had in going from having initial interest in the product to purchasing it. Why do you like the sales process so much? Which sales channels does the product’s maker use? Which tactics are effective?

I enjoy buying running shoes online. The process involves browsing reviews, comparing features on websites (Internet Sales), and easy ordering/shipping. I like the convenience, vast selection, and ability to research thoroughly before purchase; targeted ads and email reminders are effective tactics.

2. **Personal Experience with a Business Product**: Do the same exercise in #1 but now with a product from your professional life. What are the differences?

Acquiring cloud computing services (like AWS) involved initial online research (Internet Sales), followed by discussions with an Inside Sales representative to clarify technical needs and pricing for our team. The main difference from consumer buying was the technical depth required and the involvement of a sales rep for tailored solutions.

1. **Learning from Negative Experiences:** Now think of a product where you were particularly unhappy with the sales experience. What did you not like? What was fundamentally flawed in the sales process? How could it have been redesigned to benefit both the customer and the company selling the product?

Trying to sign up for a complex project management tool was frustrating due to a confusing website, unclear pricing tiers, and slow support responses (Internet/Inside Sales issues). It felt like the company didn't understand user needs. Redesigning it with clearer navigation, upfront pricing, and faster support could improve trust and conversions.

1. **LinkedIn Example:** How does LinkedIn get new customers? How do they get customers to fill in their profiles? How do they encourage customers to increase the number of connections the customer has on the social network? Do customers ever speak to anyone who works at LinkedIn?

LinkedIn primarily uses Internet Sales (freemium model, automated emails, profile prompts, ads) to acquire users and encourage engagement like profile completion and connection building. Users rarely, if ever, speak directly to a LinkedIn employee during the standard sign-up or usage process; sales interactions are typically reserved for premium business solutions.

1. **Private Jet Sales Process:** Now imagine you were going to buy a private jet (nice!). What kind of sales process would you expect? Why?

Buying a private jet would involve a high-touch Field Sales process. I'd expect personalized consultations, detailed demonstrations, bespoke configuration options, and extensive relationship building with a dedicated sales representative due to the extremely high cost (LTV) and complexity of the purchase.

## Worksheets

|  |  |  |  |
| --- | --- | --- | --- |
| Sales Channels for the Short, Medium, and Long Term | | | |
|  | **Short Term – Initial Market Entry** | **Medium Term – Gaining Market Traction** | **Long Term – Steady State** |
| **How Long – when does this time period start and end? (include units – e.g. months, years, etc.)** | First 12 Months (Year 1) | Months 13-24 (Year 2) | Months 25+ (Year 3 and beyond) |
| **What % of the Sales (measured by revenue) for:** |  | | |
| * **Field Sales** | 0% | 0% | 0% |
| * **Inside Sales** | 60% | 30% | 10% |
| * **Internet Sales** | 40% | 70% | 90% |
| * **Third Party Reseller** | 0% | 0% | 0% |
| **Key Milestones for this time period which when achieved indicated it is time to move to the next time period:** | 1. Achieve first 50 paying customers.  2. Validate core value proposition with early adopters.  3. Establish repeatable process for onboarding and initial support. | 1. Reach 500 paying customers.  2. Achieve positive unit economics (LTV > COCA).  3. Develop scalable self-service onboarding and primary support channels. | 1. Reach 2,000+ paying customers.  2. Achieve target market share within beachhead.  3. Establish automated processes for majority of sales and support functions. |
| **Key Assumptions:** | 1. Target researchers are reachable via online channels and conferences.  2. Early adopters willing to engage with Inside Sales for feedback.  3. Initial product is stable enough for paid pilots/subscriptions. | 1. Internet sales channels (content, SEO, limited ads) can drive majority of leads.  2. Product value is clear enough for self-service signup.  3. Unit economics model based on LTV/COCA estimates holds true. | 1. Automated marketing and sales funnels are effective at scale.  2. Network effects (referrals, publications) contribute significantly to growth.  3. Product requires minimal human intervention for majority of users. |
| **Highest Risk Factors:** | 1. Failure to validate value proposition / achieve product-market fit.  2. High initial COCA due to Inside Sales reliance.  3. Slow adoption rate among target researchers. | 1. Inability to scale lead generation cost-effectively via Internet Sales.  2. Churn rate higher than projected in LTV.  3. Competitor actions impacting market traction. | 1. Market saturation within beachhead.  2. Failure to maintain competitive advantage (Core erosion).  3. Inability to effectively automate sales/support leading to unsustainable costs. |
| **Summary for Time Period:** | Focus on direct engagement (Inside Sales) with early adopters for learning, validation, and securing initial paying customers. Supplement with targeted online content (Internet Sales) to build awareness and generate initial leads. High-touch interaction prioritized over scalability. | Shift towards scalable channels (Internet Sales) for lead generation and conversion. Optimize Inside Sales for higher-value prospects or complex institutional deals. Focus on achieving positive unit economics and streamlining onboarding/support. Prepare for broader market reach. | Dominated by efficient, automated Internet Sales channels. Inside Sales used strategically for key accounts/expansion. Focus on maximizing LTV through retention, automated upselling, and leveraging advocacy. Continuous optimization of automated systems for profitability and growth. |

