



STARTUP GO-TO-MARKET REPORT

IDA PEKKANEN, SKIPRED

KEY TAKEAWAYS:

In this study, we focus on the Go-to-Market (GTM) execution strategies employed by 128 startup founders. Here are the key findings in this report:



Startups rush (underprepared) to bring products to the market, with often too little funding to follow through.

Better fundamentals and customer validation will lead to more steady results.



Go-to-Market execution is more crucial than initial market fit, the ability to read customer signals and learn will get you there.

Investing in GTM knowledge and support can positively impact the startup performance



Funding is increasingly challenging and hinders the scaling strategies of startups.

Investors indicate that a well-thought GTM strategy is more valuable than early success, and pivots only make sense if there is measurable data.



Most founders are tech oriented and would like access to GTM experience inside or outside of their team

The GTM indicated support need is broad and goes beyond what is offered during accelerator programs or by investors..

Based on the findings, SkipRed developed offerings to support startups on their GTM journey, ranging from workshops to longer-term support

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PHOTO BY PRISCILLA DU PREEZ ON UNSPLASH

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WHY THIS REPORT?

In this study, we focus on the Go-to-Market (GTM) execution strategies employed by startup founders. There is a wealth of startup literature available, but the true magic unfolds hands-on during the execution phase.

Despite robust support from the ecosystem, founders find themselves grappling with day-to-day challenges. We wanted to understand this phase better from a practical perspective.

GTM is crucial for startup success. Many founders excel with a great idea and work out a strong value proposition, but struggle with sales and revenue execution.

Drawing on data and feedback from a comprehensive analysis of over 100 startup stories, our aim is to gain a deeper understanding of their real-life GTM journeys.

What are they struggling with? How can they overcome these issues? And how can they best be supported?

This report shares the valuable insights derived from our study and offers practical recommendations to empower startups on their path to commercial success.

Kind regards,

Ida Pekkanen and Marc Wullings



PHOTO BY [SLIDEBEAN](#) ON [UNSPLASH](#)



PHOTO BY AUSTIN DISTEL ON UNSPLASH

250+

Startup founders of around 160 startups were personally invited to participate in the survey and the research

128

Startup founders participated in the survey, of which about 106 from the accelerators below, and 22 from other sources

10

Survey questions, of which 3 open questions

25

Follow-up conversations with founders, accelerators, investors and other members of the startup ecosystem

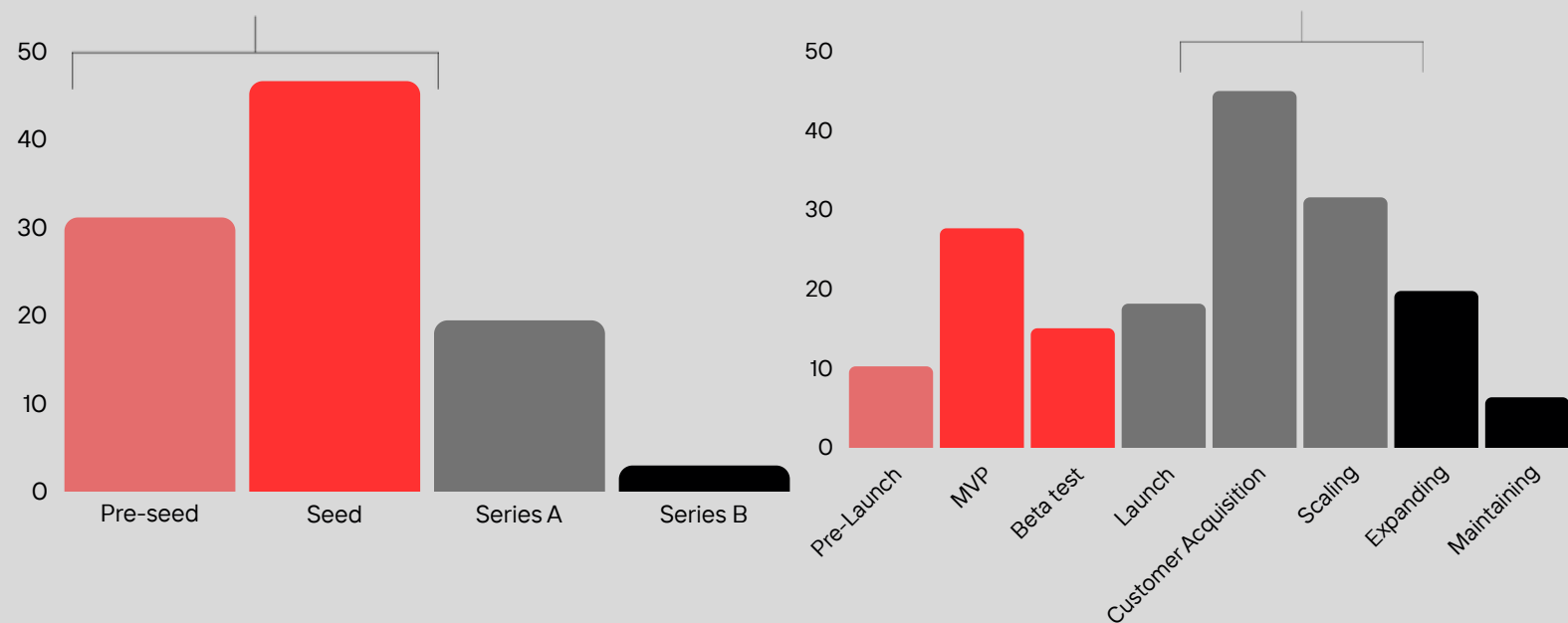
Most startups were sourced from earlier engagements with the following accelerator programs:



