



YOUR ENTERPRISE GO-TO-MARKET IS BROKEN:

HERE'S HOW TO FIX IT

PRODUCTS
THAT
COUNT



MIGHTY
CAPITAL




FOREWORD

Entrepreneurs, if you're like the brilliant CEOs in our portfolio, your top concern is the success of your business, especially your go-to-market (GTM) strategy. But let's face it: traditional enterprise GTMs just aren't cutting it anymore. Feeling stuck with a broken GTM? Don't worry—you're in the right place!

Optimizing customer acquisition in the age of AI is tough, and here's why: traditional GTM strategies are dead. Cold calling? It used to be the way to reach new customers, but post-pandemic, people don't pick up the phone at their desks anymore. And emails? AI has flooded inboxes with machine-generated messages, making it hard to stand out.

So, how do you acquire enterprise customers without these foundational channels? It comes down to your product and leveraging it as a distribution channel. Drop a great product into a community of professionals, and they will refer it to one another. It's super effective and cost-efficient.



The importance of product in business has skyrocketed, changing the game for top companies globally. AI and digital transformations have propelled product teams at Fortune 1000 companies into the limelight, positioning them as the new power players with massive budgets.

At Mighty Capital, we believe that the product function is at an inflection point. Product is emerging as a major distribution channel for the next generation of companies like Amplitude, DigitalOcean, Groq, and Canela. They invited us to invest and consider us one of their most valuable investors because we provide exclusive access to over 500,000 product managers through our phenomenal partnership with Products That Count, a non-profit dedicated to helping everyone build great products. This product ecosystem accelerates execution, increases sales, and attracts top-tier talent.

This white paper reveals the crucial role of product in modern enterprise GTM strategies. It highlights the game-changing potential of product-first strategies. These insights can open new paths to growth for your company and give you a serious competitive edge.

Are you ready? Let's dive in.



SC Moatti

Products That Count Founder & Board Chair

SC Moatti is the Founding Managing Partner of Mighty Capital, a Silicon Valley venture firm, and chairs the Board of Products That Count, a 501(c)3 nonprofit that helps everyone build great products and inspires 500,000+ product managers. SC earned her reputation as a product visionary and technology investor during the mobile era, when she built products that billions of people use at Meta/Facebook and Nokia, won industry awards and nominations from the Wall Street Journal and the Emmys, and wrote an award-winning bestseller on what makes a great product. She has been called “a genius at making products people love” and named a Top Voice in venture capital on LinkedIn. SC frequently speaks to product and investing trends, including a recent keynote at TheNextWeb, a fireside chat at Fortune Most Powerful Women Summit, featured articles in the Harvard Business Review and TechCrunch, and interviews on NPR (Tech Nation) and CNBC (Closing Bell.) She serves on the boards of public and private companies, lectured on product and investing at the executive programs of Stanford and Columbia Universities, earned a master's in electrical engineering and a Stanford MBA, and is a Kauffman Fellow and member of YPO.

TRADITIONAL GO-TO-MARKET STRATEGIES NO LONGER WORK

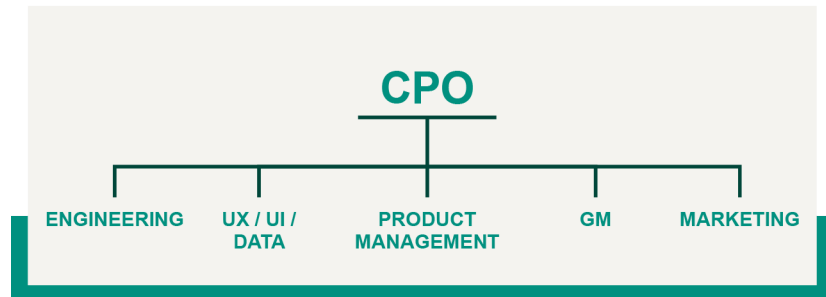
It's time to redefine enterprise GTM. **Let's face it: traditional GTM strategies are busted.** Broken. They simply don't work anymore. If you're relying on these outdated strategies, it's time to admit your GTM might be broken.

