

Rev1 Entrepreneur Toolkit: MARKET

Identifying Your Market

Total Addressable Market (TAM)

What is the total possible market for your product? At whom are you targeting your product?

Case Study: Applied Materials

What is it: technology chip manufacturer

Total Addressable Market: \$30B semiconductor equipment manufacturer

Limiting factors:

Deposition etch technology approach (cuts market in half--\$15B) Only regions where 24/7 service is available (cuts in 1/3--\$5B)

Serviceable Addressable Market: \$5B—based on above limiting factors)

Use these helpful resources to identify your market.

Google

Ohio State Library https://library.osu.edu/

Marketing segment/tier

Serviceable Addressable Market (SAM)

Platform (mobile, android, iOS, Mac, or PC)

What are other filtering or limiting factors?

Geography/location

Serviceable Obtainable Market (SOM)

SOM cannot be reliably calculated until you have validated your assumptions and customers with prototypes.

Be critical of your TAM; investors will. Ask the tough questions that will help you target, and take the time to find the supporting data.

SOM is a bottom-up approach of all the internal resources it takes for you to capture the market you are targeting.

If you cannot articulate the difference between your TAM, SAM and SOM, you will lose credibility with investors.