ARE STARTUPS MOVING TOO FAST COMMERCIALY?

Funding stage suggest early market and customer validation

But startups seem to be actively selling already



MISALIGNED FUNDING AND COMMERCE

In tracking startups' progress, we noticed a significant misalignment between their funding and commercial stages. Startups are pushing to sell faster than they secure funding, a trend influenced by today's challenging investment landscape where proving commercial viability is crucial.

Market validations should prioritize learning from clients (listening mode), while commercial activities focus on convincing customers of your solution's superiority (talking mode).

Rushing through business setup stages poses a risk of false positives on market fit, leading to premature scaling issues. Balancing results and building a robust foundation is key for sustainable scaling and business growth. The timing of actions is crucial, with a measured approach using the right KPIs being key for robust Go-to-Market (GTM) success. Investors and accelerators can support by challenging startups on their GTM strategy and offering guidance aligned with funding milestones.

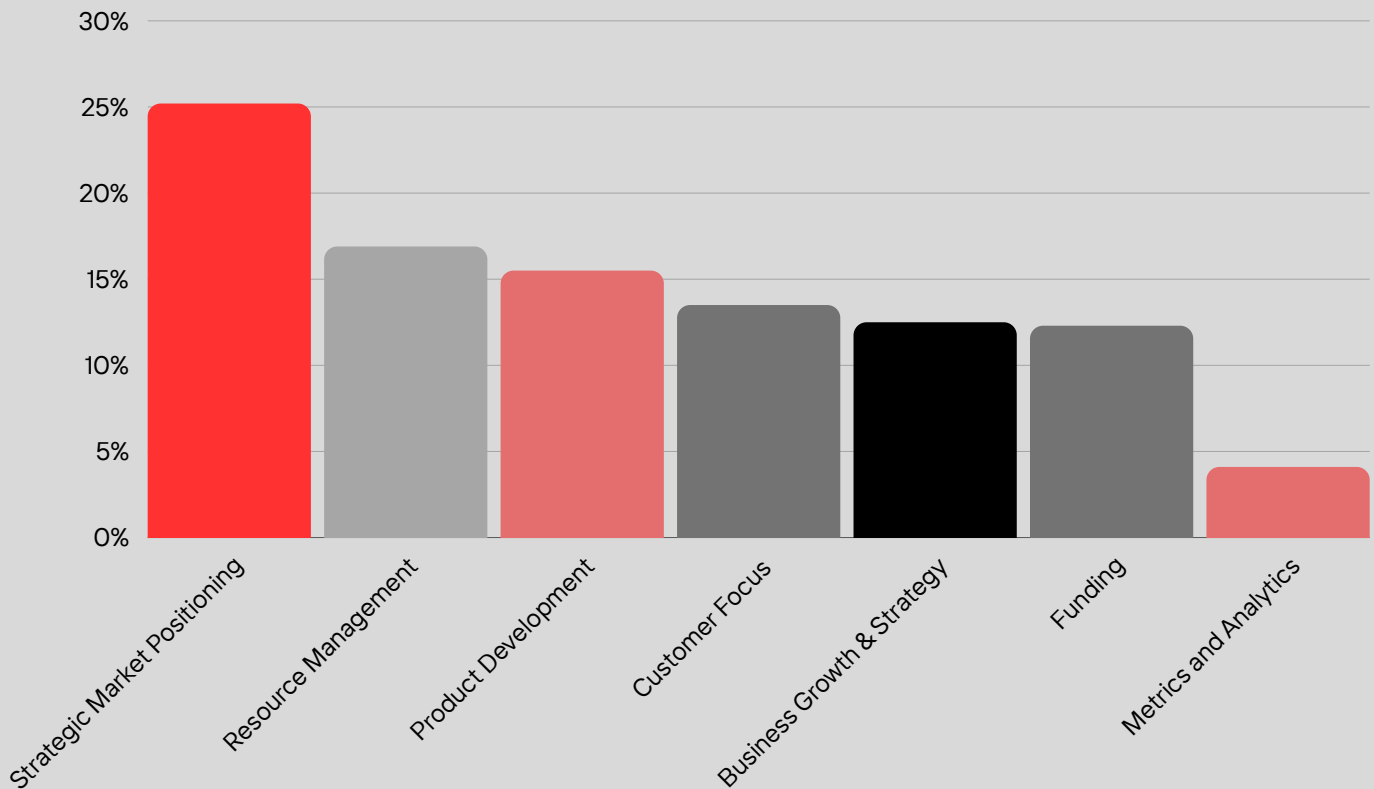
WHAT WOULD YOU HAVE DONE DIFFERENTLY?
STARTUP QUOTES:

"Engage with potential customers earlier, and get customer involvement in the technology development programme."

"Better test for product-market fit from the start, including commitment from potential customers"

"More market research through interaction with potential customers and increase the level of customer financing."

WHAT DID YOU FIND MOST CHALLENGING? (CLUSTERED RESPONSES, THEME AND COMMENTS)



• GTM (Go-to-Market) Strategy:

- **Common Theme:** Several entrepreneurs indicate the importance of refining their GTM strategies, emphasizing the need for a clear market approach and effective execution.
- **Comments:** Insights include spending more time on GTM planning, market research, and engaging with potential customers earlier in the process.

• Product-Market Fit and Iteration:

- **Common Theme:** Founders stress the significance of achieving product-market fit, iterating on customer feedback, and validating solutions before scaling.
- **Comments:** Recommendations include focusing on MVP development, engaging in early market research, and testing for product-market fit from the outset.

• Sales Strategy and Customer Acquisition:

- **Common Theme:** Entrepreneurs discuss challenges in sales strategy, customer acquisition, and the importance of effective marketing.
- **Comments:** Insights involve spending more time on go-to-market, sales planning, and building a professional sales funnel. Some highlight the need for a focused approach on smaller entry markets.

• Pricing Strategy:

- **Common Theme:** Pricing strategy is a recurring theme, with entrepreneurs expressing the need for a more focused and commercially oriented pricing approach.
- **Comments:** Recommendations include spending more time on market analysis, understanding competitors, and careful consideration of pricing models.

• Market Readiness and Research:

- **Common Theme:** Entrepreneurs stress the importance of being market-ready, conducting thorough market research, and engaging with customers earlier.
- **Comments:** Insights involve gathering more information on funding options, talking to potential customers for product-market fit, and planning for long-term growth.

• Funding Challenges:

- **Common Theme:** Entrepreneurs consistently highlight challenges related to funding, with a focus on fundraising strategies, timing, and investor relationships.
- **Comments:** Insights range from the need to secure more investors early on, avoiding mistakes in funding rounds, to being more strategic in engaging with investors.

• Limited Resources:

- **Common Theme:** Many respondents express challenges related to limited resources, emphasizing the importance of efficient resource allocation and team building.
- **Comments:** Entrepreneurs suggest hiring key team members, managing operational costs wisely, and focusing on building a capable and committed team.

