GoMo CONSULTING

Segment Metrics

A Scorecard for Aligning Go to Market Teams

Table of Contents

Introduction:
Creating Alignment
and Ownership

It's understandable that silos exist in how companies go to market. "Going to market" is a complex process involving many departments, from product to marketing teams, to sales and sales support, even services and support teams.

Workers in each department have little direct influence on performance in a segment. Revenue, win rate, market share - these are far-flung abstractions to a content marketer, for example, whose efforts can impact content usage, but don't obviously impact win rate and market share.

The challenge is creating a sense of ownership by all go to market teammates in how a company performs in target markets. The recommendation here is to create better visibility into performance with metrics that, individually, are relatable to teammates, and, in aggregate, create clarity into performance.

Visibility raises awareness of performance - but visibility alone does not create ownership. That comes, at least in part, in how Segment Scorecards are used, discussed below.

What's a Segment?

The scorecard defined below can be used at the company level, to reveal performance in all markets, which can provide useful insights. But for creating ownership by go to market teams, and for improving performance at ground level, the scorecard is best used for tracking performance in individual target segments, one scorecard per segment.

For many companies, the definition of target market segments is obvious: usually, it corresponds to the structure of the sales teams. For example, a company serving one market may split the sales team between enterprise and SMB companies, because the sales motions are different. Another example is dividing the sales team by industry. In these cases, one scorecard should be maintained for each sales team or industry segment.

For some companies, though, the definition of segments isn't so obvious. Many companies produce products that are sold similarly across industries. In these cases, one sales team may sell to all industries

- but strategically, you may want to track performance in specific segments. For example, a company may use one scorecard for multiple industries where presence is established, but create a separate scorecard for a segment that's a new target.

Defining segments, and producing corresponding scorecards, is a strategic consideration, different for every company. The definition has important implications for how team members approach their work. Orienting teams to the right goals is one purpose of Segment Scorecards, and an important step in creating ownership of market performance.

> … the scorecard is best used for tracking performance in individual target segments, one scorecard per segment.

How Segment Scorecards Should Be Used

There are two audiences and uses for Segment Scorecards

Operational Segment Teams: To mitigate operational myopia and silos, cross-functional teams should be chartered and given responsibility for segment performance, as well as the authority to make decisions and to manage performance. Segment teams are composed of leads from marketing, sales support, and account management. While these teams are focused on day-to-day operations, the scorecard is their North Star.

GTM Executive Leadership: All go to market activity of a company should be captured in Segment Scorecards. In other words, by examining each Segment Scorecard in monthly and/or quarterly business reviews, executive leadership will get a regular update on performance in every market segment targeted by the company.

A Balanced Segment Scorecard			
Segment Performance	Demand Generation	Pipeline	Sales Performance
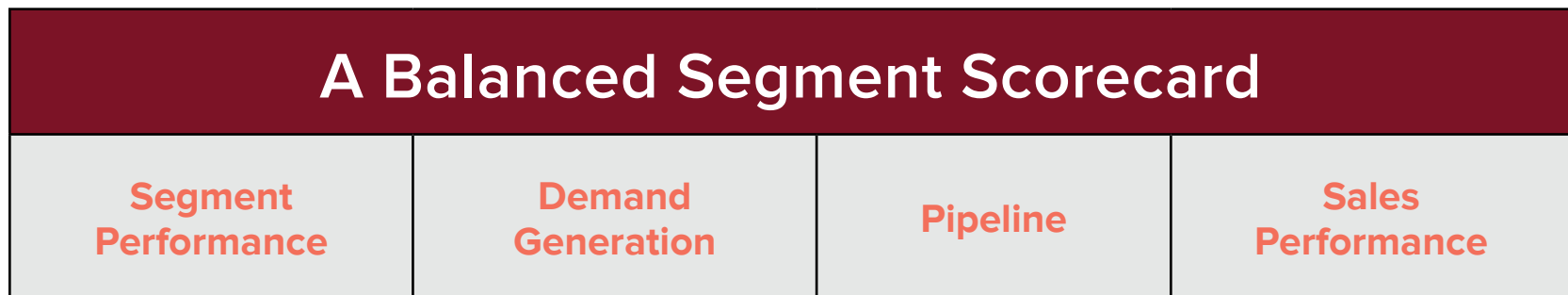
Notes on the text below:

- Unless otherwise stated, the metrics in the scorecard should be monthly, for the most recently completed month. In the definitions below, **Total = total for the previous month**.

- The following tables show a full set of metrics for each area, providing a full picture of performance. Alternatively, you can use a subset of metrics in each area, to focus managers on the most critical metrics.

Segment Performance Metrics

Segment metrics are the end result of a company's efforts to win business in a target market.
The metrics define - specifically - the size of the market, and how much of the market is currently owned and retained by the company.

