



GO VERTICAL IN 60 DAYS!



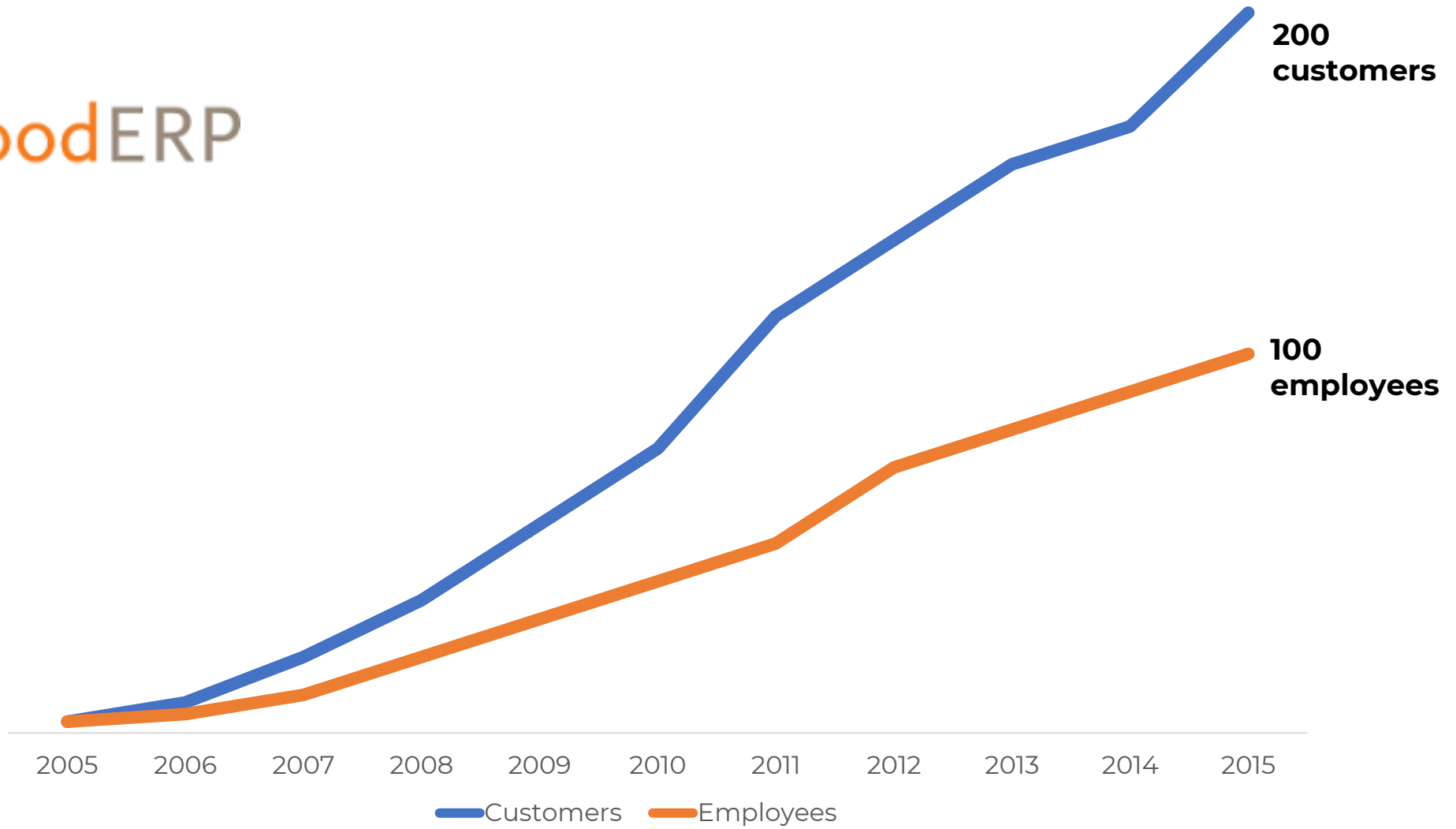
Marc DiGiorgio
Co-Founder
TekStack

Topics we'll cover in 60min

1. Why go vertical?
2. Pragmatic Marketing Framework
3. Identifying your target market
4. Positioning with a difference
5. What sales/marketing assets do you need?
6. How to create a vertical offer
7. How to launch your first campaign

THIS IS THE SAME PROCESS USED TO LAUNCH...

justfoodERP



You don't necessarily need
intellectual property to go vertical



The main goal of verticalization is to create a **competitive** advantage in the eyes of your **buyer**.



WHAT IS THE IMPACT OF GOING VERTICAL?