• Scaling Challenges:

- **Common Theme:** Scaling issues are highlighted, with emphasis on organizational readiness, team scalability, and operational optimization.
- **Comments:** Recommendations include being cautious in scaling, hiring strategically, and setting up structures for strategy and governance before significant scaling efforts.

• Corporate Collaboration and Partnerships:

- **Common Theme:** Entrepreneurs recognize the value of corporate collaborations and partnerships, emphasizing the need for clearer proposals and engagement.
- **Comments:** Insights involve being more strategic in approaching collaborations, engaging with corporates earlier, and leveraging partnerships for mutual benefit.

• Talent Acquisition and Team Building:

- **Common Theme:** Entrepreneurs discuss challenges related to talent acquisition and team building, emphasizing the need for a skilled and committed workforce.
- **Comments:** Recommendations include hiring key team members, addressing legal compliance early, and fostering a common vision within the team.



59%

Of the startups indicate challenges with funding in their growth journey.

34%

Mention lack of funding as a reason to deviate from their original strategy

PHOTO BY [ANDREW NEEL](#) ON [UNSPLASH](#)



PHOTO BY NAVUS VENTURES

AN INVESTOR VIEW ON EARLY SCALING

EDUARD MEIJER, NAVUS VENTURES

Eduard Meijer is the managing director of Navus Ventures B.V., a venture capital firm, which is part of the family office linked to Lely (farming innovators). Navus Ventures focuses primarily on food and energy transition - related companies.

What risks do startups face if they skip crucial early stages in their eagerness to scale?

Some startups ask for funding without knowing what they will exactly use it for, not having clear objectives. This indicates that you do not know where you are and where you are going.

Skipping steps in the process, thinking you are ready to scale can be very expensive. Here an outside view is crucial. The company is assuming the founding team has the expertise to do it alone. Often, they overlook the need for someone with prior scaling experience.

In your experience, what are the key factors that determine a startup's success in the early stages?

Many have great solutions but struggle to make them profitable. It's essential to get honest market feedback and validation. Do you have confirmation that the customer values the solution enough to pay for it, is the real cost of the problem really higher than the cost of the solution. Startups often falter by not consistently engaging with their customers, leading to a product that's close to market-fit but not quite there.

"Many startups fail in talking to their (potential) customers enough"

How should startups balance the need for quick results with the necessity of building a strong foundational business model?

The investment market wants you to show traction to get an investment. So it is crucial to prove you can make money with your solution, but do it in an open and transparent way. E.g. with demo-customers that could give a testimonials instead of quick unsustainable wins. Be transparent towards your investor, talk to your competitors and be realistic in terms of valuation.

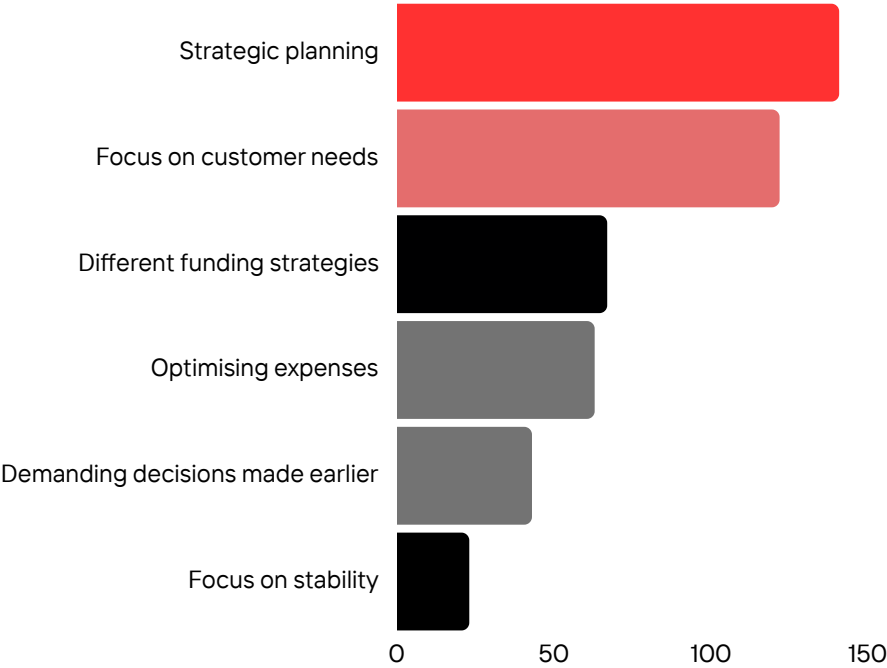
STUMBLING OVER AMBITION

ARE WE TAKING ENOUGH TIME FOR MARKET DISCOVERY?