## 2nd Draft Sales Funnel Inputs

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| --- | --- | --- | --- | --- |
|  |  | Short Term | Medium Term | Long Term |
| #1: Identification  (Output: Leads) | How will you generate leads? | Direct outreach (Inside Sales), conference presence, initial content marketing/SEO. | Primarily Content Marketing/SEO, targeted online ads, webinars, growing referrals. | Primarily SEO/Organic Content, strong referral program, minimal paid ads, automated nurturing. |
|  | What are your customer’s watering holes? | Conferences (NeurIPS, etc.), specific journals, uni dept websites, research forums, X/Twitter (AI circles). (From Step 5/9/12) | Online academic communities (ResearchGate), key blogs, relevant subreddits/forums, webinars. | Established online communities, high- traffic academic portals, automated content distribution. |
|  | Who from the customer’s DMU is involved in this part of the funnel? | End User (Chrysis), Champion (Dr. Costa). | End User, Champion. | End User, Champion (often via referral). |
| #2: Consideration  (Output: Suspects) | How do you start the initial dialogue with your leads? | Personalized emails/calls (Inside Sales), post-conference follow-up, demo requests from website. | Responding to content engagement (downloads, webinar signups), automated email sequences, targeted demo offers. | Primarily self-service demo/trial signup, automated responses to inquiries, community engagement. |
|  | What windows of opportunity or triggers exist? | Starting new research project, frustration with existing tools, grant funding cycles, conference exposure. | Publication deadlines, need for specific analysis, peer adoption/recommendation. | Budget cycles (renewal), scaling research needs, new feature releases triggering interest. |
|  | Who from the DMU is involved? | End User, Champion. | End User, Champion. | End User, Champion. |
| #3: Engagement  (Output: Prospects) | How do you determine whether your value proposition is appealing to the customer? | Live demos (Inside Sales), pilot projects, sharing initial case  studies/QVP (Step 8). | Targeted demos, free trials, webinars showcasing value, ROI calculators, detailed case studies. | Self-service trials, automated demos, extensive documentation/case studies, peer reviews/testimonials. |
|  | How do you determine whether your pricing is in line with the customer’s budget? | Direct discussion (Inside Sales), transparent pricing on website (Step 16 range), flexible pilot terms. | Clear website pricing, tier comparisons, discussion during demos/trials if needed. | Transparent website pricing, automated tier recommendations, minimal direct negotiation needed. |
|  | Who from the DMU is involved? | End User, Champion; potentially Economic Buyer (Dr. Papadopoulos) early if cost is high concern. | End User, Champion; Economic Buyer involved for approval/budget check. | End User, Champion; Economic Buyer likely only for initial institutional setup or significant expansion. |
| #4: Purchase Intent  (Output: Qualified Prospects) | How do you qualify that the customer is ready to purchase, and how do you develop a proposal for the purchase? | Needs assessment calls (Inside Sales), clear interest post-demo/pilot, verbal commitment. Simple quote/online checkout. | Trial usage metrics, budget confirmation, specific feature needs match.  Standardized quotes, potentially minor customization. | Automated qualification via trial engagement/feature usage, self- service quote generation/checkout. |