1. Easier to focus demand gen efforts
2. Increased win rates
3. More value = higher prices
4. Stickiness (Retention)

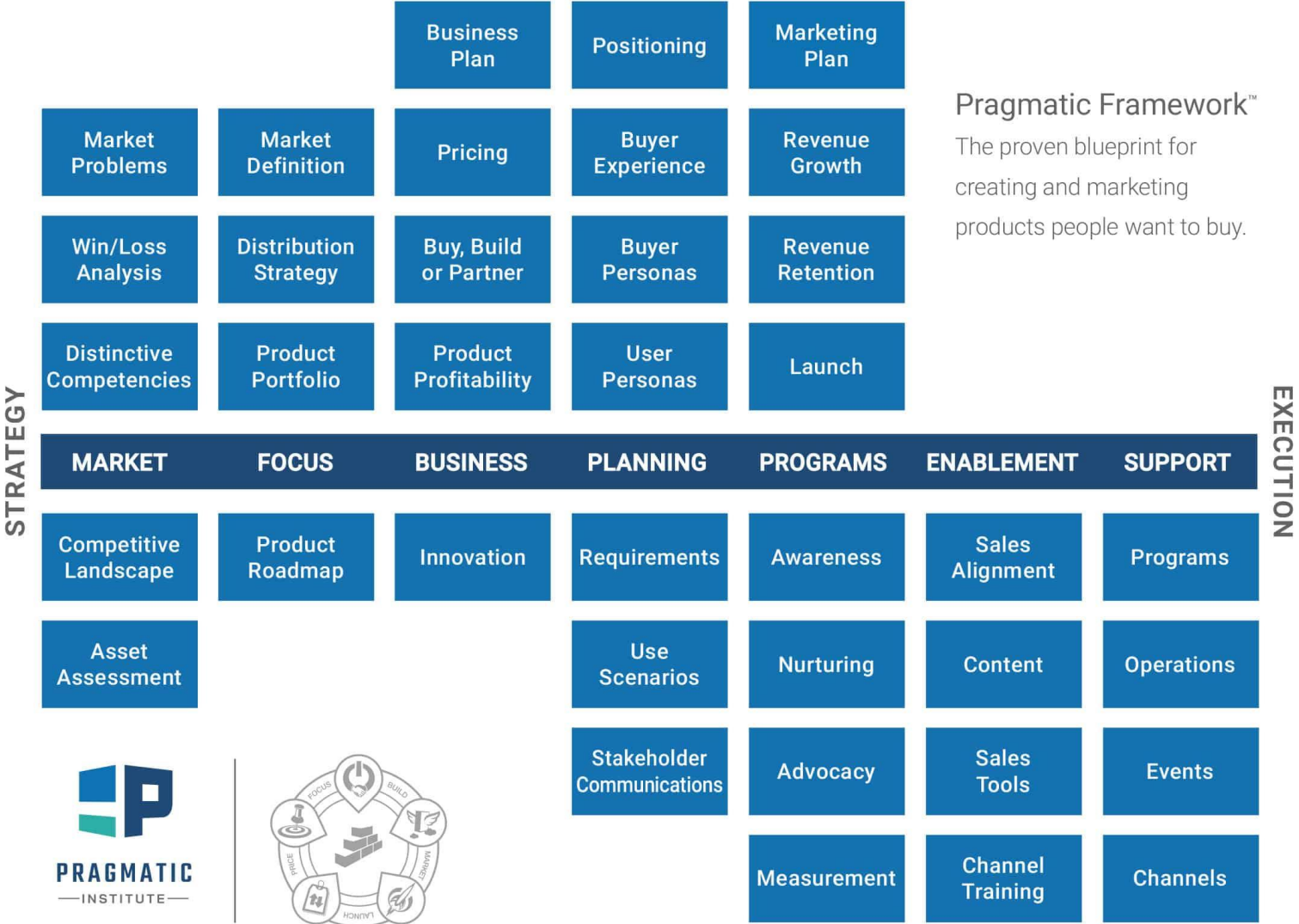


COMPARE

	Non-differentiated	Differentiated
Incremental Revenue each year	\$216,000	\$1,134,000
Average Deal Size	\$36,000	\$42,000
Win Rate	25%	50%
Number of Opportunities	2	4.5
Pipeline Conversion	50%	75%
Number of Leads/mth	4	6

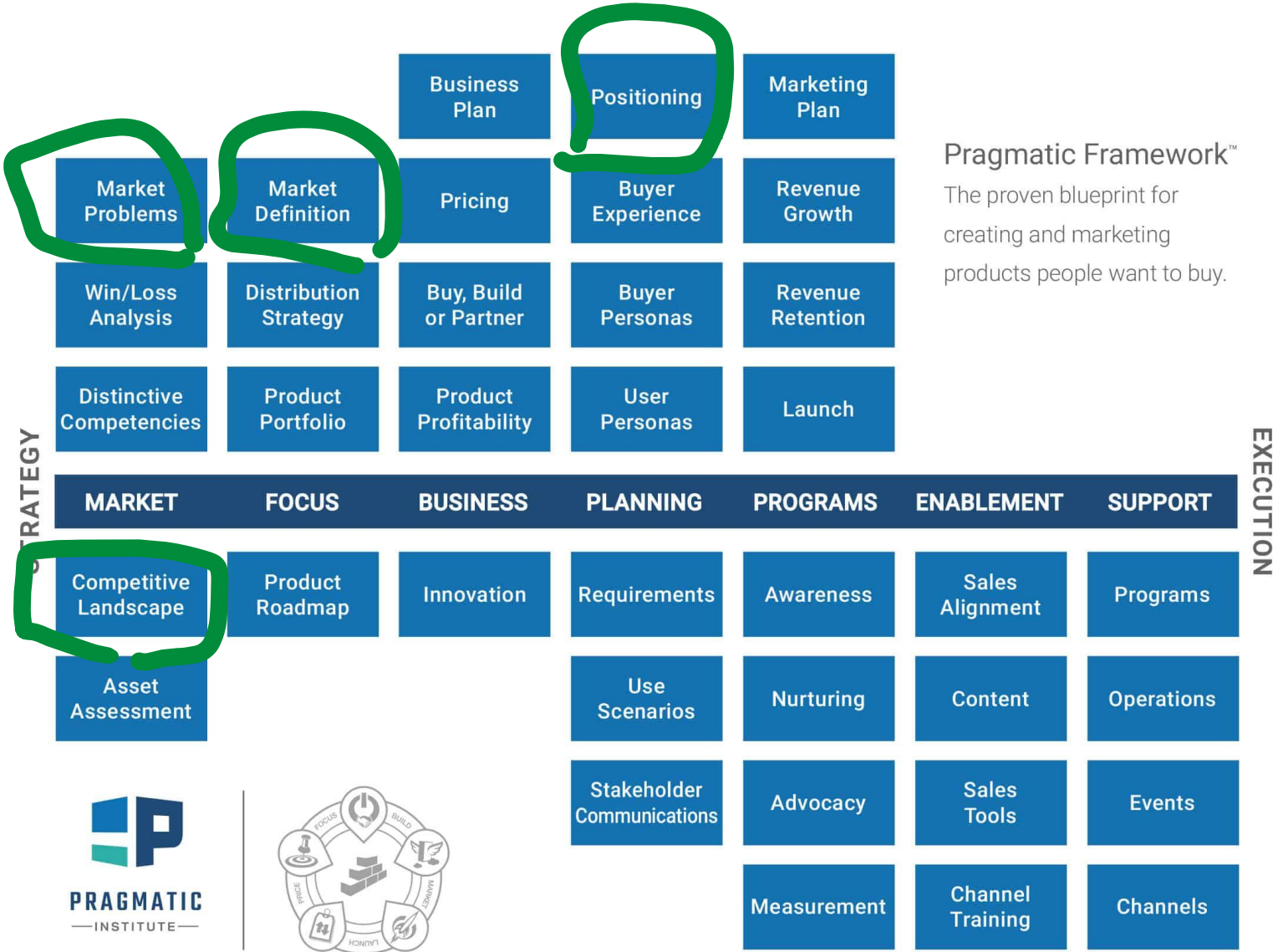
So how do you do it?





Here is the shortcut...





