GROWTH THAT COMPOUNDS

What is go-to-market efficiency? The denominator across growth and capacity

Go-to-market efficiency is a declared output-to-resource ratio. Name output, denominator, maturity, and capacity before comparing motions.

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MANAGEMENT SUMMARY

Go-to-market efficiency is a declared ratio of an output to the commercial resources used to produce or support that output over a named period. There is no universal denominator: a team may use collected revenue, contribution, bookings, or another output, and may include marketing, sales, implementation, partner, or shared capacity costs. This article separates GTM efficiency from MER, ROAS, CAC payback, contribution margin, and causal return. A synthetic range chart shows how self-serve, sales-led, and partner-assisted motions can produce different ratios under declared output, resource, and maturity assumptions. Homburg et al. and Biemans et al. provide bounded multichannel and interface context. The formula, ranges, and ledger are author synthesis, not a benchmark or causal ranking.

Keywords: Go-to-Market Efficiency · GTM Efficiency · Efficiency Denominator · Commercial Capacity · Growth Investment · Contribution Margin · Sales Capacity

A board slide can call one motion efficient because it divides revenue by marketing spend. A finance review can call the same motion inefficient after adding implementation, support, partner fees, and sales capacity. The arithmetic is not necessarily wrong. The denominator is answering a different question.

Go-to-market efficiency is a declared output-to-resource ratio for a named motion and period. The ratio is only comparable when output, resource boundary, currency, maturity, capacity, and attribution rule are visible.

The marketing efficiency ratio article owns the whole-business revenue-to-marketing-spend ratio. The sales-productivity article owns the allocation of selling time. The channel-economics article owns route-level contribution. This page owns the cross-motion denominator.

What does go-to-market efficiency measure?

State the ratio's objects:

Table 1 What does go-to-market efficiency measure?

Field	Possible declaration	Failure when it is hidden
Output	Collected revenue, contribution, bookings, gross profit, or qualified pipeline	A revenue ratio is read as profit or cash efficiency
Resource denominator	Marketing, sales, implementation, partner, support, or shared cost	One motion receives less cost than another
Motion	Self-serve, sales-led, partner-assisted, or mixed route	Different operating paths share one unqualified label
Period	Month, quarter, cohort, contract year, or payback horizon	Short-cycle output is compared with long-cycle spend
Maturity	Collection, realization, renewal, or observation cutoff	Immature output makes a motion look weak or strong
Capacity	Available labor, service, partner, and implementation limits	A ratio ignores the scarce resource it consumes
Attribution	Descriptive association or counterfactual design	Efficiency is presented as a causal return

Table from this essay. Sources and interpretation are given in the article.

The ratio is not made better by adding every possible cost. It is made more useful by matching the boundary to the decision and holding the same boundary across the comparison.

What is the GTM efficiency formula?

One operating convention is:

GTM efficiency = declared output / declared GTM resource cost

If the output is contribution and the denominator is marketing plus selling cost, the ratio describes contribution per declared euro of those resources. If the output is bookings and the denominator is media cost, it describes a different ratio. Use a different label or a separate metric card.

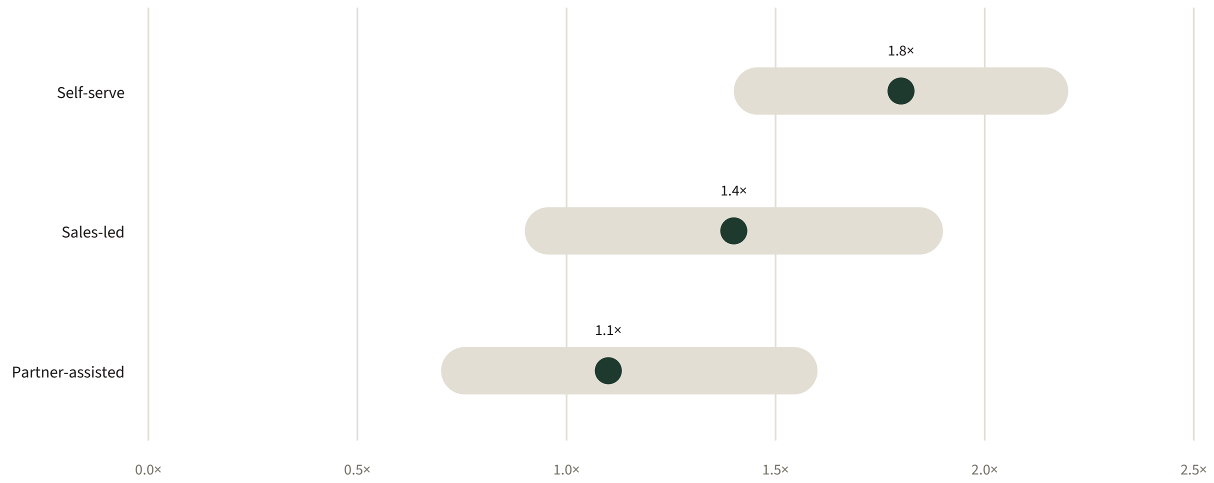
Homburg, Vomberg, and Muehlhaeuser connect multichannel sales-system design and governance with financial performance in a B2B setting. Their study supports a conditional comparison with visible channel architecture, not a universal efficiency ranking.