|  | How do you close the sale and handle customer questions/objections? | Inside Sales handles objections (technical, cost), guides through purchase/procurement. | Inside Sales handles complex objections/procurement; automated FAQs/support docs handle common questions. | Primarily self-service support (knowledge base, community), automated objection handling where possible; minimal Inside Sales involvement. |
|  | Who from the DMU is involved? | End User, Champion, Economic Buyer (final approval), potentially Procurement/IT. | End User, Champion, Economic Buyer, Procurement/IT. | End User/Champion initiates, Economic Buyer (minimal), potentially automated procurement integration. |
| #5: Purchase  (Output: Customers) | How do you secure full commitment from the customer to purchase your product? | Signed quote/agreement, Purchase Order (PO), initial payment. | PO, completed online checkout, payment confirmation. | Completed self-service online checkout, automated invoicing/payment. |
|  | How does your customer pay for your product? Who pays? | Credit card (End User/Champion personal or lab card), Institutional  Invoice (processed by Finance upon EB/Procurement approval). | Credit card, Institutional Invoice. | Primarily Credit Card (automated billing), potentially automated invoicing for established institutional accounts. |
|  | Who from the DMU is involved? | End User/Champion initiate; Economic Buyer approves budget; Finance/Procurement process payment. | End User/Champion initiate; Economic Buyer approves budget; Finance/Procurement process payment. | End User/Champion typically self- serves; Finance involvement minimal/automated. |
| #6: Loyalty  (Output: Satisfied Customers) | How do you ship and install the product? | Digital delivery (account access), guided onboarding call (Inside Sales/Support). | Digital delivery, self-service onboarding tutorials/docs, optional onboarding session. | Digital delivery, fully self-service onboarding integrated into platform, automated tooltips/guides. |
|  | How do you provide support to the customer so that they use and get the expected value out of your product? | Direct email/call support (Inside Sales/Founders), initial documentation. | Knowledge base, community forum,  email support ticketing system, proactive check-ins for larger accounts. | Extensive knowledge base, active community forum, AI-powered support bots, minimal ticketed support for standard users. |
|  | Who from the DMU is involved? | End User primarily, potentially Champion if issues arise. | End User primarily, Champion. | End User primarily. |
| #7: Advocacy  (Output: Evangelists) | How do you encourage the customer to buy more product? | Direct discussion about team expansion/needs during check-ins (Inside Sales). | Automated emails highlighting upgrade benefits, usage-triggered prompts, Inside Sales outreach for expansion opportunities. | Automated in-app prompts for upgrades, targeted email campaigns based on usage patterns, self-service upgrade path. |
|  | How do you encourage the customer to tell others about the product, and how do you measure whether customers are telling others about your product? | Ask for testimonials/referrals during check-ins, monitor publications citing the tool. | Implement simple referral program (e.g., credits), solicit reviews on relevant platforms, track referral codes/links, NPS surveys. | Automated referral program integrated into platform, track social mentions/citations, monitor review sites, prominent NPS surveys. |
|  | Who from the DMU is involved? | Satisfied End User, Champion. | Satisfied End User, Champion. | Satisfied End User, Champion. |