WHAT WOULD YOU HAVE DONE DIFFERENTLY?

Bringing a new product or service to market brings a lot of different variables together. Often, founders are new to sales and GTM. On top of that, the product or service is new to the market. Mistakes and detours in GTM are bound to be made, as the survey results show.

It is not surprising that respondents indicate that they would focus more on strategic planning and customer needs if they were to do this stage again.



WHAT ARE YOUR GOALS AND TARGETS FOR NEXT YEAR?



Moving forward, it is clear that financial stability is the desired end state for most startups, but lots of work is planned around typical GTM tasks like customer acquisition and retention, market entry, marketing, partner and alliance setup and operational efficiency.

The respondents seem to have a clear expectation but their understanding on how to get there and what to prioritise is incomplete.

MARKET FIT *VERSUS* GTM EXECUTION

Recently, an investment executive stated that startups die because of lack of Product Market Fit. Technically, this is as true as stating that individuals die because of a cardiac arrest.

In practice, startups entering the market should work towards Product Market Fit, and do this by executing their Go-to-Market strategy.

As such, the execution of the Go-to-Market strategy is more crucial than the initial market fit.

A good early stage execution means that , from the initial product, you work solidly on a prospect base, aiming at both discovery and execution to find those early customers.

This leaves enough room for adjustments in the proposition, while not losing too much time or too many opportunities along the way.

If there is anything a startup can benefit from, then it is from an improvement of their Go-to-Market strategy and execution skills.

