

MIT Entrepreneurship – Beachhead Markets

Bill Aulet and the team at MIT have noted seven qualifying questions for consideration regarding “beachhead markets”, when a founder is investigating their market entry strategy.

This may not indicate the most lucrative, long-term market segment, but it gives an attractive starting point with greater odds for success.

Here are the seven qualifying questions:

1. Are there funds to pay for the product? Remember - if a provider has a fixed budget like a healthcare system, this means that they may need to redirect funds from another cost centre or product/service.
2. Can you easily get this product to your customer? This addresses physical accessibility, but it also refers to contractual obligations. Are you potentially excluded from a market by existing, restrictive covenants?
3. Is your value proposition strongly defined and aligned with benefits that only you uniquely provide? I have a mentor who prefers to frame his thinking process with "what's at stake" for the potential client, rather than "what is their pain point".

4. Is there an entrenched competitor acting as a blocker that could be a hurdle? This builds upon #3, but it differs slightly. Hurdles may be real or perceived. Perceived hurdles may be mental constructs that the incumbent has created with a buyer which are untrue or overblown. These need to be challenged and evaluated.
5. Can you deliver the "whole product" or rather a "partial product". A full solution has more power.
6. If you win this beachhead market, will it afford access to other segments as well? If it provides capability and credibility, this is advantageous.
7. Is the market consistent with the values, passions, and goals of the founding team? Does it fit with their financial and personal circumstances?