Budgets have shifted away from traditional buyers

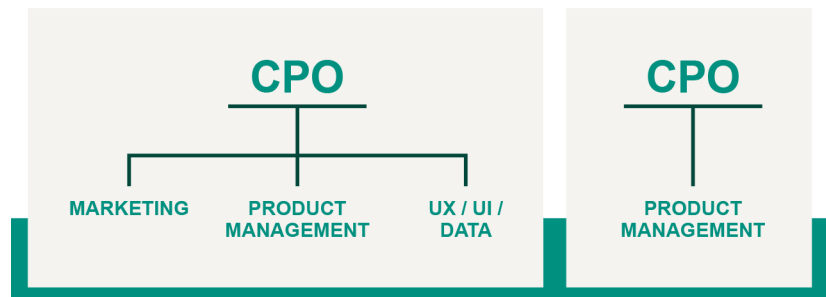
During the pandemic, the only way to reach customers was online. As a result, there was a significant shift inside large enterprises: the voice of the customer moved from marketing teams to product teams, who own digital channels. This shift led to a **material decline in marketing budgets** and a dramatic rise in the influence and budget of product teams. Notably, the percentage of Fortune 1000 who appointed a Chief Product Officer (CPO) to the C-suite surged from a modest 3% pre-pandemic to a formidable 40% in 2024—a massive surge in a short time.

Engineering budgets also tightened in response to advancements in AI and the realization that digital transformations are fundamentally business priorities, not just technology projects. Our research reveals that digital transformations are far more successful when led by product teams with direct control over resources such as product and engineering. CPOs who oversee a broader range of functions, from engineering to product, analytics and marketing, are over 3 times more likely to achieve high growth and meet their objectives than CPOs who only control product resources.

**>70%
SUCCESS
RATE**



**<20%
SUCCESS
RATE**



As marketing and engineering budgets shrink and departments are flooded with vendors, it has become increasingly challenging for new categories and innovative companies to capture their attention and secure deals.

TRADITIONAL LEAD GENERATION TACTICS AREN'T DELIVERING THE RETURNS THEY USED TO

Take email marketing, for example. It used to be that a well-crafted email could reach its target. But now, with the rise of AI, email inboxes are flooded with spam. Thousands of machine-written emails mean **decision-makers aren't reading your emails** — they're deleting them first thing in the morning.

Cold calling has its own set of challenges. The pandemic and the shift to remote work mean even if you find a valid phone number, the chances of reaching someone at their desk are slim to none. **Decision-makers just aren't answering your calls.**

And then there's leveraging popular platform partnerships. Founders are up against tech giants like Salesforce, Amazon, and Google, which impose hefty **platform taxes—often 30% of revenue—squeezing margins** for startups.

New tactics like product-led growth (PLG) have been instrumental in the success of products like Dropbox and Skype, driving continuous usage and eventually transitioning to paid subscriptions. But for PLG to work, products must meet specific criteria:

- They need to be purchased by a single approver and at a lower price point.
- They must have an embedded network effect where the value of the product increases with each additional user, creating inherent virality.
- They need to be sticky so that users who rely on them don't easily discard them

Unfortunately, only a **few enterprise products meet all PLG criteria, limiting its applicability—until now**. As we're about to discuss, product-led sales strategies are now evolving to include enterprise products with higher price points and sophisticated sales cycles.

What Works Now:

PRODUCT-LED ENTERPRISE SALES



The CPO is the single role in business that can make or break both the short and long term prospects of a company.”

– Lisa Mitnick, EVP and America Portfolio Lead, Capgemini

Recognize the strategic role of Product Managers

Product Managers (PMs) are the visionaries who identify trends before anyone else. **If your product can help them achieve their goals, you will capture their attention.**

Product management is now indispensable for business success. Their deep understanding of consumer needs and access to resources for experimentation empower them to explore new technologies and solutions. Continuously

reinventing products to stay relevant, PMs demonstrate a growth mindset that drives organizational alignment, growth, and strategy. They prioritize ROI and impact key performance indicators.

By adopting innovative solutions, **PMs bridge the gap between groundbreaking ideas and commercial viability**, shaping the future of both established companies and startups.

TRANSITION YOUR SALES TEAM TO TARGET PMS

Entrepreneurs adopting a product-led enterprise sales strategy aren't just closing deals; they're building lasting partnerships. By turning PMs into champions, they ensure approval, implementation, and sustained engagement.