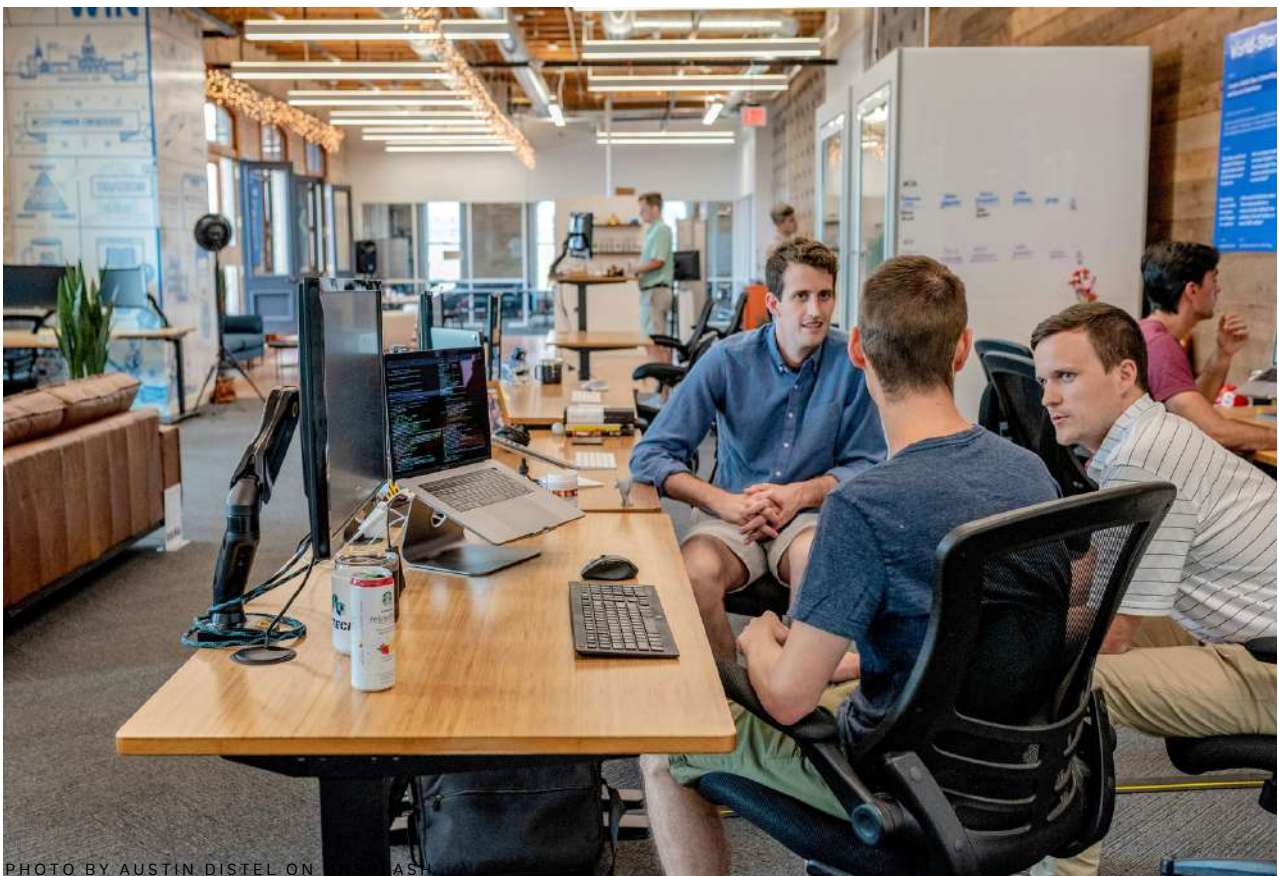


PHOTO BY AUSTIN DISTEL ON



BALANCING GTM IN DEEPTech

ALAIN LE LOUX, COTTONWOOD VC

Alain le Loux is a serial entrepreneur and a general partner for Cottonwood technology fund. On top of this, he is a board member of many companies with a focus on deeptech.

How important do you find market validation in the early stages of a startup, and how should startups approach this?

Super important. As a venture capitalist we do the homework again for the startup to ensure that their research is really true. So what we do is call a lot of references and experts to really figure out if there is a market.

In your experience, what are the key factors that determine a deep-tech startup's success in the early stages?

Number 1 is marketing, number 2 is networking and number 3 is a convincing team.

How do you measure the progress of startups in the pre-launch phase and how can you assess commercial viability?

We focus on creating value and value can be measured through letter of intents, proof of concepts, technical progress, pilots for customers, paid pilots, payment for research and non-recurring engineering etc...

"If you have a really good idea, a good team should form around it as they will recognize its value."

How should startups balance the need for quick results with the necessity of building a strong foundational business model?

Well, what is a quick result? It may be technical progress or revenue after 3 years, depending on who you ask. The problem in deep tech is that you need multiple rounds so you always need to convince the next investor and your results must be aligned with the interests of this next investor. If you think you can get money from strategic partners then it's mostly technical validation.

FOLLOWING THE STRATEGY

Most startups feel that they are following their strategy quite well. However, throughout the report there is evidence to the contrary.

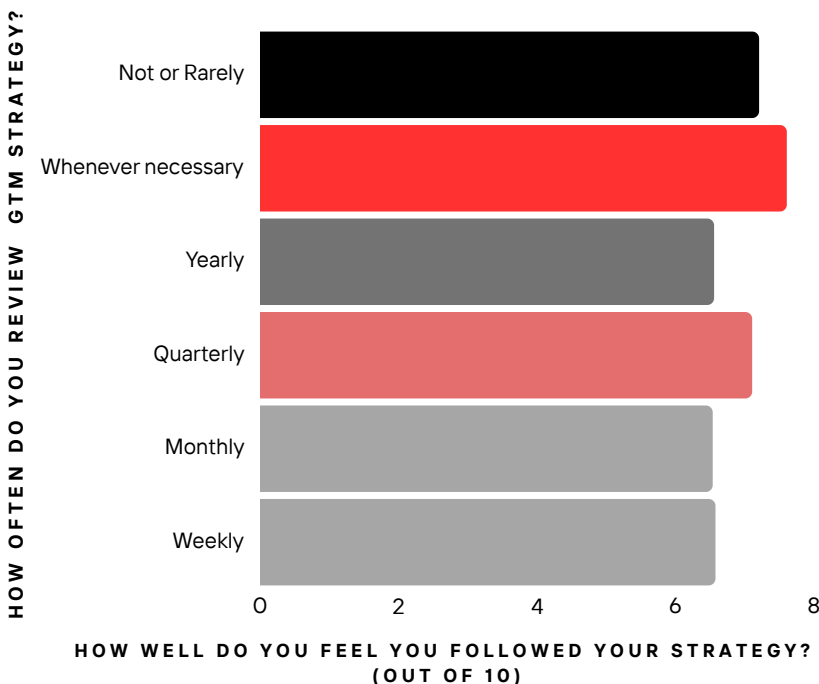
Strategy is everywhere and in everything the startup does. Funding, for example, is seen as a difficult obstacle which means it should have its own strategy.