A diagram of a sales funnel

AI-generated content may be incorrect.

A diagram of sales funnel with blue text

AI-generated content may be incorrect.

Please describe the major differences between your plans for the short-term and the medium-term sales funnels:

The main shift is from high-touch, manual processes (Inside Sales demos, direct support) focused on learning and validation in the short term, towards more scalable, automated methods (content/SEO lead gen, self-service trials, knowledge base support) in the medium term. Medium term introduces systematization like automated emails, trial metrics for qualification, and formal referral programs, aiming for efficiency and positive unit economics while Inside Sales becomes more targeted.

A diagram of a draft sales funnel

AI-generated content may be incorrect.

Please describe the major differences between your plans for the medium-term and the long-term sales funnels:

The shift from medium to long term focuses on maximizing automation and efficiency across the entire funnel. Lead generation relies heavily on organic reach and referrals, minimizing paid acquisition. Engagement and purchase become almost entirely self-service. Support transitions to automated/community-driven models, with Inside Sales reserved only for very high-value strategic accounts. The emphasis is on scalability, LTV maximization through automated retention/upsell, and leveraging network effects.

### Techniques and Actions to Maximize Yield Rate at Each Stage

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| Short Term: Summary of Techniques and Actions to Maximize Yield | | | |
| **Stage in Funnel (starting at top)** | **Technique(s)** | **How to Maximize Conversion** | **Done by Who? When?** |
| #1 – Identification (leads) | Direct Outreach, Conference Networking | Highly personalized messaging targeting specific pain points, immediate post- conference follow-up. | Inside Sales/Founders, Ongoing |
| #2 – Consideration (suspects) | Personalized Demos, Pilot Programs | Tailor demo to prospect's research, offer low-risk pilot to prove value directly. | Inside Sales, During Initial Calls |
| #3 – Engagement (prospects) | Value Prop Reinforcement, Objection Handling | Clearly articulate QVP (Step 8), proactively address anticipated concerns (cost, tech), build trust. | Inside Sales, During Demo/Pilot |
| #4 – Purchase Intent (qualified prospects) | Procurement Support, Clear Next Steps | Guide user through institutional process, provide needed docs quickly, maintain communication. | Inside Sales, Post-Commitment |
| #5 – Purchase (customers) | Simple Checkout/Invoice Process | Offer easy payment (CC), clearly guide institutional invoice process, follow up on payment. | Inside Sales/Ops, At Closing |
| #6 – Loyalty (satisfied customers) | Guided Onboarding, Proactive Support | Ensure smooth start, check in to confirm value realization, be highly responsive to issues. | Inside Sales/Support, Post- Purchase |
| #7 – Advocacy (evangelists) | Direct Ask for Feedback/Referrals | Leverage positive relationship during check-ins to request testimonials or introductions. | Inside Sales/Founders, Ongoing |

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| --- | --- | --- | --- |
| Medium Term: Summary of Techniques and Actions to Maximize Yield | | | |
| **Stage in Funnel (starting at top)** | **Technique(s)** | **How to Maximize Conversion** | **Done by Who? When?** |
| #1 – Identification (leads) | SEO/Content Marketing, Webinars | High-quality content addressing specific researcher needs, clear calls-to- action, engaging webinar topics. | Marketing Team, Ongoing |
| #2 – Consideration (suspects) | Automated Email Nurturing, Targeted Demo Offers | Segment leads, deliver relevant content sequences, offer demos aligned with expressed interest/content consumed. | Marketing Automation/Inside Sales, Ongoing |
| #3 – Engagement (prospects) | Free Trials, Case Studies, ROI Calculators | Provide robust trial experience, showcase success with similar users, quantify potential value clearly. | Product/Marketing/Inside Sales, Trial Phase |
| #4 – Purchase Intent (qualified prospects) | Trial Conversion Nudges, Streamlined Quotes | Use in-app/email prompts based on trial usage, simplify quoting process, offer standard configurations. | Marketing Automation/Inside Sales, End of Trial |
| #5 – Purchase (customers) | Online Checkout Optimization, Clear Invoicing | Make self-service payment easy and secure, ensure institutional invoices are clear and timely. | Web/Ops Team, At Closing |
| #6 – Loyalty (satisfied customers) | Self-Service Onboarding, Knowledge Base, NPS | Provide comprehensive resources for self-help, solicit feedback via NPS to identify issues proactively. | Support/Product Team, Post-Purchase |
| #7 – Advocacy (evangelists) | Referral Program, Review Solicitation | Offer incentives for referrals, make it easy to share, prompt happy users (high NPS) for reviews/testimonials. | Marketing/Product Team, Ongoing |