Biemans, Malshe, and Johnson review the sales-marketing interface and its structural and relational themes. That literature supports preserving coordination and interface work as part of the operating context. It does not supply a GTM denominator or prove that coordination spending causes a given return.

What does a GTM efficiency range look like?

The range is synthetic. It shows a low, central, and high value under sensitivity to declared output, resource, maturation, and allocation assumptions. The values are not company observations or targets.

Figure 1 Synthetic GTM efficiency ranges



Author's synthetic GTM efficiency sensitivity model grounded in Homburg, Vomberg and Muehlhaeuser (2020) and Biemans, Malshe and Johnson (2022). Ranges vary declared output, resource, maturity, and allocation assumptions; they are not benchmarks.

Table 2 What does a GTM efficiency range look like?

Motion	Declared output	Declared resource	Maturity cutoff	Central ratio	Decision use
Self-serve	Collected contribution	Marketing and product growth cost	30 days after entry	1.8	Monitor low-touch scale
Sales-led	Collected contribution	Marketing and selling cost	90 days after opportunity	1.4	Review capacity and payback
Partner-assisted	Collected contribution	Partner fee, support, and acquisition cost	120 days after contract	1.1	Review route economics

Table from this essay. Sources and interpretation are given in the article.

The central ratios are not a ranking. A partner-assisted motion may reach accounts that self-serve cannot, and a sales-led motion may use capacity to solve a different customer problem. Those are decision boundaries, not reasons to hide the denominator.

How is GTM efficiency different from MER or ROAS?

MER compares a declared total-revenue numerator with total marketing spend. ROAS commonly compares attributed revenue with declared advertising spend. GTM efficiency can use contribution and include multiple commercial resource categories. The metrics can all be valid if their objects are named. They cannot be substituted because the acronym looks familiar.

Table 3 How is GTM efficiency different from MER or ROAS?

Metric	Typical numerator	Typical denominator	Causal boundary
MER	Total revenue	Total marketing spend	Descriptive blended signal
ROAS	Attributed revenue	Ad spend	Depends on attribution and does not prove incrementality
GTM efficiency	Declared output such as contribution	Declared GTM resources	Depends on declared boundary; not causal alone
CAC payback	Gross profit or contribution over time	Acquisition cost	Requires cohort, cost, margin, and maturity rules

Table from this essay. Sources and interpretation are given in the article.

What does go-to-market efficiency not measure?

GTM efficiency does not identify incremental demand, profit in every accounting sense, market potential, customer value, or the causal effect of a motion. It does not establish a universal denominator or an acceptable target. It does not make a motion efficient simply because shared costs were excluded.

If the team wants a causal return, it needs an exposure rule, counterfactual, timing, outcome, substitution test, and capacity boundary. The ratio supplies context for that design.

How should a team review the denominator?

1. Name motion, unit, output, currency, and period.
2. List every included and excluded resource category.
3. Align maturity, collection, payback, and renewal cutoffs.
4. Preserve capacity and implementation limits.
5. Keep descriptive efficiency separate from incremental return.
6. Recalculate when output or denominator definitions change.
7. Route unresolved scope or maturity differences to a measurement review.

GTM efficiency is a ratio with a decision boundary. The number becomes useful when the denominator travels with it.

Biemans, W., Malshe, A., & Johnson, J. S. (2022). The sales-marketing interface: A systematic literature review and directions for future research. Industrial Marketing Management, 102, 324-337. https://doi.org/10.1016/j.indmarman.2022.02.001

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END OF ESSAY

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