It is vital for the company to have a clear idea about what they wish to achieve, and how they are going to get to that goal. Investors indicate that an overall strategy is not enough. It needs to be detailed and execution measurable.

There is a gap in the perceived and actual strategy implementation. There is a need for clearer strategy alignment so startups can understand their own shortcomings better.

Based on the survey, the more you review go-to-market strategy the better you follow it and your general strategy as well. Like any strategy, go-to-market strategy must be adaptable to shifts in the market or to other unexpected events. Research suggests that the recommended strategy review-rate is quarterly. However, we found that the startups who review whenever necessary also follow their strategy the best. so it is. in reality, the most optimal way.

The importance of reviewing and planning (GTM) strategy was mentioned as one of the main issues startups need help with.



"Reality makes you deviate from your strategy all the time - strategy is useful to have a plan even if you have a partial view of the market customers and your capabilities but nobody has the perfect plan from day 1.."

"Though the targets are clear the strategy has to be agile and allow grabbing opportunities in the moment."

A CORPORATE LOOK AT STARTUPS

OLLI PARKKONEN, FORTUM

Olli Parkkonen is a Startup Investment Manager at Fortum's Innovation and Venturing unit. He has spent 10 years in business development mainly in the energy sector.

What are you looking for when scanning startups for open innovation?

Emphasizing a focus on startups beyond existing business units, Fortum evaluates innovations for both incremental improvements and disruptive ideas with an emphasis on the latter. Priorities lie in the energy sector, particularly in flexibility (e.g., storage methods, demand response), biodiversity, and decarbonization within and beyond Fortum.

Additionally, trust in the leader and team is paramount. Subsequently, the investment decision considers the startup's viability, acknowledging the challenges of less sophisticated estimates in early-stage companies

How important does Fortum find market validation in the early stages of a startup, and how should startups approach this?

That is the most crucial part. Also crucial for the VC in terms of whether the startup will survive or not. At Fortum, being a large organization, we have the advantage of having many experts in our company. We facilitate easy access to experts in niche subjects, aiding in the market validation of innovative ideas.



“Execution is everything. Startups easily end up pivoting. It is most useful when founders can notice themselves when something is not working and change it”

What kind of help/support can you offer your portfolio startups?

We try to get a board seat and put forth senior executives with relevant industry experience to help the startup founder. Partly also utilizing internal resources and experts. In some cases, we also see ourselves as a customer of the startup which gives us a useful standpoint in terms of perspective.



- **Business Development and Sales:**

- Sales Funnel Management, Growth Hacking
- Sales development, Go to market, Employee accountability, KPI, and reporting with goals
- b2b sales in European markets

- **Product-Market Fit:**

- PMF strategies, corporations of different kinds for sustainable revenues
- better product-market fit, solving bottlenecks in the funnel, stuff like that
- Product market fit and pricing

- **Brand Building and Communication:**

- o Create a strong brand value and present it.
- o Communicate properly our brand identity and reinforce the brand image.
- o Branding, establishing corporate partnerships

- **Organizational Structure and Governance:**

- Exit strategy and how to build sustainable and adaptable systems and structures
- Hands-on best practices on how to implement structures for strategy, governance,
- How often to adapt and change. How to limit options and focus.

- **Industry-Specific Strategies:**

- GTM in mental health / international mental health
- Customer acquisition in the Oil & gas and Chemical industry.
- Launching foodtech at new markets (different countries and regions)



BUSINESS GROWTH WITH AN ACCELERATOR

PAOLO BORELLA, VITA ACCELERATOR

Paolo Borella is the Managing Partner of VITA Accelerator which is based in Italy and focuses on helping pre-seed digital health startups. VITA is one of the Open Innovation activities of Eversana-Healthware Group.

Based on your experience, what are some of the most common challenges you see startups facing in the early stages?