Metric	Definition	Views
Service obtainable accounts	Number of accounts in the market segment that the company can realistically reach and win as customers.	• Running total • By geo / sales team
Targeted SOM accounts	Number of Service Obtainable Accounts targeted with demand gen activity	• Total • Running total • % of SOM accounts
Engaged SOM accounts	Number of Service Obtainable Accounts engaged by sales development or sales teams, including accounts in process, won or lost	• Total • Running total • % of SOM accounts
SOM accounts won and retained	Number of Services Obtainable Accounts that are current customers	• Total • Running total • % of SOM accounts
Churned Customers	Number of Customers who did not renew their contracts, including downgrades	• Total # • Total # for the previous 12 months • Total revenue • Total revenue for the previous 12 months
Monthly recurring revenue	Amount of revenue that was due to recur in the previous (baseline for calculating NRR)	• Total • Average for the previous 12 months
Net Retained Revenue	As a percentage, MRR + (expansion revenue - churned revenue) divided by MRR	• % (for the month) • % (for the previous 12 months)
Market Share	MRR as a percentage of total revenue for the Services Obtainable Market. (Alternatively, or in addition, this can be reported from an external source)	%

Demand Generation Metrics

Top of funnel metrics track how well the company is creating new business.

Metric	Definition	Views
Leads	Contact capture of any kind (e.g., content or webinar registrants, event attendees, etc.), unverified	• Total • Total by lead source • Month-over-month • Year-over-year for the month
Marketing Qualified Leads	Vetted leads (usually by Sales Development), ready for sales review	Same as above
Sales Qualified Opportunities	aka, Sales Accepted Leads or Sales Qualified Leads - when ownership is accepted by a salesperson and an opportunity is created	Same as above
Conversion rate - Lead to MQL	Leads converted to MQL divided by Leads converted to MQL + Leads rejected (regardless of lead creation date)	• Conversion for the month • Conversion rate of previous 12 months
Conversion rate - MQL to SQO	MQLs converted to SQOs divided by MQLs converted to SQOs + MQLs rejected (regardless of lead creation date)	Same as above
Cost per SQO	Average cost per SQO, including lead acquisition cost (overall and by lead source) and labor cost of qualifying	• Average • Average by lead source • Average for the previous 12 months

Pipeline Metrics

Pipeline metrics are essentially a status check on how the company is performing in the current month and quarter, including what's been won, lost, and set up for closure.

Metric	Definition	Views
Won revenue	Amount of revenue won from closed (won) contracts	• Total • From new customers versus existing • Month-over-month • Year-over-year for the month
Lost revenue	Amount of revenue lost in closed (lost) opportunities	• Total • From new customers versus existing • Month-over-month • Year-over-year for the month
Net new pipeline created	Revenue from new opportunities created in the month, minus revenue lost in closed (lost) opportunities	• Total • From new customers versus existing • Month-over-month • Year-over-year for the month
Pipeline revenue by stage	Snapshot of revenue in the pipeline, by stage, at the end of the month	• Total • Month-over-month • Year-over-year for the month

Sales Performance Metrics

Sales performance metrics reveal the efficacy of go to market and sales efforts to win business.

Metric	Definition	Views
# won opportunities	Number of contracts successfully signed	• Total - # • Total - revenue • New logo opportunities • Upsell / cross-sell opportunities • Month-over-month • Year-over-year for the month
# lost opportunities	Number of opportunities lost	• Total - # • Total - revenue • New logo opportunities • Upsell / cross-sell opportunities • Month-over-month • Year-over-year for the month
# lost opportunities by reason	Breakdown of lost deals by loss reason	• # (and %) • Revenue (and %)
Average deal size	Won revenue divided by # won opportunities	• Average • Month-over-month • Year-over-year for the month • New logo opportunities • Upsell / cross-sell opportunities
Average time to close	For won opportunities, average # days to win a deal, from opportunity create date to close date	• Average • Average for the previous 12 months • New logo opportunities • Upsell / cross-sell opportunities
Win rate - # opportunities	# won opportunities divided by # won opportunities + # lost opportunities	• New logo opportunities • Upsell / cross-sell opportunities • Month-over-month • Year-over-year for the month
Win rate - revenue	Won revenue divided by won revenue + lost revenue	• New logo opportunities • Upsell / cross-sell opportunities • Month-over-month • Year-over-year for the month
Phase to phase conversion rate	Conversion rate at each stage of the sales process	• % by stage • % by stage for the previous 12 months

About Gomo

GoMo Consulting is a specialty practice, focused on B2B go to market strategy, product marketing and sales enablement. Founded in 2022, the company is led by Tom George, with a network of affiliated service providers who staff projects as needed. Jack Meeks, Founder of Bay Cloud Partners, an Executive Sales recruiting agency, manages GoMo's go to market operation.

www.gomo-consulting.com