HOW TO PICK YOUR VERTICAL

- What is the market size?
- Can I find these companies easily?
- First adopters or laggards?
- Do you enjoy selling to this market?
- Do they have unique challenges?
- Do they herd?
- Do you have customers/experience?
- What is their buying process?
- What is their adoption?
- Are there strong competitors?



“The Grinder”

Food companies NA

Job Function

+ Add Job Function

Job Level

+ Add Job Level

Company Location

Geography

All

North America

(24,641)

+ Add Company Location

Employee Count

All

20 to < 100

(19,767)

100 to < 500

(4,874)

Edit Employee Count

Revenue

Edit Revenue










24,641 Companies

288,903 People

Save

Export

Delete

<input type="checkbox"/>	Company Name	Location	Type	Industry	Revenue	Employees
<input type="checkbox"/>	 Bacardi U.S.A., Inc.	Coral Gables, FL, United States	Subsidiary of Bacardi Corporation	Beverage Distillers		475
<input type="checkbox"/>	 Reckitt Benckiser LLC	Parsippany, NJ, United States	Subsidiary of Reckitt Benckiser Group Plc	Specialty Cleaning Products		400
<input type="checkbox"/>	 ACH Food Companies, Inc.	Oakbrook Terrace, IL, United States	Subsidiary of Associated British Foods plc	Flavorings, Spices and Other Ingredients		250
<input type="checkbox"/>	 MOM Brands Company	Lakeville, MN, United States	Subsidiary of Post Holdings Inc	Pastas and Cereals		200
<input type="checkbox"/>	 Lindt & Sprüngli (USA) Inc.	Stratham, NH, United States	Subsidiary of Chocoladefabriken Lindt & Spruengli AG	Candy and Confections	\$250M	400
<input type="checkbox"/>	 Mannatech, Inc.	Flower Mound, TX, United States	Public (NASDAQ:MTEX)	Food Products	\$157.98M	225
<input type="checkbox"/>	 T. Marzetti Company	Westerville, OH, United States	Subsidiary of Lancaster Colony Corp.	Flavorings, Spices and Other Ingredients		175

Show 50

1 2 3 4 5 ... 493

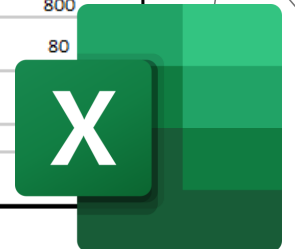
Try to pick a target market of at least 5,000 but no more than 10,000 companies.



NOT EVERYONE IN YOUR TARGET IS ACTIVELY LOOKING...



PLANNING						
These assumptions define the size of the market (in opps/accounts assuming 1 opp per account), what portion of that would be in market for a relevant solution per year and the number of deals that DMS is targeting from the market						
				Scenario 1	Scenario 2	Scenario 3
Target			Market that is available to reach	10,000	13,824	13,824
Active	Target-Active	10%	Estimated % of target market that could be actively making purchase decision in year	1000	1382	1382
Average Deal Size				\$ 36,000	\$ 40,000	\$ 40,000
Target number of deals per year				15	20	30
				\$ 540,000	\$ 800,000	\$ 1,200,000
Waterfall Execution						
This section determines the number of accounts/opps will be needed in the year based on the target number of accounts and the conversion rates						
Stage	Conversion	Conversion Rates	Notes	Waterfall stage volume needed for target deals	Waterfall stage volume needed for target deals	Waterfall stage volume needed for target deals
Engaged	Active-Engaged			400	533	800
Prioritized	Engaged-Prioritized	10%		40	53	80
Qualified	Prioritized-Qualified	75%		30	40	
Pipeline	Qualified-Pipe	100%		30	40	
Close	Pipe-Close Won	50%		15	20	
Net waterfall from Engaged to close won		3.75%				
				1.25		



NEXT STEP

Ideal Customer Profile

- Size of Company
- Location
- Industry
- Age/Gender
- Market Problems

Buyer Persona(s)

- Age/Gender
- Job Title
- Education
- Pain points
- Favorite Events
- Favorite media
- Attitude toward tech

Competitors

- Size and locations
- How funded
- Target customers
- How many customers
- Unique value add
- Key features/benefits
- Pricing



Market Definition
Market Problems
Buyer Personas
Competitive Landscape

Positioning to win!



HOW CAN YOU POSITION A VERTICAL OFFERING?

Messaging	<ul style="list-style-type: none">• Parrot the buyer's language• Combining the best software with pre-packaged best practices for your industry.
Use Cases	<ul style="list-style-type: none">• Pick 3-4 use cases for the industry.• Update screens and data to be industry specific.• Align uses cases to top business problems• Include products across the stack: D365, Power BI, Teams, etc.
Reporting	<ul style="list-style-type: none">• Build a couple Power BI reports
Implementations	<ul style="list-style-type: none">• Go Prescriptive & Fixed Priced• Offer a data migration option for any legacy competitors
Integration Points	<ul style="list-style-type: none">• Are there any integrations to industry leading apps?
Pricing Model	<ul style="list-style-type: none">• Put it out there!• Run services to 30% gross margin• Move revenue to recurring• Bake in support fees & upgrades
Ease of Doing business	<ul style="list-style-type: none">• Just be easy to do business with• People are human and buy emotionally

POSITIONING DOCUMENT

Quick 40-word statement →

What we do →

Who we work with →

Why we are better →

Positioning Document



So tell me about ABC MSP.... (40 words)

ABC is the technology partner for engineering consulting firms. Part engineers, part tech geeks, we may not make for the most exciting party guests, but we love the work we do for our clients.

Tell me more... (200 words)

We only work with engineering firms. Your company has specific IT needs because your users are depended on sharing data, work in the field and in the office; and work with specific applications. We have experience with those applications.

We do it a little differently than the other IT service firms out there. Because we only work with your industry we can add more value for the investment you make. You wont be training our employees about your business, in fact, we can provide best practice recommendations to you.

We've been at this for a long while. We are partners of this provider and that provider, etc.

Who does ABC work with....