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| --- | --- | --- | --- |
| Long Term: Summary of Techniques and Actions to Maximize Yield | | | |
| **Stage in Funnel (starting at top)** | **Technique(s)** | **How to Maximize Conversion** | **Done by Who? When?** |
| #1 – Identification (leads) | Organic Growth (SEO, Referrals), Brand Authority | Maintain strong SEO, actively promote referral program, build reputation as thought leader through content. | Marketing/Community Team, Ongoing |
| #2 – Consideration (suspects) | Self-Service Trial/Demo, Automated Inquiry Mgmt | Offer immediate access to trial/demo, use AI bots/forms to answer common questions instantly. | Product/Web Team, Automated Systems, Ongoing |
| #3 – Engagement (prospects) | In-Trial Guidance, Peer Reviews, Community Forum | Use tooltips/guides within trial, leverage social proof (reviews, testimonials), foster active user community support. | Product/Community Team, Automated Systems, Ongoing |
| #4 – Purchase Intent (qualified prospects) | Automated Qualification, Self- Service Checkout | Trigger conversion prompts based on high trial engagement, provide seamless path to purchase without sales interaction. | Product/Web Team, Automated Systems, End of Trial |
| #5 – Purchase (customers) | Automated Billing/Invoicing | Fully automate payment processing and recurring billing, integrate with common institutional payment systems if possible. | Ops/Finance Systems, Automated, At Closing/Renewal |
| #6 – Loyalty (satisfied customers) | Automated Support, Proactive Value Communication | Utilize AI support bots, extensive KB, send automated reports/tips showing achieved value & new features. | Support/Product Automation, Ongoing |
| #7 – Advocacy (evangelists) | Integrated Referral Features, Automated Campaigns | Embed referral prompts in-app, run automated campaigns targeting satisfied segments for reviews/referrals. | Product/Marketing Automation, Ongoing |

### Risk Factors

What are your three biggest risk factors in your go-to-market plan? How do you intend to mitigate those risks? What metrics will you use to monitor them and intervene as needed? (Remember, things never go exactly the way you want them to or you plan them!)

1. Risk Factor #1 and Mitigation Plan:

Failure to achieve projected customer retention rates, leading to lower LTV than needed to support COCA. Mitigation: Intense focus on onboarding, demonstrating value quickly (aligning with QVP), proactive support, and continuously improving the product based on user feedback.

Metrics to Watch:

Monthly/Annual Churn Rate, Net Promoter Score (NPS), Product Engagement Metrics.

Potential Intervention Strategy:

Implement targeted retention campaigns for at-risk users, improve onboarding materials/process, prioritize feature development addressing reasons for churn, adjust pricing/tier value if necessary.

2. Risk Factor #2 and Mitigation Plan:

Inability to scale lead generation cost-effectively through Internet Sales channels as planned in Medium/Long term. Mitigation: Continuously test and optimize SEO/content strategies, experiment with limited paid channels, focus heavily on building referral/WOM channels early.

Metrics to Watch:

Cost Per Lead (CPL) by channel, Lead-to-Customer Conversion Rate by channel, Website Traffic/Organic Search Rankings.

Potential Intervention Strategy:

Shift marketing budget between channels based on ROI, refine content strategy, invest more in referral program incentives, potentially increase reliance on targeted Inside Sales for specific segments if needed.

3. Risk Factor #3 and Mitigation Plan:

Slow adoption or resistance within academic institutions due to perceived risk, integration challenges, or complex procurement processes. Mitigation: Build strong case studies/testimonials early, provide clear documentation for IT/security review, offer pilot programs, actively support champions navigating internal processes.

Metrics to Watch:

Sales Cycle Length (especially stages # 3-5), Trial-to-Paid Conversion Rate, Feedback on onboarding/integration ease.

Potential Intervention Strategy:

Develop specific materials for procurement/IT, offer dedicated integration support, simplify trial/pilot setup, adjust pricing/licensing models (e.g., pilot site licenses) to ease initial adoption.

## Example

GearUp was a class project by Anusha Paliwal, Jillian Ardrey and Monique Guimond, all MIT Sloan MBAs from the class of 2017. They are all avid outdoors types, and they developed a plan for a new venture that would offer an annual subscription service to provide active young traveling professionals with high-quality ski, snowboard, camping and backpack gear delivered to them when they went on vacations. Here is how they explained how they would maximize conversion between stages of the funnel, and how they defined their milestones for moving from the short term to medium term to long term sales strategies.







This has been another intense chapter but you are building up great knowledge of your business so not only you know if it is worth doing but you also have a plan to make it great. Just as importantly, you are understanding the underlying drivers so you can intelligently and quickly identify and make adjustments once the business starts. It is hard work but it will pay off. The only thing harder is trying to launch a new product and not having a good plan. That is not only more work in the end, it is much more frustrating. Hang in there, we are about to pull it all together and launch this rocket ship.