PMs have a passion for groundbreaking products, making them ideal partners for visionary entrepreneurs. The most successful CEOs invest in transitioning their GTM strategy from sales-led to product-led, which involves:

- A new culture: Sales-led organizations focus on incremental improvements ('faster horses'). In contrast, **product-led organizations anticipate customer needs and deliver innovative solutions** ('a car'). This represents a significant cultural shift within the organization.
- A different organizational structure: Sales-led growth relies on new customer acquisition (hunters) and customer retention/upsell (gatherers). **In a product-led sales organization, most growth comes from existing customers through referrals**. This requires shifting from distinct new customer and renewal divisions to an integrated approach focusing on customer satisfaction and advocacy.

POSITION YOUR PRODUCT TO ATTRACT PRODUCT MANAGERS

If there's one thing that appeals to PMs, it's a great product. This may sound simple but it's hard to do. We've been asking this question of product professionals for over a decade: [what makes a great product?](#) Think about the products we use in our daily lives—they've become an extension of ourselves. So, when we consider what makes a product great, we need to reflect on what makes us our best selves.

The **Product Formula** can help:

- **Mind:** The best products learn as we use them. We're all learning creatures, and we want our products to evolve and grow with us.
- **Spirit:** We all seek meaningful lives, and we expect our products to be meaningful too—personalized yet respectful of our privacy.
- **Body:** We all want to look good, and we expect our products to look good as well. This means creating products that are efficient and evoke positive emotions. what makes us our best selves.

| The Product Formula

The Three Rules of Successful Products.



Mind: Learning

The best products learn as we use them.

Spirit: Meaning

The best products give us meaning.

Body: Beauty

The best products operate by beauty.

Keep these three pillars in mind when you're speaking with PMs. It will help you connect with them on a deeper level and speak their language.

PRODUCT AWARDS

The product ecosystem is blossoming like never before. Product Managers are visionaries, always on the lookout for innovative solutions that align with their mission of driving digital transformation at scale.

Our prestigious Product Awards celebrate the best products, based on months of meticulous research and insights from thousands of product leaders. The 7th annual Product Awards are a testament to this growth, boasting 6,000 nominations—a 10X increase over the past 5 years.

The 2024 Product Awards reveal something even more extraordinary: 67% of nominated companies are AI-based, a significant jump from last year's 20%. This surge underscores that AI is not just a fleeting trend; it is rapidly becoming the backbone of industries across the board. Fortune 1000 companies are harnessing AI products to unlock unprecedented levels of efficiency and productivity.

7TH ANNUAL PRODUCT AWARDS

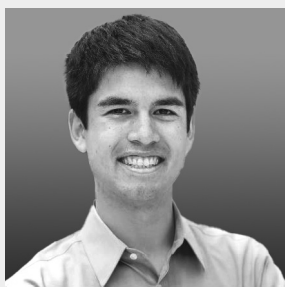
6,000 NOMINATIONS

10X INCREASE OVER 5 YEARS

67% OF NOMINATED
COMPANIES ARE
AI-BASED

FORTUNE 1000
COMPANIES ARE
**HARNESSING
AI PRODUCTS**
TO UNLOCK
**UNPRECEDENTED
LEVELS OF**
EFFICIENCY AND
PRODUCTIVITY.

JOIN PRODUCT ECOSYSTEMS TO SCALE YOUR EFFORTS



“Our partnership with Products That Count has been very successful. We accelerated sales velocity by 30%.”

– Spenser Skates, Founding CEO, Amplitude

To truly connect with PMs, we strongly recommend that you **become involved in product communities**. Listen attentively to the pulse of these communities, contribute meaningfully to the collective knowledge, and build authentic relationships. These genuine connections are the foundation of effective engagement, leading to word-of-mouth and referrals. This is how the best entrepreneurs create powerful lead generation today.

What should you consider when **choosing the right product community**? The most crucial factor is forging relationships with many PMs, for all the reasons we've discussed. Additionally, consider the composition of the community. Are the key verticals important to your business represented? To scale effectively, also consider seniority. Does the community provide access to Director-, VP-, and C-level product leaders?



What should you consider when choosing the right product community? The most crucial factor is forging relationships with many PMs, for all the reasons we've discussed. Additionally, consider the composition of the community. Are the key verticals important to your business represented? To scale effectively, also consider seniority. Does the community provide access to Director-, VP-, and C-level product leaders?