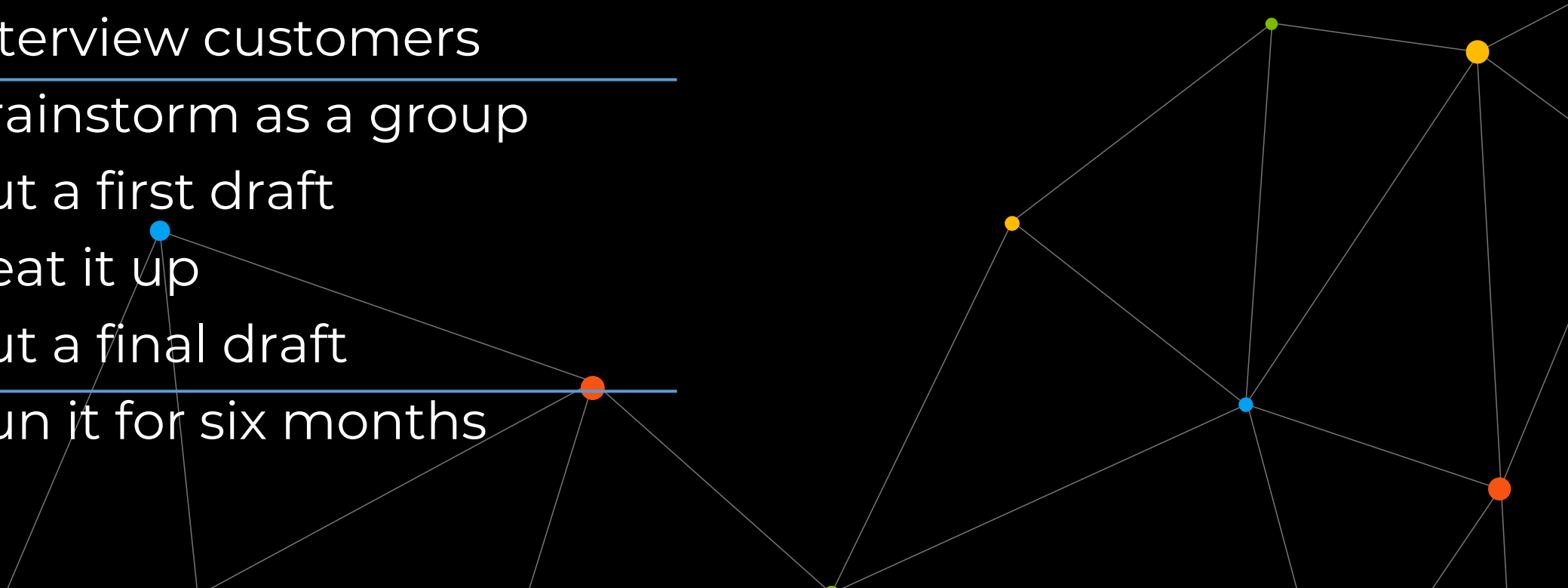
SMB Suite works with engineering firms across the US.

Why would a company choose [REDACTED]

Besides being a great technology platform, the biggest benefit a company has in working with Microsoft technologies is that you have a massive network of partners to choose to work with. We might be a good fit if you are looking for a Microsoft partner that:

- Has A LOT of Experience in your industry
- Isn't so big that you cant get the owner on the phone, but so small that the owner is the only person doing the work
- A partner that focuses on business outcomes, not just technology for technology's sake.
- Provides amazing support
- Understand the needs of your users
- Work the technology and tools you need to support your business every day.

BUILDING OUT THE STORY

1. Record the founder story
 2. Interview key employees
 3. Interview customers
 4. Brainstorm as a group
 5. Cut a first draft
 6. Beat it up
 7. Cut a final draft
 8. Run it for six months
- 
- An abstract geometric diagram on a black background. It features several colored dots (blue, orange, yellow, green) connected by thin white lines, forming a network of triangles and polygons. The dots are positioned at various points, some near the text and others further to the right.

How do you do this in 60 days?



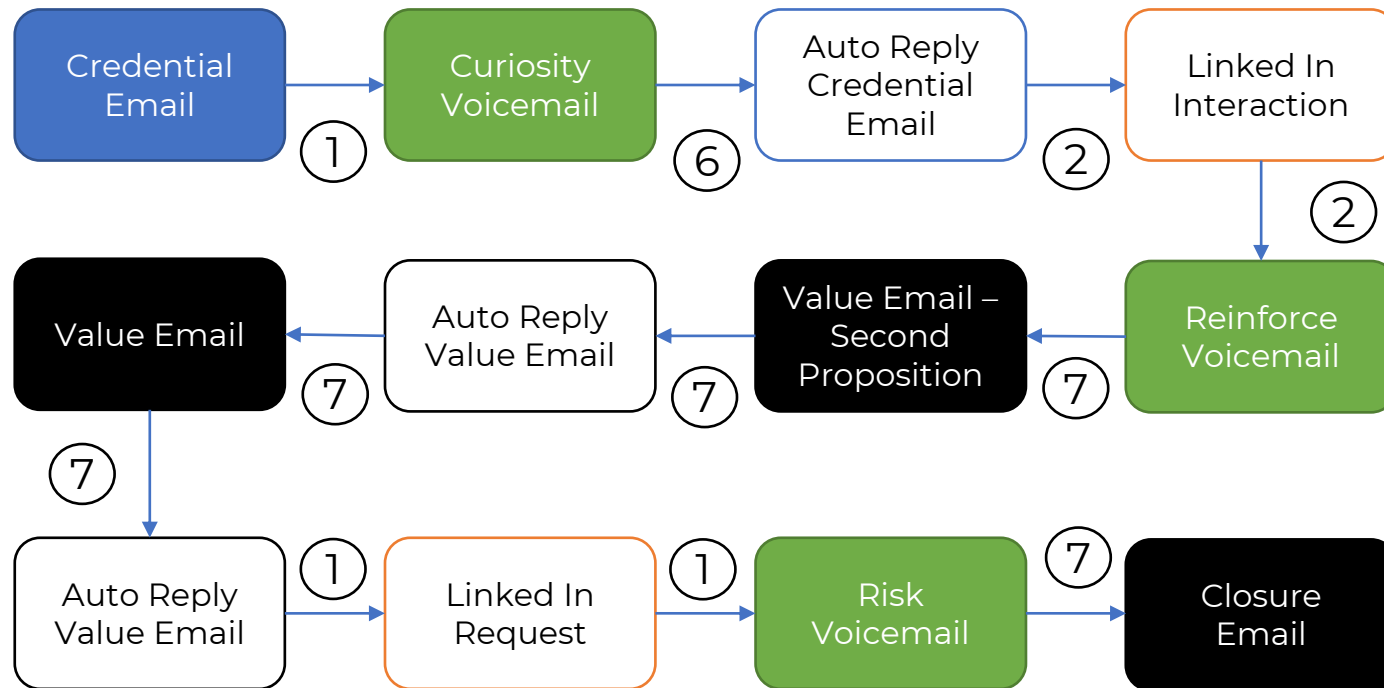
	W1	W2	W3	W4	W5	W6	W7	W8	W9
Market Strategy									
List Potential Verticals									
"The Grinder"									
Make Decision			☑						
ICP									
Buyer Personas									
Competitive Analysis									
Positioning Document									
Product									
Setup Demo Environment									
Use Cases									
Reports									
Demo Script									
Pricing									
Go-to-Market									
New Brand & Website									
Product Video									
Top of Funnel 'Guide'									
LinkedIn Page update									
Sales Alignment Letter									
Sales Presentation									
Objection Handling									
Targeted Account List Build									
SEO									
Outbound Sequence									
Campaign Calendar									



Go mode!