A major challenge is premature scaling in multiple markets to rapidly gain customers. This can lead to high costs and slow growth, despite acquiring customers. It's vital to have a clear, cost-effective plan for scaling.

Initially, the local market should be leveraged for product validation, which is not focused on enough. Once established, expansion can be more efficient and faster, especially considering the relatively small size of European markets.

What advice do you offer startups that are considering or undergoing a pivot in their business model or strategy?

Pivoting often occurs when a team identifies a fundamental issue. Effective pivoting requires thorough analysis to understand why the original value proposition was inadequate and to identify the root cause.

“Too much product focus without customer or business model validation will almost always lead to difficulties selling in a sustainable, scalable way.”

What are the typical pitfalls in executing GTM strategies, and how can they be overcome?

Key issues include a too heavy of a focus on local markets and premature scaling. Additionally, a key challenge is attempting to scale with inadequate resources, often leading to the realization during expansion that the company lacks the capacity to execute its plan effectively. This situation results in either slow progress or costly backtracking.

The current difficulty in securing funding further complicates this, underscoring the need for careful evaluation of a company's readiness for market expansion.

HOW SKIPRED CAN HELP:



We love startups, and we love it even more when they grow. That is why we offer bespoke services to startups, here is a take on our offering:

1 on 1 coaching on GTM issues	Coaching sessions in line with your startup program. Session duration 1 hour, total engagement incl prep and debrief 1,5 to 2 hrs	Euro 175 for a 1-hour session, including preparation of startup materials and de-brief
Transformational support	Help is get from here to there in terms of GTM, typically 2-5 months	Pricing based on offer, ask for an initial, free intake call
Training and workshops	Workshop examples: GTM strategy, selling to corporates, pricing, internationalisation, funnel management, etc.	Pricing based on offer, ask for an initial, free intake call
Fractional support	Join our team as fractional CCO to help us meet our goals	Pricing based on offer, ask for an initial, free intake call

**ROLAND PFEUTI, CO-FOUNDER
HEALTHY LONGER**

"Marc helped us to significantly progress our go-to-market strategy. Marc shares his profound knowledge in a supportive and challenging style, putting our startup first, we really appreciated his support and advice."

MAARTEN TEN HOUTEN, CEO COOLFINITY

"Marc's expertise, strategic insights and advice have been instrumental in navigating us through complexities as a start-up. He has been consistently challenging and inspiring us."

SEBASTIAN GOMEZ AZNAR, ROCKSTART

"I have worked with Marc for over a year, across 3 of our Corporate Innovation programs and our collaboration has been consistent, reliable and more importantly, well received by the startups in our programs."

MIRVA LAMPINEN, VTT EIT FAN

"Marc's expertise and support have been invaluable for the Food Accelerator network startups. His profound understanding of the challenges faced by startups has facilitated significant professional growth for teams."



PHOTO BY CLAIRIFY

A STARTUP GTM ADVISE JOURNEY

WIM KAMERMAN, CLAIRIFY

Wim Kamerman is the CEO of Clairify, a Dutch startup in Indoor Air Quality that was acquired in december 2023 by a large market player in Holland.

Could you tell us about your journey with Clairify and your role in its growth?

When I joined Clairify, I was responsible for the software and manufacturing technology. As we grew, we hired new colleagues to further develop the product, and I got a more commercial role. In the end I was the CEO of Clairify.

What do you think were pivotal moments in the startup that got you the market success and the funding?

In Corona times, we were featured by the Dutch Financial Times (Financieel Dagblad), which led to good PR and new sales. Onboarding large corporations such as CBRE also helped to establish trust in the growth of Clairify that enabled our VC funding.

What kind of support did you receive in your startup journey?

A balanced group of experienced mentors / advisors helped us with the development of our tech, go-to-market strategy, business model, sales approach, team development and network. The investor group also provided strategic support. Last, we participated in the Rockstart accelerator program.

"Assemble a solid advisory team that can advise on a broad set of topics."

What role did Marc from SkipRed play in your startup journey?

Marc played a key role in the development of our company and team as, by far, the most hands-on advisor. With practical guidance he supported us with getting funding, onboarding new clients, dealing with complex sales processes, training our 'commercial vehicle'. And last, Marc invested in our company and supported in the process of selling the company.

WANT TO KNOW MORE?



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