Amplitude **garnered recognition and acclaim through our renowned Product Awards**, receiving multiple nominations and accolades. These honors caught the attention of investors, including Mighty Capital, Benchmark and Sequoia Capital, propelling Amplitude into the spotlight and providing crucial validation for its product offerings. Additionally, Amplitude was featured on our award-winning Product Talk podcast show and participated in executive roundtables tailored to their target audience within the product community.

According to CEO Spenser Skates, harnessing the momentum gained from these engagements accelerated their sales cycle by a remarkable 30%, translating into **millions of dollars in revenue** and solidifying their position as a market leader in the analytics space.

Amplitude went public on NASDAQ in 2021, boasting a \$5 billion market cap. This underdog success story is a testament to the power of community, innovation, and unwavering determination.

RIDE THE PRODUCT WAVE TO SUCCESS

Product organizations have emerged as the true drivers of AI transformations. Armed with substantial budgets, they're not just participating; they're leading the charge.

According to a report by Products That Count, based on interviews with over 1,000 CPOs, product teams have been massively empowered: 70% of those surveyed have P&L responsibility, marking a shift towards product teams generating revenue with product-driven approaches that include repositioning, strategic acquisitions, and business models innovation. That enhances revenue quality. In other words, **product quality drives revenue quality**, making 'the best product wins' a reality.

These insights highlight the transformative role of CPOs across industries. Impressively, 20% of our CPO Award winners are promoted to President or CEO within a year, showing rapid career growth for top-performing CPOs. **Companies with a CPO consistently outperform their peers** in both public and private markets, underscoring the strategic value of having a dedicated product leader.

Public company benchmark



Private company case study

WNDRVR



"From referrals to new business models, product is our biggest value driver."

***Avijit Sinha, Windriver President,
Products That Count Board
Member, Fmr Microsoft GM***

CONCLUSION

In conclusion, the landscape of enterprise GTM strategies has fundamentally changed. Traditional methods like cold calling and email marketing are losing their effectiveness in the age of AI and remote work. Entrepreneurs need to adapt by leveraging their products as powerful distribution channels. Introducing a great product into professional communities can generate organic referrals, resulting in highly effective and cost-efficient lead generation.

The rise of AI and digital transformations has elevated the importance of product teams, particularly within Fortune 1000 companies. These teams now have substantial budgets and are key drivers of innovation and growth. The product function is at an inflection point. Embracing a product-first enterprise sales strategy is essential for entrepreneurs seeking to thrive in today's competitive market.

PRODUCTS THAT COUNT

ABOUT PRODUCTS THAT COUNT

Products That Count is a 501(c)(3) nonprofit that helps everyone build great products. It celebrates product excellence through coveted Awards that inspire 500,000+ product managers and honor great products and the professionals responsible for their success. It accelerates the career and rise to the C-suite of >30% of all Product Managers globally by providing exceptional programming – including award-winning podcasts and popular newsletters – for free. It acts as a trusted advisor to all CPOs at Fortune 1000 and publishes key insights from innovative companies, like Capgemini, SoFi, and Amplitude, that turn product success into business success.

Learn more at productsthatcount.com



MIGHTY

CAPITAL

About Mighty Capital

Mighty Capital has established itself as a leading venture capital firm in Enterprise AI. Our most successful founders consider us the best value for the dollar invested, often crediting us for their Series A success. They invite us to lead their funding rounds because we bring exceptional C-level operators into their boardrooms and provide exclusive access to a global network of over 500,000 product managers. This unlocks faster execution, enabling them to increase sales rapidly and attract top-tier talent. Institutional investors praise our product-first strategy, which systematically spot trends before they become hypes. Our high-performing investment team consistently delivers high returns, with top quartile TVPI, as 1 in 5 portfolio companies are outliers like Amplitude, Groq, and Canela. We also minimize risk, as demonstrated by top quartile DPI, as 1 in 3 portfolio companies exited within 5 years, including 3 IPOs. Notably, we have sent distributions every year for the past 5 years.

Learn more at mighty.capital



Brought to
you by

In partnership
with

PRODUCTS
THAT
COUNT

MIGHTY

CAPITAL