USE OUTBOUND SEQUENCES & ACCOUNT-BASED



Manual Emails

- Heavily Researched
- Consider Use of Video

Voicemails

- Assume the voicemails are transcribed.
- Think of them as a text message.

Auto Emails

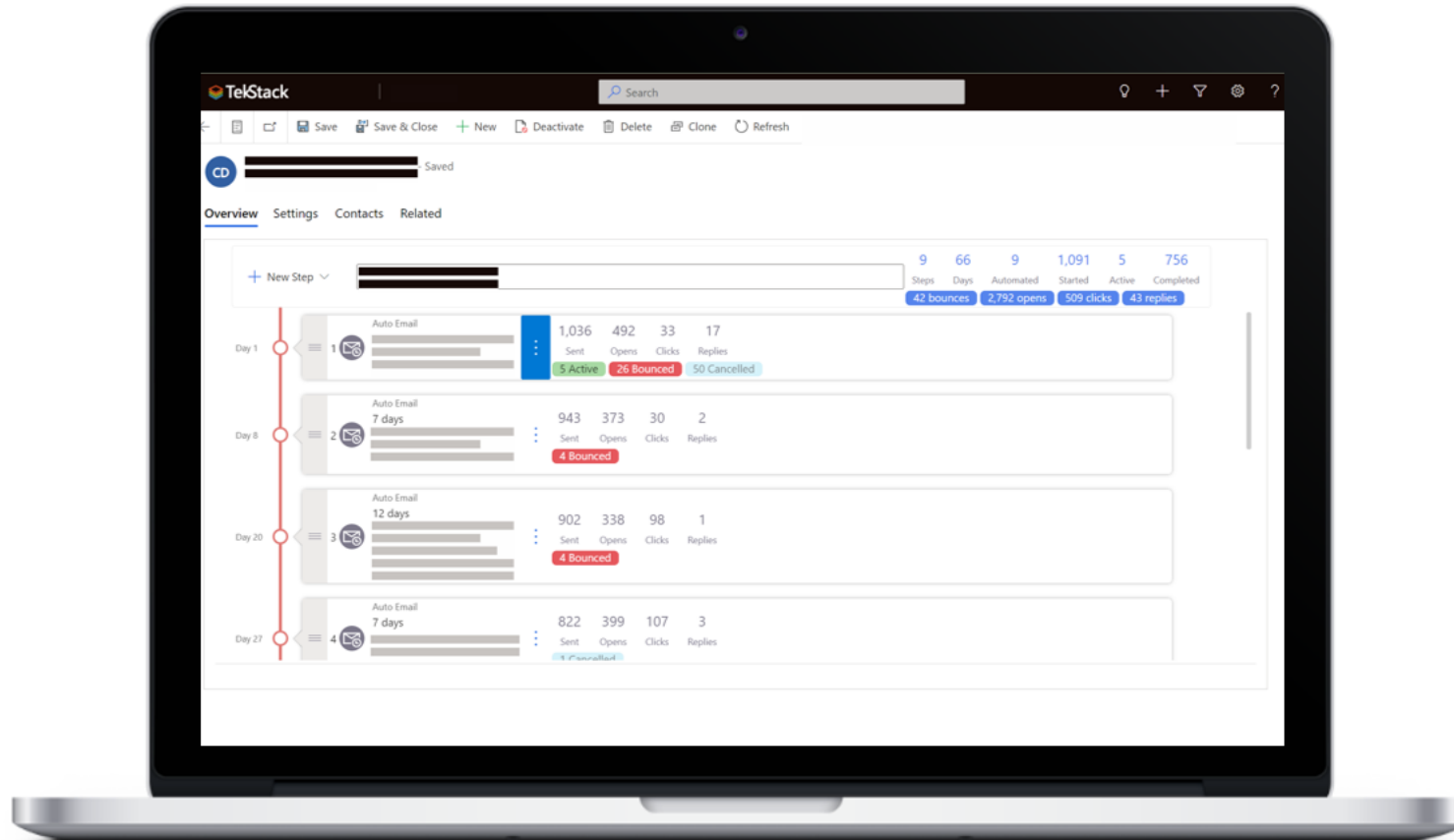
- Great for replies, but also effective once you've established yourself

LinkedIn

- Don't sell. Interact.

MULTIPLE CHANNELS, COMBINATION PUNCHES

OUTBOUND ENGINE



Set leading and lagging indicator targets



SALES METRICS

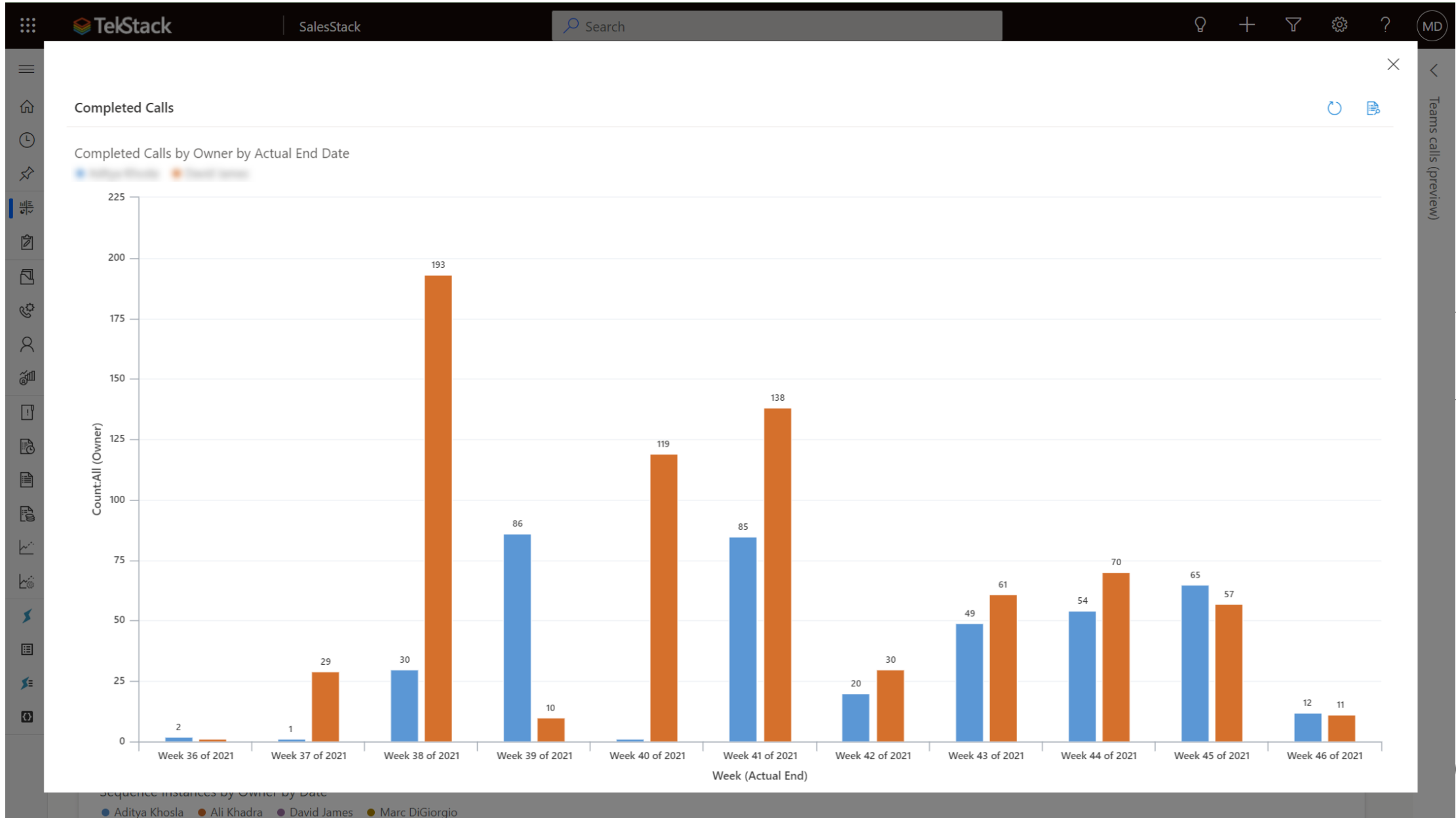
Quarterly ARR Target	\$ 250,000
% of Target from New Customer Opportunities	100%
Quarterly ARR New Customer Target	\$ 250,000
Average Deal Size	\$ 30,000
# new customer adds each quarter	8
New Customer Win Rate %	50%
Number of New Customer Opportunities each quarter	16
Opps per month	5
Pipeline Conversion	50%
Number of Prioritized Accounts each month	10



SEQUENCE CREATION



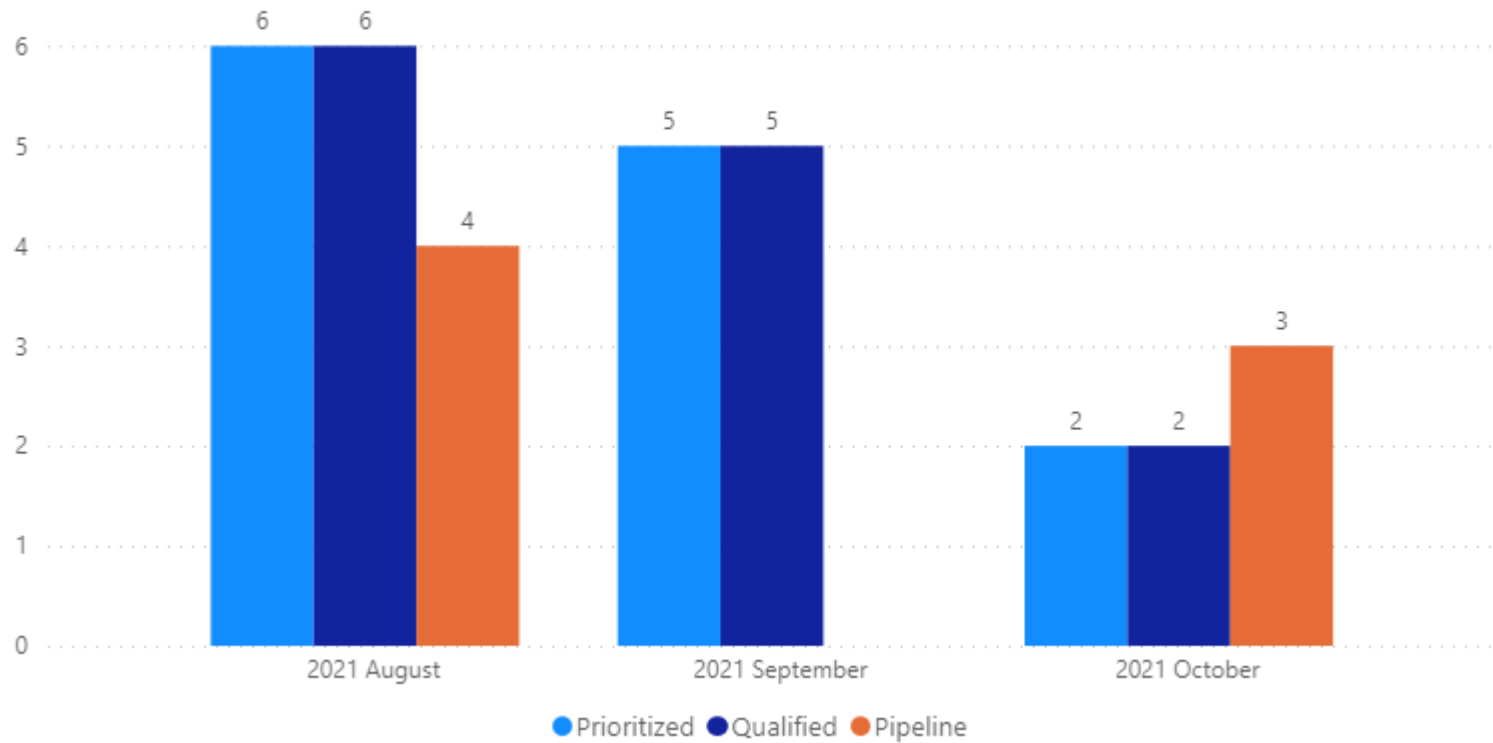
CALL ACTIVITY



FUNNEL CONVERSION

Prioritized, Qualified, Pipeline

BY YEAR, MONTH



Prioritized to Qualified Rate

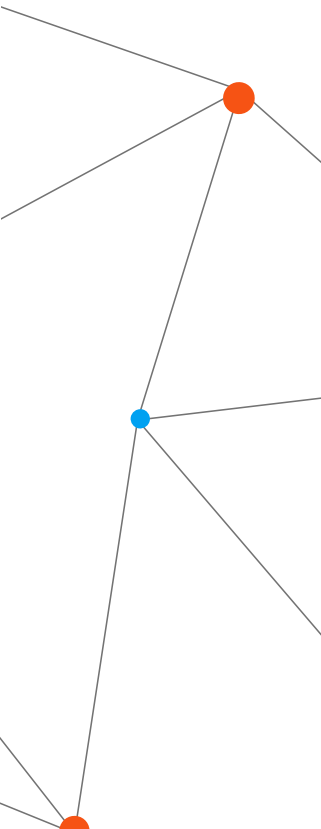
100.00%

Prioritized to Qualified Rate

Qualified to Pipeline Rate

53.8%

Qualified to Pipeline Rate



OPPORTUNITY CREATION

Funnel Creation

Opportunities Created

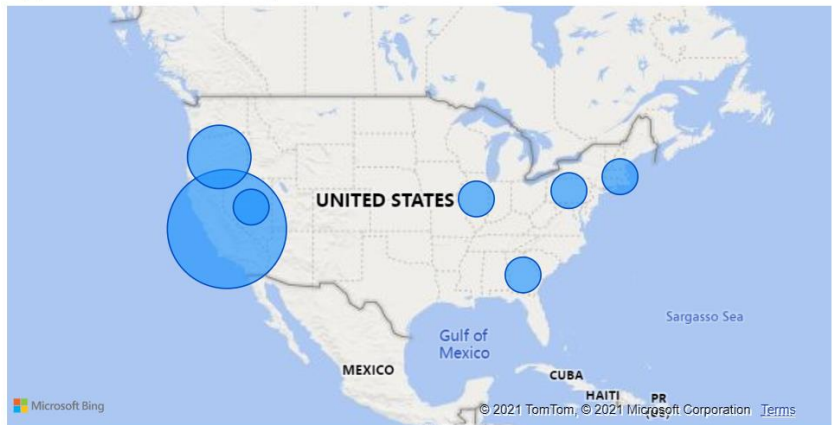
16

8/1/2021

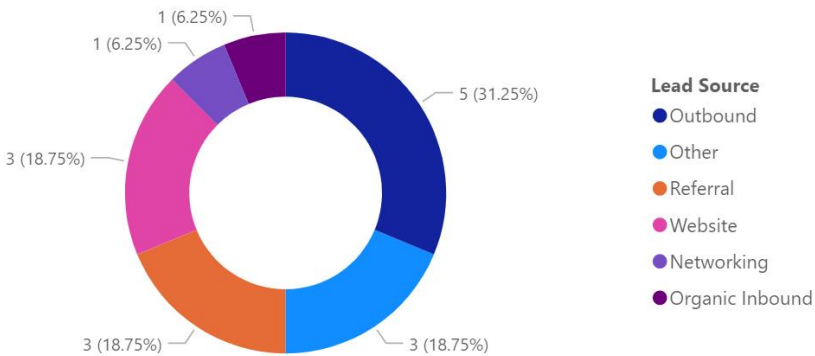
10/31/2021



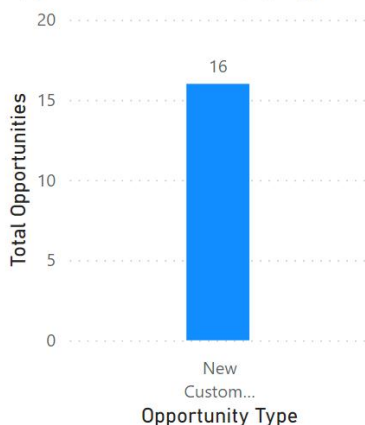
Opportunities Created, by Location



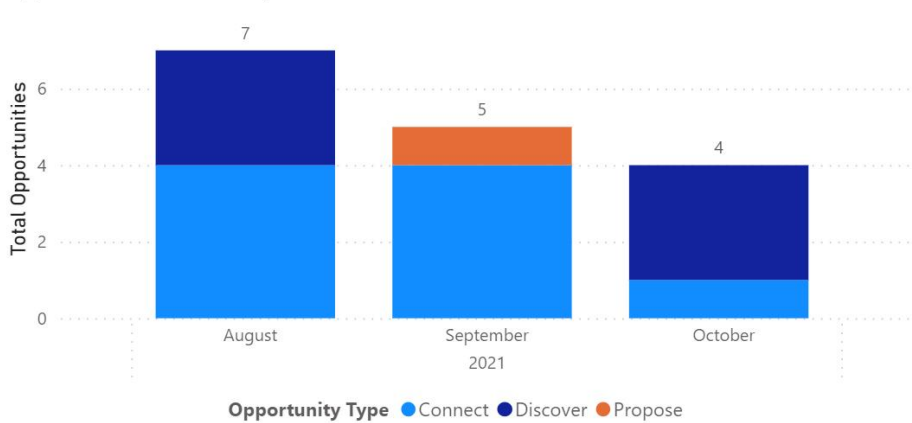
Total Opportunities by Lead Source



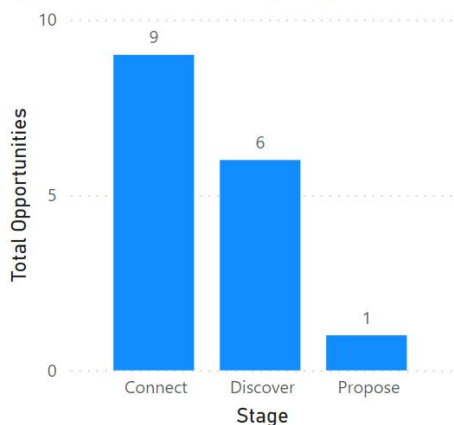
Opportunities Created, by Type



Opportunities Created by Date

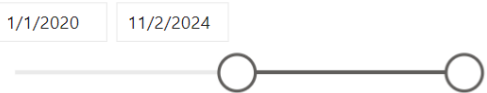


Opportunities Created, by Stage



WIN ANALYSIS

Win Analysis



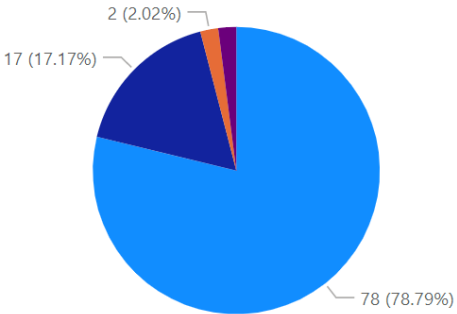
78.8%

Win Rate

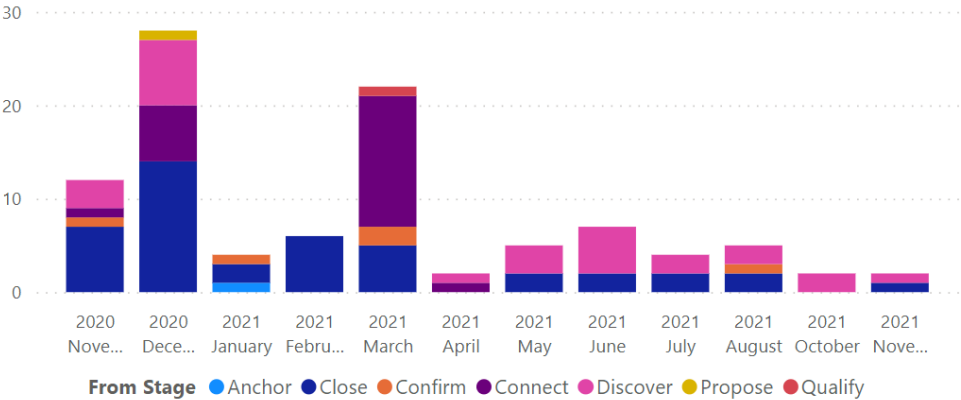
Total and Win Rate, Over Time



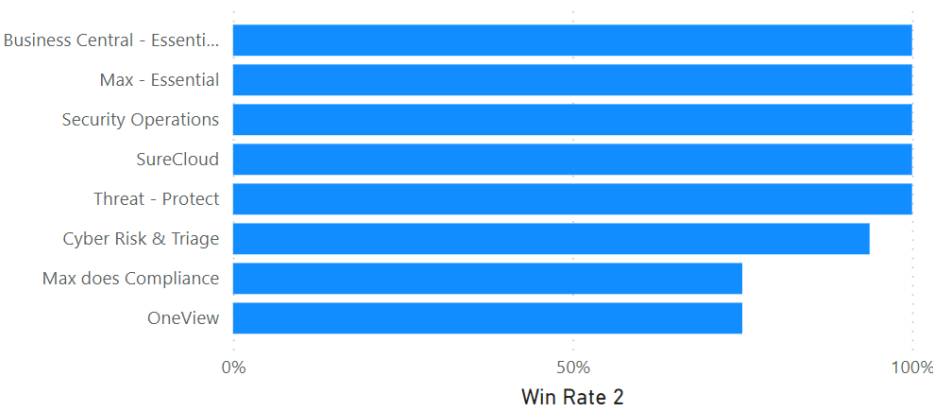
Closed Opportunities by Status Reason



Closed Opportunities by Month



Win Rate by Product



SUBSCRIPTION GROWTH

Subscription Growth

Year

Multiple selections

Quarter

All

\$3.59M

Total ARR

9.68%

Monthly Growth

1191.56%

Yearly Growth

ARR Climb



4M

2M

0M

Jan 2020

Mar 2020

May 2020

Jul 2020

Sep 2020

Nov 2020

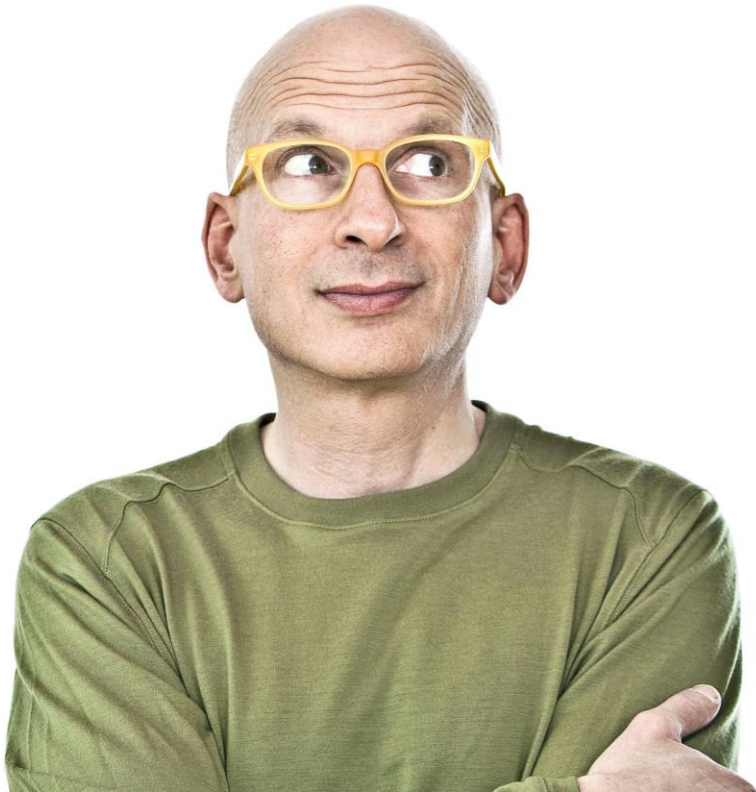
Jan 2021

Attrition Discount Renewal Renewal Price Increase Net New Back to Base

Gotcha's to watch out
for



JUST SHIP IT



Seth Godin, *The Practice*, "Just Ship it!"

YOUR CURRENT METRICS, COMP, PROCESSES MAY NOT SCALE

- Sales Compensation
- Services Compensation
- Utilization
- Early Customer Profitability
- Retention
- Net Churn
- Sales Efficiency



www.tekstack.com/maturity-model

Any questions?

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